Suprajit Engineering Limited
Registered & Corporate Office : #100, Bommasandra Industrial Area, Bengaluru - 560 099. Tel: +91-80-43421100, Fax: +91-80-27833279
E-mail: info@suprajit.com Web : http://www.suprajit.com
Corporate Identity Number (CIN) : L29199KA1985PLC006934

QUALITY SYSTEM CERTIFICATION DNV·GL IATF 16949

August 22, 2018

Ref: 532509 BSE Limited Department of Corporate Services P. J. Towers, 25th Floor, Dalai 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 Sir(s),

Sub: Annual Report 2017-18

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the adopted Annual Report at the 33rd Annual General Meeting of the Company held on August 14, 2018 at Plot No. 101, Bommasandra Industrial Area, Bangalore – 560 099.

Please take the document on record and kindly treat this as compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thanking you

Yours faithfully
For Suprajit Engineering Limited,

Medappa Gowda. J
CFO & Company Secretary

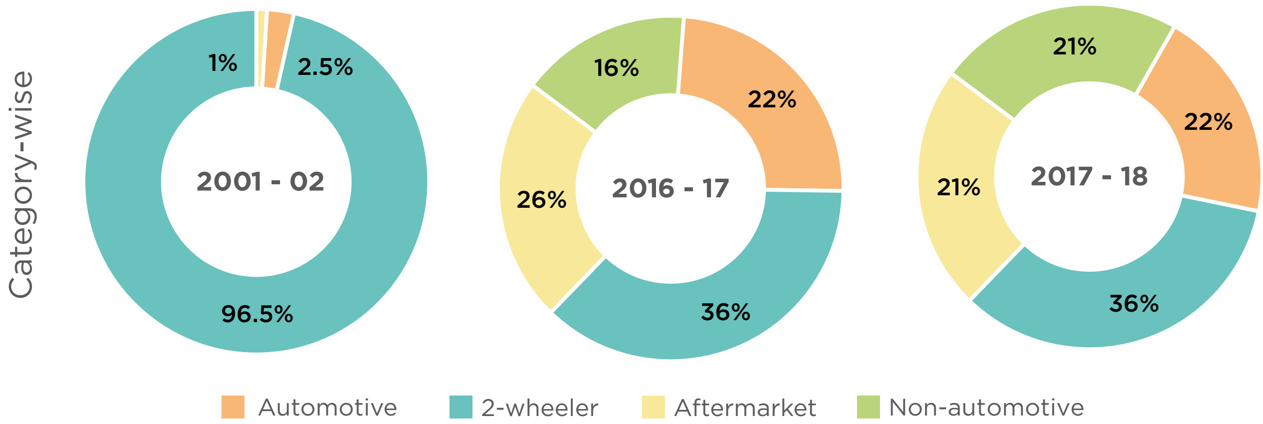
Encl: as above

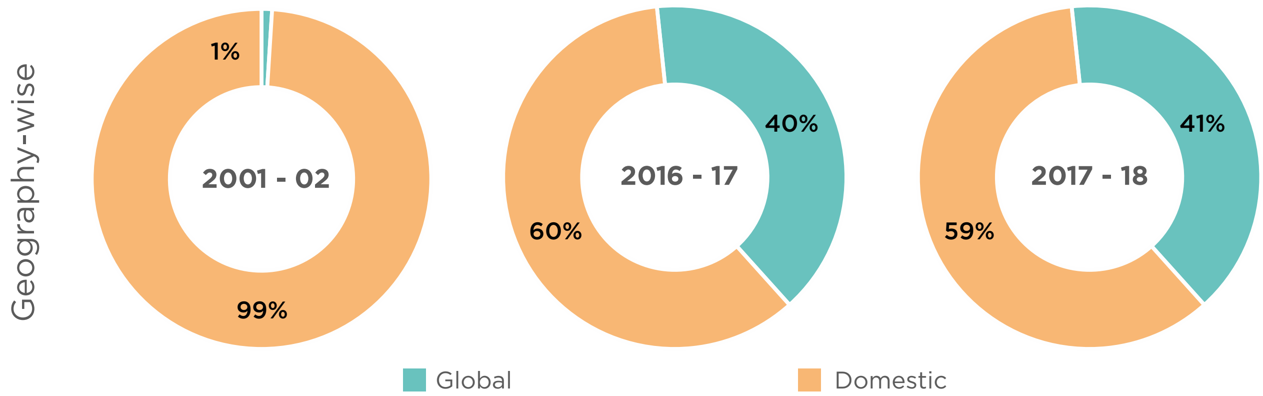
Suprajit Engineering Limited

Thirty Third Annual Report 2017 - 2018

THE TRANSFORMATION CONTINUES

Segmental and Geographic Synergies





GROUP FINANCIAL HIGHLIGHTS AND KEY INDICATORS

₹ in Million

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

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

Marching ahead with Confidence...

My dear Shareholder,

I have pleasure in sharing with you yet another year of satisfying performance. The enclosed reports and financial statements provide you with all the information.

With three acquisitions between 2014 and 2016, and the subsequent merger of Phoenix Lamps Limited with your Company, the year 2017-18 was one of the consolidation. While we work closely with our acquired entities to continue to improve the performance in all spheres, I can say that we have been able to assimilate and understand the finer aspects of mergers and acquisitions.

Our quest to 'De-risk and Grow Profitably' continues. You are well aware that we have done this through aggressive capacity expansions and acquisitions. Your Company is currently planning to expand its annual capacity from 250 million cables to 300 million cables with an outlay of ₹100 crores with two new plants being setup in Karnataka. We are also looking at strategic inorganic opportunities to increase our footprint in domestic and global markets in our core business of cables and lamps. With our 3 brand strategy - Suprajit, Phoenix and Wescon, I am confident, we will continue to bring new businesses to the group.

Our core India business had its effects due to GST during the first half of the last year. However, the second half of the year turned out to be good. The hardening interest rates, oil and commodity price increases and inflationary trends will have its effects on domestic business. Our global business currently at 40%, is likely to further increase. Needless to add, this comes with some global risks relating to protectionism, geo-political stability and currency fluctuations.

The outlook for cable exports appears to be robust along with domestic OEM growth, giving a good growth in the automotive cable business. Every effort is being made to improve the performance of Phoenix Lamps Division. Non-automotive business is expected to grow satisfactory. I expect to have another satisfactory year ahead despite global and domestic uncertainties.

Team Suprajit will continue to 'March Ahead with Confidence' and I seek your continued support and good wishes in our endeavour to excel in our business.

With warm personal regards,

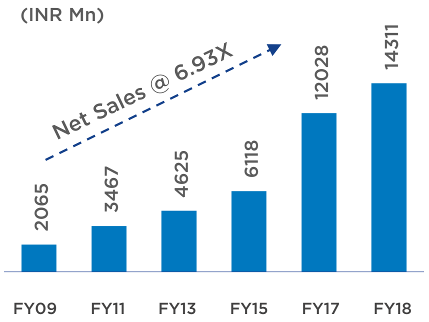
Yours sincerely,

K. Ajith Kumar Rai
Chairman & Managing Director.

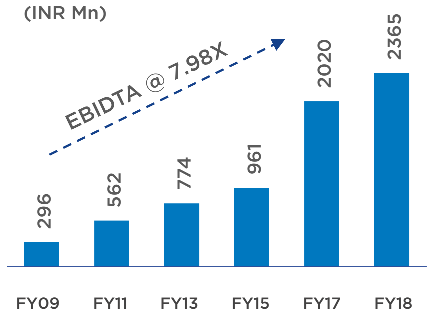
THINK GLOBAL ACT LOCAL

ROBUST FINANCIALS (GROUP)

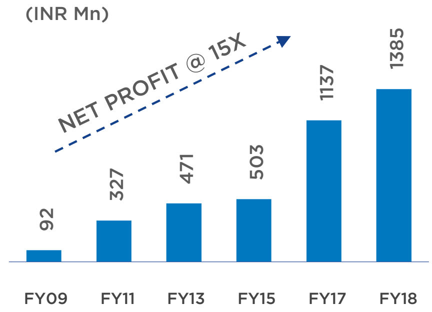
Robust growth in net sales...



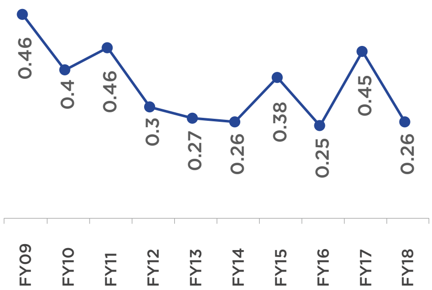
...high EBIDTA...



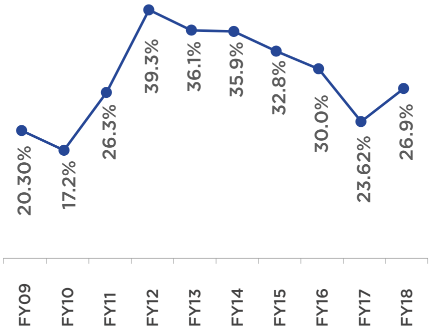
...and high net profit



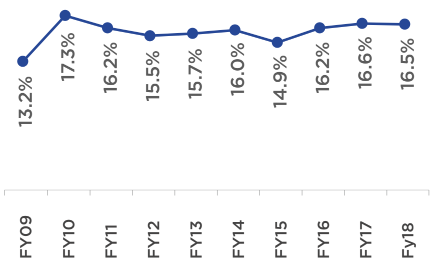
supported by low Long Term Liabilities / Equity...



resulting in exceptional ROCE...

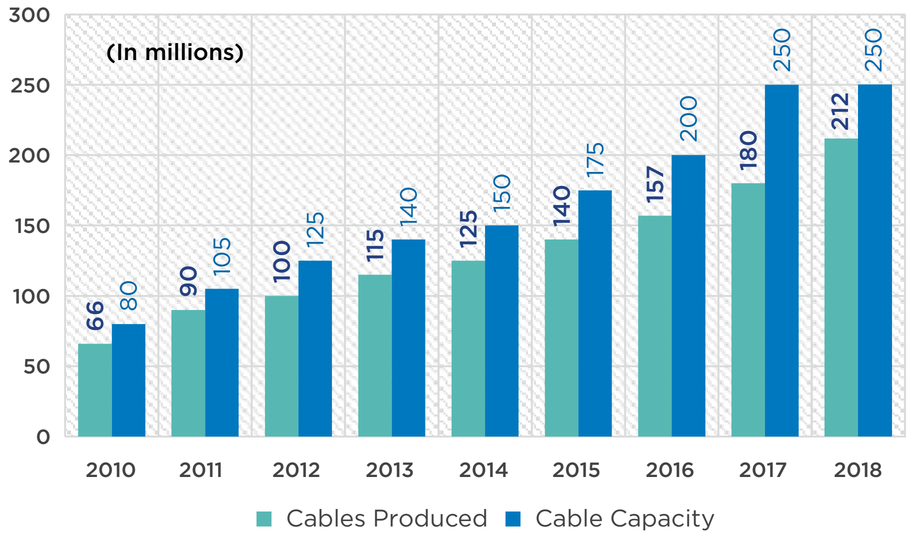


....and high EBIDTA margins

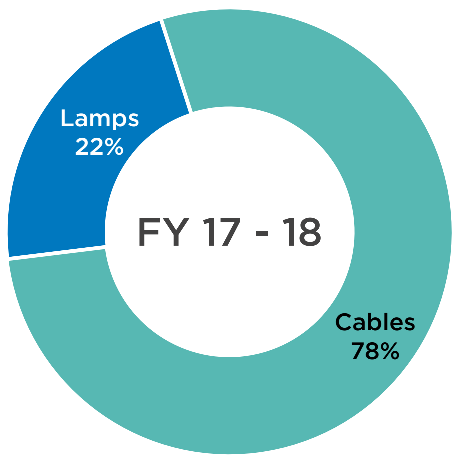


CAPACITIES

Cable Capacity



Revenue Split

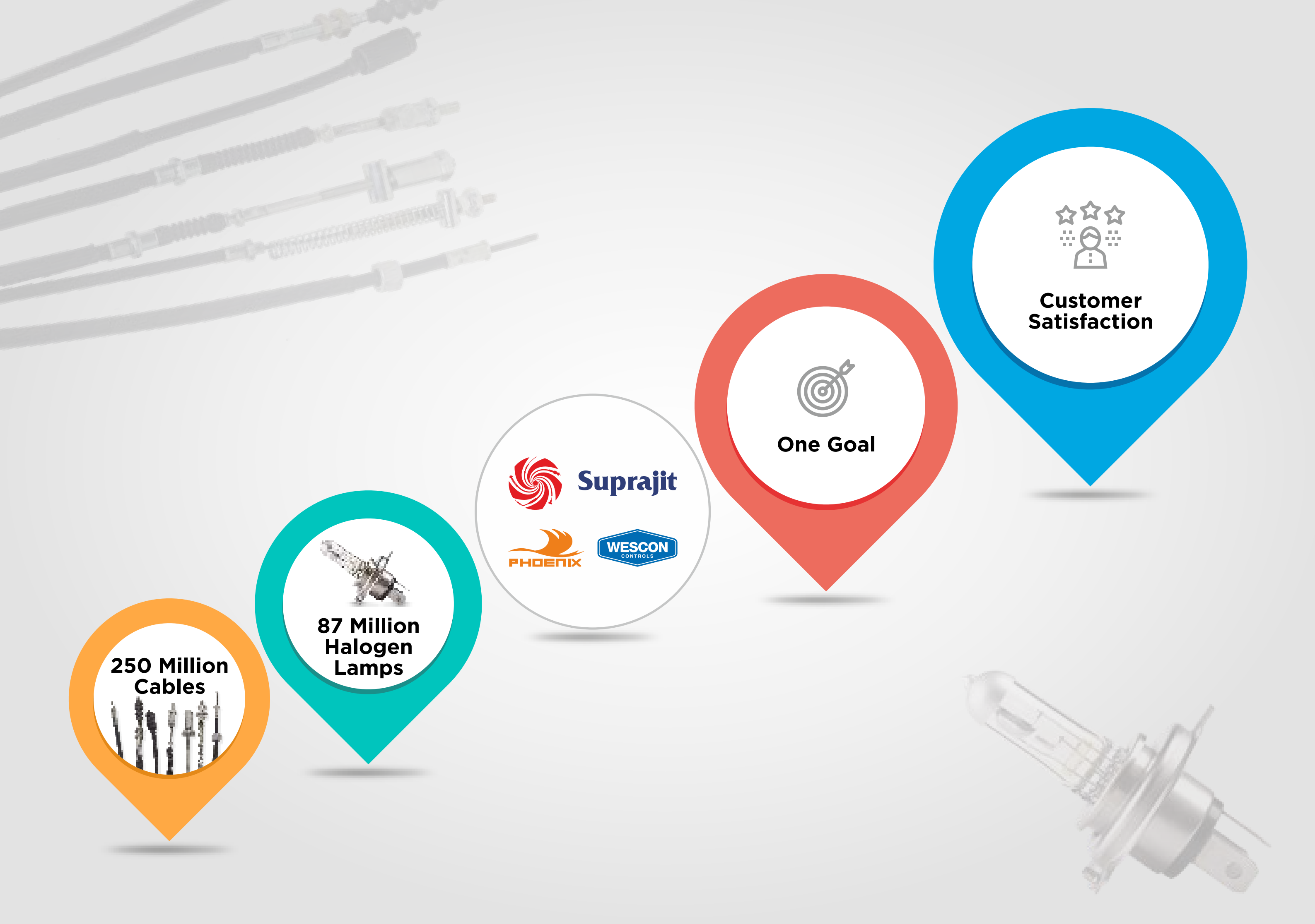


Lamp Capacity

Lamp Capacity (2018)	**87 million**
Utilized Capacity (2018)	**62 million**

Capacity expansion plan (2018-2020):

Cables	**300+ million**
Capex	**₹100 cores (over 2 years)**



KEY MILESTONES
IN OUR JOURNEY

1985

Commencement of operations

1985-1995

Two new cable plants in Bangalore

1996-2005

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

2006-2010

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

2011-2018

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

- 5 acquisitions – 4 in cable space.
- Proven track record of integration
- Strong Organic growth

AWARDS AND RECOGNITIONS

Customer awards and recognitions

- Volkswagen – 'A' Grade Supplier Award, Quality Performance Award.
- Honda Motor Cycles and Scooters – Quality and Delivery Achievement Award.
- General Motors - Supplier Quality Excellence Award (3 years in a row).
- John Deere – Accelerated Global Sourcing Award.
- Brose Key Supplier Award.
- Bajaj Auto Limited – TPM Excellence Award.
- Tata Motors – Green Card for '0' PPM.
- Hero MotoCorp Limited – Direct Online Supply (DOL) Award.
- Bajaj Auto Limited - Quality Consistency Gold Award.
- Yamaha - Cost Reduction & VA/VE activity award. -A grade excellence Award.
- TVS, Bajaj and Mahindra – various Awards.
- KSFC: Entrepreneur of the year for the promoter.
- CNBC/ICICI/CRISIL: SME of the year Auto Ancillary of the year.
- NASSCOM: Best IT user Award in Automotive Sector.
- KSFC: Outstanding Enterprise of the State.
- BMA - Entrepreneur of the year.

DE-RISK AND GROW PROFITABLY
A 3 BRAND STRATEGY

Suprajit Engineering

Automotive Cables

- 14 manufacturing facilities in India including 100% Export Oriented Unit for non-automotive.
- SAL – 100% Export Oriented Unit for automotive cables
- SEU – Tech Centre in Tamworth, UK.
- Over 30 years of expertise in cables.

Phoenix Lamps

Halogen Lamps

- 3 manufacturing facilities in India.
- 2 facilities in Germany and Luxembourg.
- Acquired by Suprajit in May 2015 and merged with Suprajit in August 2017
- Over 25 years of expertise in Halogen Lamps.

Wescon Controls

Non-Automotive cables

- Manufacturing facility in Wichita, Kansas, USA.
- 1 Maquiladora facility in Juarez, Mexico.
- Acquired by Suprajit in September 2016.
- Over 70 years of expertise in cables & controls.

- Top 3 in cables.
- Top 5 in halogen lamps.
- Dominant supplier in Indian Automotive Industry.
- Preferred Supplier to both Domestic and Overseas Customers (OEMs and Aftermarket).
- Exports to 50+ countries.
- Strong presence in non-automotive cables in American markets through Wescon.
- Strong Brands: Suprajit, Wescon and Phoenix.

BEST-IN-CLASS FACILITIES

- World-class manufacturing with operations IATF 16949 certified.
- Global standards in manufacturing, testing and quality assurance.
- Vertical process integration for key processes and optimized supply chain.
- Strong R&D

PRODUCT RANGE

Top Management Speaks

MOHAN N S
CEO - Suprajit Group

The year 2017-18 has been a year of consolidation at Suprajit Group.

With an international team of managers at the helm of various business units, the focus was on corporate governance and strengthening the managerial processes of retaining a balance between entrepreneurial independence of business units, while aligning to the group aspirations, goals, ethics and strict fiscal disciplines.

A “Strategy meet” at the beginning of the year gave a platform for the group management to dwell on the “Way forward” and set ourselves targets and goals looking forward into the next 5 years.

Merger process of Phoenix Lamps Ltd. into Suprajit got completed, which is now called “Phoenix Lamps Division”.

With shifts in the Global and Indian automotive industry becoming clear, we will focus on appropriate capital allocation in a prudent manner to strengthen the product profile to “March ahead with Confidence”.

MEDAPPA GOWDA J
CFO - Suprajit Group

The Company has given utmost importance to good corporate governance and strict Statutory Compliances across its facilities including overseas locations. We have established a robust management information system and implemented effective internal control systems across various manufacturing locations and legal entities.

Prudent cash management, optimal debt structure, overseas structured debt management, efficient capital allocation, good credit ratings, lower costs of borrowings, effective foreign currency management & balanced hedging policies are delivering long term value. Optimizing key financial ratios like ROCE, Debt: Equity, ROE, Debt to EBIDTA, Asset Turnover are continue to be our strength and primary objective.

The latest IT tools, communication system have become backbone of our robust MIS across entities, both domestic and overseas. This gives us an added confidence to manage the operations and to meet the customers advanced requirement globally.

NARAYANA SHANKAR K
COO
Suprajit Domestic Cable Division

Focus on Goals and Targets on a daily and monthly basis became the cornerstone of the Operational Team during the year. Despite several disruptions, the Team has met the financial budget set for them during the year. Our reviews are very strongly focused on business, people management and key result areas. These practices have created a high performing operational team which delivers better output.

The Operational team has participated in all the customer designed initiatives in quality, TPM and business practices with great satisfaction to the customer. This has earned the goodwill and enhanced our business with all the customers. We aim at creating a great value for our customers by further improving & simplifying on processes and enhancing the focus on “Appropriate Automation”. We aim to maintain significant lead against competition by improved service levels.

PETER GREENSMITH
Managing Director
Suprajit Europe Ltd.

The combined sales turnover of the 4-wheeler export units grew by 19% during the year. In addition, the sales team upped the hit rate by winning new contracts in Europe, US and South America.

Both development teams are working at full stretch to deliver successful program launches over the coming years. Manufacturing capacity in Bangalore and distribution capacity in UK are being expanded to cope with future growth.

So far, we have managed the economic uncertainties over Brexit without any direct impact on performance. Our plan now targets options for operations based in mainland Europe.

AKHILESH GOEL
COO
Phoenix Lamps Division

Although domestic sales have grown in line with market growth, exports sales have been a drag. This year major focus will be on expansion of geographical reach of our products. Significant Progress has been made in terms of overall quality improvement. RGL program launched early last year has been a great success. This year, another major initiative taken is “C” Challenge –to improve cost efficiencies.” Several new products especially 24V heavy duty & long life for OEM Customers have been launched.

Performance (consistent quality) on fully automated H7 line has been achieved as planned. Line has been audited & cleared by potential OE customers. Necessary global certifications are also received.

FRANK KLINKERT
Managing Director
Luxlite Lamps SARL, Luxembourg

This year had been tough in our bulb-business. The full aftermarket-business had been affected, and is more sensitive. Our main competitors are from China and Korea and we intend to defend our markets and also grow. Due to our flexibility, speed, location, quality and good communication as a team, we do have the weapons to stay & grow in the market.

Luxlite Lamp in Luxembourg is an excellent gateway for the services and deliveries in Europe and well beyond; because of our multicultural talented team from neighboring countries, we are fluent in multiple major languages to communicate and conduct our business efficiently.

MARY GENTZSCH
Managing Director
TRIFA LAMPS GERMANY GmbH.

The last financial year was not as successful as expected. Trifa was directly affected by the political and economic uncertainties in the countries that our customers are based in.

The automotive bulb market has become more competitive, demanding best quality and service at the lowest possible price – this also represents the key factor to enter into new and to keep our traditional markets.

But thanks to our excellent reputation, flexibility, transparency and ambitions. Trifa remains an important supplier to the international aftermarket. This underpins the positive outlook for Trifa, supported, too, by the upcoming Automechanika in September and our 90th anniversary in 2019.

STEVE FRICKER
CFO
SENA & Wescon Controls LLC

Wescon Controls continues to drive the SENA (Suprajit Engineering Non-Automotive) 3-plant strategy in Wichita, USA, Juarez, MX and U-9 in Bangalore, India. Our focus is on expanding the global footprint to reach new customers and service existing customers outside of North America, diversifying into other non-automotive markets and growing profitably.

In April, we added a representative in Brazil to service the needs of SENA and Suprajit Engineering customers. We are currently investigating additional opportunities to expand our markets outside of the Outdoor Power Equipment industry.

We are looking forward to working closely with team Suprajit to deploy our strategy and become a dominant supplier to other non-automotive markets.

MIKE BRIGHT
CEO & President
SENA & Wescon Controls LLC

Suprajit Engineering's Non-Automotive (SENA's) business model to serve our global customers is gaining traction as we make investments in people, plants and processes. We are broadening and deepening our customer base, becoming the development source of choice.

Our ability to globalize and leverage engineering, technical support, supply chain and manufacturing capabilities provides exciting opportunities to further expand Suprajit's primary goal - providing superior customer satisfaction.

SENA is poised to take the next step in scaling its business geographically, in Europe and South America, as well as to expand our products and services in adjacent markets.

SHANKAR S
Vice President (HR)
Suprajit Group

Identifying, Engaging and Involving high potential executives of the Company has been one of the inspirational work of the HR during the year. Suprajit has created "Chairman's Club" for this purpose. The members have been selected, based on their contribution to the company, and potential to grow into critical roles in the years to come. HR has distinct plans to manage their career and support to create "Generation Next".

The company has a vibrant people culture to acquire knowledge and various practices to meet the requirement of the stakeholders of the Company.

PRAVEEN RAO
Vice President
Sales & Marketing
Suprajit Group

We, at Suprajit, capitalised the automotive growth in India well in the year 2017-18.

Domestic Automotive cable business, grew well as we continued our dominance in two wheeler markets. Our aftermarket business was robust fuelled by good demand for our brands and a growing distribution network.

Our brand Phoenix grew both in OE and Aftermarket reinforcing it's leadership position through new products, new customers and increased customer confidence and hence the market share.

The future is defined by our strategic imperatives -increased range and continued growth in domestic passenger car cable business, rationalization of product portfolio, reinforcing our brands Suprajit and Phoenix, strengthening our distribution network and a deepened focus on direct exports.

Next Gen...

AKHILESH RAI
Chief Strategy Officer
Suprajit Group

Suprajit QCDD has led to market leadership in light duty cables and halogen bulbs. This year, we will capture new avenues of growth and spread our best business practices across the group - realizing synergies between plants, entities and geographies.

There is large scope for growth in our global OEM and aftermarket business in cables and lighting, as well as other applications and technologies in our product portfolio to focus on and monetize. Of course, we continue to evaluate new geographies, markets and products - in line with the Suprajit philosophy of profitable growth.

Opportunities for the world's preferred Indian cable and bulb maker are abundant and we will capture them.

ASHUTOSH RAI
Head - Suprajit Tech Center (STC)
Suprajit Group

In the year gone by, we have been successful in changing the perception customers have about Suprajit. More and more, customers are realizing that Suprajit have the wherewithal of capability, resource and appetite to be a provider of solutions and technologies. In seeking solutions for our customers, we are consistently growing our IP. The focus this year will be to capitalize on this confidence by diversifying our product portfolio and further strengthening our engineering capabilities.

SUPRAJIT FOUNDATION - ACTIVITIES 2017-18

BOARD OF DIRECTORS

K Ajith Kumar Rai
Chairman & Managing Director

N S Mohan
Director & CEO

Diwakar S Shetty
Director

Ian Williamson
Director

B S Patil, IAS (Retd.)
Director

Suresh Shetty
Director

M Jayarama Shetty
Director

Dr. (Ms.) Supriya A Rai
Director

CFO & COMPANY SECRETARY

Medappa Gowda J

STATUTORY AUDITORS

Messrs S. R. Batliboi & Associates LLP,
Chartered Accountants

INTERNAL AUDITORS

Messrs K S Aiyar & Co.
Chartered Accountants

Messrs R G N Price & Co
Chartered Accountants

SECRETARIAL AUDITOR

Parameshwar G Bhat
Company Secretary

COST AUDITORS

Messrs G N V Associates
Cost Accountants

REGISTERED OFFICE

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

PLANTS AT :

Bommasandra and Doddaballapur,
Bangalore (Karnataka)
Chakan (Maharashtra)
Vapi and Sanand (Gujarat)
Manesar (Haryana)
Pathredi, Bhiwadi (Rajasthan)
Haridwar and Pantnagar (Uttarakhand)
Vallam-Vadagal, Chennai (Tamilnadu)
Noida (Uttar Pradesh)

WHOLLY OWNED SUBSIDIARES:

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

STOCK EXCHANGES

BSE Ltd [BSE]
National Stock Exchange [NSE]

REGISTRAR AND SHARE TRANSFER AGENT

Integrated Registry Management Services
Private Limited.
No. 30, Ramana Residency,
Malleswaram, Bangalore – 560 003
Phone: +91-80-23460815-18
Fax: +91-80-23460819
E-mail : irg@integratedindia.in

BANKERS

State Bank of India
Citi Bank N.A
HSBC Limited
Syndicate Bank
ICICI Bank Limited
Corporation Bank
Standard Chartered Bank

contents

SUPRAJIT ENGINEERING LIMITED

CIN: L29199KA1985PLC006934

Registered & Corporate Office: No. 100, 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 THIRD ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Third Annual General Meeting of Suprajit Engineering Limited will be held on Tuesday, 14th August, 2018 at Plot No. 101, Bommasandra Industrial Area, Bengaluru - 560 099 at 1.00 PM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Financial Statements of the Company which includes Audited Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including the statement of Other Comprehensive Income and Cash Flow of the Company as on that date together with the Auditors' Report thereon and Report of the Board of Directors.

2. To appoint Mr. Mohan Srinivasan Nagamangala (DIN-01916468), Director and Chief Executive Officer who retires by rotation and being eligible, offers himself for re-appointment.

3. To confirm the payment of Interim Dividend of Re. 0.60 (60%) and to declare Final Dividend of Re. 0.80 (80%) for the financial year 2017-18.

SPECIAL BUSINESS

4. Appointment of Mr. Akhilesh Rai as "Chief Strategy Officer" of the Company:

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

   "RESOLVED THAT pursuant to the provisions of Section 188(1)(f) of Companies Act, 2013 and rules made there under and other applicable provisions, if any of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the Members of the Company be and is hereby accorded to appoint Mr. Akhilesh Rai ('relative' of Mr. K Ajith Kumar Rai, Chairman & Managing Director and Mrs. Supriya A Rai, Director), to hold office or place of profit as "Chief Strategy Officer" of the Company with effect from June 01, 2018.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to designate / redesignate Mr. Akhilesh Rai at its discretion and revise the remuneration payable to him from time to time as recommended by the Nomination and Remuneration Committee, in accordance with the Company's Policy on performance measurement and such other applicable/ relevant policies."

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

5. Appointment of Mr. Ashutosh Rai as "Head – Suprajit Tech Centre (STC) " :

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

   "RESOLVED THAT pursuant to the provisions of Section 188(1)(f) of Companies Act, 2013 and rules made there under and other applicable provisions, if any of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the consent of the Members of the Company be and is hereby accorded to appoint Mr. Ashutosh Rai ('relative' of Mr. K Ajith Kumar Rai, Chairman & Managing Director and Mrs. Supriya A Rai, Director), to hold office or place of profit as "Head – Suprajit Tech Centre (STC) " with effect from June 01, 2018.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to designate / redesignate Mr. Ashutosh Rai at its discretion and revise the remuneration payable to him from time to time as recommended by the Nomination and Remuneration Committee, in accordance with the Company's policy on performance measurement and such other applicable/ relevant policies."

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

6. To ratify the remuneration payable to Messrs G N V and Associates, Cost Accountants, Cost Auditors of the Company for the financial year 2018-19:

   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 2018-19 at a remuneration of ₹ 85,000/- (Rupees Eighty Five Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses, at actuals, be and is hereby ratified.

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

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

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

Place: Bangalore
Date: May 29, 2018

NOTES

1. 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.

2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

   Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty Members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member.

   The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the Meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authorization letter, as applicable.

3. The Register of Members and the Share Transfer books of the Company will remain closed from August 11, 2018 to August 14, 2018 (both days inclusive).

4. An Interim Dividend of Re. 0.60 (60%) as declared at the Board Meeting held on February 12, 2018 was 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 23, 2018. (Record Date).

5. Final Dividend of Re. 0.80 (80%) 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 on August 10, 2018.

6. Shareholders who are holding Shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of Shares or any other share related matters and/or change in address or updation thereof to the Company's Registrar and Share Transfer Agent (RTAs), Integrated Registry Management Services Private Limited situated at No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003, Phone : +91-80-23460815 to 818, Fax: +91-80-23460819, E-mail: irg@integratedindia.in.

   Shareholders, whose shareholding are in electronic format are requested to direct change of address notification(s), registration of email address and updation of bank account detail to their respective depository participants.

   Securities and Exchange Board of India (SEBI) vide its circular dated April 20, 2018 instructed the Companies / RTAs to collect copy of PAN, and bank account details of all securities holders holding securities in physical form. Also, with effect from May 20, 2018, the details like name of the Bank, account number, MICR No., etc are mandatory for revalidation / re-issue of dividend warrants. For further details, shareholders may contact our RTAs.

7. Members are requested to quote the Folio Numbers or Demat Account Numbers and Depository Participant ID (DPID) in all correspondence to the RTAs of the Company.

8. Members holding Shares in physical form in identical orders of names in more than one folio are requested to send to the Company or RTAs, the details of such folio together with the Shares Certificates for consolidating their holding in one folio. A consolidated Share Certificate will be returned to such Members after making requisite changes thereon.

9. Relevant documents referred to, in the accompanying Notice and the Statement are open for inspection by the Members at the Registered Office of the Company 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 Annual General Meeting of the Company.

10. In case of joint holders attending the Meeting, the Member whose name appears as first holder in the order of names

as per the Register of Members of the Company will be entitled to vote.

11. Members seeking any information with regard to the Annual Accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.

12. The notice of the Annual General Meeting along with the Annual Report 2017-18 is being sent to those Members/ beneficial owners, whose name appeared in the register of Members / list of beneficiaries received from the depositories as on July 13, 2018, in electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

    Any person, who acquires shares of the Company and becomes the Member of the Company after dispatch of the Annual Report and holding shares as on the cut-off date (i.e August 03, 2018), may contact the RTAs or email to irg@integrated.in and obtain copy of the Annual Report.

13. Pursuant to the SEBI notification no. MED/ DOP/ Circular/05/2009 dated May 20, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company/ RTA to enable/effect transfer of Shares in physical form.

14. The Equity Shares of the Company are available for trading in dematerialized form (electronic form) through depository participants. The Company has entered in to 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. Members are requested to open De-mat account with any of the depository participants to enable transacting in the Stock Exchanges.

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

    The particulars of unpaid / unclaimed Dividend etc. are available on the Company's website at www.suprajit.com (http://www.suprajit.com/Governance_and_Compliance) 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 Divined	Dividend per share (Re.)	Date of declaration	Due date for transfer
2010-11	2011	Final	0.25	30-Jul-11	4-Sep-18
2011-12	2011	Interim	0.30	29-Oct-11	6-Dec-18
2011-12	2012	Final	0.35	31-Jul-12	5-Sep-19
2012-13	2013	Interim	0.35	30-Jan-13	7-Mar-20
2012-13	2013	Final	0.40	31-Jul-13	5-Sep-20
2013-14	2014	Interim	0.45	31-Jan-14	8-Mar-21
2013-14	2014	Final	0.50	31-Jul-14	5-Sep-21
2014-15	2015	Interim	0.45	3-Feb-15	11-Mar-22
2014-15	2015	Final	0.50	19-Sep-15	25-Oct-22
2015-16	2016	Interim	0.50	9-Feb-15	16-Mar-23
2015-16	2016	Final	0.55	24-Sep-16	30-Oct-23
2016-17	2017	Interim	0.50	13-Feb-17	21-Mar-24
2016-17	2017	Final	0.60	11-Nov-17	18-Dec-24
2017-18	2018	Interim	0.60	12-Feb-18	20- Mar-25

16. **Details of the Director proposed to be appointed/ re-appointed:**

    The details of Directors proposed to be appointed/ re-appointed at the Annual General Meeting are produced below, in terms of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Mohan Srinivasan Nagamangala (DIN: 01916468)

Mr. Mohan Srinivasan Nagamangala is a Graduate in Mechanical Engineering. He is a member of Institute of Cost and Works Accountants and he has a Diploma in Management. He has over 32 years of experience of working in India and abroad. He started his career with BOSCH Bangalore and thereafter Visteon and Hansen/ZF Transmissions. He has held various positions including that of Chief Operations Officer, Country Manager, Executive Director, Managing Director, etc. He has managed businesses in India, Thailand, China, Belgium and USA. He joined Suprajit as 'President' in the year 2014 and has been appointed as Director and CEO of the Company w.e.f. February 13, 2017.

