Suprajit Engineering Limited

Registered & Corporate Office : #100 & 101, 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

September 2, 2022

BSE Limited
Department of Corporate Services
P. J. Towers, 25th Floor, Dalal Street,
Mumbai- 400 001
Ref: 532509

National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex, Bandra (E)
Mumbai- 400 051
Ref: SUPRAJIT

Dear Sirs,

Sub: Submission of Annual Report of the Company for the Financial Year 2021-22 pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

In terms of Regulation 34(1) of the Listing Regulations, please find enclosed the Annual Report for the financial year 2021-22 along with the Notice of the Annual General Meeting, sent through electronic mode to shareholders of the Company whose e-mail addresses are registered with the Company / Depository Participants / Registrar and Transfer Agent.

The Annual Report of the Company is also available on the website of the Company at www.suprajit.com.

Kindly take this into your record and treat this as compliance of 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

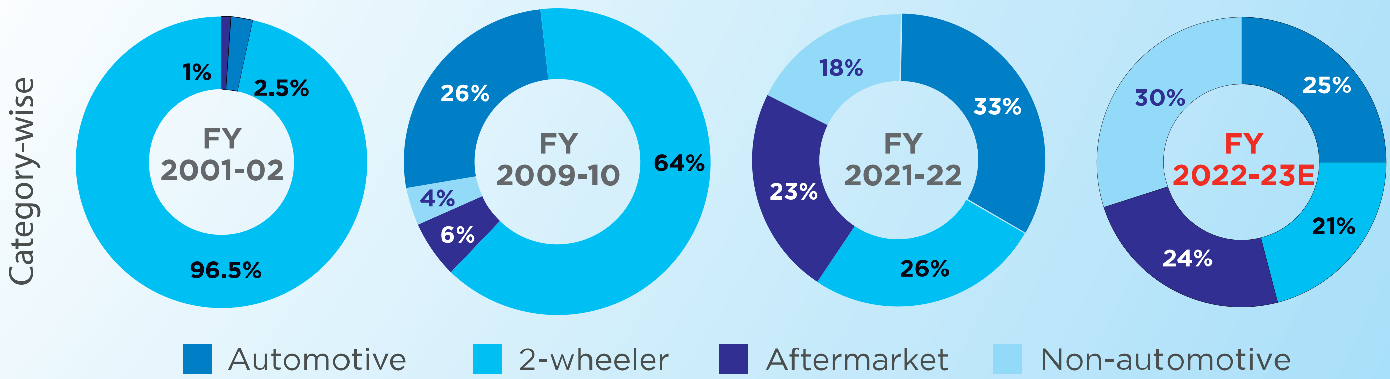
37th Annual Report 2021-2022

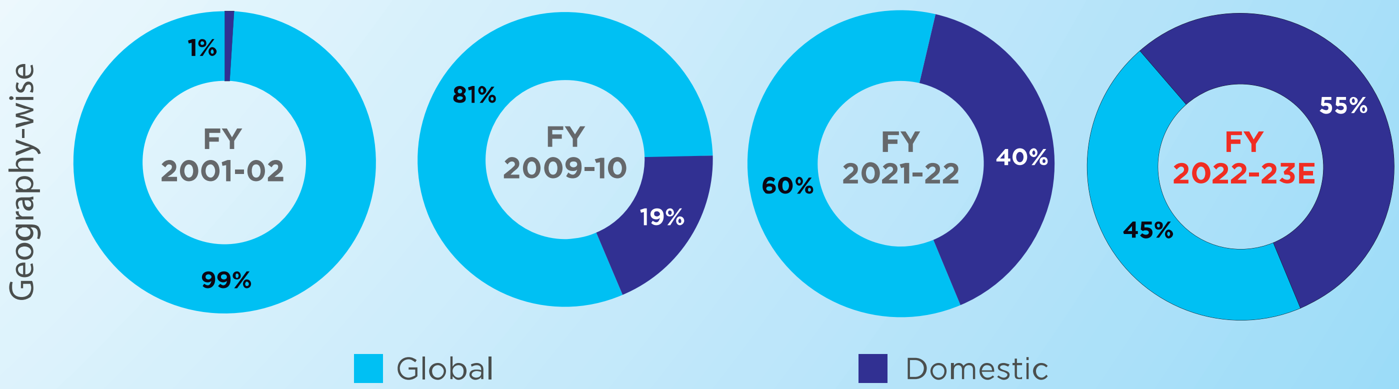
PHOENIX

WESCON CONTROLS

Suprajit Engineering Limited

SEGMENTAL AND GEOGRAPHIC SYNERGIES





GROUP FINANCIAL HIGHLIGHTS AND KEY INDICATORS

₹ in Million

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Gross Income	2270	2663	3792	4612	5107	6006	6718	10504	12954	14546	15899	15628	16409	18405
Profit after tax (PAT)	90	222	333	398	471	508	503	803	1137	1385	1338	1040	1427	1731
Equity and Reserves	546	702	969	1292	1667	2047	2408	4476	5242	6549	7751	8538	9897	10840
ROE%	15.49	33.89	39.84	35.22	31.85	27.36	22.58	20.90	25.49	23.49	18.71	12.77	15.48	16.69
Asset Turnover Ratio (Net assets)	3.25	3.81	4.37	4.58	4.29	3.94	4.00	4.69	4.04	3.56	3.86	3.36	3.79	4.27
Debt Equity Ratio (Term debt)	0.46	0.39	0.44	0.30	0.27	0.27	0.38	0.26	0.47	0.26	0.21	0.16	0.09	0.03
Current Ratio	1.24	1.30	1.59	1.50	1.57	1.60	1.85	1.81	1.61	1.53	1.65	1.47	1.76	2.02
Operational EBITDA %	13.22	17.28	16.18	15.51	15.69	16.01	14.90	16.20	16.55	16.53	14.64	13.99	14.43	14.12
ROCE %	27.34	41.73	46.81	44.69	37.81	37.12	31.47	29.55	29.08	26.94	23.46	17.92	18.51	18.98#
Book Value of shares (₹)	4.54	5.85	8.07	10.76	13.89	17.05	20.06	25.96	36.81	46.82	55.41	61.04	70.76	78.33
EPS (₹)	0.74	1.84	2.77	3.31	3.92	4.23	4.19	6.11	8.13	9.90	9.57	7.43	10.20	12.49
Pay out Ratio (%) to PAT **	25.72	27.32	20.19	23.12	22.13	27.99	30.27	31.36	20.35	23.19	22.23	23.43	17.75	24.62

**Pay out ratio on standalone basis*
subject to shareholder's approval.
Reducing total other income from EBIT and consider only long term loan.

MARCHING AHEAD WITH CONFIDENCE...

K. Ajith Kumar Rai
Founder and Chairman

My dear Shareholder,

I have pleasure in sharing with you the performance of Suprajit for the year 2021-22. The enclosed reports and financial statements provide you with detail and relevant information.

Last year, the second year of Covid-19, continued to be a challenging for various reasons. Global automotive volumes have shrunk, particularly in Europe and USA. While the disruption due to Covid was not severe, the other factors including IC shortages, shipment delays, port congestions, commodity price increases, etc., have had their impact on the overall business growth and profitability across the group last year. Thanks to vaccination across the organization, the subsequent waves of Covid were less painful.

However, Team Suprajit managed these multiple challenges throughout the year to deliver a commendable performance. While the Indian automotive industry grew by 1.65%, your Company, on a consolidated basis grew by 12.2% with stable operational margins.

Some of the highlights of the year gone-by:

- Successfully concluded the acquisition of Light Duty Cable (LDC) business unit from Kongsberg Automotive ASA, supplying to automotive, non-automotive and 2-wheeler segments. This also brings in Electro-Mechanical Actuator technology to the group. All the four LDC related entities are now 100% owned stepdown subsidiaries through Suprajit USA, Inc. This is a transformational and marquee acquisition for your Company, giving a true global presence with a comprehensive footprint of manufacturing, warehousing, business development and engineering services to customers across the world. Through this acquisition, Suprajit has now emerged as a global leader in control cable systems. This acquisition also leads to a more balanced customer, geographic and sector mix, further adding to Suprajit's Mantra of `Derisk and grow profitably'.
- Significant traction has emerged at Suprajit Technology Centre (STC) leading to multiple new product development and new project launches with customers. In view of this good developments, your Company is setting up a digital instrument cluster plant at its Doddaballapur facility, which is expected to go on stream in September 2022.
- Commercial production at expanded Narasapura plant and additional production line at Noida has started.

CURRENT YEAR:

The automotive degrowth in the western world is expected to continue in the current year as well, along with challenges as enumerated above. Despite these challenges, the order position of the Company across business segments including LDC remain strong. LDC's current year operations may have certain short-term margin related pressures, as we restructure, reorganise, regroup, and clean up. Team Suprajit is fully focussed on streamlining operations at LDC. This, along with New Product Development at STC and commercialization of the same at various facilities, will be the focus for the current year.

Suprajit Foundation continues to serve in the areas of Education, Healthcare and Rural Development, making significant impact by taking up multiple socially relevant projects.

Team Suprajit continues to work closely with customers and all stakeholders to deliver value in our quest to 'March Ahead with Confidence'.

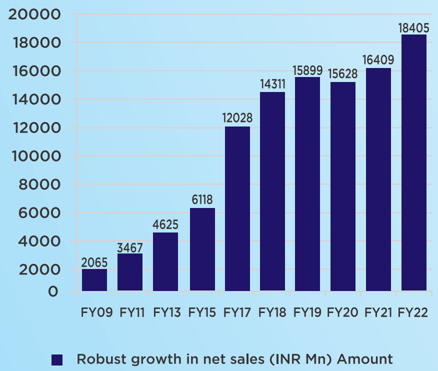
To this end, I seek your continued support and good wishes.

With warm personal regards,
Yours sincerely,

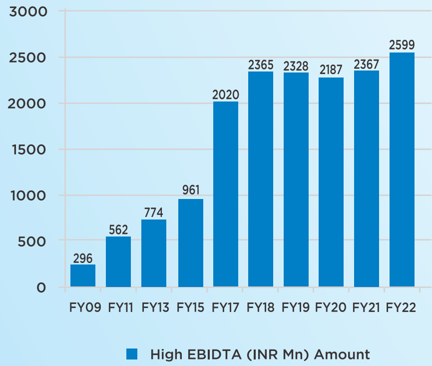
K. Ajith Kumar Rai
Chairman

ROBUST FINANCIALS (GROUP)

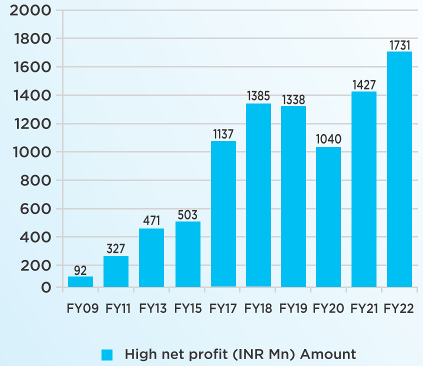
Robust growth in net sales



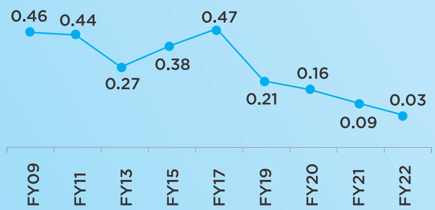
High EBITDA



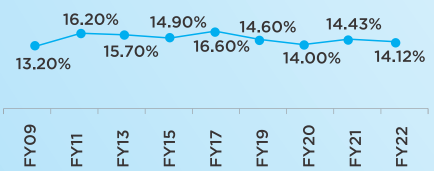
High net profit



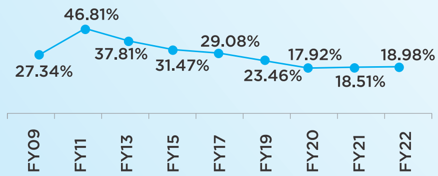
Low Long Term Liabilities / Equity Ratio



High EBITDA Margins

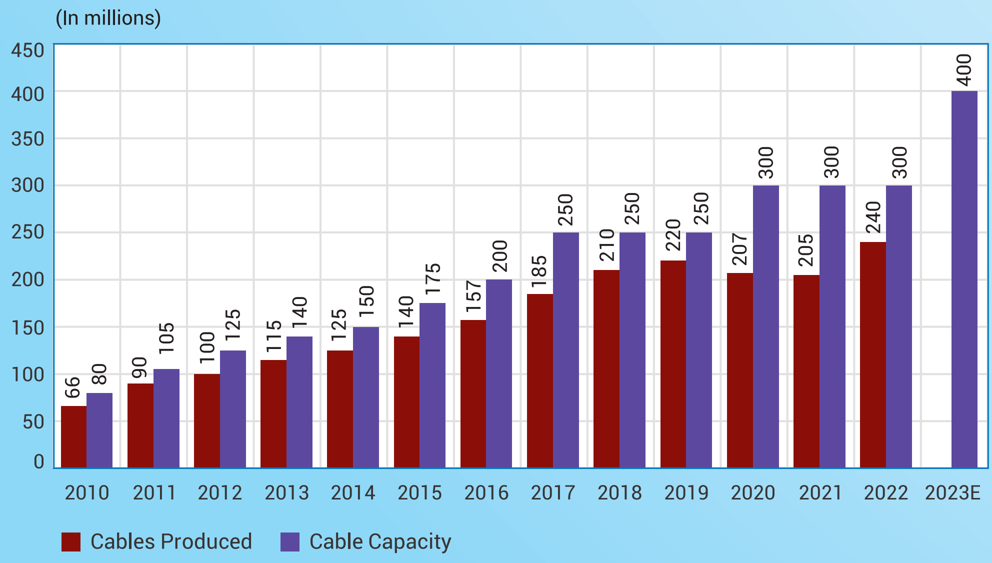


Resulting in Exceptional ROCE

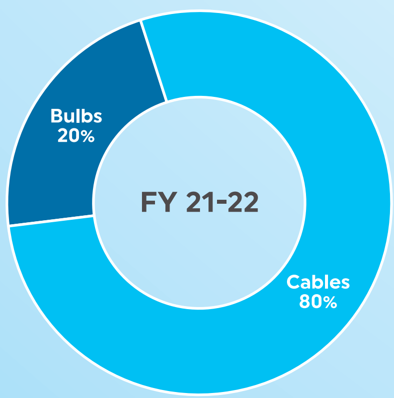


Capacity

Cable Capacity



Revenue Split



CAPACITY

Cables	– 400 million
Bulbs	– 110 million

- A Global Leader in Control Cables and Halogen Bulbs -

SUPRAJIT GROUP

SUPRAJIT ENGINEERING LIMITED

Suprajit Engineering
- ★ Domestic Cable Division 12 plants India
- ★ Instruments Division 1 Plant India

Suprajit Controls Division
- ★ Non-Automotive 1 EOU India (SENA)
- ★ Suprajit Kansas (Wescon, SENA)
- ★ Suprajit Juarez (Wescon, SENA)
- ★ Suprajit Brownsville
- ★ Suprajit Mexico
- Automotive (SAL) 1 EOU India ★
- Suprajit UK ★
- Suprajit USA ★
- Suprajit Slovenia ★
- Suprajit Hungary ★
- Shanghai Lonestar ★

Phoenix Lamps Division
- ★ Domestic Lamp Manufacturing 2 DTA Plants India
- ★ Export Lamp Manufacturing 1 EOU India
- ★ Trifa Germany
- ★ Luxlite Luxembourg

Technology Center ★

★ Part of Parent
★ 100% Owned (Directly or Indirectly)
■ LDC Entities

SENA & LDC will form 'Suprajit Controls Division' to achieve combined synergies of a global supply chain, and strong local engineering and sales teams. SENA & LDC will continue to report separately till integration is complete.

KEY MILESTONES IN OUR JOURNEY

- 7 Acquisitions - 5 in Cable Space / 2 in Halogen Bulbs Space
- Proven Track Record of Integration
- Strong Organic Growth

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 & Manesar
- 100% EOU for non-automotive cables in Bangalore
- Best Enterprise of the State Award by Karnataka State
- Twin Awards by CNBC/ICICI/CRISIL-SME of the Year & Auto Ancillary of the Year
- **Acquisition of CTP Gills Cables, marquee global customers – now renamed as Suprajit Europe**

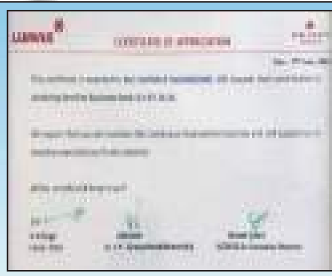
2011-2022

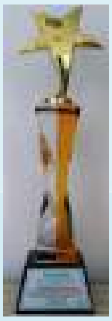
- Consolidating position as established global mechanical cable marker; diversifying and de-risking revenue profile
- New plant at SAL, Bangalore & Pathredi
- **Acquisition of Speedo Cable Business (PV) of Pricol**
- **Acquisition of Phoenix Lamps Limited**
- **Acquisition of Wescon Controls, Wichita, USA.**
- Launched two new plants in Chennai & Sanand
- Launched capex of Rs. 100 crores to expand cable capacity to 300 million with 2 new plants.
- **Acquisition of Osram Karnai Plant (Phoenix Division)**
- **Acquisition of Cable Division (LDC) of Konsberg Automotive**

Awards and Recognitions

Customer Awards and Recognitions

- Honda Motorcycles & Scooters - Best QCD Award 2020-21
- TVS Motors – Speedy Quality Improvement Award 2020-21
- "Kubota" Star Performance in Quality and Delivery - 2020-21
- John Deere – Accelerated Global Sourcing Award
- Volkswagen – 'A' Grade Supplier Quality Performance Award
- Bajaj Auto Limited – TPM Excellence Award
- General Motors – Supplier Quality Excellence Award (3 years running)
- Mahindra MSES and SBCB Award
- BMW India – Best Delivery Performance
- Maruti Suzuki – Green Supplier Status Award
- Tata Motors – Green Card for '0' PPM
- Yamaha – Cost Reduction & VA/VE & 'A Grade' Excellence Award
- Brose Key Supplier Award
- Hero MotoCorp Limited – Direct Online Supply (DOL) Award
- Bajaj Auto Limited – Quality Consistency Gold Award





Other Awards

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

The Global Leader in Control Cables and Halogen Bulbs. One Goal – Customer Satisfaction

SUPRAJIT TECHNOLOGY AND PRODUCT RANGE

Control Cables

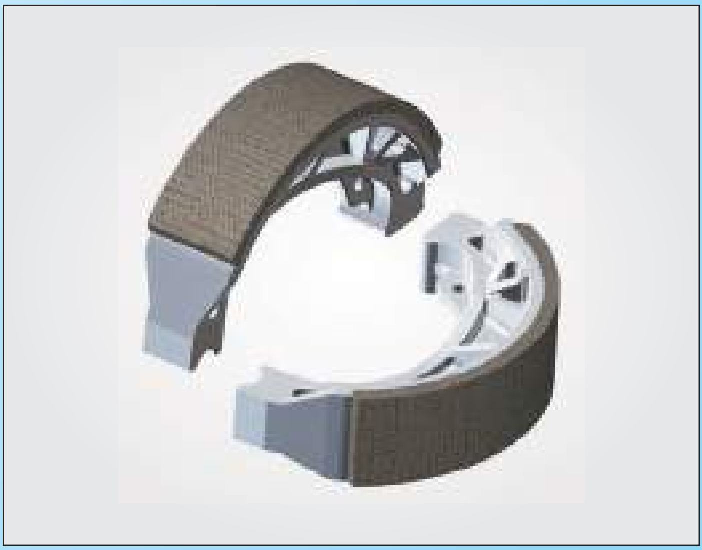
Halogen and LED Bulbs

Digital Speedometers

Electro-mechanical Actuators

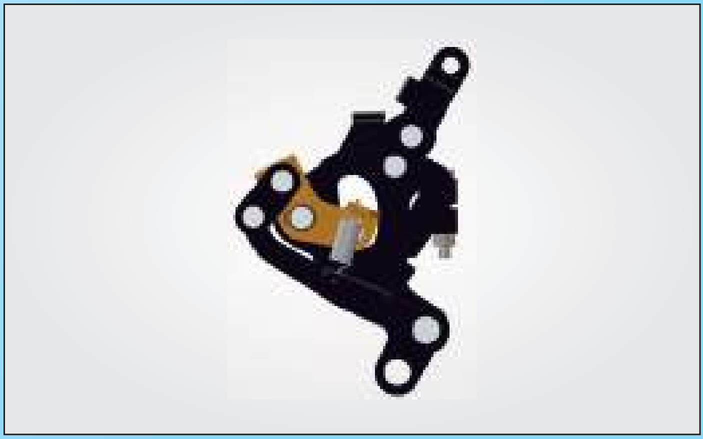
SUPRAJIT TECHNOLOGY AND PRODUCT RANGE

Seeder Gearboxes



Brake Shoes

Electronic Throttle Controls



Braking Systems

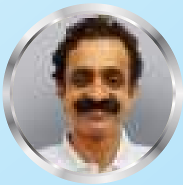
STRONG LEADERSHIP TEAM

K. Ajith Kumar Rai
Chairman, Founder Suprajit Group
35 years building Suprajit

Mohan N.S.
CEO, MD Suprajit Group
8 years with Suprajit
35 years with Bosch, Visteon, ZF

Akhilesh Rai
Chief Strategy Officer Suprajit Group
12 years with Suprajit
MBA London Business School

Jim Ryan
President, Global Cables
30 years of Global Cable Experience (Teleflex, Kongsberg, Leggett & Platt)



Narayanshankar
COO Suprajit DCD
33+ years with Suprajit

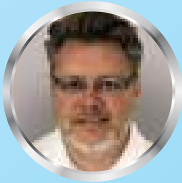
Medappa Gowda
CFO & CS Suprajit Group
30+ years with Suprajit

Akhilesh Goel
COO Phoenix PLD
7 years with Suprajit
20+ years experience including Phillips

Steve Fricker
President & CEO SENA / Wescon
35 years in the cable industry
6 years with Suprajit

Neil Collis
Managing Director SEU Europe Ltd
25 Years Automotive Experience
3 Years with Suprajit

Gopal Doraiswamy
VP Sales Global Suprajit Group
20 years Tier 1 Automotive
7 years with Suprajit



Frank Klinkert
CEO Trifa & Luxlite
7 years with Suprajit
15+ years with Luxlite

Praveen Rao
SVP Sales India Suprajit Group
5 years with Suprajit
20+ years at Tier 1 Automotives

Ashutosh Rai
Head Suprajit Tech Center
9 years with Suprajit
11 patents granted

Scott Schaffer
VP, Engineering SENA, STC
28 years of cable experience
6 years with Suprajit

Top Management Speaks

MOHAN N S
Managing Director &
Group CEO

We live today in a VUCA (Volatile, Uncertain, Complex & Ambiguous) world. As Stephen Covey says, it is important for us as managers in the corporate world, to have clarity on the "Areas of Influence and Areas of Concern" and ensure that we act decisively in our areas of Influences, while being aware of the areas of concern. That is what we focused on, at Suprajit in this year.

We faced increased commodity prices, high shipping costs, in some cases reduced volumes. This year had quite many headwinds, despite these, we managed the business well in these choppy waters.

At Domestic Cable Division, our focus was cost and other basic hygiene matters of manufacturing like TPM, Kaizen, Pokayoke and give our best support and service to our customers. We were also able to convince our customers about the cost increases and seek their support through appropriate price increases.

Phoenix Lamps division was marked by launch of new high end series of Bulbs, LED drop in solutions and work actively on the cost reductions and plant efficiencies. However, the headwinds were strong and we had to reach out to our customer base to support us through price increases. While this was a tough exercise, we have prevailed in convincing our customers and towards the end of the year, we also increased the prices in the Indian Aftermarket.

Our Automotive Cable exports also faced high container and shipping costs apart from the commodity price increases in the market. Here again, we were able to convince our customers to share our pain and also offset some of the cost increases through aggressive automation, adoption of Industry 4.0 to improve operation efficiencies.

At Wescon too we worked both for improved operational efficiencies and ensure that we get adequate pricing support from the customers.

As we continued to pursue our "Cables beyond India and India beyond Cables" strategy, we worked on the acquisition of Kongsberg's "Light Duty Cable" division. The acquisition was concluded towards the end of the year and beginning FY23.

Our Strategy of "Suprajit Beyond Cables", which has been spearheaded by our "Suprajit Technology Centre" (STC) has started to bear fruits. The Electronics area gained us traction in the nascent EV market both from the Electronic Speedometers and Electronic Throttle controls as our flagship products. The mechanical area in STC has delivered excellent products, many of which have been patented solutions and is now ready for the market with products like seeding gear box, Combination braking systems and Brake lever mechanisms.

As we move into FY'23, we continue with zeal and enthusiasm to ensure that our strategic intents are pursued aggressively and become a supplier of Choice for our customers with bespoke solutions.

AKHILESH RAI
Director & CSO
(Chief Strategy Officer)

"A global control cable leader with engineering near customers and a low-cost manufacturing footprint" - this Suprajit dream has been realized with the acquisition of LDC. Today, LDC faces global headwinds of labour shortages, inflation, uncertainty in Europe, and covid lockdowns – a strain on operations, costs, and customers. However, we are confident LDC will reach the QCDD, growth, and profitability expectations of Suprajit.

LDC brings actuation technologies for the PV industry while STC is making leaps towards making us a global technology provider in EV and Agritech spaces. Our new digitization initiatives have been a resounding success - bringing data, productivity, and accountability to our operations in Suprajit Automotive, and will now be rolled out at other plants.

In 2018, we identified a team of 100 high potential employees for skill development and mentoring to take on new responsibilities. The success of the projects taken on by this team has encouraged us to increase this team size to 120 members.

Establishing streamlined business processes, integrating acquired entities, and realizing synergies of our increased scale will be our key focus areas this year.

JAMES GERARD RYAN
President – Controls & Cables
Global Operations

My first year within Suprajit has been indeed exciting. Despite the many challenges of the ongoing impacts of Covid, supply chain costs and shortages, and overall market volatility, the team achieved much within the year. They also took significant strides towards building the future.

In North America there were solid performance improvements realized as we closed the year. The non-automotive segment demand remained robust. Several new segment opportunities were awarded in the past year while significant progress has been made towards strategic customer and product targets. The automotive sectors in both N.A. and E.U. struggled with the impacts of supply chain and geopolitical turbulence that affected the entire industry, but the team was able to successfully manage through this period via close controls on costs and cash. The relentless attention to customer service, quality and delivery through this challenging period has enabled Suprajit to be recognized as a trusted and reliable partner, thus providing growth opportunities for the future.

In addition to the attention and efforts put towards the business' organic growth, the team supported the pursuit of inorganic growth opportunities, manifesting in the successful acquisition of Kongsberg Automotive's Light Duty Cable business. This complimentary addition to Suprajit provides customers a uniquely capable supply partner, globally positioned with technical services as well as manufacturing facilities. It also provides Suprajit an expanded product portfolio via the addition of Electro-mechanical Actuators that provide mechatronic actuation solutions primarily within the automotive sector. Next steps are for the full integration and optimization, employing the best practices of both businesses, and utilizing the platform for sustainable growth.

MEDAPPA GOWDA J
Group CFO &
Company Secretary

During the year, effective cash flow management and proper financial planning were the focus areas. We are happy that Suprajit Group has well established financial management system that evolved over the period of time. Optimal debt structure across the Group with minimal cost, effective treasury management and foreign currency management with prudent hedging policies, robust MIS system are the backbone of Suprajit's Financial Management system.

During the year, we have acquired Light Duty Cable (LDC) Division from Kongsberg group through internal accruals and borrowings in the United States. The Company has initiated smooth transition of LDC with the group. We would continue to monitor its working capital requirement, funding through cost effective financing options, compliances, supporting operations with various policies considering the business dynamics of each entity of the division. Suprajit Group would continue to invest in assets for its expansion through internal accruals and minimal borrowings at optimum cost.

Availability of cash in the Balance Sheet in the form of liquid Mutual Funds, and through surplus undrawn bank limits will continue to keep the Company/Group comfortable in meeting its short term and long term financial obligations of capital expenditure / investment plans. These are expected to guide the Company towards its long term objective of 'profitable growth and sustained profitability'.

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

The year 2021-22, was a great year of churning and learning for Domestic Cable Division. At the end, in a year of great uncertainty, the units of DCD delivered both top line and bottom line as per our stretched goals. It is a matter of great satisfaction for the entire Team DCD.

When we look back, the year 2021-22, began with an uncertain note on every front for Domestic Cable Division. The impact of Covid 19 continued to affect industry and our units in the first quarter. This raised many doubts on achieving the business goals. By the turn of the third quarter, there was unprecedented commodity prices increase affecting the business prospects of all the OEMs and Auto component industry. Chip shortage affected manufacture of vehicles across the world and in our country as well.

The focused on work during the entire year and especially during the last quarter helped us to retrieve our ground, Thus the year ended with a great sense of achievement under very turbulent circumstances.

NARAYANSHANKAR K.
COO
Domestic Cable Division

Manufacturing being the core activity of DCD, there is no limit for improvements in manufacturing technology, automation, better service to customer etc. The units have been guided to move in all these directions "by adopting TPM" as the backbone for improvements. We are sure to raise the barrier levels in all these areas for better service to customers.

The lessons learnt in the past and in this year will sure make DCD "a most agile Division" to adopt to any challenges and reach the goal of "Derisk Grow Profitably "

AKHILESH GOEL
COO, Phoenix Lamps Division.

Despite of Continued COVID-19 pandemic in FY 2021-22 & later the Ukraine war, Phoenix Lamps Division achieved continued growth in domestic aftermarket. Also, this year too we expanded into new Geographies & added new customers.

There has been significant increase in all the commodities prices as well as ocean freight. This has led to increased pressure on managing cost. Team at PLD is working hard on VA/VE Projects as well as Productivity improvements. We have also been working on passing the cost increases up in the supply chain.

We expanded product portfolio of the Chennai Plant by adding additional Halogen products.

New LED bulb for 2-wheeler with AC voltage compatibility was developed and launched in market segment, is very well received in the market. To meet market demand, assembly capacity of retrofit LED Solution has been expanded. A major focus has been to localize the parts, which has been achieved successfully. We will further expand our LED Retrofit range to fill the product basket in LED automotive lighting.

We have successfully commissioned a new HS1 Line at Noida Plant (A1). There has been continued focus on various initiatives like quality improvement through monthly management reviews as well as low-cost automations for productivity improvement. To remain competitive in the market, teams across all units of Phoenix Lamps Division are continuously working on cost optimization with enhanced focus on alternate materials usage, alternate supplier's introduction, waste reduction and mobilizing internal R&D resources to prioritize material validation and product performance enhancement.

A year that reinforced both Brand Suprajit and Phoenix in Aftermarket with pronounced growth retaining our market leader position. We tested the pricing elasticity in the Halogen Bulbs area and were successful in gaining market share even after increasing the prices.

New business pursuits in Electronics paved way into some major Electric Vehicle manufacturers for Digital Clusters and Electronic Throttle, a much-needed fillip to our foray into Electronics and EV segments.

Overall, a year of positivity, a year of inflection points in Electronics and a defining moment in market share in Aftermarket business.

PRAVEEN RAO
Sr. Vice President –
Sales & Marketing

At Suprajit, we, continued our combating action plans to safeguard our workforce with strict monitoring, adherence to CAB (Covid Appropriate Behavior) protocols, SOPs, and guidelines. The CSR initiatives in health care area and especially on vaccination drive to protect our workforce and family members has yielded good results. Our entire workforce demonstrated great spirit, stayed strong as one team and withstood the tough situation successfully.

BADARINARAYANA H R
Vice President - HR

Suprajit Technology Centre (STC), the research and development arm of Suprajit, scaled up the operations with increased technical team both in Mechanical and Electronics space. The young breed of engineers at STC are engaged to bring out innovative products. Few of our key talents were identified and engaged in assignments of Suprajit Group of Companies.

Total Productive Maintenance (TPM) programme was kicked off in DCD units and has gained good traction with involvement of all the team members of each unit. The long-term wage negotiation at DCD units were managed and concluded successfully. The IR situation across all the units was normal and peaceful.

The fundamental principles of Suprajit i.e., Safety, Quality, Cost, Delivery, Development clubbed with ethical, professional and employee friendly culture will continue to be our key driver for talent management. Our team is well equipped to manage the business and people management challenges 2022.

ASHUTOSH RAI
Head – Suprajit Technology Centre

The business model the Technology Centre has always strived for is to design and develop new, innovative products in one central location and launch these products in our local units. The endeavor was not only to climb up the value chain, but to move across it into spaces where Suprajit would thrive, aiding our next phase of growth. We have seen the fruition of this model this year, with multiple products launched in multiple units across the country, new business verticals created in instrument clusters, gearboxes and braking systems, and our IP commercialized in a significant way.

We have also expanded the influence of the Technology Centre on our global business, with products developed in collaboration with Wescon and the SENA initiative. The most lucrative product of which is a high torque density plastic gearbox for precision farming. Our cold hard focus on the domestic EV segment over the last 3 years has meant that our value content per vehicle in EV 2W/3W is more than in tradition ICE 2W/3W.

Our focus this year turns to strengthening our engineering resources in our current product verticals to meet the high demand, while simultaneously repeating our successful business model in our next product areas - mechatronics and telematics.

What a crazy time, we are running through.

FRANK KLINKERT
Managing Director, Luxlite

After almost 2 years of a pandemic, we have the Ukraine war, which has a big impact in our business. The aftermarket, which is Luxlite's and Trifa's business, is a very complex market, dominated by the different channels of distribution.

Internationalization & consolidation leads to more and more price-pressure and new challenges for the suppliers. Margins are declining because the distribution gains more and more a monopoly position. Supply chain is another challenge, just-in-time deliveries are very difficult to follow up, due on the container-situation.

But, we could gain an important price-increase, most of our customers accepted this new challenge and situation. A strong and good partnership as well as communication are the most important added values as we strengthen our customer relations. We are in permanent exchange with our customers, which could help us to stabilize the supply chain and further improving the relation. Even when we had and have a difficult time, we are looking in a very positive future, as we received quite some important tenders in the recent times.

FY22 was a high growth year for SENA. We began to see some promising signs as we concluded FY21 and the major effects of COVID-19 began to subside. The demand for our products remained strong throughout FY22, such that we saw Revenue increase 22.1% year over year and EBITDA soar by 44.4%.

FY22 was not without its challenges as material and freight costs spiked significantly. Production labor was difficult to find. Overseas shipments were delayed due to issues at the ports and container shortages. Customer prices increased to help offset these increased costs.

FY23 demand looks strong. Revenue growth should exceed 10%. Profitable growth is our focus at SENA.

STEVE FRICKER
CEO – SENA & Wescon Controls LLC

CORPORATE SOCIAL RESPONSIBILITY


BHARATIYA VIDYA BHAVAN BBMP PUBLIC SCHOOL

BOARD OF DIRECTORS

K Ajith Kumar Rai
Executive Chairman

N S Mohan
Managing Director & Group CEO

Akhilesh Rai
Director & Chief Strategy Officer

Ian Williamson
Director

Suresh Shetty
Director

Dr. (Ms.) Supriya A Rai
Director

M Lakshminarayan
Director

Ms. Bharati Rao
Director

Harish Hassan Visweswara
Director

CFO & COMPANY SECRETARY

Medappa Gowda J

STATUTORY AUDITORS

Messrs S R Batliboi & Associates LLP,
Chartered Accountants

INTERNAL AUDITORS

Messrs Varma & Varma
Chartered Accountants

Messrs R G N Price & Co
Chartered Accountants

SECRETARIAL AUDITOR

Parameshwar G Bhat
Company Secretary

COST AUDITORS

Messrs G N V Associates
Cost Accountants

REGISTERED OFFICE

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

PLANTS AT :

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

WHOLLY OWNED SUBSIDIARIES:

Suprajit Automotive Private Limited, India
Suprajit Europe Limited, U.K.
Suprajit USA INC, U.S.A.
Wescon Controls LLC, U.S.A.
Luxlite Lamps SARL, Luxembourg
Trifa Lamps Germany, GmbH
Suprajit Brownsville LLC, USA
Suprajit Mexico S. de R.L. de C.V., Mexico
Suprajit Hungary Kft.. Hungary
Shanghai Lone Star Cable Co., Ltd. China

STOCK EXCHANGES

BSE Ltd [BSE]
National Stock Exchange [NSE]

REGISTRAR AND SHARE TRANSFER AGENT

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

BANKERS

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

Contents

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

NOTICE OF THE THIRTY SEVENTH ANNUAL GENERAL MEETING

Notice is hereby given that the 37th (Thirty Seventh) Annual General Meeting (AGM) of the Members of Suprajit Engineering Limited ("the Company") will be held on Monday, September 26, 2022, at 2.30 p.m. IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company which include Audited standalone and consolidated Balance Sheet as at March 31, 2022, the standalone and consolidated Statement of Profit and Loss including the Statement of other Comprehensive Income and Cash Flow of the Company as on that date together with the Auditors' Report thereon and Report of the Board of Directors.

2. To appoint Mr. Akhilesh Rai (holding DIN:07982469), Director, who retires by rotation and being eligible, offers himself for re-appointment.

3. To confirm the payment of Interim Dividend of ₹ 0.90 (90%) and to declare Final Dividend of ₹ 1.10 (110%) for the financial year 2021-22.

4. To re-appoint Messrs S. R. Batliboi & Associates LLP, Chartered Accountants, (Firm Registration No. 101049W/E300004) as Statutory Auditors of the Company and authorize the Board of Directors to fix their remuneration:

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

"**RESOLVED THAT** pursuant to the provisions of Sections 139 and 141 of the Companies Act, 2013 and the Rules made thereunder and other applicable provisions, if any, of the Companies Act, 2013, the consent of the Members of the Company be and is hereby accorded to re-appoint Messrs S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) as Statutory Auditors of the Company for second term of 5 (five) years from the conclusion of this Annual General Meeting until the conclusion of Forty Second Annual General Meeting of the Company at such remuneration as may be mutually fixed by the Board of Directors in consultation with the Auditors."

