Suprajit Engineering Limited

Registered & Corporate Office :
#100, Bommasandra Industrial Area, Bangalore - 560 099.
Tel: +91-80-43421100 / 27833828. Fax: +91-80-27833279
E-mail: info@suprajit.com Web : http://www.suprajit.com
Corporate Identity Number (CIN) L29199KA1985PLC006934

DNV
ISO / TS 16949 REGISTERED FIRM

November 21, 2017

BSE Limited **Phiroze Jeejebhoy Towers** **Dalal Street** **Mumbai – 400 001**	**National Stock Exchange of India Limited** **Exchange Plaza** **Bandra – Kurla Complex** **Bandra (East), Mumbai – 400 051**

Dear Sir/Madam,

Sub: Annual Report 2016-17

Pursuant to the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the adopted Annual Report at the 32nd Annual General Meeting of the Company held on November 11, 2017 at Plot No. 101, Bommasandra Industrial Area, Bangalore – 560 099.

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

Thanking you

Yours faithfully
For Suprajit Engineering Limited,

Medappa Gowda. J
CFO & Company Secretary

Encl: as above

Marching ahead with **Confidence...**

PHOENIX

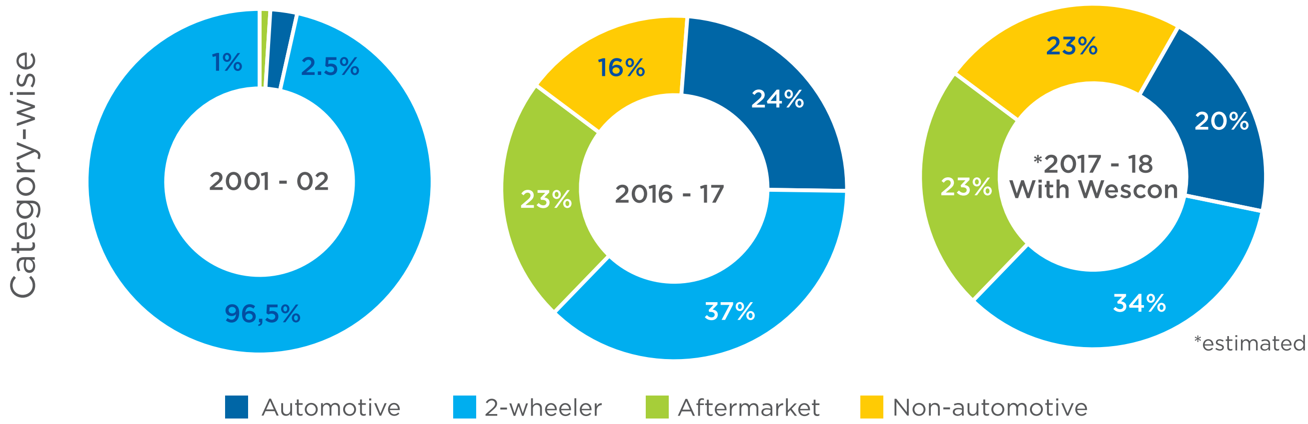
WESCON CONTROLS

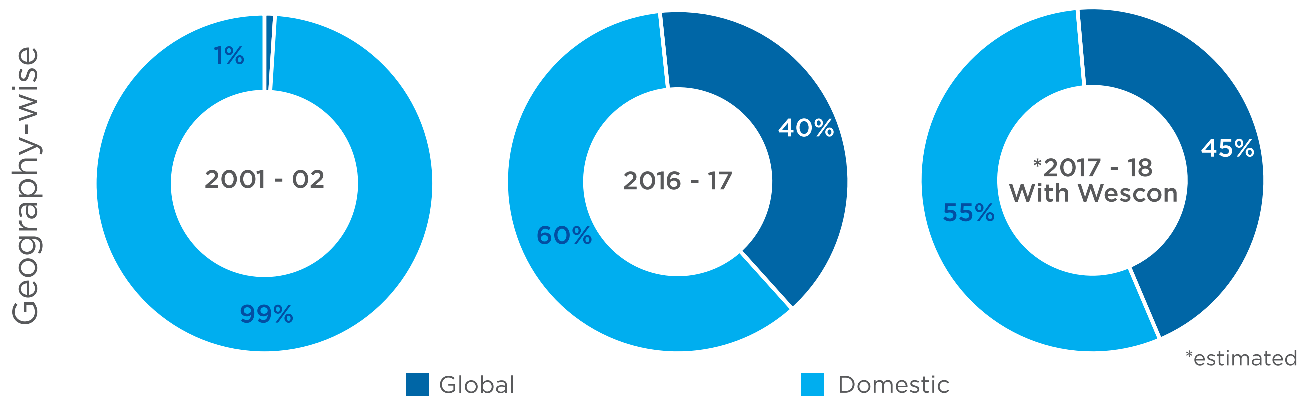
Suprajit Engineering Limited

Thirty Second Annual Report 2016 - 2017

THE TRANSFORMATION CONTINUES

Segmental and Geographic Synergies





GROUP FINANCIAL HIGHLIGHTS AND KEY INDICATORS

₹ in Million

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017
Gross Income	2269.90	2663.40	3792.40	4612.50	5107.50	6006.09	6718.10	10504.30	13303.95
Profit after tax (PAT)	89.97	221.69	333.01	398.15	471.24	508.09	502.94	803.20	1226.57
Equity and Reserves	545.80	702.50	969.10	1291.80	1667.30	2047.00	2408.08	4475.79	5148.71
ROE%	15.49	33.89	39.84	35.22	31.85	27.36	22.58	20.90	25.49
Asset Turnover Ratio (Net assets)	3.25	3.81	4.37	4.58	4.29	3.94	4.00	4.69	4.04
Debt Equity Ratio (Term debt)	0.46	0.39	0.44	0.30	0.27	0.27	0.38	0.26	0.47
Current Ratio	1.24	1.30	1.59	1.50	1.57	1.60	1.85	1.81	1.61
Operational EBIDTA %	13.22	17.28	16.18	15.51	15.69	16.01	14.90	16.20	16.55
ROCE %	20.27	17.21	26.31	39.28	36.11	35.94	32.84	29.99	23.62
Book Value of shares (₹)	4.54	5.85	8.07	10.76	13.89	17.05	20.06	25.96	36.81
EPS (₹)	0.74	1.84	2.77	3.31	3.92	4.23	4.19	6.11	8.77
Pay out Ratio (%) to PAT **	25.72	27.32	20.19	23.12	22.13	27.99	30.27	31.36	*20.35

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

Marching ahead with Confidence...

My dear Shareholder,

I have pleasure in sharing with you yet another year of satisfying performance. I am happy to inform you that the merger of Phoenix Lamps Limited with Suprajit has now been concluded. The enclosed report of your Board of Directors and the Financial Statements of your Company are consolidated with those of the erstwhile Phoenix Lamps Limited. I thank all the shareholders for their support and patience during the merger process. I believe that now, as a single entity, your Company is poised to `March Ahead With even more Confidence'!

There have been material changes both in the global and local context. Brexit, the election of President Trump, along with tensions in North Korea, Middle East, Europe, etc., will no doubt have some effect on your Company as we now are a global player. On the domestic front, demonetization and GST have had their short term negative impact. However, I believe that these are transformational events for a strong and sustained future economic growth of our country. While the global economy is trudging along, I believe that Indian GDP can grow @ 7-8% with these economic reforms, with lower inflation and interest rate regime that is expected to stay low for a while in India, in the years ahead.

“De-risk and Grow Profitably” is the evergreen Mantra of your Company. In this regard, the acquisition of Phoenix Lamps Limited, now the Phoenix Lamps Division, turned out to be a much needed product de-risking done by your Company. The acquisition of Wescon Controls, USA last year offered another dimension of de-risking by entering the non-automotive segment of cables in a significant way. As you are aware, both acquisitions have gone well and have been EPS accretive.

With the integration of Wescon, the group's annual cable capacity is now at 250 million which can easily be raised to about 300 million with minimum additional capex. This, along with the Phoenix Lamps Division's annual capacity of 87 million halogen lamps, makes Suprajit easily one of the world's top 5 in both the products. Our earlier slogan of “Made In India Made For the World” worked pretty well, with India as our base manufacturing centre and global delivery through warehouses nearer to the customers. However, global giants expect stronger local footprint. In order to bag larger share of business from some of these marquee customers, it may be required for us to increase our footprints globally through local presence of staff, warehousing and manufacturing footprints. Our Mantra now is 'Think Global, Act Local'

Consolidation of global supplier base is happening to ensure smaller number of efficient larger players, capable of delivering to global customers' diverse plants. We need to be a global leader, and, this would be the direction your Company ought to take to continue to de-risk and grow profitably.

Phoenix had a modest year in terms of sales growth and profitability. This is largely due to the fact that certain customers were lost for a specific product. This has now been overcome with the installation of new state of the art production line along with a few critical balancing equipment in other lines within Phoenix. With this, I am confident that some of the lost customers will come back to our fold in due course.

On the cable front, Suprajit sales continue to outperform industry growth. Added to this, the subsidiaries – Suprajit Automotive Limited and Suprajit Europe Limited have continued to excel with a good growth and superior margins. As you are aware, your Company has acquired Wescon Controls in September 2016. Wescon is a leader in the outdoor power equipment cables in North American Market, having significant market share in the non-automotive space in the USA. Wescon has performed satisfactorily during the last year and is expected to continue that performance in the current year. Overall, the outlook for cable business looks promising.

The strategy of your Company is to grow each one of the brands, Suprajit for automotive cables, Wescon for non-automotive cables and Phoenix for lamps. Team Suprajit is focused on building each one of these brands through multiple strategies to ensure that we continue to grow profitably by de-risking our business, by working together as a well-knit harmonious team. While both global and domestic uncertainties continue, your Company's robust business model and focused approach to customers gives me confidence to say that Team Suprajit will deliver another year of satisfying performance.

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

With warm personal regards,

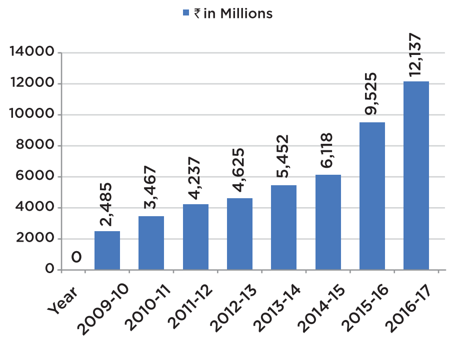
Yours sincerely,

K. Ajith Kumar Rai
Chairman & Managing Director.

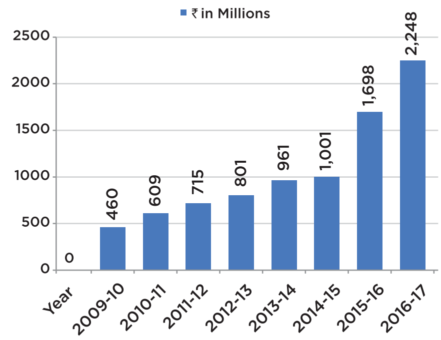
THINK GLOBAL ACT LOCAL

ROBUST FINANCIALS (GROUP)

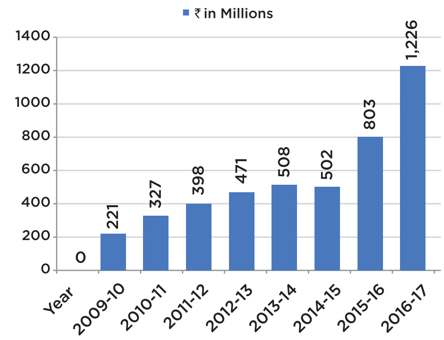
Group-Consolidated Net Sales



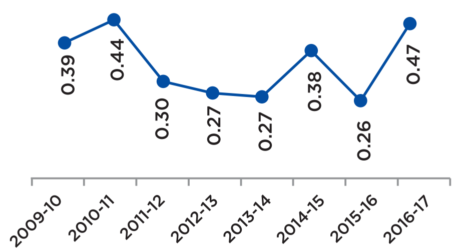
Group-Consolidated EBIDTA



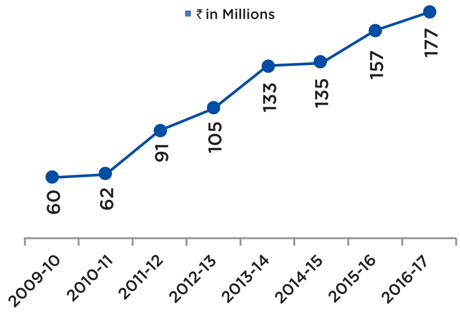
Group-Consolidated Net profit



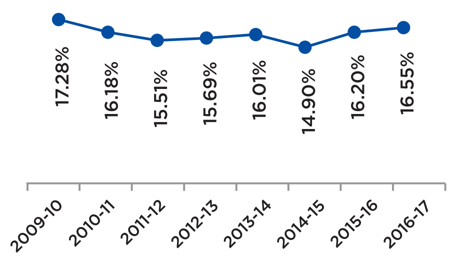
Supported by Low Long Term Liabilities / Equity...



...High Dividend Pay Out

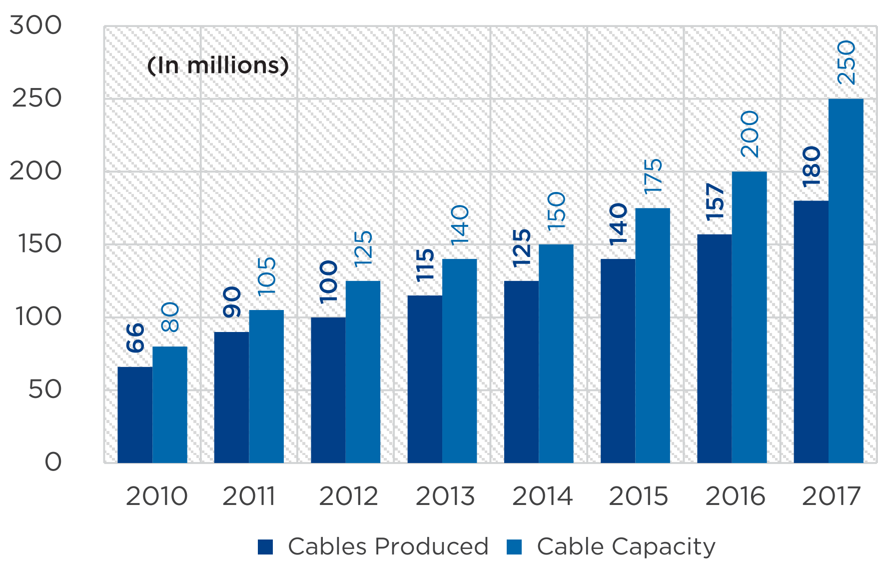


...and High EBIDTA Margins

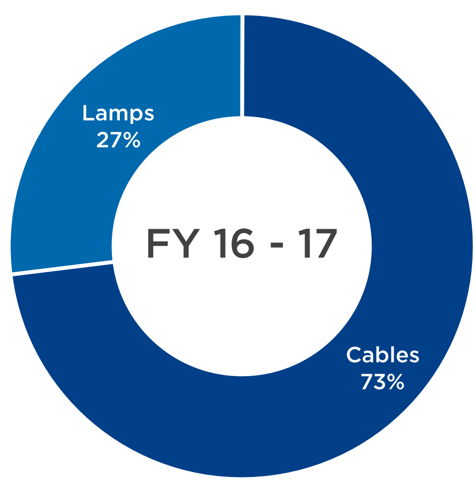


CAPACITIES

Cable Capacity



Revenue Split



Halogen Lamp Capacity

Lamp Capacity (2017)	**87 million**
Utilized Capacity (2017)	**59 million**

Top Management Speaks

N S MOHAN
CEO & Director
Suprajit Engineering Ltd.