ADDITIONAL INFORMATION:

Name of Director	Mr. Mohan Srinivasan Nagamangala
Appointment / Re-appointment	Re- appointment
Expertise in specific functional areas	Mr. Mohan Srinivasan Nagamangala is a graduate in Mechanical Engineering, a Member of Institute of Cost and Works Accountants of India and has a Diploma in Management. He has held various positions including that of Chief Operations Officer, Country Manager, Executive Director, Managing Director, etc.
Present designation in the Company	Director & CEO
Directorships held in other Public Limited Companies	Nil
Committee positions held in other companies	NIL
Relationship with other Directors	NIL
Number of Shares held	4,890

17. **For the convenience of the Members, the Company will provide coach service on the day of the Annual General Meeting; Members are requested to report at 11.00 A.M at Town Hall, J.C. Road, Bangalore - 560 002 and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.**

    Contact persons:
    1. Mr. K S Ranganath- Mobile No. 9945108318
    2. Mr. S L Satish - Mobile No. 9342135877

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. Voting through Electronic means:

    A. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015, the Company is pleased to provide remote e-voting facility to its members to exercise their vote on Resolutions proposed to be passed in the Thirty Third Annual General Meeting by electronic means.

    B. The facility for voting through ballot paper shall be made available at the Meeting and the members attending the Meeting who have not cast their votes by remote e-voting shall be able to vote at the Meeting.

    C. Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

    The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

    The voting period begins on August 10, 2018 (9.00 a.m.) and ends on August 13, 2018 (5.00 p.m). During this period, Shareholders of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date of i.e, August 03, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

20. **The instructions for Shareholders voting electronically are as under:**

    i. The Shareholders should log on to the e-voting website www.evotingindia.com.
    ii. Click on Shareholders / Members
    iii. Now enter your User ID
        a) For CDSL: 16 digits beneficiary ID,
        b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
        c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
    iv. Next enter the Image Verification as displayed and Click on Login.
    v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
    vi. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field.
	• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).

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

(viii) Members holding Shares in physical form will then directly reach the Company selection screen. However, Members 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 the Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

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

(x) Click on the EVSN for the relevant SUPRAJIT ENGINEERING LIMITED on which you choose to vote.

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

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

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

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

(xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

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

(xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xviii) **Note for Non – Individual Shareholders and Custodians**

- Non-Individual Shareholders (i.e., other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xx) Further, Members may note the following:

a. Remote e-voting shall not be allowed beyond the said date and time.

b. The Company is providing facility to vote on a poll to the Members present at the meeting.

c. The Members who have cast their vote by remote e-voting may also attend the Meeting but shall not be entitled to cast their vote again.

d. A person whose name is recorded in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the General Meeting.

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

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

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

Item Nos. 4 & 5:

The Board of Directors of the Company has appointed Mr. Akhilesh Rai and Mr. Ashutosh Rai, relatives (Sons) of Mr. K. Ajith Kumar Rai, Chairman & Managing Director and Dr. Supriya A. Rai, Director, as Chief Strategy Officer and Head – Suprajit Tech Centre, respectively,at its Meeting held on May 29, 2018. Background of both is exhibited herein below.

Pursuant to Section 188 (1)(f), any appointment to the office or place of profit requires approval of Members of the Company, if monthly remuneration payable for holding office or place of profit exceeds ₹ 2,50,000/-.

However the remuneration payable to Mr. Ashutosh Rai is presently below ₹ 2,50,000/- per month, the Board has decided to obtain the approval from the Members voluntarily.

Hence, your Board of Directors recommends these Resolutions as set out in item nos. 4 & 5 of the notice for your approval.

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

Particulars pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014

Name of the related parties	1. Mr. Akhilesh Rai 2. Mr. Ashutosh Rai
Name of the director or key managerial personnel who is related	1. Mr. K.Ajith Kumar Rai, Chairman & Managing Director 2. Dr. Supriya A. Rai , Director
Nature of relationship	Sons
Nature, material terms, monetary value and particulars of the contract or arrangements;	**Nature –** Appointment to office or place of profit pursuant to Section 188 (1)(f) **Salary** – 1. **Mr. Akhilesh Rai :** The Board has fixed a remuneration of Rs. 50,00,000 (Rupees Fifty Lakhs only) per annum w.e.f June 01, 2018, subject to revision based on the recommendation of the Nomination and Remuneration Committee in line with Company's policy on performance measurement from time to time. 2. **Mr. Ashutosh Rai :** The Board has fixed a remuneration of Rs. 20,00,000 (Rupees Twenty Lakhs only) per annum w.e.f. June 01, 2018, subject to revision based on the recommendation of the Nomination and Remuneration Committee in line with Company's policy on performance measurement from time to time.
Any other information relevant or important for the members to take a decision on the proposed Resolutions	Brief profiles of: 1. **Mr. Akhilesh Rai :** After graduating as an electrical engineer from Purdue University, he worked at multiple technology companies in IT and e-commerce, in the US and in India. He joined Suprajit 2.O as head of IT at Suprajit, he guided the Company towards a modern collocated infrastructure and improved systems to enable growth. He led UK ERP and EDI implementation which helped integrate the Company's system with many global automotive OEMs. Following this, he helped IBM standardize message structures that are now part of India's EDI standards and has now been assigned the job of Chief Strategy Officer. He Just completed his MBA from prestigious London Business School. 2. **Mr. Ashutosh Rai :** He has Master degree in Mechanical Engineering from University of Bristol (U.K). He joined the Company in the year 2014. He was trained in various departments of the Company over the last 4 years. Presently he is heading Suprajit Tech Center and has initiated number of new product development programmes. He is also involved with various technical collaboration initiations.

Item No. 6:

The Board on the recommendation of Audit Committee had appointed Messrs G N V and Associates, as the Cost Auditors of the Company for the financial year 2018-19 and fixed a remuneration of ₹ 85,000/- 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 has to be ratified by the Members of the Company at the Annual General Meeting.

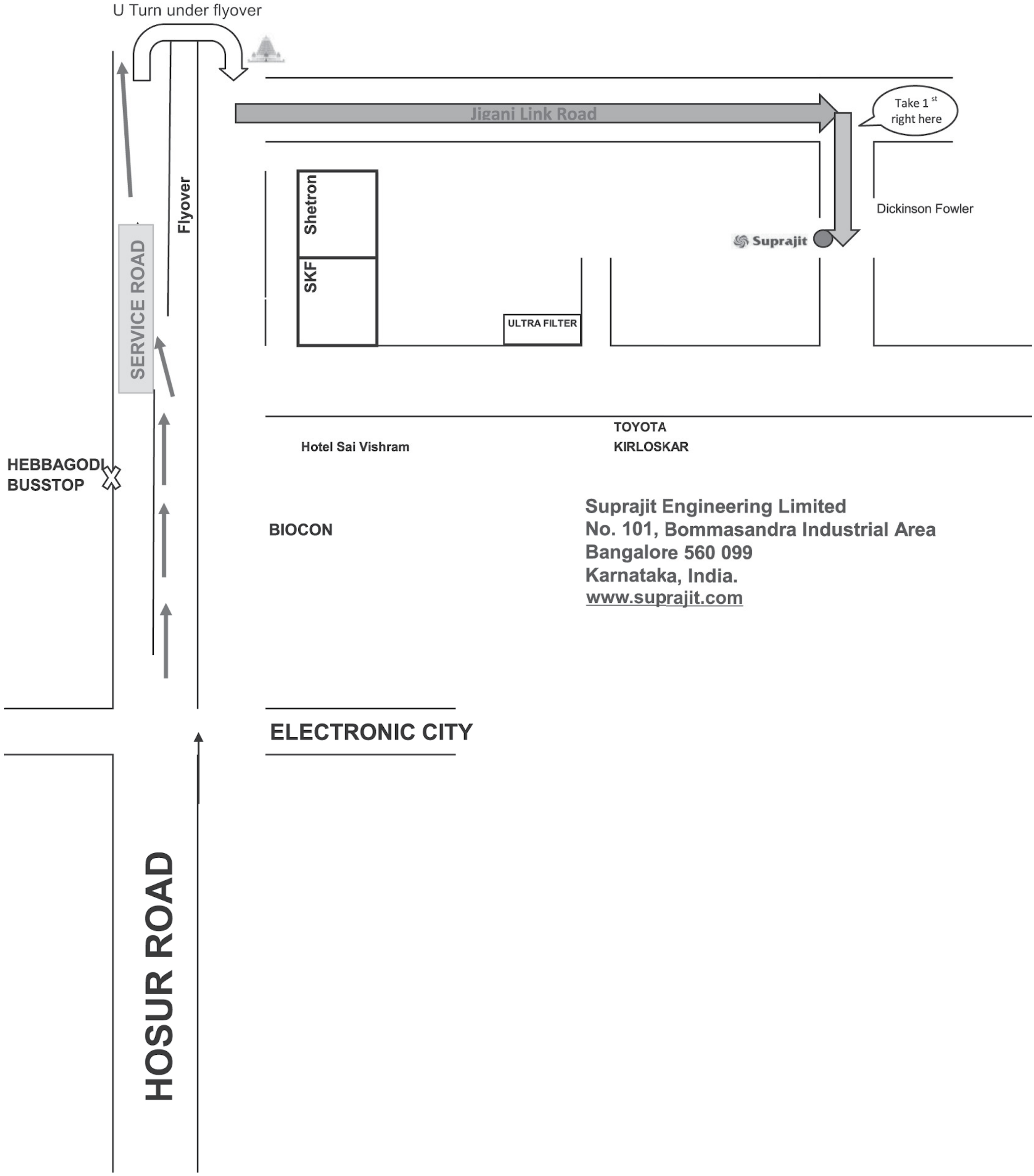
Hence, your Board recommends the Ordinary Resolution as set out in Item no. 6 for the approval of the Members. None of the Directors, Key Managerial Personnel of the Company or their relatives, is concerned or interested financially or otherwise in the said Resolution.

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

Place: Bangalore
Date: May 29, 2018

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

ROUTE MAP OF VENUE AS PER SECRETARIAL STANDARDS EFFECTIVE FROM 1ST JULY, 2015



BOARD'S REPORT

Your Directors have pleasure in presenting their Thirty Third Annual Report and the Audited Financial Statements for the financial year ended March 31, 2018 together with the Independent Auditor's Report.

STANDALONE FINANCIAL RESULTS:

₹ in Million

Particulars	2017-18	2016-17
Total Income	10107.36	9595.80
Profit before tax	1589.89	1,234.87
Less: Provision for taxation	519.26	381.11
Profit after tax before prior period adjustment	1070.63	853.76
Current Tax relation to prior year	24.22	-3.09
Profit after tax	1046.41	856.85
Add: Surplus from last year	1447.47	1255.48
Add: Other Comprehensive income	-5.04	-2.07
Profit available for appropriation after adjustments prior period taxes	2488.84	2110.26
APPROPRIATIONS:		
1 Final Dividend for 2016-17 – 60% (last year 55%)	83.92	76.93
2 Interim Dividend 60% for 2017-18 (last year interim 50%)	83.92	69.94
3 Tax on Dividend	22.04	15.92
4 Transfer to General Reserve	700.00	500.00
5 Balance carried to Balance Sheet	1598.96	1447.47

TRANSFER TO RESERVES

During the financial year the Company has transferred an amount of 700 Million to General Reserves.

DIVIDEND:

An Interim Dividend of Re. 0.60 per share of Re. 1/ -each (60%) was declared and paid during the year under report. In view of the satisfactory financial performance of your Company, your Directors have pleasure in recommending a Final Dividend of Re. 0.80 per Share of Re. 1/- each (80%). The total outgo, considering the interim dividend and proposed final dividend including taxation, will be ₹ 240.64 millions as against ₹ 186.86 million during the last year.

PARTICULARS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED / RESIGNED DURING THE FINACIAL YEAR ENDED MARCH 31, 2018:

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. During the year there were no changes in the Board of Directors.

The composition of the Board of Directors as on March 31, 2018 is as below:

1 Mr. K. Ajith Kumar Rai - Chairman & Managing Director
2 Mr. Mohan Srinivasan Nagamangala, - Director & CEO
3 Mr. Babugowda Sanganagowda Patil (Retd. IAS) - Independent Director
4 Mr. Ian Williamson - Independent Director
5 Mr. Mundaje Jayarama Shetty - Independent Director
6 Mr. Suresh Shetty - Independent Director
7 Mr. Diwakar Sanku Shetty - Independent Director
8 Mrs. Supriya Ajith Rai - Non Executive Director

SHARE CAPITAL:

During the financial year, the Authorized Share Capital of the Company was increased from ₹ 15,00,00,000 (Rupees Fifteen Crores Only) to ₹ 85, 00,00,000 (Rupees Eighty Five Crores) pursuant to the Scheme of Amalgamation approved by the Hon'ble National Company Law Tribunal, Bengaluru Bench vide its Order dated August 11, 2017.

Also, the Company has issued and allotted 85,33,699 Equity Shares of Re. 1/- each to the minority Shareholders of erstwhile Phoenix Lamps Limited as a result of Amalgamation. Hence, there was a change in the Paid up Share Capital of the Company to the extent of Shares issued as mentioned above.

As on March 31, 2018, the Paid up Share Capital of the Company was ₹ 13,98,72,473/- (Rupees Thirteen Crores Ninety Eight Lakhs Seventy Two Thousand Four Hundred Seventy Three only).

DISCLOSURE REGARDING ISSUE OF EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS

During the year under review, the Company has not issued any Shares with Differential voting Rights.

DISCLOSURE REGARDING ISSUE OF SWEAT EQUITY SHARES:

During the year under review, the Company has not issued any Sweat Equity Shares.

CHANGE IN NATURE OF BUSINESS:

There were no changes in the nature of business during the financial year.

OPERATIONS –MANAGEMENT DISCUSSION AND ANALYSIS:

The Indian Automotive industry grew at 14.48% as against 5.1% previous year, showing good growth. Your Company, on a standalone basis, recorded an operational income of ₹ 9,648.21 million during the year 2017-18 as against ₹ 8,513.04 millions during the financial year 2016-17, recording a growth of 13.33% The Profit after Tax was ₹ 1,046.41 millions during the financial year 2017-18 as against the Profit after Tax of ₹ 856.85 millions during the financial year 2016-17, recording a growth of 22.12%. The consolidated Group operational income was ₹ 14,310.60 Millions for the financial year 2017-18 against ₹ 12,028.41 Millions for the year 2016-17, recording a growth of 18.97 %. The consolidated Profit After Tax was ₹ 1,384.83 millions during the financial year 2017-18 as against ₹ 1,137.39 millions during the financial year 2016-17, a growth of 21.75%. The performance of your Company has been satisfactory.

The first half of the year witnessed certain disruptions due to introduction of GST. However, second half fared much better, giving an overall satisfactory performance.

Introduction of GST is expected to have continued positive impact on overall economic growth of the country and will help organized manufacturers like your Company to perform well in the years ahead. In view of the positive growth expectation, your Company has decided to enhance the overall annual cable capacity from the current 250 million to 300 million cables in the coming years.

Domestic Cable Division (DCD) :

The overall performance of the DCD was ahead of the industry growth. Considering increased utilisation and requirement for the next 2-3 years, a capacity expansion plan at various plants of the division will be undertaken during the current year to increase the capacity of from 250 million cables to 300 million cables per annum. This will include a new Greenfield manufacturing plant for Suprajit Automotive Private Limited at Doddaballapur Industrial Area, Bangalore. A support unit for the domestic cable division at Narsapura, Bangalore will also be built. The outlook for the current year appears to be satisfactory.

Phoenix Lamps Division (PLD):

The overall growth of PLD was slightly muted largely due to under performance of the European subsidiaries. The domestic business grew in line with the industry. Your Company is taking effective steps to increase the capacity utilisation of new H7 line and to bring in new business for this new capacity. The outlook for the current year appears to be satisfactory with an expected growth in business.

WHOLLY OWNED SUBSIDIARIES:

The wholly owned cable subsidiaries namely Suprajit Automotive Private Limited and Suprajit Europe Limited, focussed on automotive business, have performed well during the year gone by.

The consolidated sales of the subsidiaries were ₹ 1356.35 millions against ₹ 1147.31 millions previous year, an increase of 18.22%. The EBIDTA was ₹ 294.89 millions against ₹ 289.54 millions previous year. The Profit before Tax was ₹ 261.01 millions against ₹ 256.96 millions previous year.. The Profit after Tax was ₹ 180.02 millions against ₹ 193.28 millions previous year.

Wescon Controls, 100% owned subsidiary of your Company focussed on non-automotive business, had a satisfactory year. The sales were ₹ 2562.51 millions against ₹ 1471.26 millions previous year, an increase of 74.17%. The EBIDTA was ₹ 356.35 millions against ₹ 235.86 millions previous year an increase of 51.09%. The Profit before Tax was ₹ 118.99 millions against ₹ 101.99 millions previous year an increase of 16.67%. The Profit After Tax was ₹ 205.03 millions against ₹ 67.29 millions previous year an increase of 204.69%.

Wescon has launched new strategy -SENA (Suprajit Engineering Non Automotive), showcasing a 3 plant strategy, Wichita (Kansas), Juarez (Mexico) and Bangalore (India). Wescon will aim to capture new segments within the non-automotive business.

All cable subsidiaries are expected to perform satisfactorily.

Trifa and Luxlite:

Trifa and Luxlite, the 100% owned subsidiaries relating to PLD had a challenging year. The combined sales decreased to ₹ 1,452.14 millions (Euro 19.25 millions) against ₹ 1,770.09 millions (Euro 24.05 millions) previous year EBIDTA to ₹ 11.05 millions (Euro 0.15 millions) against ₹ 38.37 millions (Euro 0.52 millions) previous year

It may be noted that Trifa and Luxlite are marketing and business development arm for PLD and as such the performance should be seen with the consolidated performance of PLD. PLD has shown a steady growth in the EBIDTA margins from 11% in the year 2015 when it was acquired, to 14% currently. It is expected that PLD, on a consolidated basis with Trifa and Luxlite, will grow in the current financial year.

CURRENT YEAR:

Indian economy is expected to grow at 7% in the current financial year. With streamlining of GST, a normal monsoon, continued lower interest rates and low inflation, there is an overall expectation of good year ahead. The global uncertainties exist and oil / commodity prices are high. However, the

3 brand strategy, Suprajit for automotive cables, Phoenix for Halogen Lamps and Wescon for non-automotive cables along with multiple brand specific strategies and plans, your Directors are confident that the current year is expected to be satisfactory.

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

CREDIT RATING:

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

Instrument	Rating Agency	Rating	Outlook
Long Term Debt	CRISIL	AA-	Positive
Long Term Debt	ICRA	AA	Stable
Long Term Debt	India Ratings & Research	AA-	Stable
Short Term	CRISIL	A1+	Stable
Short Term	ICRA	A1+	Stable
Short Term	India Ratings & Research	A1+	Stable
Term Deposit	Indian Ratings & Research	tAA	Stable

FRAUD REPORTED BY THE AUDITORS DURING THE YEAR:

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

DEPOSITS:

The approval of the Shareholders was accorded to accept and renew the Fixed Deposits pursuant to the provisions of Sections 73 and 76 of the Companies Act, 2013 and accordingly the Company has accepted / renewed deposits pursuant to the provisions of the said Sections read with the Companies (Acceptance of Deposits) Rules, 2014 during the financial year. The details of the same are as below:

(a) Accepted/renewed during the year – ₹ 3.75 Million

(b) remained unpaid or unclaimed as at the end of the year – Nil

(c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved-

  (i) At the beginning of the year - NA

  (ii) Maximum during the year - NA

  (iii) At the end of the year- NA

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

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

EXTRACT OF THE ANNUAL RETURN:

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

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

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

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

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

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

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, 2017, September 13, 2017, November 11, 2017 and February 12, 2018.

Agenda of the Meeting is circulated to the Directors in advance. Minutes of the Meetings of the Board of Directors are circulated amongst the Members of the Board for their perusal.

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, 2018 and of the profits of the Company for the year ended on that date;

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

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

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

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

CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY REPORT:

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

During the year, the Company has adopted various policies as required under LODR. The same are available on Company's website at www.suprajit.com(http://www.suprajit.com/Governance_and_Compliance). The Business Responsibility Report as required to be annexed to this report is annexed as **Annexure - III.**

DIVIDEND DISTRIBUTION POLICY:

During the year under review, the Board has adopted a Dividend Distribution Policy, which is available on the website of the Company at www.suprajit.com (http://www.suprajit.com/Governance_and_Compliance) and also annexed as **Annexure -IV.**

RISK MANAGEMENT POLICY:

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Company has been active in CSR activities through Suprajit Foundation for the last 7 years. The Companies Act, 2013, based on the prescribed criteria, mandates the companies to contribute 2% on CSR. During the year, your Company has paid 21.27 millions. Also, Suprajit Automotive, a Wholly Owned Subsidiary of your Company has paid 2.52 millions to Suprajit Foundation for various activities undertaken by the said Foundation. The detailed activities of Suprajit Foundation have been provided in **Annexure – V** 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/Governance_and_Compliance).

EMPLOYEES STOCK OPTIONS DETAILS:

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. Necessary steps are being taken to implement the same.

CONSERVATION OF ENERGY:

Conservation of energy is one of the highest priority measures directly supervised by the senior management of the Company.

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

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

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

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

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

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

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

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

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

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

i) Compressor room temperature reduction for reducing maintenance cost.

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

a) Research and Development (R&D):

1. The Company has set up a centralized Suprajit Tech Centre (STC) at Bengaluru. STC has Engineers for R&D, testing and validation teams to products as per customers' requirements. The Group also has tech centers at Tamworth, U.K (Suprajit Europe Limited) and Wichita, USA (Wescon).
2. The Company has product & process patents, which are deployed commercially. The Company's R&D has developed many specialized cables, lamps and other products for Customers as per the end user requirements. This is being successfully deployed by the customer with significant cost savings.
3. Development cells in respective units have been upgraded with more Engineers and latest equipments.
4. The Company has developed many types of equipments and automation specialized for cable and lamps with significant energy savings and increased productivity.
5. "Product Life Cycle Management"–software has been implemented to enhance standardization of new product launch and change management.
6. Launch of RGL and C program to enhance robustness, geometry tolerances and life of the halogen bulbs, has led to significant improvements in quality, cost and productivity at Phoenix Lamps Division.

b) Expenditure on Research and Development:

(₹ in Million)

Particulars	2017-18	2016-17
Salaries & Wages	12.29	16.54
Material, Consumables & Stores	3.27	4.83
Other Direct Expenditures	5.06	4.46
TOTAL	**20.62**	**25.83**

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

1) The Company has not imported any technology during the financial year.
2) The Company has developed innovative and path-breaking products and processes for both lamps and Cables for which patents are pending.
3) The Company has successfully adapted customer's designs for new types of cables, halogen lamps and also other products.

GREEN INITIATIVES:

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

FOREIGN EXCHANGE EARNINGS AND OUTFLOW:

The Company earned ₹ 1285.78 Millions and expended ₹1226.60 Millions during the financial year under review. It may be noted that at the consolidated level, the Company is a net forex earner.

INDUSTRIAL RELATIONS:

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

DECLARATION BY 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 meets the criteria of Independence laid down in the provisions of Section 149(6) of the Companies Act, 2013.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration and Compliance Committees.

FAMILIARISATION PROGRAMMES OF INDEPENDENT DIRECTORS:

Every new Independent Directors of the Board attends an orientation program. 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. The copy of Familiarization Programme of Independent Directors is available on the website of the Company at www.suprajit.com (http://www.suprajit.com/Governance_and_Compliance).

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 enclosed as a part of this report in compliance with Section 134(3) of the Companies Act, 2013. The same is enclosed as **"Annexure-VI'** to this Report.

COMPOSITION OF AUDIT COMMITTEE:

Your Company has an Audit Committee comprising of Mr. Diwakar S Shetty, as Chairman of the Committee, Mr. M Jayarama Shetty and Mr. Suresh Shetty, as other Members of the Committee. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013.

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 Whistle Blower Compliance Officers/ 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/Governance_and_Compliance).

AUDITORS:

i. Statutory Auditors:

The Members of the Company at the 32nd Annual General Meeting of the Company have appointed Messrs S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) as Statutory Auditors of the Company for a period of 5 (Five) years.

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

ii. Cost Auditors:

Messrs G N V Associates, Cost Accountants, had been appointed as the Cost Auditors of your Company for the financial year 2017-18. The cost audit report for the previous year has been filed with Registrar of Companies, Karnataka within due date.

iii. Secretarial Auditor:

The Board has appointed Mr. Parameshwar G. Bhat, a Practising Company Secretary (Membership No. FCS-8860) as the Secretarial Auditor as per the provisions of Section 204 of the Companies Act, 2013 for the financial year 2017-18. The Secretarial Audit Report issued by him is enclosed as **"Annexure-VII"** 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 Financial Statements for the financial year ended March 31, 2018.

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.

SUPRAJIT FOUNDATION:

The Suprajit Foundation was established in 2011 as a not-for-profit Trust to conduct social welfare activities. Over the years, the Foundation has initiated, guided and conducted several programs in education, healthcare and rural development.

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

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.

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 2017-18:

No. of complaints received	:	NIL
No. of complaints disposed off	:	NA

PARTICULARS OF EMPLOYEES:

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

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

CAUTIONARY NOTE:

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

ACKNOWLEDGEMENT:

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

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

For and on behalf of the Board

K. Ajith Kumar Rai
Chairman & Managing Director
(DIN: 01160327)

Place : Bengaluru
Date : May 29, 2018

ANNEXURE TO THE BOARD'S REPORT ON CORPORATE GOVERNANCE MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS :

a) THE BOARD OF DIRECTORS AND THE MEETINGS ATTENDED BY RESPECTIVE DIRECTORS ARE AS UNDER:

NAME OF THE DIRECTOR	CATEGORY	BOARD MEETINGS HELD	BOARD MEETINGS ATTENDED	ATTENDED LAST AGM
Mr. K Ajith Kumar Rai	Chairman & Managing Director	4	4	Yes
Mr. Mohan Srinivasan Nagamangala	Whole Time Director	4	4	Yes
Mr. M Jayarama Shetty	Independent	4	4	Yes
Mr. B S Patil	Independent	4	4	No
Dr. Supriya A Rai	Non Executive –Non Independent Director	4	4	Yes
Mr. Diwakar S Shetty	Independent	4	3	Yes
Mr. Ian Williamson	Independent	4	4	Yes
Mr. Suresh Shetty	Independent	4	4	No

Mr. K Ajith Kumar Rai and Mr. Mohan Srinivasan Nagamangala are Whole Time Directors i.e. Managing Director and Whole Time Director respectively; others are Non-Executive/Independent Directors.

(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, 2017
2. September 13, 2017
3. November 11, 2017
4. February 12, 2018

None of the Non-Executive Directors has any material pecuniary relationship or transactions with the Company.

3. OUTSIDE DIRECTORSHIPS / COMMITTEE POSITIONS AS ON MARCH 31, 2018:

Name of the Directors	In Listed Companies	In Unlisted Public Limited Companies	As Chairman / Member of Board Committees
Mr. K Ajith Kumar Rai	Nil	Nil	Nil
Mr. Mohan Srinivasan Nagamangala	Nil	Nil	Nil
Dr. Supriya A Rai	Nil	Nil	Nil
Mr. M. Jayarama Shetty	Nil	Nil	Nil
Mr. B S Patil	1	Nil	3
Mr. Diwakar S Shetty	1	3	2
Mr. Ian Williamson	Nil	Nil	Nil
Mr. Suresh Shetty	Nil	2	Nil

Notes:

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

b. Only Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of Committee positions as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

c. None of the Directors is a member in neither more than 10 Committees, nor a Chairman in more than 5 Committees across all Companies in which he 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. The Audit Committee comprises of below Independent Directors:

1. Mr. Diwakar S Shetty, Chairman
2. Mr. M Jayarama Shetty, Member and
3. Mr. Suresh Shetty, Member

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

The Audit Committee Meetings were held at regular intervals with a time gap of not more than 120 days between two consecutive meetings. During the year, the Audit committee has 4 (Four) times on May 29, 2017, September 13, 2017, November 11, 2017 and February 12, 2018.

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

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Diwakar S Shetty	4	3
Mr. M Jayarama Shetty	4	4
Mr. Suresh Shetty	4	4

The terms of reference / role of the Audit Committee cover the matters specified for Audit Committees under Regulation 18 and Part C of Schedule II of SEBI (Listing Obligations & 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 listed Company;

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

(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 Statements before submission to the board for approval

(f) Reviewing the statement of significant related party transactions

(g) Discussion with internal auditors of any significant findings.

5. NOMINATION AND REMUNERATION COMMITTEE (NRC):

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

The terms of reference of the Committee *inter alia*, the following:

(a) Chairman: Chairman of the Committee shall be an Independent Director as may be elected by the members of the Committee.

(b) Quorum: Quorum for Meeting of the Committee shall be a minimum of two members provided one of them shall always be an Independent Director.

(c) Frequency of Meetings: The Committee may meet at such times as may be deemed necessary.

(d) Role: The Role of the Committee shall include inter-alia the following:

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

(e) Invitees: The Committee may invite such executives of the Company and such other persons as it may consider appropriate.

(f) Secretary to the Committee: The Company Secretary shall be the Secretary of the Committee who shall flag actions and serve as executive support to the Committee.

This Committee has following Members:

Mr. B S Patil	-	Chairman
Mr. Diwakar S Shetty	-	Member
Mr. M Jayarama Shetty	-	Member
Mr. K Ajith Kumar Rai	-	Member

During the financial year one Meeting of the Committee was held on September 13, 2017. All the Members were present at the Meeting.

Remuneration paid/payable to Directors during 2017-18:

(₹ in millions)

Sl. No.	Name of the Director	Sitting Fees	Salary & PF	Commission	Total
1	Mr. K Ajith Kumar Rai*	-	18.11	28.34	**46.45**
2	Mr. Mohan Srinivasan Nagamangala**	-	14.40	-	**14.40**
3	Mr. M Jayarama Shetty	0.10	-	0.50	**0.60**
4	Mr. B S Patil	0.06	-	0.50	**0.56**
5	Dr. Supriya A Rai	Waived	-	-	**Waived**
6	Mr. Diwakar S Shetty	0.07	-	0.50	**0.57**
7	Mr. Suresh Shetty	0.09	-	0.50	**0.59**
8	Mr. Ian Williamson	Waived	-	Waived	**Waived**
	Total	**0.32**	**32.51**	**30.34**	**63.17**

* The remuneration paid/payable to Mr. K. Ajith Kumar Rai, Chairman and Managing Director was approved by the Shareholders at the Twenty Ninth Annual General Meeting held on July 31, 2014 based on the recommendation of the Nomination and Remuneration Committee and with the approval of the Board. This was reviewed by the said Committee and the Board. The remuneration consists of fixed salary and commission taking into accounts the economic results and individual performance.

However, Mr Ajith Kumar Rai has voluntarily waived off his remuneration by 1% from the 4% of approved remuneration and restricted the overall remuneration to 3% of the Net Profits for the year ended 31st March, 2018.

**The remuneration paid/payable to Mr. Mohan Srinivasan Nagamangala was approved by the Shareholders at the Thirty Second Annual General Meeting held on November 11, 2017 based on the recommendation of the Nomination and Remuneration Committee and with the approval of the Board.

The information on remuneration paid to Chairman and Managing Director and Executive Director are disclosed in the notes to the accounts.

The Company has paid Rs. 10,000/- per meeting, as sitting fees for attending the Board Meetings and other Committee Meetings to the Independent Directors during the financial year 2017-18.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

The terms of Reference of the Committee are as under:

(a) Composition: The CSR Committee shall have at least one Independent Director. The Committee may invite such other expert in the relevant field and also such other executives as may be required to carry out the functions of the Committee.

(b) Quorum: Quorum of the CSR Committee shall be minimum of two members provided one of them shall always be an Independent Director.

(c) Frequency of meetings: The CSR Committee may meet at such times may be deemed necessary.

(d) Role: 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.

Two Meetings of CSR Committee were held on May 29, 2017 and February 22, 2018. All the Members were present at the Meeting.

INDEPENDENT DIRECTORS' MEETING & PERFORMANCE EVALUATION:

During the year under review, the Independent Directors met on February 12, 2018, *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.

Mr. M Jayarama Shetty, Mr. Suresh Shetty, Mr. B S Patil and Mr. Ian Williamson were present at the Meeting.

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Company has Stakeholders' Relationship Committee, comprising of:

a. Mr. M Jayarama Shetty - Chairman
b. Mr. Diwakar S Shetty - Member
c. Mr. K Ajith Kumar Rai - Member

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

This Committee monitors and addresses investors complaints, transfer of Shares, transmission etc. based on the information provided by the Company's Registrars and Share Transfer Agents. No queries/complaints were received from the Shareholders during the period except change of address and non-receipt of dividend warrants and non receipt of share certificates. All of them have been addressed to the satisfaction of the Shareholders. As of March 31, 2018, no complaints were pending.

Meetings of the Committee were held as and when necessary.

8. SHARES HELD BY NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors as on March 31, 2018, who held Shares in Suprajit Engineering Limited, are as under:

Name of Directors	Number of Shares held as on March 31, 2018
Mr. M Jayarama Shetty	3,71,580
Mr. Suresh Shetty	7,63,080
Mr. Diwakar S Shetty	14,106

9. GENERAL MEETINGS:

The last three Annual General Meetings were held at No. 101, Bommasandra Industrial Area, Bengaluru – 560 099

Annual General Meetings:

YEAR	DATE	TIME	MEETING
2014-15	19.09.2015	11.00 a.m	No. 101, Bommasandra Industrial Area, Bangalore- 560 099
2015-16	24.09.2016	01.00 p.m	No. 101, Bommasandra Industrial Area, Bangalore- 560 099
2016-17	11.11.2017	02.30 p.m	No. 101, Bommasandra Industrial Area, Bangalore- 560 099

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

DATE OF AGM	SPECIAL RESOLUTIONS
19.09.2015	Payment of commission to the Directors
24.09.2016	Nil
11.11.2017	Approval of SEL Employee Stock Appreciation Rights Plan 2017
	Approval of grant of ESARs to the Employees/Directors of the Subsidiary Company(ies) / of the Company under ESAR 2017

Postal Ballot

During the period under review, the Company has not passed any Resolution through Postal Ballot. Further, there is no proposal of passing any Resolution through Postal Ballot during the financial year 2018-19.