SPECIAL BUSINESS:

5. To ratify the remuneration payable to Messrs G N V and Associates, Cost Accountants, Cost Auditors of the Company for the financial year 2022-23:

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, Bengaluru, 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 2022-23 at a remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses, at actual, be and is hereby ratified.

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

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

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

Place : Bengaluru
Date : May 25, 2022

NOTES:

1. Pursuant to the General Circular nos. 20/2020, 14/2020, 17/2020, 21/2021, 19/2021, 02/2021, 02/2022 issued by the Ministry of Corporate Affairs ("MCA") and Circular SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 issued by the SEBI (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC. The registered office of the Company shall be deemed to be the venue for the AGM.

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

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

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

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

6. The Notice of the AGM has been uploaded on the website of the Company at www.suprajit.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e.,www.evotingindia.com.
7. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
8. Pursuant to Circulars, the facility to appoint Proxy to attend and cast vote for the Members is not available for this AGM. However, in pursuance of Section 113 of the Companies Act, 2013, representatives of the Bodies Corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
9. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC/OAVM. Corporate Members intending to authorize their representatives to participate and vote at the Meeting are requested to send a certified copy of the Board Resolution / authorization letter to the Company OR upload on the e-voting portal.
10. The Register of Members of the Company will remain closed from September 20, 2022 to September 26, 2022 (both days inclusive).
11. An Interim Dividend of ₹ 0.90 (90%) declared on February 11, 2022 has been paid to those Members, whose names appeared on the Company's Register of Members/ Beneficial Owners Position as per the records of the depositories as on February 23, 2022 (Record Date).
12. Final Dividend of ₹1.10 (110%) per Equity Share as recommended by the Board, if approved by the Members, will be paid to those Members whose names appear on the Register of Members of the Company / beneficial owners as per the records of depositories as at the end of September 19, 2022.
13. Members may note that the Income-tax Act, 1961, ("the IT Act") as amended by the Finance Act, 2020, mandates that dividends paid or distributed by a company after April 1, 2020 shall be taxable in the hands of members. The Company shall therefore be required to deduct tax at source ("TDS") at the time of making the payment of final dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

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

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

However, no tax shall be deducted on the dividend payable to a resident individual if the total dividend to be paid during the financial year 2022-23 does not exceed ₹ 5,000 and also in cases where members provide Form 15G / Form 15H (Form 15H is applicable to individuals aged 60 years or more) subject to conditions specified in the IT Act. Resident shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding tax. PAN is mandatory for members providing Form 15G / 15H or any other document as mentioned above.

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

Shareholders (e.g. LIC, GIC for whom Section 194 of the Act is not applicable)	- Documentary evidence that the said provisions u/s 194 are not applicable. - a declaration that it has full beneficial interest with respect to the shares owned by it along with PAN
Persons Covered under Section 196 of the Act (e.g. Mutual Funds, Govt.)	Documentary evidence that the person is covered under said Section 196 of the Act. **Mutual Funds:** (i) Self-declaration that they are specified in Section 10 (23D) of the Income Tax Act, 1961 along with self-attested copy of PAN card and registration certificate. (ii) Also a certificate that payment of / by way of dividend in respect of any securities or shares owned by it or in which it has full beneficial interest.
Category - I & II Alternative Investment Funds (AIF) registered with SEBI	AIF established/incorporated in India - Self-declaration that its income is exempted under Section 10 (23FBA) of the Income Tax Act, 1961 and they are governed by SEBI regulations as Category I or Category II AIF along with self-attested copy of the PAN card and registration certificate

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

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

- Self-attested copy of PAN if available / Self-attested copy of Indian Tax Identification number (PAN), if available
- Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the shareholder is a resident duly attested by member

- Self-declaration in Form 10F
- Self-declaration by the member of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes if applicable, duly attested by the member

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

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

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

The aforesaid documents, as applicable, should be received from registered e-mail ID by e-mail to Integrated Registry Management Services P. Ltd at their e-mail id gopi@integratedindia.in / giri@integratedindia.in or the same can be uploaded on the web link of RTA https://www.integratedindia.in/ExemptionFormSubmission.aspx on or before September 19, 2022 to enable the Company to determine the appropriate TDS / withholding tax rate applicable and remit the same to the Government within the stipulated date. No communication on the tax determination/deduction received post September 19, 2022 shall be considered for payment of Dividend with the appropriate deduction / no deduction.

For withholding of taxes as mentioned above, the residential status of the shareholders will be considered as per the data available with the Company / RTA / the Depository Participants (the "DPs"). In case there is change in their status, then the shareholders are requested to update their current status with the Company / RTA / the DPs on or before September 19, 2022.

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

15. SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at www.suprajit.com and on the website of the Company's Registrar and Transfer Agents, at www.integratedindia.in/Corporate_Container.aspx?RTI/STA1

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

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

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

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

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

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

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

20. Notice of the AGM along with the Annual Report for the financial year 2021-22 is being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any member has requested for physical copy of the same. Members may note that the Notice and Annual Report will also be available on the Company's website at www.suprajit.com websites of

the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of CDSL at www.evotingindia.com.

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

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

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

FY	Year of declaration	Type of Dividend	Dividend per share (₹)	Date of declaration	Due date for transfer
2014-15	2015	Final	0.50	19-Sep-15	25-Oct-22
2015-16	2016	Interim	0.50	9-Feb-16	16-Mar-23
2015-16	2016	Final	0.55	24-Sep-16	30-Oct-23
2016-17	2017	Interim	0.50	13-Feb-17	21-Mar-24
2016-17	2017	Final	0.60	11-Nov-17	18-Dec-24
2017-18	2018	Interim	0.60	12-Feb-18	20-Mar-25
2017-18	2018	Final	0.80	14-Aug-18	19-Sept-25
2018-19	2019	Interim	0.70	11-Feb-19	19-Mar-26
2018-19	2019	Final	0.85	10-Aug-19	15-Sept-26
2019-20	2020	Interim	0.75	01-Feb-20	08-Mar-27
2019-20	2020	Interim	1.00	03-Mar-20	10-Apr-27
2020-21	2021	Interim	0.75	10-Feb-21	18-Mar-28
2021-22	2021	Final	1.00	03-Sep-21	10-Oct-28
2021-22	2022	Interim	0.90	11-Feb-22	20-Mar-29

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

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

23. The results of the Annual General Meeting will be declared within 2 (Two) working days from the conclusion of the Annual General Meeting. The results declared along with the Scrutinizer's Report shall be placed on the Company's website (www.suprajit.com) and on the website of CDSL and shall be communicated to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE).

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

Voting through Electronic means:

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

26. The voting period begins on Thursday, September 22, 2022 at 9.00 AM IST and ends on Sunday, September 25, 2022 at 5.00 PM IST. During this period, the Members whose names appear in the Register of Members / list of Beneficial Owners as on September 19, 2022 i.e. the date prior to the commencement of Book Closure date, are entitled to vote on the Resolutions set forth in this Notice. The e-voting module shall be disabled by CDSL for voting thereafter.

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

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

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

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

i) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password.

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

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

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

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

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.

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

4. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.

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

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

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

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

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

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

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

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by e-mail to **Company/RTA e-mail id.**

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

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

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

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

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

Masters in Business Administration - From London Business School, UK

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

Background at Suprajit (12 years):

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

Head IT: Implemented Material Resource Planning (MRP), Electronic Document Interchange (EDI) through IBM's AutoDX, and the virtualisation of Suprajit's datacenters. Worked on integration projects of Wescon, Phoenix and SEU.

Background Outside Suprajit (3 years):

Supported Sell side teams on acquisition projects at Grant Thornton. Worked at various IT startups in US and India building both B2B and B2C products.

Additional information:

Age	35 years
Date of Appointment as Director	June 12, 2020
Relationship between Directors *inter-se*	Son of Mr. K. Ajith Kumar Rai, Chairman and Dr Supriya A. Rai, Director
Names of listed entities in which the person holds the directorship	NIL
Membership of Committees of the Board of other listed entity	NIL
No. of Shares held in the Company	12,07,948
Remuneration (₹)	7.83 million

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

Item No. 4:

At the 32nd AGM of the Company held on November 11, 2017, the shareholders had approved the appointment of Messrs S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004), as Statutory Auditors of the Company, to hold office till the conclusion of the 37th AGM.

The Board of Directors at its meeting held on May 25, 2022, based on recommendations of the Audit Committee, has approved the re-appointment of Messrs S. R. Batliboi & Associates LLP, Chartered Accountants, as the Statutory Auditors of the Company for another term of 5 (five) consecutive years i.e. from the conclusion of this AGM till the conclusion of 42nd AGM. The re-appointment is subject to approval of the shareholders of the Company.

In accordance with the provisions of Sections 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), Messrs S. R. Batliboi & Associates LLP, Chartered Accountants, have provided their consent and eligibility certificate to that effect, their re-appointment, if made, would be in compliance with the applicable laws.

The remuneration to Messrs S. R. Batliboi & Associates LLP, Chartered Accountants, to be paid to Statutory Auditors during the second term shall be mutually agreed between the Board of Directors and Statutory Auditors, from time to time.

The Board recommends the passing of Ordinary Resolution set out at Item No. 4 of the accompanying Notice.

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

Item No.5:

It may be noted that based on the recommendation of the Audit Committee, the Board had appointed Messrs G N V and Associates, as the Cost Auditors of the Company for the financial year 2022-23 and fixed a remuneration of ₹ 1,50,000/- (Rupees One Lakh Fifty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses at actuals.

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

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

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

By Order of the Board

For **Suprajit Engineering Limited**

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

Place : Bengaluru
Date : May 25, 2022

BOARD'S REPORT

Your Directors have pleasure in presenting their Thirty Seventh (37th) Annual Report and the Audited Financial Statements for the financial year ended March 31, 2022 together with the Independent Auditor's Report

STANDALONE AND CONSOLIDATED FINANCIAL RESULTS:

₹ in Million

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Total Income	13,009.73	11,484.07	18,771.24	16,744.47
Profit before exceptional items and tax expense	2,062.43	1,811.06	2,235.17	1,943.38
Add/Less: Exceptional items	(413.29)	-	116.46	-
Profit before tax expense	1,649.14	1,811.06	2,351.63	1,943.38
Less: Provision for taxation	524.95	416.89	620.86	501.33
Profit after tax before prior period adjustment	1,124.19	1,394.17	1,730.77	1,442.05
Current Tax relation to prior year	-	14.96	-	14.95
Profit after tax	1,124.19	1,379.21	1,730.77	1,427.10
Add: Surplus from last year	2,327.69	1,803.03	2,318.29	1,739.94
Add/Less: Other Comprehensive income	(3.06)	0.35	(3.19)	0.62
Add: Net change in fair value of Hedging instrument	-	-	3.04	5.53
Less: Transfer to capital redemption reserve	(1.50)	-	(1.50)	-
Less: Tax on Buy back	(110.95)	-	(110.95)	-
Profit available for appropriation after adjustments prior period taxes	3,336.37	3,182.59	3,936.46	3,173.19
APPROPRIATIONS:				
1. interim dividend [₹. 0.90(March 31, 2021 ₹. 0.75) per share]	124.55	104.90	124.55	104.90
2. Final dividend [March 31, 2021: ₹ 1.00 (March 31, 2020 : ₹ Nil) per share]	138.37	-	138.37	-
3. Transfer to General Reserve	-	750.00	-	750.00
4. Balance carried to Balance Sheet	3,073.45	2,327.69	3,673.54	2,318.29

TRANSFER TO RESERVES:

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

DIVIDEND:

An Interim Dividend of ₹ 0.90 per Share of ₹ 1/ - each (90%) was declared and paid during the financial year under report. After careful review, your Directors have recommended a final dividend of ₹ 1.10 (110%), subject to necessary approval by the shareholders.

Total dividend outgo during the year is thus, ₹ 276.77 million (without Tax) as against ₹ 243.28 million (without Tax) during the year 2020-21.

PARTICULARS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED DURING THE FINACIAL YEAR ENDED MARCH 31, 2022:

During the financial year, Mr. Muthuswami Lakshminarayan and Mrs. Bharati Rao, Independent Directors of the Company completed their first terms as Independent Directors of the Company on March 31, 2022 and were re-appointed as Independent Directors of the Company for second term up to March 31, 2025. Requisite approvals were obtained from the Shareholders for these appointments.

The composition of the Board of Directors of the Company as on March 31, 2022 is as below:

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

SHARE CAPITAL:

During the year the Company had bought back 15,00,000 equity shares of ₹1/- @ ₹ 320 per equity share, aggregating to ₹ 48,00,00,000/- and allotted 12,697 shares to the employees under SEL Employee Stock Appreciation Rights Plan 2017' ("ESAR 2017").

As on March 31, 2022, the Authorized Share Capital of the Company was ₹ 850,000,000/- (Rupees Eight fifty Million) and the Paid-up Share Capital was ₹ 138,385,170/- (Rupees One Thirty Eight Million Three Hundred Eighty Five Thousand One Hundred Seventy Only).

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

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

CHANGE IN NATURE OF BUSINESS:

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

BUY-BACK OF SHARES:

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

OPERATIONS – MANAGEMENT DISCUSSION AND ANALYSIS:

The Indian Automotive industry recorded a growth of 1.65% during the year. Your Company, on a standalone basis, recorded an operational income of ₹ 12,712.84 Million during the financial year 2021-22 as against ₹ 11,122.75 Million during the financial year 2020-21 recording a growth of 14.30%. Operational EBITDA for the year was ₹ 2,126.69 Million during the financial year 2021-22 as against ₹ 1,805.81 Million during the financial year 2020-21 recording a growth of 17.77%. The consolidated group operational income was ₹ 18,404.77 Million for the financial year 2021-22 as against ₹ 16,408.55 Million for the financial year 2020-21 recording a growth of 12.17%. The consolidated Operational EBITDA for the year was ₹ 2,599.04 Million during the financial year 2021-22 as against ₹ 2,367.21 Million during the financial year 2020-21 recording a growth of 9.79%.

The Covid challenges continued throughout the year at various parts of the world, which had an impact on production and dispatch volumes. Added to this, there was a significant increase in input costs, acute shortage of certain critical electronic parts, shipment, and container delays, leading to a global decline in vehicle manufacturing volumes. Despite these challenges, the operational performance of your Company has been satisfactory.

DOMESTIC CABLE DIVISION (DCD):

DCD performed well despite a sharp reduction in the 2-wheelers manufacturing volumes in India, largely due to increased content per vehicles. The aftermarket business had a robust growth. The overall performance has been ahead of the industry.

The facility at Narasapura is being enhanced with additional plant to meet the requirements of the customers. To optimize and streamline the aftermarket operations, a new aftermarket plant with integrated packing, warehousing and dispatching, is being set up in Bommasandra Industrial area.

PHOENIX LAMPS DIVISION (PLD):

PLD's overall performance was affected due to steep increase in input costs and special gases like Krypton which increased multi-fold. Every effort is made to pass on such increases to customers.

WHOLLY OWNED SUBSIDIARIES

The consolidated sales of all the subsidiaries were ₹ 5,691.93 Million against ₹ 5,285.80 Million previous financial year an increase of 7.68%. The Operating EBITDA was ₹ 472.35 Million against ₹561.40 Million previous financial year an decrease of (15.86)%. The Profit Before Tax was ₹ 172.74 Million against ₹132.32 Million previous financial year an increase of 30.55%. The Profit After Tax was ₹ 606.58 Million against ₹ 47.89 Million previous financial year an increase of 1166.61%.

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

The sales were ₹ 1,947.87 Million against ₹ 1,924.70 Million previous year an increase of 1.20%. The Operating EBITDA was ₹ 289.36 Million against ₹ 352.79 Million previous year an decrease of (17.98)%. The Profit Before Tax was ₹ 337.85 Million against ₹ 335.53 Million previous year an increase of 0.69%. The Profit After Tax was ₹ 255.64 Million against ₹ 249.39 Million previous year an increase of 2.51%.

The operations of SAL & SEU have been robust despite lower volumes of customers uncertainties in Europe and USA, largely due to new businesses won.

Suprajit USA Inc (Wescon Controls LLC):

Suprajit USA Inc (Wescon Controls LLC), the 100% owned subsidiary of your Company, continues its focus on non-automotive business. The sales were ₹ 3,358.47 Million against ₹ 2,837.38 Million previous year an increase of 18.37%. The EBIDTA was ₹ 266.62 Million against ₹ 260.13 Million previous year an increase of 2.50%. The Profit Before Tax was ₹ (10.60) Million against ₹ (38.91) Million previous year an increase of 72.76%. The Profit After Tax was ₹ 142.76 Million against ₹ (34.40) Million previous year an increase of 514.98%.

SENA Division – The SENA Division has performed robustly during the year, with good growth and stable margins.

Trifa and Luxlite:

Trifa and Luxlite, the 100% owned subsidiaries and the distribution arm of PLD, had a challenging year. The combined sales were ₹ 1,035.99 Million (€11.97 Million) against ₹ 1,073.25 Million (€12.38 Million) previous financial year. The EBIDTA was ₹ (64.22) Million (€ (0.74) Million) against ₹ (67.63) Million (€ (0.78) Million) previous financial year.

The overall performance of Trifa and Luxlite continue to be challenging with pricing constraints in the marketplace. This division is pursuing actively, to improve the pricing with various customers and working closely with PLD to improve the overall performance of the division.

ACQUISITION:

During the year Company has announced the acquisition of Light Duty Cable (LDC) business unit from Kongsberg Automotive ASA (KA), supplying to automotive, non-automotive and 2-wheeler segments along with Electro-Mechanical Actuators (EMA). After necessary due diligence, the transaction was concluded on 6th April, 2022 (Economic completion date April 1, 2022) and LDC is now the part of Suprajit. LDC, with operational plants in Mexico, Hungary and China along with warehouse in Brownsville, USA and Tech Centre in Novi, Detroit (USA), is a transformational asset. Your Company will now have the ability to service a vast majority of global customers with manufacturing footprint, warehousing abilities and engineering capabilities. This acquisition will make Suprajit a leading and comprehensive full-service cable system provider in the world.

SUPRAJIT TECHNOLOGY CENTRE (STC):

The Suprajit Technology Centre (STC) moved into a new, fully integrated facility with the ability to take a product idea from concept all the way through to first batch production under one roof. Progress has been rapid this year, with multiple products launched in multiple units across the country. New business verticals created in instrument clusters, gearboxes and braking systems, and our IP commercialized in a significant way. "Beyond cable" products introduced by Suprajit are primarily in the electric two-wheeler and three-wheeler, precision farming, and locomotive segments, with significant business wins in India, Brazil, and Canada.

CURRENT YEAR OUTLOOK AND COVID-19 IMPACT:

The impact of Covid continues to recede, due to increased level of vaccinations and immunity in the communities. However, commodity prices remain high. The challenges of port congestion and container shortages continue, and these costs also remain at a higher level. The Ukraine war has disrupted the Overall global automotive industry. The rise in interest rates is also a concern. The global automotive growth is expected to be either flat or negative for the current year as well. In India, we expect the 2-wheeler production levels to remain under pressure this year. The non-automotive business is expected to be steady.

This year will be a year where LDC will be integrated into Suprajit group, adding new dimensions of challenges. While LDC is a marquee acquisition for Suprajit, its first year operations needs to be streamlined, cleaned up and brought in line with the expectations of the parent. This would require significant amount of management time and effort in streamlining LDC in line with the assessment during the acquisition diligence.

Under these circumstances, it is difficult to assess the performance of Suprajit group with any level of certainty. However, Company is taking every step to mitigate these negative impacts with the excellent team in place, clearly focused on optimizing the costs and improving the performance. Your company is confident of emerging stronger in the medium term.

SALIENT FEATURE OF FINANCIAL STATEMENT OF SUBSIDIARIES:

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

CREDIT RATING:

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

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

FRAUD REPORTED BY THE AUDITORS DURING THE FINANCIAL YEAR:

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

DEPOSITS:

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

March 31, 2022

Disclosure as per the Companies (Acceptance of Deposits) Second Amendment Rules, 2015.

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

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

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

COPY OF ANNUAL RETURN:

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of annual return in form MGT-7 of the financial year 2021-22 on its website at www.suprajit.com.

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

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

Name of the Entity	Particulars of Loans, Investments or Guarantees	Amount (₹ in Millions)
Suprajit USA, INC	Loan of USD 19.00 Million converted at March 31, 2022 exchange rate of 1 USD = ₹75.8071)	1,440.33
Suprajit USA, INC	Corporate Guarantee of USD 71.00 Million (USD 58.50 effective from April 1, 2022 in place of 12.5 Million Corporate Guarantee) converted at March 31, 2022 exchange rate of 1 USD = ₹ 75.8071)	5,382.30
Luxlite lamps	Corporate guarantee of Euro 1.70 Million converted at March 31, 2022 exchange rate of 1 Euro = ₹ 84.66)	143.92

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

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

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

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. During the financial year, 5(Five) Meetings were held on April 7, 2021, May 29, 2021, August 11, 2021, November 10, 2021 and February 11, 2022.

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 has 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, 2022 and of the profits of the Company for the year ended on that date;

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

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

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

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

CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY REPORT:

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

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

DIVIDEND DISTRIBUTION POLICY:

The Company has a Dividend Distribution Policy in place, which is available on the website of the Company at www.suprajit.com (https://www.suprajit.com/investors/compliance/policies-codes/)

and also annexed as **Annexure-4.**

RISK MANAGEMENT POLICY:

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

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)/ SUPRAJIT FOUNDATION:

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

During the year, the Company has paid ₹ 30.98 Million and Suprajit Automotive has paid ₹ 5.59 Million to Suprajit Foundation towards the various projects undertaken by Suprajit Foundation. Annual Report on Corporate Social Responsibility (CSR) activities provided in **Annexure –5** to this report. The copy of the CSR Policy is available on the website of the Company at www.suprajit.com (https://suprajit.com/investors/compliance/policies-codes/).

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

DETAILS OF EMPLOYEES STOCK BENEFIT SCHEMES:

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

CONSERVATION OF ENERGY:

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

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

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

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

a. The Company has installed 100 kWp solar capacity. Further rooftop solar PV plants of 904 KWp installed in FY22 in our 3 plants. With this, significant power saving achieved in these plants.

b. We replaced all CFL/old tube lights to LED lamps/fittings, including solar streetlights.

c. We installed high efficiency HVLS industrial ceiling fans in our shed roof buildings to reduce the power consumption and to improve the air circulation. With this we removed many conventional fans which was consuming high power and improve work efficiency in the shop floor.

d. A focused effort at our Halogen bulb manufacturing facilities to reduce consumption of gasses and electricity used to manufacture the bulbs.

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

a) Research and Development (R&D):

1. The Company has a centralised Technology Centre (STC) in Jigani, Bengaluru. STC has approximately 40+ Engineers working primarily on new product introduction, innovation, design, development, testing and validation.

2. The new facility that houses STC is set up to take a new product idea from its infancy all the way through to first batch production.

3. The Group also has technology centres in Tamworth, U.K (Suprajit Europe Limited), Suprajit Automotive Private Limited, Doddaballapur and Wichita, USA (Wescon) for Cables and Mechanisms. The company has a R&D facility at the plant in the NOIDA SEZ focused on developing new types of Halogen and LED bulbs.

4. Development cells in respective units have been upgraded, and respond to our customer needs in an

efficient and quick manner.

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

6. The Company continues to add product & process patents, which are being deployed commercially.

7. The Company has developed many types of equipment and automation specialized for cable and lamps with significant reduction in labour costs, energy savings and increased productivity.

8. The Company's R&D has developed many specialised products beyond cables for various customers in various industries. This is being successfully deployed by the customer.

9. New areas of competence include automotive displays and electronics, as well as sensors and actuators. Multiple products have been added to the Company's profile in the last year.

10. The Company has launched new products in the electric vehicle, precision farming, outdoor power equipment and locomotive industries. Most of these products are non-cable, non-bulb products that bring new growth potential to the company.

b) Expenditure on Research and Development:

(₹ in Millions)

Particulars	2021-22	2020-21
Salaries, Wages & Bonus	35.56	26.80
Cost of materials consumed	1.27	2.03
Other expenses	8.92	6.31
Total	**45.75**	**35.13**

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

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

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

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

GREEN INITIATIVES:

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

FOREIGN EXCHANGE EARNINGS AND OUTFLOW:

The Company earned ₹ 1,561.66 Million and expended ₹ 1,218.67 Million during the financial year under review.

INDUSTRIAL RELATIONS:

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

DECLARATION BY THE INDEPENDENT DIRECTORS:

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

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

BOARD EVALUATION:

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

FAMILIARISATION PROGRAMMES OF INDEPENDENT DIRECTORS:

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

NOMINATION AND REMUNERATION POLICY:

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

COMPOSITION OF AUDIT COMMITTEE:

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

Mr. Suresh Shetty – Chairman

Mr. Ian Williamson – Member

Mr. K. Ajith Kumar Rai – Member

Mrs. Bharati Rao – Member (W.e.f. February 11, 2022)

VIGIL MECHANISM / WHISTLE BLOWER POLICY:

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

AUDITORS:

(g) Statutory Auditors:

The Members of the Company at the 32nd (Thirty Second) Annual General Meeting of the Company held on November 11, 2017, appointed Messrs S. R. Batliboi & Associates LLP, Chartered Accountants (Firm Registration No. 101049W/E300004) as Statutory Auditors of the Company for a period of 5 (Five) years. Their term will end on 37th (Thirty Seventh) Annual General Meeting to be held in the year 2022. Since they are eligible to be reappointed as Statutory Auditor of the Company for one more term, based on the recommendation of the Audit Committee, the Board of Directors at its Meeting held on May 25, 2022 proposed to recommend the appointment of Messrs S. R. Batliboi & Associates LLP, Chartered Accountants, (Firm Registration No. 101049W/E300004) for second term as Statutory Auditors of the Company for a period of 5 (five) consecutive years i.e from conclusion of 37th Annual General Meeting till conclusion of 42nd Annual General Meeting. The Company has received their consent in this regard.

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

ii. Cost Auditors:

Messrs G N V Associates, Cost Accountants, Bengaluru was appointed as the Cost Auditors of your Company for the financial year 2021-22.

iii. Secretarial Auditor:

The Board has appointed Mr. Parameshwar G. Bhat, a Practising Company Secretary (Membership No.FCS-8860), Bengaluru, as the Secretarial Auditor as per the provisions of Section 204 of the Companies Act, 2013 for the financial year 2021-22. The Secretarial Audit Report issued by him is enclosed as **"Annexure-7"** to this Report.

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

There are no qualifications or adverse remarks in the Statutory Auditors' Report which require any explanation from the Board of Directors. The Statutory Auditors have expressed an unmodified opinion in the audit reports in respect of the Audited standalone and consolidated Financial Statements for the financial year ended March 31, 2022.

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

REGULATORY / COURT ORDERS:

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

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION (HSE):

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

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

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

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

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

Summary of sexual harassment complaints received and disposed off during the financial year 2021-22:

No. of complaints received: NIL

No. of complaints disposed off: NA

PARTICULARS OF EMPLOYEES:

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

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

SECRETARIAL STANDARDS:

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

CAUTIONARY NOTE:

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

ACKNOWLEDGEMENT:

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

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

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place : Bengaluru
Date : May 25, 2022

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS:

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

(a) THE BOARD OF DIRECTORS AND THE MEETINGS ATTENDED BY RESPECTIVE DIRECTORS DURING THE YEAR 2021-22 AS UNDER:

Name of the Director	Category	*Inter-se* relationship	Board Meetings held	Board Meetings Attended	Attended Last AGM
Mr. K Ajith Kumar Rai	Chairman – Executive Director	Spouse of Dr. Supriya Rai	5	5	Yes
Mr. Mohan N. S	Executive Director	NIL	5	5	Yes
Mr. Akhilesh Rai	Executive Director	Son of Mr. K. Ajith Kumar Rai & Dr. Supriya A. Rai	5	5	Yes
Dr. Supriya A. Rai	Non- Executive Director	Spouse of Mr. K Ajith Kumar Rai	5	5	Yes
Mr. Ian Williamson	Independent	Nil	5	5	Yes
Mr. Suresh Shetty	Independent	Nil	5	4	Yes
Mr. M. Lakshminarayan	Independent	Nil	5	5	Yes
Mr. Harish Hassan Visweswara	Independent	Nil	5	5	Yes
Mrs. Bharati Rao	Independent	Nil	5	5	Yes

Skills / Expertise / Competencies of the Board of Directors:

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

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

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

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

Certificate from Practising Company Secretary:

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

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

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

1. April 7, 2021
2. May 29, 2021
3. August 11, 2021
4. November 10, 2021
5. February 11, 2022

3. OUTSIDE DIRECTORSHIPS / COMMITTEE MEMBERSHIP POSITIONS AS ON MARCH 31, 2022:

Name of the Directors	Listed Companies	Name of the Listed Entity and Category	No. of Unlisted Public Companies	Chairperson / Membership of Committees
Mr. K Ajith Kumar Rai	Nil	NA	Nil	Nil
Mr. Mohan N.S.	Nil	NA	Nil	Nil
Mr. Akhilesh Rai	Nil	NA	Nil	Nil
Dr. Supriya A. Rai	Nil	NA	Nil	Nil
Mr. Ian Williamson	Nil	NA	Nil	Nil
Mr. Suresh Shetty	Nil	NA	Nil	Nil
Mr. M. Lakshminarayan	7	1. ASM Technologies Limited 2. Wabco India Limited 3. Kirloskar Oil Engines Limited 4. Rane (Madras) Limited 5. Wendt (India) Limited 6. TVS Electronics Limited 7. Sansera Engineering Limited Independent Director in all Companies	1	Chairman– 3 Member – 5
Mrs. Bharati Rao	1	Neuland Laboratories Limited	4	Chairperson – Nil Member – 4
Mr. Harish H.V	Nil	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. Chairpersonship / Membership in the Audit and Stakeholders' Relationship Committee of listed and Un-listed Public Companies are considered for the above purpose.

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

4. AUDIT COMMITTEE:

The Company has complied with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to the composition of the Audit Committee. During the financial year, the Audit Committee has met 4 (four) times on May 29, 2021, August 11, 2021, November 10, 2021 and February 11, 2022. The composition of the Audit Committee and the attendance details of each Member of the Committee are as follows:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Suresh Shetty	4	3
Mr. Ian Williamson	4	4
Mr. K. Ajith Kumar Rai	4	4
Mrs. Bharati Rao*	4	0

* Appointed with effect from February 11, 2022.

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

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

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

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

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

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

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

(f) Reviewing the statement of significant related party transactions;

(g) Discussion with Internal Auditors of any significant findings;

5. NOMINATION AND REMUNERATION COMMITTEE (NRC):

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

Following are the roles of the Committee:

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

During the financial year, Three (3) Meetings of the Committee was held on September 8, 2021, October 27, 2021 and November 24, 2021. Except Mr. M. Suresh Shetty, all the Members were present at the Meeting.

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

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. M Lakshminarayan – Chairman	3	3
Mr. Suresh Shetty – Member	3	0
*Mr. K. Ajith Kumar Rai – Member	3	3
Dr. Supriya A. Rai- Member	3	3

* Resigned from membership w.e.f January 1, 2022.

Remuneration paid/payable to Directors for the financial year 2021-22

(₹ in Millions)

Sl. No	Name of the Director	Sitting Fees	Salary & PF	Comm-ission	Bonus	Total
1	Mr. K Ajith Kumar Rai*	-	27.33	32.95	-	60.28
2	Mr. Mohan N. S.*	-	14.73	-	6.37	21.10
3	Mr. Akhilesh Rai*	-	5.86	-	1.97	7.83
4	Mr. Suresh Shetty	0.16	-	0.5	-	0.66
5	Mr. M. Lakshminarayan	0.19	-	0.5	-	0.69
6	Mrs. Bharati Rao	0.15	-	0.5	-	0.65
7	Mr. Harish H.V	0.14	-	0.5	-	0.64
8	Dr. Supriya A. Rai	Waived	-	Waived	-	Waived
9	Mr. Ian Williamson	Waived	-	Waived	-	Waived
	Total	**0.64**	**47.92**	**34.95**	**8.34**	**91.85**

* The remuneration paid/payable to Mr. K. Ajith Kumar Rai and Mr. Mohan N. S. were approved by the Shareholders at the Thirty

Fourth Annual General Meeting held on August 10, 2019 and Remuneration of Mr. Akhilesh Rai was approved at the Thirty Fifth Annual General Meeting held on September 26, 2020, based on the recommendation of the Nomination and Remuneration Committee and with the approval of the Board.

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

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

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

The terms of Reference of the Committee are as under:

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

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

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

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

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

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

One Meeting of CSR Committee was held on May 10, 2021. All the Members were present at the Meeting.

INDEPENDENT DIRECTORS' MEETING & PERFORMANCE EVALUATION:

During the year under review, the Independent Directors met on February 11, 2022, *inter- alia,* and transacted the following business:

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

All the Independent Directors were present in the Meeting.

7. STAKEHOLDERS' RELATIONSHP COMMITTEE:

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

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

a. Resolving the grievances of the Security holders of the listed entity including complaints related to transfer/ transmission of Shares, non-receipt of Annual Report, non-receipt of declared Dividends, issue of new/ duplicate Share Certificates, General Meetings etc.

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

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

d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed Dividends and ensuring timely receipt of Dividend warrants / annual reports / statutory notices by the Shareholders of the Company.

The composition of the Committee was as under:

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

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

During the year 1 (One) Meeting of the Committee held on February 11, 2022 and all the Members were present at the Meeting.

Name and designation of Compliance Officer:

Mr. Medappa Gowda J.
CFO & Company Secretary

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

Number of shareholders' complaints received during 2021-22	Number of complaints not solved to the satisfaction of Shareholders	Number of pending complaints
10	NIL	NIL

8. RISK MANAGEMENT COMMITTEE:

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

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

During the financial year, Two Meetings of the Committee were held on June 18, 2021 and November 10, 2021. All the Members were present at the Meeting.

9. SHARES HELD BY NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors as on March 31, 2022, who held Shares in Suprajit Engineering Limited, are as under:

Name of Directors	Number of Shares held
Dr. Supriya A. Rai	17,39,510
Mr. Suresh Shetty	7,63,080
Mr. M. Lakshminarayan	3,804

10. GENERAL MEETINGS:

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

Year	Date	Time	Location
2018-19	10.08.2019	2.30 p.m.	No. 101, Bommasandra Industrial Area, Bengaluru- 560 099
2019-20	26.09.2020	2.30 p.m.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)
2020-21	03.09.2021	2.30 p.m.	Through Video Conferencing (VC)/ Other Audio Visual Means (OAVM)

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

Date of AGM	Special Resolutions
10.08.2019	Payment of remuneration in excess of ₹ 5 Crores or 2.5 % of the net profit, whichever is more to Mr. K Ajith Kumar Rai, Promoter & Executive Director of the Company.
26.09.2020	To pay fees or compensation exceeding fifty percent (50%) of the total remuneration payable to all the Non-Executive Directors to Mr. Harish Hassan Visweswara (DIN: 08742808)
03.09.2021	Approval for continuation of Directorship of Mr. Muthuswamy Lakshminarayan (DIN: 00064750) as an Independent Director of the Company:

Postal Ballot:

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

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

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

12. NAME AND DESIGNATION OF THE COMPLIANCE OFFICER:

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

13. OTHER DISCLOSURES:

Related party transactions:

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

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

Accounting Treatment:

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

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

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

(₹ Million)

Fees paid to Messrs S.R. Batliboi & Associates LLP for Audit and related services	7.89
Fees paid to network firms of Messrs S.R. Batliboi & Associates LLP for audit of overseas entities.	4.09
Total	**11.98**

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

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

CEO and CFO Certification:

The Chief Executive Officer and Chief Financial Officer have certified to the Board of Directors, inter-alia, the accuracy of Financial Statements and adequacy of Internal Controls for the Financial Reporting purpose as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2022.