Daring to dream and working smartly to realize the dream is the key to success. Doing acquisitions on a back to back basis and ensuring that the acquired entities also share that dream by giving enough autonomy with adequate checks and balances to realize the dream is critical for our success. As our organization grows and we create separate divisions focused on profitable growth, it is imperative that a corporate back bone structure is created to give enough directions to the entities / divisions, have enough control mechanisms in place without being bureaucratic.

At Phoenix Lamps, Trifa and Luxlite, we have a strong empowered management team to run the business. Using our learning points from Phoenix Lamps, we successfully acquired and integrated Wescon Controls by giving a clear message of "Business as Usual". We added more responsibilities to the management team at Wescon and created "Suprajit Engineering Non-Automotive" (SENA) group.

We are now forging ourselves into a strong team of professionals, out to realize a dream and be impactful in the areas that we have chosen to work.

NARAYANA SHANKAR K
COO
Suprajit Engineering Ltd.

The challenge is to create an enduring customer delight. Customers are demanding better results, everyday. We have earned an excellent reputation in ensuring that the customer gets beyond their expectations. Challenges in operations involve further process flow improvement, and bringing in automation to majority of the processes to achieve consistently higher operational benefits.

Value for money for our customers in terms of Quality, Cost, Delivery and Development are the cornerstone of our operations. While the input costs may go up for several reasons, the operations optimize the resources to be competitive in the market place and enhance customer's share of business. Team Suprajit can proudly say that we can match and better any cable competitor in terms of Value for Money. We have and will remain competitive for years to come.

MEDAPPA GOWDA J
CFO & Company Secretary
Suprajit Engineering Ltd.

Transparent, ethical and professional approach to every stakeholder along with good corporate governance and strict statutory compliances are our top most priority. Prudent cash management, optimal debt structure, efficient capital allocation, good credit ratings, lower costs of borrowings, will certainly deliver long term value. Maximizing key financial ratios like ROCE, Debt Equity, ROE, Debt to EBIDTA, Asset turnover etc, though challenging, is our strength. This has increased the confidence level with all our stakeholders.

The acquisition and restructuring of Phoenix and Wescon, integration of both the Companies with Suprajit has further strengthened our fundamentals. Strong balance sheet, IT and MIS systems with latest software across entities both domestic and overseas gives us an added confidence to manage the operations globally.

PETER GREENSMITH
Managing Director
Suprajit Europe Ltd.

Our business model to serve the Global customers is reaching a critical mass to drive both growth and profits for us. We are broadening and deepening the customer base through a proven quality track record and becoming a development source of choice by effective application of engineering tools.

We are poised to take the next step in scaling up the business both in Europe and the Americas. Both the units in Europe and India are now proficient contract generators and able to deliver new income streams from Global customers.

AKHILESH GOEL
COO
Phoenix Lamps Division

Phoenix Lamps division is driven by the ambition to make a difference to our customers, with innovation and better technology. As a leading player in Automotive Halogen Lamp business, we continue to upgrade our products to deliver superior performance with latest manufacturing technology. Based on the customer expectations, we are continuously working to improve the products' performance through a structured program called R.G.L.

We have demonstrated our capabilities by commissioning a fully automated H7 line in a very short time and upgrading key equipments. We continue to focus on customer expectations, quality, productivity improvement & people development to grow profitably.

FRANK KLINKERT
Managing Director
Luxlite Lamps SARL,
Luxembourg

Close relationship with the customers is the key to success in our business. It takes years to develop such a relationship. Our Operations in Luxemburg, guarantee quick deliveries and a fast reaction to follow the demand in our automotive business. With most of automotive lamps produced within the lighting group, give us the much needed flexibility.

Quick response is essential, be it communication, production or lead time. We continue to improve our service and products every day. We move forward as a strong team and stay focused. As we continue to improve the quality of our products, we are looking forward to new opportunities and business prospects.

STEVE FRICKER
CFO
Wescon Controls LLC

Prior to the purchase of Wescon Controls by Suprajit Engineering, we aggressively deployed a two-plant strategy (Wichita, KS USA and Juarez, MX) to become the dominant supplier to the Outdoor Power Equipment industry. With the additional capability of producing control cables at Suptajit's Unit 9 plant in Bangalore, India, we now have a 3-plant strategy to address the global need for non-automotive cables.

Moving forward we plan to deploy the 3-plant strategy to reduce costs, expand our markets outside of the Outdoor Power Equipment industry and increase our global footprint. We are looking forward to working closely with as Team Suprajit to deploy our strategy and become a dominant supplier to other non-automotive markets.

MIKE BRIGHT
CEO & President
Wescon Controls LLC

Wescon Controls is proud to be the newest member of "*Team Suprajit.*" We have found, over the past year, a strong alignment of our core values and philosophies. Taking the business to the next level in terms of continuous improvement, achieving profitable growth, and globalizing business growth strategies under the banner of a SENA (Suprajit Engineering Non-Automotive) group becomes our focus, our imperative.

SENA group's ability to globalize and leverage its engineering, technical support, supply chain and manufacturing capabilities provide us with exciting opportunities to further expand Suprajit's primary goal - *providing superior customer satisfaction.*

SHANKAR S
VP (HR)
Suprajit Engineering Ltd.

The HR Team at Suprajit, continue to be in the forefront in creating a high performance organization to meet the requirement of the customers and the employees. Training and skill building continue to be the essence of our focus. The teams of the newly acquired companies have had a taste of the "Team Suprajit Culture" and have integrated well. The employees are enthused by the vision of the company and its management strategy. Our HR value proposition of people management has created a positive HR climate within the organization. There is pride in being a part of"Team Suprajit".

MARY GENTZSCH
Managing Director
TRIFA LAMPS GERMANY GmbH.

Trifa, having a rich heritage since 1929 and now a part of Suprajit group, is a reliable partner for the automotive lighting industry, supplying lamps to passenger car and commercial vehicles around the world. Our team is making efforts to minimize the risks of global economic and political uncertainties.

Our trading partners appreciate our strengths - customized small production series, good value for money, quick communication, motivated employees, flexibility, transparency, respect for customers and suppliers. Despite price, cost and global competition, we are looking to the future with confidence. Opportunities and prospects will arise as a result of the close collaboration and team work within the Suprajit's Lamps division.

Next Gen...

AKHILESH RAI
Head IT
Suprajit Engineering Ltd.

GST roll-out caused disruption throughout the Indian industry but we coped well. Internal projects have resolved HR pain points, while cloud initiatives keep us agile. Our systems for automatic financial consolidation and product lifecycle management will be the key technology implementations of the coming year. Though currently doing an MBA at London Business School, I visited our global operations and saw integration plans going well. There are many synergistic opportunities with our subsidiaries which we will continue capturing.

The strength of Suprajit is in its operations and the ecosystem we have built around our customers. Our ability to execute effectively and scale-up rapidly is synonymous with Brand Suprajit. We strive to be a technology provider to our customers, and constantly offer not only better products, but better solutions. The focus will be on exploiting our core expertise in cables and halogen lamps, while also exploring other products that fit our profile and customer needs.

ASHUTOSH RAI
Manager
Corporate Strategies
Suprajit Engineering Ltd.

SUPRAJIT FOUNDATION

Education and Healthcare for the underprivileged

BOARD OF DIRECTORS

K Ajith Kumar Rai
Chairman & Managing Director

N S Mohan
CEO & Director

Diwakar S Shetty
Director

Ian Williamson
Director

B S Patil, IAS (Retd.)
Director

Suresh Shetty
Director

M Jayarama Shetty
Director

Dr. Supriya A Rai
Director

CFO & COMPANY SECRETARY

Medappa Gowda J

STATUTORY AUDITORS

Messrs Varma & Varma
Chartered Accountants

INTERNAL AUDITORS

Messrs K S Aiyar & Company
Chartered Accountants

SECRETARIAL AUDITOR

Parameshwar G Bhat
Company Secretary

COST AUDITORS

Messrs G N V Associates
Cost Accountants

REGISTERED OFFICE

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

PLANTS AT :

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

WHOLLY OWNED SUBSIDIARES:

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

STOCK EXCHANGES

BSE Ltd [BSE]
National Stock Exchange [NSE]

REGISTRAR AND SHARE TRANSFER AGENT

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

BANKERS

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

Contents

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

NOTICE OF THE THIRTY SECOND ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Second Annual General Meeting of Suprajit Engineering Limited will be held on Saturday, 11th November, 2017 at Plot No. 101, Bommasandra Industrial Area, Bengaluru-560 099 at 2.30 PM to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company which include Audited Balance Sheet as at March 31, 2017, the Statement of Profit and Loss 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 Dr. Supriya A. Rai, Non Executive / Non Independent Director (DIN- 01756994) who retires by rotation and being eligible, offers herself for reappointment.

3. To confirm the payment of Interim Dividend and to declare Final Dividend.

4. To 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 Section 139 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 appoint 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 from the conclusion of this Annual General Meeting untill the conclusion of Thirty Seventh Annual General Meeting of the Company subject to ratification by the Members every year at the Annual General Meeting at such remuneration as may be fixed by the Board of Directors in consultation with the Auditors.

SPECIAL BUSINESS:

5. To appoint Mr. Mohan Srinivasan Nagamangala (DIN: 01916468) as the Director and also as Whole Time Director of the Company:

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

   RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 of the Companies Act, 2013 and the Rules made there under and other applicable laws, if any, Mr. Mohan Srinivasan Nagamangala (DIN: 01916468), who was appointed as an Additional Director of the Company by the Board of Directors with effect from February 13, 2017 and who holds office until the date of this AGM, in terms of Section 161 of the Companies Act, 2013, be and is hereby appointed as Director of the Company.

   RESOLVED FURTHER THAT pursuant to Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013, the consent of the Members of the Company be and is hereby accorded to appoint Mr. Mohan Srinivasan Nagamangala (DIN: 01916468) as a Whole Time Director and to designate him as Director & CEO of the Company for a period of 5 years with effect from February 13, 2017, who is liable to retire by rotation, on the following terms and conditions:

   1. BASIC SALARY: ₹ 4,03,200 /- (Rupees Four Lakhs Three Thousand and Two Hundred only) per month.
   2. HOUSE RENT ALLOWANCE: ₹ 2,01,500/- (Rupees Two Lakhs One Thousand and Five Hundred only) per month.
   3. CONVEYANCE ALLOWANCE: ₹ 2,01,500/- (Rupees Two Lakhs One Thousand and Five Hundred only) per month. The Car will be provided by the Company. The expenditure towards taxes, maintenance and insurance of the car will be borne by the Company. Fuel Expenses up to ₹ 20,000/- (Rupees Twenty Thousand) per month will be provided by the Company. Fuel expenses in excess of ₹ 20,000/-

per month will be reimbursed by the Company, if incurred for official purpose and driver allowance of ₹ 15,000/- (Fifteen Thousand only) per month.

4. ANNUAL BONUS: 20% of Basic salary i.e ₹ 9,67,680/- (Rupees Nine Lakhs Sixty Seven Thousand and Six Hundred and Eighty only) per annum.

5. MEDICAL EXPENSES: Medical expenses incurred in respect of self, spouse and two dependent unmarried children less than 21 years of age will be reimbursed to the extent of ₹ 20,000 /- (Rupees Twenty Thousand only) per annum. He will be covered under Medical and Personal Accident Insurance policies taken by the Company.

6. LEAVE: As per the policy of the Company.

7. LEAVE TRAVEL ALLOWANCE: Expenses for self and family (as defined above) of travel anywhere in India on leave will be reimbursed once a year subject to a ceiling of ₹ 20,000/- (Rupees Twenty Thousand only) per annum.

8. EDUCATION ALLOWANCE: Education allowance up to ₹ 20,000 /- (Rupees Twenty Thousand only) per annum.

9. PROVIDENT FUND: Contribution of 12% of the basic salary by the appointee to the Provident Fund with 13.36 % contribution by the Company.

10. GRATUITY: The gratuity payable will be ₹ 2,32,727/- (Rupees Two Lakhs Thirty Two Thousand and Seven Hundred Twenty Seven only) per annum.

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

12. PERFORMANCE COMMISSION: He is eligible to receive a commission, linked to Revenue Growth (consolidated group Operational Gross Income) and consolidated EBIDTA (% to Operational Gross Income) for the year 2017-18 as assessed and recommended by the Nomination & Remuneration Committee of the Board of Directors.

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

14. He shall not become interested or otherwise concerned directly or indirectly in any selling agency of Company's products nor be involved in any other gainful employment directly or indirectly.

15. The contract is terminable with three months notice on either side.

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

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

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

6. To ratify the remuneration payable to Messrs G N V and Associates, Cost Accountants, Cost Auditors of the Company for the financial year 2017-18:

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, 2017-18 amounting to ₹ 85,000/- (Rupees Eighty Five Thousand only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, be and is hereby ratified.

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

7. Approval of SEL Employee Stock Appreciation Rights Plan 2017:

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, approval and consent of the Company be and are hereby accorded respectively to the "SEL Employee Stock Appreciation Rights Plan 2017" ("ESAR 2017" "Plan") and to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred in this resolution) to create, issue, offer and grant from time to time up to not exceeding 1% of the issued Equity Shares i.e 13,98,725 (Thirteen Lakhs Ninety Eight Thousand Seven Hundred Twenty Five Equity Shares) in the Company in aggregate of face value of ₹ 1/- each, of Employee Stock Appreciation Rights ("ESARs"), to or for the benefit of such person(s), whether working in India or out of India, who are in permanent employment of the Company including Director(s) whether whole-time or otherwise, of the Company and its Subsidiary Company(ies), (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), as may be decided solely by the Board under the Plan, exercisable into not exceeding 1% of the existing issued equity shares i.e 13,98,725 (Thirteen Lakhs Ninety Eight Thousand Seven Hundred Twenty Five Equity Shares) in the Company in aggregate of face value of ₹ 1/- each, on such terms and conditions, as may be determined in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations.