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

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

11. NAME AND DESIGNATION OF THE COMPLIANCE OFFICER:

Mr. Medappa Gowda J – CFO & Company Secretary is the Compliance Officer of the Company. He can be contacted for any investors' related matters of the Company. Telephone No. +91-80-43421138, Fax: +91-80-27833279, E-mail: mgj@suprajit.com.

12. DISCLOSURES:

Related party transactions:

Details of material transactions with related parties are disclosed along with the compliance report on corporate governance.

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

Accounting Treatment:

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

CEO and CFO Certification:

The CEO & Director and Chief Financial Officer & Company Secretary 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 31st March, 2018.

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://www.suprajit.com/Governance_and_Compliance). The Code of Conduct is made applicable to the Directors and Senior Management Team.

Whistle Blower Policy:

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

13. MEANS OF COMMUNICATION:

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

14. MANDATORY / NON-MANDATORY REQUIREMENTS:

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

15. CERTIFICATE ON CORPORATE GOVERNANCE:

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

16. GENERAL SHAREHOLDER INFORMATION:

a. Thirty Third Annual General Meeting :

DATE	TIME	VENUE
AUGUST 14, 2018	1.00 P M	Plot No. 101 Bommasandra Industrial Area Bangalore – 560 099

b. Financial Calendar:

Financial Year	-	April 2018 to March 2019
First Quarter Results	-	In August 2018
Half Yearly Results	-	In November 2018
Third Quarter Results	-	In February 2019
Results for the year ended 31st March	-	By May 2019
Book Closure Date	-	August 11, 2018 to August 14, 2018 (Both days inclusive)
Proposed Final Dividend	-	₹ 0.80 (80%)
Dividend Payment date(s)	-	August / September 2018
Scrip Code	-	BSE-532509 / NSE-SUPRAJIT
Stock Exchange	-	BSE Limited, Mumbai National Stock Exchange of India Limited

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

c. Share Transfer System:

All the transfers received are processed and approved by the Stakeholders' Relationship Committee at its Meeting or by Circular Resolutions.

The Company's Registrars and Share Transfer Agents, Integrated Registry Management Services Private Limited has adequate infrastructure to process the share transfers. The Committee meets to approve the transfers etc., as may be required by the Registrars and Share Transfer Agents in compliance with Listing Guidelines. 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.

d. Dematerialization of Shares and Liquidity:

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

e. Plant Locations:

The Company has Plants located at:

Bengaluru - Karnataka	-	5 Plants
Bengaluru - Karnataka 100% E.O.U	-	1 Plant
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)	-	3 Plants

f. Registered Office / Address for correspondence:

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

g. Shareholding Pattern as on March 31, 2018:

Category	Number of Shares held	Percentage of Shareholding (%)
Promoters	6,22,13,157	44.48
Institutions		
Mutual Funds/ UTI	43,05,314	3.08
Financial Institutions/ Banks	32,850	0.02
Foreign Portfolio Investors	1,61,40,037	11.54
Alternative Investment Funds	18,70,278	1.34
Non-institutions		
Bodies Corporate	1,54,79,266	11.07
Individuals -		
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	1,93,80,931	13.85
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,69,47,690	12.11
Any Other (specify)		
NRI	32,94,023	2.36
Clearing Members	1,76,634	0.13
LLP	30,296	0.02
GRAND TOTAL (A)+(B)+(C)	**13,98,72,473**	**100.00**

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

h. Distribution of shareholding according to size class as on March 31, 2018:

Description	Holders	% of Holders	Holding	% of Holdings
1 – 500	41,678	89.82	55,07,185	3.94
501 – 1000	2,098	4.52	15,96,415	1.14
1001 – 2000	1,051	2.26	15,60,232	1.12
2001 – 3000	369	0.80	9,15,172	0.65
3001 – 4000	216	0.47	7,77,994	0.55
4001 – 5000	137	0.30	6,39,879	0.46
5001 – 10000	405	0.87	30,88,479	2.21
10001 & ABOVE	448	0.97	12,57,87,117	89.93
Total	**46,402**	**100.00**	**13,98,72,473**	**100.00**

i. Shares held in Physical and Electronic mode as on March 31, 2018:

Category	No. of Shares	% to total shareholding
Physical	59,76,631	4.27
Demat NSDL	12,27,84,368	87.79
Demat CDSL	1,11,11,474	7.94
Total	**13,98,72,473**	**100.00**

j. Listing of Shares:

The Company's shares are listed at:

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

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

k. SHARE PRICE MOVEMENTS MARCH 2009 – MARCH 2018

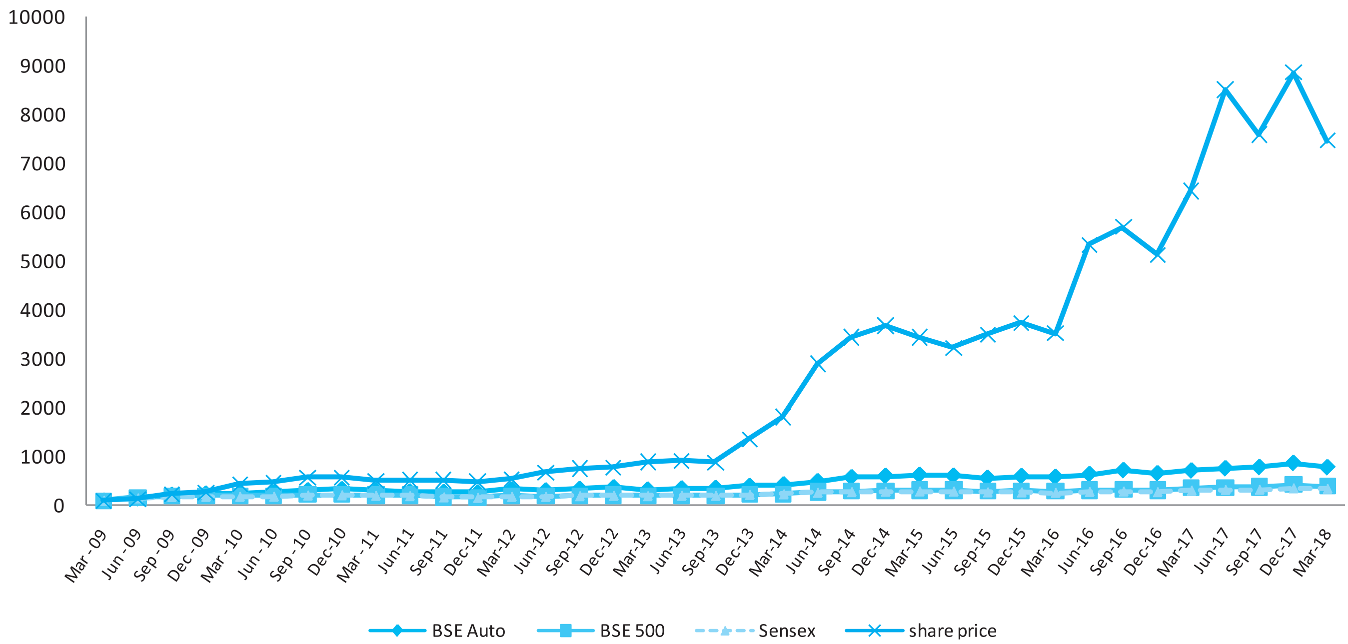
Period	BSE - Auto Index		S&P BSE 500		BSE – SENSEX		Share Price*	
	Closing	Indexed	Closing	Indexed	Closing	Indexed	Closing	Indexed
Mar - 09	3,061.67	100.00	3,523.53	100.00	9,708.50	100.00	3.75	100.00
Jun - 09	4,558.43	148.89	5,492.03	155.87	14,493.84	149.29	5.20	138.67
Sep - 09	6,664.25	217.67	6,552.75	185.97	17,126.84	176.41	8.60	229.33
Dec - 09	7,435.83	242.87	6,842.25	194.19	17,464.81	179.89	10.30	274.67
Mar - 10	7,671.24	250.56	6,919.55	196.38	17,527.77	180.54	16.05	428.00
Jun - 10	8,323.30	271.85	7,092.20	201.28	17,700.90	182.32	17.20	458.67
Sep - 10	9,527.64	311.19	7,984.45	226.60	20,069.12	206.72	21.25	566.67
Dec-10	10,235.41	334.31	7,961.06	225.94	20,509.09	211.25	21.40	570.67
Mar - 11	9,290.75	303.45	7,437.26	211.07	19,445.22	200.29	18.65	497.33
Jun-11	8,798.48	287.38	7,265.32	206.19	18,845.87	194.12	19.45	518.67
Sep-11	8,498.42	277.57	6,385.76	181.23	16,453.76	169.48	19.25	513.33
Dec-11	8,143.65	265.99	5,778.68	164.00	15,454.92	159.19	18.00	480.00
Mar-12	10,134.88	331.02	6,759.63	191.84	17,404.20	179.27	19.75	526.67
Jun-12	9,457.91	308.91	6,682.47	189.65	17,429.98	179.53	25.45	678.67

Period	BSE - Auto Index		S&P BSE 500		BSE – SENSEX		Share Price*	
	Closing	Indexed	Closing	Indexed	Closing	Indexed	Closing	Indexed
Sep-12	10,413.19	340.11	7,206.51	204.53	18762.74	193.26	28.20	752.00
Dec-12	11,426.21	373.20	7,581.57	215.17	19426.71	200.10	29.35	782.67
Mar-13	9,994.23	326.43	7,084.96	201.08	18,835.77	194.01	33.40	890.67
Jun-13	10,715.77	350.00	7,164.06	203.32	19,395.81	199.78	34.00	906.67
Sep-13	10,996.59	359.17	7,019.96	199.23	19,379.77	199.62	32.50	866.67
Dec-13	12,258.83	400.40	7,828.34	222.17	21,170.68	218.06	50.70	1,352.00
Mar-14	13,280.27	433.76	8,295.26	235.42	22,386.27	230.58	67.95	1,812.00
Jun-14	15,249.29	498.07	9,791.34	277.88	25,413.78	261.77	108.40	2,890.67
Sep-14	17,746.90	579.65	10,173.26	288.72	26,630.51	274.30	128.85	3,436.00
Dec-14	18,630.84	608.52	10,721.62	304.29	27,499.42	283.25	138.05	3,681.33
Mar-15	19,258.66	629.02	11,048.75	313.57	27,957.49	287.97	128.80	3,434.67
Jun-15	18,712.17	611.18	10,903.53	309.45	27,780.83	286.15	121.10	3,229.33
Sep-15	17,391.08	568.03	10,498.27	297.95	26,154.83	269.40	131.00	3,493.33
Dec-15	18,519.08	604.87	10,634.22	301.81	26,117.54	269.02	140.10	3,736.00
Mar-16	18,001.76	587.97	10,185.12	289.06	25,341.86	261.03	132.00	3,520.00
Jun-16	19,744.64	644.90	11,029.45	313.02	26,999.72	278.10	199.9	5,330.67
Sep-16	22,231.66	726.13	11,700.65	332.07	27,865.96	287.03	213.3	5,688.00
Dec-16	20,257.43	661.65	11,036.44	313.22	26,626.46	274.26	192.15	5,124.00
Mar-17	22,012.66	718.98	12,631.90	358.50	29,620.50	305.10	241.00	6,426.67
Jun-17	23,408.17	764.56	13,178.45	374.01	30,921.61	318.50	319.00	8,506.67
Sep-17	24,180.04	789.77	13,610.70	386.28	31,283.72	322.23	284.40	7,584.00
Dec-17	26,751.20	873.75	15,002.73	425.79	34,056.83	350.79	331.95	8,852.00
Mar-18	24,057.25	785.76	14,125.53	400.89	32,968.68	339.59	279.60	7,456.00

* Price indexed for :

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

b. 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.



l. 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

m. Nomination Facility:

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

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

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

n. Shareholders' Rights:

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

Reporting of Internal Auditors:

The Internal Auditors report to the Audit Committee.

17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

a. INDUSTRY STRUCTURE AND DEVELOPMENT:

Your Company retained its position as a market leader in Automotive cables, halogen lamps in India with supplies to major Original Equipment Manufacturers (OEMs). It is also a major exporter to developed countries. The long term outlook for the Indian automotive industry remains positive due to strong macroeconomic fundamentals, improving economic activity, easy availability of finance and introduction of GST. Most major automobile manufacturers have setup production bases in India. Your Directors are looking at satisfactory growth for your Company in the upcoming years. Added to this, opportunities to export countries to be satisfactory.

b. OPPORTUNITIES AND THREATS:

OPPORTUNITIES:

- Good potential to grow the exports business for both cable & halogen lamps.
- Good Potential to secure the business from new model launches in the OEM segment in India and overseas, as a value for money supplier.
- Potential to grow aftermarket business including OLM.
- To introduce more and higher margin in products in the aftermarket.
- Strategic and niche opportunities in the inorganic space.

THREATS:

- Any slowdown in the Indian Auto industry can impact OEM volumes.
- Service quality and delivery issues can reduce customer business.
- Currency fluctuations can affect the net realization of sales and hence the margins.
- Increase in the commodity prices.

c) SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

As at 31 March 2018, the Company is engaged in manufacturing and trading of automotive cables and components & halogen lamps predominantly.

d) OUTLOOK:

Indian economy is expected to grow better this year. With lower inflation, lower bank interest rates and expected normal monsoon, outlook for automotive industry appears to be satisfactory. Although, global economy continues to struggle, opportunities for business are significant considering current low market penetration. With focused customer service, the outlook for the Company appears satisfactory.

e) RISKS AND CONCERN:

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.

Excessive volatility in the prices of the Company's key raw materials can have impact on its profitability. As the Company derives a significant portion of its revenues from exports and pays for purchases in foreign exchange, excessive fluctuations in currency rates can have impact. Quality related costs can also add to the risk and concerns.

f) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

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

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

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

For and on behalf of the Board

K. Ajith Kumar Rai
Chairman & Managing Director
DIN : 01160327

Place : Bengaluru
Date : May 29, 2018

ANNEXURE I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2018

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

I. **REGISTRATION AND OTHER DETAILS**

CIN	L29199KA1985PLC006934
Registration Date	24.05.1985
Name of the Company	Suprajit Engineering Limited
Category / Sub-Category of the Company	Company limited by Shares / Non-Govt. Company
Address of the Registered office and contact details	100, Bommasandra Industrial-Area, Anekal Taluk, Bangalore – 560 099
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Registry Management Services Private Limited 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore – 560 003. Phone : +91-80-23460218

II. **PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products/services	NIC code of the Product/Service	% to total turnover of the company
1.	Automotive Cables	3758	72.32
2.	Automotive - Lamps	274	23.73

III. **PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-**

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

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	62213157	-	62213157	47.37	62213157	-	62213157	44.48	2.89
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) (1)	**62213157**	**-**	**62213157**	**47.37**	**62213157**	**-**	**62213157**	**44.48**	**2.89**

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Bodies Corporate	–	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding Promoter& Promoter Group (A)=(A)(1)+(A)(2)	**62213157**	**-**	**62213157**	**47.37**	**62213157**	**-**	**62213157**	**44.48**	**2.89**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	8468577	-	8468577	6.45	4305314	4305314	8468577	3.08	-3.37
b) Banks / FI	32863	-	32863	0.03	29650	3200	32850	0.02	-0.01
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies-	-	-	-	-	-	-	-	-	-
g) FIIs	9808968	-	9808968	7.47	16140037	-	16140037	11.54	4.07
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) Alternative Investment Funds	2264150	-	2264150	1.72	1870278	-	1870278	1.34	-0.38
Sub-total (B)(1):-	**20574558**	**-**	**20574558**	**15.67**	**22345279**	**3200**	**22348479**	**15.98**	**0.31**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	14282762	996000	15278762	11.63	14463986	1015280	15479266	11.07	-0.56
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	11386299	1439060	12825359	9.77	17046380	2334551	19380931	13.86	4.09
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	14041769	3103600	17145369	13.05	14644090	2303600	16947690	12.12	-0.93
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	2774481	320000	3094481	2.36	2974023	320000	3294023	2.36	0.00
LLP	35927	-	35927	0.03	30296	-	30296	0.02	0.03
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	171161	-	171161	0.13	176634	-	176634	0.13	-0.01
Sub-total (B)(2):-	**42692399**	**5858660**	**48551059**	**36.97**	**49337406**	**5973431**	**55310837**	**39.54**	**2.57**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**62392957**	**6732660**	**69125617**	**52.63**	**71682685**	**5976631**	**77659316**	**55.52**	**2.89**
C. Shares held by Custodian for GDRs & ADRs	**-**	-	**-**	-	-	-	-	-	-
Grand Total (A+B+C)	**125480114**	**5858660**	**131338774**	**100**	**133895842**	**5976631**	**139872473**	**100**	**-**

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumber red to total shares	%change in share holding during the year
1	K Ajith Kumar Rai	44266799	33.70	-	44266799	31.65	-	2.05
2	Supriya A Rai	14346358	10.92	-	14346358	10.26	-	0.66
3	Akhilesh Rai	1200000	0.91	-	1200000	0.86	-	0.05
4	Ashutosh Rai	1200000	0.91	-	1200000	0.86	-	0.05
5	Aashish Rai	1200000	0.91	-	1200000	0.86	-	0.05
	Total	**62213157**	**47.37**	**-**	**62213157**	**44.48**	-	2.86

(iii) Change in Promoters' Shareholding (please specify, if there is no change) –No change during the year.

Sl. No.	Shareholder's Name	Share holding at the beginning of the Year 01.04.2017		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Share holding during the year 31.03.2018	
		No. of Shares	% of total shares of the company				No of shares	% of total shares of the company
1	K Ajith Kumar Rai	44266799	33.70	NA	-	Change in percentage of share holding is due to issue of shares to minority shareholders of erstwhile Phoenix Lamps Limited	44266799	31.65
2	Supriya A Rai	14346358	10.92	NA	-		14346358	10.26
3	Akhilesh Rai	1200000	0.91	NA	-		1200000	0.86
4	Ashutosh Rai	1200000	0.91	NA	-		1200000	0.86
5	Aashish Rai	1200000	0.91	NA	-		1200000	0.86

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

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year 01.04.2017		Date	Increase/ Decrease in Share Holding	Reason	Cumulative shareholding during the year - 31.03.2018	
		No. of Shares	% of Total Shares of the Company				No of Shares	% of Total Shares of the Company
1	SMALLCAP WORLD FUND, INC	-	-	16/06/2017	899625	Bought	899625	0.64
		-	-	23/06/2017	3282983	Bought	4182608	2.99
		-	-	07/07/2017	920392	Bought	5103000	3.65
		-	-	30/09/2017	54265	Bought	5157265	3.69
		-	-	06/10/2017	110051	Bought	5267316	3.77
		-	-	13/10/2017	102682	Bought	5369998	3.84
		-	-	20/10/2017	235002	Bought	5605000	4.01
		-	-	09/03/2018	193785	Bought	5798785	4.15
		-	-	16/03/2018	276215	Bought	6075000	4.34
		-	-	31/03/2018	-	-	6075000	4.34
2	SUNDARAM CLAYTON LIMITED	5772000	4.39	-	-	-	5772000	4.12
3	DSP BLACKROCK MICRO CAP FUND	3519508	2.68	16/06/2017	105000	Bought	3624508	2.59
		-	-	23/02/2018	67592	Bought	3692100	2.64
		-	-	09/03/2018	136349	Bought	3828449	2.74
4	TVS MOTOR COMPANY LIMITED	2892000	2.20	-	-	-	2892000	2.07
5	SHOBITA PUNJA	2052500	1.56	-	-	-	2052500	1.47
6	EMERGING SECURITIES PVT LTD	1900200	1.45	-	-	-	1900200	1.36
7	KULA RAMPRASAD RAI	1800000	1.37	-	-	-	1800000	1.37
8	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	1926791	1.47	07/04/2017	35000	Bought	1961791	1.40
		-	-	28/04/2017	5000	Bought	1966791	1.41
		-	-	26/05/2017	-10000	Sold	1956791	1.40
		-	-	20/06/2017	-25000	Sold	1931791	1.38
		-	-	16/06/2017	30000	Bought	1961791	1.40
		-	-	23/06/2017	10000	Bought	1971791	1.41
		-	-	30/06/2017	14190	Bought	1985981	1.42
		-	-	07/07/2017	10000	Bought	1995981	1.43
		-	-	14/07/2017	-10000	Sold	1985981	1.42
		-	-	06/10/2017	25000	Bought	2010981	1.44
		-	-	15/12/2017	19975	Bought	2030956	1.45
		-	-	22/12/2017	10025	Bought	2040981	1.46
		-	-	29/12/2017	15000	Bought	2055981	1.47
		-	-	09/02/2018	-20000	Sold	2035981	1.46
		-	-	09/03/2018	-300000	Sold	1735981	1.24
		-	-	23/03/2018	-20000	Sold	1715981	1.23
		-	-	31/03/201	20000	Bought	1735981	1.24

Sl. No.	Name of the Share Holder	Shareholding at the beginning of the year 01.04.2017		Date	Increase/ Decrease in Share Holding	Reason	Cumulative shareholding during the year - 31.03.2018	
		No. of Shares	% of Total Shares of the Company				No of Shares	% of Total Shares of the Company
9	MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND,L.	1848631	1.41	09/06/2017	-73910	Sold	1774721	1.27
		-	-	16/06/2017	-225090	Sold	1549631	1.11
		-	-	30/06/2017	-48000	Sold	1501631	1.07
		-	-	07/07/2017	-136588	Sold	1365043	0.98
		-	-	14/07/2017	-14500	Sold	1350543	0.97
		-	-	21/07/2017	-52413	Sold	1298130	0.93
		-	-	28/07/2017	-47109	Sold	1251021	0.89
		-	-	30/09/2017	-92000	Sold	1159021	0.83
		-	-	15/12/2017	104514	Bought	1263535	0.90
		-	-	25/01/2018	126834	Bought	1390369	0.99
		-	-	02/02/2018	166538	Bought	1556907	1.11
		-	-	09/02/2018	41	Bought	1556948	1.11
		-	-	09/03/2018	79018	Bought	1635966	1.17
		-	-	16/03/2018	71465	Bought	1707431	1.22
		-	-	23/03/2018	15361	Bought	1722792	1.23
		-	-	-	-	-	1722792	1.23
10	DSP BLACKROCK EMERGING STARS FUND	2264150	1.72	15/09/2017	-31793	Sold	2232357	1.60
		-	-	22/09/2017	-42019	Sold	2190338	1.57
		-	-	30/09/2017	-84954	Sold	2105384	1.51
		-	-	06/10/2017	-112132	Sold	1993252	1.43
		-	-	13/10/2017	-34597	Sold	1958655	1.40
		-	-	20/10/2017	-70000	Sold	1888655	1.35
		-	-	25/01/2018	-108559	Sold	1780096	1.27
		-	-	02/02/2018	-98385	Sold	1681711	1.20
		-	-	-	-	-	1681711	1.20
11	MALABAR INDIA FUND LIMITED	1750817	1.33	19/05/2017	-61964	Sold	1688853	1.21
		-	-	26/05/2017	-45307	Sold	1643546	1.18
		-	-	20/06/2017	-86422	Sold	1557124	1.11
		-	-	09/06/2017	-56307	Sold	1500817	1.07
		-	-	23/06/2017	-39349	Sold	1461468	1.04
		-	-	30/06/2017	-9866	Sold	1451602	1.04
		-	-	22/12/2017	-18065	Sold	1433537	1.02
		-	-	29/12/2017	-32720	Sold	1400817	1.00
		-	-	-	-		1400817	1.00
		920170	0.70	07/04/2017	-53904	Sold	866266	0.62
12	FIRST STATE INDIAN SUBCONTINENT FUND	-	-	14/04/2017	-2938	Sold	863328	0.62
		-	-	21/04/2017	-6839	Sold	856489	0.61
		-	-	28/04/2017	-7518	Sold	848971	0.61
		-	-	05/05/2017	-21667	Sold	827304	0.59
		-	-	12/05/2017	-13324	Sold	813980	0.58
		-	-	-	-	-	813980	0.58

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. K Ajith Kumar Rai Chairman & Managing Director	4,42,66,799	33.70	4,42,66,799	31.65
2	Mohan Srinivasan Nagamangala Director & CEO	4,104	0.003	4,890	0.003
3	Mr. Diwakar S Shetty Independent Director	10,150	0.008	14,106	0.01

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
4	Mr. M Jayarama Shetty Independent Director	3,90,400	0.30	3,71,580	0.27
5	Mr. Suresh Shetty Independent Director	7,19,883	0.60	7,63,080	0.55
6	Shri B.S Patil Independent Director	-	-	-	-
7	Mr. Ian Williamson Independent Director	-	-	-	-
8	Dr. Supriya A Rai Non Independent Director	1,43,46,358	10.92	1,43,46,358	10.26
9	Mr. Medappa Gowda. J CFO & Company Secretary	750	0.001	750	0.001

vi. Indebtedness

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

(₹ In Million)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the year				
i) Principal Amount	1810.15	-	6.15	1816.30
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	18.48	-	1.33	19.81
Total (i+ii+iii)	**1828.63**	**-**	**7.48**	**1836.11**
Change in Indebtedness during the financial year				
* Addition	-	-		-
* Reduction	(94.84)	-	(3.32)	(98.15)
Net Change	(94.84)	-	(3.32)	(98.15)
Indebtedness at the end of the financial year				
(i)Principal Amount	1733.79	-	4.15	1737.94
(ii)Interest due but not paid	-	-	-	-
(iii)Interest accrued but not due	6.58	-	0.01	6.59
Total (i+ii+iii)	**1740.37**	**-**	**4.16**	**1744.53**

(vi) Remuneration of Directors and Key Managerial Personnel –

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

(₹ in Million)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		MD	WTD	
		Mr. K Ajith Kumar Rai*	Mr. Mohan Srinivasan Nagamangala	
1	Gross salary (a) Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961	16.20	13.48	29.68
	(b) Value of perquisites u/s 17(2) Income –tax Act, 1961	0.04	0.03	0.07
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	28.34	-	28.34
5	Others Contribution to PF Performance Bonus	1.87	0.89	2.76
	Total (A)	**46.45**	**14.40**	**60.85**
Ceiling as per the Act				**144.98**

*Mr. K. Ajith Kumar Rai has voluntarily waived off his remuneration by 1% from the 4% of approved remuneration and restricted the overall remuneration to 3% of the Net Profits for the year ended 31st March, 2018.

B. **Remuneration to other Directors :**

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Mr. Diwakar S Shetty	Mr. Suresh Shetty	Mr. Jayarama M Shetty	Mr. Ian Williamson	Mr. B S Patil	Dr. Supriya A Rai	Total Amount
1	**Independent Directors** Fee for attending board/committee meetings Commission Others, please specify	 0.07 0.50 -	 0.09 0.50 -	 0.10 0.50 -	 Waived Waived -	 0.06 0.50 -	 - - -	 0.32 2.00 --
	Total (1)	**0.57**	**0.59**	**0.60**	**-**	**0.56**	-	**2.32**
2	**Other Non-Executive Director** Fee for attending board/committee meetings Commission Others, please specify	 - - -	 - - -	 - - -	 - - -	 - - -	 Waived - NA	 - - -
	Total (2)	-	-	-	-	-	-	-
	Total (B) = (1+2)	**0.57**	**0.59**	**0.60**	**-**	**0.56**	-	**2.32**
	Total Managerial Remuneration (A+B)	₹ 63.17 Million						
	Overall ceiling as per the Act	₹ 158.04 Million						

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

(₹ in Millions)

Sl. No.	Particulars of Remuneration	CFO & CS	Total
1	Gross salary (a) Salary as per provisions contained u/s 17(1) of the Income tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	5.70	5.70
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission :		
	- As % of profit	-	-
	- Others (Bonus)	0.38	0.38
5	Others (Contribution to PF, Gratuity and Superannuation Fund)	0.47	0.47

(viii) Penalties/Punishment/Compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD)/ NCLT/COURT)	Appeal made
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in default					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board

K. Ajith Kumar Rai
Chairman & Managing Director
DIN: 01160327

Place : Bengaluru
Date : May 29, 2018

ANNEXURE –II

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 millions)
Suprajit Automotive Private Limited	Wholly Owned Subsidiary	Sales / Purchase	NA	NA	75.17
Luxlite Lamps SARL, Luxembourg	Wholly Owned Subsidiary	Sales / Purchase	NA	NA	417.65
Trifa Lamps Germany Gmbh,	Wholly Owned Subsidiary	Sales	NA	NA	197.83
Wescon Controls LLC	Wholly Owned Subsidiary	Sales / Purchase	NA	NA	4.27

For and on behalf of the Board

K. Ajith Kumar Rai
Chairman & Managing Director
DIN: 01160327

Place : Bengaluru
Date : May 29, 2018

ANNEXURE – III

BUSINESS RESPONSIBILITY REPORT

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L29199KA1985PLC006934
2. Name of the Company: SUPRAJIT ENGINEERING LIMITED
3. Registered address : No. 100, Bommasandra Industrial Area, Anekal Taluk, Bangalore – 560 099
4. Website: www.suprajit.com
5. E-mail id: investors@suprajit.com
6. Financial Year reported: 2017-18
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

   29301 – Automotive cables and accessories (Automotive equipments)
8. List three key products/services that the Company manufactures/provides (as in Balance Sheet): Automotive Cables, Automotive Lamps and Speedo meters
9. Total number of locations where business activity is undertaken by the Company:
   (a) Number of International Locations (Provide details of major 5): 4 (USA, U.K, Germany, Luxemburg)
   (b) Number of National Locations: 17 Plants across India
10. Markets served by the Company – Local, State, National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY (as at March 31, 2018)

1. Paid up Capital (INR): 139.87 Millions
2. Total Turnover (INR): 10107.36 Millions
3. Total profit after taxes (INR): 1046.41 Millions
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 2% of average net profits of the Company made during the three immediately preceding financial years. Refer to Annexure –V in the Annual Report
5. List of activities in which expenditure in 4 above has been incurred:-
   (a) Education & Rural Development
   (b) Health care

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

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

(b) Details of the BR head:

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

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

Principle 1: Ethics, Transparency and Accountability [P1]
Principle 2: Product Lifecycle Sustainability [P2]
Principle 3: Employees Wellbeing [P3]
Principle 4: Stakeholder Engagement [P4]
Principle 5: Human Rights [P5]
Principle 6: Preservation of Environment [P6]
Principle 7: Responsible Advocacy [P7]
Principle 8: Inclusive Growth & Equitable Development [P8]
Principle 9: Customer Value [P9]

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

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

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

3. Governance related to BR

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

SECTION E: PRINCIPLE-WISE PERFORMANCE:

Principle 1:

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

   Yes. The policy is applicable to only individuals working in the Company, its subsidiaries and group companies.

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

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

Principle 2

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

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

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

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

   Not applicable.

Principle 3

1. Please indicate the Total number of employees. – 1,612
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis:

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

3. Please indicate the Number of permanent women employees – 216
4. Please indicate the Number of permanent employees with disabilities – NIL
5. Do you have an employee association that is recognized by management – NO
6. What percentage of your permanent employees is members of this recognized employee association? – NA
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

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

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

   (a) Permanent Employees – 100%
   (b) Permanent Women Employees – 100%
   (c) Casual/Temporary/Contractual Employees – 100%
   (d) Employees with Disabilities - NIL

Principle 4

1. Has the company mapped its internal and external stakeholders? - Yes.
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders:

   All stakeholders are equally significant and no one is considered as disadvantaged, vulnerable and marginalized.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so. - Not applicable

Principle 5

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

Principle 6

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

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

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

   The Company has not received any show cause notice during the financial year. Therefore not applicable.

Principle 7

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

   Yes the Company is a member of below mentioned associations:
   a. Confederation of Indian Industries (CII)
   b. Automotive Component Manufacturers Association (ACMA)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others) - Not applicable.

Principle 8

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

   Yes. The Company has Corporate Social Expenditure (CSR) Policy in line with the requirement of Companies Act, 2013 ("Act"). The Company, based on the recommendation of the CSR Committee, makes contribution of 2% of net profit as required under the Act, every year to Suprajit Foundation, CSR wing of the Company.
2. Are the programmes /projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

   The CSR programmes of the Company are undertaken through Suprjit Foundation. Details of the activities undertaken by Suprajit Foundation and amount spent thereof are provided as Annexure to the Board's Report.
3. Have you done any impact assessment of your initiative?

   We assess the impact of our CSR initiatives on regular basis.
4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

   Details of the CSR activities undertaken by Suprajit Foundation are given as Annexure V to the Board's Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

   Not applicable.

Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year. – NIL.
2. Does the company display product information on the product label, over and above what is mandated as per local laws?

   Yes. The product information is displayed on the product label to the extent required by the applicable law.
3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. –No.
4. Did your company carry out any consumer survey/ consumer satisfaction trends? – No.

For and on behalf of the Board

K. Ajith Kumar Rai
Chairman & Managing Director
DIN: 01160327

Place : Bengaluru
Date : May 29, 2018

ANNEXURE – IV

DIVIDEND DISTRIBUTION POLICY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

REVIEW / AMENDMENT:

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

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

For and on behalf of the Board

K. Ajith Kumar Rai
Chairman & Managing Director
DIN: 01160327

Place : Bengaluru
Date : May 29, 2018

ANNEXURE – V

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

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

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

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

4. Average net profit of the company for last three financials years : ₹ 1,045.90 Million

5. Prescribed CSR Expenditure (2% of the amount as in item 4 above) : ₹ 20.90 Million

6. Details of CSR spends during the financial year :

   a. Total amount spent for the financial year : ₹ 21.27 Million
   b. Amount unspent, if any : NIL
   c. Manner in which the amount spent during the financial year is detailed below.

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

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

   Activities of Suprajit Foundation:

Projects	2017-18 (Amount in INR Million)	Places and Area undertaken
Scholarships and related expenses	3.76	Various places in Karnataka
School Building at Vittla including furniture	12.76	
One Billion Literates Foundation	0.30	
Akshaya Patra Foundation (Mid-day meal program)	0.55	
Other educational and rural development projects	1.15	
Total spent on Education & Rural Development	**18.52**	
Healthcare Projects:		
Dialysis consumables project	0.17	
Other healthcare projects	0.20	
Total Spent on Healthcare	**0.37**	
Miscellaneous Projects	**0.07**	
Miscellaneous Expense	**0.05**	
Grand Total	**19.01**	

For and on behalf of the Board

K. Ajith Kumar Rai
Chairman & Managing Director
DIN: 01160327

Place : Bengaluru
Date : May 29, 2018

ANNEXURE - VI

NOMINATION AND REMUNERATION POLICY

Introduction:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel and employees of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Listing Agreement as amended from time to time, this Nomination and Remuneration Policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

Objective and Purpose:

The objective and purpose of this Nomination and Remuneration Policy is:

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies, in the industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage. In the context of the aforesaid criteria the following Nomination and Remuneration Policy has been formulated by the Committee and adopted by the Board of Directors at its meeting held on 29th September, 2014.

Effective Date:

This Nomination and Remuneration Policy shall be effective from 1st October, 2014.

Applicability:

The Nomination and Remuneration Policy is applicable to:

- Directors (executive and non-executive)
- Key Managerial Personnel
- Senior Management

General:

- This Nomination and Remuneration Policy is divided in two parts: Part – A covers the appointment and nomination and Part – B covers remuneration and perquisites etc.
- The key features of this Company's Nomination and Remuneration policy shall be included in the Board's Report.