Code of Conduct:

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

Whistle Blower Policy:

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

14. MEANS OF COMMUNICATION:

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

15. MANDATORY / NON-MANDATORY REQUIREMENTS:

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

16. CERTIFICATE ON CORPORATE GOVERNANCE:

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

17. GENERAL SHAREHOLDER INFORMATION:

a. Thirty Seventh Annual General Meeting:

Date	Time	Venue
September 26, 2022	2.30 PM	Being conducted through VC/OAVM

b. Financial Calendar:

Financial Year	-	April 2022 to March 2023
First Quarter Results	-	In August 2022
Half Yearly Results	-	In November 2022
Third Quarter Results	-	In February 2023
Results for the year ended 31st March	-	By May 2023
Book Closure Date	-	September 20, 2022 to September 26, 2022 (both days inclusive)
Scrip Code	-	BSE-532509 / NSE-SUPRAJIT
Stock Exchange	-	BSE Limited, Mumbai National Stock Exchange of India Limited, Mumbai

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

c. Share Transfer System:

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

With effect from April 01, 2019, transfer of Shares in physical form is not allowed. As per Circular dated November 3, 2021 SEBI has issued Standardized, simplified and common norms for processing investor service request by RTAs and norms for furnishing PAN, KYC details and Nomination. Shareholders are requested to contact our RTA for more details.

d. Dematerialization of Shares and Liquidity:

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

e. Plant Locations:

The Company has Plants located at:

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

f. Registered Office / Address for correspondence:

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

g. Shareholding Pattern as on March 31, 2022:

Category	No. of Shares held	Percentage of Share-holding
Promoters	6,17,74,277	44.57
Institutions		
Mutual Funds/ UTI	1,65,65,571	11.97
Financial Institutions /Banks	560	0.00
Foreign Portfolio Investors	69,34,085	5.01
Insurance Companies	1,56,862	0.11
Alternative Investment Funds	38,94,050	2.81
Non-institutions		
Individuals -		
i. Individual shareholders holding nominal share capital up to ₹ 2 lakh.	2,81,66,198	20.35
ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh.	1,44,17,672	10.42
Others		
Clearing Members	46,409	0.03
IEPF	75,834	0.05
Director or Director's Relatives	10,73,573	0.78
Trusts	50,400	0.04
Bodies Corporate	52,29,679	3.78
TOTAL	**13,83,85,170**	**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, 2022:

Description	Holders	% of Holders	Holding	% of Holdings
1 - 500	61,240	88.71	4910978	3.54
501 - 1000	3210	4.65	2429723	1.76
1001 - 2000	2147	3.11	3148259	2.28
2001 - 5000	1427	2.06	4362030	3.15
5001 - 10000	511	0.74	3704787	2.68
10001 - 20000	249	0.36	3615801	2.62
20001 - 100000	163	0.25	6639413	4.79
100001 & ABOVE	84	0.12	109574179	79.18
Total	**69,031**	**100.00**	**13,83,85,170**	**100.00**

i. Shares held in Physical and Electronic mode as on March 31, 2022:

Category	No. of Shares	% to total Shareholding
Physical	40,78,250	2.95
Demat- NSDL	11,88,48,095	85.88
Demat -CDSL	1,54,58,825	11.17
Total	**13,83,85,170**	**100.00**

j. Listing of Shares:

The Company's Shares are listed at:
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

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

k. Registrar and Share Transfer Agent:

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

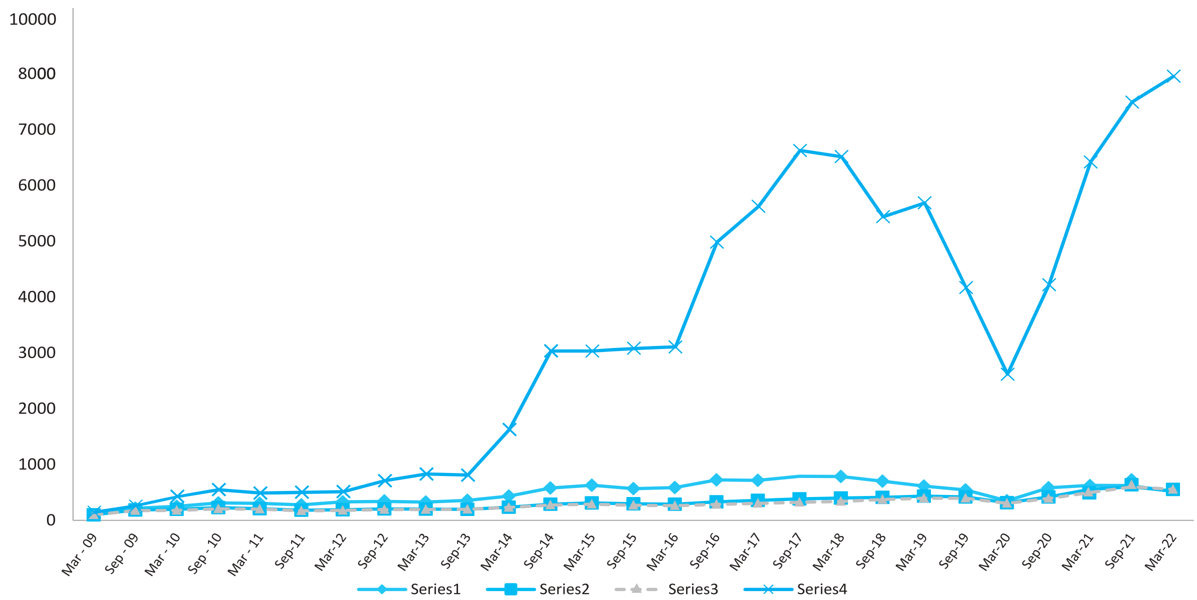
I. SHARE PRICE MOVEMENTS FROM 2009 – MARCH 2022

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

* Price indexed for:

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

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



m. Nomination Facility:

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

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

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

n. Shareholders' Rights:

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

o. Reporting of Internal Auditors:

The Internal Auditors report to the Audit Committee.

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

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

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

(₹ in Million)

Name of the Subsidiary	As at March 31, 2022	
	Outstanding Amount	Maximum balance Outstanding during the year
Suprajit Automotive Private Limited	Nil	6.77
Suprajit USA Inc	1,440.33	1,440.33

18. MANAGEMENT DISCUSSION & ANALYSIS REPORT:

a) INDUSTRY STRUCTURE AND DEVELOPMENT:

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

b) OPPORTUNITIES AND THREATS:

OPPORTUNITIES:

1. Reducing capacities world over for the Halogen Bulbs and vacated by some of the bigger players, provides your Company to expand into these territories and grown the market share in a dwindling market.
2. Significant potential for additional business from customers who may resource from current geography to India.
3. Good export potential for cables and halogen lamps in the OEM business.
4. Good potential to grow in the domestic business and in the aftermarket.
5. Potential to secure additional business from new models launches in the OEM segment in India and overseas.
6. Potential to grow aftermarket through OLM brands as well.
7. Introduction of additional products for the aftermarket.
8. Strategic opportunities in inorganic space considering the COVID-19 pandemic and resultant financial difficulties for certain strategic assets.
9. Global consolidation in the Cable Industry provides opportunity for your Company to be a Consolidator and enhance its Global position in the Light Duty Cable segment.
10. Added geographical manufacturing footprint creates an advantage to work with OEMs and tier1s at platform level with global development and local delivery.

THREATS:

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

c) SEGMENT WISE OR PRODUCT WISE PERFORMANCE

As at March 31, 2022, the Company is engaged in manufacturing and trading of automotive cables and components, Non-Automotive Cables and Components & Halogen lamps predominantly.

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

d) OUTLOOK:

Business outlook from the customer is not clear and hence it is difficult to estimate at this moment. While your company is ready for taking any increased volumes, the risks like COVID-19 related, Escalating Commodity prices, Container shortages for shipping and the widespread Integrated Chip shortages could prove a damper.

e) RISKS AND CONCERNS:

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

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

f) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

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

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

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

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

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

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

Standalone

Particulars	March 31, 2022	March 31, 2021	Reason for variance
Current ratio	1.86	2.07	-
Debt- Equity Ratio	0.23	0.2	-
Debt Service Coverage ratio	6.99	6.37	-
Return on Equity ratio	12.14	16.29	Refer note: a
Inventory Turnover ratio	4.4	4.3	-
Trade Receivable Turnover Ratio	4.73	4.51	-
Trade Payable Turnover Ratio	5.7	4.97	-
Net Capital Turnover Ratio	3.87	2.76	Refer note: b
Net Profit ratio	8.84	12.4	Refer note: a
Return on Capital Employed	18.35	17.41	-
Return on Investment	5.18	7.69	Refer note: c

Note: a) Decrease an account of exceptional items

b) Revenue growth along with higher efficiency on working capital improvements

c) Decrease in return on investment from Mutual funds are on account of fluctuation in market yields.

Consolidated

Particulars	March 31, 2022	March 31, 2021	Reason for variance
Current ratio	2.02	1.76	-
Debt- Equity Ratio	0.31	0.35	-
Debt Service Coverage ratio	3.18	2.34	Refer note: a
Return on Equity ratio	16.69	15.48	-
Inventory Turnover ratio	3.28	3.23	-
Trade Receivable Turnover Ratio	5.85	5.41	-
Trade Payable Turnover Ratio	5.62	4.78	-
Net Capital Turnover Ratio	3.27	3.58	-
Net Profit ratio	9.40	8.70	-
Return on Capital Employed	18.57	18.20	-
Return on Investment	5.11	7.50	Refer note: b

Note: a) Increase on account of repayment of debts and exceptional income during current year.

b) Decrease in return on investment from Mutual funds are on account of fluctuation in market yields.

For and on behalf of the Board

K. Ajith Kumar Rai
Chairman
DIN: 01160327

Place: Bengaluru
Date : May 25, 2022

Annexure - 1

Form AOC-I

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

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

Part "A": Subsidiaries

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

Sl. No.	1	2	3	4	5	6
1	**Name of the Subsidiary**	**Suprajit Automotive Private Limited**	**Suprajit Europe Limited**	**Suprajit USA Inc.**	**Trifa Lamps Germany Gmbh, Annweiler**	**Luxlite Lamps SARL, Luxembourg**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	GBP 1 GBP = 99.5524	USD 1 USD = 75.8071	EURO 1 EURO = 84.6599	EURO 1 EURO = 84.6599
4	Share Capital	19.90	186.00	0.07	2.19	773.22
5	Reserves & surplus	1,054.29	188.53	1,896.14	254.74	(916.55)
6	Total Assets	1,711.97	554.78	4,860.65	302.99	571.13
7	Total Liabilities	637.78	180.25	2,964.44	46.06	714.46
8	Investments	0	0	0	0	0
9	Turnover **(Note 3)**	1,759.90	1,337.20	3,358.47	370.91	964.79
10	Profit before Taxation	349.22	26.42	151.02	4.46	(80.10)
11	Provision for Taxation **(Note 4)**	88.68	4.10	8.26	0.04	0.34
12	Profit after Taxation	260.54	22.32	142.76	4.42	(80.44)
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 and deferred tax
5. The figures in the audited consolidated financial statements of the subsidiary are in Rs. million and have been considered in the table above in the same manner.

Part "B": Associates and Joint Ventures

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

	Name of Associates/Joint Ventures	
1	Latest audited Balance Sheet Date	The Company has no Associates or Joint Ventures as on March 31, 2022. Hence Part "B" is not applicable to the Company
2	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding %	
3	Description of how there is significant influence	
4	Reason why the associate/joint venture is not consolidated	
5	Networth attributable to Shareholding as per latest audited Balance Sheet	
6	Profit / Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

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

Mohan Srinivasan Nagamangala
Managing Director & Group Chief Executive Officer

Medappa Gowda J
Company Secretary & Chief Financial Officer

Place : Bengaluru
Date : May 25, 2022

Annexure - 2

Form No. AOC-2

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

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

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

(b) Nature of contracts/arrangements/transactions :

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

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

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

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

(g) Amount paid as advances, if any :

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

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

Name of the Related Party	Nature of Relationship	Nature of Transactions	Duration of Contract	Salient Terms	Amount (In million)
Suprajit Automotive Private Limited	Wholly Owned Subsidiary	Sales / Purchase	NA	NA	45.59
Luxlite Lamps SARL, Luxembourg	Wholly Owned Subsidiary	Sales / Purchase	NA	NA	537.82
Suprajit USA Inc. (Wescon Controls LLC)	Wholly Owned Subsidiary (step down subsidiary)	Sales / Purchase	NA	NA	104.63
Suprajit Europe Ltd.	Wholly Owned Subsidiary	Sales / Purchase	NA	NA	0.09

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place: Bengaluru
Date: May 25, 2022

Annexure - 3

BUSINESS RESPONSIBILITY REPORT

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: L29199KA1985PLC006934
2. Name of the Company: SUPRAJIT ENGINEERING LIMITED
3. Registered address : No. 100 & 101, Bommasandra Industrial Area, Bengaluru - 560 099
4. Website: www.suprajit.com
5. E-mail id: investors@suprajit.com
6. Financial Year reported: 2021-22
7. Sector(s) that the Company is engaged in (industrial activity code-wise): 29301 – Automotive cables and accessories (Automotive equipment)
8. List three key products/services that the Company manufactures/provides (as in Balance Sheet): Automotive Cables, Automotive Lamps and Speedometers
9. Total number of locations where business activity is undertaken by the Company:

   (a) Number of International Locations (Provide details of major 5): 4 (USA, U.K, Germany, Luxembourg, Mexico)

   (b) Number of National Locations: 18 Plants across India
10. Markets served by the Company – Local, State, National and International

SECTION B: FINANCIAL DETAILS OF THE COMPANY (as at March 31, 2022)

1. Paid-up Capital (₹): 138.39 Million
2. Total Turnover (₹): 12712.84 Million
3. Total Profit after Taxes (₹): 1,124.19 Million
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2% of average net profits of the Company made during the three immediately preceding financial years. Refer to Annexure –5 in the Annual Report
5. List of activities in which expenditure in 4 above has been incurred:-
   (a) Education
   (b) Healthcare
   (c) Rural Development

SECTION C: OTHER DETAILS

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

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

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

(b) Details of the BR head:

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

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

Principle 1: Ethics, Transparency and Accountability [P1]

Principle 2: Product Lifecycle Sustainability [P2]

Principle 3: Employees 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 been 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 been approved by the Board? If 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?	https://www.suprajit.com/investors/compliance/policies-codes/								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Internal stakeholders are made aware of the policies. External stakeholders are communicated to the extent possible.								
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out an independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

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

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

3. Governance related to BR

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

SECTION E: PRINCIPLE-WISE PERFORMANCE:

Principle 1:

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 or its subsidiary.

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

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

Principle 2

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

   Yes. Working closely with the local and small vendors across all locations to encourage them.
5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

   Not applicable.

Principle 3

1. Please indicate the Total number of employees. - 1,854
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 an exact number.
3. Please indicate the Number of permanent women employees - 152
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 are 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 - NA

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 replaced induction motors to servo motors, all incandescent and fluorescent bulb converted into LED bulbs. For energy saving VFD compressors.

   Yes. Company has installed 903 kWp solar capacity as the second project in the year 2022, from this we are reducing the Carbon 9,26,772 Kg CO2 per year. 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.

   The company is under process of instalation of two solar power plants in Rajasthan and Chennai.
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 the Financial Year. –

   The Company has not received any show cause notice as at March 31, 2022. 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)

c. Bangalore Chamber of Industry and Commerce (BCIC)

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

Principle 8

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

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

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

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

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

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

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

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

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

   Not applicable.

Principle 9

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

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

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

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

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

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place : Bengaluru
Date : May 25, 2022

Annexure -4

DIVIDEND DISTRIBUTION POLICY

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

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

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

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

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

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

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

a. Working Capital requirement of the Company in near future

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

c. Acquisition / takeover as part of growth plans

d. Cash required for contingencies

e. Servicing the outstanding loans, etc.

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

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

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

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

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

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

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

REVIEW / AMENDMENT:

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

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

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place : Bengaluru
Date : May 25,2022

Annexure - 5

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

2. **Composition of CSR Committee:**

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

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

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

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

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

6. **Average net profit of the company as per Section 135(5): : ₹ 1,549.50 Million**

7.

a. Two percent of average net profit of the company as per Section 135(5) (In INR million)	₹ 30.99
b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
c. Amount required to be set off for the financial year, if any	Nil
d. Total CSR obligation for the financial year (7a+7b- 7c) (In INR million)	₹ 30.99

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

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

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

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No).	Location of the Project		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current FY (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implement -ation Direct (Yes/No)	Mode of Implementation Through Implementing Agency	
				State	District						Name	CSR Registration No.
NA												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No).	Location of the Project		Amount spent for the Project (in ₹)	Mode of implementation Direct (Yes/No)	Mode of implementation Through implementing agency	
				State	District			Name	CSR registration number
1.	Company has not implemented any projects directly						No	Suprajit Foundation	CSR00002930

(d)	Amount spent in Administrative Overheads	₹ NIL
(e)	Amount spent on Impact Assessment, if applicable	₹ NIL
(f)	Total amount spent for the financial year (8b+8c+8d+8e)	₹ 33.65

(g) Excess amount for set off, if any

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

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

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

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

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

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

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place : Bengaluru
Date : May 25, 2022

Annexure -6

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

A. Summary of status of SARs Granted:

The position of the existing plan is summarized as under:

I. Details of the ESAR

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

II. Option movement during the year ended March 31, 2022

Sr. No.	Particulars	No. of SARs	Weighted average exercise price
1	No. of SARs outstanding at the beginning of the year	8,19,213	257.65
2	SARs granted during the period	3,25,070	365.05
3	SARs forfeited / surrendered during the year	8,616	0.00
4	SARs lapsed during the year	0	0.00
5	SARs exercised during the year	49,648	0.00
6	No. of SARs outstanding at the end of the year	10,86,019	289.80
7	No. of SARs exercisable at the end of the year	2,08,206	257.65

III. Weighted Average remaining contractual life

No. of SARs outstanding	Weighted average contractual life (years) as on March 31, 2022
10,86,019	5.92

IV. Weighted average Fair Value of SARs granted during the year ended March 31, 2022

a	Exercise price equals market price	172.18
b	Exercise price is greater than market price	NA
c	Exercise price is less than market price	NA

V. Weighted average market price of SARs exercised during the year ended March 31, 2022: 312.65

VI. Employee wise details of SARs granted during the year ended March 31, 2022

(i) Senior managerial personnel

Name of employee	No. of SARs granted
N S Mohan	21,070
Narayan Shankar K	11,240
Medappa Gowda J	4,220
Akhilesh Goel	5,620

Other employees who were granted, during the year, SARs amounting to 5% or more of the SARs granted during the year	NA
Employees, who were granted option, during any one year, equal to or exceeding 1 % of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	

VII. Method of assumptions used to estimate the fair value of SARs granted during the year ended March 31, 2022

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

The assumption used in the model is as follows:

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

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

(₹ Million)

Particulars	As on March 31, 2022
Employee option plan expenses during the year	21.45
Total Liability for the year ended March 31, 2022	94.11

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place : Bengaluru
Date : May 25, 2022

Annexure -7

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

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

To
The Members
SUPRAJIT ENGINEERING LIMITED
(CIN: L29199KA1985PLC006934)

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2022 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 31.03.2022 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   d. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; and Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
   h. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
   i. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   j. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013;
   k. Circulars/Guidelines issued thereunder;

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

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

1) Employer/Employee Related laws & Rules:

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

2) Environment Related Acts & Rules:

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

3) Economic / Commercial Laws & Rules:

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

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

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

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

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

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

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

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

(Parameshwar G. Bhat)
FCS No.: 8860
C P No.: 11004
UDIN: F008860D000387062

Place : Bengaluru
Date : May 25, 2022

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

'Annexure'

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

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

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

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

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

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

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

(Parameshwar G. Bhat)
FCS No.: 8860
C P No.: 11004
UDIN: F008860D000387062

Place : Bengaluru
Date : May 25, 2022

Annexure -8

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

Requirements	Particulars
The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year.	As per note 1
The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	As per note 2
The percentage increase in the median remuneration of employees in the financial year.	7.56 %
The number of permanent employees on the rolls of Company	1,514
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, 2022 has increased by 14.30%. The aggregate remuneration of employees excluding Chairman & Managing Director grew by 22.60% over the previous financial year. The aggregate increase in salary for Chairman & Managing Director was 0.12% in the financial year 2021-22 over financial year 2020-21.
The key parameters for any variable component of remuneration availed by the directors.	The Directors are not eligible for any variable compensation other than Commission as per the provisions of the Act.
Affirmation that the remuneration is as per the remuneration policy of the company.	We affirm that the remuneration is as per the remuneration policy of the Company.

Notes :

1. The ratio of the remuneration of each Director to the median remuneration of the employees for the financial year ending on March 31, 2022 is al follow :

Sl. No.	Name of the Directors	Ratio
1	Mr. K Ajith Kumar Rai	206.66 x
2	Mohan Srinivasan Nagamangala	72.05 x
3	Mr. Akhilesh Rai	26.58 x
4	Mr. Suresh Shetty	1.71 x
5	Mr. M.Lakshminarayan	1.71 x
6	Mrs. Bharati Rao	1.71.x
7	Mr. Harish Hassan Visweswara	1.71 x
8	Mr. Ian Williamson	0 x
9	Dr. Supriya Rai	0 x

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

b. The Median remuneration of the employees for the financial year ends March 31, 2022 is ₹2,91,684/-

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year ended on March 31, 2022 is as follow :

₹ in Million

Sl. No	Name of the Director/KMP	Designation	For the year ended 31.03.2022	For the year ended 31.03.2021	% increase for ended on 31.03.2022
1	Mr. K Ajith Kumar Rai	Chairman	60.28	49.17	22.60
2	Mr. Mohan Srinivasan Nagamangala	Managing Director & Group CEO	21.10	15.40	37.01
3	Akhilesh Rai	Director & CSO	7.83	6.94	12.82
4	Mr. Suresh Shetty	Independent Director	0.66	0.50	32.00
5	Mr. M. Lakshminarayan	Independent Director	0.69	0.50	38.00
6	Mrs. Bharati Rao	Independent Director	0.65	0.50	30.00
7	Mr. Ian Williamson	Independent Director	NA	NA	-
8	Mr. Harish Hassan Visweswara	Independent Director	0.64	0.50	28.00
9	Dr. Supriya A Rai	Non – Executive Director	NA	NA	-
10	Mr. Medappa Gowda J	CFO & Company Secretary	7.70	7.35	4.76

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

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

(i) During the financial year 2021-22, no employee received the remuneration aggregating to ₹ 10.20 Million p.a or ₹ 0.85 Million p.m, except the following:

Sl. No	Employee Name	Designation	Educational Qualification	Age	Experience (in Years)	Date of joining	Remuneration (₹ in millions)	Previous Employment
1	Mr. K Ajith Kumar Rai	Chairman	B.E.M.A.Sc (Canada)	64	37	24.05.1985	60.28	Research & Teaching Assistant, Technical University of Nova Scotia, Canada.
2	Mr. Mohan Srinivasan Nagamangala	Managing Director & Group Chief Executive Officer	B.E (Mechanical), ICWA	60	35	05.12.2013	21.10	ZF Industrial Technology
3	Mr. Akhilesh Kumar Goel	Chief Operating Officer (Lamps Division)	BE (Mechanical), M.Sc.-Eng (Production Management)	56	32	07.10.2014	11.94	SKH Metals Division - Krishna Maruti Limited
4	Mr. Narayan Shankar K.	Chief Operating Officer (Cable Division)	BE (Mechanical)	60	37	26.06.1987	10.22	Vijay Die Cast Limited

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

(iii) During the financial year 2021-22, no employee received remuneration in excess of the highest-paid director.

For and on behalf of the Board

K Ajith Kumar Rai
Chairman
(DIN: 01160327)

Place : Bengaluru
Date : May 25, 2022

Annexure -9

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To

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

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

In my opinion and to the best of my information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2022 has been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, the Ministry of Corporate Affairs, or any such other Statutory Authority:

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

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

Vijayakrishna K T
Company Secretary
FCS No.: 1788
C P No.: 980
UDIN: F001788D000387635

Place : Bengaluru
Date : May 25, 2022

CEO & CFO CERTIFICATION

We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and certify, to the best of our knowledge and belief, that:

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

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

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

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

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

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

For **Suprajit Engineering Ltd.**

Medappa Gowda J
Chief Financial Officer

Mohan Srinivasan Nagamangala
Chief Executive Officer
DIN: 01916468

Place : Bengaluru
Date : May 25, 2022

DECLARATION BY CHIEF EXECUTIVE OFFICER (MANAGING DIRECTOR)

I, Mohan Srinivasan Nagamangala, Managing Director & Group CEO of Suprajit Engineering Limited hereby declare that all the Board Members and Senior Managerial Personnel have affirmed for the year ended March 31, 2022 compliance with the code of conduct of the Company laid down for them.

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

Place : Bengaluru
Date : May 25, 2022

CERTIFICATE

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

To
The Members
Suprajit Engineering Limited
Bengaluru

I have examined all the relevant records of Suprajit Engineering Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company for the financial year ended 31st March, 2022 as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015('the Listing Regulations').

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

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

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

.

Vijayakrishna K T
Practising Company Secretary
FCS-1788
CP-980
UDIN: F001788C000392387

Place : Bengaluru
Date : May 25, 2022

STANDALONE FINANCIAL STATEMENTS

OF

SUPRAJIT ENGINEERING LIMITED

INDEPENDENT AUDITOR'S REPORT

To

The Members of **Suprajit Engineering Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Suprajit Engineering Limited ("the Company"), which comprise the standalone Balance sheet as at March 31, 2022, the standalone Statement of Profit and Loss, including the statement of Other Comprehensive Income/ (Loss), the standalone Cash Flow Statement and the standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income/ (loss) its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of Investments in Subsidiaries *(as described in Note 6(a) of the standalone financial statements)*	
As at March 31, 2022, the carrying value of investments in wholly owned subsidiaries included in the standalone balance sheet amounts to Rs. 1,914.47 million (net of impairment provision). To assess if there is any impairment in these investments, management conducts impairment tests annually or whenever changes in circumstances or events indicate that, the carrying amount of such investment may not be recoverable. An impairment loss is recognized if the recoverable amount is lower than the carrying value. The recoverable amount is estimated by calculating the value in use, basis valuation conducted by the management factoring future business plans and such valuation report/ future business plans are reviewed and approved by the Audit Committee/ Board of Directors of the Company. This is a key audit matter as the testing of investment impairment is complex and involves significant judgement. The key assumptions included in impairment tests are projected revenue growth, operating margins, discount rates and terminal growth etc	Our audit procedures included the following: • We understood the Company's process for identification of indicators for impairment and evaluated the Company's internal controls over its impairment assessment of investment in subsidiaries. We understood the key assumptions applied by the management such as revenue growth, operating margins, discount rates and terminal growth rates in determining impairment; • We tested the key assumptions and considered the sensitivity scenarios performed by management; • We tested the methodologies used and the computations by the management in their valuation reports; and • We assessed the disclosures made in the standalone financial statements.

INDEPENDENT AUDITOR'S REPORT

Other Information

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

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

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

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

INDEPENDENT AUDITOR'S REPORT

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

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

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

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

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

   (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note 37(a) to the standalone financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts – Refer note 20 and note 43(ii) to the standalone financial statements;

      iii. As detailed in note 12 to the standalone financial statements, following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

Description of delays	Amount (Rs. in million)	Date of payment	Delay (Number of days)
Unpaid dividend (FY 2013-14 final dividend-Phoenix Lamps Limited)	9.01	October 26, 2021	13

      iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 10 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the

INDEPENDENT AUDITOR'S REPORT

Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

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

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

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

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

per **Rajeev Kumar**
Partner
Membership Number: 213803
UDIN: 22213803AJPIJH1622

Place of Signature: Bengaluru
Date: May 25, 2022

ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMITED

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

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

(B) The Company has maintained proper records showing full particulars of intangible assets.

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

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Inventories lying with third parties have been confirmed by them as at March 31, 2022. There were no discrepancies of 10% or more in aggregate that were noted for each class of inventory in respect of such physical verification and third party confirmations.

(b) As disclosed in note 18(a) to the standalone financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The quarterly returns/ statements filed by the Company with such banks in respect of gross value of collateral security (excluding the impact of quarterly book closure adjustments) are in agreement with the books of accounts of the Company.

(iii) (a) During the year the Company has provided loans, advances in the nature of loans, stood guarantee to companies, firms, Limited Liability Partnerships or any other parties as follows:

Particulars (Rs. in million)	Guarantees	Loans	Advances in the nature of loans
Aggregate amount granted/ provided during the year			
- Subsidiaries	5,382.30	1,440.33	-
- Others (i.e. employees)	-	-	16.20
Balance outstanding as at balance sheet date in respect of above cases			
- Subsidiaries	5,382.30	1,440.33	-
- Others (i.e. employees)	-	-	13.43

(b) During the year the investments made, guarantees provided and the terms and conditions of the grant of all loans, advances in the nature of loans and guarantees are not prejudicial to the Company's interest.

(c) The Company has granted loans to a subsidiary and advances in the nature of loans during the year to other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.

(d) There are no amounts of loans and advances in the nature of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.

(e) There were no loans or advance in the nature of loans granted to companies, firms, Limited Liability Partnerships or any other parties which had fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act as applicable in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company. In our opinion and according to the information and explanations given

ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMITED

to us, there are no loans to directors including entities in which they are interested in respect of which provisions of section 185 of the Act are applicable.

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

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

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in million)	Payment under protest (Rs. in million)	Period (financial year) to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance of certain expenses and benefit	7.96	7.96	2010-11 & 2011-12	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Disallowance of certain expenses and benefit	9.43	9.43	2015-16	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Adjustment for transfer pricing and other disallowances	21.66*	-	2016-17	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Disallowance of certain benefit	8.75*	-	2017-18	Income tax officer

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

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

(d) On an overall examination of the standalone financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) On an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. The Company does not have any associates or joint ventures.

(f) The Company has not raised loans during the year on pledge of securities held in its subsidiaries. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.

ANNEXURE '1' REFERRED TO IN PARAGRAPH UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMITED

(xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has not incurred cash losses in the current financial year and immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios disclosed in note 47 to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 32 (ii)(d) to the standalone financial statements.

(b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 32(ii)(e) to the standalone financial statements.

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

per Rajeev Kumar
Partner
Membership Number: 213803
UDIN: 22213803AJPIJH1622

Place of Signature: Bengaluru
Date: May 25, 2022

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

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

We have audited the internal financial controls with reference to standalone financial statements of Suprajit Engineering Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

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

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

Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Rajeev Kumar**
Partner
Membership Number: 213803
UDIN: 22213803AJPIJH1622

Place of Signature: Bengaluru
Date: May 25, 2022

Standalone balance sheet as at March 31, 2022

₹ in Million

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	2,645.19	2,554.28
Capital work in progress	3	79.08	34.83
Right-of-use assets	5	223.74	195.29
Intangible assets	4	11.88	12.82
Intangible assets under development	4	7.82	7.61
Financial assets			
Investments	6	1,945.18	2,724.64
Loans	10	1,440.33	-
Other financial assets	13	52.59	50.06
Income tax assets (net)	15	22.06	21.42
Other non-current assets	14	100.81	31.75
		6,528.68	**5,632.70**
Current assets			
Inventories	7	1,855.16	1,830.18
Financial assets			
Investments	8	2,190.37	2,580.16
Trade receivables	9	2,643.19	2,732.50
Cash and cash equivalents	11	273.56	329.28
Other bank balances	12	18.47	169.05
Loans	10	13.43	16.10
Other financial assets	13	16.24	4.12
Other current assets	14	112.97	151.13
		7,123.39	**7,812.52**
Total assets		**13,652.07**	**13,445.22**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	138.39	139.87
Other equity	17	9,267.61	8,975.35
Total equity		**9,406.00**	**9,115.22**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18 (a)	105.83	215.25
Lease liabilities	18 (b)	58.56	37.40
Other financial liabilities	20	27.46	22.72
Provisions	21	51.66	113.51
Deferred tax liabilities (net)	22 (a)	161.24	156.60
Other non-current liabilities	23	6.97	8.51
		411.72	**553.99**

Standalone balance sheet as at March 31, 2022

₹ in Million

	Notes	As at March 31, 2022	As at March 31, 2021
Current liabilities			
Financial liabilities			
Borrowings	**18 (a)**	2,015.14	1,555.12
Lease liabilities	**18 (b)**	14.26	1.78
Trade payables	**19**		
Total outstanding dues of micro and small enterprises		295.45	332.10
Total outstanding dues of creditors other than micro and small enterprises		1,070.74	1,440.91
Other financial liabilities	**20**	172.25	174.44
Other current liabilities	**23**	106.23	118.41
Provisions	**21**	80.05	72.62
Current tax liabilities (net)	**22 (b)**	80.23	80.63
		3,834.35	**3,776.01**
Total liabilities		**4,246.07**	**4,330.00**
Total equity and liabilities		**13,652.07**	**13,445.22**

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

As per our report of even date

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

per Rajeev Kumar
Partner
Membership No.: 213803

Place : Bengaluru
Date : May 25, 2022

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

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

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place : Bengaluru
Date : May 25, 2022

Standalone statement of profit and loss for the year ended March 31, 2022

₹ in Million

		Notes	Year ended March 31, 2022	Year ended March 31, 2021
I	**Income**			
	Revenue from operations	**24**	12,712.84	11,122.75
	Other income	**25**	296.89	361.32
	Total income		**13,009.73**	**11,484.07**
II	**Expenses**			
	Cost of materials consumed	**26**	8,067.09	7,169.83
	Purchases of stock-in-trade	**27**	20.58	48.23
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	**28**	16.67	(201.54)
	Employee benefits expense	**29**	1,662.12	1,551.82
	Finance costs	**30**	95.88	115.79
	Depreciation and amortization expense	**31**	265.27	240.28
	Other expenses	**32**	819.69	748.60
	Total expenses		**10,947.30**	**9,673.01**
III	**Profit before exceptional items and tax expense (I-II)**		**2,062.43**	**1,811.06**
IV	**Exceptional items (net)**	**33**	(413.29)	-
V	**Profit before tax expense (III-IV)**		**1,649.14**	**1,811.06**
VI	**Tax expense (net):**	**34**		
	Current tax		519.28	410.55
	Deferred tax charge/(credit)		5.67	6.34
	Current tax relating to earlier periods		-	14.96
	Total tax expenses		**524.95**	**431.85**
VII	**Profit for the year (V-VI)**		**1,124.19**	**1,379.21**
VIII	**Other comprehensive income ('OCI'), net of taxes**			
	Items that will not be reclassified subsequently to profit or loss:			
	Re-measurement gain /(loss) on defined benefit plan		(3.06)	0.35
	Total other comprehensive income		**(3.06)**	**0.35**

Standalone statement of profit and loss for the year ended March 31, 2022

₹ in Million

		Notes	Year ended March 31, 2022	Year ended March 31, 2021
IX	**Total comprehensive income for the year (VII+VIII) comprising profit and other comprehensive Income**		**1,121.13**	**1,379.56**
X	**Earnings per equity share [nominal value of share ₹ 1 (March 31, 2021: ₹ 1)]**	**35**		
	Basic		8.11	9.86
	Diluted		8.10	9.86
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 25, 2022

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

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

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place : Bengaluru
Date : May 25, 2022

Standalone statement of changes in equity for the year ended March 31, 2022

A. Equity share capital (refer note 16)

	Number	₹ in Million
Equity shares of ₹ 1 each issued, subscribed and fully paid-up		
As at April 1, 2020	139,872,473	139.87
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at April 1, 2021	**139,872,473**	**139.87**
Issue of shares during the year*	12,697	0.01
Buy Back of equity shares	(1,500,000)	(1.50)
As at March 31, 2022	**138,385,170**	**138.39**

* During the year the Company allotted 12,697 (March 31, 2021- Nil) equity shares of ₹ 1 each, consequent to the exercise of employee stock appreciation rights. Also refer note 46.

B. Other equity (refer note 17)

₹ in Million

	Attributable to equity holders of the Company						
	Reserves and surplus						Total
	Capital reserve	Securities premium	Capital redemption reserve	General reserve	Share based payments reserves	Surplus in the statement of profit & loss	
As at April 1, 2020	**5.13**	**1,861.81**	**293.70**	**3,660.83**	**52.12**	**1,803.03**	**7,676.62**
Add: Profit for the year	-	-	-	-	-	1,379.21	1,379.21
Add: OCI - Re-measurement loss on defined benefit obligation (net of tax)	-	-	-	-	-	0.35	0.35
Add: Share based payments expense	-	-	-	-	24.07	-	24.07
Add/ Less: Transfer to general reserve	-	-	-	750.00	-	(750.00)	-
Less: Cash dividends	-	-	-	-	-	(104.90)	(104.90)
Balance as at March 31, 2021	**5.13**	**1,861.81**	**293.70**	**4,410.83**	**76.19**	**2,327.69**	**8,975.35**
Add: Profit for the year	-	-	-	-	-	1,124.19	1,124.19
Less: OCI - Re-measurement gain on defined benefit obligation (net of tax)	-	-	-	-	-	(3.06)	(3.06)
Add: Share based payments expense	-	-	-	-	23.50	-	23.50
Add/ Less: Exercise of employee stock appreciations rights	-	5.58	-	-	(5.58)	-	-
Less: Cash dividends	-	-	-	-	-	(262.92)	(262.92)
Add/ Less: Buy Back of equity shares	-	(478.50)	1.50	-	-	(1.50)	(478.50)
Less: Tax on buy back of equity shares	-	-	-	-	-	(110.95)	(110.95)
Balance as at March 31, 2022	**5.13**	**1,388.89**	**295.20**	**4,410.83**	**94.11**	**3,073.45**	**9,267.61**

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

As per our report of even date

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

per Rajeev Kumar
Partner
Membership No.: 213803

Place : Bengaluru
Date : May 25, 2022

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

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

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place : Bengaluru
Date : May 25, 2022

Standalone statement of cash flows for the year ended March 31, 2022

₹ in Million

		Year ended March 31, 2022	Year ended March 31, 2021
A	**Operating activities**		
	Profit before tax expense	1,649.14	1,811.06
	Adjustments to reconcile profit before tax expense to net cash flows:		
	Depreciation and amortization expense	265.27	240.28
	Allowance for doubtful receivables (net)	6.34	(6.98)
	Loss /(profit) on disposal of property, plant and equipment (net)	(0.55)	0.11
	Fair value gain in financial instruments	(143.02)	(203.83)
	Finance cost	95.88	115.79
	Interest income	(3.67)	(1.56)
	Dividend income	(69.91)	(69.60)
	Exceptional Items	413.29	-
	Employee share based payments	21.45	21.92
	Operating profit before working capital changes	**2,234.22**	**1,907.19**
	Working capital adjustments:		
	(Increase)/decrease in inventories	(24.98)	(394.27)
	(Increase)/decrease in trade receivables	82.97	(523.52)
	(Increase)/decrease in loans	(4.10)	(0.58)
	(Increase)/decrease in other financial assets	(12.34)	(6.96)
	(Increase)/decrease in other assets	37.25	24.76
	Increase/(decrease) in trade payables	(406.82)	272.79
	Increase/(decrease) in other financial liabilities	10.20	24.08
	Increase/(decrease) in provisions	12.99	(8.64)
	Increase/(decrease) in other liabilities	(13.72)	75.82
	Cash generated from operations	**1,915.67**	**1,370.67**
	Direct taxes paid (net of refund)	(520.32)	(387.66)
	Net cash flows from operating activities	**1,395.35**	**983.01**
B	**Investing activities**		
	Purchase of property, plant and equipment and other intangible assets	(446.75)	(193.55)
	Proceeds from sale of property, plant and equipment	1.11	1.80
	Purchase of investments	(1,120.00)	(2,150.35)
	Sales of investments	1,956.29	2,015.64
	Movement in deposits (net)	150.58	(140.92)
	Interest received	1.36	0.71
	Dividend received from subsidiary companies	69.91	69.60
	Loan given to subsidiary company	(1,440.33)	-
	Net cash flows used in investing activities	**(827.83)**	**(397.07)**

Standalone statement of cash flows for the year ended March 31, 2022

₹ in Million

		Year ended March 31, 2022	Year ended March 31, 2021
C	**Financing activities**		
	Movement in working capital loans (net) [note 18(a)]	461.82	(102.71)
	Movement in long term borrowings (net) [note 18(a)]	(111.22)	(143.57)
	Interest paid	(99.38)	(115.25)
	Payment of lease liabilities [note 18(b)]	(8.91)	(1.62)
	Dividend paid to equity shareholders	(274.61)	(104.04)
	Issue of share capital	0.01	-
	Buy-back of equity shares	(480.00)	-
	Tax on buy-back of equity shares	(110.95)	-
	Net cash flows used in financing activities	**(623.24)**	**(467.19)**
D	**Net increase in cash and cash equivalents (A+B+C)**	**(55.72)**	**118.75**
	Cash and cash equivalents at the beginning of the year	329.28	210.53
E	**Cash and cash equivalents at the end of the year (refer note 11)**	**273.56**	**329.28**
	Cash and cash equivalents as at year end comprises -		
	Cash on hand	0.91	1.14
	Balance with banks on		
	Current accounts	248.65	290.09
	EEFC accounts	24.00	38.05
	Total cash and cash equivalents	**273.56**	**329.28**

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

As per our report of even date

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

per Rajeev Kumar
Partner
Membership No.: 213803

Place : Bengaluru
Date : May 25, 2022

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

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

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place : Bengaluru
Date : May 25, 2022

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. Corporate information

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

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

The standalone financial statements were authorised for issue in accordance with a resolution of the Company's Board of Directors on May 25, 2022.