RESOLVED FURTHER THAT the Board for this purpose be and is hereby authorised to issue and allot Equity Shares upon exercise of ESARs from time to time in accordance with the ESAR 2017 and to the extent permitted under SEBI SBEB Regulations.

RESOLVED FURTHER THAT the Equity Shares issued and allotted, if any, as mentioned hereinbefore shall rank pari passu with the then existing Equity Shares of the Company.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, change in capital structure, merger and sale of division / undertaking or other re-organization, change in capital and others, if any, additional Equity Shares are required to be issued by the Company to the Shareholders, the ceiling as aforesaid of 13,98,725 (Thirteen Lakhs Ninety Eight Thousand Seven Hundred Twenty Five Equity Shares) of ₹ 1/- each shall be deemed to increase in proportion of such additional Equity Shares issued to facilitate making a fair and reasonable adjustment.

RESOLVED FURTHER THAT in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition payable by the ESAR Grantees under the plans shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 1/- per Equity Share bears to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

RESOLVED FURTHER THAT the Company shall conform to the accounting policies prescribed from time to time under the SEBI SBEB Regulations and any other applicable laws and regulations to the extent relevant and applicable to the ESAR 2017.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Shares allotted under the ESAR 2017 on the Stock Exchanges, where the Shares of the Company are listed as per the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the concerned Stock Exchanges and other applicable Guidelines, Rules and Regulations, if any.

RESOLVED FURTHER THAT the Board be and is hereby authorized at any time to modify, change, vary, alter, amend, suspend or terminate the ESAR 2017 subject to the compliance with the applicable laws and regulations and to do all such acts, deeds, matters and things as may at its absolute discretion deems fit, for such purpose and also to settle any issues, questions, difficulties or doubts that may arise in this regard without being required to seek any further consent or approval of the Members and further to execute all such documents, writings and to give such directions and/or instructions as may be necessary or expedient to give effect to such modification, change, variation, alteration, amendment, suspension or termination of the ESAR 2017 and do all other things incidental and ancillary thereof."

"RESOLVED FURTHER THAT the Board, be and is hereby authorized to do all such acts, deeds, and things, as may, at its absolute discretion deems necessary including authorizing or directing to appoint Merchant Bankers, Brokers, Solicitors, Registrars, Advertisement Agency, Compliance Officer, Investors Service Centre and other Advisors, Consultants or Representatives, being incidental to the effective implementation and administration of ESAR 2017 as also to prefer applications to the appropriate Authorities, Parties and the Institutions for their requisite approvals and also to initiate all necessary actions for the preparation and issue of public announcement and filing of public announcement, if required, with the SEBI/Stock Exchange(s), and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard."

8. Approval of grant of ESARs to the Employees/Directors of the Subsidiary Company(ies) / of the Company under ESAR 2017.

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

"RESOLVED THAT pursuant to the provisions of Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made there under Regulation 6 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ("SEBI SBEB Regulations"), and subject to such other approvals, permissions and sanctions as may be necessary and such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the approval of the Company be and is hereby accorded authorizing the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee, including the Nomination and Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred in this resolution) to the offer, grant and issue from time to time, in one or more tranches of such number of Employee Stock Appreciation Rights ("ESARs") under 'SEL Employee Stock Appreciation Rights Plan 2017' ("ESAR 2017" "Plan") within the limit prescribed therein, to or for the benefit of the permanent employees including Directors (other than Promoter(s), Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company), of any existing and future Subsidiary Company(ies) of the Company whether in or outside India, as may be decided solely by the Board, exercisable into an appropriate number of fully Paid-up Equity Shares in the Company of face value of ₹ 1/- each, on such terms and conditions, as may be determined in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations."

By Order of the Board

For **Suprajit Engineering Limited**

Place : Bengaluru
Date : September 13, 2017

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

NOTES

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

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

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

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

3. The Register of Members and the Share Transfer books of the Company will remain closed from 8th November, 2017 to 11th November, 2017 (both days inclusive).

4. An Interim Dividend of ₹ 0.50 (50%) as declared at the Board Meeting held on February 13, 2017 was paid to those members, whose names appeared on the Company's Register of Members / Beneficial Owners Position as per the records of the depositories as on February 23, 2017. (Record Date).

5. Final Dividend of ₹ 0.60 (60%) per Equity Share as recommended by the Board, if approved by The Members, will be paid to those Members whose names appear on the Register of Members of the Company / beneficial owners as per the records of depositories as on November 11, 2017.

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

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

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

8. Members holding shares in physical form in identical orders of names in more than one folio are requested to send to the Company or Integrated Registry Management Services Private Limited, the details of such folio together with the shares certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.

9. Relevant documents referred to, in the accompanying Notice and the Statement are open for inspection by the Members at the Registered Office of the Company during normal business hours (9.00 A.M. to 6.00 P.M.) on all working days except Saturdays and Sundays, up to the conclusion of Annual General Meeting of the Company.

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

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

12. The notice of the Annual General Meeting will be sent to those Members / beneficial owners, whose name will appear in the Register of Members / list of beneficiaries received from the Depositories as on October 14, 2017.

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

14. The Equity Shares of the Company are available for trading in dematerialized form (electronic form) through Depository Participants. The Company has entered in to agreements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). ISIN Code No. INE399CO1030. All Shareholders holding Shares in physical form are requested to make use of this facility. Members are requested to open De-mat account with any of the Depository Participants to enable transacting in the Stock Exchanges.

15. Members are requested to bring copy of the Annual Report along with them to the Annual General Meeting.

16. Pursuant to Sections 124 and 125 of the Companies Act, 2013 (Corresponding to Sections 205A, 205B & 205C of the Companies Act, 1956), the total dividend amount which remain unpaid/unclaimed for a period of seven years, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. After such transfer, no claim of the Members whatsoever shall subsist on the said amount. Therefore, shareholders are requested to claim dividend before the expiry of said period.

Further, the particulars of unpaid / unclaimed dividend etc. are available on the Company's website, www.suprajit.com in compliance with the Investor Education and Protection Fund (Uploading of Information Regarding Unpaid And Unclaimed Amounts Lying With Companies) Rules, 2012.

17. **Details of the Directors proposed to be appointed/ re-appointed:**

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

i. Dr. Supriya A. Rai (DIN : 01756994):

Dr. Supriya A. Rai is a dentist by profession having experience of around 30 years. She is wife Mr. Ajith Kumar Rai, Chairman & Managing Director of the Company. She has been appointed as Director of the Company with effect from May 30, 2014.

Date of Birth - November 03, 1962

Directorship in other Listed Entity – Nil

Committee Memberships in the Company- Corporate Social Responsibility Committee

Number of shares held - 14,346,358

ii. Mr. Mohan Srinivasan Nagamangala (DIN: 01916468)

Mr. Mohan Srinivasan Nagamangala is a Graduate in Mechanical Engineering. He is a Member of the Institute of Cost and Works Accountants and he has a Diploma in Management. He has over 28 years of experience of working in India and abroad. He started his career with BOSCH Bengaluru, and thereafter Visteon and Hansen / ZF Transmissions. He has held various positions including that of Chief Operations Officer, Country Manager, Executive Director, Managing Director, etc. He has managed businesses in India, Thailand, China, Belgium and USA.

ADDITIONAL INFORMATION:

Name of Director	Mr. Mohan Srinivasan Nagamangala
Appointment / Re-appointment	Appointment
Expertise in specific functional areas	Mr. Mohan Srinivasan Nagamangala is a graduate in Mechanical Engineering, a Member of the Institute of Cost and Works Accountants of India and has a Diploma in Management. He has held various positions including that of Chief Operations Officer, Country Manager, Executive Director, Managing Director, etc.
Directorships held in other Public Limited Companies	Phoenix Lamps Limited (erstwhile)
Committee positions held in other companies	NIL
Relationship with other Directors	NIL
Number of shares held	4104

18. **For the convenience of the Members, the Company will provide coach service from Bengaluru on the day of the Annual General Meeting; Members are requested to report at 12.30 PM near Bengaluru Stock Exchange, No.51, 1st cross, J.C. Road, Bengaluru - 560 002 and proper conduct of the meeting, entry to the meeting venue will be regulated by Attendance Slip. Members are requested to sign at the place provided on the Attendance Slip and hand it over at the registration counter.**

Contact persons:

1. Mr. K S Ranganath - Cellphone No. 9945108318
2. Mr. S L Satish - Cellphone No. 9342135877

19. Notice of the Annual General Meeting along with the Annual Report 2016-17 is being forwarded in electronic mode to those Members whose e-mail address are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

20. 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.

21. Voting through Electronic means:

(A) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide e-voting facility to its Members to exercise their vote on resolutions proposed to be passed in the Thirty Second Annual General Meeting by electronic means. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').

(B) The facility for voting through Ballot Paper shall be made available at the Meeting and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting.

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

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

The voting period begins on, November 8, 2017 (9.00 a.m.) and ends on November 10, 2017 (5.00 p.m). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of i.e, November 3, 2017, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

22. **The instructions for shareholders voting electronically are as under:**

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

(ii) Click on Shareholders / Members

(iii) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

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

(xx) Further, Members may note the following:

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

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

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

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

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

24. The results of the Annual General Meeting shall be declared within two (2) 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 Limited (NSE).

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

Item No. 5:

Based on the recommendations of the Nomination and Remuneration Committee, the Board at its Meeting held on February 13, 2017 had appointed Mr. Mohan Srinivasan Nagamangala as an Additional Director of the Company with effect from February 13, 2017.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, the Additional Director appointed by the Board will hold office up to the date of the ensuing Annual General Meeting. Hence, the approval of the Members of the Company is required to appoint Mr. Mohan Srinivasan Nagamangala as Director of the Company.

Further, the Board at its meeting held on February 13, 2017, also had appointed Mr. Mohan Srinivasan Nagamangala as a Whole Time Director of the Company and designated him as CEO & Director for a period of five years commencing from February 13, 2017 which was subject to approval of Members of the Company.

In this connection, the Board recommends the resolution as set out in Item no. 5 for the approval of the Members in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013, and the Rules made there under for the appointment of Mr. Mohan Srinivasan Nagamangala as a Whole time Director for a period of five years commencing from February 13, 2017. The terms and conditions of his appointment are set out in the resolution.

Except Mr. Mohan Srinivasan Nagamangala, none of the Directors, Key Managerial Personnel or their relatives is interested or concerned in the resolution.

Item No. 6:

The Board on the recommendation of the Audit Committee had appointed Messrs G N V and Associates, as the Cost Auditors of the Company for the financial year 2017-18 and fixed a remuneration of ₹ 85,000/- plus applicable taxes and reimbursement of out of pocket expenses at actuals.

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

Hence your Board recommends the ordinary resolution as set out in Item no.6 for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and relatives, is concerned or interested financially or otherwise in resolution set out at Item No. 6.

Item No.s 7 & 8:

Equity based compensation is considered to be an integral part of employee compensation across sectors which enables alignment of personal goals of the employees with organizational objectives by participating in the ownership of the Company through share based compensation scheme / plan. Your Company believes in rewarding its employees including Directors of the Company and its Subsidiary Company (ies), for their continuous hard work, dedication and support, which has led the Company on growth path.

The Company intends to implement a new employee stock option plan i.e. SEL Employee Stock Appreciation Rights Plan 2017" ("ESAR 2017"/"Plan"/"Scheme") with a view to retain key talents working with the Company and its Subsidiary Company(ies) by way of rewarding their performance and motivate them to contribute to the achievement of organisational goals and to the overall corporate growth and profitability.

The Company seeks members' approvals in respect of ESAR 2017 and grant of Employee Stock Appreciation Rights ("ESARs") to the eligible employees / Directors (other than Promoters, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) of the Company and its Subsidiary Company(ies) as decided by the Nomination and Remuneration Committee ("Committee") from time to time indue compliance of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, ("SEBI SBEB Regulations").

The main features of the ESAR 2017 are as under:

(a) Brief Description of the ESAR 2017:

This proposed ESAR 2017 is intended to reward the employees of the Company and its Subsidiary Company(ies) (hereinafter collectively referred to as "Company" unless the context otherwise requires) for their performance and to motivate them to contribute to the growth and profitability of the Company. Your Company also intends to use this Plan to retain talent in the organization as it views ESARs as instruments that would enable the employees to get a share in the value they create for the Company and align individual objectives of employees with objectives of the Company.

The SEBI SBEB Regulations permit granting ESARs to employees which entitles them to receive appreciation in the value of shares of the Company at a future date and in a pre-determined manner, where such appreciation is settled by way of shares of the Company.

More the market price of Shares of the Company in future, more shall be the Appreciation per ESAR. Your Company expects that ESARs will result in improvement of individual and group performance as a result of alignment of goals of the employees and the organization.

(b) Total number of ESARs to be granted:

Not exceeding 1% of the existing issued equity shares i.e 13,98,725 (Thirteen Lakhs Ninety Eight Thousand Seven Hundred Twenty Five Equity Shares) of ₹ 1/-each of ESARs would be available for grant to the eligible employees of the Company under ESAR 2017, in one or more tranches exercisable into not exceeding 1% of the existing issued

Equity Shares i.e 13,98,725 (Thirteen Lakhs Ninety Eight Thousand Seven Hundred Twenty Five Equity Shares) in aggregate in the Company of face value of ₹ 1/- each fully paid-up at the discretion of the Board, as may be determined in accordance with the provisions of the Plan and in due compliance with the applicable laws and regulations.

If the settlement results in fractional Equity Shares, then the consideration for fractional shares would be settled in cash.

Vested ESARs lapsed due to non-exercise and / or unvested ESARs that get cancelled due to resignation / termination of the employees or otherwise, would be available for being re-granted at a future date. The Board authorized to re-grant such lapsed / cancelled ESARs as per the provisions of ESAR 2017, within the overall ceiling.

The SEBI SBEB Regulations require that in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the ESARs granted. Accordingly, if any additional Equity Shares are required to be issued pursuant to any corporate action, the above ceiling of Equity Shares shall be deemed to increase in proportion of such additional Equity Shares issued subject to compliance of the SEBI SBEB Regulations.

(c) Identification of classes of employees entitled to participate in ESAR 2017

Following are entitled to participate in ESAR 2017:

a) Permanent employees of the Company working in India or out of India;

b) Directors of the Company; and

c) Permanent employees and Directors of the Subsidiary Company(ies)

Following persons are not eligible:

a) an employee who is a Promoter or belongs to the Promoter Group;

b) a Director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the outstanding Equity Shares of the Company; and

c) an Independent Director within the meaning of the Companies Act, 2013.

(d) Requirements of vesting and period of vesting:

The ESARs granted shall vest so long as an employee continues to be in the employment of the Company as the case may be. The Committee may, at its discretion, lay down certain performance metrics on the achievement of which such ESARs would vest, the detailed terms and conditions relating to such performance-based vesting, and the proportion in which ESARs granted would vest subject to the minimum vesting period of 1 (One) year.