PART A - POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel or at Senior Management level and recommend to the Board his / her appointment.
2. A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
3. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of 65 (sixty five) years. Provided that the term of the person holding this position may be extended beyond the age of 65 (sixty five) years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond 65 (sixty five) years.

Term / Tenure:

1. Managing Director / Whole-time Director:

   The Company shall appoint or re-appoint any person as its Chairperson/Chairman, Managing Director or Whole-time Director for a term not exceeding 5 (five) years at a time. No re-appointment shall be made earlier than 1 (one) year before the expiry of term.
2. Independent Director:
   - An Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
   - No Independent Director shall hold office for more than 2 (two) consecutive terms, but such Independent Director shall be eligible for appointment after expiry of 3 (three) years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of 3 (three) years, be appointed in or be associated directly or indirectly with the Company in any other capacity.
   - At the time of appointment of Independent Director it should be ensured that number of boards on which such Independent Director serves is restricted as provided under the Companies Act, 2013 and the rules there under and the Listing Agreement.
   - The appointment/re-appointment of Independent Directors shall be in accordance with the condition as prescribed under the Companies Act, 2013, rules made there under and the Listing Agreement.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, Key Managerial Personnel and Senior Management Personnel at regular interval (yearly) and recommend it to the Board.

Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Retirement:

The Director, Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, Key Managerial Personnel, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART B - POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

General:

1. The remuneration/ compensation/ commission etc. to the Whole-time Director, Key Managerial Personnel and Senior Management will be determined by the Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organisations and recommended to the Board of Directors for approval. The remuneration/ compensation/ commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage/ slabs/ conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.
3. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board. Increments will be effective from 1st April in respect of all Whole-time Directors and employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Whole-time/ Executive/ Managing Director, Key Managerial Personnel and Senior Management:

1. Fixed pay:

   The Whole-time Director / Key Managerial Personnel and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

   If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration:

   If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non-Executive/ Independent Directors:

Independent Directors are appointed for their professional expertise in their individual capacity as independent professionals / business executives. Independent Directors receive sitting fees for attending the meeting of the Board and committees of the Board and commission as approved by the Board and shareholders.

1. Remuneration / Commission:

   The remuneration/ commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder. The remuneration by way of commission paid to the Independent Directors shall be determined periodically and reviewed based on the industry benchmarks.

2. Sitting Fees:

   The non-executive/ Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed such maximum permissible amount per meeting of the Board or Committee as may be prescribed under the Companies Act, 2013 or such amount as may be prescribed by the Central Government from time to time.

3. Commission:

   Commission may be paid within the monetary limit approved by the Shareholders, subject to the limit not exceeding 1% of the profits of the Company, computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

   An Independent Director shall not be entitled to any stock option of the Company.

ANNEXURE - VII

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2018
[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
Bengaluru
(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 31.03.2018 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 31.03.2018 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, 2009;
  d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
  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 and dealing with client;
  g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and,
  i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
(vi) There are no specific laws applicable to the Company pursuant to the business carried by the Company.
(vii) The other general laws as may be applicable to the Company including the following:

(1) Employer/Employee Related laws & Rules:

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

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

(2) Environment Related Acts & Rules:

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

3) Economic / Commercial Laws & Rules:

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

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

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

The Company needs to further strengthen the compliances under the Secretarial Standards and Labour Laws and Factories Act related aspects.

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

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

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

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

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

I further report that during the year under report, the Hon'ble NCLT had passed the order for sanctioning the Scheme of Amalgamation of Phoenix Lamps Limited a Company incorporated under the Companies Act, 1956 bearing CIN:L31500UP1991PLC012944 with the Company, on 11th August, 2017. Pursuant to the above mentioned Scheme of Amalgamation, 85,33,699 Equity Shares of Re. 1/- has been allotted to the minority shareholders of Phoenix Lamps Limited on 14th September, 2017.

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

Place : Bengaluru
Date : May 29, 2018

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 record 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, Central and State Sales Tax Act.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

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

Place : Bengaluru
Date : May 29, 2018

Form AOC-I

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

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

Part "A": Subsidiaries

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

Sl. No.	1	2	3	4	5	6
1.	**Name of the Subsidiary**	**Suprajit Automotive Private Limited**	**Suprajit Europe Limited**	**Suprajit USA Inc**	**Luxlite Lamps SARL, Luxembourg**	**Trifa Lamps Germany Gmbh**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	GBP	USD	EURO	EURO
			1 GBP = 92.2846	1 USD = 65.0441	1 EURO = 80.6222	1 EURO = 80.6222
4	Share capital	19.90	186.00	0.07	773.22	2.19
5	Reserves & surplus	460.46	220.93	1656.57	154.11	307.12
6	Total Assets	779.83	351.04	3791.34	470.60	378.81
7	Total Liabilities	319.38	130.10	2134.77	316.49	71.70
8	Investments	0	0	0	0	0
9	Turnover (Note 3)	1124.67	884.50	2562.51	795.29	782.60
10	Profit before taxation	214.02	61.17	118.99	(24.45)	23.52
11	Provision for taxation (Note 4)	69.25	11.74	(86.04)	0.78	9.48
12	Profit after taxation	144.77	49.44	205.03	(25.23)	14.04
13	Proposed Dividend	0	0	0	0	0
14	% of Shareholding	100%	100%	100%	100%	100%

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

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

Sl.No	Name of Associates/Joint Ventures	
1.	Latest audited Balance Sheet Date	The Company has no Associates or Joint Ventures as on 31st March 2018. Hence Part "B" is not applicable to the Company
2.	Shares of Associate/Joint Ventures held by the company on the year end	
3.	No.	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding %	
	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	

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

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

K Ajith Kumar Rai
Chairman & Managing Director
DIN: 01160327

Mohan Srinivasan Nagamangala
Director & CEO
DIN: 01916468

Medappa Gowda J
CFO & Company Secretary

Place : Bengaluru
Date : May 29, 2018

Annexure -IX

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

Requirements	
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.	6.47%
The number of permanent employees on the rolls of Company	1,612
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, 2018 has been increased by 13.33%. The aggregate remuneration of employees excluding Chairman & Managing Director grew by 10.93% over the previous financial year. The aggregate increase in salary for Chairman & Managing Director was 49.80% in the financial year 2017-18 over financial year 2016-17.
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 31.03.2018 is al follow :

Sl. No.	Name of the Directors	Ratio
1	Mr. K Ajith Kumar Rai	220.74 x
2	Mohan Srinivasan Nagamangala **	68.21 x
3	Mr. Diwakar S Shetty	2.38 x
4	Mr. Jayarama M Shetty	2.38 x
5	Mr. B S Patil	2.38 x
6	Mr. Suresh Shetty	2.38 x
7	Mr. Ian Williamson	0 x
8	Dr. Supriya Rai	0 x

During the year, the non-executive directors received only the sitting fees as remuneration.

The Median remuneration of the employees for the financial year ends March 31, 2018 is ₹ 2,10,431/-

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 ending on 31.03.2018 is as follow :

(Amount in Millions)

Sl. No.	Name of the Director/KMP	Designation	As on 31.03.2018	As on 31.03.2017	% increase for ending on 31.03.2017
1	Mr. K Ajith Kumar Rai	Chairman & Managing Director	46.45	31.01	49.80
2	Mr. Mohan Srinivasan Nagamangala *	Director & CEO	14.40	1.40	-
3	Mr. Diwakar S Shetty**	Independent Director	0.50	0.30	66.67
4	Mr. Jayarama M Shetty**	Independent Director	0.50	0.30	66.67
5	Mr. Suresh Shetty**	Independent Director	0.50	0.30	66.67
6	Mr. B S Patil**	Independent Director	0.50	0.30	66.67
7	Mr. Ian Williamson	Independent Director	NA	NA	-
8	Dr. Supriya A Rai	Independent Director	NA	NA	-
9	Mr. Medappa Gowda J	CFO & Company Secretary	6.55	5.67	15.52

* Remuneration paid to Mr. Mohan Srinivasan Nagamangala for 2016-17 was effective from 13.02.2017.
** The above remuneration to the non-executive directors does not include the sitting fees paid during the year.

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

(i) During the financial year 2017-18, no employee received the remuneration aggregating to ₹ 10.20 million p.a or ₹ 0.85 million p.m, except the following

Sl. No.	Employee Name	Designation	Educational Qualification	Age	Experience (in Years)	Date of joining	Remuneration (in millions)	Previous Employment
1	K Ajith Kumar Rai	Chairman & Managing Director	B.E.M.A.Sc (Canada)	59	33	24.05.1985	46.45	Research & Teaching Assitant, Technical University of Novascotia, Canada
2	Mohan Srinivasan Nagamangala	Director & CEO	B.E (Mechanical), ICWA	55	32	05.12.2013	14.40	ZF Industrial Technology Ltd

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

(iii) During the financial year 2017-18, no employee received remuneration in excess of the highest-paid director.

For and on behalf of the Board

K. Ajith Kumar Rai
Chairman & Managing Director
DIN: 01160327)

Place : Bengaluru
Date : May 29, 2018

CEO & CFO CERTIFICATION

a. **We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and certify, to the best of our knowledge and belief, that:**

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

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

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

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

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

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

For **Suprajit Engineering Limited**

Place : Bengaluru
Date : May 29, 2018

Medappa Gowda J
CFO & Company Secretary

Mohan Srinivasan Nagamangala
Director & CEO
DIN : 01916468

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

I, Mohan Srinivasan Nagamangala, CEO & Director of Suprajit Engineering Limited hereby declare that all the Board Members and Senior Managerial Personnel have affirmed for the year ended March 31, 2018 compliance with the code of conduct of the Company laid down for them.

Place : Bengaluru
Date : May 29, 2018

Mohan Srinivasan Nagamangala
Director & CEO
DIN : 01916468

CERTIFICATE

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS REQUIRED UNDER THE 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, 2018 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

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

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

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

Vijayakrishna K T
Practising Company Secretary
FCS No.: - 1788
C P No.: - 980

Place : Bengaluru
Date : May 29, 2018

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

To

The Members of **SUPRAJIT ENGINEERING LIMITED**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Suprajit Engineering Limited ("the Company"), which comprises of the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act")with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the previously issued standalone financial statements prepared in accordance with the recognition and measurement principles of the Accounting Standards, specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India and audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 29, 2017 and May 30, 2016 respectively expressed an unmodified opinion on those standalone financial statements and the restated financial statements for the year ended March 31, 2017, which was restated to give effect to scheme of Amalgamation between the Company and Phoenix Lamps Limited (erstwhile subsidiary of the Company), pursuant to the approval of the Honourable National Company Law Tribunal vide its order dated August 11, 2017, on which the predecessor auditor has expressed an unmodified opinion vide report dated September 13, 2017, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
   (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Act;
   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report; and
   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer note 35 to the standalone Ind AS financial statements;
      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer note 18 and note 44(iv) to the standalone Ind AS financial statements; and
      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

per Rajeev Kumar
Partner
Membership No.: 213803

Place : Bengaluru
Date : May 29, 2018

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

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment. However, identification/ tagging of certain classes of assets needs to be further strengthened to facilitate timely reconciliation with results of physical verification.

(b) During the year, the Company has carried out physical verification of certain property, plant and equipment in accordance with the planned programme, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Major portion of the assets verified during the year were reconciled with fixed asset register and no material discrepancies were noted and in respect of certain classes of assets reconciliation process is under way. Pending outcome of such reconciliation no adjustments have been made to these Ind AS financial statements.

(c) According to the information and explanations given by the management and confirmation from banks relating to title deeds of immovable properties mortgaged with the banks, the title deeds of immovable properties are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.

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

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

(v) In respect of deposits accepted, in our opinion and according to the information and explanations given to us, directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act, and the rules framed there under, to the extent applicable, have been complied with. We are informed by the management that no order has been passed by the National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.

(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 regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other material statutory dues applicable to it.

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

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

Name of the Statute	Nature of the dues	Amount (₹ in millions)	Payment under protest	Period (financial year) to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance of certain expenses and benefit (including interest)	1.26	-	2012-13	Income Tax Appellate Tribunal
The Finance Act, 1994	Ineligible cenvat credit availed (including interest and penalty)	1.03	-	2009-10 & 2010-11	Customs, Excise and Service Tax Appellate Tribunal, New Delhi
		0.11	-	2015-16	Customs Excise & Service tax Appellate Tribunal
Sales Tax (various statutes)	Value added tax/Sales tax	33.75	0.8	2006-07	Joint Commissioner of Sales Tax (Appeals)
		28.67	0.8	2009-10	
		2.93	0.3	2012-13	Deputy Commissioner of Commercial Tax (Appeals)

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

(ix) In our opinion and according to information and explanations given by the management, monies raised by the Company by way of term loans were applied for the purposes for which the loans were obtained. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and hence not commented upon.

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

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

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

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

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

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

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

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

per Rajeev Kumar
Partner
Membership No.: 213803

Place : Bengaluru
Date : May 29, 2018

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

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

We have audited the internal financial controls over financial reporting of Suprajit Engineering Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these standalone Ind AS financial statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Rajeev Kumar
Partner
Membership No.: 213803

Place : Bengaluru
Date : May 29, 2018

STANDALONE BALANCE SHEET AS AT MARCH 31, 2018

₹ in Million

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	**3**	2,283.45	2,323.91	1,846.45
Capital work in progress		19.57	18.43	178.05
Intangible assets	**4**	10.06	12.88	17.41
Intangible assets under development		7.23	1.20	-
Financial assets				
Investments	**5**	2,524.59	2,524.59	1,110.66
Other bank balances	**10**	2.94	2.29	2.87
Loans	**11**	35.43	34.19	31.17
Income tax assets (net)		11.81	-	216.89
Other non-current assets	**13**	214.30	184.22	333.53
		5,109.38	**5,101.71**	**3,737.03**
Current assets				
Inventories	**6**	1,186.12	894.06	1,050.80
Financial assets				
Investments	**7**	1,258.09	182.83	1,604.33
Trade receivables	**8**	1,938.82	1,619.98	1,741.22
Cash and cash equivalents	**9**	41.29	31.33	23.49
Other bank balances	**10**	17.26	15.47	14.25
Loans	**11**	4.80	10.36	21.23
Other financial assets	**12**	1.57	28.68	3.57
Current tax assets (net)		-	216.11	-
Other current assets	**13**	192.04	165.69	148.63
		4,639.99	**3,164.51**	**4,607.52**
Total assets		**9,749.37**	**8,266.22**	**8,344.55**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	**14**	139.87	139.87	139.87
Other equity	**15**	5,920.43	5,068.94	4,376.95
Total equity		**6,060.30**	**5,208.81**	**4,516.82**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	**16**	262.61	506.36	745.55
Other financial liabilities	**18**	15.13	13.34	11.76
Provisions	**19**	40.27	61.01	61.39
Deferred tax liabilities (net)	**20**	164.66	133.80	100.63
Other non-current liabilities	**21**	13.01	14.70	3.34
		495.68	**729.21**	**922.67**

STANDALONE BALANCE SHEET AS AT MARCH 31, 2018

₹ in Million

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current liabilities				
Financial liabilities				
Borrowings	**16**	1,245.72	1,047.92	1,469.30
Trade payables	**17**	1,326.74	666.21	735.14
Other financial liabilities	**18**	369.06	423.40	501.34
Provisions	**19**	50.68	59.24	52.67
Current tax liabilities (net)		106.00	34.84	42.35
Other current liabilities	**21**	95.19	96.59	104.26
		3,193.39	**2,328.20**	**2,905.06**
Total liabilities		**3,689.07**	**3,057.41**	**3,827.73**
Total equity and liabilities		**9,749.37**	**8,266.22**	**8,344.55**

Corporate information and significant accounting policies **1 & 2**

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

As per our report of even date

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

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: May 29, 2018

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

K Ajith Kumar Rai
Chairman & Managing Director
DIN : 01160327

Mohan Srinivasan Nagamangala
Director & CEO
DIN: 01916468

Medappa Gowda J
CFO & Company Secretary

Place: Bengaluru
Date: May 29, 2018

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Million

		Notes	Year ended March 31, 2018	Year ended March 31, 2017
I	**Income**			
	Revenue from operations	22	9,879.24	9,423.10
	Other income	23	228.12	172.70
	Total income		**10,107.36**	**9,595.80**
II	**Expenses**			
	Cost of material consumed	24	5,894.38	5,114.89
	Purchases of stock-in-trade	25	96.91	48.64
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	26	(1.94)	83.90
	Excise duty on sale of goods	22	231.03	910.06
	Employee benefits expense	27	1,251.04	1,116.88
	Finance cost	28	184.50	225.70
	Depreciation and amortisation expense	29	184.44	158.85
	Other expenses	30	677.11	647.62
	Total expenses		**8,517.47**	**8,306.54**
III	**Profit before exceptional items and tax expense (I-II)**		**1,589.89**	**1,289.26**
IV	**Exceptional items (net)**	31	-	54.39
V	**Profit before tax expense (III-IV)**		**1,589.89**	**1,234.87**
VI	**Tax expense (net):**	32		
	Current tax		485.74	362.27
	Deferred tax charge		33.52	18.84
	Tax expense/(write back) relating to earlier years		24.22	(3.09)
	Total tax expenses		**543.48**	**378.02**
VII	**Profit for the year (V-VI)**		**1,046.41**	**856.85**
VIII	**Other comprehensive income ('OCI'), net of taxes**			
	Items that will not be reclassified subsequently to profit or loss:			
	Re-measurement loss on defined benefit plan		(5.04)	(2.07)
			(5.04)	**(2.07)**
IX	**Total comprehensive income for the year (VII+VIII)**		**1,041.37**	**854.78**
X	**Basic and Diluted earnings per equity share [nominal value of share ₹ 1 (March 31, 2017: ₹ 1)]**	33	7.48	6.13

Corporate information and significant accounting policies **1 & 2**

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

As per our report of even date

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Place: Bengaluru
Date: May 29, 2018

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity share capital (refer note 14)

	No. in Million	₹ in Million
Equity shares of ₹ 1 each issued, subscribed and fully paid-up		
As at April 1, 2016*	139.87	139.87
Issued during the year	-	-
As at March 31, 2017*	**139.87**	**139.87**
Issued during the year	-	-
As at March 31, 2018	**139.87**	**139.87**

* includes 8,533,699 equity shares of ₹ 1 each to be issued to the minority shareholders of Phoenix Lamps Limited, as part of merger (refer note 38).

B. Other equity (refer note 15)

₹ in Million

	Attributable to equity holders of the Company					
	Reserves and surplus					Total
	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Surplus in the statement of profit & loss	
Balance as at April 1, 2016	**5.13**	**1,861.81**	**293.70**	**960.83**	**1,255.48**	**4,376.95**
Add: Profit for the year	-	-	-	-	856.85	856.85
Less: OCI - re-measurement losses on defined benefit obligation (net of tax)	-	-	-	-	(2.07)	(2.07)
Transfer to general reserve	-	-	-	500.00	(500.00)	-
Less: Cash dividends	-	-	-	-	(146.87)	(146.87)
Less: Dividend distribution tax	-	-	-	-	(15.92)	(15.92)
Balance as at March 31, 2017	**5.13**	**1,861.81**	**293.70**	**1,460.83**	**1,447.47**	**5,068.94**
Add: Profit for the year	-	-	-	-	1,046.41	1,046.41
Less: OCI - re-measurement losses on defined benefit obligation (net of tax)	-	-	-	-	(5.04)	(5.04)
Transfer to general reserve	-	-	-	700.00	(700.00)	-
Less: Cash dividends	-	-	-	-	(167.84)	(167.84)
Less: Dividend distribution tax	-	-	-	-	(22.04)	(22.04)
Balance as at March 31, 2018	**5.13**	**1,861.81**	**293.70**	**2,160.83**	**1,598.96**	**5,920.43**

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

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

As per our report of even date

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

per Rajeev Kumar
Partner
Membership No.: 213803

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Place: Bengaluru
Date: May 29, 2018

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

₹ in Million

		Year ended March 31, 2018	Year ended March 31, 2017
A	**Operating activities**		
	Profit before tax expense	1,589.89	1,234.87
	Adjustments to reconcile profit before tax expense to net cash flows:		
	Depreciation and amortisation expense	184.44	158.85
	Allowance for doubtful receivables (net)	0.56	(3.12)
	Loss on disposal of property, plant and equipment (net)	0.41	3.17
	Liabilities no longer required written back	-	(0.38)
	Profit on sale of mutual funds (net)	-	(51.13)
	Fair value gain in financial instruments	(75.26)	(17.60)
	Finance cost	184.50	225.70
	Interest income	(49.94)	(3.57)
	Dividend income	(59.70)	(39.80)
	Operating profit before working capital changes	**1,774.90**	**1,506.99**
	Working capital adjustments:		
	(Increase)/decrease in inventories	(292.06)	156.74
	(Increase)/decrease in trade receivables	(318.84)	121.24
	(Increase)/decrease in loans	(1.80)	1.34
	(Increase)/decrease in other assets	(57.71)	(15.45)
	Increase/(decrease) in trade payables	660.53	(68.55)
	Increase/(decrease) in other financial liabilities	59.23	(20.09)
	Increase/(decrease) in provisions	(37.01)	3.02
	Increase/(decrease) in other liabilities	(3.09)	3.69
	Cash generated from operations	**1,784.15**	**1,688.93**
	Direct taxes paid (net of refund)	(186.20)	(350.48)
	Net cash flow from operating activities	**1,597.95**	**1,338.45**
B	**Investing activities**		
	Purchase of property, plant and equipment and other intangible assets	(180.21)	(316.49)
	Proceeds from sale of property, plant and equipment	2.65	6.68
	Loans repaid by related parties	6.12	6.51
	Investment in Suprajit USA Inc.	-	(1,413.93)
	Sale of current investments	-	1,791.16
	Purchase of current investments	(1,000.00)	(300.93)
	Movement in deposits (net)	(2.44)	(0.64)
	Interest received	3.53	3.68
	Dividend received from a subsidiary company	59.70	39.80
	Net cash flows used in investing activities	**(1,110.65)**	**(184.16)**

STANDALONE STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

₹ in Million

		Year ended March 31, 2018	Year ended March 31, 2017
C	**Financing activities**		
	Movement in working capital loans (net)	197.80	(421.38)
	Movement in long term borrowings (net)	(281.41)	(343.26)
	Interest paid	(197.72)	(228.58)
	Dividend paid to equity shareholders	(173.97)	(137.31)
	Dividend distribution tax	(22.04)	(15.92)
	Net cash flow used in financing activities	**(477.34)**	**(1,146.45)**
D	**Net increase in cash and cash equivalents (A+B+C)**	**9.96**	**7.84**
	Cash and cash equivalents at the beginning of the year	31.33	23.49
E	**Cash and cash equivalents at the end of the year (refer note no. 9)**	**41.29**	**31.33**

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

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

As per our report of even date

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

per Rajeev Kumar
Partner
Membership No.: 213803

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Medappa Gowda J
CFO & Company Secretary

Place: Bengaluru
Date: May 29, 2018

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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, Bommasandra Industrial Area, Anekal Taluk, Bengaluru - 560 099.

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.

2. **Significant accounting policies**

(a) Basis of preparation of standalone financial statements

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended March 31, 2017, the Company prepared its standalone financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP").

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

(b) Use of estimates, assumptions and judgements

The preparation of the standalone 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 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 recognised in the year in which the estimates are revised and future periods are affected.

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

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 37).

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 in currencies consistent with the currencies of the post-employment 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.

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 32).

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.

(c) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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 recognised in the 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 recognised in OCI or the statement of profit and loss, respectively).

(e) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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

(f) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligation in all revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risk.

Based on the educational material on 18 issued by the Institute of Chartered Accountants of India ("ICAI"), the Company has assumed that recovery of excise duty flows to the company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the company on its own account, revenue includes excise duty.

However, sales tax/value added tax ('VAT')/goods and service tax ('GST') is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.
The following specific recognition criteria must also be met before revenue is recognized:

Sales of products

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

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

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

Export benefits

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

Dividend

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

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the 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 recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(h) Taxes

Current income tax

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

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Deferred tax

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

- when the deferred tax liability or asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit and loss; and
- in respect of taxable temporary differences and deductible temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in OCI or in equity in correlation to the underlying transaction).

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

Sales tax/value added taxes / GST paid on acquisition of assets or on incurring expenses

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

(i) Property, plant and equipment

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 1, 2016.

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

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	15
Furniture and fixtures	10 and 15
Office equipments	5 and 10
Vehicles	8 and 10
Computers & Networking	3 and 6

In respect of plant and machinery (excluding pipe and electrical fittings etc.).

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

Leasehold land is amortized on a straight-line basis over the period of lease. Leasehold improvements are amortized on straight-line basis over the lower of useful life of the asset and the remaining period of the lease.

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

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

(j) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following, initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

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 amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the 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 amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets is recognized in the 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 recognised in the statement of profit and loss when the asset is derecognised.

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

	Useful life (years)
Software	3
Licenses and rights	5
Patents	5

Research costs are charged to statement of profit and loss as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

(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

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. For arrangements entered into prior to the date of transition, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of the transaction.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

(m) Inventories

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

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

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

(n) Impairment of non-financial assets

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

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

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

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

(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 recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised 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 is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes changes in the net defined benefit obligation which includes service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and net interest expense or income, as an expense in the statement of profit and loss. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

(q) 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

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

Subsequent measurement

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

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

A 'debt instrument' is measured at the amortised 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 amortised 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:

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

(iv) 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 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 group of similar financial assets) is primarily derecognised (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 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 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 recognised initially at fair value and in case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include borrowings, trade and other payables, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through the statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Gains or losses on liabilities held for trading are recognised 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 Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Loans and borrowings

Borrowings is the category most relevant to the Company. After initial recognition, interest-bearing borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR 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 amortisation is included as finance costs in the 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 recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised 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 recognised in the statement of profit or loss.

Offsetting of financial instruments

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

(r) Derivative financial instruments and hedge accounting

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

(s) Cash and cash equivalents

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

(a) 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.

(t) 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 recognised directly in equity.

(u) 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.

(v) 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.

(w) 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.

3. Property, Plant and Equipment*

₹ In Million

	Land	Leasehold land	Buildings	Electrical installations	Plant and Equipments	Dies and moulds	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
Cost											
As at April 1, 2016	**188.25**	**27.04**	**927.72**	**96.39**	**529.22**	**18.26**	**25.82**	**11.79**	**13.89**	**8.07**	**1,846.45**
Additions	-	-	192.05	29.99	392.52	3.69	3.00	3.41	8.82	7.50	640.98
Disposals	(5.04)	-	(1.70)	(0.95)	(4.74)	-	-	(0.26)	-	-	(12.69)
As at March 31, 2017	**183.21**	**27.04**	**1,118.07**	**125.43**	**917.00**	**21.95**	**28.82**	**14.94**	**22.71**	**15.57**	**2,474.74**
Additions	-	-	13.56	13.13	84.19	6.88	8.11	5.95	4.51	3.47	139.80
Disposals	-	-	-	(0.11)	(6.29)	-	(0.03)	(1.63)	(0.08)	(0.04)	(8.18)
At March 31, 2018	**183.21**	**27.04**	**1,131.63**	**138.45**	**994.90**	**28.83**	**36.90**	**19.26**	**27.14**	**19.00**	**2,606.36**
Depreciation											
As at April 1, 2016	-	-	-	-	-	-	-	-	-	-	-
Charge for the year	-	-	43.18	8.08	86.31	2.28	2.52	2.92	3.04	5.34	153.67
Disposals	-	-	(0.07)	(0.09)	(2.62)	-	-	(0.06)	-	-	(2.84)
As at March 31, 2017	-	-	**43.11**	**7.99**	**83.69**	**2.28**	**2.52**	**2.86**	**3.04**	**5.34**	**150.83**
Charge for the year	-	-	45.34	8.87	107.06	2.23	2.97	3.08	3.67	3.98	177.20
Disposals	-	-	-	(0.02)	(4.48)	-	(0.01)	(0.52)	(0.07)	(0.02)	(5.12)
As at March 31, 2018	-	-	**88.45**	**16.84**	**186.27**	**4.51**	**5.48**	**5.42**	**6.64**	**9.30**	**322.91**
Net book value											
As at April 1, 2016	**188.25**	**27.04**	**927.72**	**96.39**	**529.22**	**18.26**	**25.82**	**11.79**	**13.89**	**8.07**	**1,846.45**
As at March 31, 2017	**183.21**	**27.04**	**1,074.96**	**117.44**	**833.31**	**19.67**	**26.30**	**12.08**	**19.67**	**10.23**	**2,323.91**
As at March 31, 2018	**183.21**	**27.04**	**1,043.18**	**121.61**	**808.63**	**24.32**	**31.42**	**13.84**	**20.50**	**9.70**	**2,283.45**

** refer note 45(B)(i)*

Notes:

(a) Property, plant and equipments 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. 16.

(b) The amount of borrowing costs capitalised at applicable effective interest rate on the eligible borrowings during the year ended March 31, 2018 was ₹ Nil (March 31, 2017: ₹ 14.03 Million).

3. Property, plant and equipment

Notes: (Contd...)

(c) Buildings include those constructed on leasehold land as follows:

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Cost	**738.97**	**558.64**
Additions	0.60	180.33
Gross block	**739.57**	**738.97**
Accumulated depreciation	**(27.13)**	**-**
Charge for the year	(28.71)	(27.13)
	(55.84)	**(27.13)**
Net book value	**683.73**	**711.84**

4. Intangible assets

₹ in Million

	Business rights	Patents	Software	Total
Cost				
As at April 1, 2016	**13.16**	**0.28**	**3.97**	**17.41**
Additions	-	-	0.65	0.65
As at March 31, 2017	**13.16**	**0.28**	**4.62**	**18.06**
Additions	-	-	4.42	4.42
As at March 31, 2018	**13.16**	**0.28**	**9.04**	**22.48**
Amortization				
As at April 1, 2016	**-**	**-**	**-**	**-**
Charge for the year	3.76	0.07	1.35	5.18
As at March 31, 2017	**3.76**	**0.07**	**1.35**	**5.18**
Charge for the year	3.76	0.07	3.41	7.24
As at March 31, 2018	**7.52**	**0.14**	**4.76**	**12.42**
Net book value				
As at April 1, 2016	**13.16**	**0.28**	**3.97**	**17.41**
As at March 31, 2017	**9.40**	**0.21**	**3.27**	**12.88**
As at March 31, 2018	**5.64**	**0.14**	**4.28**	**10.06**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
5. Investments			
Non-current			
Investment carried at cost (unquoted equity instrunents)			
Investments in equity shares of wholly owned subsidiaries			
Suprajit Automotive Private Limited, India	19.90	19.90	19.90
1,990,000 (March 31, 2017: 1,990,000, April 1, 2016: 1,990,000) equity shares of ₹ 10 each including beneficial holding of 1 equity share			
Suprajit Europe Limited, UK	186.00	186.00	186.00
2,200,000 (March 31, 2017: 2,200,000, April 1, 2016: 2,200,000) equity shares of GBP 1 each			
Trifa Lamps Germany, GmbH, Germany	312.00	312.00	312.00
30,000 (March 31, 2017: 30,000, April 1, 2016: 30,000) equity shares of Euro 1 each			
Luxlite Lamps SARL, Luxembourg	592.76	592.76	592.76
91,125 (March 31, 2017: 91,125, April 1, 2016: 91,125) equity shares of Euro 100 each (impairment on investment ₹ 199.54 Million, [March 31, 2017: ₹ 199.54 Million, April 1, 2016: ₹ 199.54 Million]			
Suprajit USA Inc., USA	1,413.93	1,413.93	-
1,000 (March 31, 2017: 1,000, April 1, 2016: Nil) Common Stock of USD 21,000 each			
	2,524.59	**2,524.59**	**1,110.66**
Aggregate amount of unquoted investment in subsidiaries	2,724.13	2,724.13	1,310.20
Less: Aggregate amount of impairment of investments	(199.54)	(199.54)	(199.54)
Total	**2,524.59**	**2,524.59**	**1,110.66**

Note: The Company had assessed the carrying value of its investment in its wholly owned subsidiaries as at March 31, 2018, March 31, 2017 and April 1, 2016. Based on future operational plan, projected cash flows and valuation carried out by an external valuer, the management is of the view that, the carrying value of the aforesaid investments in subsidiaries is appropriate.

6 Inventories

(Valued at lower of cost and net realisable value)

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials [includes in goods in transit ₹ 159.16 Million (March 31, 2017: ₹ 53.05 Million, April 1, 2016: ₹ 63.57 Million)]	802.13	518.99	586.67
Work-in-progress	104.34	109.00	150.06
Finished goods	295.28	292.34	342.38
Traded goods	14.34	10.68	3.48
Less: Allowance towards slow and non-moving items	(29.97)	(36.95)	(31.79)
Total	**1,186.12**	**894.06**	**1,050.80**

7 Investment

(Valued at fair value through profit and loss)

	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
Quoted mutual funds (fully paid-up)									
Franklin India Ultra Short Bond Fund - Super Institutional Plan	11,272,589	24.14	272.14	2,453,359	22.33	54.78	4,208,874	20.37	85.74
Birla Sun Life Treasury Optimizer Fund Growth Plan	1,049,608	224.52	235.66	344,566	210.35	72.48	344,566	190.01	65.47
Franklin India Short Term Income - Retail Plan	12,117	3,670.05	44.47	12,117	3,386.15	41.03	12,117	3,047.78	36.93
IDFC Dynamic Bond Fund Growth Regular Plan	720,861	20.64	14.88	720,861	20.17	14.54	2,837,677	17.83	50.59
Birla Sun Life Corporate Bond Fund - Direct	12,123,851	13.31	161.31	-	-	-	-	-	-
HDFC Regular Savings Fund - Direct (G)	3,024,802	35.24	106.59	-	-	-	-	-	-
ICICI Prudential Equity Arbitrage Fund - Direct (Growth)	4,490,155	23.67	106.30	-	-	-	-	-	-
Franklin India Short Term Income Fund	27,530	3,823.10	105.25	-	-	-	-	-	-
Franklin India Low Duration Fund - Growth	5,182,643	20.30	105.19	-	-	-	-	-	-
Franklin India Low Duration Fund Growth	2,703,170	19.98	54.00	-	-	-	-	-	-
Franklin India Dynamic Accrual Fund - Direct - Growth	817,991	63.94	52.30	-	-	-	-	-	-
Birla Sun Life Cash Plus - Growth Direct Plan	-	-	-	-	-	-	1,242,460	243.32	302.31
ICICI Prudential Liquid - Direct Plan Growth	-	-	-	-	-	-	1,347,810	224.29	302.30
HDFC Liquid - Direct Plan - Growth Option	-	-	-	-	-	-	67,600	2,990.24	202.14
Franklin India Short Term Income Retail Plan	-	-	-	-	-	-	38,048	3,132.10	119.17
HDFC Liquid Regular (WMU)	-	-	-	-	-	-	33,757	2,984.57	100.75
SBI Magnum Insta Cash Liquid Floater - Direct Plan Growth	-	-	-	-	-	-	38,996	2,581.03	100.65
HDFC High Interest Fund - Growth	-	-	-	-	-	-	1,771,778	50.99	90.34
Reliance Dynamic Bond Growth	-	-	-	-	-	-	3,808,213	20.06	76.41
Franklin India Short Term Income Retail Plan	-	-	-	-	-	-	7,558	3,266.74	24.69
IDFC Super Saver Income Fund Short Term Growth Direct Plan	-	-	-	-	-	-	755,039	31.53	23.81
UTI Bond Fund Growth	-	-	-	-	-	-	560,887	41.06	23.03
Total			**1,258.09**			**182.83**			**1,604.33**
Aggregate book value of quoted investments			**1,136.50**			**136.50**			**1,487.11**

8 Trade receivables

(Unsecured, carried at amortised cost)

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Considered doubtful	10.72	10.16	13.28
Less: Allowance for doubtful receivables	(10.72)	(10.16)	(13.28)
Total	-	-	-
Current			
Considered good *	1,938.82	1,619.98	1,741.22
Total	**1,938.82**	**1,619.98**	**1,741.22**

*Includes dues from related parties. Refer note 40.