2. Significant accounting policies

(a) Basis of preparation of standalone financial statements

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the standalone financials statements. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from April 1, 2021. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

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

(b) Use of estimates, assumptions and judgments

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

Estimation of uncertainties relating to COVID-19

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

Impairment of financial assets

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

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

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

Impairment of non-financial assets

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date (refer note 39(b)).

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

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

Fair Value measurement of financial instruments

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

Share-based payments (Employee Stock Appreciation Plan)

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

Taxes

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

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

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts [Refer to note 2(l)].

(c) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

the liability for at least twelve months after the reporting period.

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

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

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

(d) Foreign currencies

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

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

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

(e) Fair value measurement

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

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

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

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

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

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

(f) Revenue from contract with customer

The Company earns revenue from contract with customer

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

primarily from sale of goods.

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

Contract assets

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

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

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

Sale of goods

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

The revenue is collected immediately upon sale of goods or as per agreed credit terms which is within 0 to 365 days upon delivery.

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

Variable Consideration

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

Sale of Services

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

Interest income

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

Export benefits

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

Dividend

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

(g) Government grants

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

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the standalone statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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

(h) Taxes

Current income tax

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

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

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

Deferred income tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

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

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

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

(i) Property, plant and equipment

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Depreciation is calculated on a straight-line basis over the useful lives of the assets, as specified in Schedule II to the Act except in case of certain assets wherein depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

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

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

(j) Intangible assets

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

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

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

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

	Useful life (years)
Software	3
Business rights	5
Patents	5

(k) Borrowing costs

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

(l) Leases

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

The Company as a lessee

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

Right-of-use assets

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

	Useful lives (years)
Leasehold land	15 to 99
Buildings	2 to 5

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

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

Lease Liabilities

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

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

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

Short-term leases and leases of low-value assets

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

The Company as a lessor

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

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

(m) Inventories

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

- Raw materials: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

- Finished goods and work-in-progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

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

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

(n) Impairment of non-financial assets

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

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

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

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

(o) Provisions

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

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

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

(p) Retirement and other employee benefits

Retirement benefit in the form of provident fund and employee state insurance which are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund and employee state insurance. The Company recognizes contribution payable to the provident fund and employee state insurance scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

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

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

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

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

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

Equity-settled transactions

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

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

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

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

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

(r) Financial instruments

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

Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement

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

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

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

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

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

(ii) The asset's contractual cash flows represent SPPI.

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

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

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

Investment in subsidiary

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

De-recognition

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

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets

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

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

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

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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

Loans and borrowings

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

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

Financial guarantee

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

De-recognition

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

Offsetting of financial instruments

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

(s) Derivative financial instruments and hedge accounting

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

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

(t) Cash and cash equivalents

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

(u) Standalone statement of cash flow

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

(v) Cash dividend to equity holders

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

(w) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements.

Earnings per share

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

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

(x) Segment reporting

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

New and amended standards

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective:

i) Interest Rate Benchmark Reform Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest

- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued

- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

These amendments had no impact on the financial statements of the Company.

ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS. includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after April 1, 2021.

These amendments had no impact on the financial statements of the Company.

iii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond June 30, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before June 30, 2022 from June 30, 2021. The amendment applies to annual reporting periods beginning on or after April 1, 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after April 1, 2020.

These amendments had no impact on the financial statements of the Company.

iv) Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Company.

v) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

Notes to the standalone financial statements for the year ended March 31, 2022

3.(i) Property, plant and equipment

₹ in Million

	Freehold Land	Leasehold land*	Buildings	Electrical installations	Plant and equipments	Dies and moulds	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
Cost											
As at April 01, 2020	**234.39**	**27.04**	**1,235.58**	**163.53**	**1,329.03**	**69.83**	**50.43**	**38.47**	**52.81**	**30.52**	**3,231.63**
Additions	-	-	104.50	32.61	104.51	18.54	7.94	1.07	8.93	5.48	**283.58**
Disposals	-	-	-	-	(6.50)	(0.18)	(0.01)	(0.81)	(0.55)	(0.71)	**(8.76)**
As at March 31, 2021	**234.39**	**27.04**	**1,340.08**	**196.14**	**1,427.04**	**88.19**	**58.36**	**38.73**	**61.19**	**35.29**	**3,506.45**
Additions	-	-	70.73	23.54	178.49	20.43	13.43	6.81	8.08	10.80	**332.31**
Disposals	-	-	-	-	(9.26)	-	(0.03)	(0.07)	(0.74)	(0.09)	**(10.19)**
As at March 31, 2022	**234.39**	**27.04**	**1,410.81**	**219.68**	**1,596.27**	**108.62**	**71.76**	**45.47**	**68.53**	**46.00**	**3,828.57**
Depreciation											
As at April 01, 2020	**-**	**-**	**182.96**	**35.75**	**425.85**	**31.24**	**13.04**	**10.76**	**16.94**	**19.72**	**736.26**
Charge for the year	-	-	53.26	9.53	124.89	12.29	4.49	5.03	7.89	5.39	**222.77**
Disposals	-	-	-	-	(4.84)	(0.04)	(0.01)	(0.76)	(0.51)	(0.70)	**(6.86)**
As at March 31, 2021	**-**	**-**	**236.22**	**45.28**	**545.90**	**43.49**	**17.52**	**15.03**	**24.32**	**24.41**	**952.17**
Charge for the year	-	-	58.96	11.38	130.21	15.10	5.29	4.86	9.22	5.83	**240.85**
Disposals	-	-	-	-	(8.79)	-	(0.03)	(0.03)	(0.70)	(0.09)	**(9.64)**
As at March 31, 2022	**-**	**-**	**295.18**	**56.66**	**667.32**	**58.59**	**22.78**	**19.86**	**32.84**	**30.15**	**1,183.38**
Net book value											
As at March 31, 2021	**234.39**	**27.04**	**1,103.86**	**150.86**	**881.14**	**44.70**	**40.84**	**23.70**	**36.87**	**10.88**	**2,554.28**
As at March 31, 2022	**234.39**	**27.04**	**1,115.63**	**163.02**	**928.95**	**50.03**	**48.98**	**25.61**	**35.69**	**15.85**	**2,645.19**

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

Notes:

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

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

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Gross block	**749.68**	**746.48**
Additions	-	3.20
Total gross block	**749.68**	**749.68**
Accumulated depreciation	**(142.43)**	**(113.48)**
Charge for the year	(29.05)	(28.95)
Total accumulated depreciation	**(171.48)**	**(142.43)**
Net book value	**578.20**	**607.25**

3(ii) Capital work in progress

₹ in Million

	Total
As at April 1, 2020	**138.36**
Additions	92.87
Capitalised	(196.40)
As at March 31, 2021	**34.83**
Additions	210.80
Capitalised	(166.55)
As at March 31, 2022	**79.08**

Capital work in progress (CWIP) ageing schedule

₹ in Million

As at March 31, 2022	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	75.10	3.98	-	-	79.08
Projects temporarily suspended	-	-	-	-	-
Total	**75.10**	**3.98**	**-**	**-**	**79.08**

As at March 31, 2021	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	34.81	0.02	-	-	34.83
Projects temporarily suspended	-	-	-	-	-
Total	**34.81**	**0.02**	**-**	**-**	**34.83**

There are no overdue or cost overrun projects compared to its original plan and no CWIP which are temporarily suspended, on the abovementioned reporting dates.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

4(i) Intangible assets

₹ in Million

	Business rights	Patents	Software	Total
Cost				
As at April 01, 2020	**13.16**	**0.49**	**46.86**	**60.51**
Additions	-	0.27	3.69	3.96
Disposals	-	-	(0.57)	(0.57)
As at March 31, 2021	**13.16**	**0.76**	**49.98**	**63.90**
Additions	-	-	9.38	9.38
Disposals	-	-	(0.03)	(0.03)
As at March 31, 2022	**13.16**	**0.76**	**59.33**	**73.25**
Amortization				
As at April 01, 2020	**13.16**	**0.28**	**25.51**	**38.95**
Charge for the year	-	0.04	12.65	12.69
Disposals	-	-	(0.56)	(0.56)
As at March 31, 2021	**13.16**	**0.32**	**37.60**	**51.08**
Charge for the year	-	0.18	10.14	10.32
Disposals	-	-	(0.03)	(0.03)
As at March 31, 2022	**13.16**	**0.50**	**47.71**	**61.37**
Net book value				
As at March 31, 2021	**-**	**0.44**	**12.38**	**12.82**
As at March 31, 2022	**-**	**0.26**	**11.62**	**11.88**

4(ii) Intangible assets under development

₹ in Million

	Total
As at April 1, 2020	**6.24**
Additions	1.37
Capitalised	-
As at March 31, 2021	**7.61**
Additions	0.21
Capitalised	-
As at March 31, 2022	**7.82**

Intangible Asset under Development (IAUD) ageing schedule

As at March 31, 2022	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.11	0.74	1.65	4.32	7.82
Projects temporarily suspended	-	-	-	-	-
Total	**1.11**	**0.74**	**1.65**	**4.32**	**7.82**

As at March 31, 2021	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.59	1.66	0.08	4.28	7.61
Projects temporarily suspended	-	-	-	-	-
Total	**1.59**	**1.66**	**0.08**	**4.28**	**7.61**

There are no overdue or cost overrun projects compared to its original plan and no IAUD which are temporarily suspended, on the abovementioned reporting dates.

5. Right-of-use assets

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

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	Buildings	Leasehold land	Total
As at April 1, 2020	-	204.95	204.95
As at March 31, 2021	**-**	**204.95**	**204.95**
Additions	42.55	-	42.55
As at March 31, 2022	**42.55**	**204.95**	**247.50**
Accumulated depreciation			
As at April 1, 2020	-	4.84	4.84
Depreciation expense	-	4.82	4.82
As at March 31, 2021	**-**	**9.66**	**9.66**
Depreciation expense	9.28	4.82	14.10
As at March 31, 2022	**9.28**	**14.48**	**23.76**
Net book value as at March 31, 2021	**-**	**195.29**	**195.29**
Net book value as at March 31, 2022	**33.27**	**190.47**	**223.74**

6. Investments

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
Investment carried at cost (unquoted equity instruments)		
6 a) Investments in equity shares of wholly owned subsidiaries		
Suprajit Automotive Private Limited, India 1,990,000 (March 31, 2021: 1,990,000) equity shares of ₹ 10 each including beneficial holding of 1 equity share. (Refer Note e)	28.71	19.90
Suprajit Europe Limited, UK 2,200,000 (March 31, 2021: 2,200,000) equity shares of GBP 1 each.	186.00	186.00
Trifa Lamps Germany, GmbH, Germany 30,000 (March 31, 2021: 30,000) equity shares of Euro 1 each. [Net of impairment on investment ₹ 54.00 Million (March 31, 2021: ₹ 54.00) (Refer Note c)]	258.00	258.00
Luxlite Lamp SARL, Luxembourg 91,125 (March 31, 2021: 91,125) equity shares of Euro 100 each. [Net of impairment on investment ₹ 792.30 Million (March 31, 2021: ₹ 307.51.) (Refer Note b)]	-	484.79
Suprajit USA Inc., USA 1,000 (March 31, 2021: 1,000) Common Stock of USD 21,000 each. (Refer Note d)	1,441.76	1,441.76
Total	**1,914.47**	**2,390.45**
Aggregate amount of unquoted investment in subsidiaries	2,760.77	2,751.96
Less: Aggregate amount of impairment in value of investments	(846.30)	(361.51)
Total	**1,914.47**	**2,390.45**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Note:

a) Based on Networth, future operational plan, projected cash flows and valuation carried out, the Company had assessed the carrying value of its investment in its wholly owned subsidiaries as at March 31, 2022 and March 31, 2021.

b) Based on the financial statements of the wholly owned subsidiary namely Luxlite Lamp SARL Luxembourg as at March 31, 2022, the net worth of the subsidiary is eroded. The aforesaid subsidiary has incurred loss during the current year as well as in the earlier years. The Company carried out the fair valuation of the aforesaid subsidiary as at September 30, 2021 and accordingly made a provision of ₹ 484.79 Million in addition to earlier impairment provision of ₹ 307.51 Million on account of diminution in the value of its investment in the aforesaid subsidiary. The Company, further carried out fair valuation of the aforesaid subsidiary as at March 31, 2022 and has considered the carrying value to be appropriate. The provision made during the year has been disclosed under 'Exceptional item'. Refer note 33(b) to the standalone financial statements.

c) Based on the financial statements of the wholly owned subsidiary namely Trifa Lamps Germany, GmbH, Germany as at March 31, 2022, the net worth of the subsidiary has been evaluated. The Company has carried out the fair valuation of the aforesaid subsidiary as at March 31, 2022 and has accordingly considered the carrying value to be appropriate.

d) Includes investments in the form of Financial guarantee provided to bankers of Suprajit USA Inc. amounting to ₹ 27.83 Million (March 31, 2021 ₹ 27.83 Million).

e) Includes share based payments expenses towards employees of subsidiary amounting to ₹ 8.81 Million (March 31, 2021 ₹ Nil).

Valued at fair value through profit and loss

	As at March 31, 2022			As at March 31, 2021		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
6 b) Investments in quoted mutual funds						
Quoted mutual funds (fully paid-up)						
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct Plan - Growth	-	-	-	835,571	29.91	24.99
Franklin India Short Term Income Plan - Retail Plan - Direct Plan - Growth	5,463	4,730.08	25.84	43,600	4,249.99	185.30
Franklin India Low Duration Fund - Direct - Growth	-	-	-	1,104,587	23.84	26.33
Franklin India Low Duration Fund - Growth	-	-	-	379,821	23.21	8.82
Franklin India Dynamic Accrual Fund - Direct Plan - Growth	18,752	82.54	1.55	862,919	75.44	65.10
Franklin India Credit Risk Fund - Direct Plan - Growth	138,290	24.02	3.32	1,072,545	22.05	23.65
Total			**30.71**			**334.19**
Total Non current investment			**1,945.18**			**2,724.64**
Aggregate market value of quoted investments			**30.71**			**334.19**

As on March 31, 2022, the Company has an investment of ₹ 50.89 Million (March 31, 2021: ₹ 657.19 Million) in the wound up schemes of Franklin Templeton Mutual Fund (FTMF), valued at Net Asset Value (NAV) as on said date. The Company evaluated the provision made towards investment in FTMF and reversed the provision of ₹ 71.50 Million (March 31, 2021 ₹ nil) out of the total provision of ₹ 97.95 Million during the year ended March 31, 2022 considering the redemption and realisation of significant portion of investments in FTMF.

The aforesaid reversal of provision for diminution in the value of investments has been reflected as 'exceptional item' (refer note 33(a)). The classification of said investment in current and non-current investment is based on maturity profile provided by FTMF.

7. Inventories

(Valued at lower of cost and net realisable value) ₹ in Million

	As at March 31, 2022	As at March 31, 2021
Raw materials [includes goods in transit ₹ 49.64 Million (March 31, 2021: ₹ 135.88 Million)]	1,248.01	1,189.96
Work-in-progress	126.79	148.37
Finished goods	544.01	535.06
Traded goods [includes goods in transit ₹ Nil (March 31, 2021: ₹ 13.85 Million)]	15.89	19.93
Less: Allowance towards slow and non-moving items	(79.54)	(63.14)
Total	**1,855.16**	**1,830.18**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

8 Investments

(Valued at fair value through profit and loss)

	As at March 31, 2022			As at March 31, 2021		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
Quoted mutual funds (fully paid-up)*						
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct Plan - Growth	217,662	33.60	7.31	3,615,740	29.91	108.15
Aditya Birla Sun Life Banking & PSU Debt Fund- Growth-Direct Plan (formerly known as Aditya Birla Sun Life Treasury Optimizer Plan)	245,120	304.33	74.60	1,294,728	289.72	375.11
IDFC Dynamic Bond Fund-Growth-(Regular Plan)	-	-	-	720,861	26.90	19.39
Aditya Birla Sun Life Credit Risk Fund Gr. DIRECT (Segregated Portfolio - 1)	19,037,233	0.17	3.23	19,037,233	0.42	7.91
ICICI Prudential Equity Arbitrage Fund - Direct plan - Growth	-	-	-	4,490,155	28.05	125.96
Franklin India Low Duration Fund - Direct Plan - Growth	113,022	28.14	3.18	1,848,191	23.84	44.06
Franklin India Low Duration Fund - Growth	38,814	31.99	1.24	634,215	23.21	14.72
Franklin India Dynamic Accrual Fund - Direct Plan - Growth	54,757	82.54	4.52	666,641	75.44	50.29
Franklin India Credit Risk Fund - Direct Plan - Growth	50,032	24.02	1.20	739,157	22.05	16.30
HDFC Corporate Bond Fund - Regular Plan - Growth	2,251,847	26.13	58.85	2,251,847	24.93	56.13
HDFC Floating Rate Debt Fund - Direct Plan - Growth Option	1,813,231	40.10	72.70	1,813,231	38.29	69.43
SBI Magnum Medium Duration Fund Direct Growth	5,503,788	43.77	240.88	4,793,102	41.51	198.94
ICICI Prudential Savings Fund - Direct Plan- Growth	164,230	437.71	71.89	164,230	419.69	68.93
Franklin India Short term Income plan - Retail Plan - Direct Plan - Growth	577	4,730.08	2.73	21,055	4,249.99	89.48
SBI Corporate Bond Fund - Direct Plan - Growth	4,227,965	12.78	54.01	4,227,965	12.21	51.64
HDFC Banking and PSU Debt Fund - Direct - Growth	5,621,128	19.16	107.70	4,545,254	18.25	82.95
IDFC Banking and PSU Debt Fund - Regular Plan - Growth	1,072,005	20.02	21.46	1,072,005	19.23	20.62
IDFC Banking and PSU Debt Fund - Direct Plan - Growth	6,393,041	20.40	130.41	2,588,385	19.54	50.58
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	3,085,130	24.59	75.85	3,085,130	23.51	72.52
HDFC Short Term Debt Fund - Direct Plan - Growth	5,832,745	26.22	152.93	3,282,994	24.95	81.90
HDFC Corporate Bond Fund - Direct Plan - Growth	6,977,542	26.48	184.78	5,393,676	25.18	135.83

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

8 Investments (cont..):
(Valued at fair value through profit and loss)

	As at March 31, 2022			As at March 31, 2021		
	Units	**NAV (₹)**	**₹ in Million**	**Units**	**NAV (₹)**	**₹ in Million**
SBI Short Term Debt Fund - Direct Plan - Growth	2,364,012	27.23	64.37	857,575	26.03	22.32
IDFC Dynamic Bond Fund - Growth - Direct Plan	4,818,837	30.39	146.43	2,428,222	28.82	69.99
ICICI Prudential Short Term Fund - Direct Plan - Growth	1,678,191	51.05	85.66	1,071,030	48.62	52.07
Kotak Banking and PSU Debt Fund - Direct- Growth	2,400,347	54.28	130.29	2,018,780	51.52	104.01
Aditya Birla Sun Life Corporate Bond Fund - Growth - Direct Plan (formerly known as Aditya Birla Sun Life Short Term Fund)	2,646,565	91.21	241.39	2,646,565	86.73	229.54
ICICI Prudential Liquid Fund - Direct Plan - Growth	-	-	-	395,264	304.74	120.45
Axis Liquid Fund - Direct - Growth - CFDG	-	-	-	52,725	2,284.79	120.47
SBI Liquid Fund - Direct - Growth	-	-	-	37,395	3,221.62	120.47
ICICI Prudential Short Term Fund - Direct Plan - Growth	1,310,931	51.01	66.88	-	-	-
ICICI Prudential Ultra Short Term Fund -Direct Plan - Growth	3,861,592	23.91	92.33	-	-	-
Aditya Birla Sun Life Corporate Bond Fund - Growth - Regular Plan (formerly known as Aditya Birla Sun Life Short Term Fund)	228,531	90.19	20.61	-	-	-
Kotak Corporate Bond - Fund Direct - Growth	23,283	3,132.88	72.94	-	-	-
Total			**2,190.37**			**2,580.16**
Aggregate market value of quoted investments			**2,190.37**			**2,580.16**
*Refer note 6(b)						

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

9. Trade receivables

(Unsecured, carried at amortised cost) ₹ in Million

	As at March 31, 2022	As at March 31, 2021
Trade receivables from other than related parties	2,166.24	2,306.83
Receivables from related parties*	476.95	425.67
Total	**2,643.19**	**2,732.50**
Break-up for security details:		
Current		
Unsecured, considered good	2,643.19	2,732.50
Unsecured, credit impaired	8.48	4.54
Total	**2,651.67**	**2,737.04**
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables - credit impaired	(8.48)	(4.54)
Total	**2,643.19**	**2,732.50**

* Includes dues from companies where directors are interested.
refer note 41 for related party transactions.
Trade receivables are non interest bearing and are generally on terms of 0 to 365 days.

Trade receivables ageing schedule

	Outstanding for following periods from due date of payment						
As at March 31, 2022	**Not due**	**Less than 6 Months**	**6 months – 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed trade receivables							
Considered good	1,705.65	861.52	76.02	-	-	-	2,643.19
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	1.64	4.13	1.69	0.96	0.06	8.48
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	**1,705.65**	**863.16**	**80.15**	**1.69**	**0.96**	**0.06**	**2,651.67**

	Outstanding for following periods from due date of payment						
As at March 31, 2021	**Not due**	**Less than 6 Months**	**6 months – 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade Receivables							
Considered good	1,788.83	899.58	42.82	1.27	-	-	2,732.50
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	1.06	1.53	1.67	0.19	0.09	4.54
Disputed Trade Receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	**1,788.83**	**900.64**	**44.35**	**2.94**	**0.19**	**0.09**	**2,737.04**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

10. Loans

(Unsecured, considered good, carried at amortised cost)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
Loan to subsidiary company	1,440.33	-
Total	**1,440.33**	**-**

Note:

a) The Company has provided a loan of USD 19 Million (₹ 1,440.33 Million) to Suprajit USA Inc. for the purpose of acquisition of Light Duty Cable (LDC) business from Kongsberg Automotive ASA, listed on the Oslo Stock Exchange, Norway under Share and Asset Purchase Agreement with the Company and also to meet the working capital requirement of such business exclusively. The loan is repayable in 20 equal quarterly installments commencing from April 1, 2027 and interest is accrued on monthly basis. Also refer note 41 & 50

b) Intercompany loans are disclosed below as required by sec 186(4) of the Companies Act 2013

Name of the loanee	Rate of interest	Secured/unsecured	As at March 31, 2022	As at March 31, 2021
Suprajit USA Inc	6.83%	Unsecured	1,440.33	-

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Current		
Advances to employees	13.43	9.33
Recoverable from subsidiaries (refer note 41)	-	6.77
Total	**13.43**	**16.10**

11. Cash and cash equivalents

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Current		
Cash on hand	0.91	1.14
Balance with banks on		
Current accounts	248.65	290.09
EEFC accounts	24.00	38.05
Total	**273.56**	**329.28**

12. Other bank balances

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Current		
Balance with banks on deposits with remaining maturity for less than 12 months	7.15	6.04
Earmarked balances with banks being unpaid dividend accounts*	11.32	23.01
Balance with banks in buy back 2021 escrow account#	-	140.00
Total	**18.47**	**169.05**

*These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities. The Company transferred ₹ 14.06 Million (March 31, 2021 ₹ 0.18 Million) during the year to investor education and protection fund as per the provisions of the Companies Act, 2013. In respect of remittance of unpaid dividend of ₹ 9.01 million pertaining to FY 2013-14 of Phoenix Lamps Limited, the company initiated the payment request to bank before the due date however due to administrative reasons on account of covid, it was processed after due date.

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

13. Other financial assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
Carried at amortised cost		
Security deposits	50.44	47.54
Margin money deposits	0.78	0.78
Carried at fair value through profit and loss		
Foreign currency forward contracts	1.37	1.74
Total	**52.59**	**50.06**
Current		
Carried at fair value through profit and loss		
Foreign currency forward contracts	11.10	1.29
Carried at amortised cost		
Interest receivable on bank deposits and others	5.14	2.83
Total	**16.24**	**4.12**

14. Other assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
Capital advances	97.36	29.21
Balances with statutory/government authorities	2.56	1.65
Others	0.89	0.89
Total	**100.81**	**31.75**
Current		
Advances to suppliers	38.57	61.20
Prepaid expenses	30.46	31.35
Export benefits receivable	9.40	5.52
Balances with statutory/government authorities	34.35	50.39
Government grant	-	2.67
Others	0.19	-
Total	**112.97**	**151.13**

15. Income tax assets (net)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
Advance income-tax, including paid under protest (net of provision for taxation)	22.06	21.42
Total	**22.06**	**21.42**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

16. Equity share capital

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Authorised share capital		
850,000,000 (March 31, 2021: 850,000,000) equity shares of ₹ 1 each	850.00	850.00
Issued, subscribed and fully paid-up equity share capital		
138,385,170 (March 31, 2021: 139,872,473) equity shares of ₹ 1 each	138.39	139.87
Total	**138.39**	**139.87**

(a) Terms/rights attached to equity shares:

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

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

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

	Year ended March 31, 2022		Year ended March 31, 2021	
	Number	₹ in Million	Number	₹ in Million
Equity shares				
At the beginning of the year	139,872,473	139.87	139,872,473	139.87
Issue of shares during the year*	12,697	0.01	-	-
Buy back of equity shares (Refer note 16(h))	(1,500,000)	(1.50)	-	-
Outstanding at the end of the year	**138,385,170**	**138.39**	**139,872,473**	**139.87**

* During the year the Company allotted 12,697 (March 31, 2021- Nil) equity shares of ₹ 1 each, consequent to the exercise of employee stock appreciation rights. Also refer note 46.

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

	Year ended March 31, 2022		Year ended March 31, 2021	
	Number	%	Number	%
Equity shares of ₹ 1 each fully paid				
Supriyajith Family Trust	52,641,584	38.04%	53,151,540	38.00%

(d) Details of shares held by promoters at the end of the year:

	As at March 31, 2022				
Name of the promoter	**March 31, 2021**	**Change**	**March 31, 2022**	**% holding of equity shares**	**% change during the year**
Equity shares of ₹ 1 each fully paid up					
Supriyajith Family Trust	53,151,540	(509,956)	52,641,584	38.04%	(0.97%)
K Ajith Kumar Rai	3,816,897	(17,492)	3,799,405	2.75%	(0.46%)
Supriya Ajithkumar Rai	1,757,835	(18,325)	1,739,510	1.26%	(1.05%)
Akhilesh Rai	1,207,948	(6,182)	1,201,766	0.87%	(0.51%)
Ashutosh Rai	1,205,000	(7,988)	1,197,012	0.86%	(0.67%)
Aashish Rai	1,200,000	(5,000)	1195,000	0.86%	(0.42%)

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

	As at March 31, 2021				
Name of the promoter	**March 31, 2020**	**Change**	**March 31, 2021**	**% holding of equity shares**	**% change during the year**
Equity shares of ₹ 1 each fully paid up					
Supriyajith Family Trust	53,151,540	-	53,151,540	38.00%	0.00%
K Ajith Kumar Rai	3,816,897	-	3,816,897	2.73%	0.00%
Supriya Ajithkumar Rai	1,757,835	-	1,757,835	1.26%	0.00%
Akhilesh Rai	1,207,948	-	1,207,948	0.86%	0.00%
Ashutosh Rai	1,205,000	-	1,205,000	0.86%	0.00%
Aashish Rai	1,200,000	-	1,200,000	0.86%	0.00%

(e) Shares reserved for issue under share based payments

Outstanding employee stock options under below schemes, granted/ available for grant (refer note 46):

	As at March 31, 2022	As at March 31, 2021
Employee Stock Appreciation Rights (SEL ESAR 2017)	1,086,019	819,213

(f) Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	As at March 31, 2022	As at March 31, 2021
Equity shares (No.)		
Equity shares allotted as fully paid-up pursuant to contract (no.)		
The Company issued 8,533,699 equity shares of ₹ 1 each to the minority shareholders of Phoenix Lamps Limited, as part of merger.	8,533,699	8,533,699

(g) The Company has not issued any bonus shares for the period of five years immediately preceding the date as at which the Balance sheet is prepared.

(h) On February 10, 2021, the Board of Directors approved a proposal to Buy-back up to 1,500,000 fully paid equity shares of ₹ 1 each (representing 1.07% of paid-up equity share capital of the company at that date) from the shareholders of the Company on a proportionate basis through tender offer, at a price of ₹ 320 per fully paid-up equity share for an aggregate amount not exceeding ₹ 480 Million in accordance with the provisions contained in the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended and the Companies Act, 2013 and rules made thereunder. The buy-back completed on May 12, 2021. Capital redemption reserve was created to the extent of the shares extinguished (₹ 1.50 Million). The excess cost of buy back of ₹ 478.50 Million over par value of equity shares was off set from securities premium and corresponding tax buy back of equity shares of ₹ 110.95 Million was off set from surplus in the statement of profit and loss.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

17. Other Equity

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Capital reserve		
Balance as per last financial statements	5.13	5.13
Closing balance	**5.13**	**5.13**
Capital redemption reserve		
Balance as per last financial statements	293.70	293.70
Add: Transferred from 'Surplus in the statement of profit & loss'	1.50	-
Closing balance	**295.20**	**293.70**
Securities premium		
Balance as per last financial statements	1,861.81	1,861.81
Add: On exercise of employee stock appreciation rights	5.58	-
Less: On buy back of equity shares	(478.50)	-
Closing balance	**1,388.89**	**1,861.81**
General reserve		
Balance as per last financial statements	4,410.83	3,660.83
Add: Transferred from 'Surplus in the statement of profit & loss'	-	750.00
Closing balance	**4,410.83**	**4,410.83**
Share based payments reserves		
Balance as per last financial statements	76.19	52.12
Add: Share based payments expense (refer note 46)	23.50	24.07
Less: On account of exercise of stock options	(5.58)	-
Closing balance	**94.11**	**76.19**
Surplus in the statement of profit & loss		
Balance as per last financial statements	2,327.69	1,803.03
Add: Profit for the year	1,124.19	1,379.21
Add/ (less): OCI - Re-measurement gain/ (loss) on defined benefit obligation (net of tax)	(3.06)	0.35
Less: Transfer to Capital redemption reserve	(1.50)	-
Less: Tax on buy back of equity shares	(110.95)	-
Less: Appropriations		
Interim dividend [₹ 0.90 (March 31, 2021: ₹ 0.75) per share]	(124.55)	(104.90)
Final dividend [March 31, 2021: ₹ 1.00 (March 31, 2020: ₹ Nil) per share]	(138.37)	-
Transfer to general reserve	-	(750.00)
Closing balance	**3,073.45**	**2,327.69**
Total	**9,267.61**	**8,975.35**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Summary of other equity: ₹ in Million

	As at March 31, 2022	As at March 31, 2021
Capital reserve	5.13	5.13
Capital redemption reserve	295.20	293.70
Securities premium	1,388.89	1,861.81
General reserve	4,410.83	4,410.83
Share based payments reserves	94.11	76.19
Surplus in the statement of profit & loss	3,073.45	2,327.69
	9,267.61	**8,975.35**

Distribution made and proposed ₹ in Million

	As at March 31, 2022	As at March 31, 2021
Cash dividends on equity shares declared and paid:		
Interim dividend for the year ended March 31, 2022: ₹ 0.90 per share (March 31, 2021: ₹ 0.75 per share)	124.55	104.90
Final dividend for the year ended March 31, 2021: ₹ 1.00 per share (March 31, 2020: ₹ Nil per share)	138.37	-
	262.92	**104.90**
Proposed dividends on equity shares:		
Final dividend for the year ended on March 31, 2022: ₹ 1.10 per share (March 31, 2021: ₹ 1.00 per share)	152.22	139.87
	152.22	**139.87**

Proposed dividend on equity shares are subject to approval by shareholders at the Annual General Meeting and hence not recognised as a liability as at March 31, 2022.

The dividend declared/ proposed and paid is in accordance with section 123 of the Companies Act, 2012.

Nature and purpose of reserves

17.1 Capital reserve

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

17.2 Capital redemption reserve

The Company recognised capital redemption reserve on redemption of Preference shares of erstwhile Phoenix Lamps Limited and upon merger of Phoenix Lamps Limited with the Company, the balances have been brought as such to the Company. Further, during the year, the Company recognised capital redemption reserve (₹ 1.50 Million) on buy back of equity shares.

17.3 Securities premium

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

17.4 General reserve

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

17.5 Share based payments reserves

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

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

18. (a) Borrowings

(Carried at amortised cost)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
Secured		
Term loans		
from banks - External Commercial Borrowing (ECB) (refer note [i] below)	211.65	322.87
Less: Current maturities of long-term borrowings:		
Secured term loans	(105.82)	(107.62)
Total	**105.83**	**215.25**
Current		
Secured		
Loans repayable on demand		
Working capital loans from banks (refer note [ii] below)	1,609.32	1,447.50
Current maturities of long-term borrowings	105.82	107.62
Unsecured		
Working capital loan from banks and financial institutions (refer note [iii] below)	300.00	-
Total	**2,015.14**	**1,555.12**

(i) External commercial borrowing is the term loan of EURO 2.50 Million (₹ 211.65 Million) (March 31, 2021: EURO 3.75 Million [₹ 322.87 Million]) which carries fixed interest rate of EURIBOR plus 1.25% and is repayable by the Company in 16 quarterly instalments of EURO 0.31 Million, the loan repayment started from May 20, 2020. The loan is secured by pari-passu first charge on the entire movable fixed assets, equitable mortgage of land and buildings and second charge on entire current assets of the Company.

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

(ii) Current borrowings represents:

(a) Working capital loans from banks are secured by current and future current assets. These facilities are also collaterally secured by pari-passu charge on entire current & future fixed assets (except certain plant and equipment on which exclusive charge has been created towards term loans) and equitable mortgage. Working capital demand loan, cash credit and overdraft is repayable on demand. These facilities carry interest in the range of 6.75% to 10% p.a. (March 31, 2021: 6.00% to 13.61% p.a.)

(b) Foreign Currency Loans are taken from bank and carry interest rate of 1.10 to 1.50% (March 31, 2021: 1.50%).

(c) Packing credit loans from banks are taken for a term not exceeding 180 days and carry interest rate of 3.50%. (March 31, 2021: 3.50% to 5.35%)

(iii) Current unsecured borrowings consists working capital demand loan from a bank availed by the Company for a term of three months and carry interest rate of 5.95% to 6.01% (March 31, 2021: NA).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

18. (b) Lease liabilities

(Carried at amortised cost)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
Lease Liabilities	58.56	37.40
Total	**58.56**	**37.40**
Current		
Lease Liabilities	14.26	1.78
Total	**14.26**	**1.78**

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

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Balance as per last financial statements	39.18	40.80
Additions	42.55	-
Accretion of interest	5.90	3.75
Payments	(14.81)	(5.37)
As at 31 March 2022	**72.82**	**39.18**
Current	14.26	1.78
Non-current	58.56	37.40
The effective interest rate for lease liabilities is 9.45%, with maturity in 2033.		

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
The following are the amounts recognised in profit or loss:		
Depreciation expense of right-of-use assets	14.10	4.82
Interest expense on lease liabilities	5.90	3.75
Expense relating to short-term leases/ leases of low-value assets (included in other expenses)	2.36	3.17
Total amount recognised in statement of profit and loss	**22.36**	**11.74**
The Company had total cash outflows for leases of ₹ 14.81 Million in March 31, 2022 (March 31, 2021: ₹ 5.37 Million). During the year ended March 31, 2022, the Company had non-cash additions to right-of-use assets ₹ 42.55 Million (March 31, 2021: ₹ Nil) and lease liabilities of ₹ 42.55 Million (March 31, 2021: ₹ Nil).		
The Company is obligated under non-cancellable lease for factory land, warehouse, office and residential space that are renewable on a periodic basis at the option of both the lessor and lessee.		

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

	Year ended March 31, 2022	Year ended March 31, 2021
Not later than one year	20.57	5.44
Later than one year and not later than five years	48.38	21.77
More than five years	32.84	38.56
Total	**101.79**	**65.77**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

19. Trade payables

(Carried at amortised cost)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Current		
Trade payables		
- Total outstanding dues of micro and small enterprises*	295.45	332.10
- Total outstanding dues of creditors other than micro and small enterprises#	1,070.74	1,440.91
Total	**1,366.19**	**1,773.01**

Terms and conditions of the above financial liabilities:

- Trade payables other than micro and small enterprises are non-interest bearing and are normally settled on 15-60 days terms.
- For explanations on the Company liquidity risk management, refer note 45.