(e) Maximum period within which the ESARs shall be vested:

ESARs granted under ESAR 2017 would vest subject to maximum period of 4(Four) years from the date of grant of such ESARs.

(f) ESAR price or pricing formula:

The ESAR Price per ESAR shall be equal to the market price per Equity Share as on grant date of ESARs

The ESAR Grantee shall pay the face value of a Share prevailing at the time of such allotment per Share allotted subject to additional payment / recovery of applicable taxes as per applicable laws.

(g) Exercise period and the process of Exercise:

The vested ESARs shall be allowed for exercise any time for 5 (Five) years from the date of vesting of the ESARs during the tenure of employment with the Company. Upon an event of separation from employment, shorter exercise periods have been prescribed under ESAR 2017.

The vested ESARs shall be exercisable by the employees by a written application to the Company expressing his / her desire to exercise such ESARs in such manner and on such format as may be prescribed by the Committee from time to time. The ESARs shall lapse if not exercised within the specified exercise period.

(h) Appraisal process for determining the eligibility of employees under ESAR 2017:

The appraisal process for determining the eligibility of the employees will be decided by the Committee from time to time.

The employees would be granted ESARs under the ESAR 2017 based on various parameters such as performance rating, period of service, rank or designation and such other parameters as may be decided by the Committee from time to time.

(i) Maximum number of ESARs to be issued per employee and in aggregate:

The number of ESARs that may be granted per employee under the Plan shall not exceed 1,00,000 Equity Shares.

(j) Maximum quantum of benefits to be provided per employee under the ESAR 2017:

The maximum quantum of benefits underlying the ESARs issued to an eligible employee shall be dependent on the maximum quantum of ESARs granted and the price as on date of exercise of such ESARs / or sell of resultant shares.

(k) Whether the Plan is to be implemented and administered directly by the Company or through a trust:

The ESAR 2017 shall be implemented and administered by the Company directly.

(l) Source of acquisition of shares for the implementation of the ESAR 2017:

ESAR 2017 contemplates new issue of Shares / Primary Shares by the Company.

(m) The amount of loan to be provided for implementation of the ESAR 2017 by the Company to the Trust, its tenure, utilisation, repayment terms etc.

This is currently not contemplated under ESAR 2017.

(n) Maximum percentage of Secondary Acquisition that can be made by the Trust for the purchase of the scheme.

This is not relevant under ESAR 2017.

(o) Accounting and Disclosure Policies:

The Company shall follow the 'IND AS/Guidance Note on Accounting for Employee Share-based Payments' and / or any relevant Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India or any other appropriate authority from time to time, including the disclosure requirements prescribed therein in due compliance with the Regulation 15 of the SEBI SBEB Regulations.

(p) Method of ESARs Valuation:

To calculate the employee compensation cost, the Company shall use the Fair Value method for valuation of the ESARs granted.

(q) Method of ESARs Valuation:

In case the Company opts for expensing of ESARs using the Intrinsic Value, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the Fair Value, shall be disclosed in the Board's Report and the impact of this difference on profits and on Earnings Per Share ("EPS") of the Company shall also be disclosed in the Board's Report.

Consent of the members is being sought pursuant to Section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 read with Regulation 6 of the SEBI SBEB Regulations.

None of the Directors, Key Managerial Personnel of the Company including their relatives is interested or concerned in the resolution, except to the extent of their entitlements, if any, under the Plan.

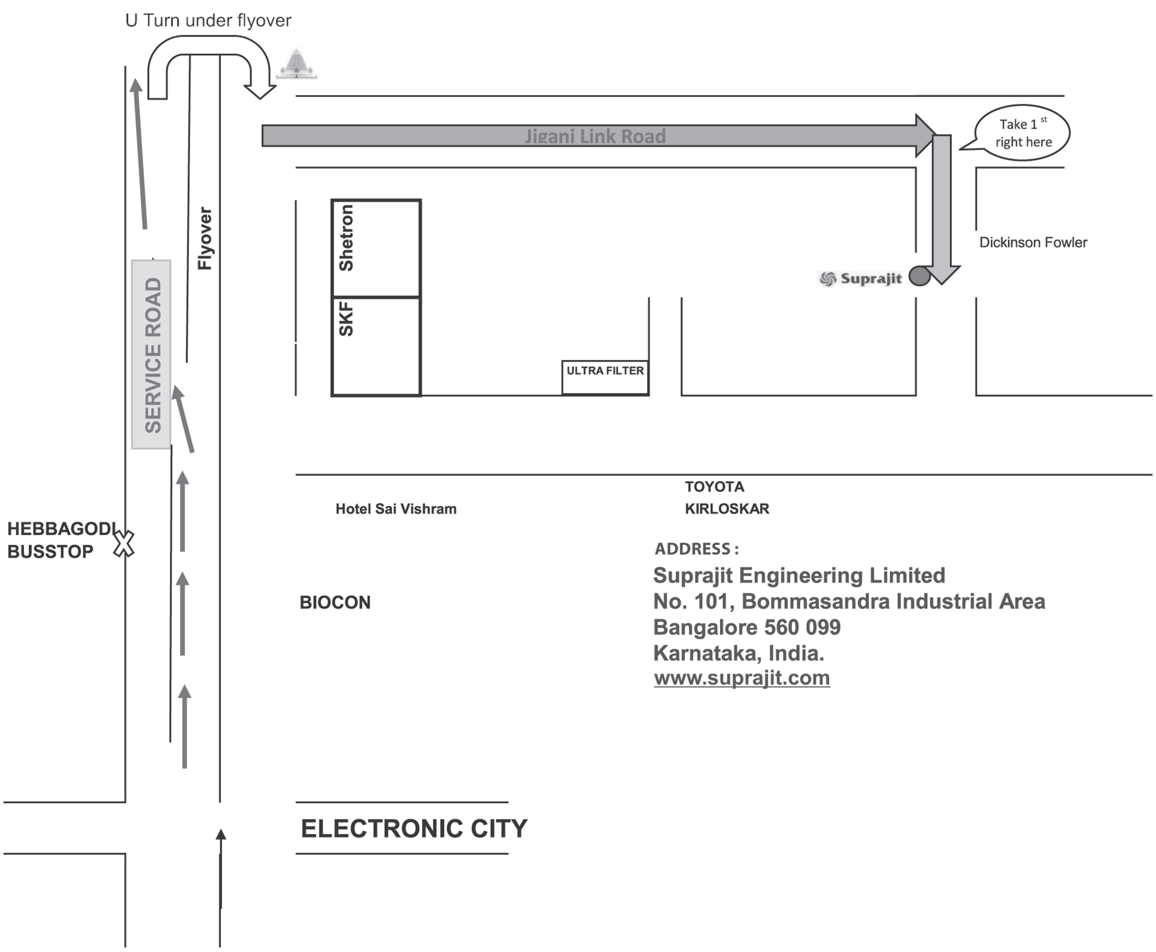
The Directors recommend the resolutions for your approval.

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

Place : Bengaluru
Date : September 13, 2017

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

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



BOARD'S REPORT

Your Directors have pleasure in presenting their Thirty Second Annual Report and the Audited Financial Statements for the year ended March 31, 2017 together with the Independent Auditor's Report.

FINANCIAL RESULTS:

₹ in Million

Particulars	2016-17	2015-16
Gross Income	9,731.20	6,657.48
Profit before tax	1,266.34	782.08
Less: Provision for taxation	397.74	282.34
Profit after tax before prior period adjustment	868.60	499.74
Current Tax relation to prior year	Nil	Nil
Profit after tax	868.60	499.74
Add: Surplus from last year	357.78	314.75
Add : Adjustment on account of Amalgamation	732.75	Nil
Profit available for appropriation after adjustments prior period taxes	1,959.13	814.50
APPROPRIATIONS:		
1 Interim Dividend 50% (last year interim 50%)	69.64	60.01
Tax on Interim Dividend	6.14	8.16
2 Proposed final Dividend - (last year 55%)	Nil	76.93
Provision for tax on Final Dividend	Nil	11.61
3 Transfer to General Reserve	500.00	300.00
4 Balance carried to Balance Sheet	1,383.05	357.78

MERGER OF PHOENIX LAMPS LIMITED:

Subsequent to the announcements of merger of Phoenix Lamps Limited with Suprajit Engineering Limited, necessary meetings of shareholders, creditors and suppliers, of both Phoenix and Suprajit were held as per the directions of the Honorable High Court of Karnataka. The merger proposal was approved by all these stakeholders as well as by the Stock Exchanges, the SEBI and Regional Director, the Ministry of Corporate Affairs, the Government of India. Necessary filings were made with the Honorable High Court of Karnataka for further due process. However, the Government of India through the Ministry of Corporate Affairs effected certain amendments, and, directed the respective National Company Law Tribunal (NCLT) to deal with the merger matters under the Companies Act, 2013 in the month of December 2016. The documents were subsequently moved to the NCLT, Bengaluru, from the Honorable High Court.

After due process and multiple hearings, your Directors are pleased to inform that the NCLT Bengaluru Bench has approved the merger of Phoenix Lamps Limited with your Company vide their order dated 11th August 2017 in line with the Scheme of Amalgamation as approved by the shareholders of both the Companies. The erstwhile Phoenix Lamps Limited is now the Phoenix Lamps division of your Company. It will continue to operate as a separate division and retain its brand name of Phoenix. It may also be noted that in this process of merger, Trifa Lamps GmbH Germany and Luxlite Lamps S.a.r.L., Luxembourg, wholly owned subsidiaries of erstwhile Phoenix Lamps Limited, have now become the wholly owned subsidiaries of your Company. Post the order of NCLT, Directors of Suprajit have met and approved the combined Balance Sheet of your Company with that of Phoenix Lamps Limited. The enclosed Financial Statements reflect the performance of erstwhile Phoenix Lamps Limited as a part of the financials statements of Suprajit and the Consolidated Financial Statements reflect the financials of wholly owned subsidiaries – Luxlite Lamps and Trifa Lamps, Suprajit Automotive Limited, Suprajit Europe Limited and Suprajit USA INC / Wescon Controls LLC. The necessary shares and dividends to be issued to the minority shareholders of erstwhile Phoenix Lamps Limited, in line with the Scheme of Amalgamation are being addressed adequately.

TRANSFER TO RESERVES

During the year the Company has transferred an amount of ₹ 500 Million to General Reserves.

DIVIDEND:

An Interim Dividend of ₹ 0.50 per Share of ₹ 1/- each (50%) was declared and paid during the year under report. In view of the satisfactory financial performance of your Company, your Directors have pleasure in recommending a Final Dividend of ₹ 0.60 per Share of ₹ 1/- each (60%). The total outgo, considering the interim dividend including taxation, stands at ₹ 76.08 Millions as against ₹ 156.72 Millions during the last year. In terms of the Scheme of Amalgamation of Phoenix Lamps Limited (erstwhile subsidiary of your Company) which was duly approved by the NCLT, an amount of ₹ 10.78 Million, for the interim and final dividend will be paid to the minority Shareholders of Phoenix Lamps Limited.

PARTICULARS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTED / RESIGNED DURING THE FINANCIAL YEAR ENDED MARCH 31, 2017:

The composition of the Board of Directors of the your Company is in conformity with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year, Dr. C Mohan completed his term as Executive Director. He has contributed significantly to the growth and performance of your Company during the last 10 years. Your Directors wish to place on record the valuable services rendered by Dr. C Mohan during his tenure with the Company. He continues as an Advisor to the Board of Directors in certain strategic areas.

Mr. Mohan Srinivasan Nagamangala who joined the Company on December 5, 2013 as President, has been elevated to the Board as Whole Time Director and is designated as 'Director & Chief Executive Officer'. Mr. Medappa Gowda, Vice President (Finance) and Company Secretary, has been promoted as Chief Financial Officer and Company Secretary. Both are Key Managerial Personnel (KMP) under the applicable laws.

The composition of the Board of Directors as on March 31, 2017 is as below:

1. Mr. Kula Ajith Kumar Rai, Chairman & Managing Director
2. Mr. Mohan Srinivasan Nagamangala, Whole Time Director
3. Mr. Babu Gouda Sangana Gouda Patil (Retd. IAS), Independent Director
4. Mr. Ian Williamson, Independent Director
5. Mr. Mundaje Jayarama Shetty, Independent Director
6. Mr. Suresh Shetty, Independent Director
7. Mr. Divakar Sanku Shetty, Independent Director
8. Mrs. Supriya Ajith Rai, Non Executive Director

SHARE CAPITAL:

The Company has proposed issue and allot 85,33,699 Equity Shares to the Minority shareholders of Phoenix Lamps Limited pursuant to the Scheme of Amalgamation as approved by Hon'ble National Company Law Tribunal. Hence there were changes in the paid up share capital of the Company to the extent mentioned above as on March 31, 2017 since the effective date of amalgamation was April 1, 2016.

CHANGE IN NATURE OF BUSINESS:

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

OPERATIONS –MANAGEMENT DISCUSSION AND ANALYSIS:

The Indian automotive industry grew at 5.1% as against 3.5% previous year, showing a marginal improvement.

Your Company, on a standalone basis, recorded a income of ₹ 9,731.20 Millions during the year 2016 -17 as against ₹ 6,657.48 Millions during the year 2015-16, recording a growth of 46.16%. The Profit after Tax was ₹ 868.62 Millions during the year 2016-17 as against the Profit After Tax of ₹ 499.74 Millions during the year 2015-16, recording a growth of 73.81%. The consolidated group net income (including erstwhile Phoenix and recently acquired Wescon) was ₹13,303.95 Millions for the year 2016-17 against ₹ 10,504.48 for the year 2015-16, recording a growth of 26.65%. The consolidated Profit after Tax was ₹ 1,226.57 Millions during the year 2016-17 as against ₹ 803.27 Millions during the year 2015-16, recording a growth of 52.70%. The performance of your Company has been satisfactory due to various measures taken by the Company to improve the operational efficiency and the margins.

The demonetization program and the recent introduction of GST by the Government of India, has led to certain short term business loss, but, is expected to have long term beneficial effects for your Company. The introduction of BIS 4 standards also had certain short term revenue implications.

CABLE DIVISION:

During the year, the new plants at Charal Industrial Estate, Sanand, Gujarat and Vallam Vadagal area, Chennai have scaled up their operations. Both have established good manufacturing practices and the capacity utilization is expected to go up further in the coming year.

The number of operating units for cables in India now stands at 14, as against 15 units last year, due to certain internal restructuring. The capacity of the group including recently acquired Wescon Controls now stands at 250 million cables per annum.