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Further, there are no trade or other receivables which are due from firms or private companies in which any director is a partner, a director or a member.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

9 Cash and cash equivalents

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Cash on hand	1.30	0.72	1.22
Balance with banks on			
Current accounts	19.75	14.82	18.78
EEFC accounts	19.78	15.79	3.33
Deposit accounts with original maturity of less than three months	0.46	-	0.16
Total	**41.29**	**31.33**	**23.49**

10 Other bank balances

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Margin money deposits*	2.94	2.29	2.87
Total	**2.94**	**2.29**	**2.87**
Current			
Balance with banks on deposits with remaining maturity for less than 12 months	-	1.04	0.42
Earmarked balances with banks being unpaid dividend accounts**	17.26	14.43	13.83
Total	**17.26**	**15.47**	**14.25**

* includes margin money deposits towards bank guarantees of ₹ 1.00 Million (March 31, 2017: ₹ 1.00 Million, April 1, 2016: ₹ 1.10 Million) held against public deposits.

**These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

11 Loans

(Unsecured, considered good, carried at amortised cost)

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Security deposits	35.43	34.19	31.17
Total	**35.43**	**34.19**	**31.17**
Current			
Security deposits	-	0.07	0.05
Advances to employees	4.80	4.17	8.55
Loan to subsidiaries (Refer note 40)	-	6.12	12.63
Total	**4.80**	**10.36**	**21.23**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

12 Other financial assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Carried at fair value through profit and loss			
Foreign exchange forward contracts	-	25.22	-
Carried at amortised cost			
Interest receivable on bank deposit and others	1.57	3.46	3.57
Total	**1.57**	**28.68**	**3.57**

13 Other assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Capital advances	12.73	14.01	161.71
Prepaid leasehold land rentals	162.36	160.94	162.74
Balances with statutory/government authorities	39.21	8.41	9.08
Others	-	0.86	-
Total	**214.30**	**184.22**	**333.53**
Current			
Advances to suppliers	141.80	45.51	57.38
Prepaid leasehold land rentals	1.83	1.91	1.80
Prepaid expenses	17.72	18.32	13.04
Export benefits receivable	15.78	12.78	0.58
Balances with statutory/government authorities	14.91	87.17	75.83
Total	**192.04**	**165.69**	**148.63**

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NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

14 Equity share capital

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised share capital			
850,000,000 (March 31, 2017: 150,000,000, April 1, 2016: 150,000,000) equity shares of ₹ 1 each	850.00	150.00	150.00
Issued, subscribed and fully paid-up equity share capital			
139,872,473 (March 31, 2017: 139,872,473, April 1, 2016: 139,872,473) equity shares of ₹ 1 each	139.87	131.34	131.34
Add: 8,533,699 equity shares of ₹ 1 each to be issued to the minority shareholders of Phoenix Lamps Limited, as part of merger. (refer note 38)	-	8.53	8.53
Total	**139.87**	**139.87**	**139.87**

(a) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share and such amount of dividend per share as declared by the Company. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2018		As at March 31, 2017	
	No. in Million	₹ in Million	No. in Million	₹ in Million
Equity shares				
At the beginning of the year*	139.87	139.87	139.87	139.87
Issued during the year	-	-	-	-
Outstanding at the end of the year	**139.87**	**139.87**	**139.87**	**139.87**

* includes 8,533,699 equity shares of ₹ 1 each to be issued to the minority shareholders of Phoenix Lamps Limited, as part of merger. (refer note 38).

(c) Details of shareholders holding more than 5% shares in the company:

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. in Million	%	No. in Million	%	No. in Million	%
Equity shares of ₹ 1 each fully paid						
Mr. K. Ajith Kumar Rai	44.27	31.65%	44.27	31.65%	44.27	31.65%
Smt. Supriya A Rai	14.35	10.26%	14.35	10.26%	14.35	10.26%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

15 Other equity

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital reserve			
Balance as per last financial statements	5.13	5.13	
Closing balance	**5.13**	**5.13**	**5.13**
Capital redemption reserve			
Balance as per last financial statements	293.70	293.70	
Closing balance	**293.70**	**293.70**	**293.70**
Securities premium			
Balance as per last financial statements	1,861.81	1,861.81	
Closing balance	**1,861.81**	**1,861.81**	**1,861.81**
General reserve			
Balance as per last financial statements	1,460.83	960.83	
Add: Transferred from 'surplus in the statement of profit & loss	700.00	500.00	
Closing balance	**2,160.83**	**1,460.83**	**960.83**
Surplus in the statement of profit and loss			
Balance as per last financial statements	1,447.47	1,255.48	
Add: Profit for the year	1,046.41	856.85	
Less: OCI - re-measurement losses on defined benefit obligation	(5.04)	(2.07)	
Less: Appropriations			
Interim Dividend [₹ 0.60 (March 31, 2017 - ₹ 0.50) per share]	(83.92)	(69.94)	
Final dividend	(83.92)	(76.93)	
Dividend distribution tax	(22.04)	(15.92)	
Transfer to general reserve	(700.00)	(500.00)	
Closing balance	**1,598.96**	**1,447.47**	**1,255.48**
Total	**5,920.43**	**5,068.94**	**4,376.95**

Summary of other equity:

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital reserve	5.13	5.13	5.13
Capital redemption reserve	293.70	293.70	293.70
Securities premium	1,861.81	1,861.81	1,861.81
General reserve	2,160.83	1,460.83	960.83
Surplus in the statement of profit and loss	1,598.96	1,447.47	1,255.48
	5,920.43	**5,068.94**	**4,376.95**

Distribution made and proposed

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Cash dividend on equity shares declared and paid:		
Interim Dividend for the year ended March 31, 2018: ₹ 0.60 per share (March 31, 2017: ₹ 0.50 per share)	83.92	69.94
Final Dividend for the year ended March 31, 2017: ₹ 0.60 per share (March 31, 2016: ₹ 0.55 per share)	83.92	76.93
Dividend distribution tax	22.04	15.92
	189.88	**162.79**
Proposed dividends on equity shares:		
Dividend for the year ended on March 31, 2018: ₹ 0.80 per share (March 31, 2017: ₹ 0.60 per share)	111.90	83.92
Dividend distribution tax	22.78	17.08
	134.68	**101.00**

Proposed dividend on equity shares are subject to approval by shareholders at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at March 31.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

16 Borrowings

(Carried at amortised cost)

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Secured			
Term loans			
from banks (refer note [i] below)	249.98	435.73	709.06
from a financial institution (refer note [ii] below)	238.49	332.15	403.08
Unsecured			
Public deposits (refer note [iii] below)			
from related parties	2.00	4.00	3.00
from other than related parties	2.15	2.15	2.15
Less: Current maturities of (refer note 18):			
Secured borrowings	(229.61)	(262.02)	(370.84)
Unsecured loans	(0.40)	(5.65)	(0.90)
Total	**262.61**	**506.36**	**745.55**

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Secured (refer note [iv] below)			
Loans repayable on demand			
Working capital loan from banks	1,245.72	1,047.92	1,469.30
Total	**1,245.72**	**1,047.92**	**1,469.30**

(i) term loan from bank consists of:

(a) Indian rupee term loan of ₹ 7.00 Million (March 31, 2017: ₹ 64.00 Million, April 1, 2016 : ₹ 195.43 million), which carries floating interest rate of 10.30% p.a. and is repayable in quarterly instalments ranging from ₹ 4.50 Million to ₹ 10.00 Million each, the loan is due for repayment in full by June 30, 2018. The loan is secured by pari-passu first charge on the entire movable fixed assets, equitable mortgage of land and buildings and second charge on entire current assets.

(b) Indian rupee term loan of ₹ 194.45 Million (March 31, 2017: ₹ 305.62 Million, April 1, 2016 : ₹ 438.63 Million, which carries floating interest rate of 10.40% and is repayable in 22 quarterly instalments of ₹ 13.90 Million each, after a moratorium of nine months from the date of disbursement of loan, the loan is due for repayment in full by January, 2020. The loan is secured by pari-passu first charge on the entire movable fixed assets, equitable mortgage of land and buildings and second charge on entire current assets.

(c) Indian rupee term loan of ₹ 48.53 Million (March 31, 2017: ₹ 66.11 Million, April 1, 2016: ₹ 75.00 Million) carries floating interest rate of 10.25% to 11.25% p.a. and is repayable in 15 quarterly instalments of ₹ 4.40 Million each beginning from May 5, 2017. The loan is secured by exclusive charge on the plant and equipment purchased from the said term loan located at Plot no. 59A to F, Noida Special Economic Zone, Noida and second pari passu charge on all present and future movable and immovable fixed assets at various locations.

(ii) Represents term loan in Indian rupee which carry an average interest rate of 9.90% to 10.80% p.a. the loan is repayable in 15 quarterly instalments ranging from ₹ 2.78 Million to ₹ 9.52 Million each, loan due for repayment in full by November-2020. The loan is secured by pari-passu first charge on the entire movable fixed assets with minimum fixed assets coverage ratio.

(iii) Public deposits are unsecured and carry interest rate of 8.00% p.a (March 31, 2017: 9.50% p.a, April 1, 2016: 9.50% p.a), interest is payable either quarterly or half-yearly or on maturity, these deposits are repayable over the agreed term of two years from the date of receipt. Further, the company has maintained margin money deposit of ₹ 1.00 Million (March 31, 2017: ₹ 1.00 Million, April 1, 2016: ₹ 1.10 Million) with the banks towards such deposits.

(iv) 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 property, plant and equipment (except certain plant and equipment on which exclusive charge has been created towards term loans) and equitable mortgage of the properties located at Bengaluru, Doddabalapur and Noida. Working capital demand loan, cash credit and overdraft is repayable on demand. Bill discounting facilities is repayable over a term of 60 to 90 days. These facilities carry interest in the range of 8.20% to 11.70% p.a.

17 Trade payables

(Carried at amortised cost)

₹ in Million

	As at March 31, 2018	**As at March 31, 2017**	**As at April 1, 2016**
Current			
Trade payables			
- Total outstanding dues of micro and small enterprises*	39.99	52.08	46.13
- Total outstanding dues of creditors other than micro and small enterprises	1,286.75	614.13	689.01
Total	**1,326.74**	**666.21**	**735.14**

Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing and are normally settled on 15-60 days terms.
- For explanations on the Company's liquidity risk management, refer note 44.

*The Company has amounts due to micro and small enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at year end. The details in respect of such dues are as follows:

₹ in Million

	As at March 31, 2018	**As at March 31, 2017**	**As at April 1, 2016**
The principal amount and the interest due thereon remaining unpaid to any supplier as at end of each accounting year			
- Principal amount due to micro and small enterprises	39.93	49.57	45.01
- Interest due on above	0.06	2.51	1.12
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 each accounting year	-	7.45	13.25
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.06	2.51	0.02

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 THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

18 Other financial liabilities

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
(Carried at amortised cost)			
Security deposits	15.13	13.34	11.76
Total	**15.13**	**13.34**	**11.76**
Current			
(Carried at amortised cost)			
Current maturities of long-term borrowings (refer note 16)	229.61	262.02	370.84
Current maturities of public deposits (refer note 16)	0.40	5.65	0.90
Interest accrued but not due on borrowings	6.59	19.81	22.69
Capital creditors	7.69	37.15	18.71
Employee related liabilities	61.46	59.86	57.94
Payable to directors (refer note 40)	30.34	15.44	13.45
Security deposits	0.45	0.08	0.08
Unpaid dividend	17.26	23.39	13.83
(Fair value through profit and loss)			
Provision for MTM losses on forward contracts	15.26	-	2.90
Total	**369.06**	**423.40**	**501.34**

19 Provisions

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Provision for employee benefits			
Gratuity (refer note 37(b))	40.27	61.01	61.39
Total	**40.27**	**61.01**	**61.39**
Current			
Provision for employee benefits			
Gratuity (refer note 37(b))	9.30	29.42	22.71
Compensated absences	38.18	26.62	26.76
Provision for warranties	3.20	3.20	3.20
Total	**50.68**	**59.24**	**52.67**

Provision for warranties

A provision is recognized for expected warranty claims on products sold during the year, based on past experience of level of repairs and returns. It is expected that the significant portion of these costs will be incurred within one year of the balance sheet date. Assumption used to calculate the provision for warranties are based on current sales level and current information available about warranty claims based on warranty period for all products sold.

20 Deferred tax liability (net)

₹ in Million

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax liabilities				
Depreciation and amortization expense: Difference between tax depreciation and depreciation / amortization as per statement of profit and loss		197.71	179.30	134.71
Fair valuation of financial instruments		20.77	20.97	39.56
	A	**218.48**	**200.27**	**174.27**
Deferred tax assets				
Expenditure allowable for tax purposes when paid		4.02	6.14	(0.06)
Provision for doubtful debts and advances		15.72	11.91	12.06
Provision for employee benefits		34.08	48.42	46.21
MAT credit entitlement		-	-	15.43
	B	**53.82**	**66.47**	**73.64**
Net deferred tax liability	**A-B**	**164.66**	**133.80**	**100.63**

21 Other liabilities

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Government grants	13.01	14.70	3.34
Total	**13.01**	**14.70**	**3.34**
Current			
Advances from customers	4.61	16.53	17.16
Government grants	7.35	2.13	1.00
Unearned income	19.01	29.20	19.81
Statutory dues	64.22	48.73	66.29
Total	**95.19**	**96.59**	**104.26**

Government grants

Government grants received includes grant received in nature of customs duty exemption on import of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

₹ in Million

	As at March 31, 2018	As at March 31, 2017
At the beginning of the year	16.83	4.34
Add: Received during the year	5.71	13.79
Less: Released to the statement of profit and loss	(2.18)	(1.30)
Closing balance	**20.36**	**16.83**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

22. Revenue from operations

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty)	9,827.64	9,372.13
Sales of services (processing charges)	10.93	12.85
Other operating revenue	40.67	38.12
Total	**9,879.24**	**9,423.10**

Revenue from operations includes excise duty collected from customers of ₹ 231.03 Million (31 March 2017: ₹ 910.06 Million). Revenue from operation net of excise duty is ₹ 9,648.21 Million (31 March 2017: ₹ 8,513.04 Million).

Revenue from operations for periods up to June 30, 2017 includes excise duty. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Services Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in revenue from operations. In view of the aforesaid change in indirect taxes, revenue from operations for the year ended March 31, 2018 is not comparable with March 31, 2017.

23. Other income

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on		
Bank deposits	0.18	0.16
Income tax refund	48.30	-
Loan to subsidiary	-	2.14
Others	1.46	1.27
Dividend income	59.70	39.80
Profit on sale of mutual funds (net)	-	51.13
Liabilities no longer required written back	-	0.38
Fair value gain in financial instruments at fair value through profit or loss	75.26	17.60
Government grant income	22.09	23.65
Exchange differences (net)*	6.33	17.11
Other non-operating income	14.80	19.46
Total	**228.12**	**172.70**

*Includes mark to market gain/(loss) on foreign exchange forward contracts.

24. Cost of material consumed

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the beginning of the year	518.99	586.67
Add: Purchases	6,177.52	5,047.21
Less: Inventories at the end of the year	(802.13)	(518.99)
Cost of material consumed	**5,894.38**	**5,114.89**

25. Purchases of stock-in-trade

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Auto Lamps	74.27	23.81
Stop and tail lamps	14.03	18.46
Others	8.61	6.37
Total	**96.91**	**48.64**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

26. Changes in inventories of finished goods, work-in-progress and stock-in-trade

₹ in Million

		Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the end of the year			
Finished goods		295.28	292.34
Stock-in-trade		14.34	10.68
Work-in-progress		104.34	109.00
Total	**A**	**413.96**	**412.02**
Inventories at the beginning of the year			
Finished goods		292.34	342.38
Stock-in-trade		10.68	3.48
Work-in-progress		109.00	150.06
Total	**B**	**412.02**	**495.92**
Net change in inventories of finished goods, work-in-progress and stock-in-trade B-A		**(1.94)**	**83.90**

27. Employee benefit expense

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	1,144.98	1,016.14
Contribution to provident and other funds (Refer note 37)	58.70	55.42
Staff welfare expenses	47.36	45.32
Total	**1,251.04**	**1,116.88**

28. Finance costs

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Interest expense on		
Borrowings	174.38	203.86
Others	3.59	0.01
Loan processing and other charges	6.53	21.83
Total	**184.50**	**225.70**

29. Depreciation and amortisation expense

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment (refer note 3)	177.20	153.67
Amortisation of intangible assets (refer note 4)	7.24	5.18
Total	**184.44**	**158.85**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

30. Other expenses

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Decrease of excise duty on inventory	(30.23)	(6.40)
Power and fuel	179.41	161.32
Rent	13.10	16.70
Repairs and maintenance		
Buildings	9.65	12.98
Machinery	51.06	43.22
Others	45.20	35.14
Insurance	15.67	17.20
Rates and taxes	18.50	15.24
Bank charges	6.31	4.80
Travelling and conveyance	69.45	67.60
Legal and professional fees	39.41	41.07
Payment to auditors [refer note (i) below]	4.76	6.03
Freight and forwarding charges	151.59	115.47
Advertisement and sales promotion	19.85	17.45
Sales commission	5.62	5.17
Directors' sitting fees and commission	2.34	2.32
Allowance for doubtful receivables (net)	0.56	(3.12)
Printing and stationery	10.79	10.01
Security expenses	27.77	27.33
Communication expenses	8.97	9.59
Loss on disposal of property, plant and equipment (net)	0.41	3.17
Allowance towards slow and non-moving items	(6.98)	5.16
Research & development expenses [refer note (ii) below]	5.06	4.46
CSR expenditure [refer note (iii) below]	21.27	24.86
Miscellaneous expenses	7.57	10.85
Total	**677.11**	**647.62**

(i) Payment to auditors (excluding service tax / Goods and Services tax)*

As auditor		
Audit fee	2.80	4.78
Limited review fee*	1.40	0.66
Reimbursement of expenses*	0.56	0.59
Total	**4.76**	**6.03**

*Previous year audit fee, ₹ 0.8 Million out of current year Limited review fee and ₹ 0.35 Million out of reimbursement of expenses is paid to a firm of Chartered Accountants other than S.R. Batliboi & Associates LLP.

(ii) Details of research & development expense

Salaries wages and bonus	12.29	16.54
Cost of materials consumed	3.27	4.83
Other expenses	5.06	4.46
Total	**20.62**	**25.83**

The Companies research and development concentrates on the development of specialised cables for customers and development of equipments specialised for cable making with significant energy saving and increased productivity. Research and development costs that are not eligible for capitalisation have been expensed in the period incurred and are recognised in respective expense head as detailed above.

(iii) 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 Suprajit Engineering Limited. 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 formed Suprajit Foundation to carry out the CSR activities on behalf of Suprajit Company. Suprajit Foundation is engaged in the activities of eradication of hunger, malnutrition, promoting education and healthcare.

Gross amount required to be spent by the Company towards CSR activities during the year was ₹ 20.92 Million (March 31, 2017: ₹ 24.75 Million), accordingly, has incurred ₹ 21.27 Million (March 31, 2017: ₹ 24.86 Million), which has been charged to statement of profit and loss and is disclosed under other expenses.

31. Exceptional Items (net)

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Business acquisition expenditure*	-	54.39
Total	**-**	**54.39**

* During the previous year, the Company had set up a subsidiary company Suprajit USA Inc. in United States of America ('USA') to acquire controlling stake in Wescon Controls LLC. The Company incurred a total expenditure of ₹ 36.81 Million in the nature of professional charges towards the acquisition of this step-down subsidiary. Further, exeptional items includes ₹ 17.58 Million paid by the Company to Noida Special Economic Zone ('NSEZ') towards transfer charges as per the prevalent guidelines of the NSEZ Authority on account of change in composition of Board of Directors in the erstwhile Phoenix Lamps Limited and shareholding of the Company, upon acquisition.

32. Tax expense (net)

Income tax expense in the standalone statement of profit and loss consist of the following:

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Tax expense (net)		
Current tax	485.74	362.27
Deferred tax charge	33.52	18.84
Tax expense relating to earlier years	24.22	(3.09)
Total	**543.48**	**378.02**

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, 2018	Year ended March 31, 2017
Profit/ (loss) before tax expense	1,589.89	1,234.87
Applicable tax rates in India	34.61%	34.61%
Computed tax charge (A)	550.26	427.39
Components of tax expense		
Allowances/exemptions under income tax	(27.96)	(71.00)
Adjustments for tax expenses relating to earlier periods	24.22	(3.09)
Others	(3.04)	24.72
Total adjustments (B)	**(6.78)**	**(49.37)**
Total tax expense (A+B)	**543.48**	**378.02**

33 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, 2018	Year ended March 31, 2017
Nominal value per equity share (₹ per share)	1	1
Profit attributable to equity shareholders (₹ in Million)	1,046.41	856.85
Weighted average number of equity shares (No. in Million)	139.87	139.87
Earnings per share basic and diluted (₹ per share)	7.48	6.13

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

34 Commitments

(a) Operating lease

The Company is obligated under non-cancellable operating lease for factory, warehouse, office and residential space that are renewable on a periodic basis at the option of both the lessor and lessee. The total rental expenses for the year under non-cancellable operating leases amounted to ₹ 13.10 Million (March 31, 2017: ₹ 16.70 Million).

(b) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 10.34 Million (March 31, 2017: ₹ 9.90 Million, April 1, 2016 : ₹ 126.12 Million).

35 Contingent Liabilities

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Claims against Company not acknowledge as debts*			
Income tax demands	1.26	15.57	585.45
Value Added Tax/Central Sales Tax demands	65.35	93.96	93.92
Excise duty/service tax demand	1.14	1.18	1.50
Suspension period wages	5.35	4.33	3.90
	73.10	**115.04**	**684.77**
(b) Others			
Bonds executed in favour of customs authority	15.00	15.00	15.00
Bank guarantees (furnished to tax authorities)	0.75	0.75	0.75
Corporate guarantees (issued on behalf of subsidiaries to their bankers towards credit facilities)	1,672.24	1,681.17	48.08
Standy letter of credit in favour of a bank towards loan taken by a subsidiary company	-	-	112.64
	1,687.99	**1,696.92**	**176.47**
Total (a+b)	**1,761.09**	**1,811.96**	**861.24**

* These demands are disputed by the management 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 reimbursement in respect of the above contingent liabilities.

(c) The Company does not have any commitments as at balance sheet date except towards the operating lease as disclosed in note 34.

36 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, 2018 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.

37 Employee benefit plans

(a) Defined contribution plans

The Company makes contributions to Provident Fund, Employee State Insurance scheme contributions which are defined contribution plan for qualifying employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company has recognised the following amounts towards the defined contribution plans in the statement of profit and loss:

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Employers contribution to provident fund	36.46	34.59
Employers contribution to employee state insurance	10.84	9.46

(b) Defined benefit plans

Gratuity

The Company offers Gratuity benefits to employees, a defined benefit plan, Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables set out the status of the gratuity plan:
Disclosure as per Ind AS 19

₹ in Million

	As at March 31, 2018	As at March 31, 2017
A Change in defined benefit obligation		
Obligations at beginning of the year	124.06	113.29
Service cost	10.44	9.87
Interest cost	9.19	4.15
Benefits settled	(7.09)	(6.11)
Actuarial loss (through OCI)	8.60	2.86
Obligations at end of the year	**145.20**	**124.06**
B Change in plan assets		
Plan assets at beginning of the year, at fair value	33.63	29.59
Expected return on plan assets	4.72	2.26
Contributions	63.48	8.20
Benefits settled	(7.09)	(6.11)
Actuarial gain/ (loss) (through OCI)	0.89	(0.31)
Plan assets at the end of the year	**95.63**	**33.63**
Present value of defined benefit obligation at the end of the year	(145.20)	(124.06)
Fair value of plan assets at the end of the year	95.63	33.63
C Net liability recognised in the standalone balance sheet	**(49.57)**	**(90.43)**

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
D Expenses recognised in the standalone statement of profit and loss:		
Service cost	10.44	9.87
Interest cost	9.19	4.15
Expected return on plan assets	(4.72)	(2.26)
Net gratuity cost	**14.91**	**11.76**
E Re-measurement gains/ (losses) in OCI		
Actuarial loss (through OCI)	8.60	2.86
Actuarial gain/ (loss) (through OCI)	(0.89)	0.31
Total expenses recognised through OCI	**7.71**	**3.17**
F Actual return on plan assets	**5.61**	**1.93**
G Assumptions		
Discount rate	7.63%	7.31%
Estimated rate of return on plan assets	7.63%	7.31%
Salary increase rate [refer note (i)]	10.00%	10.00%
Attrition Rate	6.00%	6.00%
Retirement age	58 years	58 years

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

H Pay-outs

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Within one year	9.30	29.42
After one year but not more than five years	33.04	27.74
After 5th Year	52.26	30.15
	94.60	**87.31**

I The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Investment with insurer	100%	100%

J A quantitative sensitivity analysis for significant assumption is as below (refer note ii below)

	Year ended March 31, 2018		Year ended March 31, 2017	
	1% increase	1% decrease	1% increase	1% decrease
Effect of change in discount rate	(10.79)	12.63	(10.31)	11.28
Effect of change in salary	11.92	(10.40)	11.03	(8.20)
Effect of change in withdrawal assumption	(2.48)	2.84	2.60	(1.99)

K Notes

(i) The estimates of future salary increases, considered in actuarial valuation, take 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 plan obligation at the end of the reporting period is 12.62 years (March 31, 2017: 13.91 to 14.45 years).

38 Amalgamation of Phoenix Lamps Limited

The equity shareholders, secured and unsecured creditors have approved the scheme of amalgamation of the Holding Company with Phoenix Lamps Limited ('PLL'), an erstwhile subsidiary of the Holding Company, at the Court Convened Meetings held on September 24, 2016. The draft scheme of amalgamation was approved by the Board of Directors of both the companies on April 18, 2016. The Holding Company had filed the petition with the Hon'ble High Court of Karnataka initially and subsequently, the said petition was moved to National Company Law Tribunal, Karnataka ('NCLT') as per the directions of the Ministry of Corporate Affairs. The scheme of amalgamation with the appointed date as April 1, 2016 has been approved by the NCLT vide order dated August 17, 2017 and upon necessary filing with the Registrar of Companies, the scheme has become effective on September 13, 2017.

Upon completion of necessary procedures, the company has accounted for aforesaid amalgamation in accordance with the requirements of Ind AS 103 - Business Combination under common control.

In consideration for aforesaid amalgamation, the Company has issued and allotted 8,533,699 equity shares of ₹ 1/- (Rupee one only) each, amounting to ₹ 8.53 Million, to the minority shareholders of erstwhile Phoenix Lamps Limited on September 14, 2017 based on share exchange ratio of 4:5 as per the scheme of amalgamation. Further, difference between net assets taken and the investment in the Company has been adjusted in the other equity.

As at the date of amalgamation, the networth of PLL is as under:

Particulars	Amount
Net worth of PLL as on the April 1, 2016	1,776.55
Less: Investment in PLL by the Company as on April 1, 2016	(1,568.41)
Adjusted in other equity	**208.14**

39 Segment reporting

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

40 Related party transactions

A. Related parties under Ind AS 24 and Companies Act, 2013

Subsidiaries (Direct):	Suprajit Automotive Private Limited, India ('Suprajit Automotive')	
	Suprajit Europe Limited, U.K. ('Suprajit Europe')	
	Suprajit USA Inc., USA ('Suprajit USA')	
	Luxlite Lamps SARL, Luxembourg ('Luxlite Lamps')	
	Trifa Lamps Germany GmbH, Germany ('Trifa Lamps')	
Subsidiaries (Indirect):	Wescon Controls LLC ('Wescon')	
Key management personnel ('KMP') of the Company:	Mr. K Ajith Kumar Rai	Chairman and Managing Director
	Mr. Mohan Srinivasan Nagamangala	Director and Chief Executive Officer (w.e.f. February 13, 2017)
	Mr. Mohan Chelliah	Executive director upto March 11, 2017
	Mr. Medappa Gowda J	Chief Financial Officer and Company Secretary
	Mr. Diwakar S. Shetty	Independent Director
	Mr. Ian Williamson	Independent Director
	Mr. B.S.Patil, IAS (Retd)	Independent Director
	Mr. Suresh Shetty	Independent Director
	Mr . M Jayarama Shetty	Independent Director
	Mrs. Dr. Supriya A Rai	Director
	Mrs. Sunita Mathur	Director
Relatives of KMP:	Mr. Akhilesh Rai	
	Mr. Ashutosh Rai	
	Mr. Manjunath Rai K	
	Mrs. Hemavathi M Rai	
	Mr. Ashok Kumar Rai	
Enterprises in which directors/ shareholders have significant influence	Suprajit Foundation	

B. Details of transactions entered into with related parties are as given below:

₹ in Million

	Year ende d March 31, 2018	Year ended March 31, 2017
Sale of products and services		
Suprajit Automotive	58.13	42.60
Luxlite Lamps	411.51	595.49
Trifa Lamps	197.83	20.18
Wescon Controls LLC	3.46	-
	670.93	**658.27**
Interest income on loan		
Suprajit USA	-	2.14
	-	**2.14**
Dividend income		
Suprajit Automotive	59.70	39.80
	59.70	**39.80**
Purchase of materials		
Suprajit Automotive	8.20	6.33
Luxlite Lamps	6.14	2.92
Wescon Controls LLC	0.81	-
	15.15	**9.25**
Purchase of duty licences		
Suprajit Automotive	8.84	5.15
	8.84	**5.15**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

B. Details of transactions entered into with related parties are as given below *(cont..)*:

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Salary and perquisites:*		
Mr. K Ajith Kumar Rai	46.45	31.01
Mr. Mohan Srinivasan Nagamangala	14.40	1.40
Mr. Mohan Chelliah	-	10.63
Mr. Medappa Gowda J	6.55	5.67
Mr. Akhilesh Rai	0.04	0.59
Mr. Ashutosh Rai	1.01	0.79
	68.45	**50.09**
Director sitting fee		
Mr. B.S.Patil	0.56	0.36
Mr. Diwakar S. Shetty	0.57	0.38
Mr . M Jayarama Shetty	0.60	0.42
Mrs. Sunita Mathur	0.01	0.35
Mr. Suresh Shetty	0.60	0.81
	2.34	**2.32**
Technician charges		
Luxlite Lamps	0.72	0.95
Trifa Lamps	-	0.04
	0.72	**0.99**
Reimbursements of expenses		
Suprajit Automotive	0.25	0.40
Wescon Controls LLC	6.67	-
Trifa Lamps	-	1.25
Mr. K Ajith Kumar Rai	2.16	2.36
Mr. Mohan Srinivasan Nagamangala	1.18	0.07
Mr. Mohan Chelliah	-	1.01
Mr. Medappa Gowda J	0.62	0.54
Mr. Ashutosh Rai	0.46	0.25
Mr. Akhilesh Rai	-	0.15
	11.34	**6.03**
Interest paid		
Mr. Manjunath Rai K	0.03	0.11
Mrs. Hemavathi M Rai	0.13	0.13
Mr. Ashok Kumar Rai	0.18	0.10
Mr. Mohan Chelliah	0.07	0.06
	0.41	**0.40**
CSR expenditure		
Suprajit Foundation	21.27	24.86
	21.27	**24.86**
Investment in subsidiary		
Suprajit USA	-	1,413.93
	-	**1,413.93**

B. Details of transactions entered into with related parties are as given below *(Cont..)*:

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Inter-corporate loan given		
Suprajit USA	-	108.86
	-	**108.86**
Inter-corporate loan recovered		
Suprajit USA	-	108.53
	-	**108.53**
Recovery of expenses		
Suprajit Automotive	1.39	13.34
Luxlite Lamps	2.14	2.34
Trifa Lamps	0.29	1.56
Suprajit USA	-	6.16
	3.82	**23.40**
Deposits accepted		
Mr. Ashok Kumar Rai	1.00	-
Mr. Mohan Chelliah	-	1.00
	1.00	**1.00**
Deposits repaid		
Mr. Manjunath Rai K	1.00	-
Mrs. Hemavathi M Rai	1.00	-
Mr. Mohan Chelliah	1.00	-
	3.00	**-**
Standby letter of credit redeemed		
Trifa Lamps	-	1,126.43
	-	**1,126.43**

*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 key management personnel is not ascertainable and, therefore, not included above.

C. Balances payable to related parties:

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Investment in shares (net)			
Suprajit Automotive	19.90	19.90	19.90
Suprajit Europe	186.00	186.00	186.00
Suprajit USA	1,413.93	1,413.93	-
Luxlite Lamps	792.30	792.30	792.30
Trifa Lamps	312.00	312.00	312.00
	2,724.13	**2,724.13**	**1,310.20**
Allowance for impairment in value of investments			
Luxlite Lamps	199.54	199.54	199.54
	199.54	**199.54**	**199.54**
Loans			
Suprajit Automotive	-	-	12.63
Suprajit USA	-	6.12	-
	-	**6.12**	**12.63**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

C. Balances payable to related parties (Cont..):

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables			
Suprajit Automotive	0.08	-	-
Suprajit USA	3.43	-	-
Luxlite Lamps	81.59	104.72	96.46
Trifa Lamps	0.05	34.17	67.45
	85.15	**138.89**	**163.91**
Deposits payable			
Mr. Ashok Kumar Rai	2.00	1.00	1.00
Mr. Manjunath Rai K	-	1.00	1.00
Mrs. Hemavathi M Rai	-	1.00	1.00
Mr. Mohan Chelliah	-	1.00	-
	2.00	**4.00**	**3.00**
Interest accrued but not due on deposits			
Mr. Ashok Kumar Rai	0.04	-	-
Mr. Manjunath Rai K	-	0.01	0.01
Mrs. Hemavathi M Rai	-	0.03	0.03
Mr. Mohan Chelliah	-	0.06	-
	0.04	**0.10**	**0.04**
Trade payables			
Luxlite Lamps	3.48	0.46	0.71
Suprajit Automotive	0.04	-	-
Suprajit USA	0.14	-	-
Suprajit Europe	-	-	0.01
	3.66	**0.46**	**0.72**
Payable to directors			
Mr. K Ajith Kumar Rai	28.34	14.24	12.25
Mr. Diwakar S. Shetty	0.50	0.30	0.30
Mr. B.S.Patil, IAS (Retd)	0.50	0.30	0.30
Mr. Suresh Shetty	0.50	0.30	0.30
Mr . M Jayarama Shetty	0.50	0.30	0.30
	30.34	**15.44**	**13.45**
Corporate guarantees			
Suprajit Europe [GBP - 0.50 million (March 31, 2017 - GBP 0.50 million. April 1, 2016 - GBP 0.50 million)]	46.14	41.17	48.08
Suprajit USA [USD 25.00 million (March 31, 2017 - USD 25.00 million, April 1, 2016 - Nil)]	1,626.10	1,640.00	-
	1,672.24	**1,681.17**	**48.08**
Standby letter of credit			
Trifa Lamps	-	-	112.64
	-	**-**	**112.64**

41 Disclosure as per Regulation 34(3) and Regulation 53(f) read with Para A of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the listing agreement with the Stock Exchanges.