Includes dues to related parties (refer note 41).

*The Company has amounts due to micro and small enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2022 and March 31, 2021. The details in respect of such dues are as follows:

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Principal amount remaining unpaid to any supplier at the end of accounting year	292.86	330.71
Interest due thereon remaining unpaid to any supplier at the end of accounting year	0.10	0.15
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year	0.89	0.93
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	1.99	1.61
The amount of interest accrued and remaining unpaid at the end of accounting year	2.59	1.39
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	2.59	1.39

The information given above has been determined to the extent such parties have been identified on the basis of information available with the Company.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Trade payables ageing schedule

₹ in Million

As at March 31, 2022	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	277.60	17.82	0.03	-	-	295.45
Total outstanding dues of creditors other than micro enterprises and small enterprises	314.84	464.61	286.33	1.89	1.41	1.66	1,070.74
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**314.84**	**742.21**	**304.15**	**1.92**	**1.41**	**1.66**	**1,366.19**

As at March 31, 2021	Outstanding for following periods from due date of payment						
	Unbilled	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	299.04	30.88	1.44	0.42	0.32	332.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	591.26	581.88	254.20	8.79	3.40	1.38	1,440.91
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**591.26**	**880.92**	**285.08**	**10.23**	**3.82**	**1.70**	**1,773.01**

20. Other financial liabilities

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
(Carried at amortised cost)		
Security deposits*	27.46	22.72
Total	**27.46**	**22.72**
Current		
(Carried at amortised cost)		
Interest accrued but not due on borrowings	6.66	10.16
Capital creditors	21.41	13.87
Employee related liabilities	89.23	79.43
Payable to directors (refer note 41)	43.45	45.96
Security deposits	0.07	0.07
Unpaid dividend	11.32	23.01
Others	-	0.93
(Fair value through profit and loss)		
Provision for MTM losses on Interest rate swap	0.11	1.01
Total	**172.25**	**174.44**

*Includes security deposit received from subsidiaries for lease of freehold land (refer note 41).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

21. Provisions

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
Provision for employee benefits		
Gratuity (refer note 39(b))	25.22	15.56
Provision for diminution in value of investments (refer note 33(a))	26.44	97.95
Total	**51.66**	**113.51**
Current		
Provision for employee benefits		
Gratuity (refer note 39(b))	26.93	23.63
Compensated absences	49.92	45.79
Provision for warranties*	3.20	3.20
Total	**80.05**	**72.62**

*A provision is recognized for expected warranty claims on products sold during the year, based on past experience of level of repairs and returns. It is expected that the significant portion of these costs will be incurred within one year of the balance sheet date. Assumption used to calculate the provision for warranties are based on current sales level and current information available about warranty claims based on warranty period for all products sold. Provision was not made or utilised during the year.

22. Tax liabilities

₹ in Million

(a) Deferred tax liabilities (net)

	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities		
Property, plant and equipment and Intangible assets	153.41	152.76
Fair valuation of financial instruments	49.78	56.24
(A)	**203.19**	**209.00**
Deferred tax assets		
Expenditure allowable for tax purposes when paid	10.38	2.51
Provision for diminution in value of investments	6.66	24.65
Provision for doubtful debts and advances	2.24	1.14
Provision for employee benefits	22.67	24.10
(B)	**41.95**	**52.40**
Net deferred tax liabilities (A-B)	**161.24**	**156.60**
(b) Current tax liabilities (net)		
Provision for income tax (net of advance tax and tax deducted at source)*	80.23	80.63
Total	**80.23**	**80.63**

*represents tax payable for current year and provision made in respect of uncertain tax positions.

23. Other liabilities

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
Government grants*	6.97	8.51
Total	**6.97**	**8.51**
Current		
Advances from customers	17.43	12.04
Government grants*	1.54	4.24
Statutory dues	87.26	100.84
Financial guarantee liability (refer note 41)	-	1.29
Total	**106.23**	**118.41**

*Government grants received includes grant received in nature of customs duty exemption on import of certain property, plant and equipment and deferred income on packing credit loans taken from banks at concessional rate of interest. There are no unfulfilled conditions or contingencies attached to these grants.

	As at March 31, 2022	As at March 31, 2021
At the beginning of the year	12.75	11.77
Add: Received during the year	3.86	5.90
Less: Transferred to the standalone statement of profit and loss (refer note 25)	(8.10)	(4.92)
Closing balance	**8.51**	**12.75**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

24. Revenue from operations

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products	12,646.41	11,089.11
Sale of services (processing charges)	3.60	1.32
Other operating revenues		
Sale of scrap	35.51	25.26
Export incentives	27.32	7.06
Total	**12,712.84**	**11,122.75**
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
a) Revenue by geography		
India	11,135.67	9,780.41
USA	416.63	339.45
Rest of the world	1,160.54	1,002.89
Total	**12,712.84**	**11,122.75**
The revenue information above is based on the locations of the customers.		
b) Timing of revenue recognition		
Goods transferred at a point in time	12,681.92	11,114.37
Service transferred at a point in time	3.60	1.32
Total revenue contract with customers	**12,685.52**	**11,115.69**
c) Revenue recognised from amounts included in contract liabilities at the beginning of the year	**12.04**	**4.48**

25. Other income

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on		
Bank deposits	0.63	0.51
Others	3.04	1.05
Dividend income	69.91	69.60
Gain on investments carried at fair value through profit or loss*	143.02	203.83
Government grant income	8.13	17.47
Exchange differences (net)**	62.58	28.30
Profit on disposal of property, plant and equipment (net)	0.55	-
Other non-operating income	9.03	40.56
Total	**296.89**	**361.32**

*Total net gain on fair value changes include ₹48.76 Million (March 31, 2021 ₹62.22 Million) as net gain on sale/redemption of investments.
**Includes mark to market gain/(loss) on foreign currency forward contracts.

26. Cost of materials consumed

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year	1,189.96	971.22
Add: Purchases	8,125.14	7,388.57
Less: Inventories at the end of the year	(1,248.01)	(1,189.96)
Cost of materials consumed	**8,067.09**	**7,169.83**

27. Purchases of stock-in-trade

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Stop and tail lamps	11.92	40.93
Others	8.66	7.30
Total	**20.58**	**48.23**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the end of the year		
Finished goods	544.01	535.06
Stock-in-trade	15.89	19.93
Work-in-progress	126.79	148.37
Total (A)	**686.69**	**703.36**
Inventories at the beginning of the year		
Finished goods	535.06	383.42
Stock-in-trade	19.93	4.22
Work-in-progress	148.37	114.18
Total (B)	**703.36**	**501.82**
Net change in inventories of finished goods, work-in-progress and stock-in-trade (B-A)	**16.67**	**(201.54)**

29. Employee benefits expense

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	1,505.64	1,410.86
Contribution to provident and other funds (refer note 39(a))	74.15	69.23
Employee share based payments (refer note 46)	21.45	21.92
Staff welfare expenses	60.88	49.81
Total	**1,662.12**	**1,551.82**

30. Finance cost

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense on		
Borrowings	70.51	76.56
Lease liabilities (refer note 18 (b))	5.90	3.75
Others	4.54	4.93
Exchange fluctuation on foreign currency borrowings, net (to the extent regarded as borrowing cost)	12.98	28.67
Loan processing and other charges	1.95	1.88
Total	**95.88**	**115.79**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

31. Depreciation and amortization expense

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment (refer note 3)	240.85	222.77
Depreciation of right-of-use assets (refer note 5)	14.10	4.82
Amortization of intangible assets (refer note 4)	10.32	12.69
Total	**265.27**	**240.28**

32. Other expenses

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Power and fuel	189.35	185.07
Rent	2.36	3.17
Repairs and maintenance		
Buildings	18.05	9.30
Machinery	58.86	50.43
Others	70.67	61.50
Insurance	28.39	24.53
Rates and taxes	13.49	11.10
Travelling and conveyance	68.40	56.72
Legal and professional fees	37.31	67.94
Payment to auditors [refer note (i) below]	7.89	7.12
Freight and forwarding charges	190.29	151.66
Advertisement and sales promotion	5.07	15.39
Sales commission	5.74	2.76
Directors' sitting fees and commission	2.64	2.46
Allowance for doubtful receivables (net)	6.34	(6.98)
Printing and stationery	9.07	7.88
Security expenses	38.34	34.95
Communication expenses	9.79	8.04
Loss on disposal of property, plant and equipment (net)	-	0.11
Research & development expenses	8.92	6.31
CSR expenditure [refer note (ii) below]	32.04	30.61
Miscellaneous expenses	16.68	18.53
Total	**819.69**	**748.60**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(i) Payment to auditors (excluding Goods and Services Tax)

₹ in Million

As auditor	Year ended March 31, 2022	Year ended March 31, 2021
Audit fee	3.25	3.10
Limited review fee	3.70	3.50
Certification Fee	0.80	0.35
Reimbursement of expenses	0.14	0.17
Total	**7.89**	**7.12**

(ii) Details of CSR expenditure

"As per Section 135 of the Company's Act, 2013, a Corporate Social Responsibility ('CSR') committee has been formed by the Company. The primary function of the Committee is to assist the Board of Directors in formulating the CSR policy and review the implementation and progress of the same from time to time. The Company has made contribution to Suprajit foundation. Suprajit Foundation is engaged in the activities of eradication of hunger, malnutrition, promoting education and healthcare."

₹ in Million

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
a) Gross amount required to be spent by the Company during the year		30.99	29.81
Total		**30.99**	**29.81**
b) Amount spent during the year ended March 31, 2022:	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	32.04	-	32.04
c) Amount spent during the year ended March 31, 2021:	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction/acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	30.61	-	30.61
d) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.			
e) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.			
f) Refer note 41 (b) for details of contribution to Suprajit foundation in relation with CSR expenditure.			

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

33. Exceptional items (net)

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Reversal of provision for diminution in value of investments (refer note a)	71.50	-
Provision for impairment of investment in subsidiary (refer note b)	(484.79)	-
	(413.29)	**-**

Exceptional items for the year ended March 31, 2022 includes the following:

(a) The Company evaluated the provision made towards investment in Franklin Templeton Mutual Fund (FTMF) and reversed the provision of ₹ 71.50 Million out of the total provision of ₹ 97.95 Million considering the redemption and realisation of significant portion of investments in FTMF.

(b) The Company carried out the impairment exercise in respect of investment in Luxlite Lamp SARL and basis valuation carried out, an impairment provision of ₹ 484.79 Million towards carrying value of investment in Luxlite Lamp SARL has been recorded.

34. Tax expense (net)

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

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax	519.28	410.55
Deferred tax charge/ (credit)	5.67	6.34
Current tax relating to earlier periods	-	14.96
Total	**524.95**	**431.85**

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, 2022	Year ended March 31, 2021
Profit before tax expense		1,649.14	1,811.06
Applicable tax rates in India		25.17%	25.17%
Computed tax charge	**(A)**	**415.06**	**455.81**
Components of tax expense			
Tax effect of exempt income		(15.03)	(15.03)
Current tax relating to earlier periods		-	14.96
Tax effect of impairment of investment in subsidiary		122.01	-
Others		2.91	(23.89)
Total adjustments	**(B)**	**109.89**	**(23.96)**
Total tax expense	**(A+B)**	**524.95**	**431.85**

35. Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Computation of basic and diluted EPS:	Year ended March 31, 2022	Year ended March 31, 2021
Profit attributable to equity shareholders (₹ in Million)	1,124.19	1,379.21
Nominal value per equity share (₹ per share)	1	1
Basic		
Weighted average number of equity shares (No. in Million)	138.55	139.87
Basic earnings per share (₹ per share)	8.11	9.86
Diluted		
Effect of potential equity shares on ESARs outstanding (No. in Million)	0.19	-
Weighted average number of equity shares (No. in Million)	138.74	139.87
Diluted earnings per share (₹ per share)*	8.10	9.86

* Employee stock appreciation outstanding as at March 31, 2021 are anti-dilutive and accordingly have not been considered for the purpose of computing diluted EPS for the year ended March 31, 2021.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

36. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 391.75 Million (March 31, 2021: ₹ 154.22 Million).

37. Contingent liabilities

₹ in Million

	As at March 31, 2022	As at March 31, 2021
(a) Claims against Company not acknowledge as debts*		
Income tax demands**	22.18	22.18
Value Added Tax/Central Sales Tax demands	-	3.27
Others	11.30	9.01
(A)	**33.48**	**34.46**
(b) Others		
Bonds executed in favour of customs authority	15.00	15.00
Bank guarantees (furnished to tax authorities)	1.58	1.58
Corporate guarantees (issued on behalf of subsidiaries to their bankers towards credit facilities)#	947.59	2,205.14
Corporate guarantees (issued on behalf of a subsidiary to another lending subsidiary towards credit facilities)	143.92	-
Others	4.90	4.90
(B)	**1,112.99**	**2,226.62**
Total (A+B)	**1,146.47**	**2,261.08**

*These demands are disputed by the Company and the Company has filed appeals against these orders with various appellate authorities. The management is confident that the demands raised by the Officers of the respective departments are not tenable under the respective statutory provisions. Pending outcome of the aforesaid matters under litigation, no provision has been made in the books of account towards these demands. The Company does not expect any material adverse effect in respect of the above contingent liabilities.

** Net of tax provision made for pending litigations.

#Exclusive of corporate guarantee amounting to ₹ 4,434.71 Million (USD 58.5 Million) given before March 31, 2022 and which became effective April 1, 2022.

(c) The Company has issued comfort letter to provide continued financial support to its subsidiary Luxlite Lamp SARL.

38. The Company has entered into 'International transactions' with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India. The Company is in the process of carrying out transfer pricing study for the year ended March 31, 2022 in this regard, to comply with the requirements of the Income Tax Act, 1961. The Management of the Company, is of the opinion that such transactions with Associated Enterprises are at arm's length and hence in compliance with the aforesaid legislation. Consequently, this will not have any impact on the standalone Ind AS financial statements, particularly on account of tax expense and that of provision for taxation.

39. Employee benefit plans

(a) Defined contribution plans

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

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

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Employers contribution to Provident Fund	48.18	44.34
Employers contribution to Employee State Insurance	6.61	6.56

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(b)	**Defined benefit plans**
	Gratuity
	The Company offers gratuity benefits to employees, a defined benefit plan, gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.
	The following tables summarize the components of net benefit expense recognized in the standalone statement of profit and loss and the funded status and amounts recognized in the standalone Balance Sheet.

Disclosure as per Ind AS 19

₹ in Million

		March 31, 2022	March 31, 2021
A.	**Change in defined benefit obligation**		
	Obligations at beginning of the year	210.72	199.04
	Service cost	14.82	13.61
	Interest cost	15.52	13.70
	Benefits settled	(6.43)	(14.78)
	Transfer in	-	0.09
	Actuarial (gain)/ loss (through OCI)	3.57	(0.94)
	Obligations at end of the year (Gross)	**238.20**	**210.72**

₹ in Million

		March 31, 2022	March 31, 2021
B.	**Change in plan assets**		
	Plan assets at beginning of the year, at fair value	171.53	147.27
	Expected return on plan assets	12.97	11.07
	Contributions	10.00	30.00
	Benefits settled	(6.43)	(14.78)
	Actuarial gain/ (loss) (through OCI)	(0.52)	(0.48)
	Admin expenses/Taxes paid from plan assets	(1.50)	(1.55)
	Plan assets at the end of the year	**186.05**	**171.53**
	Present value of defined benefit obligation at the end of the year	(238.20)	(210.72)
	Fair value of plan assets at the end of the year	186.05	171.53
C.	**Net liability recognised in the standalone balance sheet**	**(52.15)**	**(39.19)**

₹ in Million

		Year ended March 31, 2022	Year ended March 31, 2021
D.	**Expenses recognised in the standalone statement of profit and loss:**		
	Service cost	14.82	13.61
	Interest cost	15.52	13.70
	Expected return on plan assets	(12.97)	(11.07)
	Administrative Expenses/Taxes/Insurance Cost/ Exchange Rate cost	1.50	1.55
	Net gratuity cost	**18.87**	**17.79**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

		Year ended March 31, 2022	Year ended March 31, 2021
E.	**Re-measurement (gain)/ loss in OCI**		
	Actuarial (gain)/ loss due to financial assumption changes in DBO	(4.39)	0.34
	Actuarial (gain)/ loss due to experience on DBO	7.96	(1.28)
	Return on plan assets (greater)/ less than discount rate	0.52	0.48
	Total Actuarial (Gain)/loss included in OCI	**4.09**	**(0.46)**

F.	**Actual return on plan assets**	**12.45**	**10.59**

		March 31, 2022	March 31, 2021
G.	**Assumptions**		
	Discount rate	7.48%	7.15%
	Estimated rate of return on plan assets	7.48%	7.15%
	Salary increase rate (refer note K (i))	9.00%	8% for first year & 9% thereafter
	Attrition Rate	9.73% upto age 40 from Age 40-45 7.3%, Age 45-50 4.87%, Age 50-55 2.43%, Age 55 & above 1.22%.	9.73% upto age 40 from Age 40-45 7.3%, Age 45-50 4.87%, Age 50-55 2.43%, Age 55 & above 1.22%.
	Retirement age	58 years	58 years
	Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

₹ in Million

		March 31, 2022	March 31, 2021
H.	**Pay-outs to the plan assets**		
	Within one year	26.93	23.63
	After one year but not more than five years	51.05	46.22
	After five years	89.57	75.43
		167.55	**145.28**

I.	**The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**		
	Investment with insurer	100%	100%

J. A quantitative sensitivity analysis for significant assumption is as below (refer note K (ii) below) ₹ in Million

	As at March 31, 2022		As at March 31, 2021	
	1% increase	**1% decrease**	**1% increase**	**1% decrease**
Effect of change in discount rate	(14.88)	17.13	(13.99)	16.15
Effect of change in salary growth	16.45	(14.56)	15.47	(13.65)
Effect of change in attrition rate	(2.54)	2.89	(2.63)	3.00

K. Notes

(i) The estimates of future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.

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

(iii) The weighted average duration of the defined benefit obligation at the end of the reporting period is 11.67 years (March 31, 2021: 11.86 years).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

40. 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.

41. Related party transactions

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

Related party relationship	Name of the related party	
Subsidiaries (Direct):	Suprajit Automotive Private Limited, India ('Suprajit Automotive')	
	Suprajit Europe Limited, U.K. ('Suprajit Europe')	
	Suprajit USA Inc., USA ('Suprajit USA')	
	Luxlite Lamp SARL, Luxembourg ('Luxlite Lamp')	
	Trifa Lamps Germany GmbH, Germany ('Trifa Lamps')	
Subsidiaries (Indirect):	Wescon Controls LLC ('Wescon')	
Key Management Personnel (KMP) of the Company:	Mr. K Ajith Kumar Rai	Chairman
	Mr. Mohan Srinivasan Nagamangala	Managing Director & Group Chief Executive Officer
	Mr. Akhilesh Rai	Director & Chief Strategy Officer w.e.f. June 12, 2020. (Chief Strategy Officer upto June 11, 2020).
	Mr. Medappa Gowda J	Chief Financial Officer and Company Secretary
	Mr. Ian Williamson	Independent Director
	Mr. Suresh Shetty	Independent Director
	Mrs. Dr. Supriya A Rai	Non-Executive Director
	Mrs. Bharati Rao	Independent Director
	Mr. M. Lakshminarayan	Independent Director
	Mr. Harish Hassan Visweswara	Independent Director (w.e.f. June 12, 2020)
Relatives of KMP:	Mr. Akhilesh Rai	
	Mr. Ashutosh Rai	
	Mr. Aashish Rai	
	Mr. Ashok Kumar Rai	
	Mrs. Arati Shetty	
	Mrs. Deeksha Bhandary	
Enterprises in which directors/ shareholders have significant influence	Suprajit Foundation	
	Supriyajith Family Trust	

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

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products and services		
Subsidiaries		
Suprajit Automotive	4.18	3.41
Luxlite Lamp	537.82	484.69
Wescon	103.67	29.60
	645.67	**517.70**
Sale of Property, plant and equipment		
Subsidiaries		
Suprajit Automotive	-	0.04
	-	**0.04**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Lease Rent Received		
Subsidiaries		
Suprajit Automotive	5.32	5.13
	5.32	**5.13**
Interest Income on loan		
Subsidiaries		
Suprajit USA	1.74	-
	1.74	**-**
Dividend income		
Subsidiaries		
Suprajit Automotive	59.70	59.70
Suprajit Europe	10.21	9.90
	69.91	**69.60**
Income on financial guarantee given		
Subsidiaries		
Suprajit USA	1.29	26.79
	1.29	**26.79**
Share based payments expenses receivable recognised as investment		
Subsidiaries		
Suprajit Automotive	8.81	-
	8.81	**-**
Purchase of materials		
Subsidiaries		
Suprajit Automotive	4.94	2.54
Luxlite Lamp	-	13.85
Wescon	0.96	0.79
Suprajit Europe	0.09	-
	5.99	**17.18**
Purchase of duty licenses		
Subsidiaries		
Suprajit Automotive	36.39	33.46
	36.39	**33.46**
Purchase of Property, plant and equipment		
Subsidiaries		
Suprajit Automotive	0.08	1.21
	0.08	**1.21**
Allowance for impairment in value of investments		
Subsidiaries		
Luxlite Lamps	484.79	-
	484.79	**-**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Salary and perquisites:*		
KMP		
Mr. K Ajith Kumar Rai	60.28	49.17
Mr. Mohan Srinivasan Nagamangala	21.10	15.40
Mr. Medappa Gowda J	7.70	7.35
Mr. Akhilesh Rai	7.83	6.03
Relatives of KMP		
Mr. Akhilesh Rai	-	0.91
Mr. Ashutosh Rai	2.41	2.23
	99.32	**81.09**
Independent Directors remuneration (Commission and Sitting fee)		
Mr. Suresh Shetty	0.66	0.66
Mrs. Bharati Rao	0.65	0.61
Mr. M. Lakshminarayan	0.69	0.62
Mr. Harish Hassan Visweswara	0.64	0.57
	2.64	**2.46**

*As the liabilities for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to the KMP and relatives of KMP is not ascertainable and, therefore, not included above. Also, during the year, (March 31, 2021 : Nil) the Company granted stock appreciation rights to some of its directors and KMP. Since such rights are not tradeable, no perquisite or benefit is immediately conferred upon the employee by such grant of rights, and accordingly the said rights has not been considered as remuneration. Refer Note 46.

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Dividend Paid		
Enterprises in which directors/ shareholders have significant influence		
Supriyajith Family Trust	99.99	39.86
KMP		
Mr. K Ajith Kumar Rai	7.18	2.86
Mr. Mohan Srinivasan Nagamangala	0.01	0.01
Mr. Medappa Gowda J^	-	-
Mr. Akhilesh Rai	2.28	0.91
Mrs. Supriya Rai	3.31	1.32
Mr. Suresh Shetty	1.45	0.57
Mr. M. Lakshminarayan^	0.01	-
Relatives of KMP		
Mr. Ashutosh Rai	2.27	0.90
Mr. Aashish Rai	2.27	0.90
Mr. Ashok Kumar Rai	0.04	0.02
Mrs. Arati Shetty	0.92	0.38
Mrs. Deeksha Bhandary	0.02	0.01
	119.75	**47.74**
^ Rounded off		

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Reimbursements of expenses to		
Subsidiaries		
Trifa Lamps	0.26	0.20
Luxlite Lamp	0.50	-
KMP		
Mr. K Ajith Kumar Rai	0.22	0.76
Mr. Mohan Srinivasan Nagamangala	0.15	0.17
Mr. Medappa Gowda J	0.19	0.11
Mr. Akhilesh Rai	0.96	1.03
Relatives of KMP		
Mr. Ashutosh Rai	0.28	0.10
	2.56	**2.37**
CSR expenditure (Contributed to)		
Suprajit Foundation (refer note 32(ii))	30.98	27.58
	30.98	**27.58**
Recovery of expenses from		
Subsidiaries		
Suprajit Automotive	5.12	6.06
Luxlite Lamp	0.34	0.40
Wescon	8.21	-
	13.67	**6.46**
Loan given		
Subsidiaries		
Suprajit USA [USD 19.00 Million (March 31, 2021 - USD Nil)]	1,440.33	-
	1,440.33	**-**
Corporate guarantees issued		
Suprajit USA [USD 12.5 Million (March 31, 2021 - USD Nil)]*	947.59	-
	947.59	**-**
*Exclusive of corporate guarantee amounting to ₹ 4,434.71 Million (USD 58.5 Million) given before March 31, 2022 and which became effective April 1, 2022.		
Corporate guarantee closed		
Suprajit USA [USD 30 Million (March 31, 2021 - USD Nil)]	2,205.14	-
	2,205.14	**-**
Buy Back of equity shares		
During the year ended March 31, 2022, the Company completed buy back of 1,500,000 fully paid equity shares including buy back from certain related parties. Also refer note 16 (d) and (h).		

C. Balances outstanding as at year ends:

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Investment in shares		
Subsidiaries		
Suprajit Automotive*	28.71	19.90
Suprajit Europe	186.00	186.00
Suprajit USA**	1,441.76	1,441.76
Luxlite Lamp	792.30	792.30
Trifa Lamps	312.00	312.00
	2,760.77	**2,751.96**

*Includes share based payments expense towards employees of subsidiary amounting to ₹ 8.81 Million (March 31, 2021 ₹ Nil)
**Includes investments in the form of Financial guarantee provided to bankers of Suprajit USA Inc. amounting to ₹ 27.83 Million (March 31, 2021 ₹ 27.83 Million).

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

C. Balances outstanding as at year ends (cont..):

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Allowance for impairment in value of investments		
Subsidiaries		
Luxlite Lamp	792.30	307.51
Trifa Lamps	54.00	54.00
	846.30	**361.51**
Recoverable from subsidiaries		
Subsidiaries		
Suprajit Automotive	0.19	6.77
	0.19	**6.77**
Loan given		
Subsidiaries		
Suprajit USA [USD 19.00 Million (March 31, 2021 - USD Nil)]	1,440.33	-
	1,440.33	**-**
Trade receivables		
Subsidiaries		
Wescon	24.12	0.17
Luxlite Lamp	452.83	425.50
	476.95	**425.67**
Lease deposit payable		
Subsidiaries		
Suprajit Automotive	1.00	1.00
	1.00	**1.00**
Interest receivable		
Subsidiaries		
Suprajit USA	1.77	-
	1.77	**-**
Financial guarantee liability		
Subsidiaries		
Suprajit USA (refer note 23)	-	1.29
	-	**1.29**
Trade payables		
Subsidiaries		
Luxlite Lamp	0.49	0.74
Trifa Lamps	0.07	0.20
Wescon	-	0.06
Suprajit Europe	0.09	-
	0.65	**1.00**
Payable to KMP / Relatives of KMP		
KMP		
Mr. K Ajith Kumar Rai	32.95	35.86
Mr. Mohan Srinivasan Nagamangala	6.37	6.23
Mr. Medappa Gowda J	2.03	1.99
Mr. Akhilesh Rai	1.97	1.87
Mr. Suresh Shetty	0.54	0.50
Mrs. Bharati Rao	0.53	0.50
Mr. M. Lakshminarayan	0.56	0.50
Mr. Harish Hassan Visweswara	0.53	0.50
Relatives of KMP		
Mr. Ashuthosh Rai	0.16	0.15
	45.64	**48.10**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

C. Balances outstanding as at year ends (cont..):

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Corporate guarantees (refer note 37)		
Suprajit USA [USD 12.5 Million (March 31, 2021 - USD 30 Million)]*	947.59	2,205.14
	947.59	**2,205.14**

*Exclusive of corporate guarantee amounting to ₹ 4,434.71 Million (USD 58.5 Million) given before March 31, 2022 and which became effective April 1, 2022.

Also refer note 37(c) for comfort letter given to subsidiary and Note 37 (b) with respect to guarantee for loan provided by one subsidiary to another subsidiary.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. All outstanding balances are unsecured and interest free and settlement occurs in cash except loan which is interest bearing. For the year ended March 31, 2022 except for impairment of Luxlite Lamp, the Company has not recorded any impairment of assets relating to amounts owed by related parties (March 31, 2021: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

42. Operating lease as lessor

The company has entered into lease agreement with subsidiary for the lease of vacant land. The total rental income for the year under non-cancellable operating leases amounted to ₹ 5.32 Million (March 31, 2021 ₹ 5.13 Million).

The future minimum lease receivable under non-cancellable operating leases are as follows:

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Not later than one year	5.59	5.32
Later than one year and not later than five years	25.29	24.09
More than five years	240.42	247.21
Total	**271.30**	**276.62**

43. (i) Fair value

The carrying value of financial instruments by categories is as follows:

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Financial assets measured at amortized cost		
Recoverable from subsidiaries*	-	6.77
Trade receivables*	2,643.19	2,732.50
Security deposits	50.44	47.54
Loan to subsidiary company	1,440.33	-
Advances to employees*	13.43	9.33
Interest receivable on bank deposit and others*	5.14	2.83
Financial assets measured at fair value through profit and loss		
Investment in mutual funds	2,221.08	2,914.35
Foreign currency forward contracts	12.47	3.03
	6,386.08	**5,716.35**
Cash and cash equivalents and other balances with banks#		
Cash on hand	0.91	1.14
Balance with banks in current accounts	248.65	290.09
Balance with banks in EEFC accounts	24.00	38.05
Balance with banks in deposit accounts	7.93	6.82
Earmarked balances with banks being unpaid dividend accounts	11.32	23.01
Balance with banks in buy back 2021 escrow account	-	140.00
	292.81	**499.11**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

43. (i) Fair value (contd...)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Financial liabilities measured at amortized cost*		
Borrowings	2,120.97	1,770.37
Lease liabilities	72.82	39.18
Trade payables	1,366.19	1,773.01
Employee related liabilities	89.23	79.43
Interest accrued but not due on borrowings	6.66	10.16
Capital creditors	21.41	13.87
Payable to directors	43.45	45.96
Security deposits	27.53	22.79
Unpaid dividend	11.32	23.01
Others	-	0.93
Financial liabilities measured at fair value through profit and loss		
Provision for MTM losses on Interest rate swap	0.11	1.01
	3,759.69	**3,779.72**

* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature.
# These accounts are considered to be highly liquid/ liquid and the carrying amount of these are considered to be the same as their fair value.

43. (ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities: ₹ in Million

	Level 1	Level 2	Level 3	Total
	March 31, 2022			
Financial assets and liabilities measured at fair values				
Financial assets measured at fair value through profit and loss				
Investment in mutual funds	2,221.08	-	-	2,221.08
Foreign currency forward contracts	-	12.47	-	12.47
Total financial assets measured at fair value	**2,221.08**	**12.47**	**-**	**2,233.55**
Financial liabilities measured at fair value through profit and loss				
Provision for MTM losses on Interest rate swap	-	0.11	-	0.11
Total financial liabilities measured at fair value	**-**	**0.11**	**-**	**0.11**

	Level 1	Level 2	Level 3	Total
	March 31, 2021			
Financial assets and liabilities measured at fair values				
Financial assets measured at fair value through profit and loss				
Investment in mutual funds	2,914.35	-	-	2,914.35
Foreign currency forward contracts	-	3.03	-	3.03
Total financial assets measured at fair value	**2,914.35**	**3.03**	**-**	**2,917.38**
Financial liabilities measured at fair value through profit and loss				
Provision for MTM losses on Interest rate swap	-	1.01	-	1.01
Total financial liabilities measured at fair value	**-**	**1.01**	**-**	**1.01**

There have been no transfer between Level 1 , Level 2 and Level 3 during the year ended March 31, 2022 and March 31, 2021.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

43. (iii) Valuation technique used to determine fair value

a) The Company holds derivative financial instruments such as foreign currency forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. Hence, the valuation is considered Level 2 by the management.

b) The Company enters into contracts with financial institutions in nature of interest rate swap, the fair value of which is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data, therefore, are classified with in Level 2 of the valuation hierarchy.

c) The Company has investment in quoted mutual funds these investments other than investment in subsidiaries are carried at fair value through profit and loss using quoted prices in active markets and accordingly classified with in Level 1 of the valuation hierarchy.

44. Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and capital ratios in order to ensure sustained growth in the business and to maximise the shareholders value.

₹ in Million

		As at March 31, 2022	As at March 31, 2021
A.	**Total equity attributable to the share holders of the Company (Capital)**	**9,406.00**	**9,115.22**
B.	**Borrowings**		
	Non-current borrowings	105.83	215.25
	Current borrowings	2,015.14	1,555.12
	Lease Liabilities	72.82	39.18
	Less: Cash and cash equivalents	(273.56)	(329.28)
	Less: Current investments (limited to the extent of borrowings)	(1,920.23)	(1,480.27)
	Net debt	**-**	**-**
C.	**Total capital and net debt (A+B)**	**9,406.00**	**9,115.22**
D.	**Gearing ratio (B / C)**	**0%**	**0%**

(i) The Company is predominantly equity financed as evident from the capital structure table above. Further the Company has sufficient cash and cash equivalents, current investments and financial assets which are liquid to meet the debts.

(ii) In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. The breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any borrowings in the current year.

45. Financial risk management

Objective and policies:

The Company's principal financial liabilities comprise borrowings, lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, fair value through profit and loss investments and derivative financial instruments.

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The sensitivity analysis in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2022.

(i) (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate due to change in the market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the Company's borrowings with floating interest rates.

The Company enters into contracts with financial institutions in nature of interest rate swap, to mitigate the risk of changes in interest rates in respect of its borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on entity's profit before tax due to change in the interest rate/ fair value of financial liabilities are as disclosed below:

₹ in Million

	Year ended March 31, 2022		Year ended March 31, 2021	
	1% increase	1% decrease	1% increase	1% decrease
Effect of profit before tax expense	(22.21)	22.21	(18.32)	18.32

(i) (b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exchange risk arises from its foreign operations and foreign currency revenues and expenses. The Company has exposures to United States Dollars ('USD'), Great Britain Pound ('GBP'), Euro ('EUR') and other currencies. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

The Company uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its trade receivables.

Below is the summary of unhedged foreign currency exposure of Company's financial assets and liabilities.

₹ in Million

Currency	Foreign currency amount		Amount in ₹	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets				
USD	4.68	2.49	352.76	180.56
EUR	5.41	5.12	458.59	441.31
GBP	0.26	0.15	25.75	15.04
Total			**837.10**	**636.91**
Financial liabilities				
USD	0.03	0.87	2.43	64.12
EUR	7.78	9.36	658.42	806.05
GBP^	-	-	0.41	0.35
Others	2.19	2.44	25.58	27.27
Total			**686.84**	**897.79**
Net financial assets			**150.26**	**(260.88)**
^ Rounded off				
The Company holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these transactions are banks. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.				

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Forward contracts outstanding are as below:

₹ in Million

Currency	Foreign currency amount		Amount in ₹	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
EUR*	0.40	0.60	37.24	50.68
EUR**	1.80	2.40	170.32	221.50
			207.56	**272.18**

* towards foreign currency receivables
** towards highly probable foreign currency sales.

Sensitivity analysis

Every 1% appreciation or depreciation of the respective foreign currencies compared to functional currency of the Company would cause the profit before tax in proportion to revenue to increase or decrease respectively by 0.01% (March 31, 2021: 0.02%).

(i) (c) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of automotive cables & lamps and therefore require a continuous supply of below said products. The Company's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

Commodity price sensitivity

The following table shows the effect of price changes in below said products:

₹ in Million

	Year ended March 31, 2022		Year ended March 31, 2021	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax				
Steel wire	(14.05)	14.05	(13.02)	13.02
Cable components	(47.59)	47.59	(41.74)	41.74
Glass tube	(2.75)	2.75	(2.67)	2.67
Lamp components	(16.28)	16.28	(14.27)	14.27

(ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, investments, loan to subsidiary, foreign exchange transactions and other financial instruments.

a. Trade receivables

Credit risk is managed by each business unit as per the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security.

b. Credit risk exposure

The Company's credit period generally ranges from 0-365 days. The credit risk exposure of the Company is as below:

₹ in Million

		As at March 31, 2022	As at March 31, 2021
Trade receivables	**(A)**	**2,651.67**	**2,737.04**
Impairment allowance (allowance for bad and doubtful debts)			
Balance as per last financial statements		4.54	14.19
Add/ (Less): Charge / (reversal) for the year		6.34	(6.98)
Less: Utilised / written-off during the year		(2.40)	(2.67)
Closing balance	**(B)**	**8.48**	**4.54**
Total	**(A - B)**	**2,643.19**	**2,732.50**

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The Company evaluates the concentration of risk with respect to trade receivables as low, since majority of its customers are reputed automobile companies and are spread across multiple geographies.

c. Financial instruments and cash deposits

Credit risk is limited, as the Company generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investment primarily includes investment in liquid mutual fund units. Counterparty credit limits are reviewed by the Company periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(iii) Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents, investment in mutual funds and the cash flow that is generated from operations. The Company believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents and deposits is as below:

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Cash on hand	0.91	1.14
Balance with banks	279.80	334.18
Investment in mutual funds	2,190.37	2,580.16
	2,471.08	**2,915.48**

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, 2022					
Non-current borrowings	-	-	-	105.83	105.83
Current borrowings	1,909.32	52.91	52.91	-	2,015.14
Lease liabilities*	-	10.29	10.29	81.21	101.79
Trade payables	-	1,366.19	-	-	1,366.19
Other financial liabilities	11.32	160.93	-	27.46	199.71
Total	**1,920.64**	**1,590.32**	**63.20**	**214.50**	**3,788.66**
March 31, 2021					
Non-current borrowings	-	-	-	215.25	215.25
Current borrowings	1,501.31	53.81	53.81	-	1,555.12
Lease liabilities*		2.72	2.72	60.33	65.77
Trade payables	-	1,773.01	-	-	1,773.01
Other financial liabilities	23.01	151.44	-	22.72	197.17
Total	**1,524.32**	**1,980.98**	**56.53**	**298.30**	**3,806.32**
*Includes future cash outflow toward estimated interest on lease liabilities.					