PHOENIX LAMPS DIVISION (Erstwhile Phoenix Lamps Limited):

Phoenix Lamps Division is the market leader in automotive halogen lamps in India with significant share of business of Indian automotive OE Market, aftermarket and exports. During the year, this division has completed capital expenditure plan of ₹ 300 Millions to improve the process quality and productivity. With these investments, it is expected that the levels of quality will improve to meet certain customer requirements. Phoenix Lamps Division has one plant for domestic customers and two export oriented units all located in Noida with the total annual capacity of 87 million lamps.

ACQUISITION OF WESCON CONTROLS, LLC, USA:

Your Company acquired Wescon Controls, LLC, USA on September 9, 2016 through its Wholly Owned Subsidiary Suprajit USA, INC. Wescon Controls is a leading manufacturer of control cables in non-automotive Outdoor Power Equipment (OPE) space. Wescon has its plants in Wichita, Kansas, USA and a Maquiladora facility in Juarez, Mexico. It has marquee customers like MTD, Husqvarna, John Deere, TORO, Honda etc. Acquisition of Wescon Controls gives a significant boost to your Company's efforts to derisk its business by entering into non-automotive segment in a significant way. With expected annual revenue of US$ 40 million and good margins, Wescon is an important strategic acquisition for your Company.

The consolidated financials include the financials of Wescon Controls from September 10, 2016.

STRATEGY:

Your Company now has 3 brands, Suprajit as an automotive cable brand, Phoenix as a Lamp Brand and Wescon as a non-automotive cable brand. Your Company is taking effective steps to strengthen each one of these brands to grow business profitably, through various strategies for each brand.

WHOLLY OWNED SUBSIDIARIES:

CABLE DIVISION:

The Wholly Owned Subsidiaries - Suprajit Automotive Private Limited and Suprajit Europe Limited have performed well during the year gone by.

The consolidated sales of the subsidiaries were ₹1142.74 millions against ₹ 1037.53 millions previous year, an increase of 10.14 %. The EBIDTA was ₹ 286.49 millions against ₹ 193.59 millions previous year an increase of 47.99%. The Profit before Tax was ₹ 254.25 millions against ₹ 161.16 millions previous year an increase of 57.76%. The Profit after tax was ₹ 191.14 millions against ₹ 129.41 millions previous year an increase of 47.70%.

Suprajit USA / Wescon Controls LLC had a shortened period from September 10, 2016 as a Wholly Owned Subsidiary of your Company. For the period from 10th September 2016 to 31st March 2017, Wescon Controls LLC had a sales of ₹ 1471.70 Millions (US$ 21,904,572), EBIDTA of ₹ 235.86 Millions (US$ 3,510,464) and the Profit after Tax of ₹ 139.50 (US$ 2,076,346).

PHOENIX LAMPS DIVISION:

Trifa Lamps and Luxlite are wholly owned subsidiaries of your Company now. They operate as marketing, business development, sales, packaging and warehousing front end, mostly promoting Phoenix products. Trifa is a well-known German brand and both the companies sell in European market as well as other markets under various private labels.

Trifa had sales of ₹ 897.27 Millions (Euro. 1,21,90,112), EBIDTA of ₹ 35.53 Millions (Euro. 482,643) and the Profit After Tax of ₹ 49.15 Millions (Euro. 667,742).

Luxlite had sales of ₹ 1022.43 Millions (Euro 1,38,90,399), EBIDTA of ₹ 2.85 illions (Euro 38,701) and the Loss After Tax of ₹ 5.95 Millions (Euro 81,088).

It may be noted that the performance of Phoenix Lamps Division should be seen on a consolidated along with the subsidiaries. The Consolidated sales of Phoenix Lamps Division was ₹ 3,513.43 Millions with an EBIDTA of ₹ 490.62 Millions and the Profit after Tax of ₹ 293.65 Millions.

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

CURRENT YEAR:

The Indian GDP is expected to grow at 6-7% during the current year. The GST rollout from 1st July, 2017 will have a short term impact on most businesses. This may impact your Company also in the short term. However, GST is a transformational reform. GST, along with demonetization, is expected to be positive for your Company's prospects in the year ahead, particularly in the aftermarket. Stable interest rates, low inflation and expected normal monsoon augur well for a good automotive industry growth in the years ahead.
The trend in global business has been positive with cable subsidiaries expected to do better in the current year. Phoenix Lamps along with its subsidiaries are expected to have a stable but no growth year largely due to lower exports. The aftermarket segment may have a challenging year, in view of GST disruptions.

Your Directors believe that the overall performance of your Company for the year will be satisfactory.

CREDIT RATING:

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

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

GROSS BLOCK:

The gross block during the year increased from ₹ 2,400.43 millions to ₹ 4348.23 millions. This was largely due to the ongoing projects and other sustaining capital expenditure.

CAPITAL EXPENDITURE:

As on March 31, 2017, the gross tangible and intangible assets stood at ₹ 4348.23 millions and the net tangible and intangible assets, at ₹ 2482.70 millions. Net additions during the year amounted to ₹ 1947.81 millions, including industrial land under lease ₹ 12.81 millions.

FRAUD REPORTED BY THE AUDITORS DURING THE YEAR:

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

DEPOSITS:

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

(a) accepted during the year ₹ 10 Lakhs

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

(c) whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount involved- Not Applicable

(i) At the beginning of the year - NA

(ii) Maximum during the year - NA

(iii) At the end of the year- NA

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

There are 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, except to the extent of merger of Phoenix Lamps Limited, Subsidiary Company with the Company.

EXTRACT OF THE ANNUAL RETURN:

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

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

The Company has entered into, the following transactions pursuant to Section 186 of the Companies Act, 2013:

Name of the entity	Particulars of Loans, Investments or Guarantees	Amount (₹ in Millions)
Suprajit Europe Ltd., U.K	Corporate Guarantee (GBP 0.5 Million converted at March 31, 2017 exchange rate of 1 GBP = ₹ 82.33)	41.16
Suprajit USA, INC	Corporate Guarantee of USD 25 Million converted at March 31, 2017 exchange rate of 1 USD = ₹ 65.60)	1640.00

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

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

NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS:

Meetings of the Board are held at regular intervals with a time gap of not more than 120 days between two consecutive Meetings. Additional Meetings of the Board of Directors are held when necessary. During the year under review, 5 (Five) Meetings were held on April 18, 2016, May 30, 2016, August 13, 2016, November 13, 2016 and February 13, 2017.

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

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

ii. the selected accounting policies were applied consistently and the judgments and estimates made are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profits of the Company for the year ended on that date;

iii. proper and sufficient care have 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 BUSINES RESPONSIBILITY REPORT:

Being a Listed Company, necessary measures are taken to comply with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A report on Corporate Governance, along with a certificate of compliance from a Practising Company Secretary, forms part of this report. Various disclosures as required under Sections 134 and 135 of the Companies Act, 2013 are annexed to this report or covered in the Corporate Governance Report, such as related party transactions, Information and details on conservation of energy, technology absorption, foreign exchange earnings and outgo, extract of annual return, constitution of various Board level Committees, CSR Policy and initiatives taken during the year, Board evaluation, remuneration of the Managerial Personnel, Secretarial Audit Report etc.

RISK MANAGEMENT POLICY:

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

The development and implementation of risk management policy has been covered in the management discussion and analysis, which forms part of this report.

The Company has taken Directors' and Officers liability Insurance Policy.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Your Company has been active in CSR activities through Suprajit Foundation for the last 6 years. The Companies Act, 2013 mandates profitable companies to contribute 2% on CSR. Your Company has paid ₹ 24.86 millions, and Suprajit Automotive, wholly owned subsidiary of your Company has paid ₹ 1.69 millions to Suprajit Foundation for various activities undertaken by the said Foundation. The detailed activities of Suprajit Foundation have been provided elsewhere in this report.

The details of the amounts to be spent during the financial year and the manner in which it was spent are annexed herewith **"Annexure –III".** The copy of the CSR policy is available on the website of the Company (www.suprajit.com)

EMPLOYEES STOCK OPTIONS DETAILS

No Employee Stock Option Scheme as on 31st March, 2017.

CONSERVATION OF ENERGY:

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

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

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

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

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

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

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

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

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

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

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

i) Compressor room temperature reduction for reducing maintenance cost.

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

a) Research and Development (R&D):

1) The Company has set up a centralised Tech Centre at Bengaluru. This centre will have Engineers for R&D work, testing and validation of products as per customers' requirements.

2) The Company has received certain patents for cables, which are deployed commercially.

3) Development cells in every unit have been upgraded with more Engineers and latest equipments.

4) The Company's R&D has developed many specialized cables for Customers as per the end user requirements. This is being successfully deployed by the customer with significant cost savings.

5) The Company has developed many types of equipments specialised for cable making with significant energy savings and increased productivity.

6) Product Life Cycle Management" – Enovia of DASSAULT SYSTEMES software being implemented across all the entities to enhance standardisation of new product launch and change management.

7) During the year, Parking brake lever assembly was developed and supplies initiated to some of the Non-Automotive customers.

8) Launch of RGL program to enhance Robustness, Geometry tolerances and Life of the Halogen bulbs.

b) Expenditure on Research and Development:

(₹ in Million)

Particulars	2016-17	2015-16
Salaries & Wages	16.54	17.43
Material, Consumables & Stores	4.83	5.17
Other Direct Expenditures	4.47	3.13
TOTAL	**25.83**	**25.73**

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

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

2) The Company has developed innovative and path-breaking processes for certain Cable Manufacturing for which patents are pending.

3) The Company has successfully adapted customer's designs for new types of cables 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 ₹ 1,404.41 Millions and expended ₹ 1,048.10 Millions during the year under review. It may be noted that at the consolidated level, the Company is a net forex earner.

INDUSTRIAL RELATIONS:

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

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he meets the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

BOARD EVALUATION:

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

FAMILIARISATION PROGRAMMES OF INDEPENDENT DIRECTORS:

Every new Independent Director of the Board attends an orientation program. To familiarize the new inductees with the strategy, operations and functions of the Company, the Executive Directors / Senior Managerial Personnel make presentations to the inductees about the Company's strategy, operations, product and service offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management. The copy of Familiarization Programme of Independent Directors is available on the website of the Company (www.suprajit.com).

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 Section 178(3) of the Companies Act, 2013. The Policy is enclosed as a part of this report in compliance with Section 134(3) of the Companies Act, 2013. The same is enclosed as **"Annexure-IV'.**

COMPOSITION OF AUDIT COMMITTEE:

Your Company has an Audit Committee comprising of Mr. Diwakar S Shetty, as Chairman of the Committee, Mr. M Jayarama Shetty and Mr. Suresh Shetty, as other Members of the Committee. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015).

VIGIL MECHANISM:

Your Company has formulated the Whistle Blower Policy with a view to provide a mechanism for Employees and Directors of the Company to approach the Whistle Blower Compliance Officers / the Audit Committee of the Company in compliance with Section 177(9) of the Companies Act, 2013 and the 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.

AUDITORS:

i. Statutory Auditors:

As per the provisions of the Companies Act, 2013, same Auditors cannot be appointed for more than 2 consecutive terms of 5 years and Rotation of Auditors is mandatory The present Statutory Auditors of the Company viz. Messrs Varma and Varma, (Firm Registration No.004532S), Chartered Accountants, Bengaluru, are retiring as Statutory Auditors of the Company at the upcoming Annual General Meeting of the Company, as per the provisions of Companies Act, 2013.

In this connection, your Board of Directors at its meeting held on September 13, 2017 has recommended the appointment of Messrs S. R. Batliboi & Associates LLP (Firm Registration No.101049W/E300004), Chartered Accountants, as the Statutory Auditors of the Company for a period of 5 years subject to the approval of Members of the Company at the ensuing Annual General Meeting of the Company.

The Shareholders are requested to approve the appointment of Messrs S. R. Batliboi & Associates LLP (Firm Registration No.101049W/E300004), Chartered Accountants as the Statutory Auditors of the Company for a period of 5 years which is subject to ratification by the Members at the Annual General Meeting every year.

ii. Cost Auditors:

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

iii. Secretarial Auditor:

The Board has appointed Mr. Parameshwar G. Bhat, Practicing Company Secretary (Membership No. FCS-8860) as the Secretarial Auditor as per Section 204 of the Companies Act, 2013 for the financial year 2016-17. The Secretarial Audit Report issued by him is enclosed as "Annexure-V".

QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY AUDITORS:

There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditors, in their report and by Secretarial Auditor, in his secretarial audit report.

REGULATORY / COURT ORDERS:

There were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status of the Company and its future operations.

SUPRAJIT FOUNDATION:

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

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

HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION (HSE):

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

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

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

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

Following is a summary of sexual harassment complaints received and disposed off during the year 2016-17:

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

PARTICULARS OF EMPLOYEES:

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

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

CAUTIONARY NOTE:

Management Discussion and Analysis forming part of this Report is in compliance with Corporate Governance Standards, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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

Place : Bengaluru
Date : September 13, 2017

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

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

2. BOARD OF DIRECTORS :

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

NAME OF THE DIRECTOR	CATEGORY	BOARD MEETINGS HELD	BOARD MEETINGS ATTENDED	ATTENDED LAST AGM
Mr. K Ajith Kumar Rai	Chairman & Managing Director	5	5	Yes
Dr. C Mohan*	Executive Director	5	5	Yes
Mr. M Jayarama Shetty	Director – Non Executive & Independent	5	5	Yes
Mr. B S Patil	Director – Non Executive & Independent	5	4	No
Dr. Supriya A Rai	Director – Non Executive & Non Independent	5	5	Yes
Mr. Diwakar S Shetty	Director – Non Executive & Independent	5	3	Yes
Mr. Ian Williamson	Director – Non Executive & Independent	5	5	No
Mr. Suresh Shetty	Director – Non Executive & Independent	5	5	Yes
Mr. Mohan Srinivasan Nagamangala**	Whole Time Director	5	NA	NA

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

* Dr. C. Mohan, Executive Director of the Company has retired with effect from March 11, 2017.

** Mr. Mohan Srinivasan Nagamangala has been appointed as Whole Time Director of the Company with effect from February 13, 2017.

(b) DETAILS OF BOARD MEETINGS HELD DURING THE 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 18, 2016,
2. May 30, 2016,
3. August 13, 2016,
4. November 13, 2016 and
5. February 13, 2017

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

3. OUTSIDE DIRECTORSHIPS / COMMITTEE POSITIONS AS ON 31ST MARCH, 2017:

Name of the Directors	In Listed Companies	Unlisted Public Limited Companies	As Chairman / Member of Board Committees
Mr. K Ajith Kumar Rai	Nil	Nil	Nil
Dr. C Mohan	Nil	Nil	Nil
Dr. Supriya A Rai	Nil	Nil	Nil
Mr. M Jayarama Shetty	Nil	Nil	Nil
Mr. B S Patil	1	Nil	1
Mr. Diwakar S Shetty	1	4	4
Mr. Ian Williamson	Nil	Nil	Nil
Mr. Suresh Shetty	Nil	1	Nil
Mr. Mohan Srinivasan Nagamangala	Nil	Nil	Nil

NOTES:

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

2. Only Audit Committee and Stakeholders' Relationship Committee are considered for the purpose of Committee positions as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of the Directors is a member in neither more than 10 Committees, nor a Chairman in more than 5 Committees across all Companies in which he is a Director.