₹ in Million

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Outstanding amount	Maximum balance outstanding during the year	Outstanding amount	Maximum balance out-standing during the year	Outstanding amount	Maximum balance out-standing during the year
Suprajit USA Inc.	-	0.30	6.12	108.86	-	-
Suprajit Automotive Private Limited	-	1.20	-	-	12.63	12.63

42 Fair value

The carrying value of financial instruments by categories is as follows:

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets measured at amortized cost			
Loan to subsidiaries*	-	6.12	12.63
Trade receivables*	1,938.82	1,619.98	1,741.22
Security deposits^	35.43	34.26	31.22
Advances to employees*	4.80	4.17	8.55
Interest receivable on bank deposit and others*	1.57	3.46	3.57
Financial assets measured at fair value through profit and loss			
Investment in mutual funds$	1,258.09	182.83	1,604.33
Foreign exchange forward contracts $	-	25.22	-
	3,238.71	**1,876.04**	**3,401.52**
Cash and cash equivalents and other balances with banks #			
Cash on hand	1.30	0.72	1.22
Balance with banks on current accounts	19.75	14.82	18.78
Balance with banks on EEFC accounts	19.78	15.79	3.33
Balance with banks on deposit accounts	3.40	3.33	3.45
Earmarked balances with banks being unpaid dividend accounts	17.26	14.43	13.83
	61.49	**49.09**	**40.61**
Financial liabilities measured at amortized cost			
Borrowings*	1,738.34	1,821.95	2,586.59
Trade payables*	1,326.74	666.21	735.14
Employee related liabilities*	61.46	59.86	57.94
Interest accrued but not due on borrowings*	6.59	19.81	22.69
Capital creditors*	7.69	37.15	18.71
Payable to directors*	30.34	15.44	13.45
Security deposits*	15.58	13.42	11.84
Unpaid dividend*	17.26	23.39	13.83
Financial liabilities measured at fair value through profit and loss			
Provision for MTM losses on forward contracts$	15.26	-	2.90
	3,219.26	**2,657.23**	**3,463.09**

* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature.

^ The fair value of these accounts was calculated based on cash flow discounted using a current lending/ borrowing rate, they are classified as level 3 fair value hierarchy due to inclusion of unobservable inputs including counterparty credit risk.

$ The fair value of these accounts are estimated using quoted prices in active markets, accordingly, are classified within Level 1 of the valuation hierarchy.

\# 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 STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 shareholder value.

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. Total equity attributable to the share holders of the Company	**6,060.30**	**5,208.81**	**4,516.82**
B. Loans and borrowings*			
Non-current borrowings	262.61	506.36	745.55
Current borrowings	1,245.72	1,047.92	1,469.30
Current maturities of non-current borrowings	229.61	262.02	370.84
Current maturities of public deposits	0.40	5.65	0.90
	1,738.34	**1,821.95**	**2,586.59**
C. Total capital (A+B)	**7,798.64**	**7,030.76**	**7,103.41**
D. Total loans and borrowings as a percentage of total capital (B/C)	**22%**	**26%**	**36%**
E. Total equity as a percentage of total capital (A/C)	**78%**	**74%**	**64%**

(i) The Company is predominantly equity financed as evident from the capital structure table above. Further the Company has sufficient cash, 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:

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

(i) Credit risk

(ii) Interest rate risk

(iii) Liquidity risk

(iv) Market risk

(v) Commodity price risk

(i) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, investments, foreign exchange transactions and other financial instruments.

a. Trade receivables

Credit risk is managed by each business unit as per the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

b. Credit Risk Exposure

The Company's credit period generally ranges from 0-270 days. The credit risk exposure of the Company is as below:

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables	1,938.82	1,619.98	1,741.22

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. Other financial assets, investments and deposits with banks

Credit risk is limited, as the Company generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investment primarily includes investment in liquid mutual fund units. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(ii) 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 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, 2018		Year ended March 31, 2017	
	1% increase	1% decrease	1% increase	1% decrease
Effect of profit before exceptional items and tax expense	(17.53)	17.53	(18.35)	18.35

(iii) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents 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, 2018	As at March 31, 2017	As at April 1, 2016
Cash on hand	1.30	0.72	1.22
Balance with banks	42.93	33.94	25.56
Investment in mutual funds	1,258.09	182.83	1,604.33
	1,302.32	**217.49**	**1,631.11**

The table below summarises the maturity profile of the Company's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

₹ in Million

	On demand	1-180 days	180-365 days	> 365 days	Total
March 31, 2018					
Non-current borrowings	-	-	-	262.61	262.61
Current borrowings	1,245.72	-	-	-	1,245.72
Trade payables	-	1,326.74	-	-	1,326.74
Other financial liabilities	-	254.06	115.01	15.13	384.19
Total	**1,245.72**	**1,580.80**	**115.01**	**277.74**	**3,219.26**

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Million

	On demand	1-180 days	180-365 days	> 365 days	Total
March 31, 2017					
Non-current borrowings	-	-	-	506.36	506.36
Current borrowings	1,047.92	-	-	-	1,047.92
Trade payables	-	666.21	-	-	666.21
Other financial liabilities	-	289.57	133.84	13.34	436.74
Total	**1,047.92**	**955.78**	**133.84**	**519.70**	**2,657.23**
April 1, 2016					
Non-current borrowings	-	-	-	745.55	745.55
Current borrowings	1,469.30	-	-	-	1,469.30
Trade payables	-	735.14	-	-	735.14
Other financial liabilities	-	315.47	185.87	11.76	513.10
Total	**1,469.30**	**1,050.61**	**185.87**	**757.31**	**3,463.09**

(iv) Market 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.

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 foreign currency exposure of Company's financial assets and liabilities.

in Million

	Foreign currency amount			Amount in ₹		
Currency	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Financial assets						
USD	2.00	1.97	1.71	128.37	126.35	112.96
EUR	1.30	1.08	1.42	104.81	74.38	106.28
GBP	0.19	0.31	0.09	17.30	24.48	8.17
Total				**250.48**	**225.21**	**227.41**
Financial liabilities						
USD	0.83	0.59	0.25	53.97	38.37	16.87
EUR	1.08	0.45	0.44	86.67	30.88	33.23
GBP	-	-	-	0.07	0.03	0.01
Others	1.79	0.08	-	1.10	0.05	-
Total				**141.81**	**69.33**	**50.11**
Net financial assets				**108.67**	**155.88**	**177.30**

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.

Forward contracts outstanding are as below:

in Million

Currency	Foreign currency amount			Amount in ₹		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
EUR*	1.13	1.22	0.51	91.10	84.36	38.31
EUR**	3.23	3.00	2.25	260.41	207.74	169.01

* 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 exceptional items in proportion to revenue to increase or decrease respectively by 0.01% (March 31, 2017: 0.02%).

(v) 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.

The following table shows the effect of price changes in below said products:

₹ in Million

	Year ended March 31, 2018		Year ended March 31, 2017	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax				
Steel wire	(14.15)	14.15	(11.70)	11.70
Cable components	(37.48)	37.48	(33.57)	33.57
Glass tube	(2.02)	2.02	(1.99)	1.99
Lamp components	(5.30)	5.30	(3.90)	3.90

45 Adoption of Ind AS

A First time adoption

These standalone financial statements, for the year ended March 31, 2018, have been prepared in accordance with the Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its standalone financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP").

Accordingly, the Company has prepared standalone financial statements which comply with applicable Ind AS for year ending on March 31, 2018, together with the comparative period data, as described in the summary of significant accounting policies. In preparing these standalone financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Previous GAAP standalone financial statements, including the balance sheet as at April 1, 2016 and the standalone financial statements as at and for the year ended March 31, 2017.

B Exemptions applied

Ind AS 101 allows first time adopters certain exemption from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions.

(i) The Company has elected to avail exemption under Ind AS 101, to use Previous GAAP carrying value of its property, plant and equipment and intangible assets as per the statement of financial position prepared in accordance with Previous GAAP.

(ii) The Company has elected to measure its investments in subsidiaries using the Previous GAAP carrying amount as deemed cost as on the date of transition to Ind AS.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

C Reconciliation of equity between previous GAAP and Ind AS

1 Equity reconciliation

a As on April 1, 2016 (date of transition to Ind AS)

₹ in Million

	Notes	As at April 1, 2016
Equity as reported under previous GAAP (includes equity of erstwhile subsidiary)		4,143.73
Add/(less): Effect of transition to Ind AS		
Impact on fair valuation of mutual fund investments	45D(i)	117.21
Effect of deferred tax on fair valuation of mutual fund investments	45D(iii)	(40.56)
Proposed dividend and tax on dividend	45D(iv)	88.54
Others (net)		(0.24)
On account of amalgamation of Phoenix Lamps Limited	38	208.14
Equity as per Ind AS		**4,516.82**

b As at March 31, 2017

₹ in Million

	Notes	As at March 31, 2017
Equity as reported under previous GAAP (includes equity of erstwhile subsidiary)		5,166.75
Add/(less): Effect of transition to Ind AS		
Impact on fair valuation of mutual fund investments	45D(i)	46.32
Impact on fair valuation of forward contracts	45D(ii)	14.27
Others (net of taxes)	45D(v)	(18.53)
Equity as per Ind AS		**5,208.81**

2 . Total comprehensive income reconciliation for the year ended March 31, 2017

₹ in Million

	Notes	Year ended March 31, 2017
Net profit under previous GAAP (as per merged financial statements)		868.60
Add/(less): Ind AS adjustments income/(expense)		
Impact on fair valuation of mutual fund investments	45D(i)	(70.89)
Impact on fair valuation of forward contracts	45D(ii)	14.27
Others (net of taxes)		44.87
Net profit as per Ind AS		**856.85**
Other comprehensive income (net)	45D(v)	(2.07)
Total comprehensive income under Ind AS		**854.78**

D Notes to reconciliation between Previous GAAP and Ind AS:

(i) Fair valuation of mutual funds

Under previous GAAP, current investments were measured at lower of cost or fair value and long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, financial assets other than those valued at amortized cost are measured at fair value.

Investment in mutual funds have been classified as fair value through statement of profit and loss and fair value changes are recognized in the statement of profit and loss.

(ii) Fair valuation of forward contracts

Under previous GAAP, in relation to the forward contracts entered into, to hedge the foreign currency risk of the underlying outstanding at the balance sheet date, the exchange difference is calculated and recorded in accordance with paragraphs 36 and 37 of AS 11. Under Ind AS, the aforementioned forward contracts are fair valued through statement of profit and loss and fair value changes are recognized in statement of profit and loss.

(iii) Deferred tax

The deferred tax has been recognised on temporary differences arising on transition to Ind AS.

(iv) Provision for proposed dividend

Under previous GAAP, dividend payable along with dividend distribution tax was recorded as a liability in the period to which it relates. Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established.

(v) Employee benefits

Under previous GAAP, actuarial gains and losses were recognized in the 'standalone statement of profit and loss'. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability/asset which is recognized in other comprehensive income in the respective periods.

46 Standards issued but not yet effective

i) Ind AS 115 Revenue from Contracts with Customers

On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from contracts with customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue.

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Ind AS 115 introduces a 5-step approach to revenue recognition:
- Identify the contract(s) with a customer
- Identify the performance obligation in contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when (or as) the entity satisfies a performance obligation

Ind AS 115 establishes control-based revenue recognition model. An entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the performance obligation is transferred to the customer. Also, Ind AS 115 provides more guidance for deciding whether revenue is recognized at a point in time or over time.

Transitional options under Ind AS 115:
'- Retrospectively to each prior period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to some practical expedients mentioned in Ind AS 115
'- Retrospectively with the cumulative effect of initial application recognized at the date of initial application

The standard is effective for annual periods beginning on or after April 1, 2018. The Company is currently evaluating the requirements and impact of Ind AS 115 on its financial statements.

(ii) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The standard is effective for annual periods beginning on or after April 1, 2018. The Company is currently evaluating the requirements and impact of the aforesaid on its financial statements.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

47 The Board of Directors, at it's meeting held on May 29, 2018 recommended a final dividend of ₹ 0.80 (80%) per equity share for the financial year ended March 31, 2018. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company. The final dividend declared in the previous year was ₹ 0.60 (60%) per equity share.

48 The standalone financial information of the Company for transition date i.e. opening standalone balance sheet date being April 1, 2016 and previous year ended March 31, 2017, included in these standalone financial statements, are based on the previously issued standalone financial statements which were prepared under previous GAAP and audited by a firm of Chartered Accountants other than S.R. Batliboi & Associates LLP as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by S.R. Batliboi & Associates LLP.

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, 2018

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

K Ajith Kumar Rai
Chairman & Managing Director
DIN : 01160327

Mohan Srinivasan Nagamangala
Director & CEO
DIN: 01916468

Medappa Gowda J
CFO & Company Secretary

Place: Bengaluru
Date: May 29, 2018

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

The Members of **SUPRAJIT ENGINEERING LIMITED**

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Suprajit Engineering Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including the Statement of other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with 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; the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these Consolidated Ind AS financial statements, are based on the previously issued Consolidated financial statements prepared in accordance with the recognition and measurement principles of the Accounting Standards, specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India and audited by the predecessor auditor whose report for the year ended March 31, 2017 and March 31, 2016 dated May 29, 2017 and May 30, 2016 respectively expressed an unmodified opinion on those Consolidated financial statements and the restated financial statements for the year ended March 31, 2017, which was restated to give effect to Scheme of Amalgamation between the Company and Phoenix Lamps Limited (erstwhile subsidiary of the Company), pursuant to the approval of the Honourable National Company Law Tribunal vide its order dated August 11, 2017, on which the predecessor auditor has expressed an unmodified opinion vide report dated September 13, 2017, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the Ind AS financial statements have been kept so far as it appears from our examination of those books;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of written representations received from the directors of the Holding Company and subsidiary company incorporated in India as on March 31, 2018, and taken on record by the Board of Directors of the Holding Company and of its subsidiary respectively, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary company incorporated in India, refer to our separate report in "Annexure 1" to this report; and

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group - Refer note 38 to the consolidated Ind AS financial statements;

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer note 12 and note 46(iv) to the consolidated Ind AS financial statements; and

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary Company, which are incorporated in India during the year ended March 31, 2018.

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, 2018

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

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

In conjunction with our audit of the consolidated Ind AS financial statements of Suprajit Engineering Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Suprajit Engineering Limited (hereinafter referred to as the "Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2018, 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.

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, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

₹ in Million

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	3,023.29	3,100.94	2,060.96
Capital work in progress		25.33	22.87	178.05
Goodwill	4	1,357.72	1,318.12	238.50
Other intangible assets	5	1,059.57	1,145.53	16.73
Intangible assets under development		7.23	1.20	-
Financial assets				
Other bank balances	10	2.94	2.29	2.87
Loans	11	42.71	39.82	40.56
Income tax assets (net)	13	14.37	9.57	5.48
Deferred tax asset (net)	14	0.56	5.23	5.57
Other non-current assets	15	213.03	192.37	346.17
		5,746.75	**5,837.94**	**2,894.89**
Current assets				
Inventories	6	2,364.67	2,018.46	1,671.52
Financial assets				
Investment	7	1,303.99	225.66	1,604.33
Trade receivables	8	2,890.09	2,442.10	2,095.69
Cash and cash equivalents	9	301.47	205.35	172.23
Other bank balances	10	19.21	16.41	15.11
Loans	11	5.54	5.99	5.56
Other financial assets	12	7.55	69.39	5.72
Current tax assets (net)	13	-	217.06	192.40
Other current assets	15	379.21	313.66	226.82
		7,271.73	**5,514.08**	**5,989.38**
Total assets		**13,018.48**	**11,352.02**	**8,884.27**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	139.87	139.87	139.87
Other Equity	17	6,409.13	5,102.53	4,180.06
Total Equity		**6,549.00**	**5,242.40**	**4,319.93**
Liabilities				
Non-current liabilities				
Financial Liabilities				
Borrowings	18	1,076.03	1,926.57	757.04
Other financial liabilities	20	28.48	13.35	11.76
Provisions	21	56.04	79.97	64.45
Deferred tax liabilities (net)	23	521.09	658.96	132.55
Other non current liabilities	24	34.11	27.19	3.34
		1,715.75	**2,706.04**	**969.14**

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

₹ in Million

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current liabilities				
Financial Liabilities				
Borrowings	**18**	1,741.72	1,368.46	1,829.29
Trade payables	**19**	1,824.21	1,052.94	951.75
Other financial liabilities	**20**	823.58	696.18	554.19
Provisions	**21**	94.78	100.94	62.24
Current tax liabilities (net)	**22**	155.32	48.78	40.37
Other current liabilities	**24**	114.12	136.28	157.36
		4,753.73	**3,403.58**	**3,595.20**
Total liabilities		**6,469.48**	**6,109.62**	**4,564.34**
Total equity and liabilities		**13,018.48**	**11,352.02**	**8,884.27**

Corporate information and significant accounting policies **1 & 2**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: May 29, 2018

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

K Ajith Kumar Rai
Chairman & Managing Director
DIN : 01160327

Mohan Srinivasan Nagamangala
Director & CEO
DIN: 01916468

Medappa Gowda J
CFO & Company Secretary

Place: Bengaluru
Date: May 29, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Million

		Notes	Year ended March 31, 2018	Year ended March 31, 2017
I	**Income**			
	Revenue from operations	25	14,546.16	12,954.41
	Other income	26	212.28	201.90
	Total income		**14,758.44**	**13,156.31**
II	**Expenses**			
	Cost of material consumed	27	7,419.45	6,243.93
	Purchases of stock-in -trade	28	526.95	577.41
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	29	60.34	77.18
	Excise duty on sale of goods	25	235.56	926.00
	Employee benefits expense	30	2,567.54	1,982.58
	Finance cost	31	271.05	290.75
	Depreciation and amortisation expense	32	372.48	274.25
	Other expenses	33	1,370.84	1,127.55
	Total expenses		**12,824.21**	**11,499.65**
III	**Profit before exceptional items and tax expense (I-II)**		**1,934.23**	**1,656.66**
IV	**Exceptional items (net)**	34	-	14.94
V	**Profit before tax expense (III-IV)**		**1,934.23**	**1,641.72**
VI	**Tax expense (net):**	35		
	Current tax		646.21	457.89
	Deferred tax charge/ (credit)		(125.81)	45.77
	Tax expense relating to earlier years		29.00	0.67
	Total tax expenses		**549.40**	**504.33**
VII	**Profit for the year (V-VI)**		**1,384.83**	**1,137.39**
VIII	**Other comprehensive income ('OCI'), net of taxes**			
	Items that will not be reclassified subsequently to profit or loss:			
	Re-measurement loss on defined benefit plan		(5.20)	(2.08)
	Items that will be reclassified subsequently to profit or loss:			
	Net exchange differences on translation of foreign operations		128.98	(40.14)
			123.78	**(42.22)**
IX	**Total comprehensive income for the year (VII+VIII)**		**1,508.61**	**1,095.17**
X	**Basic and Diluted earnings per equity share [nominal value of share ₹ 1 (March 31, 2017: ₹ 1)]**	36	9.90	8.13

Corporate information and significant accounting policies **1 & 2**

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
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Medappa Gowda J
CFO & Company Secretary

Place: Bengaluru
Date: May 29, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity share capital (refer note 16)

	No. in Million	₹ in Million
Equity shares of ₹ 1 each issued, subscribed and fully paid-up		
As at April 1, 2016*	139.87	139.87
Issued during the year	-	-
As at March 31, 2017*	**139.87**	**139.87**
Issued during the year	-	-
As at March 31, 2018	**139.87**	**139.87**

* includes 8,533,699 equity shares of ₹ 1 each to be issued to the minority shareholders of Phoenix Lamps Limited, as part of merger. (refer note 41(A)).

B. Other equity (refer note 17) ₹ in Million

	Attributable to equity holders of the Company						
	Reserves and surplus					OCI	
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Surplus in the statement of profit & loss	Foreign currency translation reserve	Total
Balance as at April 1, 2016	**5.13**	**293.70**	**1,861.81**	**1,143.33**	**858.36**	**17.73**	**4,180.06**
Add: Profit for the year	-	-	-	-	1,137.39	-	1,137.39
Less: OCI - re-measurement losses on defined benefit obligation (net of tax)	-	-	-	-	(2.08)	-	(2.08)
Transfer to general reserve	-	-	-	575.00	(575.00)	-	-
Less: Cash dividends	-	-	-	-	(146.87)	-	(146.87)
Less: Dividend distribution tax	-	-	-	-	(25.83)	-	(25.83)
Less: Effect of foreign exchange rate variations during the year	-	-	-	-	-	(40.14)	(40.14)
Balance as at March 31, 2017	**5.13**	**293.70**	**1,861.81**	**1,718.33**	**1,245.97**	**(22.41)**	**5,102.53**
Add: Profit for the year	-	-	-	-	1,384.83	-	1,384.83
Less: OCI - re-measurement losses on defined benefit obligation (net of tax)	-	-	-	-	(5.20)	-	(5.20)
Transfer to general reserve	-	-	-	700.00	(700.00)	-	-
Less: Cash dividends	-	-	-	-	(167.84)	-	(167.84)
Less: Dividend distribution tax	-	-	-	-	(34.17)	-	(34.17)
Add: Effect of foreign exchange rate variations during the year	-	-	-	-	-	128.98	128.98
Balance as at March 31, 2018	**5.13**	**293.70**	**1,861.81**	**2,418.33**	**1,723.59**	**106.57**	**6,409.13**

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

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: May 29, 2018

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

K Ajith Kumar Rai
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DIN : 01160327

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Director & CEO
DIN: 01916468

Medappa Gowda J
CFO & Company Secretary

Place: Bengaluru
Date: May 29, 2018

Suprajit

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

		₹ in Million	
		Year ended March 31, 2018	**Year ended March 31, 2017**
A	**Operating activities**		
	Profit before tax expense	1,934.23	1,641.72
	Adjustments to reconcile profit before tax expense to net cash flows:		
	Depreciation and amortisation expense	372.48	274.25
	Allowance for doubtful receivables (net)	(1.73)	0.18
	Loss on disposal of property, plant and equipment (net)	6.21	3.42
	Liabilities no longer required written back	(1.65)	(1.49)
	Profit on sale of mutual funds (net)	-	(22.41)
	Fair value gain in financial instruments	(78.33)	(49.16)
	Finance cost	271.05	290.75
	Interest income	(50.18)	(1.52)
	Net foreign exchange difference	(3.00)	11.58
	Operating profit before working capital changes	**2,449.08**	**2,147.32**
	Working capital adjustments:		
	(Increase)/decrease in inventories	(275.95)	81.76
	(Increase)/decrease in trade receivables	(369.44)	(120.01)
	(Increase)/decrease in loans	(2.44)	0.31
	(Increase)/decrease in other financial assets	59.95	(63.79)
	(Increase)/decrease in other assets	(87.75)	(58.87)
	Increase/(decrease) in trade payables	719.78	(283.99)
	Increase/(decrease) in other financial liabilities	32.87	47.57
	Increase/(decrease) in provisions	(24.51)	41.36
	Increase/(decrease) in other liabilities	(15.24)	2.77
	Cash generated from operations	**2,486.35**	**1,794.43**
	Direct taxes paid (net of refund)	(313.76)	(536.70)
	Net cash flow from operating activities	**2,172.59**	**1,257.73**
B	**Investing activities**		
	Purchase of property, plant and equipment and other intangible assets	(257.68)	(392.09)
	Proceeds from sale of property, plant and equipment	7.61	6.43
	Acquisition of Wescon Controls LLC, net of cash acquired	-	(2,752.32)
	Sale of current investments	-	1,791.16
	Purchase of current investments	(1,000.00)	(340.93)
	Movement in deposits (net)	(3.45)	(0.72)
	Interest received	3.77	1.64
	Net cash flows used in investing activities	**(1,249.75)**	**(1,686.83)**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Million

		Year ended March 31, 2018	Year ended March 31, 2017
C	**Financing activities**		
	Movement in working capital loans (net)	373.26	(460.83)
	Movement in long term borrowings (net)	(724.90)	(305.78)
	Term loan borrowed for the purpose of acquisition of Wescon Controls LLC.	-	1,683.25
	Interest paid	(283.82)	(288.43)
	Dividend paid to equity shareholders	(165.01)	(146.27)
	Dividend distribution tax	(44.95)	(15.05)
	Net cash flow from / used in financing activities	**(845.42)**	**466.89**
D	**Net increase in cash and cash equivalents (A+B+C)**	**77.42**	**37.79**
	Net foreign exchange difference	18.70	(4.67)
	Cash and cash equivalents at the beginning of the year	205.35	172.23
E	**Cash and cash equivalents at year end (refer note 9)**	**301.47**	**205.35**

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

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

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

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: May 29, 2018

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

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Director & CEO
DIN: 01916468

Medappa Gowda J
CFO & Company Secretary

Place: Bengaluru
Date: May 29, 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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, Bommasandra Industrial Area, Anekal Taluk, 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.

2. **Significant accounting policies**

(a) Basis of preparation of Consolidated financial statements

The Consolidated 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).

For all periods up to and including the year ended March 31, 2017, the Company prepared its Consolidated financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP").

The Consolidated financial statements have been prepared on a historical cost basis, except for 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 millions (INR 000,000), except when otherwise indicated.

(b) Basis of consolidation

The consolidated financial statements for the year ended March 31, 2018 comprise the financial statements of Suprajit Engineering Limited and its subsidiaries (collectively referred to as "the Group").

These consolidated financial statements for the year ended March 31, 2018 are approved by the Board of Directors on May 29, 2018.

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, 2018	March 31, 2017	April 1, 2016
Suprajit Automotive Private Limited	Subsidiary	India	100%	100%	100%
Suprajit Europe Limited	Subsidiary	United Kingdom	100%	100%	100%
Suprajit USA Inc.*	Subsidiary	USA	100%	100%	-
Trifa Lamps, Germany GmbH**	Subsidiary	Germany	100%	100%	100%
Luxlite Lamps SARL**	Subsidiary	Luxembourg	100%	100%	100%
Wescon Controls LLC*	Subsidiary of Suprajit USA Inc	USA	100%	100%	-

* Incorporated/ acquired during the previous year, refer note 41(B).

All the above subsidiaries are under the same management and 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 of 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 parent 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 recognised 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 recognised 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 recognised 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 recognised in assets, such as inventory and fixed assets, 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 recognised in the year in which the estimates are revised and future periods are affected.

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

Impairment of financial assets

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

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

Impairment of non-financial assets

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

Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by external valuation experts and in certain cases by management internally (refer note 4).

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.

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 in currencies consistent with the currencies of the post-employment 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 (g).

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 (j) and note 35.

(d) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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 statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

Business combinations arising from transfers of interests in entities that are under the common control are accounted using pooling of interest method. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually as at March 31 or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in the consolidated statement of profit and loss. An impairment loss recognised 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 balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the 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 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 statement of changes in equity.

(g) Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

(h) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligation in all revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risk.

Based on the educational material on Ind AS 18 issued by the Institute of Chartered Accountants of India ("ICAI"), the Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Group on its own account, revenue includes excise duty.

However, sales tax/value added tax ('VAT')/goods and service tax ('GST') is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

Sales of Products

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

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

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

Export benefits

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

Dividend

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

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the 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 recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

(j) Taxes on income

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the consolidated statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in other equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in other equity, respectively.

Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax

Deferred income tax is recognised using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

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

Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

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

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

(k) Property, plant and equipment

The Group has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., April 1, 2016.

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

Depreciation is calculated on a straight-line basis over the useful lives of the assets, as specified in Schedule II to the Act except in case of certain assets wherein depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

	Useful lives (years)
Buildings – Factory	10 to 30
Buildings- Others	60
Electrical installations	21
Plant and equipments	5 to 30
Dies and moulds	15
Furniture and fixtures	10 and 15
Office equipments	3to 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.

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

Leasehold land is amortized on a straight-line basis over the period of lease. Leasehold improvements are amortized on straight-line basis over the lower of useful life of the asset and the remaining period of the lease.

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

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

(l) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following, initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

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 amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in the 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 amortisation period and the amortisation method for an intangible asset are reviewed at least at the end of each reporting period. The amortisation expense on intangible assets is recognized in the 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 recognised in the statement of profit and loss when the asset is derecognised.

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

	Useful life (years)
Software	3
Licenses and rights	5
Patents	5
Customer relationship	13
Non-compete agreement	1
Trade marks	Indefinite

Research costs are charged to statement of profit and loss as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

(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

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. For arrangements entered into prior to the date of transition, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of the transaction.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term.

(0) Inventories

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

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

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

(p) Impairment of non-financial assets

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

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

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most 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 recognised 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 recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss, unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(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 recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised 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. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

The 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 recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to the statement of profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The 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 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 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) 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

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

Subsequent measurement

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

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

A 'debt instrument' is measured at the amortised 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 amortised 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:

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

(iv) 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 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 derecognised (i.e. removed from the 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 recognised initially at fair value and in case of borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include borrowings, trade and other payables, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification. Financial liabilities at fair value through the statement of profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as fair value through profit or loss. Gains or losses on liabilities held for trading are recognised 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 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 recognised in the 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 amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR 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 amortisation 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 recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

De-recognition

A financial liability is derecognised 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 recognised in the statement of profit or loss.

Offsetting of financial instruments

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

(t) Derivative financial instruments

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

(u) Cash and cash equivalents

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

(v) 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.

(w) 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 recognised directly in equity.

(x) 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.

(y) 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.

(z) 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.

3. Property, Plant and Equipment*

₹ in Million

	Land	Leasehold land	Buildings	Electrical installations	Plant and equipments	Dies and moulds	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
Cost											
As at April 1, 2016	**197.49**	**27.74**	**1,030.09**	**106.24**	**593.13**	**32.92**	**28.53**	**13.23**	**21.25**	**10.34**	**2,060.96**
Additions (refer note [a])	37.60	-	318.01	30.15	783.38	4.77	4.18	5.71	72.58	7.72	**1,264.10**
Disposals	(5.04)	-	(1.70)	(0.95)	(4.74)	-	-	(0.51)	-	-	**(12.94)**
Exchange differences	-	-	-	-	(4.26)	-	(0.76)	(0.18)	(0.97)	-	**(6.17)**
As at March 31, 2017	**230.05**	**27.74**	**1,346.40**	**135.44**	**1,367.51**	**37.69**	**31.95**	**18.25**	**92.86**	**18.06**	**3,305.95**
Additions	-	-	19.36	13.51	136.86	9.44	10.32	7.33	13.51	3.78	**214.11**
Disposals	-	-	-	(0.11)	(14.66)	-	(0.03)	(1.63)	(5.13)	(0.04)	**(21.60)**
Exchange differences	-	-	-	-	0.68	-	0.22	0.20	0.23	-	**1.33**
As at March 31, 2018	**230.05**	**27.74**	**1,365.76**	**148.84**	**1,490.39**	**47.13**	**42.46**	**24.15**	**101.47**	**21.80**	**3,499.79**
Depreciation											
As at April 1, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Charge for the year	-	0.64	51.79	8.71	122.02	3.38	3.12	3.65	14.00	6.34	**213.65**
Disposals	-	-	(0.07)	(0.09)	(2.62)	-	-	(0.31)	-	-	**(3.09)**
Exchange differences	-	-	-	-	(4.00)	-	(0.76)	(0.06)	(0.73)	-	**(5.55)**
As at March 31, 2017	**-**	**0.64**	**51.72**	**8.62**	**115.40**	**3.38**	**2.36**	**3.28**	**13.27**	**6.34**	**205.01**
Charge for the year	-	0.06	57.20	9.55	173.60	4.88	3.79	4.39	20.44	4.36	**278.27**
Disposals	-	-	-	(0.02)	(5.45)	-	(0.01)	(0.52)	(1.76)	(0.02)	**(7.78)**
Exchange differences	-	-	-	-	0.50	-	0.20	0.18	0.12	-	**1.00**
As at March 31, 2018	**-**	**0.70**	**108.92**	**18.15**	**284.05**	**8.26**	**6.34**	**7.33**	**32.07**	**10.68**	**476.50**
Net book value											
As at April 1, 2016	**197.49**	**27.74**	**1,030.09**	**106.24**	**593.13**	**32.92**	**28.53**	**13.23**	**21.25**	**10.34**	**2,060.96**
As at March 31, 2017	**230.05**	**27.10**	**1,294.68**	**126.82**	**1,252.11**	**34.31**	**29.59**	**14.97**	**79.59**	**11.72**	**3,100.94**
As at March 31, 2018	**230.05**	**27.04**	**1,256.84**	**130.69**	**1,206.34**	**38.87**	**36.12**	**16.82**	**69.40**	**11.12**	**3,023.29**

** refer note 48(B)(i)*

Notes:

(a) Includes assets amounting to ₹ 533.20 Million acquired as part of acquisition of Wescon Controls LLC, USA. Refer note 41(B).

(b) 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 Company subject to charge created for borrowings as detailed in note 18.

(c) The amount of borrowing costs capitalised at applicable effective interest rate on the eligible borrowings during the year ended March 31, 2018 was ₹ Nil (March 31, 2017: ₹ 14.03 Million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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

Notes:

(d) Buildings include those constructed on leasehold land as follows:

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Cost	**738.97**	**558.64**
Additions	0.60	180.33
	739.57	**738.97**
Accumulated depreciation	**(27.13)**	**-**
Charge for the year	(28.71)	(27.13)
	(55.84)	**(27.13)**
Net book value	**683.73**	**711.84**

(e) Plant and equipments consists of net book value of ₹ 1.50 Million (March 31, 2017: ₹ 1.37 Million, April 1, 2016: Nil) pertaining to assets held under finance leases or hire purchase contracts.

4. Goodwill

Following is the movement of carrying value of Goodwill:

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Carrying value as per last financial statement	1,318.12	238.50
Goodwill on acquisition of Wescon Controls LLC (refer note 41(B))	-	1,140.38
Exchange differences	39.60	(60.76)
Closing balance	**1,357.72**	**1,318.12**

Below is the Cash Generating Unit ('CGU') wise break-up of goodwill:

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Wescon Controls LLC	1,101.67	1,098.19	-
Luxlite Lamps SARL, Luxembourg ('Luxlite Lamps')	256.05	219.93	238.50
	1,357.72	**1,318.12**	**238.50**

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, 2018	As at March 31, 2017	As at April 1, 2016
Growth rate	7.50% to 12.00%	7.00% to 12.00%	2.00%
Operating margins	8.90% to 16.70%	8.00% to 15.00%	5.20% to 6.50%
Discount rate	7.39% to 11.70%	7.00% to 12.00%	11.70%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) which represents the weighted average return attributable to all the assets of the CGU. These estimates are likely to differ from future actual results of operations and cash flows.