46. Employee Stock Appreciation Rights ('ESAR') (Equity Settled):

Employee Stock Appreciation Rights Plan – 2017 (the ESAR 2017 Plan): Effective June 26, 2018, the Company instituted the ESAR 2017 plan. The Board of directors of the Company and shareholders approved the ESAR 2017 plan at its meeting held on September 13, 2017 and November 11, 2017 respectively. The ESAR 2017 Plan provides for the issue of stock appreciation rights`(SARs) to

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

certain employees of the Company and its subsidiaries.

The ESAR 2017 Plan is administered by the Nomination and Remuneration Committee. As per the ESAR 2017 Plan, the stock appreciation rights are granted at the exercise price of ₹ 1 /-. The equity shares covered under these stock appreciation rights vest over five years from the date of grant. The exercise period is five years from the respective date of vesting.

The movement in the rights under the ESAR 2017 plan for the year ended March 31, 2022 is set out below

	Year ended March 31, 2022	Year ended March 31, 2021
The ESAR 2017 Plan	**No. of stock appreciation rights**	
SARs Outstanding at the beginning of the year	8,19,213	8,25,751
SARs Granted during the period	3,25,070	-
SARs Forfeited / Surrendered during the year	8,616	5,558
SARs Lapsed during the year	-	980
SARs Exercised during the year	49,648	-
SARs Outstanding at the end of the year	**10,86,019**	**8,19,213**
SARs exercisable at the end of the year	2,08,206	-

The stock appreciation rights outstanding on March 31, 2022 has the weighted average remaining contractual life of 5.92 years (March 31, 2021 6.02 years).

The weighted average market price of SARs exercised during the year ended March 31, 2022 is ₹ 312.65 (March 31, 2021: NA)

The weighted average fair value of stock appreciation rights granted during the year ended March 31, 2022 was ₹ 172.18 (March 31, 2019 ₹ 128.14). The Black - Scholes valuation model has been used for computing the weighted fair value considering the following inputs:

	Input Values-Grants FY 2021-22	Input Values-Grants FY 2018-19
Weighted average share price on the date of Grant (₹)	365.05	257.65
Exercise Price (₹)	1	1
Expected Volatility*	38.64%	35.79%
Life of rights granted in years	1-5 Years	1-5 Years
Average risk free interest rate	6.10	7.92
Dividend Yield	0.48	0.54

* The expected volatility was determined based on historical volatility data

Total Employee Compensation Cost pertaining to the ESAR 2017 plan during the year is ₹ 21.45 Million [March 31, 2021: ₹ 21.92 Million net of cross charge to subsidiary.

Employee-wise details of ESAR's granted during the year ended March 31, 2022 to:
Senior managerial personal

Name of the employee	No. of ESAR's Granted
Mr. Mohan Srinivasan Nagamangala	21,070
Mr. Narayan Shankar	11,240
Mr. Medappa Gowda J	4,220
Mr. Akhilesh Goel	5,620

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

47. Ratios

Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.86	2.07	(10.14%)	-
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.23	0.20	15.00%	-
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	6.99	6.37	9.73%	-
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	12.14	16.29	(25.48%)	Refer note: a
Inventory Turnover ratio	Cost of goods sold	Average Inventory	4.40	4.30	2.33%	-
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	4.73	4.51	4.88%	-
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return + Other Expenses	Average Trade Payables	5.70	4.97	14.69%	-
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets – Current liabilities	3.87	2.76	40.22%	Refer note: b
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	8.84	12.40	(28.71%)	Refer note: a
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	18.35	17.41	5.40%	-
Return on Investment	Income generated from invested funds	Invested funds in treasury investments	5.18	7.69	(32.64%)	Refer note: c

Note: a) Decrease an account of exceptional items
b) Revenue growth along with higher efficiency on working capital improvements
c) Decrease in return on investment from Mutual funds are on account of fluctuation in market yields.

48. The code of Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.

49. The previous year's figures have been regrouped/ reclassified, where necessary, to confirm to current year's classification as per the amendments in Schedule III to the Companies Act, 2013, which are effective April 01, 2021.

50. "Events after reporting period:

The Company entered into a definitive Share and Asset Purchase Agreement to acquire Light Duty Cable (LDC) business unit on October 28, 2021 with Kongsberg Automotive ASA, listed on the Oslo Stock Exchange, Norway. The transaction completed for a cash consideration of ₹ 3,167.77 Million with the economic completion date of April 1, 2022 whereby the Company, through its wholly owned subsidiary Suprajit USA Inc. acquired 100% equity interest in following entities-

i) Shanghai Lone Star Cable Co., Ltd.
ii) Kongsberg Interior Systems Kft.
iii) Kongsberg Interior Systems S de RLde CV
iv) Kongsberg Interior Systems II, LLC"

NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

51. Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) Except as disclosed in note 10 to the standalone financial statements, the Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries"

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

As per our report of even date

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

per Rajeev Kumar
Partner
Membership No.: 213803

Place : Bengaluru
Date : May 25, 2022

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

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

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place : Bengaluru
Date : May 25, 2022

CONSOLIDATED FINANCIAL STATEMENTS
OF
SUPRAJIT ENGINEERING LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

To
The Members of **Suprajit Engineering Limited**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Suprajit Engineering Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2022, the consolidated Statement of Profit and Loss, including other comprehensive income/ (loss), the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2022, their consolidated profit including other comprehensive income/ (loss), their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Impairment assessment of Goodwill *(as described in Note 4 of the consolidated financial statements)*	
As at March 31, 2022, the total goodwill recognized in the consolidated balance sheet amounts to Rs. 1,261.00 million (net of impairment) pertaining to two acquired entities i.e. Wescon Controls LLC and Luxlite Lamp SARL, which are separate cash generating units ('CGUs'). To assess if there is an impairment in the goodwill, the management conducts impairment tests at CGU level to which the goodwill is attributable, annually or whenever changes in circumstances or events indicate that, the carrying amount of such goodwill may not be recoverable. An impairment loss is recognized if the recoverable amount is lower than the carrying value. The recoverable amount of the CGU is estimated by calculating the value in use of the CGU to which goodwill is attributable, basis valuation conducted by the management factoring future business plans and such valuation report/ future business plans which are reviewed and approved by the Audit Committee/ Board of Directors of the Company. This is a key audit matter as the testing of goodwill impairment is complex and involves significant judgement. The key assumptions included in impairment tests are projected revenue growth, operating margins, discount rates and terminal growth.	Our audit procedures included the following: • We evaluated the Group's internal controls over its annual impairment assessment and key assumptions applied such as revenue growth, operating margins, discount rates and terminal growth rates; • We tested the key assumptions and considered the sensitivity scenarios performed by the management; • We tested the methodologies used and the computations by the management in their valuation; and • We assessed the disclosures made in the consolidated financial statements.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Other Information

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

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

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

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

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) (a) We did not audit the financial statements and other financial information, in respect of six subsidiaries, whose financial statements include total assets (before consolidation adjustments) of Rs. 7,356.47 million as at March 31, 2022, total revenues (before consolidation adjustments) of Rs. 7,791.28 million and net cash inflows (before consolidation adjustments) of Rs 1,145.70 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. 1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary company, incorporated in India, as noted in the 'Other Matter' paragraph we report that there are no qualifications or adverse remarks in these CARO reports.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

   (a) We/ the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income/ (Loss), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary company incorporated in India, none of the directors, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 1" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiary incorporated in India, the managerial remuneration for the year ended March 31, 2022 has been paid/ provided by the Holding Company and its subsidiary, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer note 38(a) to the consolidated financial statements;

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts – Refer note 20 and 43(ii) to the consolidated financial statements in respect of such items as it relates to the Group;

iii. As detailed in note 11 to the consolidated financial statements, following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2022;

Description of delays	Amount (Rs. in million)	Date of payment	Delay (Number of days)
Unpaid dividend (FY 2013-14 final dividend-Phoenix Lamps Limited)	9.01	October 26, 2021	13

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company's subsidiary, incorporated in India during the year ended March 31, 2022.

iv. a) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, as disclosed in the note 51(v) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or such subsidiary to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or such subsidiary ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or such subsidiary from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or such subsidiary shall, whether, directly or indirectly, lend or invest in other

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary, which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

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

b) The interim dividend declared and paid during the year by the Holding Company and its subsidiary being companies incorporated in India and until the date of the respective audit reports of such Holding Company and subsidiary is in accordance with section 123 of the Act.

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

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

per **Rajeev Kumar**
Partner
Membership Number: 213803
UDIN: 22213803AJPIRN3466

Place of Signature: Bengaluru
Date: May 25, 2022

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

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

In conjunction with our audit of the consolidated financial statements of Suprajit Engineering Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary company (the Holding Company and its subsidiary company together referred to as "the Group"), which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements

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

Opinion

In our opinion, the Holding Company and its subsidiary company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established

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

by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such subsidiary company, incorporated in India.

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

per **Rajeev Kumar**
Partner
Membership Number: 213803
UDIN: 22213803AJPIRN3466

Place of Signature: Bengaluru
Date: May 25, 2022

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

₹ in Million

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	3	3,510.85	3,465.72
Capital work in progress	3	93.90	41.73
Right-of-use assets	6	402.26	339.40
Goodwill	4	1,261.00	1,356.70
Other intangible assets	5	702.03	819.36
Intangible assets under development	5	7.82	7.61
Financial assets			
Investments	8	30.71	347.85
Other financial assets	13	72.94	64.07
Income tax assets (net)	14	22.06	37.90
Other non-current assets	15	105.37	44.02
		6,208.94	**6,524.36**
Current assets			
Inventories	7	3,432.83	3,145.29
Financial assets			
Investments	8	2,588.19	2,847.32
Trade receivables	9	2,971.86	3,319.59
Cash and cash equivalents	10	1,860.73	770.75
Other bank balances	11	18.47	170.07
Loans	12	14.22	10.10
Other financial assets	13	82.56	4.12
Other current assets	15	207.45	341.05
		11,176.31	**10,608.29**
Total assets		**17,385.25**	**17,132.65**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	138.39	139.87
Other equity	17	10,701.30	9,757.24
Total equity		**10,839.69**	**9,897.11**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	18 (a)	138.40	350.53
Lease Liabilities	18 (b)	205.87	135.13
Other financial liabilities	20	29.99	23.93

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

₹ in Million

	Notes	As at March 31, 2022	As at March 31, 2021
Provisions	**21**	64.76	136.73
Deferred tax liabilities (net)	**23**	553.83	552.24
Other non-current liabilities	**24**	10.56	11.53
		1,003.41	**1,210.09**
Current liabilities			
Financial liabilities			
Borrowings	**18 (a)**	2,976.64	2,926.52
Lease Liabilities	**18 (b)**	44.45	47.13
Trade payables	**19**		
Total outstanding dues of micro and small enterprises		310.02	355.98
Total outstanding dues of creditors other than micro and small enterprises		1,629.64	2,120.01
Other financial liabilities	**20**	198.76	206.81
Other current liabilities	**24**	125.81	148.26
Provisions	**21**	141.67	134.89
Current tax liabilities (net)	**22**	115.16	85.85
		5,542.15	**6,025.45**
Total liabilities		**6,545.56**	**7,235.54**
Total equity and liabilities		**17,385.25**	**17,132.65**

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 25, 2022

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

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

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place : Bengaluru
Date : May 25, 2022

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

		Notes	Year ended March 31, 2022	Year ended March 31, 2021
I	**Income**			
	Revenue from operations	**25**	18,404.77	16,408.55
	Other income	**26**	366.47	335.92
	Total income		**18,771.24**	**16,744.47**
II	**Expenses**			
	Cost of materials consumed	**27**	10,484.07	9,398.29
	Purchases of stock-in-trade	**28**	359.33	283.35
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	**29**	(56.06)	(134.46)
	Employee benefits expense	**30**	3,363.75	3,083.45
	Finance costs	**31**	145.23	192.18
	Depreciation and amortization expense	**32**	585.11	567.57
	Other expenses	**33**	1,654.64	1,410.71
	Total expenses		**16,536.07**	**14,801.09**
III	**Profit before exceptional items and tax expense (I-II)**		**2,235.17**	**1,943.38**
IV	**Exceptional items (net)**	**34**	116.46	-
V	**Profit before tax expense (III+IV)**		**2,351.63**	**1,943.38**
VI	**Tax expense (net):**	**35**		
	Current tax		629.47	503.04
	Deferred tax charge / (credit)		(8.61)	(1.71)
	Current tax relating to earlier periods		-	14.95
	Total tax expenses		**620.86**	**516.28**
VII	**Profit for the year (V-VI)**		**1,730.77**	**1,427.10**
VIII	**Other comprehensive income ('OCI'), net of taxes**			
	Items that will not be reclassified subsequently to profit or loss:			
	Re-measurement gain / (loss) on defined benefit plan		(3.19)	0.62
	Items that will be reclassified subsequently to profit or loss:			
	Net exchange differences on translation of foreign operations		42.31	7.01
	Net change in fair value of Hedging instrument		3.04	5.53
	Total other comprehensive income		**42.16**	**13.16**
IX	**Total comprehensive income for the year (VII+VIII) Comprising Profit and other comprehensive Income**		**1,772.93**	**1,440.26**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

		Notes	Year ended March 31, 2022	Year ended March 31, 2021
X	**Earnings per equity share [nominal value of share [₹ 1 (March 31, 2021: ₹ 1)]**	**36**		
	Basic		12.49	10.20
	Diluted		12.48	10.20
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 25, 2022

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

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

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place : Bengaluru
Date : May 25, 2022

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

A. Equity share capital (refer note 16)

	Number	₹ in Million
Equity shares of ₹1 each issued, subscribed and fully paid-up		
As at April 1, 2020	13,98,72,473	139.87
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance as at April 1, 2021	**13,98,72,473**	**139.87**
Issue of shares during the year*	12,697	0.01
Buyback of equity shares	(15,00,000)	(1.50)
As at March 31, 2022	**13,83,85,170**	**138.39**

* During the year the Company allotted 12,697 (March 31, 2021- Nil) equity shares of ₹1 each, consequent to the exercise of employee stock appreciation rights. Also refer note 46.

B. Other equity (refer note 17)

₹ in Million

	Attributable to equity holders of the Company							
	Reserves and surplus						OCI	Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Share-based payments reserves	Surplus in the statement of profit & loss	Foreign currency translation reserve	
As at April 1, 2020	**5.13**	**293.70**	**1,861.81**	**4,068.33**	**52.12**	**1,739.94**	**376.78**	**8,397.81**
Add: Profit for the year	-	-	-	-	-	1,427.10	-	1,427.10
Add: OCI - Re-measurement loss on defined benefit obligation (net of tax)	-	-	-	-	-	0.62	-	0.62
Add: Net change in fair value of Hedging instrument (net of tax)	-	-	-	-	-	5.53	-	5.53
Add: Share based payments expense	-	-	-	-	24.07	-	-	24.07
Add / Less: Transfer to general reserve	-	-	-	750.00	-	(750.00)	-	-
Less: Cash dividends	-	-	-	-	-	(104.90)	-	(104.90)
Add: Net exchange differences on translation of foreign operations	-	-	-	-	-	-	7.01	7.01
Balance as at March 31, 2021	**5.13**	**293.70**	**1,861.81**	**4,818.33**	**76.19**	**2,318.29**	**383.79**	**9,757.24**
Add: Profit for the year	-	-	-	-	-	1,730.77	-	1,730.77
Less: OCI - Re-measurement gain on defined benefit obligation (net of tax)	-	-	-	-	-	(3.19)	-	(3.19)
Add: Net change in fair value of Hedging instrument (net of tax)	-	-	-	-	-	3.04	-	3.04
Add: Share-based payments expense	-	-	-	-	23.50	-	-	23.50

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	Attributable to equity holders of the Company							
	Reserves and surplus						OCI	Total
	Capital reserve	Capital redemption reserve	Securities premium	General reserve	Share - based payments reserves	Surplus in the statement of profit & loss	Foreign currency translation reserve	
Add / Less: Exercise of employee stock appreciations rights	-	-	5.58	-	(5.58)	-	-	-
Add / Less: Buyback of equity shares	-	1.50	(478.50)	-	-	(1.50)	-	(478.50)
Less: Tax on buyback of equity shares	-	-	-	-	-	(110.95)	-	(110.95)
Less: Cash dividends	-	-	-	-	-	(262.92)	-	(262.92)
Add: Net exchange differences on translation of foreign operations	-	-	-	-	-	-	42.31	42.31
Balance as at March 31, 2022	**5.13**	**295.20**	**1,388.89**	**4,818.33**	**94.11**	**3,673.54**	**426.10**	**10,701.30**

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 25, 2022

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

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

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place : Bengaluru
Date : May 25, 2022

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

		Year ended March 31, 2022	Year ended March 31, 2021
A	**Operating activities**		
	Profit before tax expense	2,351.63	1,943.38
	Adjustments to reconcile profit before tax expense to net cash flows:		
	Depreciation and amortization expense	585.11	567.57
	Allowance for doubtful receivables (net)	7.94	19.44
	Loss / (profit) on disposal of property, plant and equipment (net)	1.87	(0.31)
	Liabilities no longer required written back	(1.34)	(0.20)
	Fair value gain in financial instruments	(160.57)	(225.50)
	Finance cost	145.23	192.18
	Interest income	(5.08)	(1.61)
	Employee share based payments	23.50	24.07
	Exceptional Items	(116.46)	-
	Operating profit before working capital changes	**2,831.83**	**2,519.02**
	Working capital adjustments:		
	(Increase) / decrease in inventories	(276.76)	(374.32)
	(Increase) / decrease in trade receivables	341.72	(561.27)
	(Increase) / decrease in loans	(4.08)	0.21
	(Increase) / decrease in other financial assets	(87.17)	45.61
	(Increase) / decrease in other assets	132.36	58.94
	Increase / (decrease) in trade payables	(531.82)	312.11
	Increase / (decrease) in other financial liabilities	6.27	15.68
	Increase / (decrease) in provisions	11.42	2.79
	Increase / (decrease) in other liabilities	(23.49)	73.67
	Cash generated from operations	**2,400.28**	**2,092.44**
	Direct taxes paid (net of refund)	(584.47)	(482.29)
	Net cash flows from operating activities	**1,815.81**	**1,610.15**
B	**Investing activities**		
	Purchase of property, plant and equipment	(526.54)	(254.82)
	Proceeds from sale of property, plant and equipment	1.54	3.56
	Purchase of investments	(1,270.02)	(2,286.79)
	Sales of investments	2,006.86	2,080.01
	Movement in deposits (net)	151.60	(141.03)
	Interest received	1.56	0.83
	Net cash flows from / (used in) investing activities	**365.00**	**(598.24)**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

		Year ended March 31, 2022	Year ended March 31, 2021
C	**Financing activities**		
	Movement in working capital loans (net) [note 18(a)]	431.34	(87.65)
	Movement in long term borrowings (net) [note 18(a)]	(474.39)	(424.03)
	Interest paid	(149.89)	(193.49)
	Payment of lease liabilities [note 18(b)]	(56.38)	(51.02)
	Dividend paid to equity shareholders	(274.61)	(104.04)
	Issue of Share capital	0.01	-
	Buy-back of equity shares	(480.00)	-
	Tax on buy-back of equity shares	(110.95)	-
	Net cash flows used in financing activities	**(1,114.87)**	**(860.23)**
D	**Net increase in cash and cash equivalents (A+B+C)**	**1,065.94**	**151.68**
	Net foreign exchange difference on cash and cash equivalents	24.04	7.30
	Cash and cash equivalents at the beginning of the year	770.75	611.77
E	**Cash and cash equivalents at the end of the year (refer note 10)**	**1,860.73**	**770.75**
	Cash and cash equivalents at the end of the year comprises -		
	Cash on hand	1.05	1.25
	Balance with banks on		
	Current accounts	1,832.16	724.04
	EEFC accounts	27.52	45.46
	Total cash and cash equivalents	**1,860.73**	**770.75**

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 25, 2022

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

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

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: May 25, 2022

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1. Corporate information

The consolidated financial statements comprise financial statements of Suprajit Engineering Limited ('SEL' or 'the Company' or 'the Holding Company') and its subsidiaries (collectively, 'the Group'). SEL is a public limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its shares are listed on the Bombay Stock Exchange and the National Stock Exchange in India. The registered office of the Holding Company is situated at No. 100 & 101, Bommasandra Industrial Area, Bengaluru - 560 099.

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

The consolidated financial statements were authorised for issue in accordance with a resolution of the Company's Board of Directors on May 25, 2022.

2. Significant accounting policies

(a) Basis of preparation of Consolidated financial statements

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the consolidated financial statements. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from April 1, 2021. The Group has evaluated the effect of the amendments on its financial statements and complied with the same.

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

(b) Basis of consolidation

The consolidated financial statements for the year ended March 31, 2022 comprise the financial statements of Suprajit Engineering Limited and its subsidiaries (collectively referred to as "the Group").

Following subsidiaries have been considered in the preparation of the consolidated financial statements:

Name of entity	Relationship	Country of Incorporation	% of Ownership Interest	
			March 31, 2022	March 31, 2021
Suprajit Automotive Private Limited	Subsidiary	India	100%	100%
Suprajit Europe Limited	Subsidiary	United Kingdom	100%	100%
Suprajit USA Inc.	Subsidiary	USA	100%	100%
Trifa Lamps, Germany GmbH	Subsidiary	Germany	100%	100%
Luxlite Lamp SARL	Subsidiary	Luxembourg	100%	100%
Wescon Controls LLC	Subsidiary of Suprajit USA Inc	USA	100%	100%

All the above subsidiaries are under the same management. Suprajit USA Inc. is an investment company holding Wescon Controls LLC and all other subsidiaries are engaged in the same principle activities as the holding company.

Control exists when the parent has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the holding company, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent, to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

i. Combine like items of assets, liabilities, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

ii. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. The excess of cost to the Company of its investments in the subsidiary companies over its share of equity of the subsidiary companies, at the date on which the investment in the subsidiaries were made, is recognized as 'Goodwill' being an intangible asset in the consolidated financial statements and is tested for an impairment on an annual basis. On the other hand, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investments of the Company, it is recognized as 'Capital Reserve' and shown in 'Other Equity', in the consolidated financial statements. The 'Goodwill/ Capital Reserve' is determined separately for each subsidiary company and such amounts are not set off between different entities.

iii. Eliminate in full intragroup assets and liabilities, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant & equipment are eliminated in full).

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group.

(c) Use of estimates, assumptions and judgements

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

Estimation of uncertainties relating to COVID-19

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

Impairment of financial assets

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

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

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget for future years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognized by the Group. The key assumptions used to determine the recoverable amount for the different CGUs, are disclosed and further explained in note 2(p).

Business combinations and intangible assets

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by external valuation experts and in certain cases by management internally (refer note 4 and 5).

Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation is determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date (Refer note 40).

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

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

Fair value measurement of financial instruments

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

Share-based payments (Employee Stock Appreciation Plan)

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

Taxes

The Group's two major tax jurisdictions are India and the United States, though the Group also files tax returns in other foreign jurisdictions. Significant judgements are involved in determining the provision for income taxes and tax credits including the amount expected to be paid or refunded. Also refer note 2(j) and note 35.

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

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease period relating to the existing lease contracts [Refer to note 2(n)].

(d) Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

All other liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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

(e) Business combination and goodwill

The Group accounts for its business combinations using acquisition method of accounting. Acquisition related costs are recognized in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognized at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognized as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognized as capital reserve.

Business combinations arising from transfers of interests in entities that are under the common control are accounted using pooling of interest method. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Goodwill is initially measured at cost and subsequently measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually as at March 31 or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized in the consolidated statement of profit and loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

(f) Foreign currencies

The Consolidated financial statements are presented in Indian Rupee (₹), which is also the Group's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

The functional currency of the Company and its Indian subsidiaries is Indian Rupee, whereas the functional currency of foreign subsidiaries is the currency of their countries of domicile. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the consolidated balance sheet date.

Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are included in the consolidated statement of profit and loss.

Assets and liabilities of entities with functional currency other than presentation currency have been translated to the presentation currency using exchange rates prevailing on the consolidated balance sheet date. Statement of profit and loss have been translated using weighted average exchange rates. Translation adjustments have been reported as foreign currency translation reserve in the consolidated statement of changes in equity.

(g) Fair value measurement

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

(h) Revenue from contract with customer

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

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

Contract assets

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

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

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

Sale of goods

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

The revenue is collected immediately upon sale of goods or as per agreed credit terms which is within 0 to 365 days upon delivery.

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

Variable Consideration

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

Sale of Services

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

Interest income

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

Export benefits

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

Dividend

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

(i) Government grants

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

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the consolidated statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e., by equal annual instalments. When loans or similar assistance are provided by Governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a Government grant. The loan or assistance is initially recognized and measured at fair value and the Government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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

(j) Taxes on income

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

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

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

Deferred income tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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

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

Deferred income taxes are not provided on the undistributed earnings of subsidiaries and branches where it is expected that the earnings of the subsidiary or branch will not be distributed in the foreseeable future.

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

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

(k) Property, plant and equipment

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

Depreciation is calculated on a straight-line basis over the useful lives of the assets, as specified in Schedule II to the Act except in case of certain assets wherein depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

	Useful lives (years)
Buildings – Factory	10 to 30
Buildings- Others	60
Electrical installations	21
Plant and equipment	5 to 30
Dies and moulds	5
Furniture and fixtures	10 and 15
Office equipment	3 to 10
Vehicles	5 and 10
Computers	3 and 6

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

Effective April 01, 2019 the Group has revised the useful life of Dies and moulds based on the technical evaluation. The previously applied useful life was 15 years and revised useful life is 5 years. The depreciation expense in consolidated statement of profit and loss for the year ended March 31, 2022 is higher by ₹ 12.18 Million (March 31, 2021: ₹ 10.51 Million) consequent to the change in useful life.

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

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

(l) Intangible assets

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

Intangible assets are amortized over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets is recognized in the consolidated statement of profit and loss.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

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

	Useful life (years)
Software	3
Business rights	5
Patents	5
Customer relationship	10
Non-compete agreement	1
Trademarks	10

(m) Borrowing costs

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

(n) Leases

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

The Group as a lessee

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

Right-of-use assets

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

	Useful lives (years)
Leasehold land	15 to 99
Buildings	1 to 5

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

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

Lease Liabilities

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

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

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

Short-term leases and leases of low-value assets

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

(o) Inventories

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

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

Cost is determined on a weighted average basis. Net 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 recognized impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit or loss, unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(q) Provisions

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

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

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

(r) Retirement and other employee benefits

Retirement benefit in the form of provident funds and employee state insurance which are defined contribution schemes. The Group has no obligation, other than the contribution payable to the provident fund and employee state insurance. The Group recognizes contribution payable to the provident fund scheme and employee state insurance scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

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

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

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

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

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

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model (refer note 46).

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

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

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

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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

(t) Financial instruments

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

Financial assets

Initial recognition and measurement

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

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

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

Subsequent measurement

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

- Debt instruments at amortized cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)

- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

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

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

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

(ii) The asset's contractual cash flows represent SPPI.

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

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

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

De-recognition

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

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Impairment of financial assets

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

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

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

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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

Loans and borrowings

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

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

Financial guarantee

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

De-recognition

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

Offsetting of financial instruments

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

(u) Derivative financial instruments and hedge accounting

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

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

(v) Cash and cash equivalents

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

(w) Consolidated statement of cash flow

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

(x) Cash dividend to equity holders

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

(y) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements.

(z) Earnings per share

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

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

(aa) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Chief Executive Officer has been identified as the chief operating decision maker.

The Group has identified a single business segment being manufacturing and selling of automotive and other components. This being a single segment no additional segment disclosure has been made for the business segment. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

The Group's operations are categorized geographically as (a) India (b) United States of Americas ('USA') (c) Rest of the world. 'Rest of the world' comprises the Group's operations in the 'United Kingdom', 'Germany' and 'Luxembourg'. Customer relationships are driven based on customer domicile.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to the segments on the basis of their relationship to the operating activities of the segment.

New and amended standards

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after April 1, 2021. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective:

i) Interest Rate Benchmark Reform Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Group.

ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS. includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share-based Payments, footnote to be added for definition of liability i.e., definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after April 1, 2021.

These amendments had no impact on the financial statements of the Group.

iii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond June 30, 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before June 30, 2022 from June 30, 2021. The amendment applies to annual reporting periods beginning on or after April 1, 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after April 1, 2020.

These amendments had no impact on the financial statements of the Group.

iv) Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Group.

v) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of "Recoverable amount" is amended such that the words "the higher of an asset's fair value less costs to sell and its value in use" are replaced with "higher of an asset's fair value less costs of disposal and its value in use". The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

3 (i) Property, plant and equipment

₹ in Million

	Freehold Land	Leasehold land*	Buildings	Electrical installations	Plant and equipments	Dies and moulds	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
Cost											
As at April 1, 2020	**281.23**	**27.74**	**1,745.02**	**210.74**	**1,998.73**	**99.61**	**62.28**	**46.45**	**162.32**	**31.56**	**4,665.68**
Additions	-	-	119.06	37.29	121.36	21.10	12.23	1.07	9.72	11.86	**333.69**
Disposals	-	-	-	(1.34)	(6.74)	(0.18)	(0.01)	(0.81)	(1.91)	(0.74)	**(11.73)**
Exchange differences	-	-	(5.41)	-	(8.35)	-	1.04	0.21	(1.70)	-	**(14.21)**
As at March 31, 2021	**281.23**	**27.74**	**1,858.67**	**246.69**	**2,105.00**	**120.53**	**75.54**	**46.92**	**168.43**	**42.68**	**4,973.43**
Additions	-	-	72.13	23.54	240.70	21.55	16.27	6.81	13.08	11.06	**405.14**
Disposals	-	-	-	-	(27.27)	-	(5.30)	(0.07)	(8.75)	(0.09)	**(41.48)**
Exchange differences	-	-	6.68	-	14.37	-	(0.19)	0.07	3.10	-	**24.03**
As at March 31, 2022	**281.23**	**27.74**	**1,937.48**	**270.23**	**2,332.80**	**142.08**	**86.32**	**53.73**	**175.86**	**53.65**	**5,361.12**
Depreciation											
As at April 1, 2020	**-**	**0.70**	**243.75**	**39.18**	**691.02**	**50.55**	**16.75**	**16.02**	**83.68**	**20.49**	**1,162.14**
Charge for the year	-	-	79.60	11.99	204.76	15.76	6.65	6.09	27.24	6.19	**358.28**
Disposals	-	-	-	(0.13)	(5.02)	(0.04)	(0.01)	(0.76)	(1.80)	(0.73)	**(8.49)**
Exchange differences	-	-	(0.60)	-	(3.38)	-	0.82	0.11	(1.17)	-	**(4.22)**
As at March 31, 2021	**-**	**0.70**	**322.75**	**51.04**	**887.38**	**66.27**	**24.21**	**21.46**	**107.95**	**25.95**	**1,507.71**
Charge for the year	-	-	85.49	13.95	206.85	18.50	7.51	5.92	21.37	7.20	**366.79**
Disposals	-	-	-	-	(24.27)	-	(5.30)	(0.03)	(8.38)	(0.09)	**(38.07)**
Exchange differences	-	-	1.85	-	9.42	-	(0.19)	0.06	2.70	-	**13.84**
As at March 31, 2022	**-**	**0.70**	**410.09**	**64.99**	**1,079.38**	**84.77**	**26.23**	**27.41**	**123.64**	**33.06**	**1,850.27**
Net book value											
As at March 31, 2021	**281.23**	**27.04**	**1,535.92**	**195.65**	**1,217.62**	**54.26**	**51.33**	**25.46**	**60.48**	**16.73**	**3,465.72**
As at March 31, 2022	**281.23**	**27.04**	**1,527.39**	**205.24**	**1,253.42**	**57.31**	**60.09**	**26.32**	**52.22**	**20.59**	**3,510.85**

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

Notes:

(a) Property, plant and equipment except leasehold land and assets capitalised under finance lease arrangement is owned by the Group. The title deeds of the immovable properties are held in the name of the Group companies subject to charge created for borrowings as detailed in note 18(a).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

Notes (cont..)

(b) Buildings include those constructed on leasehold land as follows: ₹ in Million

	As at March 31, 2022	As at March 31, 2021
Gross block	**749.68**	**746.48**
Additions	-	3.20
Total gross block	**749.68**	**749.68**
Accumulated depreciation	**(142.43)**	**(113.48)**
Charge for the year	(29.05)	(28.95)
Total accumulated depreciation	**(171.48)**	**(142.43)**
Net book value	**578.20**	**607.25**

3(ii) Capital work in progress

₹ in Million

	Total
As at April 1, 2020	**145.49**
Additions	103.18
Capitalised	(206.94)
As at March 31, 2021	**41.73**
Additions	243.42
Capitalised	(191.25)
As at March 31, 2022	**93.90**

Capital work in progress (CWIP) ageing schedule

₹ in Million

As at March 31, 2022	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	89.92	3.98	-	-	93.90
Projects temporarily suspended	-	-	-	-	-
Total	**89.92**	**3.98**	**-**	**-**	**93.90**

As at March 31, 2021	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	39.74	1.99	-	-	41.73
Projects temporarily suspended	-	-	-	-	-
Total	**39.74**	**1.99**	**-**	**-**	**41.73**

There are no overdue or cost overrun projects compared to its original plan and no CWIP which are temporarily suspended, on the abovementioned reporting dates.

4 Goodwill

Following is the movement of carrying value of Goodwill: ₹ in Million

	As at March 31, 2022	As at March 31, 2021
Carrying value as per last financial statement	1,356.70	1,374.75
Exchange differences	31.55	(18.05)
Goodwill impairment of Luxlite Lamp SARL, Luxembourg	(127.25)	-
Closing balance	**1,261.00**	**1,356.70**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Below is the Cash Generating Unit ('CGU') wise break-up of goodwill: ₹ in Million

	As at March 31, 2022	As at March 31, 2021
Wescon Controls LLC	1,117.18	1,083.25
Luxlite Lamps SARL, Luxembourg ('Luxlite Lamps')	143.82	273.45
Total	**1,261.00**	**1,356.70**

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, 2022	As at March 31, 2021
Growth rate	2% to 17.77%	2% to 28.5%
Operating margins	4.6% to 17.1%	9% to 19.2%
Discount rate	14% to 15%	14% to 15%

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, 2022, the Group assessed the carrying value of Luxlite Lamps and Wescon controls LLC at their CGU level, based on future operational plan, projected cash flows and valuation carried out. Considering the aforesaid valuation, the management is of the view that, the carrying value of its goodwill as at March 31, 2022 is appropriate.

Further, the Group also assessed the carrying value of Luxlite Lamps as at September 30, 2021 and recoverable value of Luxlite Lamps at CGU level was assessed at Euro 6.60 Million (₹ 568.22 Million) and there has been an impairment of goodwill amounting to Euro 1.48 Million (₹ 127.25 Million) (March 31, 2021: ₹ Nil) and such impairment is on account of decline in operations. The aforesaid impairment has been reflected as 'exceptional item' (refer note 34(b)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

5 (i) Other intangible assets

₹ in Million

	Business rights	Patents	Software	Customer relationship	Non-compete agreement	Trade marks	Total
Cost							
As at March 31, 2020	**13.16**	**0.49**	**49.56**	**1,259.76**	**12.06**	**107.04**	**1,442.07**
Additions	-	0.27	4.25	-	-	-	**4.52**
Disposals	-	-	(0.57)	-	-	-	**(0.57)**
Exchange differences	-	-	0.52	(32.70)	(0.30)	(2.67)	**(35.15)**
As at March 31, 2021	**13.16**	**0.76**	**53.76**	**1,227.06**	**11.76**	**104.37**	**1,410.87**
Additions	-	-	13.90	-	-	-	**13.90**
Disposals	-	-	2.05	-	-	-	**2.05**
Exchange differences	-	-	0.04	39.80	0.37	3.27	**43.48**
As at March 31, 2022	**13.16**	**0.76**	**69.75**	**1,266.86**	**12.13**	**107.64**	**1,470.30**
Amortization							
As at March 31, 2020	**13.16**	**0.28**	**28.77**	**383.16**	**12.06**	**10.70**	**448.13**
Charge for the year	-	0.04	11.89	133.73	-	10.54	**156.20**
Disposals	-	-	(0.57)	-	-	-	**(0.57)**
Exchange differences	-	-	0.46	(12.04)	(0.30)	(0.37)	**(12.25)**
As at March 31, 2021	**13.16**	**0.32**	**40.55**	**504.85**	**11.76**	**20.87**	**591.51**
Charge for the year	-	0.18	11.10	133.11	-	10.58	**154.97**
Disposals	-	-	2.05	-	-	-	**2.05**
Exchange differences	-	-	0.04	18.49	0.37	0.84	**19.74**
As at March 31, 2022	**13.16**	**0.50**	**53.74**	**656.45**	**12.13**	**32.29**	**768.27**
Net book value							
As at March 31, 2021	**-**	**0.44**	**13.21**	**722.21**	**-**	**83.50**	**819.36**
As at March 31, 2022	**-**	**0.26**	**16.01**	**610.41**	**-**	**75.35**	**702.03**

5(ii) Intangible assets under development

₹ in Million

	Total
As at April 1, 2020	**6.24**
Additions	1.37
Capitalised	-
As at March 31, 2021	**7.61**
Additions	0.21
Capitalised	-
As at March 31, 2022	**7.82**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Intangible Asset under Development (IAUD) ageing schedule

₹ in Million

As at March 31, 2022	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.11	0.74	1.65	4.32	7.82
Projects temporarily suspended	-	-	-	-	-
Total	**1.11**	**0.74**	**1.65**	**4.32**	**7.82**

As at March 31, 2021	Amount in IAUD for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.59	1.66	0.08	4.28	7.61
Projects temporarily suspended	-	-	-	-	-
Total	**1.59**	**1.66**	**0.08**	**4.28**	**7.61**

There are no overdue or cost overrun projects compared to its original plan and no IAUD which are temporarily suspended, on the abovementioned reporting dates.