4. AUDIT COMMITTEE:

The Company has complied with the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to the composition of the Audit Committee. The Audit Committee comprises of below Independent Directors:

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

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

The Audit Committee Meetings were held at regular intervals with a time gap of not more than 120 days between two consecutive meetings. During the year, the Audit Committee has met 5 (five) times on April 18, 2016, May 30, 2016, August 13, 2016, November 13, 2016 and February 13, 2017.

The attendance of each Member of the Committee is given below:

Name of the Director	No. of meetings attended
Mr. Diwakar S Shetty	3
Mr. M Jayarama Shetty	5
Mr. Suresh Shetty	5

The terms of reference / Role of the Audit Committee cover the matters specified for Audit Committees under Regulation 18 and Part C of Schedule II of the 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) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

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

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

(d) Reviewing, with the Management, the Annual Financial Statements and Auditor's Report thereon before submission to the board for approval;

(e) Reviewing, with the Management, the quarterly financial statements before submission to the board for approval

(f) Reviewing the statement of significant Related Party Transactions;

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

5. NOMINATION AND REMUNERATION COMMITTEE (NRC):

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

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

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

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

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

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

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

- Such other matters as may be prescribed under the Companies Act, 2013, listing agreement and by the Board of Directors of the Company from time to time;

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

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

This Committee has three Non-Executive Directors:

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

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

Remuneration paid/payable to Directors during 2016-17:

(₹ in millions)

Sl. No	Name of the Director	Sitting Fees	Salary & PF	Commi ssion	Total
1	Mr. K Ajith Kumar Rai	-	16.77	14.24	**31.01**
2	Dr. C Mohan (upto 11th March 2017)	-	10.37	-	**10.37**
3	Mr. Mohan Srinivasan Nagamangala (w.e.f. 13th February 2017)	-	1.40	-	**1.40**
4	Mr. M Jayarama Shetty	0.12	-	0.30	**0.42**
5	Mr. B S Patil	0.03	-	0.30	**0.36**
6	Dr. Supriya A Rai	Waived	-	Waived	**Waived**
7	Mr. Diwakar S Shetty	0.08	-	0.30	**0.38**
8	Mr. Suresh Shetty	0.11	-	0.30	**0.41**
9	Mr. Ian Williamson	Waived	-	Waived	**Waived**
	Total	**0.37**	**28.54**	**15.44**	**44.35**

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

The Remuneration paid / payable to Dr. C Mohan was approved by the Nomination and Remuneration Committee and subsequently by the Board at its meetings held on February 03, 2015 and also was approved by the Shareholders on March 23, 2015, through Postal Ballot vide notice dated February 13, 2015.

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

The Company pays ₹ 10,000 /- as sitting fees to the Directors for attending the Board Meetings as well as Committee Meetings.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

The terms of Reference of the Committee are as under:

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

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

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

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

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

The Meeting of CSR Committee was held on May 30, 2016. All the Members were present at the Meeting.

INDEPENDENT DIRECTORS' MEETING & PERFORMANCE EVALUATION :

During the year under review, the Independent Directors met on February 13, 2017, *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 viz., Mr. Diwakar S Shetty, Mr. M Jayarama Shetty, Mr. Suresh Shetty, Mr. B S Patil and Mr. Ian Williamson were present at the Meeting.

7. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Company has Stakeholders' Relationship Committee, comprising of Mr. M Jayarama Shetty, Mr. Diwakar S Shetty, Mr. K Ajith Kumar Rai and Mr. Medappa Gowda J, Secretary. This Committee monitors and addresses investors complaints, transfer of shares, transmission etc. Based on the information provided by the Company's Registrars and Share Transfer Agents, no queries / complaints were received from the shareholders during the period except change of address and non-receipt of dividend warrants. All of them have been addressed to the satisfaction of the Shareholders. As of March 31, 2017, no transfer of shares was pending.

Meetings of the Committee were held as and when necessary.

8. SHARES HELD BY NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors as on March 31, 2017, who held shares in Suprajit Engineering Limited, are as under:-

Name of Director	Number of Shares held as on 31st March, 2017
Mr. M Jayarama Shetty	3,76,500
Mr. Suresh Shetty	7,63,000
Mr. Diwakar S Shetty	10,150

9. GENERAL MEETINGS:

The last three Annual General Meetings were held at the Registered Office of the Company at Bommasandra as detailed below:

Annual General Meetings:

YEAR	DATE	DAY	TIME	MEETING
2014	July 31, 2014	Thursday	12.00 noon.	Twenty Ninth Annual General Meeting
2015	September 19,2015	Saturday	11.00 a.m	Thirtieth Annual General Meeting
2016	September 24, 2016	Saturday	1.00 p.m	Thirty First Annual General Meeting

Postal Ballot

During the year, the Company has passed the following resolutions through postal ballot:

Resolutions	Votes cast in favor		Votes cast against		Date of declaration of results
	No. of votes	%	No. of votes	%	Date
Alteration of Main Objects.	8,07,30,939	100.00	21	0.00	May 26, 2016
Alteration of the Articles of Association.	8,07,30,939	100.00	221	0.00	May 26, 2016
Increase in Borrowing Powers.	7,88,85,703	97.71	18,45,257	2.29	May 26, 2016
Loans and Investments.	7,88,89,551	97.71	18,46,929	2.29	May 26, 2016

The Company has successfully completed the process of obtaining approvals of its Shareholders for resolutions on the items detailed above vide Postal Ballot.

Mr. Parameshwar G Bhat, a Practising Company Secretary, Bengaluru, was appointed as the Scrutinizer for carrying out the postal ballot voting process in a fair and transparent manner.

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

As per the above mentioned Circular, there are Nil shares in the demat suspense account or unclaimed suspense account.

11. NAME AND DESIGNATION OF THE COMPLIANCE OFFICER:

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

12. DISCLOSURES:

Related party transactions:

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

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

Accounting Treatment:

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

CEO and CFO Certification:

The CEO & Director and Chief Financial Officer & Company Secretary have certified to the Board of Directors, *Inter alia*, the accuracy of financial statements and adequacy of Internal Controls for the Financial Reporting purpose as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31st March, 2017.

Code of Conduct:

The Company has adopted and implemented Code of Conduct. The Code of Conduct is made applicable to the Directors and Senior Management Team. This Code of Conduct is available on the website of the Company (www.suprajit.com).

Whistle Blower Policy:

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

13. MEANS OF COMMUNICATION:

The quarterly and annual financial results of the Company are generally published in leading newspapers. These results are uploaded to 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 gives information on the Company including Financial Results.

14. MANDATORY / NON-MANDATORY REQUIREMENTS:

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

15. CERTIFICATE ON CORPORATE GOVERNANCE:

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

16. GENERAL SHAREHOLDER INFORMATION:

a. Thirty Second Annual General Meeting :

Date	Time	Venue
November 11, 2017	2.30 p.m.	Plot No. 101, Bommasandra Industrial Area, Bengaluru – 560 099.

b. Financial Calendar:

Financial Year	-	April to March
First Quarter Results	-	In August/September
Half Yearly Results	-	In November/December
Third Quarter Results	-	In January/February
Results for the year ended 31st March	-	By May, 2017
Book Closure Date	-	November 8 , 2017 to November 11, 2017 (Both days inclusive)
Proposed Final Dividend	-	₹ 0.60 (60%)
Dividend Payment date(s)	-	November 2017
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:

All the transfers received are processed and approved by the Stakeholders' Relationship Committee at its meeting or by circular resolutions.

The Company's Registrars and Share Transfer Agents, Integrated Registry Management Services Private Limited has adequate infrastructure to process the share transfers. The Committee meets to approve the transfers etc., as may be required by the Registrar and Share Transfer Agents in compliance with Listing Guidelines. Periodically, a Practicing Company Secretary audits the System and a certificate to that effect is issued and the same is filed with the Stock Exchanges. Additionally, reconciliation on share capital audits and Dematerialization related scrutiny are conducted quarterly by a Practising Company Secretary.

d. Dematerialization of Shares and Liquidity:

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

e. Plant Locations:

The Company has Plants located at:

Bengaluru - Karnataka	-	5 Plants
Bengaluru - Karnataka 100% E.O.U	-	1 Plant
Manesar - Haryana	-	1 Plant
Chakan - Maharashtra	-	1 Plant
Vapi - Gujarat	-	1 Plant
Pantnagar - Uttarakhand	-	1 Plant
Haridwar - Uttarakhand	-	1 Plant
Sanand – Gujarat	-	1 Plant
Pathredi – Rajasthan	-	1 Plant
Chennai – Tamil Nadu	-	1 Plant
Noida - Uttar Pradesh	-	3 Plants

f. Registered Office / Address for correspondence:

Suprajit Engineering Limited,
No. 100, Bommasandra Industrial 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 31st March, 2017:

Category	Number of Shares held	Percentage of Shareholding (%)
Promoters	6,22,13,157	47.37
Institutions		
Mutual Funds/ UTI	8,468,577	6.45
Financial Institutions/ Banks	32,863	0.03
Foreign Institutional Investors	98,08,968	7.47
Alternative Investment Funds	2,264,150	1.72
Non-institutions		
Bodies Corporate	15,278,762	11.63
Individuals -		
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	12,825,359	9.77
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	17,145,369	13.05
Any Other (specify)		
NRI	30,94,481	2.36
Clearing Member	171,161	0.13
LLP	359,27	0.03
GRAND TOTAL	**13,13,38,774**	**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 31st March, 2017:

Description	Holders	% of Holders	Holding	% of Holdings
1 – 500	12320	80.61	1,717,338	1.31
501 – 1000	1192	7.8	961,804	0.73
1001 – 2000	601	3.93	933,993	0.71
2001 – 3000	231	1.51	590,118	0.45
3001 – 4000	121	0.79	439,810	0.33
4001 – 5000	107	0.7	505,275	0.38
5001 – 10000	321	2.1	2,501,704	1.90
10001 & ABOVE	391	2.56	123,688,732	94.18
Total	**15,284**	**100.00**	**131,338,774**	**100.00**

i. Shares held in Physical and Electronic mode as on 31st March, 2017:

Categories	Position as on 31st March, 2017	
	No. of Shares	**% to total shareholding**
Physical	5,858,660	4.46
Demat NSDL	118,805,449	90.46
Demat CDSL	6,674,665	5.08
Total	**13,13,38,774**	**100.00**

j. Listing of Shares:

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

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

k. 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

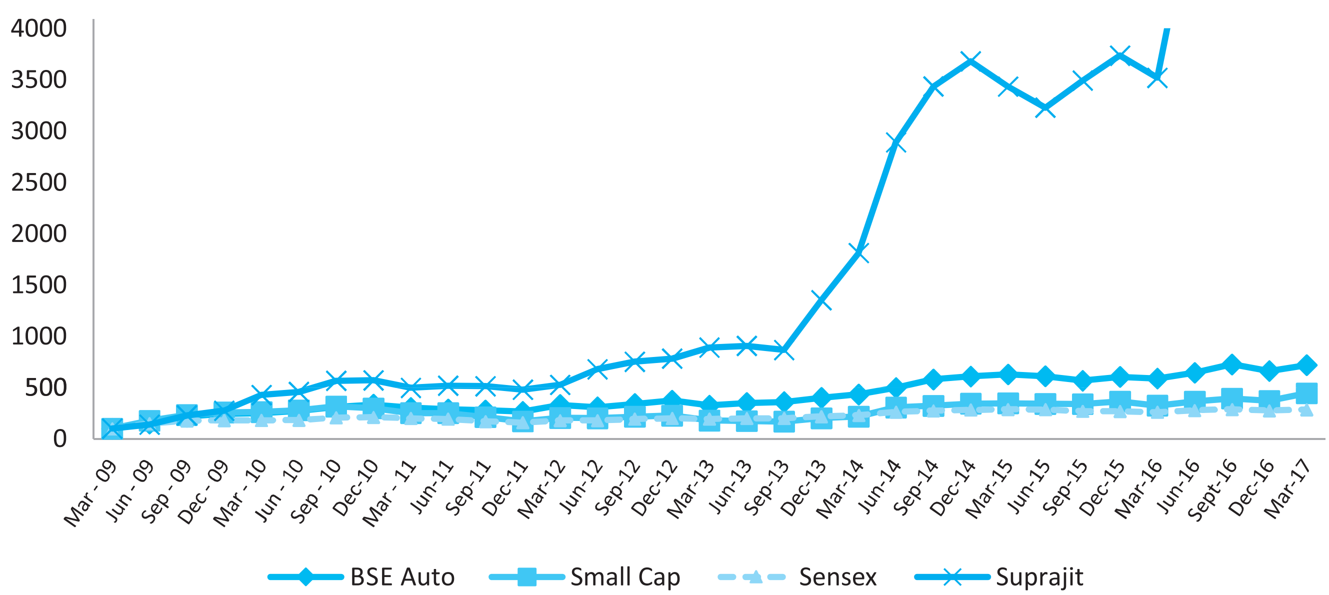
I. SHARE PRICE MOVEMENTS MARCH 2009 – MARCH 2017