As at March 31, 2018, the Group assessed the carrying value of its goodwill along with the carrying value of related CGUs, based on future operational plan, projected cash flows and valuation carried out by an external valuer. Considering the aforesaid valuation, the management is of the view that, the carrying value of its goodwill as at March 31, 2018 is appropriate.

5. Other intangible assets

₹ in Million

	Business rights	Patents	Software	Customer relationship	Non-compete agreement	Trade marks	Total
Cost							
As at April 1, 2016	**13.16**	**0.28**	**3.29**	**-**	**-**	**-**	**16.73**
Additions	-	-	2.95	-	-	-	**2.95**
Acquisition of a subsidiary	-	-	-	1,123.74	10.77	95.61	**1,230.12**
Exchange differences	-	-	(0.40)	(39.67)	(0.40)	(3.54)	**(44.01)**
As at March 31, 2017	**13.16**	**0.28**	**5.84**	**1,084.07**	**10.37**	**92.07**	**1,205.79**
Additions	-	-	6.57	-	-	-	**6.57**
Exchange differences	-	-	(1.25)	3.43	0.04	0.29	**2.51**
As at March 31, 2018	**13.16**	**0.28**	**11.16**	**1,087.50**	**10.41**	**92.36**	**1,214.87**
Amortization							
As at April 1, 2016	-	-	-	-		-	**-**
Charge for the year	3.76	0.07	2.07	48.90	5.80	-	**60.60**
Exchange differences	-	-	(0.33)	(0.01)	-	-	**(0.34)**
As at March 31, 2017	**3.76**	**0.07**	**1.74**	**48.89**	**5.80**	**-**	**60.26**
Charge for the year	3.76	0.07	5.09	80.70	4.59	-	**94.21**
Exchange differences	-	-	(0.59)	1.40	0.02	-	**0.83**
As at March 31, 2018	**7.52**	**0.14**	**6.24**	**130.99**	**10.41**	**-**	**155.30**
Net book value							
As at April 1, 2016	**13.16**	**0.28**	**3.29**	**-**	**-**	**-**	**16.73**
As at March 31, 2017	**9.40**	**0.21**	**4.10**	**1,035.18**	**4.57**	**92.07**	**1,145.53**
As at March 31, 2018	**5.64**	**0.14**	**4.92**	**956.51**	**-**	**92.36**	**1,059.57**

6. Inventories

(Valued at lower of cost and net realisable value)

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials [includes goods in transit ₹ 159.16 Million (March 31, 2017: ₹ 68.26 Million, April 1, 2016: ₹ 70.05 Million)]	1,394.37	1,051.19	694.74
Work-in-progress	145.84	129.30	152.03
Finished goods	572.44	707.09	675.34
Traded goods	296.68	167.83	189.14
Less: Allowance towards slow and non-moving items	(44.66)	(36.95)	(39.73)
Total	**2,364.67**	**2,018.46**	**1,671.52**

7. Investment

(Valued at fair value through profit and loss)

	As at March 31, 2018			As at March 31, 2017			As at April 1, 2016		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
Quoted mutual funds (fully paid-up)									
Franklin India Ultra Short Bond Fund - Super Institutional Plan	11,272,589	24.14	272.14	2,453,359	22.33	54.78	4,208,874	20.37	85.74
Birla Sun Life Treasury Optimizer Fund Growth Plan	1,049,608	224.52	235.66	344,566	210.35	72.48	344,566	190.01	65.47
Franklin India Short Term Income - Retail Plan	12,117	3,670.05	44.47	12,117	3,386.15	41.03	12,117	3,047.78	36.93
IDFC Dynamic Bond Fund Growth Regular Plan	720,861	20.64	14.88	720,861	20.17	14.54	2,837,677	17.83	50.59
Birla Sun Life Corporate Bond Fund - Direct	12,123,851	13.31	161.31	-	-	-	-	-	-
HDFC Regular Savings Fund - Direct (G)	3,024,802	35.24	106.59	-	-	-	-	-	-
ICICI Prudential Equity Arbitrage Fund - Direct (Growth)	4,490,155	23.67	106.30	-	-	-	-	-	-
Franklin India Short Term Income Fund	27,530	3,823.10	105.25	-	-	-	-	-	-
Franklin India Low Duration Fund - Growth	5,182,643	20.30	105.19	-	-	-	-	-	-
Franklin India Low Duration Fund Growth	2,703,170	19.98	54.00	-	-	-	-	-	-
Franklin India Dynamic Accrual Fund - Direct - Growth	817,991	63.94	52.30	-	-	-	-	-	-
HDFC Floating Rate Income Fund STP	754,332	30.38	22.91	754,332	28.36	21.39	-	-	-
ICICI Pru Flexible Income- Direct plan- Growth	68,589	335.18	22.99	68,589	312.59	21.44	-	-	-
Birla Sun Life Cash Plus - Growth Direct Plan	-	-	-	-	-	-	1,242,460	243.32	302.31
ICICI Prudential Liquid - Direct Plan Growth	-	-	-	-	-	-	1,347,810	224.29	302.30
HDFC Liquid - Direct Plan - Growth Option	-	-	-	-	-	-	67,600	2,990.24	202.14
Franklin India Short Term Income Retail Plan	-	-	-	-	-	-	38,048	3,132.10	119.17
HDFC Liquid Regular (WMU)	-	-	-	-	-	-	33,757	2,984.57	100.75
SBI Magnum Insta Cash Liquid Floater - Direct Plan Growth	-	-	-	-	-	-	38,996	2,581.03	100.65
HDFC High Interest Fund - Growth	-	-	-	-	-	-	1,771,778	50.99	90.34
Reliance Dynamic Bond Growth	-	-	-	-	-	-	3,808,213	20.06	76.41
Franklin India Short Term Income Retail Plan	-	-	-	-	-	-	7,558	3,266.74	24.69
IDFC Super Saver Income Fund Short Term Growth Direct Plan	-	-	-	-	-	-	755,039	31.53	23.81
UTI Bond Fund Growth	-	-	-	-	-	-	560,887	41.06	23.03
Total			**1,303.99**			**225.66**			**1,604.33**
Aggregate book value of quoted investments			1,182.40			179.33			1,487.11

8. Trade receivables

(Unsecured, carried at amortised cost)

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Considered doubtful	11.63	13.93	14.14
Less: Allowance for doubtful receivables	(11.63)	(13.93)	(14.14)
Total	-	-	-
Current			
Considered good	2,890.09	2,442.10	2,095.69
Total	**2,890.09**	**2,442.10**	**2,095.69**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Further, there are no trade or other receivables which are due from firms or private companies in which any director is a partner, a director or a member.

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

9. Cash and cash equivalents

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Cash on hand	1.52	0.93	1.65
Balance with banks on			
Current accounts	280.17	188.28	161.98
EEFC accounts	19.78	15.79	3.33
Deposit accounts with original maturity of less than three months	-	0.35	0.38
Remittance in transit	-	-	4.89
Total	**301.47**	**205.35**	**172.23**

10. Other bank balances

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Margin money deposits*	2.94	2.29	2.87
Total	**2.94**	**2.29**	**2.87**
Current			
Balance with banks on deposits with remaining maturity for less than 12 months	1.95	1.98	1.28
Earmarked balances with banks being unpaid dividend accounts**	17.26	14.43	13.83
Total	**19.21**	**16.41**	**15.11**

* includes margin money deposits towards bank guarantees ₹ 1 Million (March 31, 2017: ₹ 1 Million, April 1, 2016: ₹ 1.1 Million) held against public deposits.

**These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

11. Loans

(Unsecured, considered good, carried at amortised cost)

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Security deposits	42.71	39.82	40.56
Total	**42.71**	**39.82**	**40.56**
Current			
Security deposits	-	0.24	0.22
Advances to employees	5.54	5.75	5.34
Total	**5.54**	**5.99**	**5.56**

12. Other financial assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Carried at fair value through profit and loss			
Foreign exchange forward contracts	3.33	65.87	2.08
Interest swap rate	2.59	-	-
Carried at amortised cost			
Interest receivable on bank deposit and others	1.63	3.52	3.64
Total	**7.55**	**69.39**	**5.72**

13. Income tax assets (net)

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Advance income-tax, including paid under protest (net of provision for taxation)	14.37	9.57	5.48
Total	**14.37**	**9.57**	**5.48**
Current			
Advance income-tax, including tax deducted at source (net of provision for taxation)	-	217.06	192.40
Total	**-**	**217.06**	**192.40**

14. Deferred tax asset (net)

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Deferred tax:			
Allocated capital allowances	(0.33)	(0.12)	0.18
Tax losses carried forward	-	5.31	5.39
Other timing differences	0.89	0.04	-
Total	**0.56**	**5.23**	**5.57**

15. Other assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Capital advances	13.94	15.48	163.89
Prepaid leasehold land rentals	149.78	161.31	161.52
Balances with statutory/government authorities	43.14	7.51	8.18
Others	6.17	8.07	12.58
Total	**213.03**	**192.37**	**346.17**
Current			
Advances to suppliers	152.20	72.79	56.41
Prepaid leasehold land rentals	4.39	1.80	1.80
Prepaid expenses	69.14	40.32	20.36
Export benefits receivable	20.88	12.78	0.58
Balances with statutory/government authorities	132.42	166.64	118.02
Others	0.18	19.33	29.65
Total	**379.21**	**313.66**	**226.82**

(This space has been intentionally left blank)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

16. Equity share capital

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Authorised share capital			
850,000,000 (March 31, 2017: 150,000,000, April 1, 2016: 150,000,000) equity shares of ₹ 1 each	850.00	150.00	150.00
Issued, subscribed and fully paid-up share capital			
139,872,473 (March 31, 2017: 139,872,473, April 1, 2016: 139,872,473) equity shares of ₹ 1 each	139.87	131.34	131.34
8,533,699 equity shares of ₹ 1 each to be issued to the minority shareholders of Phoenix Lamps Limited, as part of merger. (refer note 41(A))	-	8.53	8.53
Total	**139.87**	**139.87**	**139.87**

(a) Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share and such amount of dividend per share as declared by the Company. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period:

	As at March 31, 2018		As at March 31, 2017	
	No. in Million	₹ in Million	No. in Million	₹ in Million
Equity shares				
At the beginning of the year*	139.87	139.87	139.87	139.87
Issued during the year	-	-	-	-
Outstanding at the end of the year	**139.87**	**139.87**	**139.87**	**139.87**

* includes 8,533,699 equity shares of ₹ 1 each to be issued to the minority shareholders of Phoenix Lamps Limited, as part of merger. (refer note 41(A)).

(c) Details of shareholders holding more than 5% shares in the company:

	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. in Million	%	No. in Million	%	No. in Million	%
Equity shares of ₹ 1 each fully paid						
Mr. K. Ajith Kumar Rai	44.27	31.65%	44.27	31.65%	44.27	31.65%
Smt. Supriya A Rai	14.35	10.26%	14.35	10.26%	14.35	10.26%

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

17. Other Equity

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital reserve			
Balance as per last financial statements	5.13	5.13	
Closing balance	**5.13**	**5.13**	**5.13**
Capital redemption reserve			
Balance as per last financial statements	293.70	293.70	
Closing balance	**293.70**	**293.70**	**293.70**
Securities premium			
Balance as per last financial statements	1,861.81	1,861.81	
Closing balance	**1,861.81**	**1,861.81**	**1,861.81**
General reserve			
Balance as per last financial statements	1,718.33	1,143.33	
Add: Transferred from 'surplus in the statement of profit & loss'	700.00	575.00	
Closing balance	**2,418.33**	**1,718.33**	**1,143.33**
Surplus in the statement of profit and loss			
Balance as per last financial statements	1,245.97	858.36	
Add: Profit for the year	1,384.83	1,137.39	
Less: OCI - re-measurement losses on defined benefit obligation	(5.20)	(2.08)	
Less: Appropriations			
Interim Dividend [₹ 0.60 (March 31, 2017 : ₹ 0.50) per share]	(83.92)	(69.94)	
Final dividend	(83.92)	(76.93)	
Dividend distribution tax	(34.17)	(25.83)	
Transfer to general reserve	(700.00)	(575.00)	
Closing balance	**1,723.59**	**1,245.97**	**858.36**
Foreign currency translation reserve			
Balance as per last financial statements	(22.41)	17.73	
Add/(less): Effect of foreign exchange rate variations during the year	128.98	(40.14)	
Closing balance	**106.57**	**(22.41)**	**17.73**
Total	**6,409.13**	**5,102.53**	**4,180.06**

Summary of other equity:

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital reserve	5.13	5.13	5.13
Capital redemption reserve	293.70	293.70	293.70
Securities premium	1,861.81	1,861.81	1,861.81
General reserve	2,418.33	1,718.33	1,143.33
Surplus in the statement of profit and loss	1,723.59	1,245.97	858.36
Foreign currency translation reserve	106.57	(22.41)	17.73
	6,409.13	**5,102.53**	**4,180.06**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

Distribution made and proposed

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Cash dividend on equity shares declared and paid:		
Interim Dividend for the year ended March 31, 2018: ₹ 0.60 per share (March 31, 2017: ₹ 0.50 per share)	83.92	69.94
Final Dividend for the year ended March 31, 2017: Re 0.60 per share (March 31, 2016: Re 0.55 per share)	83.92	76.93
Dividend distribution tax	34.17	25.83
	202.01	**172.70**
Proposed dividends on equity shares:		
Final Dividend for the year ended on March 31, 2018: ₹ 0.80 per share (March 31, 2017: ₹ 0.60 per share)	111.90	83.92
Dividend distribution tax	22.78	17.08
	134.68	**101.00**

Proposed final dividend on equity shares are subject to approval by shareholders at the annual general meeting and are not recognised as a liability (including dividend distribution tax thereon) as at March 31.

18 Borrowings

(Carried at amortised cost)

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Secured			
Term loans			
from banks (refer note [i] below)	1,469.55	2,067.23	743.17
from a financial institution (refer note [ii] below)	238.49	332.15	403.08
Finance lease obligation (refer note [iii] below)	0.70	2.46	1.26
Unsecured			
Public deposits (refer note [iv] below)			
from related parties	2.00	4.00	3.00
from other than related parties	2.15	2.15	2.15
	1,712.89	2,407.99	1,152.66
Less: Current maturities of (refer note 20):			
secured loans other than finance lease obligation	(635.93)	(475.18)	(394.42)
unsecured loans	(0.60)	(5.65)	(0.90)
finance lease obligations	(0.33)	(0.59)	(0.30)
Total	**1,076.03**	**1,926.57**	**757.04**
Current			
Secured (refer note [v] below)			
Loans repayable on demand			
Working capital loan from banks and financial institutions	1,741.72	1,368.46	1,829.29
Total	**1,741.72**	**1,368.46**	**1,829.29**

(i) term loan from bank consists of:

(a) Indian rupee term loan of ₹ 7.00 Million (March 31, 2017: ₹ 64.00 Million, April 1, 2016 : ₹ 195.43 million), which carries floating interest rate of 10.30% p.a. and is repayable in quarterly instalments ranging from ₹ 4.50 Million to ₹ 10.00 Million each, the loan is due for repayment in full by June 30, 2018. The loan is secured by pari-passu first charge on the entire movable fixed assets, equitable mortgage of land and buildings and second charge on entire current assets of the Company.

(b) Indian rupee term loan of ₹ 194.45 Million (March 31, 2017: ₹ 305.62 Million, April 1, 2016 : ₹ 438.63 Million, which carries floating interest rate of 10.40% and is repayable in 22 quarterly instalments of ₹ 13.90 Million each, after a moratorium of nine months from the date of disbursement of loan, the loan is due for repayment in full by January, 2020. The loan is secured by pari-passu first charge on the entire movable fixed assets, equitable mortgage of land and buildings and second charge on entire current assets of the Company.

(c) Indian rupee term loan of ₹ 48.53 Million (March 31, 2017: ₹ 66.11 Million, April 1, 2016: ₹ 75.00 Million) carries floating interest rate of 10.25% to 11.25% p.a. and is repayable in 15 quarterly instalments of ₹ 4.40 Million each beginning from May 5, 2017. The loan is secured by exclusive charge on the plant and equipment purchased from the said term loan located at Plot no. 59A to F, Noida Special Economic Zone, Noida and second pari passu charge on all present and future movable and immovable fixed assets at various locations of the Company.

(d) USD 18.75 Million (₹ 1,219.57 Million) (March 31, 2017: USD 25 Million [₹ 1,620.97 Million], April 1, 2016: ₹ Nil), borrowed by Suprajit USA Inc., a subsidiary of the Company, during the year ended March 31, 2017 towards acquisition of Wescon Controls LLC, USA, the principle loan borrowed was USD 25 Million (₹ 1,683.25 Million), the term loan carried interest at Libor plus 2.30% (March 31, 2017: Libor plus 3% p.a), the loan is repayable on quarterly instalments starting from December 31, 2017, the loan is due for repayment in full by September 30, 2021. The loan is collateralised by substantially all of the assets of the Suprajit USA Inc. and is guaranteed by Suprajit Engineering Limited.

(e) Indian rupee term loan of ₹ Nil (March 31, 2017: ₹ 10.53 Million, April 1, 2016: ₹ 34.11 Million) carries floating interest rate subject to Treasury bill rate and was repayable in quarterly instalments ranging from ₹ 0.91 Million to ₹ 1.35 Million. The loan was due for repayment in full by August 31, 2017 and accordingly repaid during the year ended March 31, 2018. The loan was secured by pari-passu charge on the present and future current assets including stocks and receivables of the subsidiary company 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 the subsidiary company.

(ii) Represents term loan in Indian rupee which carry an average interest rate of 9.90% to 10.80% p.a. the loan is repayable in 15 quarterly instalments ranging from ₹ 2.78 Million to ₹ 9.52 Million each, loan is due for repayment in full by November-2020. The loan is secured by pari-passu first charge on the entire movable fixed assets with minimum fixed assets coverage ratio.

(iii) Finance lease obligations consists of car finance loan of ₹ 0.70 Million (March 31, 2017: ₹ 0.89 Million, April 1, 2016: ₹ 1.26 Million), which carries interest rate of 2.90% p.a and is repayable in five equal monthly instalment of ₹ 0.03 Million. The loan is secured by hypothecation of vehicle purchased out of the proceeds of the such loan. Also, consists of finance lease towards acquisition of fixed assets of ₹ Nil (March 31, 2017: ₹ 1.57 Million, April 1, 2016: Nil), such loan is secured by the the assets acquired under such lease.

(iv) Public deposits are unsecured and carry interest rate of 8.00% p.a (March 31, 2017: 9.50% p.a, April 1, 2016: 9.50% p.a.), interest is payable either quarterly or half-yearly or on maturity, these deposits are repayable over the agreed term of two years from the date of receipt. Further, the company has maintained margin money deposit of ₹ 1.00 Million (March 31, 2017: ₹ 1.00 Million, April 1, 2016: ₹ 1.1 Million) with the banks towards such deposits.

(v) Working capital loans from banks and financial institutions are secured by current and future current assets. These facilities are also collaterally secured by pari-passu charge on entire property, plant and equipment (except certain plant and equipment on which exclusive charge has been created towards term loans) and equitable mortgage of the properties located at Bengaluru, Doddabalapur and Noida. Working capital demand loan, cash credit and overdraft is repayable on demand. Bill discounting facilities are repayable over a term of 60 to 90 days. These facilities carry interest in the range of 8.20% to 11.70% p.a.

19 Trade payables

(Carried at amortised cost)

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Trade payables			
- Total outstanding dues of micro and small enterprises*	44.86	53.64	46.13
- Total outstanding dues of creditors other than micro and small enterprises	1,779.35	999.30	905.62
Total	**1,824.21**	**1,052.94**	**951.75**

Terms and conditions of the above financial liabilities:
- Trade payables are non-interest bearing and are normally settled on 15-60 days terms.
- For explanations on the Group's liquidity risk management, refer note 46.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

* The Company has amounts due to micro and small enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at year end. The details in respect of such dues are as follows:

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at end of each accounting year			
- Principal amount due to micro and small enterprises	44.80	51.13	45.01
- Interest due on above	0.06	2.51	1.12
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 each accounting year	-	45.33	13.25
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	0.06	2.51	1.12

The information given above has been determined to the extent such parties have been identified on the basis of information available with the Company.

20 Other financial liabilities

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
(Carried at amortised cost)			
Security deposits	28.48	13.35	11.76
Total	**28.48**	**13.35**	**11.76**
Current			
(Carried at amortised cost)			
Current maturities of long-term borrowings (refer note 18)	635.93	475.18	394.42
Current maturities of public deposits (refer note 18)	0.60	5.65	0.90
Current maturities of finance lease obligations (refer note 18)	0.33	0.59	0.30
Interest accrued but not due on borrowings	13.14	25.91	23.59
Capital creditors	7.69	37.74	18.86
Employee related liabilities	117.84	118.68	84.08
Payable to directors (refer note 43)	30.34	15.44	13.45
Security deposits	0.45	0.08	0.08
Unpaid dividend	17.26	5.47	13.83
Commission payable	-	2.48	1.78
Others	-	8.96	-
(Fair value through profit and loss)			
Provision for MTM losses on forward contracts	-	-	2.90
Total	**823.58**	**696.18**	**554.19**

21 Provisions

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Provision for employee benefits			
Gratuity (refer note 40(b))	43.89	67.97	63.46
Others (including pension)	12.15	12.00	0.99
Total	**56.04**	**79.97**	**64.45**
Current			
Provision for employee benefits			
Gratuity (refer note 40(b))	9.55	29.42	25.35
Compensated absences	82.03	57.13	33.69
Others	-	0.41	-
Provision for warranties	3.20	3.20	3.20
Provision for corporate dividend tax	-	1.82	-
Others	-	8.96	-
Total	**94.78**	**100.94**	**62.24**

Provision for warranties

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.

22 Current tax liabilities (net)

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current			
Provision for income tax (net of advance tax and tax deducted at source)	155.32	48.78	40.37
Total	**155.32**	**48.78**	**40.37**

23 Deferred tax liability (net)

₹ in Million

		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred tax liabilities				
Depreciation and amortization expense: Difference between tax depreciation and depreciation / amortization as per statement of profit and loss		316.35	354.45	153.00
Fair valuation of financial instruments		26.79	35.60	39.56
On goodwill arising on business combination		298.74	419.87	-
	A	**641.88**	**809.92**	**192.56**
Deferred tax assets				
Expenditure allowable for tax purposes when paid		21.66	17.94	0.07
Provision for doubtful debts and advances		40.50	47.44	12.06
Provision for employee benefits		36.01	50.55	47.98
On intercompany stock eliminations		5.92	8.06	(15.39)
Fair valuation of financial instruments		16.70	26.97	(0.14)
MAT credit entitlement		-	-	15.43
	B	**120.79**	**150.96**	**60.01**
Net deferred tax liability	**A-B**	**521.09**	**658.96**	**132.55**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

24 Other liabilities

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Non-current			
Government grants	15.19	14.70	3.34
Others	18.92	12.49	-
Total	**34.11**	**27.19**	**3.34**
Current			
Advances from customers	5.38	18.15	18.97
Government grants	9.45	2.13	1.00
Unearned income	19.01	38.52	46.99
Statutory dues	75.61	62.53	71.60
Others	4.67	14.95	18.80
Total	**114.12**	**136.28**	**157.36**

Government grants

Government grants received includes grant received in nature of customs duty exemption on import of certain items of property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

₹ in Million

	As at March 31, 2018	As at March 31, 2017
At the beginning of the year	16.83	4.34
Add: Received during the year	9.99	13.79
Less: Released to the statement of profit and loss	(2.18)	(1.30)
Closing balance	**24.64**	**16.83**

₹ in Million

25. Revenue from Operations

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty)	14,495.43	12,900.81
Sales of services (processing charges)	6.06	9.04
Other operating revenue	44.67	44.56
Total	**14,546.16**	**12,954.41**

Revenue from operations includes excise duty collected from customers of ₹ 235.56 Million (31 March 2017: ₹ 926.00 Million). Revenue from operation net of excise duty is ₹ 14,310.60 Million (31 March 2017: ₹ 12,028.41 Million).

Revenue from operations for periods up to June 30, 2017 includes excise duty. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Services Tax (GST). The group collects GST on behalf of the Government. Hence, GST is not included in revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended March 31, 2018 is not comparable with March 31, 2017.

₹ in Million

26. Other Income

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on		
Bank deposits	0.39	0.25
Income tax refund	48.30	-
Others	1.49	1.27
Profit on sale of mutual funds (net)	-	22.41
Liabilities no longer required written back	1.65	1.49
Fair value gain in financial instruments	78.33	49.16
Government grant income	18.67	22.36
Exchange differences (net)*	44.65	82.62
Other non-operating income	18.80	22.34
Total	**212.28**	**201.90**

*Includes mark to market gain/(loss) on foreign exchange forward contracts.

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
27. Cost of material consumed		
Inventories at the beginning of the year	1,051.19	694.74
Add: Purchases	7,762.63	6,600.38
Less: Inventories at the end of the year	(1,394.37)	(1,051.19)
Cost of material consumed	**7,419.45**	**6,243.93**

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
28. Purchases of stock-in -trade		
Auto Lamps	509.78	552.58
Stop and tail lamps	14.03	18.46
Others	3.14	6.37
Total	**526.95**	**577.41**

		Year ended March 31, 2018	Year ended March 31, 2017
29. Changes in inventories of finished goods, work-in-progress and stock-in-trade			
Inventories at the end of the year			
Finished goods		572.44	707.09
Stock-in-trade		296.68	167.83
Work-in-progress		145.84	129.30
Total	**A**	**1,014.96**	**1,004.22**
Inventories at the beginning of the year			
Finished Goods		707.09	675.34
Stock-in-trade		167.83	189.14
Work in Progress		129.30	152.03
Currency Fluctuation arising on consolidation		71.08	64.89
Total	**B**	**1,075.30**	**1,081.40**
Net change in inventories of finished goods, work-in-progress and stock-in-trade (B-A)		**60.34**	**77.18**

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
30. Employee benefits expense		
Salaries, wages and bonus	2,189.66	1,721.05
Contribution to provident and other funds (refer note 40)	290.23	147.66
Staff welfare expenses	87.65	113.87
Total	**2,567.54**	**1,982.58**

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
31. Finance costs		
Interest expense on		
Borrowings	239.36	262.48
Others	25.16	6.44
Loan processing charges	6.53	21.83
Total	**271.05**	**290.75**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
32. Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 3)	278.27	213.65
Amortisation of intangible assets (refer note 5)	94.21	60.60
Total	**372.48**	**274.25**

33. Other expenses

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Decrease of excise duty on inventory	(12.25)	(6.40)
Power and fuel	230.22	195.16
Labour charges	80.99	54.35
Rent	90.33	78.62
Repairs and maintenance		
Buildings	19.37	22.35
Machinery	79.19	61.54
Others	76.69	59.61
Insurance	39.86	37.86
Rates and taxes	35.55	27.72
Bank charges	17.04	14.24
Travelling and conveyance	107.23	102.79
Legal and professional fees	60.23	70.85
Payment to auditors (refer note (i) below)	24.32	13.89
Freight and forwarding charges	270.44	207.23
Advertisement and sales promotion	26.89	28.84
Sales commission	35.08	31.06
Directors' sitting fees and commission	2.34	2.32
Allowance for doubtful receivables (net)	(1.73)	0.18
Printing and stationery	14.11	13.17
Security expenses	29.85	29.17
Communication expenses	18.62	16.24
Loss on disposal of property, plant and equipment (net)	6.21	3.42
Allowance towards slow and non-moving items	(4.83)	8.53
Research and development expenses (refer note (ii) below)	5.29	4.52
CSR expenditure (refer note (iii) below)	23.79	26.55
Miscellaneous expenses	96.01	23.74
Total	**1,370.84**	**1,127.55**

	Year ended March 31, 2018	Year ended March 31, 2017
(i) Payment to auditors (excluding service tax / Goods and Services tax)*		
(a) Statutory auditor		
As auditor:		
Audit fee	2.80	4.78
Limited review fee	1.40	0.66
Reimbursement of expenses	0.56	0.59
	4.76	**6.03**
(b) Other auditor for the subsidiaries		
As auditor:		
Audit fee	13.06	7.76
Reimbursement of expenses	6.50	0.10
	19.56	7.86
Total	**24.32**	**13.89**

*Previous year audit fee, ₹ 0.8 Million out of current year Limited review fee and ₹ 0.35 Million out of reimbursement of expenses is paid to a firm of Chartered Accountants other than S.R. Batliboi & Associates LLP.

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
(ii) Details of research & development expense		
Salaries, wages and bonus	16.43	33.78
Cost of materials consumed	7.93	6.18
Other expenses	5.29	4.52
Total	**29.65**	**44.48**

The Group's research and development concentrates on the development of specialised cables for customers and development of equipments specialised for cable making with significant energy saving and increased productivity. Research and development costs that are not eligible for capitalisation have been expensed in the period incurred and are recognised in respective expenses head as detailed above.

(iii) 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 Suprajit Engineering Limited. 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 formed Suprajit Foundation to carry out the CSR activities on behalf of Suprajit Group. Suprajit Foundation is engaged in the activities of eradication of hunger, malnutrition, promoting education and healthcare.

Gross amount required to be spent by the Group towards CSR activities during the year was ₹ 23.44 Million (March 31, 2017: ₹ 26.55 Million), accordingly, has incurred ₹ 23.79 Million (March 31, 2017: ₹ 26.55 Million), which has been charged to statement of profit and loss and is disclosed under other expenses.

34. Exceptional Items

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Business acquisition expenditure (refer note (i) below)	-	54.39
Insurance income (refer note (ii) below)	-	(39.45)
Total	**-**	**14.94**

(i) During the previous year, the Company had set up a subsidiary company Suprajit USA Inc. in United States of America ('USA') to acquire controlling stake in Wescon Controls LLC. The Company incurred a total expenditure of ₹ 36.81 Million in the nature of professional charges towards the acquisition of this step-down subsidiary. Further, exceptional items includes ₹ 17.58 Million paid by the Company to Noida Special Economic Zone ('NSEZ') towards transfer charges as per the prevalent guidelines of the NSEZ Authority on account of change in composition of Board of Directors in the erstwhile Phoenix Lamps Limited and shareholding of the Company, upon acquisition.

(ii) represents receipt of insurance claim received by Trifa Lamps Germany, GmbH, a wholly owned overseas subsidiary of the Company, on account of damaged production facilities pertaining to earlier periods.

35. Tax expense (net):

Income tax expense in the consolidated statement of profit and loss consist of the following:

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Tax expense (net):		
Current tax	646.21	457.89
Deferred tax charge/ (credit)	(125.81)	45.77
Tax expense relating to earlier years	29.00	0.67
Total	**549.40**	**504.33**

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, 2018	Year ended March 31, 2017
Profit/ (loss) before tax	**1,934.23**	**1,641.72**
Applicable tax rates in India	34.61%	34.61%
Computed tax charge (A)	**669.44**	**568.20**
Components of tax expense:		
Allowances/exemptions under income tax	(8.74)	(71.84)
Adjustments for tax expenses relating to earlier periods	29.00	0.67
Adjustment of deferred taxes for enacted changes in tax laws in United States	(127.84)	-
Others (includes tax effect on differential domestic/ overseas tax rate)	(12.46)	7.30
Total adjustments (B)	**(120.04)**	**(63.87)**
Total tax expense (A+B)	**549.40**	**504.33**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

36. Earnings per Equity 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:

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Nominal value per equity share (₹ per share)	1	1
Profit attributable to equity shareholders (₹ in Million)	1,384.83	1,137.39
Weighted average number of equity shares (No. in Million)	139.87	139.87
Earnings per share basic and diluted (₹ per share)	9.90	8.13

37 Commitments

(a) Operating leases

The Group is obligated under non-cancellable lease for factory, warehouse, office and residential space that are renewable on a periodic basis at the option of both the lessor and lessee. The total rental expenses for the year under non-cancellable operating leases amounted to ₹ 45.70 Million (March 31, 2017: ₹ 44.69 Million).

Future minimum lease payments under non-cancellable operating leases are as follows:

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Within one year	44.37	67.45	48.51
After one year but not more than five years	54.41	90.33	97.87
More than five years	-	-	9.49

The Group leases factory, warehouse, office and residential space under cancellable operating lease agreements. The Group intends to renew such leases in the normal course of its business. Total rental expense for the year under cancellable operating leases amounted to ₹ 44.63 Million (March 31, 2017: ₹ 33.93 Million).

(b) Finance lease and hire purchase commitments

The Group has finance leases and hire purchase contracts for certain items of plant and machinery. The Group's obligations under finance leases are secured by the lessor's title to the leased assets.

Minimum lease payments under hire purchase is as follows:

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Within one year	0.59	0.33	-
After one year but not more than five years	1.00	1.36	-

(c) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 12.07 Million (March 31, 2017 : ₹ 9.90 Million, April 1, 2016: ₹ 126.12 Million).

38 Contingent Liabilities

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Claims against Group not acknowledge as debts*			
Income tax demands	1.69	15.99	585.45
Value Added Tax/Central Sales Tax demands	65.35	93.96	93.92
Excise duty/service tax demand	8.46	2.83	3.15
Suspension period wages	5.35	4.33	3.90
(b) Others			
Bonds executed in favour of customs authority	15.00	15.00	15.00
Bank guarantees (furnished to tax authorities)	0.75	0.75	0.75
Total	**96.60**	**132.86**	**702.17**

* These demands are disputed by the management 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 reimbursement in respect of the above contingent liabilities.

(c) The Group does not have any commitments as at balance sheet date except towards the operating lease as disclosed in note 37(a).

39 The Group Companies has entered into 'International transactions' with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India, as well as in the other geographies. The Group is in the process of carrying out transfer pricing study for the year ended March 31, 2018 in this regard, to comply with the requirements of the Income Tax Act, 1961 and other applicable laws in other countries. The Management of the Group, is of the opinion that such transactions with Associated Enterprises are at arm's length and hence in compliance with the aforesaid legislation. Consequently, this will not have any impact on the consolidated financial statements, particularly on account of tax expense and that of provision for taxation.