6. Right-of-use assets

The Group has lease contracts for leasehold land, prepaid leasehold land rentals, factory premises and office space. Leases generally have lease terms between 1 and 99 years.

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

₹ in Million

	Buildings	Leasehold land	Total
As at April 1, 2020	114.23	204.95	319.18
Additions	127.96	-	127.96
Exchange differences	6.84	-	6.84
As at March 31, 2021	**249.03**	**204.95**	**453.98**
Additions	122.67	-	122.67
Deletions	(87.23)	-	(87.23)
Exchange differences	4.69	-	4.69
As at March 31, 2022	**289.16**	**204.95**	**494.11**
Accumulated depreciation			
As at April 1, 2020	52.12	4.84	56.96
Depreciation expense	48.27	4.82	53.09
Exchange differences	4.53	-	4.53
As at March 31, 2021	**104.92**	**9.66**	**114.58**
Depreciation expense	58.53	4.82	63.35
Deletions	(87.23)	-	(87.23)
Exchange differences	1.15	-	1.15
As at March 31, 2022	**77.37**	**14.48**	**91.85**
Net book value as at March 31, 2021	**144.11**	**195.29**	**339.40**
Net book value as at March 31, 2022	**211.79**	**190.47**	**402.26**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

7. Inventories

(Valued at lower of cost and net realisable value)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Raw materials [includes goods in transit ₹ 117.02 Million (March 31, 2021: ₹ 185.86 Million)]	2,142.02	1,862.09
Work-in-progress	202.11	206.73
Finished goods	1,077.10	1,050.03
Traded goods	194.38	164.36
Less: Allowance towards slow and non-moving items	(182.78)	(137.92)
Total	**3,432.83**	**3,145.29**

8. Investments

(Valued at fair value through profit and loss)

Non-current	As at March 31, 2022			As at March 31, 2021		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
Quoted mutual funds (fully paid-up)						
Franklin India Ultra Short Bond Fund Super Institutional Direct Plan - Growth	-	-	-	1,025,470	29.91	30.67
Franklin India Short Term Income Plan - Retail Plan - Direct Plan - Growth	5,463	4,730.08	25.84	43,600	4,249.99	185.30
Franklin India Low Duration Fund - Direct - Growth	-	-	-	1,439,472	23.84	34.31
Franklin India Low Duration Fund - Growth	-	-	-	379,821	23.21	8.82
Franklin India Dynamic Accrual Fund - Direct Plan - Growth	18,752	82.54	1.55	862,919	75.44	65.10
Franklin India Credit Risk Fund - Direct Plan - Growth	138,290	24.02	3.32	1,072,545	22.05	23.65
			30.71			**347.85**
Aggregate market value of quoted investments			**30.71**			**347.85**

As on March 31, 2022, the Group has an investment of ₹ 53.52 Million (March 31, 2021: ₹ 708.77 Million) in the wound-up schemes of Franklin Templeton Mutual Fund (FTMF), valued at Net Asset Value (NAV) as on said date. The Group evaluated the provision made towards investment in FTMF and reversed the provision of ₹ 82.09 Million (March 31, 2021 ₹ Nil) out of the total provision of ₹ 108.53 Million during the year ended March 31, 2022 considering the redemption and realisation of significant portion of investments in FTMF.

The aforesaid reversal of provision for diminution in the value of investments has been reflected as 'exceptional item' (refer note 34(a)). The classification of said investment in current and non-current investment is based on maturity profile provided by FTMF.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

8. Investments (contd…)

(Valued at fair value through profit and loss)

Current	As at March 31, 2022			As at March 31, 2021		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
Quoted mutual funds (fully paid-up)						
Franklin India Ultra Short Bond Fund Super Institutional Plan - Direct Plan - Growth	267,129	33.60	8.97	4,437,483	29.91	132.72
Aditya Birla Sun Life Banking & PSU Debt Fund-Growth-Direct Plan (formerly known as Aditya Birla Sun Life Treasury Optimizer Plan)	245,120	304.33	74.60	1,294,728	289.72	375.11
IDFC Dynamic Bond Fund-Growth - (Regular Plan)	-	-	-	720,861	26.90	19.39
Aditya Birla Sun Life Credit Risk Fund Gr.DIRECT (Segregated Portfolio - 1)	19,037,233	0.17	3.23	19,037,233	0.42	7.91
ICICI Prudential Equity Arbitrage Fund - Direct plan - Growth	-	-	-	4,490,155	28.05	125.96
Franklin India Low Duration Fund - Direct - Growth	147,287	28.14	4.14	2,408,519	23.84	57.41
Franklin India Low Duration Fund - Growth	38,814	31.99	1.24	634,215	23.21	14.72
Franklin India Dynamic Accrual Fund - Direct Plan - Growth	54,757	82.54	4.52	666,641	75.44	50.29
HDFC Floating Rate Debt Fund - Direct Plan - Growth option	2,567,564	40.10	102.95	2,567,564	38.29	98.32
ICICI Prudential Savings Fund - Direct Plan - Growth	232,819	437.71	101.91	232,819	419.69	97.71
Franklin India Credit Risk Fund - Direct Plan - Growth	50,032	24.02	1.20	739,157	22.05	16.30
HDFC Corporate Bond Fund - Regular Plan - Growth	2,251,847	26.13	58.85	2,251,847	24.93	56.13
SBI Magnum Medium Duration Fund Direct Growth	5,740,517	43.77	251.23	4,793,102	41.51	198.94
Franklin India Short Term Income Plans - Retail Plan - Direct Plan - Growth	577	4,730.08	2.73	21,055	4,249.99	89.48
SBI Corporate Bond Fund - Direct Plan - Growth	4,227,965	12.78	54.01	4,227,965	12.21	51.64
HDFC Banking and PSU Debt Fund - Direct - Growth	6,978,782	19.16	133.71	4,545,254	18.25	82.95
IDFC Banking and PSU Debt Fund - Regular Plan - Growth	1,072,005	20.02	21.46	1,072,005	19.23	20.62
IDFC Banking and PSU Debt Fund - Direct Plan - Growth	6,393,041	20.40	130.41	2,588,385	19.54	50.58
ICICI Prudential Corporate Bond Fund - Direct Plan - Growth	3,085,130	24.59	75.85	3,085,130	23.51	72.52
HDFC Short Term Debt Fund - Direct Plan - Growth	5,832,745	26.22	152.93	3,282,994	24.95	81.90
HDFC Corporate Bond Fund - Direct Plan - Growth	9,955,956	26.48	263.65	7,401,495	25.18	186.40
SBI Short Term Debt Fund - Direct Plan - Growth	2,364,012	27.23	64.37	857,575	26.03	22.32
IDFC Dynamic Bond Fund - Growth - Direct Plan	4,818,837	30.39	146.43	2,428,222	28.82	69.99

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

8. Investments (cont…)

(Valued at fair value through profit and loss)

Current	As at March 31, 2022			As at March 31, 2021		
	Units	NAV (₹)	₹ in Million	Units	NAV (₹)	₹ in Million
Quoted mutual funds (fully paid-up)						
ICICI Prudential Short Term Fund - Direct Plan - Growth	2,188,093	51.05	111.69	1,071,030	48.62	52.07
Kotak Banking and PSU Debt Fund - Direct- Growth	3,065,713	54.28	166.41	2,018,780	51.52	104.01
Aditya Birla Sun Life Corporate Bond Fund - Growth - Direct Plan (formerly known as Aditya Birla Sun Life Short Term Fund)	3,230,026	91.21	294.61	3,230,026	86.73	280.15
ICICI Prudential Liquid Fund - Direct Plan - Growth	-	-	-	395,264	304.74	120.45
Axis Liquid Fund - Direct - Growth - CFDG	-	-	-	52,725	2,284.79	120.47
SBI Liquid Fund - Direct - Growth	-	-	-	37,395	3,221.62	120.47
Axis Treasury Advantage Fund - Direct - Growth - TADG	14,174	2,590.02	36.71	14,174	2,482.58	35.19
ICICI Prudential Ultra Short Term Fund - Direct Plan - Growth	6,256,922	23.91	149.61	1,538,662	22.88	35.20
ICICI Prudential Short Term Fund - Direct Plan - Growth	1,310,931	51.01	66.88	-	-	-
Aditya Birla Sun Life Corporate Bond Fund - Growth - Regular Plan (formerly known as Aditya Birla Sun Life Short Term Fund)	228,531	90.19	20.61	-	-	-
Kotak Corporate Bond - Fund Direct - Growth	26,583	3,132.88	83.28	-	-	-
Total			**2,588.19**			**2,847.32**
Aggregate market value of quoted investments			**2,588.19**			**2,847.32**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

9. Trade receivables

(Unsecured, carried at amortised cost)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Trade receivables	2,971.86	3,319.59
Total	**2,971.86**	**3,319.59**
Break-up for security details:		
Current		
Unsecured, considered good	2,971.86	3,319.59
Unsecured, credit impaired	14.57	18.04
Total	**2,986.43**	**3,337.63**
Impairment allowance (allowance for bad and doubtful debts)		
Trade receivables - credit impaired	(14.57)	(18.04)
Total	**2,971.86**	**3,319.59**

Trade receivables are non-interest bearing and are generally on terms of 0 to 365 days.
No trade or other receivables are due from directors or other officers of the company either severally or jointly with any other person. Further, there are no trade or other receivables which are due from firms or private companies in which any director is a partner, a director or a member.

₹ in Million

Trade receivables ageing schedule	Outstanding for following periods from due date of payment						
As at March 31, 2022	**Not due**	**Less than 6 Months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed trade receivables							
Considered good	2,237.83	731.53	2.40	0.10	-	-	2,971.86
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	2.85	8.76	1.92	0.96	0.08	14.57
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	**2,237.83**	**734.38**	**11.16**	**2.02**	**0.96**	**0.08**	**2,986.43**

Trade receivables ageing schedule	Outstanding for following periods from due date of payment						
As at March 31, 2021	**Not due**	**Less than 6 Months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed trade receivables							
Considered good	2,448.65	869.37	-	1.57	-	-	3,319.59
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	2.08	12.72	2.96	0.19	0.09	18.04
Disputed trade receivables							
Considered good	-	-	-	-	-	-	-
Which have significant increase in credit risk	-	-	-	-	-	-	-
Credit impaired	-	-	-	-	-	-	-
Total	**2,448.65**	**871.45**	**12.72**	**4.53**	**0.19**	**0.09**	**3,337.63**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

10. Cash and cash equivalents

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Current		
Cash on hand	1.05	1.25
Balance with banks on		
Current accounts	1,832.16	724.04
EEFC accounts	27.52	45.46
Total	**1,860.73**	**770.75**

11. Other bank balances

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Current		
Balance with banks on deposits with remaining maturity for less than 12 months	7.15	7.06
Earmarked balances with banks being unpaid dividend accounts*	11.32	23.01
Balance with banks in buyback 2021 escrow account#	-	140.00
Total	**18.47**	**170.07**

*These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities. The Company transferred ₹ 14.06 Million (March 31, 2021 ₹ 0.18 Million) during the year to investor education and protection fund as per the provisions of the Companies Act, 2013. In respect of remittance of unpaid dividend of ₹ 9.01 million pertaining to FY 2013-14 of Phoenix Lamps Limited, the company initiated the payment request to bank before the due date however due to administrative reasons on account of covid, it was processed after due date.

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

12. Loans

(Unsecured, considered good, carried at amortised cost)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Current		
Advances to employees	14.22	10.10
Total	**14.22**	**10.10**

13. Other financial assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
Carried at amortised cost		
Security deposits	60.56	57.77
Margin money deposits	0.78	0.78
Carried at fair value through profit and loss		
Foreign currency forward contracts	11.60	5.52
Total	**72.94**	**64.07**
Current		
Carried at fair value through profit and loss		
Foreign currency forward contracts	76.21	1.29
Carried at amortized cost		
Interest receivable on bank deposits and others	6.35	2.83
Total	**82.56**	**4.12**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

14. Income tax assets (net)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
Advance income-tax, including paid under protest (net of provision for taxation)	22.06	37.90
Total	**22.06**	**37.90**

15. Other assets

(Unsecured, considered good)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
Capital advances	98.36	36.57
Balances with statutory / Government authorities	6.12	5.57
Others	0.89	1.88
Total	**105.37**	**44.02**
Current		
Advances to suppliers	48.26	81.29
Pre-paid expenses	63.11	66.13
Export benefits receivable	9.40	8.12
Balances with statutory / Government authorities	83.61	178.18
Government grant	3.07	7.33
Total	**207.45**	**341.05**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

16. Equity share capital

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Authorised share capital		
850,000,000 (March 31, 2021: 850,000,000) equity shares of ₹ 1 each	850.00	850.00
Issued, subscribed and fully paid-up equity share capital		
138,385,170 (March 31, 2021: 139,872,473) equity shares of ₹ 1 each	138.39	139.87
Total	**138.39**	**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, 2022		As at March 31, 2021	
	Number	₹ in Million	Number	₹ in Million
Equity shares				
At the beginning of the year	139,872,473	139.87	139,872,473	139.87
Issue of shares during the year*	12,697	0.01	-	-
Buyback of equity shares (Refer note 16(h))	(1,500,000)	(1.50)	-	-
Outstanding at the end of the year	**138,385,170**	**138.39**	**139,872,473**	**139.87**

*During the year the Company allotted 12,697 (March 31, 2021- Nil) equity shares of ₹ 1 each, consequent to the exercise of employee stock appreciation rights. Also refer note 46.

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

	As at March 31, 2022		As at March 31, 2021	
	Number	%	Number	%
Equity shares of ₹ 1 each fully paid				
Supriyajith Family Trust	52,641,584	38.04%	53,151,540	38.00%

(d) Details of Shares held by promoters at the end of the year:

Name of the promoter	As at March 31, 2022				
	March 31, 2021	Change	March 31, 2022	% holding of equity shares	% change during the year
Equity shares of ₹ 1 each fully paid up					
Supriyajith Family Trust	53,151,540	(509,956)	52,641,584	38.04%	(0.97%)
K Ajith Kumar Rai	3,816,897	(17,492)	3,799,405	2.75%	(0.46%)
Supriya Ajith Kumar Rai	1,757,835	(18,325)	1,739,510	1.26%	(1.05%)
Akhilesh Rai	1,207,948	(6,182)	1,201,766	0.87%	(0.51%)
Ashutosh Rai	1,205,000	(7,988)	1,197,012	0.86%	(0.67%)
Aashish Rai	1,200,000	(5,000)	1,195,000	0.86%	(0.42%)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Name of the promoter	As at March 31, 2021				
	March 31, 2020	Change	March 31, 2021	% holding of equity shares	% change during the year
Equity shares of ₹ 1 each fully paid-up					
Supriyajith Family Trust	53,151,540	-	53,151,540	38.00%	0.00%
K Ajith Kumar Rai	3,816,897	-	3,816,897	2.73%	0.00%
Supriya Ajith Kumar Rai	1,757,835	-	1,757,835	1.26%	0.00%
Akhilesh Rai	1,207,948	-	1,207,948	0.86%	0.00%
Ashutosh Rai	1,205,000	-	1,205,000	0.86%	0.00%
Aashish Rai	1,200,000	-	1,200,000	0.86%	0.00%

(e) Shares reserved for issue under share-based payments

	As at March 31, 2022	As at March 31, 2021
Outstanding employee stock options under below schemes, granted/ available for grant (refer note 46):		
Employee Stock Appreciation Rights (SEL ESAR 2017)	1,086,019	819,213

(f) **Aggregate number of bonus shares issued, shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:**

	As at March 31, 2022	As at March 31, 2021
Equity shares (No.)		
Equity shares allotted as fully paid-up pursuant to contract (no.)		
The Company issued 8,533,699 equity shares of ₹ 1 each to the minority shareholders of Phoenix Lamps Limited, as part of merger	8,533,699	8,533,699

(g) The Company has not issued any bonus shares for the period of five years immediately preceding the date as at which the Balance sheet is prepared.

(h) On February 10, 2021, the Board of Directors approved a proposal to Buyback up to 1,500,000 fully paid equity shares of ₹ 1 each (representing 1.07% of paid-up equity share capital of the company at that date) from the shareholders of the Company on a proportionate basis through tender offer, at a price of ₹ 320 per fully paid-up equity share for an aggregate amount not exceeding ₹ 480 Million in accordance with the provisions contained in the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as amended and the Companies Act, 2013 and rules made thereunder. The buyback completed on May 12, 2021. Capital redemption reserve was created to the extent of the shares extinguished (₹ 1.50 Million). The excess cost of buy back of ₹ 478.50 over par value of equity shares was off set from securities premium and corresponding tax buy back of equity shares of ₹ 110.95 Million was off set from surplus in the statement of profit and loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

17. Other equity

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Capital reserve		
Balance as per last financial statements	5.13	5.13
Closing balance	**5.13**	**5.13**
Capital redemption reserve		
Balance as per last financial statements	293.70	293.70
Add: Transferred from 'Surplus in the statement of profit & loss'	1.50	-
Closing balance	**295.20**	**293.70**
Securities premium		
Balance as per last financial statements	1,861.81	1,861.81
Add: On exercise of employee stock appreciation rights	5.58	-
Less: On buy back of equity shares	(478.50)	-
Closing balance	**1,388.89**	**1,861.81**
General reserve		
Balance as per last financial statements	4,818.33	4,068.33
Add: Transferred from 'Surplus in the statement of profit & loss'	-	750.00
Closing balance	**4,818.33**	**4,818.33**
Share-based payments reserves		
Balance as per last financial statements	76.19	52.12
Add: Share-based payments expense (refer note 46)	23.50	24.07
Less: On account of exercise of stock options	(5.58)	-
Closing balance	**94.11**	**76.19**
Surplus in the statement of profit & loss		
Balance as per last financial statements	2,318.29	1,739.94
Add: Profit for the year	1,730.77	1,427.10
Add/ (less): OCI - Re-measurement gain / (loss) on defined benefit obligation (net of tax)	(3.19)	0.62
Add: Net change in fair value of Hedging instrument	3.04	5.53
Less: Transfer to Capital redemption reserve	(1.50)	-
Less: Tax on buy back of equity shares	(110.95)	-
Less: Appropriations		
Interim dividend [₹ 0.90 (March 31, 2021: ₹ 0.75) per share]	(124.55)	(104.90)
Final dividend [March 31, 2021: ₹ 1.00 (March 31, 2020: ₹ Nil) per share]	(138.37)	-
Transfer to general reserve	-	(750.00)
Closing balance	**3,673.54**	**2,318.29**
Foreign currency translation reserve		
Balance as per last financial statements	383.79	376.78
Add: Net exchange differences on translation of foreign operations	42.31	7.01
Closing balance	**426.10**	**383.79**
Total	**10,701.30**	**9,757.24**

Summary of other equity:

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Capital reserve	5.13	5.13
Capital redemption reserve	295.20	293.70
Securities premium	1,388.89	1,861.81
General reserve	4,818.33	4,818.33
Share-based payments reserves	94.11	76.19
Surplus in the statement of profit & loss	3,673.54	2,318.29
Foreign currency translation reserve	426.10	383.79
	10,701.30	**9,757.24**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Distribution made and proposed ₹ in Million

	As at March 31, 2022	As at March 31, 2021
Cash dividends on equity shares declared and paid:		
Interim dividend for the year ended March 31, 2022: ₹ 0.90 per share (March 31, 2021: ₹ 0.75 per share)	124.55	104.90
Final dividend for the year ended March 31, 2021: ₹ 1.00 per share (March 31, 2020: ₹ Nil per share)	138.37	-
	262.92	**104.90**
Proposed dividends on equity shares:		
Final dividend for the year ended on March 31, 2022: ₹ 1.10 per share (March 31, 2021: ₹ 1.00 per share)	152.22	139.87
	152.22	**139.87**

Proposed dividend on equity shares are subject to approval by shareholders at the Annual General Meeting and hence not recognised as a liability as at March 31, 2022.

The dividend declared/ proposed and paid is in accordance with section 123 of the Companies Act, 2012.

Nature and purpose of reserves

17.1 Capital reserve

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

17.2 Capital redemption reserve

The Group recognised capital redemption reserve on redemption of Preference shares of erstwhile Phoenix Lamps Limited and upon merger of erstwhile Phoenix Lamps Limited with the Company, the balances have been brought as such to the Company. Further, during the year, the Company recognised capital redemption reserve (₹ 1.50 Million) on buy back of equity shares.

17.3 Securities premium

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

17.4 General reserve

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

17.5 Share-based payments reserves

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

17.6 Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

18. (a) Borrowings

(Carried at amortized cost)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
Secured		
Term loans		
from banks (refer note [i] below)	97.71	600.30
from banks - External Commercial Borrowing (ECB) (refer note [ii] below)	211.65	322.87
	309.36	**923.17**
Less: Current maturities of long-term borrowings:		
Secured term loans	(170.96)	(572.64)
Total	**138.40**	**350.53**
Current		
Secured		
Loans repayable on demand		
Working capital loan from banks and financial institutions (refer note [iii] below)	2,512.45	2,256.98
Current maturities of long-term borrowings	170.96	572.64
Unsecured		
Working capital loan from banks and financial institutions (refer note [iv] below)	293.23	96.90
Total	**2,976.64**	**2,926.52**

(i) Term loan from bank consists of:

(a) USD Nil (₹ Nil) (March 31, 2021: USD 3.75 Million [₹ 275.65 Million]), borrowed by Suprajit USA Inc., during the year ended March 31, 2017 towards acquisition of Wescon Controls LLC, USA, the principle loan borrowed was USD 25 Million (₹ 1,683.25 Million), the term loan carried interest at Libor plus 2.30% (March 31, 2021: Libor plus 2.30% p.a), the loan is repayable in quarterly instalments starting from December 31, 2017, the loan was repaid in full by September 30, 2021. The loan was collateralised by substantially all of the assets of the Suprajit USA Inc. and is guaranteed by the Company.

Suprajit USA Inc. had entered into an interest swap agreement to mitigate the risk of floating rate and accordingly Suprajit USA Inc. paid fixed rate of interest.

(b) Foreign currency term loan in Suprajit Automotive Private Limited (SAPL) of EURO 1.13 Million (₹ 97.71 Million) (March 31, 2021: EURO 1.89 Million [₹ 165.67 Million]) carries interest rate at USD-Libor-BBA plus 2% and is repayable in 16 quarterly instalments of EURO 0.19 Million, the loan repayment started from November, 2019. The loan is secured by pari-passu charge on the present and future current assets including stocks and receivables of SAPL and first exclusive charge by way of equitable mortgage of property located at 25 & 26-A (part), KIADB industrial area, Veerapura Village, Doddaballapur, Bengaluru - 561 203 belonging to SAPL.

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

(c) Term loan from bank of USD Nil (₹ Nil) (March 31, 2021: USD 2.16 Million [₹ 158.98 Million]) in Wescon Controls LLC fully guaranteed by the U.S. Small Business Administration (SB) through the Paycheck Protection Program (PPP) under the CARES Act. The loan was repayable in monthly instalments of USD 0.12 Million including interest at 1.00% beginning in September, 2021. The loan was eligible for forgiveness on fulfilment of certain conditions. Wescon Controls LLC obtained complete waiver of the loan amount from Small Business Administration, United States government agency for review and approval and accordingly the loan and interest accrued thereon has been recognised by the group as an exceptional item during the year ended March 31, 2022 (March 31, 2021: ₹ Nil). Also refer note 34(c).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(ii) External commercial borrowing is the term loan of EURO 2.50 Million (₹ 211.65 Million) (March 31, 2021: EURO 3.75 Million [₹ 322.87 Million]) which carries interest rate of EURIBOR plus 1.25% and is repayable by the Company in 16 quarterly instalments of EURO 0.31 Million, the loan repayment started from May 20, 2020. The loan is secured by pari-passu first charge on the entire movable fixed assets, equitable mortgage of land and buildings and second charge on entire current assets of the Company.

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

(iii) Current secured borrowings consists of:

- Working capital loans availed from banks by the Company and SAPL are secured by current and future current assets. These facilities are also collaterally secured by pari-passu charge on entire current & future fixed asset (except certain plant and equipment on which exclusive charge has been created towards term loans) and equitable mortgage. Working capital demand loan, cash credit and overdraft is repayable on demand. These facilities carry interest in the range of 6.75% to 10% p.a. (March 31, 2021: 6.00% to 13.61% p.a.).
- Line of credit availed by Suprajit USA Inc. is collateralized by substantially all of the assets of that Suprajit USA Inc., and is guaranteed by the Company with interest varying with the SOFR rate plus 1.5%, which was 1.79% at March 31, 2022. The previous line of credit interest varied with the LIBOR rate plus 2.75%, which was 2.86% on March 31, 2021.
- Foreign Currency Loans are taken from bank and carry interest rate of 1.10 to 1.50% (March 31, 2021: 1.50%).
- Packing credit loans from banks are taken for a term not exceeding 180 days and carry interest rate of 1.50% to 3.50%. (March 31, 2021: 3% to 6%).
- Bill discounting facility in the Company is repayable over a term of 60 to 90 days with a fixed interest rate of 9.75% p.a. (March 31, 2021: 9.75% p.a.).
- Bounce Back Bank Loan of GBP Nil (₹ Nil) [March 31, 2021: GBP 0.05 Million (₹ 5.05 Million)] in Suprajit Europe Limited with HSBC in conjunction with the UK Government's Coronavirus Bounce Back Loan Scheme. There were no repayments of capital or interest due for the first twelve months after the date of draw down of the loan, after which the loan was repayable in 59 monthly instalments. The interest was charged at a fixed rate of 2.5%. On June 7, 2021 the loan was repaid in full with no early repayment charges applicable.

(iv) Current unsecured borrowings consists of bill discounting facility in Luxlite Lamps SARL which represents the receivables assigned to a factoring firm that does not takeover the default risk and working capital demand loan from a bank availed by the Company. The working capital demand loan availed by the Company is for a term of three months and carries interest rate of 5.95% to 6.01% (March 31, 2021: NA).

(v) As per the loan arrangements, the Group is required to comply with certain debt covenants and the Group was in compliance with such covenants as at March 31, 2022. The Group has not defaulted on any loans payable.

18. (b) Lease liabilities

(Carried at amortised cost)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
Lease Liabilities	205.87	135.13
Total	**205.87**	**135.13**
Current		
Lease Liabilities	44.45	47.13
Total	**44.45**	**47.13**
Set out below are the carrying amounts of lease liabilities recognised and the movements during the year:		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Balance as per last financial statements	182.26	103.06
Additions	122.67	127.96
Accretion of interest	10.84	8.04
Payments	(67.22)	(59.06)
On account of restatement	1.77	2.26
As at 31 March 2022	**250.32**	**182.26**
Current	44.45	47.13
Non-current	205.87	135.13

The effective interest rate for lease liabilities is 3% to 9.45%, with maturities between 2023 and 2033.

The following are the amounts recognised in profit or loss: ₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation expense of right-of-use assets	63.35	53.09
Interest expense on lease liabilities	10.84	8.04
Expense relating to short-term leases / leases of low-value assets (included in other expenses)	35.99	37.05
Total amount recognised in statement of profit and loss	**110.18**	**98.18**

The Group had total cash outflows for leases of ₹ 67.22 Million in March 31, 2022 (March 31, 2021: ₹ 59.06 Million). During the year ended March 31, 2022, the Group had non-cash additions to right-of-use assets of ₹ 122.67 Million (March 31, 2021: ₹ 127.96 Million) and lease liabilities of ₹122.67 Million (March 31, 2021: ₹127.96 Million)

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

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

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Not later than one year	97.43	83.33
Later than one year and not later than five years	262.66	136.98
More than five years	37.42	38.56
Total	**397.51**	**258.87**

19. Trade payables

(Carried at amortised cost) ₹ in Million

	As at March 31, 2022	As at March 31, 2021
Current		
Trade payables		
- Total outstanding dues of micro and small enterprises*	310.02	355.98
- Total outstanding dues of creditors other than micro and small enterprises	1,629.64	2,120.01
Total	**1,939.66**	**2,475.99**

Terms and conditions of the above financial liabilities:

- Trade payables other than micro and small enterprises are non-interest bearing and are normally settled on 15-60 days terms.
- For explanations on the Group's liquidity risk management (refer note 45).

*The Group has amounts due to micro and small enterprises under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2022 and March 31, 2021. The details in respect of such dues are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Principal amount remaining unpaid to any supplier at the end of accounting year	307.43	354.57
Interest due thereon remaining unpaid to any supplier at the end of accounting year	0.10	0.15
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amounts of the payment made to the supplier beyond the appointed day during accounting year	0.91	0.99
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	1.99	1.61
The amount of interest accrued and remaining unpaid at the end of accounting year	2.59	1.41
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006.	2.59	1.41
The information given above has been determined to the extent such parties have been identified on the basis of information available with the Group.		

₹ in Million

Trade payable ageing schedule	Outstanding for following periods from due date of payment						
As at March 31, 2022	**Unbilled**	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of micro enterprises and small enterprises	-	292.12	17.87	0.03	-	-	310.02
Total outstanding dues of creditors other than micro enterprises and small enterprises	445.97	817.76	360.73	2.04	1.48	1.66	1,629.64
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**445.97**	**1,109.88**	**378.60**	**2.07**	**1.48**	**1.66**	**1,939.66**

₹ in Million

Trade payable ageing schedule	Outstanding for following periods from due date of payment						
As at March 31, 2021	**Unbilled**	**Not due**	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Total outstanding dues of micro enterprises and small enterprises	-	322.92	30.88	1.44	0.42	0.32	355.98
Total outstanding dues of creditors other than micro enterprises and small enterprises	679.37	994.17	432.65	9.04	3.40	1.38	2,120.01
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**679.37**	**1,317.09**	**463.53**	**10.48**	**3.82**	**1.70**	**2,475.99**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

20. Other financial liabilities

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
(Carried at amortised cost)		
Security deposits	28.26	23.93
(Fair value through profit and loss)		
Provision for MTM losses on foreign currency forward contracts	1.73	-
Total	**29.99**	**23.93**
Current		
(Carried at amortised cost)		
Interest accrued but not due on borrowings	7.66	12.32
Capital creditors	22.23	17.15
Employee related liabilities	113.92	96.56
Payable to directors (refer note 42)	43.45	45.96
Security deposits	0.07	0.07
Unpaid dividend	11.32	23.01
Others	-	0.93
(Fair value through profit and loss)		
Provision for MTM losses on foreign currency forward contracts	-	8.37
Provision for MTM losses on Interest rate swap	0.11	1.01
(Fair value through other comprehensive income)		
Provision for MTM losses on Interest rate swap	-	1.43
Total	**198.76**	**206.81**

21. Provisions

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
Provision for employee benefits		
Gratuity (refer note 40(b))	27.52	17.10
Others (including pension)	10.80	11.10
Provision for diminution in value of investments (refer note 34(a))	26.44	108.53
Total	**64.76**	**136.73**

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Current		
Provision for employee benefits		
Gratuity (refer note 40(b))	28.72	25.24
Compensated absences	89.83	82.79
Others	0.36	0.35
Provision for customer claims*	13.47	17.41
Provision for warranties**	9.29	9.10
Total	**141.67**	**134.89**

*With respect to certain customer claims under negotiation for the Group's products.

**A provision is recognized for expected warranty claims on products sold during the year, based on past experience level of repairs and returns. It is expected that the significant portion of these costs will be incurred within one year of the balance sheet date. Assumption used to calculate the provision for warranties are based on current sales level and current information available about warranty claims based on warranty period for all products sold. Provision was not made or utilised during the year (March 31, 2021: utilised ₹ 4.87 Million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

22. Current tax liabilities (net)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Current		
Provision for income tax (net of advance tax and tax deducted at source)*	115.16	85.85
Total	**115.16**	**85.85**
*represents tax payable for current year and provision made in respect of uncertain tax positions.		

23. Deferred tax liabilities (net)

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities		
Property, plant and equipment and Intangible assets	590.34	600.52
Fair valuation of financial instruments	74.13	59.70
(A)	**664.47**	**660.22**
Deferred tax assets		
Expenditure allowable for tax purposes when paid	57.80	34.02
Provision for diminution in value of investments	6.66	27.31
Provision for doubtful debts and advances	2.48	3.64
Provision for employee benefits	32.82	33.99
On intercompany stock eliminations	10.88	9.02
(B)	**110.64**	**107.98**
Net deferred tax liabilities (A-B)	**553.83**	**552.24**

24. Other liabilities

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Non-current		
Government grants*	10.56	11.53
Total	**10.56**	**11.53**
Current		
Advances from customers	21.59	26.98
Government grants*	4.98	9.13
Statutory dues	98.84	111.54
Others	0.40	0.61
Total	**125.81**	**148.26**

*Government grants received includes grant received in nature of customs duty exemption on import of certain property, plant and equipment and deferred income on packing credit loans taken from banks at concessional rate of interest. There are no unfulfilled conditions or contingencies attached to these grants.

₹ in Million

	As at March 31, 2022	As at March 31, 2021
At the beginning of the year	20.66	20.88
Add: Received during the year	10.16	14.12
Less: Transferred to the consolidated statement of profit and loss (refer note 26)	(15.28)	(14.34)
Closing balance	**15.54**	**20.66**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

25. Revenue from operations

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of products	18,300.53	16,354.45
Sale of services (processing charges)	3.26	0.88
Other operating revenue		
Sale of scrap	39.87	30.08
Export incentives	61.11	23.14
Total	**18,404.77**	**16,408.55**
Set out below is the disaggregation of the Group's revenue from contracts with customers:		
a) Revenue by geography		
Refer note 41 for disaggregate revenue details based on customer geographical location.		
b) Timing of revenue recognition		
Goods transferred at a point in time	18,340.40	16,384.53
Service transferred at a point in time	3.26	0.88
Total revenue contract with customers	**18,343.66**	**16,385.41**
c) Revenue recognised from amounts included in contract liabilities at the beginning of the year	**26.98**	**10.20**

26. Other income

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income on		
Bank deposits	3.78	0.56
Others	1.30	1.05
Liabilities no longer required written back	1.34	0.20
Gain on investments carried at fair value through profit or loss*	160.57	225.50
Government grant income	15.31	26.89
Exchange differences (net)**	178.08	71.73
Other non-operating income	6.09	9.68
Profit on disposal of property, plant and equipment (net)	-	0.31
Total	**366.47**	**335.92**

*'*Total net gain on fair value changes include ₹ 56.43 Million (March 31, 2021 ₹ 73.40 Million) as net gain on sale / redemption of investments.

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

27. Cost of materials consumed

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year	1,862.09	1,633.08
Add: Purchases	10,764.00	9,627.30
Less: Inventories at the end of the year	(2,142.02)	(1,862.09)
Cost of materials consumed	**10,484.07**	**9,398.29**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

28. Purchases of stock-in-trade

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Auto lamps	338.75	235.12
Stop and tail lamps	11.92	40.93
Others	8.66	7.30
Total	**359.33**	**283.35**

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

₹ in Million

		Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the end of the year			
Finished goods		1,077.10	1,050.03
Stock-in-trade		194.38	164.36
Work in progress		202.11	206.73
Total	**(A)**	**1,473.59**	**1,421.12**
Inventories at the beginning of the year			
Finished goods		1,050.03	767.46
Stock-in-trade		164.36	327.79
Work in progress		206.73	172.19
Total	**(B)**	**1,421.12**	**1,267.44**
Currency fluctuation arising on consolidation	**(C)**	(3.59)	19.22
Net change in inventories of finished goods, work-in-progress and stock-in-trade	**(B-A+C)**	**(56.06)**	**(134.46)**

30. Employee benefits expense

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	2,928.74	2,685.44
Contribution to provident and other funds (refer note 40(a))	333.96	310.11
Employee Share-based payments (refer note 46)	23.50	24.07
Staff welfare expenses	77.55	63.83
Total	**3,363.75**	**3,083.45**

31. Finance cost

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense on		
Borrowings	113.39	132.79
Lease liabilities (refer note 18 (b))	10.84	8.04
Others	6.07	8.92
Exchange fluctuation on foreign currency borrowings, net (to the extent regarded as borrowing cost)	12.98	40.55
Loan processing and other charges	1.95	1.88
Total	**145.23**	**192.18**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

32. Depreciation and amortization expense

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment (refer note 3)	366.79	358.28
Depreciation of right-of-use assets (refer note 6)	63.35	53.09
Amortization of intangible assets (refer note 5)	154.97	156.20
Total	**585.11**	**567.57**

33. Other expenses

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Power and fuel	257.73	250.20
Labour charges	13.43	35.88
Rent	35.99	37.05
Repairs and maintenance		
Buildings	30.29	19.53
Machinery	111.21	81.28
Others	125.04	103.89
Insurance	59.48	52.95
Rates and taxes	35.68	31.60
Travelling and conveyance	91.38	64.73
Legal and professional fees	141.71	96.89
Payment to auditors	22.34	18.20
Freight and forwarding charges	485.14	360.02
Advertisement and sales promotion	9.44	17.67
Sales commission	75.10	62.70
Directors' sitting fees and commission	3.14	2.46
Allowance for doubtful receivables (net)	7.94	19.44
Printing and stationery	12.07	11.32
Security expenses	40.48	37.15
Communication expenses	21.13	18.27
Loss on disposal of property, plant and equipment (net)	1.87	-
Research and development expenses	8.94	6.31
CSR expenditure (refer note (i) below)	37.63	35.51
Miscellaneous expenses	27.48	47.66
Total	**1,654.64**	**1,410.71**

(i) Details of CSR expenditure

As per Section 135 of the Company's Act, 2013, a Corporate Social Responsibility (CSR) committee has been formed by the Holding Company. The primary function of the Committee is to assist the Board of Directors in formulating the CSR policy and review the implementation and progress of the same from time to time. The Group has made contribution to Suprajit foundation. Suprajit Foundation is engaged in the activities of eradication of hunger, malnutrition, promoting education and healthcare.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
a) Gross amount required to be spent by the Group during the year		36.58	34.71
Total		**36.58**	**34.71**
b) Amount spent during the year ended March 31, 2022:	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction / acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	37.63	-	37.63
c) Amount spent during the year ended March 31, 2021:	**In cash**	**Yet to be paid in cash**	**Total**
(i) Construction / acquisition of any assets	-	-	-
(ii) On purposes other than (i) above	35.51	-	35.51

d) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

e) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

f) Refer note 42 (b) for details of contribution to Suprajit foundation in relation with CSR expenditure.