Period	BSE - Auto Index		SMALL CAP		BSE – SENSEX		Suprajit Share Price*	
	Closing	Indexed	Closing	Indexed	Closing	Indexed	Closing	Indexed
Mar - 09	3,061.67	100.00	3,246.63	100.00	9,708.50	100.00	3.75	100.00
Jun - 09	4,558.43	148.89	5,740.04	176.80	14,493.84	149.29	5.20	138.67
Sep - 09	6,664.25	217.67	7,590.04	233.78	17,126.84	176.41	8.60	229.33
Dec - 09	7,435.83	242.87	8,357.62	257.42	17,464.81	179.89	10.30	274.67
Mar - 10	7,671.24	250.56	8,497.43	261.73	17,527.77	180.54	16.05	428.00
Jun - 10	8,323.30	271.85	9,071.20	279.40	17,700.90	182.32	17.20	458.67
Sep - 10	9,527.64	311.19	10,245.71	315.58	20,069.12	206.72	21.25	566.67
Dec-10	10,235.41	334.31	9,670.31	297.86	20,509.09	211.25	21.40	570.67
Mar - 11	9,290.75	303.45	8,175.89	251.83	19,445.22	200.29	18.65	497.33
Jun-11	8,798.48	287.38	8,156.60	251.23	18,845.87	194.12	19.45	518.67
Sep-11	8,498.42	277.57	6,881.08	211.95	16,453.76	169.48	19.25	513.33
Dec-11	8,143.65	265.99	5,550.14	170.95	15,454.92	159.19	18.00	480.00
Mar-12	10,134.88	331.02	6,629.38	204.19	17,404.20	179.27	19.75	526.67
Jun-12	9,457.91	308.91	6,543.75	201.56	17,429.98	179.53	25.45	678.67
Sep-12	10,413.19	340.11	7,017.89	216.16	18762.74	193.26	28.20	752.00
Dec-12	11,426.21	373.20	7,379.94	227.31	19426.71	200.10	29.35	782.67
Mar-13	9,994.23	326.43	5,804.65	178.79	18,835.77	194.01	33.40	890.67
Jun-13	10,715.77	350.00	5,643.52	173.83	19,395.81	199.78	34.00	906.67
Sep-13	10,996.59	359.17	5,466.24	168.37	19,379.77	199.62	32.50	866.67
Dec-13	12,258.83	400.40	6,551.13	201.78	21,170.68	218.06	50.70	1,352.00
Mar-14	13,280.27	433.76	7,071.96	217.82	22,386.27	230.58	67.95	1,812.00
Jun-14	15,249.29	498.07	9,956.41	306.67	25,413.78	261.77	108.40	2,890.67
Sep-14	17,746.90	579.65	10,462.71	322.26	26,630.51	274.30	128.85	3,436.00
Dec-14	18,630.84	608.52	11,156.40	343.63	27,499.42	283.25	138.05	3,681.33
Mar-15	19,258.66	629.02	11,259.73	346.81	27,957.49	287.97	128.80	3,434.67
Jun-15	18,712.17	611.18	11,075.35	341.13	27,780.83	286.15	121.10	3,229.33
Sep-15	17,391.08	568.03	11,020.83	339.45	26,154.83	269.40	131.00	3,493.33
Dec-15	18,519.08	604.87	11,836.71	364.58	26,117.54	269.02	140.10	3,736.00
Mar-16	18,001.76	587.97	10,541.68	324.70	25,341.86	261.03	132.00	3,520.00
Jun-16	19,744.64	644.90	11,801.32	363.49	26,999.72	278.10	199.90	5,330.67
Sept-16	22,231.66	726.13	12,780.80	393.66	27,865.96	287.03	213.30	5,688.00
Dec-16	20,257.43	661.65	12,046.13	371.03	26,626.46	274.26	192.15	5,124.00
Mar-17	22,012.66	718.98	14,433.86	444.58	29,620.50	305.10	241.00	6,426.67

* Price indexed for :

a. Sub division of the original Equity Shares 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 Companies (Amendment) Act, 1999 introduced through Section 109A (Section 72 of the Companies Act, 2013), the facility of nomination to shareholders. 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 had on request from the Company / Registrars & Share Transfer Agents.

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:

The quarterly and Annual Financial Results, after they are taken on record by the Board of Directors, are forthwith sent to the Stock Exchanges with whom the Company has listing arrangements. The results, in prescribed proforma, are published in leading newspapers.

Reporting of Internal Auditors:

The Internal Auditors report to the Audit Committee.

17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

a. INDUSTRY STRUCTURE AND DEVELOPMENT:

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

b. OPPORTUNITIES AND THREATS:

OPPORTUNITIES:

- Good potential to grow the exports business.
- Good Potential to secure the business from new model launches in the OEM segment in India and overseas, as a value for money supplier.
- Potential to grow aftermarket business including OLM.
- To introduce more and higher margin in products.

THREATS:

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

c) SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

As at 31 March, 2017, the Company was engaged in manufacturing and trading of auto components - cables and halogen lamps predominantly.

d) OUTLOOK:

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

e) RISKS AND CONCERN:

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

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

f) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

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

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

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

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

For and on behalf of the Board

Place : Bengaluru
Date : September 13, 2017

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

ANNEXURE I

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2017
(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12 (1) of the Companies (Management and Administration Rules, 2014)

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

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

Sl. No.	Name and Description of main products/services	NIC code of the Product/ Service	% to total turnover of the company
1.	Automotive - Cables	3758	70.67
2.	Automotive - Lamps	274	26.12
3.	Automotive - Others	3758	3.20

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary Associate	% of Shares Held	Applicable Section
1.	Suprajit Automotive Private Limited	U29299KA2004PTC035283	Subsidiary	100%	2(87) (ii)
2.	Suprajit Europe Limited	NA	Subsidiary	100%	2(87) (ii)
3.	Luxlite Lamps SARL, Luxembourg	NA	Subsidiary	100%	2(87) (ii)
4.	TRIFA LAMPS GERMANY GMBH, ANNWEILER	NA	SUBSIDIARY	100%	2(87) (II)
5.	SUPRAJIT USA INC	NA	SUBSIDIARY	100%	2(87) (II)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

(i) Category–wise Share Holding:

Category of Share holders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	62213157	-	62213157	47.37	62213157	-	62213157	47.37	NA
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-

Category of Share holders	No. of Shares held at the beginning of the year [As on 01-April-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) (1)	**62213157**	**-**	**62213157**	**47.37**	**62213157**	**-**	**62213157**	**47.37**	**NA**
(2) Foreign									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Bodies Corporate	–	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding Promoter& Promoter Group (A)=(A)(1)+(A)(2)	**62213157**	**-**	**62213157**	**47.37**	**62213157**	**-**	**62213157**	**47.37**	**NA**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	11017736	-	11017736	8.39	8468577	-	8468577	6.45	-1.94
b) Banks / FI	9383	-	9383	0.01	32863	-	32863	0.03	0.02
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies-	-	-	-	-	-	-	-	-	-
g) FIIs	7721963	-	7721963	5.88	9808968	-	9808968	7.47	1.59
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Alternative Investment Funds	-	-	-	-	2264150	-	2264150	-	1.72
Sub-total (B)(1):-	**18749082**	**-**	**18749082**	**14.28**	**20574558**	**-**	**20574558**	**15.67**	**1.39**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	16010637	996000	17006637	12.95	14282762	996000	15278762	11.63	-1.32
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	11508686	1673060	13181746	10.04	11386299	1439060	12825359	9.77	-0.27
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	13157686	3743600	16901286	12.87	14041769	3103600	17145369	13.05	0.18
c) Others (specify)									
Non Resident Indians	2785088	320000	3105088	2.36	2774481	320000	3094481	2.36	0.00
LLP	-	-	-	-	35927	-	35927	0.03	0.03
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	181778	-	181778	0.14	171161		171161	0.13	-0.01
Sub-total (B)(2):-	**43643875**	**6732660**	**50376535**	**38.36**	**42692399**	**5858660**	**48551059**	**36.97**	**-1.39**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**62392957**	**6732660**	**69125617**	**52.63**	**63266957**	**5858660**	**69125617**	**52.63**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**124606114**	**6732660**	**131338774**	**100.00**	**125480114**	**5858660**	**131338774**	**100.00**	**-**

(ii) Shareholding of Promoters

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

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

Sl. No.	Shareholder's Name	Share holding at the beginning of the Year 01.04.2016		Date	Increase/ Decrease in Share-Holding	Reason	Cumulative Share holding during the year 31.03.2017	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	K Ajith Kumar Rai	44266799	33.70	NA	-	-	44266799	33.70
2	Supriya A Rai	14346358	10.92	NA	-	-	14346358	10.92
3	Akhilesh Rai	1200000	0.91	NA	-	-	1200000	0.91
4	Ashutosh Rai	1200000	0.91	NA	-	-	1200000	0.91
5	Aashish Rai	1200000	0.91	NA	-	-	1200000	0.91

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

Sl. No.	Shareholder's Name	SHAREHOLDING AT THE BEGINNING OF THE YEAR 01.04.2016		Date	Increase/ Decrease in Share Holding	Reason	CUMULATIVE SHAREHOLDING DURING THE YEAR - 31.03.2017	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	SUNDARAM CLAYTON LIMITED	5,772,000	4.39	-	-	-	5,772,000	4.39
2	ICICI PRUDENTIAL BUSINESS CYCLE FUND SERIES 2	4,994,157	3.80	08/04/2016	92,557	BOUGHT	5,086,714	3.87
				23/12/2016	-15,538	SOLD	5,071,176	3.86
				06/01/2017	-34,026	SOLD	5037150	3.84
				13/01/2017	-146,272	SOLD	4,890,878	3.72
				20/01/2017	-14,796	SOLD	4,876,082	3.71
				27/01/2017	-37,995	SOLD	4,838,087	3.68
				03/02/2017	-30,545	SOLD	4,807,542	3.66
				10/02/2017	-691,889	SOLD	4,115,653	3.13
				31/03/2017	**-**	**-**	**4,115,653**	**3.13**
3	TVS MOTOR COMPANY LIMITED	2,892,000	2.20	-	-	-	2892000	2.20
4	DSP BLACKROCK MICRO CAP FUND	2663011	2.03	23/09/2016	302,757	BOUGHT	2,965,768	2.26
				18/11/2016	1,423	BOUGHT	2,967,191	2.26
				25/11/2016	83,317	BOUGHT	3,050,508	2.32
				10/02/2017	469,000	BOUGHT	3,519,508	2.68
				31/03/2017	-	-	3,519,508	2.68

Sl. No.	Shareholder's Name	SHAREHOLDING AT THE BEGINNING OF THE YEAR 01.04.2016		Date	Increase/ Decrease in Share Holding	Reason	CUMULATIVE SHAREHOLDING DURING THE YEAR - 31.03.2017	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
5	DSP BLACKROCK EMERGING STARS FUND	2264150	1.72	-	-	-	2264150	1.72
6	MS. SHOBITA PUNJA	1,940,500	1.48	27/05/2016	112000	TRANSFER	2052500	1.56
				31/03/2017	-	-	2052500	1.56
7	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	1,914,491	1.46	29/04/2016	-200,000	SOLD	1,714,491	1.31
				20/05/2016	-100,000	SOLD	1,614,491	1.23
				03/06/2016	10,000	BOUGHT	1,624,491	1.24
				08/07/2016	50,000	BOUGHT	1,674,491	1.27
				05/08/2016	20,000	BOUGHT	1,694,491	1.29
				02/09/2016	60,000	BOUGHT	1,754,491	1.34
				30/09/2016	10,000	BOUGHT	1,764,491	1.34
				04/11/2016	10,000	BOUGHT	1,774,491	1.35
				03/12/2016	12,000	BOUGHT	1,786,491	1.36
				06/01/2017	25,000	BOUGHT	1,811,491	1.38
				20/01/2017	**2,800**	**BOUGHT**	**1,814,291**	**1.38**
				27/01/2017	7,000	BOUGHT	1,821,291	1.39
				03/02/2017	17,500	BOUGHT	1,838,791	1.40
				03/03/2017	8,000	BOUGHT	1,846,791	1.41
				24/03/2017	25,000	BOUGHT	1,871,791	1.43
				31/03/2017	**55,000**	**BOUGHT**	**1,926,791**	**1.47**
8	MALABAR INDIA FUND LIMITED	1,850,817	1.41	31/03/2017	-100,000	SOLD	1750817	1.33
9	FIRST STATE INVESTMENTS (HONGKONG) LIMITED A/C FIRST	1,827,005	1.39	29/04/2016	18,540	BOUGHT	1,845,545	1.41
				06/05/2016	84,341	BOUGHT	1,929,886	1.47
				30/06/2016	-411,375	SOLD	1,518,511	1.16
				01/07/2016	-9,393	SOLD	1,509,118	1.15
				08/07/2016	-175,817	SOLD	1,333,301	1.02
				15/07/2016	-83,134	SOLD	1,250,167	0.95
				22/07/2016	-13,787	SOLD	1,236,380	0.94
				23/09/2016	-102,615	SOLD	1,133,765	0.86
				30/09/2016	-3,676	SOLD	1,130,089	0.86
				07/10/2016	-16,499	SOLD	1,113,590	0.85
				21/10/2016	-546	SOLD	1,113,044	0.85
				23/12/2016	-3,097	SOLD	1,109,947	0.85
				30/12/2016	-2,008	SOLD	1,107,939	0.84
				13/01/2017	-2,978	SOLD	1,104,961	0.84
				10/02/2017	-176,753	SOLD	928,208	0.71
				31/03/2017	-8,038	SOLD	920,170	0.70
10	EMERGING SECURITIES PVT LTD	1,826,256	1.39	01/04/2016	16,357	BOUGHT	1,842,613	1.40
				08/04/2016	57,587	BOUGHT	1,900,200	1.45
				31/03/2017	-	-	1,900,200	1.45
11	MONDRIAN EMERGING MARKETS SMALL CAP EQUITY FUND,LTD	0	0	06/05/2016	10,500	BOUGHT	10,500	0.01
				13/05/2016	54,753	BOUGHT	65,253	0.05
				20/05/2016	144,687	BOUGHT	209,940	0.16
				27/05/2016	80,947	BOUGHT	290,887	0.22
				03/06/2016	32,752	BOUGHT	323,639	0.25
				10/06/2016	69,712	BOUGHT	393,351	0.30
				17/06/2016	355,507	BOUGHT	748,858	0.57
				24/06/2016	73,966	BOUGHT	822,824	0.63
				30/06/2016	518,121	BOUGHT	1,340,945	1.02
				08/07/2016	188,136	BOUGHT	1,529,081	1.16
				15/07/2016	371,650	BOUGHT	1,900,731	1.45
				24/02/2017	-30,000	SOLD	1,870,731	1.42
				03/03/2017	-22,100	SOLD	1,848,631	1.41
				31/03/2017	-	-	1,848,631	1.41
12	KULA RAMPRASAD RAI	1,800,000	1.37	01/04/2016	-	-	1,800,000	1.37

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Director and KMP	Shareholding of Directors and Key Managerial Personnel:		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. K Ajith Kumar Rai Chairman & Managing Director	4,42,66,799	33.700	4,42,66,799	33.70
2	Mohan Srinivasan Nagamangala Director & CEO	4,104	0.003	4,104	0.003
3	Mr. Diwakar S Shetty - Independent Director	10,150	0.008	10,150	0.008
4	Mr. M Jayarama Shetty - Independent Director	3,90,400	0.300	3,76,500	0.287
5	Mr. Suresh Shetty - Independent Director	7,19,883	0.600	7,63,000	0.600
6	Shri B.S Patil - Independent Director	-	-	-	-
7	Mr. Ian Williamson - Independent Director	-	-	-	-
7	Dr. Supriya A Rai - Non Independent Director	1,43,46,358	10.920	1,43,46,358	10.920

(vi) Indebtedness

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

(₹ in Millions)

Particulars	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the year				
i) Principal Amount	2171.60	-	5.15	2176.75
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	20.37	-	0.28	20.65
Total (i+ii+iii)	**2191.97**	**-**	**5.43**	**2197.40**
Change in Indebtedness during the financial year		-		
*** Addition**	0.00	-	5.00	5.00
*** Reduction**	613.19	-	4.00	617.19
Net Change	-613.19	-	1.00	-612.19
Indebtedness at the end of the financial year		-		
iv) Principal Amount	1558.41	-	6.15	1564.56
v) Interest due but not paid	-	-	-	
vi) Interest accrued but not due	18.48	-	1.33	19.81
Total (iv+vi+vii)	**1576.90**	**-**	**7.48**	**1584.37**