40 Employee benefit plans

(a) Defined contribution plans

The Group makes contributions to Provident Fund, Employee State Insurance scheme, 401(k) plan and other Social Security Schemes which are defined contribution plan for qualifying employees. Under the scheme, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Group has recognised the following amounts towards the defined contribution plans in the consolidated statement of profit and loss:

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Employers contribution to provident fund	83.30	73.05
Employers contribution to employee state insurance	13.06	13.66
Employers contribution to 401(k) plan	26.60	17.09

(b) Defined benefit plans

Gratuity

The Group offers Gratuity benefits to employees, a defined benefit plan, Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

The following tables set out the status of the gratuity plan:

Disclosure as per Ind AS 19

₹ in Million

	As at March 31, 2018	As at March 31, 2017
A Change in defined benefit obligation		
Obligations at beginning of the year	132.53	66.88
Service cost	11.41	10.93
Interest cost	9.84	4.66
Acquisitions	-	53.50
Benefits settled	(7.13)	(6.20)
Actuarial loss (through OCI)	8.81	2.76
Obligations at end of the year	**155.46**	**132.53**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Million

		As at March 31, 2018	As at March 31, 2017
B	**Change in plan assets**		
	Plan assets at beginning of the year, at fair value	36.69	32.22
	Expected return on plan assets	5.16	2.58
	Contributions	66.44	6.69
	Acquisitions	-	1.68
	Benefits settled	(7.13)	(6.20)
	Actuarial gain/ (loss) (through OCI)	0.86	(0.28)
	Plan assets at the end of the year	**102.02**	**36.69**
	Present value of defined benefit obligation at the end of the year	(155.46)	(132.53)
	Fair value of plan assets at the end of the year	102.02	36.69
C	**Net liability recognised in the consolidated balance sheet**	**(53.44)**	**(95.84)**

₹ in Million

		Year ended March 31, 2018	Year ended March 31, 2017
D	**Expenses recognised in the consolidated statement of profit and loss:**		
	Service cost	11.41	10.93
	Interest cost	9.84	4.66
	Expected return on plan assets	(5.16)	(2.58)
	Net gratuity cost	**16.09**	**13.01**
E	**Re-measurement gains/ (losses) in OCI**		
	Actuarial loss (through OCI)	8.81	2.76
	Actuarial gain/ (loss) (through OCI)	(0.86)	0.28
	Total expenses recognised through OCI	**7.95**	**3.04**
F	**Actual return on plan assets**	**6.02**	**2.30**
G	**Assumptions**		
	Discount rate	7.63%	7.31%
	Estimated rate of return on plan assets	7.63%	7.31%
	Salary increase rate [refer note (i)]	10.00%	10.00%
	Attrition Rate	6.00%	6.00%
	Retirement age	58 years	58 years

H Pay-outs

₹ in Million

	As at March 31, 2018	As at March 31, 2017
Within one year	9.55	29.42
After one year but not more than five years	35.80	31.22
After 5th Year	56.49	32.07
	101.84	**92.71**

I The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Investment with insurer	100%	100%

J A quantitative sensitivity analysis for significant assumption is as below (refer note ii below)

₹ in Million

	Year ended March 31, 2018		Year ended March 31, 2017	
	1% increase	1% decrease	1% increase	1% decrease
Effect of change in discount rate	(11.82)	13.85	(11.44)	12.79
Effect of change in salary	13.06	(11.39)	12.45	(9.27)
Effect of change in withdrawal assumption	(2.71)	3.11	2.32	(1.52)

K Notes

(i) The estimates of future salary increases, considered in actuarial valuation, take 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 plan obligation at the end of the reporting period is 12.62 years (March 31, 2017: 13.91 to 14.45 years).

41 Business Combination

A Amalgamation of Phoenix Lamps Limited

The equity shareholders, secured and unsecured creditors have approved the scheme of amalgamation of the Holding Company with Phoenix Lamps Limited ('PLL'), an erstwhile subsidiary of the Holding Company, at the Court Covened Meetings held on September 24, 2016. The draft Scheme of amalgamation was approved by the Board of Directors of both the companies on April 18, 2016. The Holding Company had filed the petition with the Hon'ble High Court of Karnataka initially and subsequently, the said petition was moved to National Company Law Tribunal, Karnataka ('NCLT') as per the directions of the Ministry of Corporate Affairs. The Scheme of amalgamation with the appointed date as April 1, 2016 has been approved by the NCLT vide order dated August 17, 2017 and upon necessary filing with the Registrar of Companies, the scheme has become effective on September 13, 2017.

Upon completion of necessary procedures, the company has accounted for aforesaid amalgamation in accordance with the requirements of Ind AS 103 - Business Combination under common control.

In consideration for aforesaid amalgamation, the Company has issued and allotted 8,533,699 equity shares of ₹ 1/- (Rupee one only) each, amounting to ₹ 8.53 Million, to the minority shareholders of erstwhile Phoenix Lamps Limited on September 14, 2017 based on share exchange ratio of 4:5 as per the scheme of amalgamation. Further, difference between net assets taken and the investment in the Company has been adjusted in the other equity.

B Acquisition of Wescon Controls LLC

During the previous year, the Company has formed Suprajit USA Inc. a wholly owned subsidary, which has acquired Wescon Controls LLC on September 9, 2016 at a purchase consideration of USD 44.40 Million (₹ 2,989.45 Million), which resulted in a goodwill of ₹ 1,140.38, being excess of the purchase consideration of investment over the Suprajit USA Inc's share in the net assets of Wescon Controls LLC.

Considering the aforesaid acquisition was carried out on September 9, 2016, the current year financial statements are not strictly comparable with the previous year.

42 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Group 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 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.

Segment revenue by geographical location are as follows*:

₹ in Million

Region	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations		
India	8,693.04	7,708.41
USA	2,562.51	1,471.26
Rest of the World	3,290.61	3,774.74
	14,546.16	**12,954.41**

* 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, 2018 and March 31, 2017.

Non-current operating assets by geographical location are as follows:**

₹ in Million

Region	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
India	2,557.00	2,571.96	2,242.55
USA	2,647.57	2,784.21	-
Rest of the World	268.57	232.49	251.69
	5,473.14	**5,588.66**	**2,494.24**

** Non-current operating assets includes Property, plant and equipment, Capital work in progress, Goodwill, Other intangible assets and Intangible assets under development.

43 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 and Managing Director
Mr. Mohan Srinivasan Nagamangala	Director and Chief Executive Officer (w.e.f. February 13, 2017)
Mr. Mohan Chelliah	Executive director upto March 11, 2017
Mr. Medappa Gowda J	Chief Financial Officer and Company Secretary
Mr. Peter Greensmith	Managing Director of Suprajit Europe Ltd.
Ms. Mary Gentzsch	Managing Director of Trifa Lamps Germany, GmbH
Mr. Frank Klinkert	Managing Director of Luxlite Lamps SARL, Luxembourg
Mr. Mike Bright	CEO & President of Wescon Controls LLC
Mr. Steve Fricker	Chief Financial Officer of Wescon Controls LLC
Mrs. Dr. Supriya A Rai	Director
Mr. Diwakar S Shetty	Independent Director
Mr. B.S. Patil, IAS (Retd)	Independent Director
Mr. Suresh Shetty	Independent Director
Mr . M Jayarama Shetty	Independent Director
Mr . Ian Willamson	Independent Director
Mrs. Sunita Mathur	Director

Relatives of KMP

Mr. Akhilesh Rai

Mr. Ashutosh Rai

Mr. Manjunath Rai K

Mrs. Hemavathi M Rai

Mr. Ashok Kumar Rai

Enterprises in which directors/shareholders have significant influence

Suprajit Foundation

B Details of transactions with key management personnel:

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Salary and perquisites:*		
KMP		
Mr. K Ajith Kumar Rai	46.45	31.01
Mr. Mohan Srinivasan Nagamangala	14.40	1.40
Mr. Mohan Chelliah	-	10.63
Mr. Medappa Gowda J	6.55	5.67
Mr. Peter Greensmith	10.30	7.78
Ms. Mary Gentzsch	12.06	11.77
Mr. Frank Klinkert	15.77	23.59
Mr. Mike Bright	19.90	11.64
Mr. Steve Fricker	15.68	7.78
Relatives of KMP		
Mr. Akhilesh Rai	0.04	0.59
Mr. Ashutosh Rai	1.01	0.79
	142.16	**112.65**
Director sitting fees		
Mr. B.S.Patil	0.56	0.36
Mr. Diwakar S.Shetty	0.57	0.38
Mr . M Jayarama Shetty	0.60	0.42
Mrs. Sunita Mathur	0.01	0.35
Mr. Suresh Shetty	0.60	0.81
	2.34	**2.32**
Reimbursements of expenses		
KMP		
Mr. K Ajith Kumar Rai	2.16	2.36
Mr. Mohan Srinivasan Nagamangala	1.18	0.07
Mr. Mohan Chelliah	-	1.01
Mr. Medappa Gowda J	0.62	0.54
Relatives of KMP		
Mr. Akhilesh Rai	-	0.15
Mr. Ashutosh Rai	0.46	0.25
	4.42	**4.38**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

₹ in Million

	Year ended March 31, 2018	Year ended March 31, 2017
Interest paid		
KMP		
Mr. Mohan Chelliah	0.07	0.06
Relatives of KMP		
Mr. Manjunath Rai K	0.03	0.11
Mrs. Hemavathi M Rai	0.13	0.13
Mr. Ashok Kumar Rai	0.18	0.10
	0.41	**0.40**
Deposits accepted		
KMP		
Mr. Mohan Chelliah	-	1.00
Relatives of KMP		
Mr. Ashok Kumar Rai	1.00	-
Mr. Manjunath Rai K	-	-
Mrs. Hemavathi M Rai	-	-
	1.00	**1.00**
Deposits repaid		
KMP		
Mr. Mohan Chelliah	1.00	-
Relatives of KMP		
Mr. Manjunath Rai K	1.00	-
Mrs. Hemavathi M Rai	1.00	-
Mr. Ashok Kumar Rai	-	-
	3.00	**-**
CSR expenditure		
Suprajit Foundation	23.79	26.55
	23.79	**26.55**

*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 key management personnel is not ascertainable and, therefore, not included above.

C Balances payable to related parties:

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deposits payable			
KMP			
Mr. Mohan Chelliah	-	1.00	-
Relatives of KMP			
Mr. Manjunath Rai K	-	1.00	1.00
Mrs. Hemavathi M Rai	-	1.00	1.00
Mr. Ashok Kumar Rai	2.00	1.00	1.00
	2.00	**4.00**	**3.00**
Interest accrued but not due on deposits			
KMP			
Mr. Mohan Chelliah	-	0.06	-
Relatives of KMP			
Mr. Manjunath Rai K	-	0.01	0.01
Mrs. Hemavathi M Rai	-	0.03	0.03
Mr. Ashok Kumar Rai	0.04	-	-
	0.04	**0.10**	**0.04**

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Payable to directors			
KMP			
Mr. K Ajith Kumar Rai	28.34	14.24	12.25
Mr. Diwakar S Shetty	0.50	0.30	0.30
Mr. B.S. Patil, IAS (Retd)	0.50	0.30	0.30
Mr. Suresh Shetty	0.50	0.30	0.30
Mr . M Jayarama Shetty	0.50	0.30	0.30
	30.34	**15.44**	**13.45**
Remuneration payable			
KMP			
Ms. Mary Gentzsch	-	6.37	12.97
CSR contribution payable			
Suprajit Foundation	-	26.55	22.08

44 Fair value

The carrying value of financial instruments by categories is as follows:

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial assets measured at amortized cost			
Trade receivables *	2,890.09	2,442.10	2,095.69
Security deposits ^	42.71	40.06	40.78
Advances to employees*	5.54	5.75	5.34
Interest receivable on bank deposit and others*	1.63	3.52	3.64
Financial assets measured at fair value through profit and loss			
Investment in mutual funds $	1,303.99	225.66	1,604.33
Foreign exchange forward contracts $	3.33	65.87	2.08
Interest swap rate @	2.59	-	-
	4,249.88	**2,782.96**	**3,751.86**
Cash and cash equivalents and other balances with banks #			
Cash on hand	1.52	0.93	1.65
Balance with banks on current accounts	280.17	188.28	161.98
Balance with banks on EEFC accounts	19.78	15.79	3.33
Balance with banks on deposit accounts	4.89	4.62	4.53
Remittance in transit	-	-	4.89
Earmarked balances with banks being unpaid dividend accounts	17.26	14.43	13.83
	323.62	**224.05**	**190.21**

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Financial liabilities measured at amortized cost			
Borrowings*	3,454.61	3,776.45	2,981.95
Trade payables*	1,824.21	1,052.94	951.75
Employee related liabilities*	117.84	118.68	84.08
Interest accrued but not due on borrowings*	13.14	25.91	23.59
Capital creditors*	7.69	37.74	18.86
Payable to directors*	30.34	15.44	13.45
Security deposits*	28.93	13.43	11.84
Unpaid dividend*	17.26	5.47	13.83
Commission payable*	-	2.48	1.78
Others*	-	8.96	-
Financial liabilities measured at fair value through profit and loss			
Provision for MTM losses on forward contracts $	-	-	2.90
	5,494.02	**5,057.50**	**4,104.03**

* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature.

^ The fair value of these accounts was calculated based on cash flow discounted using a current lending/ borrowing rate, they are classified as level 3 fair value hierarchy due to inclusion of unobservable inputs including counterparty credit risk.

$ The fair value of these accounts are estimated using quoted prices in active markets, accordingly, are classified within Level 1 of the valuation hierarchy.

@ The fair value is estimated using forward-looking interest rate curves and discounted cash flows that are obervable or can be corroborated by observable market data, therefore, are classified within Level 2 of the valuation hierarchy.

\# 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.

45 Capital management

The primary objective of the group capital management is to ensure that it maintains a strong credit rating and capital ratios in order to ensure sustained growth in the business and to maximise the shareholder value.

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
A. Total equity attributable to the share holders of the Company	**6,549.00**	**5,242.40**	**4,319.93**
B. Loans and borrowings*			
Non-current borrowings	1,076.03	1,926.57	757.04
Current borrowings	1,741.72	1,368.46	1,829.29
Current maturities of non-current borrowings	635.93	475.18	394.42
Current maturities of public deposits	0.60	5.65	0.90
Current maturities of finance lease obligations	0.33	0.59	0.30
	3,454.61	**3,776.45**	**2,981.95**
C. Total capital (A+B)	**10,003.61**	**9,018.85**	**7,301.88**
D. Total loans and borrowings as a percentage of total capital (B/C)	**35%**	**42%**	**41%**
E. Total equity as a percentage of total capital (A/C)	**65%**	**58%**	**59%**

(i) The Group is predominantly equity financed as evident from the capital structure table above. Further the Group has sufficient cash, cash equivalents, current investments and financial assets which are liquid to meet the debts.

(ii) In order to achieve this overall objective, the group capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. The breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any borrowings in the current year.

46 Financial risk management:

The Group's activities expose it to the following risk:

(i) Credit risk
(ii) Interest rate risk
(iii) Liquidity risk
(iv) Market risk
(iv) Commodity price risk

(i) 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 0-270 days. The credit risk exposure of the Group is as below:

₹ in Million

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Trade receivables	2,890.09	2,442.10	2,095.69

The Group evaluates the concentration of risk with respect to trade receivables as low, since majority of its customers are reputed automobile companies and are spread across multiple geographies.

c. Other financial assets and deposits with banks

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.

(ii) 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 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, 2018		Year ended March 31, 2017	
	1% increase	1% decrease	1% increase	1% decrease
Effect of profit before exceptional items and tax expense	(34.84)	34.84	(37.89)	37.89

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(iii) Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents 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, 2018	As at March 31, 2017	As at April 1, 2016
Cash on hand	1.52	0.93	1.65
Balance with banks	304.84	208.69	169.84
Remittance in transit	-	-	4.89
Current investments	1,303.99	225.66	1,604.33
	1,610.35	**435.28**	**1,780.71**

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

₹ in Million

	On demand	0.-180 days	180-365 days	> 365 days	Total
March 31, 2018					
Non-current borrowings	-	-	-	1,076.03	1,076.03
Current borrowings	1,741.72	-	-	-	1,741.72
Trade payables	-	1,824.21	-	-	1,824.21
Other financial liabilities	-	505.15	318.43	28.48	852.06
Total	**1,741.72**	**2,329.36**	**318.43**	**1,104.51**	**5,494.02**

₹ in Million

	On demand	0.-180 days	180-365 days	> 365 days	Total
March 31, 2017					
Non-current borrowings	-	-	-	1,926.57	1,926.57
Current borrowings	1,368.46	-	-	-	1,368.46
Trade payables	-	1,052.94	-	-	1,052.94
Other financial liabilities	-	455.47	240.71	13.35	709.53
Total	**1,368.46**	**1,508.41**	**240.71**	**1,939.92**	**5,057.50**
April 01, 2016					
Non-current borrowings	-	-	-	757.04	757.04
Current borrowings	1,829.29	-	-	-	1,829.29
Trade payables	-	951.75	-	-	951.75
Other financial liabilities	-	356.38	197.81	11.76	565.95
Total	**1,829.29**	**1,308.13**	**197.81**	**768.80**	**4,104.03**

(iv) Market 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 Company'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 foreign currency exposure of Group's financial assets and liabilities.

in Million

Currency	Foreign currency amount			Amount in ₹		
	As at March 31, 2018	**As at March 31, 2017**	**As at April 1, 2016**	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
Financial assets						
USD	3.03	2.93	3.33	194.19	188.05	219.52
EUR	1.04	0.16	1.43	83.39	10.71	106.92
GBP	0.43	0.31	0.57	38.67	24.64	53.46
Total				**316.25**	**223.40**	**379.90**
Financial liabilities						
USD	0.91	0.78	0.50	59.35	50.80	33.39
EUR	1.19	0.44	0.47	96.06	30.55	35.03
GBP	0.04	0.01	-	4.07	1.13	-
Others	1.79	0.08	-	1.10	0.05	-
Total				**160.58**	**82.53**	**68.42**
Net financial assets				**155.67**	**140.87**	**311.48**

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 against receivables are as below:

in Million

Currency	Foreign currency amount			Amount in ₹		
	As at March 31, 2018	**As at March 31, 2017**	**As at April 1, 2016**	**As at March 31, 2018**	**As at March 31, 2017**	**As at April 1, 2016**
EUR*	1.89	1.42	1.26	152.57	98.21	94.77
EUR**	3.23	3.00	2.25	260.01	207.74	168.96
GBP*	-	0.09	-	-	7.17	-
Total				**412.58**	**313.12**	**263.73**

* towards foreign currency receivables
** towards highly probable foreign currency sales.

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 exceptional items in proportion to revenue to increase or decrease respectively by 0.01% (March 31, 2017: 0.01%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(v) 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, 2018		Year ended March 31, 2017	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax				
Steel wire	(15.68)	15.68	(13.02)	13.02
Cable components	(51.20)	51.20	(37.01)	37.01
Glass tube	(2.02)	2.02	(1.99)	1.99
Lamp components	(5.30)	5.30	(3.90)	3.90

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, 2018 ₹ in Million

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss - gain/ (loss)		Share in other comprehensive income - gain/ (loss)		Share in total comprehensive income - gain/ (loss)	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Suprajit Engineering Limited	68%	6,060.30	73%	1,046.41	(4%)	(5.04)	67%	1,041.37
Indian subsidiaries								
Suprajit Automotive Private Limited	5%	460.45	10%	144.77	(0%)	(0.17)	9%	144.60
Foreign subsidiaries								
Suprajit Europe Limited	3%	237.87	3%	49.44	34%	41.58	6%	91.02
Suprajit USA, Inc.*	19%	1,650.83	15%	202.85	17%	21.42	14%	224.27
Trifa Lamps Germany, GmbH	3%	307.12	1%	14.04	34%	42.19	4%	56.23
Luxlite Lamps SARL, Luxembourg	2%	154.11	(2%)	(25.18)	19%	23.80	(0%)	(1.38)
Total	**100%**	**8,870.68**	**100%**	**1,432.33**	**100%**	**123.78**	**100%**	**1,556.11**
Adjustments arising out of consolidation		(2,321.68)		(47.50)		-		(47.50)
Total		**6,549.00**		**1,384.83**		**123.78**		**1,508.61**

B As at and for the year ended March 31, 2017

₹ in Million

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss - gain/ (loss)		Share in other comprehensive income - gain/ (loss)		Share in total comprehensive income - gain/ (loss)	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Suprajit Engineering Limited	69%	5,208.81	73%	856.85	5%	(2.07)	76%	854.78
Indian subsidiaries								
Suprajit Automotive Private Limited	5%	387.70	11%	122.97	0%	0.08	11%	123.05
Foreign subsidiaries								
Suprajit Europe Limited	2%	146.85	7%	78.64	48%	(20.43)	5%	58.21
Suprajit USA, Inc.*	19%	1,426.56	6%	67.29	(32%)	13.67	7%	80.96
Trifa Lamps Germany, GmbH	3%	250.89	4%	49.15	48%	(20.20)	3%	28.95
Luxlite Lamps SARL, Luxembourg	2%	155.49	(1%)	(5.95)	31%	(13.27)	(2%)	(19.22)
Total	**100%**	**7,576.30**	**100%**	**1,168.95**	**100%**	**(42.22)**	**100%**	**1,126.73**
Adjustments arising out of consolidation		(2,333.90)		(31.56)		-		(31.56)
Total		**5,242.40**		**1,137.39**		**(42.22)**		**1,095.17**

C As at April 1, 2016

₹ in Million

Name of the entity	Net Assets i.e., total assets minus total liabilities	
	As % of Consolidated net assets	Amount
Parent		
Suprajit Engineering Limited	85%	4,516.82
Indian subsidiaries		
Suprajit Automotive Private Limited	6%	312.57
Foreign subsidiaries		
Suprajit Europe Limited	2%	88.64
Suprajit USA, Inc.*	0%	-
Trifa Lamps Germany, GmbH	4%	221.94
Luxlite Lamps SARL, Luxembourg	3%	174.71
Total	**100%**	**5,314.68**
Adjustments arising out of consolidation		(994.75)
Total		**4,319.93**

* Suprajit USA, Inc. has been formed during the year ended March 31, 2017, accordingly the net assets value as at April 1, 2016 has not been disclosed, further, the Suprajit USA, represents the consolidated balances of Suprajit USA, Inc. and its wholly owned subsidiary i.e. Wescon Controls LLC. Refer note 41(B) for further details.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

48 Adoption of Ind AS

A First time adoption

These consolidated financial statements, for the year ended March 31, 2018, have been prepared in accordance with the Ind AS. For periods up to and including the year ended March 31, 2017, the Group prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP").

Accordingly, the Group has prepared consolidated financial statements which comply with applicable Ind AS for year ending on March 31, 2018, together with the comparative period data, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Group opening balance sheet was prepared as at April 1, 2016, the Group date of transition to Ind AS. This note explains the principal adjustments made by the Group in restating its Previous GAAP consolidated financial statements, including the balance sheet as at April 1, 2016 and the consolidated financial statements as at and for the year ended March 31, 2017.

B Exemptions applied

Ind AS 101 allows first time adopters certain exemption from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions.

(i) The Group has elected to avail exemption under Ind AS 101, to use Previous GAAP carrying value of its property, plant and equipment and intangible assets as per the statement of financial position prepared in accordance with Previous GAAP.

(ii) The Group has elected to avail exemption under Ind AS 101 which permits a first-time Ind AS adopter to elect not to apply Ind AS 103 retrospectively to past business combinations (business combinations that occurred before the date of transition to Ind AS). Accordingly, the Group has elected to measure all assets and liabilities arising out of business combinations that occurred before the date of transition to Ind AS at their Previous GAAP carrying values.

C Reconciliation of equity between previous GAAP and Ind AS

1 Equity reconciliation

a As on April 1, 2016 (date of transition to Ind AS) **₹ in Million**

	Notes	As at April 1, 2016
Equity as reported under previous GAAP		4,475.79
Add/(less): Effect of transition to Ind AS		
Impact on fair valuation of mutual fund investments	48D(i)	117.21
Effect of deferred tax on fair valuation of mutual fund investments	48D(iii)	(40.56)
Proposed dividend and tax on proposed dividend	48D(iv)	88.54
Others (net)		19.92
Adjustment on account of amalgamation of Phoenix Lamps Limited		(340.97)
Equity as per Ind AS		**4,319.93**

b As at March 31, 2017 **₹ in Million**

	Notes	As at March 31, 2017
Equity as reported under previous GAAP		5,148.70
Add/(less): Effect of transition to Ind AS		
Impact on fair valuation of mutual fund investments	48D(i)	49.16
Impact on fair valuation of forward contracts	48D(ii)	14.27
Others (net of taxes)	48D(v)	30.27
Equity as per Ind AS		**5,242.40**

2 Total comprehensive income reconciliation for the year ended March 31, 2017 **₹ in Million**

	Notes	Year ended March 31, 2017
Net profit as per previous GAAP (as per financials statements dated September 13, 2017)		1,226.57
<u>Add/(less): Ind AS adjustments income/(expense)</u>		
Impact on fair valuation of mutual fund investments	48D(i)	(68.05)
Impact on fair valuation of forward contracts	48D(ii)	14.27
Others (net of taxes)		(35.40)
Net profit as per Ind AS		**1,137.39**
Other comprehensive income (net)	48D(v)&(vi)	(42.22)
Total comprehensive income under Ind AS		**1,095.17**

D Notes to reconciliation between Previous GAAP and Ind AS:

(i) Fair valuation of mutual funds

Under previous GAAP, current investments were measured at lower of cost or fair value and long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS, financial assets other than those valued at amortized cost are measured at fair value.

Investment in mutual funds have been classified as fair value through statement of profit and loss and fair value changes are recognized in the statement of profit and loss.

(ii) Fair valuation of forward contracts

Under previous GAAP, in relation to the forward contracts entered into, to hedge the foreign currency risk of the underlying outstanding at the balance sheet date, the exchange difference is calculated and recorded in accordance with paragraphs 36 and 37 of AS 11. Under Ind AS, the aforementioned forward contracts are fair valued through statement of profit and loss and fair value changes are recognized in statement of profit and loss.

(iii) Deferred tax

The deferred tax has been recognised on temporary differences arising on transition to Ind AS.

(iv) Provision for proposed dividend

Under previous GAAP, dividend payable along with dividend distribution tax was recorded as a liability in the period to which it relates. Under Ind AS, dividend to holders of equity instruments is recognised as a liability in the period in which the obligation to pay is established.

(v) Employee benefits

Under previous GAAP, actuarial gains and losses were recognized in the 'consolidated statement of profit and loss'. Under Ind AS, the actuarial gains and losses form part of remeasurement of net defined benefit liability/asset which is recognized in other comprehensive income in the respective periods.

(vi) Exchange differences on translation of foreign operations

Under Ind AS the net movement in exchange differences arising on translation of foreign subsidiaries from a reporting date to the immediate next reporting date is recognised as 'OCI to be reclassified to profit or loss in subsequent periods' and forms part of the disclosure for 'Total Comprehensive Income' in the 'consolidated statement of profit and loss'.

49 Standards issued but not yet effective

(i) Ind AS 115- Revenue from contract with customers:

On March 28, 2018, the Ministry of Corporate Affairs notified Ind AS 115 Revenue from contracts with customers. The standard replaces Ind AS 11 Construction Contracts and Ind AS 18 Revenue.

The core principle of Ind AS 115 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Ind AS 115 introduces a 5-step approach to revenue recognition:
• Identify the contract(s) with a customer
• Identify the performance obligation in contract

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

• Determine the transaction price
• Allocate the transaction price to the performance obligations in the contract
• Recognize revenue when (or as) the entity satisfies a performance obligation

Ind AS 115 establishes control-based revenue recognition model. An entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the performance obligation is transferred to the customer. Also, Ind AS 115 provides more guidance for deciding whether revenue is recognized at a point in time or over time. Transitional options under Ind AS 115:

• Retrospectively to each prior period presented in accordance with Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to some practical expedients mentioned in Ind AS 115
• Retrospectively with the cumulative effect of initial application recognized at the date of initial application

The standard is effective for annual periods beginning on or after April 1, 2018. The Group is currently evaluating the requirements and impact of Ind AS 115 on its financial statements.

(ii) Appendix B to Ind AS 21 Foreign Currency Transactions and Advance Consideration

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the Appendix, or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The standard is effective for annual periods beginning on or after April 1, 2018. The Group is currently evaluating the requirements and impact of the aforesaid on its financial statements.

50 The Board of Directors, at it's meeting held on May 29, 2018 recommended a final dividend of ₹ 0.80 (80%) per equity share for the financial year ended March 31, 2018. The payment is subject to the approval of the shareholders in the ensuing Annual General Meeting of the Company. The final dividend declared in the previous year was ₹ 0.60 (60%) per equity share.

51 The consolidated financial information of the Group for transition date i.e. opening consolidated balance sheet date being April 01, 2016 and previous year ended March 31, 2017, included in these consolidated financial statements, are based on the previously issued consolidated financial statements which were prepared under previous GAAP and audited by a firm of Chartered Accountants other than S.R. Batliboi & Associates LLP as adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have been audited S.R. Batliboi & Associates LLP.

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, 2018

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

K Ajith Kumar Rai
Chairman & Managing Director
DIN : 01160327

Mohan Srinivasan Nagamangala
Director & CEO
DIN: 01916468

Medappa Gowda J
CFO & Company Secretary

Place: Bengaluru
Date: May 29, 2018

SUPRAJIT ENGINEERING LIMITED

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

May 29, 2018

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 our e-mail id, quoting your folio number/DPID/Client ID to our Registrar and share Transfer Agent at the following address:

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

We are sure you would appreciate this welcome initiative taken by the MCA 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

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Website: www.suprajit.com, Email: info@suprajit.com, investors@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 1st Holder	
3. Name of the Bank	
4. Full Address of the Branch	
5. Account number	
6. Account Type (Please tick the relevant account)	Savings / Current / Cash Credit
7. 9 Digit Code Number of the Bank appearing on the MICR cheque issued by the Bank (Please attach a photocopy of a cheque for verifying the accuracy of the Code Number)	

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I will not hold the Company responsible.

Signature of the 1st Holder as per the
Specimen signature with the Company

Name: ……………………………………………….. Address: ……………………………………………………

Date: ……………………………………………… ……………………………………………………

……………………………………………………

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FORM NO. MGT - 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : **L29199KA1985PLC006934**
NAME OF THE COMPANY : **SUPRAJIT ENGINEERING LIMITED**
REGISTERED OFFICE : **No. 100, Bommasandra Industrial Area, Bengaluru – 560 099**

Name of the member (s) :
Registered address :
E-mail Id:
Folio No/ Client Id :
DP ID :

I/We, being the member(s) of ………… shares of the above named company, hereby appoint.

1. Name :
   Address :
   E-mail Id :
   Signature :……………………………. or failing him
2. Name :
   Address :
   E-mail Id :
   Signature :……………………………. or failing him
3. Name :
   Address :
   E-mail Id :
   Signature :…………….

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33rd Annual General Meeting of the Company, to be held on the on Tuesday, the 14th August 2018 at 1.00 P.M at Plot No. 101, Bommasandra Industrial Area, Bangalore-560 099 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.s	Items
Ordinary Business	
1.	To consider and adopt the Audited Financial Statements & report of Auditors thereon & report of Board for the financial year 2017-18.
2.	To appoint Mr. Mohan Srinivasan Nagamangala Director & CEO, who retires by rotation
3.	To confirm the payment of Interim Dividend of Re. 0.60 (60%) and to declare Final Dividend of Re.0.80 (80%) for the financial year 2017-18.
Special Business	
4.	Appointment of Mr. Akhilesh Rai as "Chief Strategy Officer" of the Company
5.	Appointment of Mr. Ashutosh Rai as "Head – Suprajit Tech Centre (STC)"
6.	Ratify the remuneration payable to Messrs G N V and Associates, Cost Accountants, Cost Auditors of the Company for the financial year 2018-19

Signed this…… day of……… 2018

Signature of shareholder ______________________________

Signature of Proxy holder(s) ______________________________

Affix
₹ 1/- Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

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Form No. MGT-12

Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: Suprajit Engineering Limited
Registered office: No. 100, Bommasandra Industrial Area, Bangalore – 560 099

BALLOT PAPER

Sl. No	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	**Equity**

I hereby exercise my vote in respect of Ordinary/ Special resolutions enumerated below by recording my assent or dissent to the said resolution in the following manner:

ORDINARY BUSINESS

Sl. No	Item	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	To consider and adopt the Audited Financial Statements & report of Auditors thereon & report of Board for the financial year 2017-18.			
2.	To appoint Mr. Mohan Srinivasan Nagamangala Director & CEO, who retires by rotation			
3.	To confirm the payment of Interim Dividend of Re. 0.60 (60%) and to declare Final Dividend of Re.0.80 (80%) for the financial year 2017-18.			
SPECIAL BUSINESS				
4.	Appointment of Mr. Akhilesh Rai as "Chief Strategy Officer" of the Company			
5.	Appointment of Mr. Ashutosh Rai as "Head – Suprajit Tech Centre (STC)"			
6.	Ratify the remuneration payable to Messrs G N V and Associates, Cost Accountants, Cost Auditors of the Company for the financial year 2018-19			

Place:
Date:

(Signature of the shareholder)

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ATTENDANCE SLIP

33RD ANNUAL GENERAL MEETING, TUESDAY, AUGUST 14, 2018 AT 1.00 P.M

Name and Address of the Member ____

Reg. Folio / Client ID No. ____

I certify that I am a registered shareholder of the Company and hold ____________shares.

Please indicate whether Member / Proxy ____________________________________

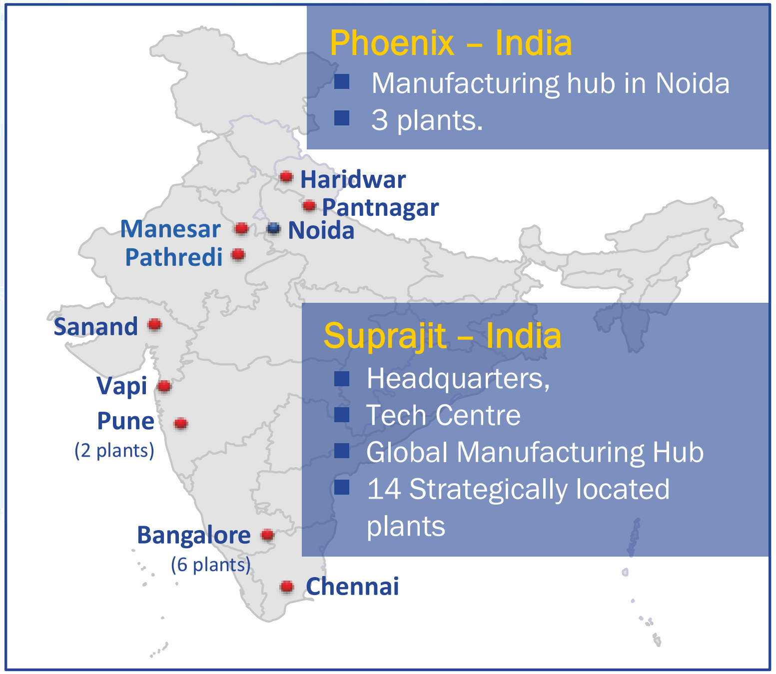
I hereby record my presence at the 33RD ANNUAL GENERAL MEETING of the Company held on Tuesday, August 14, 2018 at 1.00 P.M at plot no. 101, Bommasandra Industrial Area, Bangalore – 560 099.

Member's/Proxy Name in BLOCK Letter **Member's / Proxy's Signature**

Note :

Shareholder / Proxy holder must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.

GLOBAL FOOTPRINT



Plants	
India	17
UK	1
US	1
Mexico	1

Map not to scale.
This is only a pictorial representation.

SOME OF OUR ESTEEMED CUSTOMERS

Automotive

Two Wheeler

Non-Automotive

Suprajit

Suprajit Engineering Limited

Registered & Corporate Office:
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