34. Exceptional items (net)

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Reversal of provision for diminution in value of investments (Refer note a)	82.09	-
Impairment of goodwill (Refer note b)	(127.25)	-
Waiver of loan (Refer note c)	161.62	-
Total	**116.46**	**-**

Exceptional items for the year ended March 31, 2022 includes the following:

a) The Group evaluated the provision made towards investment in Franklin Templeton Mutual Fund (FTMF) and reversed the provision of ₹ 82.09 Million out of the total provision of ₹ 108.53 Million considering the redemption and realisation of significant portion of investments in FTMF.

(b) The Group carried out impairment exercise in respect of carrying value of Goodwill and basis valuation carried out, an impairment provision of ₹ 127.25 Million towards carrying value of goodwill in Luxlite Lamps SARL has been recorded.

c) The US Federal government in the wake of COVID-19 pandemic provided support to business through Paycheck Protection Program (PPP). Wescon Controls LLC (Wescon), a wholly owned subsidiary obtained a benefit under this scheme for USD 2.16 Million (₹ 158.98 Million) during May 2020. The loan was eligible for forgiveness on fulfilment of certain conditions. Wescon had applied for forgiveness and application was pending with Small Business Administration, United States government agency for review and approval. During the year ended March 31, 2022, Wescon obtained complete waiver of the loan amount and accordingly the loan and interest accrued thereon has been recognised by the group as an exceptional item.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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, 2022	Year ended March 31, 2021
Current tax	629.47	503.04
Deferred tax charge / (credit)	(8.61)	(1.71)
Current tax relating to earlier periods	-	14.95
Total	**620.86**	**516.28**

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, 2022	Year ended March 31, 2021
Profit before tax expense		**2,351.63**	**1,943.38**
Applicable tax rates in India		25.17%	25.17%
Computed tax charge	**(A)**	**591.86**	**489.11**
Components of tax expense			
Tax effect of exempt income		(40.68)	(15.03)
Current tax relating to earlier periods		-	14.95
Tax effect of impairment of goodwill		32.03	-
Others		37.65	27.25
Total adjustments	**(B)**	**29.00**	**27.17**
Total tax expense	**(A+B)**	**620.86**	**516.28**

36. Earnings per share (EPS)

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

Computation of basic and diluted EPS:	Year ended March 31, 2022	Year ended March 31, 2021
Profit attributable to equity shareholders (₹ in Million)	1,730.77	1,427.10
Nominal value per equity share (₹ per share)	1	1
Basic		
Weighted average number of equity shares (No. in Million)	138.55	139.87
Basic earnings per share basic and diluted (₹ per share)	12.49	10.20
Diluted		
Effect of potential equity shares on ESARs outstanding (No. in Million)	0.19	-
Weighted average number of equity shares (No. in Million)	138.74	139.87
Diluted earnings per share (₹ per share)*	12.48	10.20

* Employee stock appreciation outstanding as at March 31, 2021 are anti-dilutive and accordingly have not been considered for the purpose of computing diluted EPS for the year ended March 31, 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

37. Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 392.81 Million (March 31, 2021 : ₹ 166.01 Million).

38. Contingent liabilities

₹ in Million

	As at March 31, 2022	As at March 31, 2021
(a) Claims against Group not acknowledge as debts*		
Income tax demands**	22.18	22.18
Value Added Tax / Central Sales Tax demands	-	3.27
Excise duty / service tax demand	15.47	15.47
Others	11.30	9.01
(A)	**48.95**	**49.93**
(b) Others		
Bonds executed in favour of customs authority	15.00	15.00
Bank guarantees (furnished to tax authorities)	1.58	1.58
Others	4.90	4.90
(B)	**21.48**	**21.48**
Total (A+B)	**70.43**	**71.41**

*These demands are disputed by the Group and the Group has filed appeals against these orders with various appellate authorities. The management is confident that the demands raised by the Officers of the respective departments are not tenable under the respective statutory provisions. Pending outcome of the aforesaid matters under litigation, no provision has been made in the books of account towards these demands. The Group does not expect any material adverse effect in respect of the above contingent liabilities.

** Net of tax provision made for pending litigations.

39. The Group Companies have entered into 'International transactions' with 'Associated Enterprises' which are subject to Transfer Pricing regulations in India, as well as in the other geographies. The Group is in the process of carrying out transfer pricing study for the year ended March 31, 2022 in this regard, to comply with the requirements of the Income Tax Act, 1961 and other applicable laws in other countries. The Management of the Group, is of the opinion that such transactions with Associated Enterprises are at arm's length and hence in compliance with the aforesaid legislation. Consequently, this will not have any impact on the consolidated Ind AS financial statements, particularly on account of tax expense and that of provision for taxation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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, 2022	Year ended March 31, 2021
Employers contribution to Provident Fund	52.58	48.68
Employers contribution to Employee State Insurance	7.46	7.50
Employers contribution to 401(k) plan	29.66	27.22

(b)	Defined benefit plans
	Gratuity
	The Group offers gratuity benefits to employees, a defined benefit plan, Gratuity plan is governed by the Payment of Gratuity Act, 1972. Under gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.
	The following tables summarize the components of net benefit expense recognized in the consolidated statement of profit and loss and the funded status and amounts recognized in the Balance Sheet.

Disclosure as per Ind AS 19

₹ in Million

	March 31, 2022	March 31, 2021
A. Change in defined benefit obligation		
Obligations at beginning of the year	225.85	213.31
Service cost	16.17	14.83
Interest cost	16.66	14.69
Benefits settled	(6.56)	(15.69)
Transfer in	-	0.09
Transfer out	-	(0.09)
Actuarial (gain) / loss (through OCI)	3.70	(1.29)
Obligations at end of the year	**255.82**	**225.85**

	March 31, 2022	March 31, 2021
B. Change in plan assets		
Plan assets at beginning of the year, at fair value	183.51	159.23
Expected return on plan assets	13.91	11.90
Contributions	10.90	30.20
Benefits settled	(6.56)	(15.69)
Actuarial gain / (loss) (through OCI)	(0.57)	(0.47)
Admin expenses / Taxes paid from plan assets	(1.61)	(1.66)
Plan assets at the end of the year	**199.58**	**183.51**
Present value of defined benefit obligation at the end of the year	(255.82)	(225.85)
Fair value of plan assets at the end of the year	199.58	183.51
C. Net liability recognised in the consolidated balance sheet	**(56.24)**	**(42.34)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

₹ in Million

		Year ended March 31, 2022	Year ended March 31, 2021
D.	**Expenses recognised in the consolidated statement of profit and loss:**		
	Service cost	16.17	14.83
	Interest cost	16.66	14.69
	Expected return on plan assets	(13.91)	(11.90)
	Administrative Expenses / Taxes / Insurance Cost / Exchange Rate cost	1.61	1.66
	Net gratuity cost	**20.53**	**19.28**

₹ in Million

		Year ended March 31, 2022	Year ended March 31, 2021
E.	**Re-measurement (gain) / loss in OCI**		
	Actuarial (gain)/ loss due to financial assumption changes in DBO	(5.00)	0.35
	Actuarial (gain)/ loss due to experience on DBO	8.70	(1.64)
	Return on plan assets (greater) / less than discount rate	0.57	0.47
	Total Actuarial (Gain)/loss included in OCI	**4.27**	**(0.82)**

F.	**Actual return on plan assets**	**13.29**	**11.44**

		Year ended March 31, 2022	Year ended March 31, 2021
G.	**Assumptions**		
	Discount rate	7.48% to 7.53%	7.15% to 7.18%
	Estimated rate of return on plan assets	7.48% to 7.53%	7.15% to 7.18%
	Salary increase rate [refer note K (i)]	9.00%	8% for first year & 9% thereafter
	Attrition Rate	9.73% upto age 40 from Age 40-45 7.3%, Age 45-50 4.87%, Age 50-55 2.43%, Age 55 & above 1.22%.	9.73% upto age 40 from Age 40-45 7.3%, Age 45-50 4.87%, Age 50-55 2.43%, Age 55 & above 1.22%.
	Retirement age	58 years	58 years
	Mortality table	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

₹ in Million

		March 31, 2022	March 31, 2021
H.	**Pay-outs to the plan assets**		
	Within one year	28.72	25.24
	After one year but not more than five years	53.04	47.84
	After five years	95.16	79.17
		176.92	**152.25**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

I.	**The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:**		
	Investment with insurer	100%	100%

J. A quantitative sensitivity analysis for significant assumption is as below (refer note K (ii) below) ₹ in Million

	As at March 31, 2022		As at March 31, 2021	
	1% increase	**1% decrease**	**1% increase**	**1% decrease**
Effect of change in discount rate	(16.91)	19.55	(15.83)	18.36
Effect of change in salary growth	18.81	(16.57)	17.60	(15.46)
Effect of change in attrition rate	(2.91)	3.31	(3.02)	3.44

K. Notes

(i) The estimates of future salary increases, considered in actuarial valuation, taken account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.

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

(iii) The weighted average duration of the defined benefit obligation at the end of the reporting period is 11.67 to 16.21 years (March 31, 2021: 11.86 to 16.76 years).

41. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Holding Company assesses the financial performance and position of the Group. The Chief Executive Officer has been identified as the chief operating decision maker.

The Group has identified a single business segment being manufacturing and selling of automotive and other components. This being a single segment no additional segment disclosure has been made for the business segment.

The Group's operations are categorized geographically as (a) India (b) United States of America ('USA') (c) Rest of the world. 'Rest of the world' primarily comprises the Group's operations in the 'United Kingdom', 'Germany' and 'Luxembourg'. Customer relationships are driven based on customer domicile.

Segment revenue by geographical location are as follows:* ₹ in Million

Region	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from operations		
India	11,365.52	9,890.04
USA	4,007.93	3,508.31
Rest of the World	3,031.32	3,010.20
	18,404.77	**16,408.55**

* 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, 2022 and March 31, 2021.

Non-current operating assets by geographical location are as follows:** ₹ in Million

Region	As at March 31, 2022	As at March 31, 2021
India	3,488.45	3,308.90
USA	2,245.76	2,404.75
Rest of the World	243.65	316.87
	5,977.86	**6,030.52**

** Non-current operating assets includes Property, plant and equipment, Capital work in progress, Right-of-use assets, Goodwill, Other intangible assets and Intangible assets under development.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

42. Related party transactions

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

Key Management Personnel (KMP) of the Group

Mr. K Ajith Kumar Rai	Chairman
Mr. Mohan Srinivasan Nagamangala	Managing Director & Group Chief Executive Officer
Mr. Akhilesh Rai	Director & Chief Strategy Officer w.e.f. June 12, 2020. (Chief Strategy Officer upto June 11, 2020).
Mr. Medappa Gowda J	Chief Financial Officer and Company Secretary
Mr. Peter Greensmith	Managing Director of Suprajit Europe Ltd. (Up to March 15, 2022)
Mr. Neil Collis	Managing Director of Suprajit Europe Ltd. w.e.f March 1, 2022
Mr. Frank Klinkert	Managing Director of Luxlite Lamp SARL, Luxembourg & Trifa Lamps Germany GmbH.
Mr. Steve Fricker	President & CEO of Wescon Controls LLC
Mrs. Dr. Supriya A Rai	Non-Executive Director
Mr. Suresh Shetty	Independent Director
Mr. Ian Williamson	Independent Director
Mrs. Bharati Rao	Independent Director
Mr. M. Lakshminarayan	Independent Director
Mr. Harish Hassan Visweswara	Independent Director (w.e.f. June 12, 2020)
Mr. B.S.Patil, IAS (Retd)	Independent director of Suprajit Automotive Private Limited (w.e.f. June 11, 2020)

Relatives of KMP

Mr. Akhilesh Rai

Mr. Ashutosh Rai

Mr. Aashish Rai

Mr. Ashok Kumar Rai

Mrs. Arati Shetty

Mrs. Deeksha Bhandary

Enterprises in which directors / shareholders have significant influence

Suprajit Foundation

Supriyajith Family Trust

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

B. Details of transactions with key management personnel are as given below (cont..):

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Salary and perquisites:*		
KMP		
Mr. K Ajith Kumar Rai	60.28	49.17
Mr. Mohan Srinivasan Nagamangala	21.10	15.40
Mr. Medappa Gowda J	7.70	7.35
Mr. Akhilesh Rai	7.83	6.03
Mr. Peter Greensmith	13.87	12.47
Mr. Neil Collis	0.35	-
Mr. Frank Klinkert	21.16	22.77
Mr. Steve Fricker	19.26	17.41
Relatives of KMP		
Mr. Akhilesh Rai	-	0.91
Mr. Ashutosh Rai	2.41	2.23
	153.96	**133.74**
Independent Directors remuneration (Commission and Sitting fee)		
Mr. Suresh Shetty	0.66	0.66
Mrs. Bharati Rao	0.65	0.61
Mr. M. Lakshminarayan	0.69	0.62
Mr. Harish Hassan Visweswara	0.64	0.57
Mr. B.S.Patil, IAS (Retd)	0.50	-
	3.14	**2.46**

*As the liabilities for gratuity and compensated absences are provided on an actuarial basis for the Group as a whole, the amount pertaining to the KMP and relatives of KMP is not ascertainable and, therefore, not included above. Also, during the year (March 31, 2021: Nil) the Group granted stock appreciation rights to some of its directors and KMP. Since such rights are not tradeable, no perquisite or benefit is immediately conferred upon the employee by such grant of rights, and accordingly the said rights has not been considered as remuneration. Refer Note 46.

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Dividend Paid		
Enterprises in which directors / shareholders have significant influence		
Supriyajith Family Trust	99.99	39.86
KMP		
Mr. K Ajith Kumar Rai	7.18	2.86
Mr. Mohan Srinivasan Nagamangala	0.01	0.01
Mr. Medappa Gowda J^	-	-
Mr. Akhilesh Rai	2.28	0.91
Mrs. Supriya Rai	3.31	1.32
Mr. Suresh Shetty	1.45	0.57

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

B. Details of transactions with key management personnel are as given below (cont..):

₹ in Million

	Year ended March 31, 2022	Year ended March 31, 2021
Mr. M. Lakshminarayan^	0.01	-
Relatives of KMP		
Mr. Ashutosh Rai	2.27	0.90
Mr. Aashish Rai	2.27	0.90
Mr. Ashok Kumar Rai	0.04	0.02
Mrs. Arati Shetty	0.92	0.38
Mrs. Deeksha Bhandary	0.02	0.01
	119.75	**47.74**
^ Rounded off		
Reimbursements of expenses to		
KMP		
Mr. K Ajith Kumar Rai	0.22	0.76
Mr. Mohan Srinivasan Nagamangala	0.15	0.17
Mr. Medappa Gowda J	0.19	0.11
Mr. Akhilesh Rai	0.96	1.03
Mr. Peter Greensmith	1.20	0.59
Mr. Steve Fricker	0.97	0.96
Mr. Frank Klinkert	2.81	1.25
Relatives of KMP		
Mr. Ashutosh Rai	0.28	0.10
	6.78	**4.97**
CSR expenditure (Contributed to)		
Suprajit Foundation (refer note 33(i))	36.58	32.48
	36.58	**32.48**

Buy Back of equity shares

During the year ended March 31, 2022, the Company completed buy back of 1,500,000 fully paid equity shares including buy back from certain related parties. Also refer note 16 (d) and (h).

C. Balances outstanding as at year end:

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Payable to		
KMP		
Mr. K Ajith Kumar Rai	32.95	35.86
Mr. Mohan Srinivasan Nagamangala	6.37	6.23
Mr. Medappa Gowda J	2.03	1.99
Mr. Akhilesh Rai	1.97	1.87
Mr. Frank Klinkert	-	0.25
Mr. Suresh Shetty	0.54	0.50
Mrs. Bharathi Rao	0.53	0.50
Mr. M. Lakshminarayan	0.56	0.50
Mr. Harish Hassan Visweswara	0.53	0.50
Relatives of KMP		
Mr. Ashuthosh Rai	0.16	0.15
	45.64	**48.35**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

43. (i) Fair value

The carrying value of financial instruments by categories is as follows: ₹ in Million

	As at March 31, 2022	As at March 31, 2021
Financial assets measured at amortized cost		
Trade receivables*	2,971.86	3,319.59
Security deposits	60.56	57.77
Advances to employees*	14.22	10.10
Interest receivable on bank deposit and others*	6.35	2.83
Financial assets measured at fair value through profit and loss		
Investment in mutual funds	2,618.90	3,195.17
Foreign currency forward contracts	87.81	6.81
	5,759.70	**6,592.27**
Cash and cash equivalents and other balances with banks#		
Cash on hand	1.05	1.25
Balance with banks on current accounts	1,832.16	724.04
Balance with banks on EEFC accounts	27.52	45.46
Balance with banks on deposit accounts	7.93	7.84
Earmarked balances with banks being unpaid dividend accounts	11.32	23.01
Balance with banks in buy back 2021 escrow account	-	140.00
	1,879.98	**941.60**
Financial liabilities measured at amortized cost*		
Borrowings	3,115.04	3,277.05
Lease liabilities	250.32	182.26
Trade payables	1,939.66	2,475.99
Employee related liabilities	113.92	96.56
Interest accrued but not due on borrowings	7.66	12.32
Capital creditors	22.23	17.15
Payable to directors	43.45	45.96
Security deposits	28.33	24.00
Unpaid dividend	11.32	23.01
Others	-	0.93
Financial liabilities measured at fair value through profit and loss		
Provision for MTM losses on foreign currency forward contracts	1.73	8.37
Provision for MTM losses on Interest rate swap	0.11	1.01
Fair value through other comprehensive income		
Provision for MTM losses on Interest rate swap	-	1.43
	5,533.77	**6,166.04**

* The carrying value of these accounts are considered to be the same as their fair value, due to their short term nature.
# These accounts are considered to be highly liquid / liquid and the carrying amount of these are considered to be the same as their fair value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

43. (ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities: ₹ in Million

	Level 1	Level 2	Level 3	Total
	March 31, 2022			
Financial assets and liabilities measured at fair values				
Financial assets measured at fair value through profit and loss				
Investment in mutual funds	2,618.90	-	-	2,618.90
Foreign currency forward contracts	-	87.81	-	87.81
Total financial assets measured at fair value	**2,618.90**	**87.81**	**-**	**2,706.71**
Financial liabilities measured at fair value through profit and loss				
Provision for MTM losses on foreign currency forward contract	-	1.73	-	1.73
Provision for MTM losses on Interest rate swap	-	0.11	-	0.11
Total financial liabilities measured at fair value	**-**	**1.84**	**-**	**1.84**

	Level 1	Level 2	Level 3	Total
	March 31, 2021			
Financial assets and liabilities measured at fair values				
Financial assets measured at fair value through profit and loss				
Investment in mutual funds	3,195.17	-	-	3,195.17
Foreign currency forward contracts	-	6.81	-	6.81
Total financial assets measured at fair value	**3,195.17**	**6.81**	**-**	**3,201.98**
Financial liabilities measured at fair value through profit and loss				
Provision for MTM losses on foreign currency forward contract	-	8.37	-	8.37
Provision for MTM losses on Interest rate swap	-	1.01	-	1.01
Financial liabilities measured at Fair value through other comprehensive income				
Provision for MTM losses on Interest rate swap	-	1.43	-	1.43
Total financial liabilities measured at fair value	**-**	**10.81**	**-**	**10.81**

43. (iii) Valuation technique used to determine fair value

a) The Group holds derivative financial instruments such as foreign currency forward and options contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. Hence, the valuation is considered Level 2 by the management.

b) The Group enters into contracts with financial institutions in nature of interest rate swap, the fair value of which is estimated using forward-looking interest rate curves and discounted cash flows that are observable or can be corroborated by observable market data, therefore, are classified with in Level 2 of the valuation hierarchy.

c) The Group has investment in quoted mutual funds these investments are carried at fair value through profit and loss using quoted prices in active markets and accordingly classified with in Level 1 of the valuation hierarchy.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

44. Capital management

The primary objective of the group capital management is to ensure that it maintains a strong credit rating and capital ratios in order to ensure sustained growth in the business and to maximise the shareholder value.

₹ in Million

		As at March 31, 2022	As at March 31, 2021
A.	**Total equity attributable to the shareholders of the Company (Capital)**	**10,839.69**	**9,897.11**
B.	**Borrowings**		
	Non-current borrowings	138.40	350.53
	Current borrowings	2,976.64	2,926.52
	Lease Liabilities	250.32	182.26
	Less: Cash and cash equivalents	(1,860.73)	(770.75)
	Less: Current investments	(1,504.63)	(2,688.56)
	Net debt	**-**	**-**
C.	**Total capital and net debt (A+B)**	**10,839.69**	**9,897.11**
D.	**Gearing ratio (B / C)**	**0%**	**0%**

(i) The Group is predominantly equity financed as evident from the capital structure table above. Further the Group has sufficient cash and cash equivalents, current investments and financial assets which are liquid to meet the debts.

(ii) In order to achieve this overall objective, the Group capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements. The breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any borrowings in the current year.

45. Financial risk management

Objective and policies:

The Group's principal financial liabilities comprise borrowings, lease liabilities and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Groups principal financial assets include loans, trade and other receivables, and cash and cash equivalents that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

(i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits, fair value through profit and loss investments and derivative financial instruments.

The sensitivity analysis in the following sections relate to the position as at March 31, 2022 and March 31, 2021.

The sensitivity analysis have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives and the proportion of financial instruments in foreign currencies are all constant and on the basis of hedge designations in place at March 31, 2022.

(i) (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate due to change in the market interest rates. The Group's exposure to the risk of changes in market interest rate relates primarily to the Group's borrowings with floating interest rates.

The Group enters into contracts with financial institutions in nature of interest rate swap, to mitigate the risk of changes in interest rates in respect of its borrowings.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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, 2022		Year ended March 31, 2021	
	1% increase	1% decrease	1% increase	1% decrease
Effect of profit before tax expense	(33.94)	33.94	(34.83)	34.83

(i) (b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exchange risk arises from its foreign operations, foreign currency revenues and expenses. The Group has exposures to United States Dollars ('USD'), Great Britain Pound ('GBP'), Euro ('EUR') and other currencies. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and financing activities.

Group uses derivative financial instruments, such as foreign exchange forward contracts, to mitigate the risk of changes in foreign currency exchange rates in respect of its trade receivables.

Below is the summary of unhedged foreign currency exposure of Group's financial assets and liabilities.

₹ in Million

Currency	Foreign currency amount		Amount in ₹	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial assets				
USD	3.32	3.74	248.69	271.58
EUR	1.51	2.38	127.40	204.70
GBP	0.26	0.15	25.75	15.04
Total			**401.84**	**491.32**
Financial liabilities				
USD	0.13	1.18	9.74	87.28
EUR	9.02	11.77	763.95	1,013.24
GBP^	-	-	0.41	0.35
Others	1.23	2.44	25.58	27.27
Total			**799.68**	**1,128.14**
Net financial assets			**(397.84)**	**(636.82)**
^ Rounded off				

The Group holds derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these transactions are banks. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Forward contracts outstanding are as below: ₹ in Million

Currency	Foreign currency amount		Amount in ₹	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
EUR*	0.71	1.44	65.78	124.79
EUR**	13.25	12.56	1,251.39	1,150.50
GBP**	3.00	4.40	319.52	448.41
Total			**1,636.69**	**1,723.70**

* towards foreign currency receivables.

** towards highly probable foreign currency sales.

The above forward contracts are taken by Group companies for the receivables from intercompany transactions. For the purpose of consolidation intercompany balances are eliminated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

Sensitivity analysis

Every 1% appreciation or depreciation in the respective foreign currencies against functional currency of the each of the group entities would cause the profit before tax in proportion to revenue to increase or decrease respectively by 0.02% (March 31, 2021: 0.04%).

(i) (c) Commodity price risk

The Group is affected by the price volatility of certain commodities. Its operating activities require the ongoing purchase and manufacture of automotive cables & lamps and therefore require a continuous supply of below said products. The Group's Board of Directors has developed and enacted a risk management strategy regarding commodity price risk and its mitigation.

The following table shows the effect of price changes in below said products:

₹ in Million

	Year ended March 31, 2022		Year ended March 31, 2021	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax				
Steel wire	(18.93)	18.93	(18.09)	18.09
Cable components	(66.74)	66.73	(58.75)	58.74
Glass tube	(2.75)	2.75	(2.67)	2.67
Lamp components	(16.43)	16.43	(14.48)	14.47

(ii) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, investments, foreign exchange transactions and other financial instruments.

a. Trade receivables

Credit risk is managed by each business unit as per the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored.

The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security.

b. Credit risk exposure

The Group's credit period generally ranges from 0-365 days. The credit risk exposure of the Group is as below:

₹ in Million

		As at March 31, 2022	As at March 31, 2021
Trade receivables	**(A)**	**2,986.43**	**3,337.63**
Impairment allowance (allowance for bad and doubtful debts)			
Balance as per last financial statements		18.04	23.52
Add: Charge for the year		7.94	19.44
Less: Utilised / written-off during the year		(11.47)	(17.04)
Add / Less: Exchange differences		0.06	(7.88)
Closing balance	**(B)**	**14.57**	**18.04**
Total	**(A - B)**	**2,971.86**	**3,319.59**

The Group evaluates the concentration of risk with respect to trade receivables as low, since majority of its customers are reputed automobile companies and are spread across multiple geographies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

c. Financial instruments and cash deposits

Credit risk is limited, as the Group generally invests in deposits with banks with high credit ratings assigned by international and domestic credit rating agencies. Investment primarily includes investment in liquid mutual fund units. Counterparty credit limits are reviewed by the Group periodically and the limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

(iii) Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents, investment in mutual funds and the cash flow that is generated from operations. The Group believes that the cash and cash equivalents is sufficient to meet its current requirements. Accordingly no liquidity risk is perceived.

The break-up of cash and cash equivalents and deposits is as below:

₹ in Million

	As at March 31, 2022	As at March 31, 2021
Cash on hand	1.05	1.25
Balance with banks	1,866.83	776.56
Current investments	2,588.19	2,847.32
	4,456.07	**3,625.13**

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date. The amounts are based on contractual undiscounted payments.

₹ in Million

	On demand	0-180 days	180-365 days	> 365 days	Total
March 31, 2022					
Non-current borrowings	-	-	-	138.40	138.40
Current borrowings	2,805.68	85.48	85.48	-	2,976.64
Lease liabilities*	-	54.10	54.10	289.31	397.51
Trade payables	-	1,939.66	-	-	1,939.66
Other financial liabilities	11.32	187.44	-	29.99	228.75
Total	**2,817.00**	**2,266.68**	**139.58**	**457.70**	**5,680.96**
March 31, 2021					
Non-current borrowings	-	-	-	350.53	350.53
Current borrowings	2,353.88	485.69	86.95	-	2,926.52
Lease liabilities*	-	38.79	38.79	181.29	258.87
Trade payables	-	2,475.99	-	-	2,475.99
Other financial liabilities	23.01	183.80	-	23.93	230.74
Total	**2,376.89**	**3,184.27**	**125.74**	**555.75**	**6,242.65**
*Includes future cash outflow toward estimated interest on lease liabilities.					

46. Employee Stock Appreciation Rights ('ESAR') (Equity Settled)

Employee Stock Appreciation Rights Plan – 2017 (the ESAR 2017 Plan): Effective June 26, 2018, the Group instituted the ESAR 2017 plan. The Board of directors of the Company and shareholders approved the ESAR 2017 plan at its meeting held on September 13, 2017 and November 11, 2017 respectively. The ESAR 2017 Plan provides for the issue of stock appreciation rights (SARs) to certain employees of the Company and its subsidiaries.

The ESAR 2017 Plan is administered by the Nomination and Remuneration Committee. As per the ESAR 2017 Plan, the stock appreciation rights are granted at the exercise price of ₹ 1 /-. The equity shares covered under these stock appreciation rights vest over five years from the date of grant. The exercise period is five years from the respective date of vesting.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

The movement in the rights under the ESAR 2017 plan for the year ended March 31, 2022 is set out below

	Year ended March 31, 2022	Year ended March 31, 2021
The ESAR 2017 Plan	**No. of stock appreciation rights**	
SARs Outstanding at the beginning of the year	8,19,213	8,25,751
SARs Granted during the period	3,25,070	-
SARs Forfeited / Surrendered during the year	8,616	5,558
SARs Lapsed during the year	-	980
SARs Exercised during the year	49,648	-
SARs Outstanding at the end of the year	**10,86,019**	**8,19,213**
SARs exercisable at the end of the year	2,08,206	-

The stock appreciation rights outstanding on March 31, 2022 has the weighted average remaining contractual life of 5.92 years (March 31, 2021 6.02 years).

The weighted average market price of SARs exercised during the year ended March 31, 2022 is ₹ 312.65 (March 31, 2021: NA)

The weighted average fair value of stock appreciation rights granted during the year ended March 31, 2022 was ₹ 172.18 (March 31, 2019 ₹ 128.14). The Black - Scholes valuation model has been used for computing the weighted fair value considering the following inputs:

	Input Values-Grants-FY 2021-22	Input Values-Grants-FY 2018-19
Weighted average share price on the date of Grant (₹)	365.05	257.65
Exercise Price (₹)	1	1
Expected Volatility*	38.64%	35.79%
Life of rights granted in years	1-5 Years	1-5 Years
Average risk free interest rate	6.10	7.92
Dividend Yield	0.48	0.54

* The expected volatility was determined based on historical volatility data

Total Employee Compensation Cost pertaining to the ESAR 2017 plan during the year is ₹ 23.50 Million [(March 31, 2021: ₹ 24.07 Million)].

Employee-wise details of ESAR's granted during the year ended March 31, 2022 to:

Senior managerial personal	
Name of the employee	**No. of ESAR's Granted**
Mr. Mohan Srinivasan Nagamangala	21,070
Mr. Narayan Shankar	11,240
Mr. Medappa Gowda J	4,220
Mr. Akhilesh Goel	5,620

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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, 2022

₹ 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	74%	9,406.00	75%	1,124.19	(6%)	(3.06)	74%	1,121.13
Indian subsidiary								
Suprajit Automotive Private Limited	8%	1,074.19	18%	260.56	(0%)	(0.13)	17%	260.43
Foreign subsidiaries								
Suprajit Europe Limited	3%	374.53	2%	22.32	(11%)	(5.36)	1%	16.96
Suprajit USA Inc.*	14%	1,729.43	10%	142.80	120%	59.94	13%	202.74
Trifa Lamps Germany, GmbH	2%	256.93	0%	4.42	(9%)	(4.39)	0%	0.03
Luxlite Lamps SARL, Luxembourg	(1%)	(143.33)	(5%)	(80.44)	6%	2.86	(5%)	(77.58)
Total	**100%**	**12,697.75**	**100%**	**1,473.85**	**100%**	**49.86**	**100%**	**1,523.71**
Adjustments arising out of consolidation		(1,858.06)		256.92		(7.70)		249.22
Total		**10,839.69**		**1,730.77**		**42.16**		**1,772.93**

* Suprajit USA Inc. represents the consolidated balances of Suprajit USA Inc. and its wholly owned subsidiary i.e., Wescon Controls LLC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

B. As at and for the year ended March 31, 2021

₹ in Million

Name of the entity	Net Assets i.e., total assets minus total liabilities		Share in profit or loss - gain / (loss)		Share in other comprehensive income - gain / (loss)		Share in total comprehensive income - gain / (loss)	
	As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Suprajit Engineering Limited	76%	9,115.22	91%	1,379.21	7%	0.35	91%	1,379.56
Indian subsidiary								
Suprajit Automotive Private Limited	7%	864.67	15%	224.87	6%	0.27	15%	225.14
Foreign subsidiaries								
Suprajit Europe Limited	3%	367.70	2%	25.45	583%	28.04	4%	53.49
Suprajit USA Inc.*	13%	1,532.25	(2%)	(34.38)	(708%)	(34.08)	(5%)	(68.46)
Trifa Lamps Germany, GmbH	2%	256.89	(1%)	(10.87)	198%	9.54	(0%)	(1.33)
Luxlite Lamps SARL, Luxembourg	(1%)	(65.77)	(5%)	(71.98)	14%	0.69	(5%)	(71.29)
Total	**100%**	**12,070.96**	**100%**	**1,512.30**	**100%**	**4.81**	**100%**	**1,517.11**
Adjustments arising out of consolidation		(2,173.85)		(85.20)		8.35		(76.85)
Total		**9,897.11**		**1,427.10**		**13.16**		**1,440.26**

* Suprajit USA Inc. represents the consolidated balances of Suprajit USA Inc. and its wholly owned subsidiary i.e., Wescon Controls LLC.

48. The code of Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment received Presidential assent in September 2020 and its effective date is yet to be notified. The Company will assess and record the impact of the Code, once it is effective.

49. The previous year's figures have been regrouped/ reclassified, where necessary, to confirm to current year's classification as per the amendments in Schedule III to the Companies Act, 2013, which are effective April 01, 2021.

50. Events after reporting period:

The Group entered into a definitive Share and Asset Purchase Agreement to acquire Light Duty Cable (LDC) business unit on October 28, 2021 with Kongsberg Automotive ASA, listed on the Oslo Stock Exchange, Norway. The transaction completed for a cash consideration of ₹ 3,167.77 Million with the economic completion date of April 1, 2022 whereby the Company, through its wholly owned subsidiary Suprajit USA Inc. acquired 100% equity interest in following entities-

i) Shanghai Lone Star Cable Co., Ltd.

ii) Kongsberg Interior Systems Kft.

iii) Kongsberg Interior Systems S de RLde CV

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

iv) Kongsberg Interior Systems II, LLC

51. Other statutory information:

(i) The Holding Company and subsidiary incorporated in India do not have any Benami property, where any proceeding has been initiated or pending against the Holding Company and subsidiary incorporated in India for holding any Benami property.

(ii) The Holding Company and subsidiary incorporated in India do not have any transaction with companies struck off.

(iii) The Holding Company and subsidiary incorporated in India do not have any charge or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Holding Company and subsidiary incorporated in India have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Group has not advanced or loaned or invested funds to any other person or entity (Outside the Group), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Group has not received any fund from any person or entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Holding Company and subsidiary incorporated in India do not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

As per our report of even date

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

per Rajeev Kumar
Partner
Membership No.: 213803

Place: Bengaluru
Date: May 25, 2022

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

K Ajith Kumar Rai
Chairman
DIN: 01160327

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

Medappa Gowda J
Chief Financial Officer &
Company Secretary

Place: Bengaluru
Date: May 25, 2022

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

May 25, 2022

Dear Shareholder,

The Ministry of Corporate Affairs, Government of India ("MCA) has, by its circular dated 21st April, 2011 announced a "Green Initiative in the Corporate Governance "by allowing paperless compliance by companies. In terms of the said circular, service of notice / documents by a Company to its shareholders required to be made under the provisions of the Companies Act, 2013 can be made through the electronic mode.

In line with the above initiative of the MCA, the Company proposes to send documents such as the Notice of the Annual General Meeting, audited Financial Statements, Directors' Report, Auditors' Report, postal ballots etc., henceforth to all its esteemed shareholders, including your good self, in electronic form, through e-mail. To facilitate the same, we request you to furnish your e-mail ID, quoting your folio number / DPID / Client ID to our Registrar and Share Transfer Agent at the following address:

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

We are sure you would appreciate this initiative taken by the Ministry of Corporate Affairs to reduce consumption of paper and thereby, protect the environment. We expect to receive your support and co-operation in helping the Company to contribute its share to the said initiative.

Thanking you

Yours faithfully

For Suprajit Engineering Limited

Medappa Gowda J
Company Secretary

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

ECS MANDATE FORM

Members Holding Shares in Physical Mode	Members Holding Shares in Demat Mode
Please inform **Integrated Registry Management Services Private Limited** No. 30, Ramana Residency 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560 003	Please inform Your DPs directly (if not done earlier)

I hereby consent to have the amount of Dividend on my Equity Shares credited through the Electronic Clearing Service (Cash Clearing) (ECS). The particulars are:

1. Folio No. / Certificate No.	
2. Name of the 1st Holder	
3. Name of the Bank	
4. Full Address of the Branch	
5. Account Number	
6. Account Type (Please tick the relevant account)	Savings / Current / Cash Credit
7. 9 Digit Code Number of the Bank appearing on the MICR cheque issued by the Bank (Please attach a photocopy of a cheque for verifying the accuracy of the Code Number)	

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I will not hold the Company responsible.

Signature of the 1st Holder as per the

Specimen signature with the Company

Name : ____________________ Address : ____________________________

Date : ____________________ ____________________________

NOTES

NOTES

NOTES

AN EXPANDED GLOBAL FOOTPRINT

Manufacturing Plants	
India	18
US	1
Mexico	1
LDC Plants	
Mexico	1
Hungary	1
China	1
US	Warehouse

Phoenix India:

- Noida 2 Plants, SEZ & DTA
- Chennai - 1 Plant

Suprajit-India:

- Headquarters, Global Manufacturing Hub
- 15 Strategically located plants

LDC also has Sales and Engineering teams in Novi (Detroit USA), Burton (UK), Munich (Germany), and each plant (Mexico, Hungary, China) *

SOME OF OUR KEY CUSTOMERS

Customers - automotive

Customers - 2 wheeler

Customers - Non-automotive

Top 10 Customers

TVS Motor	VW Group
Hero Moto Corp	BMW
Bajaj Auto	John Deere Group
Honda	MTD
Osram	Toro

Suprajit Engineering Limited

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