(vii) Remuneration of Directors and Key Managerial Personnel –

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

(₹ in Millions)

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager*			TOTAL
		MD	WTD	WTD	
		Mr. K Ajith Kumar Rai	Dr. C Mohan*	Mr. Mohan Srinivasan Nagamangala**	
1	Gross salary				
	a) Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961	15.00	9.83	1.32	26.15
	b) Value of perquisites u/s 17(2) Income–tax Act, 1961	0.04	-	-	0.04
	c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission -as 4% of profit - others	14.24	-	-	14.24
5	Others (Contribution to PF, Gratuity and Superannuation Fund)	1.73	0.54	0.08	2.35
	Total (A)	**31.01**	**10.63**	**1.40**	**42.78**

* Ceased to be Director w.e.f March 11, 2017

** Appointed as WTD of the Company w.e.f February 13, 2017

B. Remuneration to other Directors :

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Mr. Diwakar S Shetty	Mr. Suresh Shetty	Mr. Jayarama M Shetty	Mr. Ian Williamson	Mr. B S Patil	Dr. Supriya A Rai	Total Amount
1	Independent Directors							
	Fee for attending board/committee meetings	0.08	0.11	0.12	Waived	0.06	-	0.37
	Remuneration by way of Commission	0.30	0.30	0.30	Waived	0.30	-	1.20
	Others, please specify	-	-	-	-	-	-	--
	Total (1)	**0.38**	**0.41**	**0.42**	**-**	**0.36**	**-**	**1.57**
2	Other Non – Executive Director	-	-	-	-	-	-	-
	Fee for attending board/committee meetings	-	-	-	-	-	Waived	-
	Commission	-	-	-	-	-	Waived	-
	Others, please specify	-	-	-	-	-	NA	-
	Total (2)	-	-	-	-	-	-	-
	Total (B) = (1+2)	**0.38**	**0.41**	**0.42**	**-**	**0.36**	**-**	**1.57**
	Total Managerial Remuneration Total = (A+B)	**₹ 44.35 Millions**						
	Overall ceiling as per the Act (11%) of the net profit of the Company as calculated in manner provided under Section 198 of the Companies act, 2013	**₹ 80.62 Millions**						

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

(₹ in Millions)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel CFO/CS	TOTAL
1	Gross salary		
	(a) Salary as per provisions contained u/s 17(1) of the Income tax Act, 1961	5.45	5.45
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission:		
5	- others	-	-
6	Others (Contribution to PF, Gratuity and Superannuation Fund)	0.23	0.23

(viii) Penalties/Punishment/Compounding of offences :

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

Annexure –II

Form No. AOC-2

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

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

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

(b) Nature of contracts / arrangements / transactions :

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

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

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

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

(g) Amount paid as advances, if any :

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

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

For and on behalf of the Board

Place : Bengaluru
Date : September 13, 2017

K. Ajith Kumar Rai
Chairman & Managing Director

Annexure –III

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

1.	A brief outline of the Company's CSR policy :	Suprajit Foundation is spearheading the CSR activities of the Company. The focus areas of the Foundation activities are education, healthcare and rural development. The policy of the Company is to give back to society that is in need of education, healthcare and upliftment of rural community. Suprajit Foundation is focused on executing socially relevant projects in these area.
2.	Overview of projects or programs proposed to be undertaken :	Various projects under the above CSR policy are undertaken through Suprajit Foundation and well-known not-for-profit organizations. Some of these educational projects are undertaken by Bharatiya Vidya Bhavan, Vittala Vidya Sangha, Akshayapatra, Rotary Indiranagar, Needy Heart Foundation, One Billionaire Literates Foundation, etc. Suprajit Foundation has received the amounts due as per the CSR policy requirements. It spends a portion of the funds received and is developing a corpus fund for the significant future project in the area of focus as above.
3.	The Composition of CSR Committee:	Mr. Ajith Kumar Rai – Chairman Mr. Ian Williamson – Member Dr. Supriya A Rai – Member
4.	Average net profit of the company for last three financials years:	₹ 1242.85 millions
5.	Prescribed CSR Expenditure (2% of the amount as in item 4 above):	₹ 24.86 millions

6. Details of CSR spends during the financial year:
   a. Total amount spent for the Financial Year — ₹ 24.86 millions
   b. Amount unspent, if any — Nil
   c. Manner in which the amount spent during the financial year is detailed below:
7. In case the Company has failed to spend the 2% of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report — Not Applicable
8. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the Company — To discharge the duties, members of CSR Committee visited places where implementing agencies are executing the projects, on a regular basis.

Activities of Suprajit Foundation : (₹ in millions)

Project	Places and Area undertaken	2016-17
Education & Rural Development :	Various places in Karnataka	
Ongoing projects:		
Scholarships and related expenses		3.43
Bharatiya Vidya Bhavan - BBMP School		1.36
One Billion Literates Foundation		0.40
Total spent on Education & Rural Development		**5.19**
Healthcare Projects:		
Dialysis consumables project		0.12
Other healthcare projects		0.95
Total Spent on Healthcare		**1.07**
Miscellaneous - Expenses		**0.26**
Grand Total		**6.51**

Annexure - IV

NOMINATION AND REMUNERATION POLICY

Introduction:

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

Objective and Purpose:

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

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

Effective Date:

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

Applicability:

The Nomination and Remuneration Policy is applicable to:

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

General:

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

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

Appointment criteria and qualifications:

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

Term / Tenure:

1. Managing Director / Whole-time Director:

   The Company shall appoint or re-appoint any person as its Chairperson / Chairman, Managing Director or Whole-time Director for a term not exceeding 5 (five) years at a time. No re-appointment shall be made earlier than 1 (one) year before the expiry of term.

2. Independent Director:

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

Evaluation:

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

Removal:

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

Retirement:

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

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

General:

1. The remuneration / compensation / commission etc. to the Whole-time Director, Key Managerial Personnel and Senior Management will be determined by the Committee based on criteria such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organisations and recommended to the Board of Directors for approval. The remuneration / compensation / commission etc. shall be subject to the approval of the shareholders of the Company and Central Government, wherever required.

2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.

3. Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board. Increments will be effective from 1st April in respect of all Whole-time Directors and employees of the Company.

4. Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

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

1. Fixed pay:

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

2. Minimum Remuneration:

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

3. Provisions for excess remuneration:

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

Remuneration to Non-Executive/ Independent Directors:

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

1. Remuneration / Commission:

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

2. Sitting Fees:

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

3. Commission:

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

4. Stock Options:

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

Annexure - V

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2017

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

To
The Members,
SUPRAJIT ENGINEERING LIMITED
Bengaluru
(CIN: L29199KA1985PLC006934)

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

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31.03.2017 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 31.03.2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and,
  i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
(vi) There are no specific laws applicable to the Company pursuant to the business carried by the Company.
(vii) The other general laws as may be applicable to the Company including the following:
  (1) Employer / Employee Related laws & Rules:
    i. Industries (Development & Regulation) Act, 1951
    ii. The Factories Act, 1948
    iii. The Employment Exchanges (Compulsory notification of Vacancies) Act, 1959
    iv. The Apprentices Act, 1961
    v. The Employees Provident Fund & Miscellaneous Provisions Act, 1952
    vi. The Employees State Insurance Act, 1948
    vii. The Workmen's Compensation Act, 1923

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

(2) Environment Related Acts & Rules:

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

3) Economic / Commercial Laws & Rules:

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

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

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above as may be applicable during the year under review. Certain non material findings made during the course of the audit relating to the provisions of Companies Act, Secretarial Standards, Labour Laws were addressed suitably by the Management. The Company needs to take effective steps to comply with the Secretarial Standards as well as to maintain the returns and records under Labour Laws.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors which took place during the period under review were carried out in compliance with the provisions of the Act.
Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

I further report that during the year under report the Company had filed Company Application before the Hon'ble High Court of Karnataka under Sections 391 to 394 of the Companies Act, 1956 for sanctioning the Scheme of Amalgamation of Phoenix Lamps Limited a Company incorporated under the Companies Act, 1956 bearing CIN: L31500KA1991PLC095519 with the Company. The Hon'ble High Court of Karnataka vide its order dated 20th August, 2016 approved the Application filed by the Company for convening the Court Convened Meeting (CCM) of shareholders, Secured and Un Secured Creditors on 24th September, 2016. Accordingly, the Company had convened the CCMs of Equity Shareholders, Secured Creditors and Un Secured Creditors after the completion of Annual General Meeting on 24th September, 2016. Subsequent to the said meetings, the Chairman's report as well as final petition for sanction of Scheme of Amalgamation of Phoenix Lamps Limited with the Company was filed before the Hon'ble High Court of Karnataka. The said petition was transferred to the National Company Law Tribunal (NCLT), who passed the necessary order for the said amalgamation on 11th August, 2017 and the Company has complied/ is complying with the order.

I further report that the Company received notices from the Stock Exchange and the Securities Exchange Board of India (SEBI) seeking certain information on shares of the Company pre and post merger of Phoenix Lamps Limited with the Company and the necessary information has been furnished as per the documents/information provided by the Company.

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

Place : Bengaluru
Date : September 13, 2017

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

Annexure

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I have followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of Financial records and Books of Accounts of the Company including records under Income Tax Act, Central Excise Act, Customs Act, Central and State Sales Tax Act.
4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of Management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

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

Place : Bengaluru
Date : September 13, 2017

Annexure -VI

a) 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.	0.94%
The number of permanent employees on the rolls of Company	1941
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 gross sales for the financial year ended March 31, 2017 have increased by 45.83%. The aggregate remuneration of employees excluding Chairman & Managing Director grew by 94.16% over the previous financial year. The aggregate increase in salary for Chairman & Managing Director was 13.29% in the financial year 2016-17 over financial year 2015-16.
The key parameters for any variable component of remuneration availed by the directors.	The Directors are not eligiblae 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.	The remuneration is as per the remuneration policy of the Company.

Notes :

1. The ratio of the remuneration of each director to the median remuneration of the employees for the financial year ending on 31.03.2017 is al follow :

Sl.No.	Name of the Directors	Ratio
1	Mr. K Ajith Kumar Rai	156.88 x
2	Dr. C Mohan*	53.80 x
3	Mohan Srinivasan Nagamangala **	7.07 x
4	Mr. Diwakar S Shetty	1.52 x
5	Mr. Jayarama M Shetty	1.52 x
6	Mr. B S Patil	1.52 x
7	Mr. Suresh Shetty	1.52 x
8	Mr. Ian Williamson	-
9	Dr. Supriya Rai	-

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

The Median remuneration of the employees for the financial year ends March 31, 2017 is ₹1,97,652/-

**Mr. Mohan Srinivasan Nagamangala ** appointed as Director and CEO with effect from 13th February, 2017 and he was CEO and Director in the erstwhile Phoenix Lamps Ltd and he was not drawing salary from Phoenix Lamps Ltd. The ratio of remuneration is not annualized.

* Dr C Mohan completed his term as Executive Director on 11th March, 2017.

2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any , in the financial year ending on 31.03.2017 is as follow :

(Amount in Millions)

Sl. No	Name of the Director/KMP	Designation	As on 31.03.2017	As on 31.03.2016	% increase for ending on 31.03.2017
1	Mr. K Ajith Kumar Rai	Chairman & Managing Director	31.01	27.37	13.29
2	Dr. C Mohan	Executive Director (Up to 11th March,2017)	10.63	9.33	13.96
3	Mr. Mohan Srinivasan Nagamangala	Director & CEO (with effect from 13th Feb, 2017)	1.40	-	-
4	Mr. Diwakar S Shetty	Independent Director	0.30**	0.30**	-
5	Mr. Jayarama M Shetty	Independent Director	0.30**	0.30**	-
6	Mr. Suresh Shetty	Independent Director	0.30**	0.30**	-
7	Mr. B S Patil	Independent Director	0.30**	0.30**	-
8	Mr. Ian Williamson	Independent Director	NA	NA	-
9	Dr. Supriya A Rai	Independent Director	NA	NA	-
10	Mr. Medappa Gowda J	CFO & Company Secretary	5.67	4.55	24.76

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

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

(i) During the financial year 2016-17, no employee received the remuneration aggregating to ₹ 10.20 million p.a or ₹ 0.85 million p.m, except the following :

Sl. No.	Employee Name	Designation	Educational Qualification	Age	Experience (in Years)	Date of joining	Remuneration in millions	Previous Employment
1	K Ajith Kumar Rai	Chairman & Managing Director	B.E.M.A.Sc (Cannada)	59	32	24.05.85	31.01	Research & Teaching Assitant, Technical University of Novascotia, Canada.
2	Dr. C. Mohan	Executive Director (Up to 11th March,2017)	B.E (E&C), Ph.D	64	41	26.11.07	10.63	Kalyani Forge Ltd
3	Mohan Srinivasan Nagamangala	Director & CEO (with effect from 13th Feb,2017)	B.E (Mechanical), ICWA	55	31	05.12.13	1.40	ZF Industrial Technology Ltd
4	Gopal Krishnan Doraiswamy	G.M. Mktg-USA	Master of Mfrg. System Engineering	52	28	15.04.15	10.55	KSS Abhishek Safety Systems Pvt. Ltd.

(ii) Employed for part of the year with an average salary above 8.5 Lakh per month : NIL

(iii) During the financial year 2016-17, no employee received remuneration in excess of the highest-paid director.

Annexure -VII

Form AOC-I

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

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

Part "A": Subsidiaries

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

Sl. No.	1	2	3	4	5	6
1.	**Name of the Subsidiary**	**Suprajit Automotive Private Limited**	**Suprajit Europe Limited**	**Suprajit USA Inc**	**Luxlite Lamps SARL, Luxembourg**	**Trifa Lamps Germany Gmbh, Annweiler**
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR	1 GBP = 80.87	1 USD = 64.83	1 EURO = 69.24	1 EURO = 69.24
4	Share capital	19.90	177.94	0.06	773.22	2.19
5	Reserves & surplus	366.84	(31.09)	1,496.17	(617.73)	248.70
6	Total Assets	650.92	282.83	3,557.04	477.76	385.69
7	Total Liabilities	264.18	135.99	2,060.80	322.27	133.23
8	Investments	Nil	Nil	Nil	Nil	Nil
9	Turnover (Note 3)	878.26	757.68	1,471.70	1,022.43	897.27
10	Profit before taxation	184.48	78.10	157.16	(5.64)	69.41
11	Provision for taxation (Note 4)	63.65	0.53	17.65	0.31	20.26
12	Profit after taxation	120.83	78.63	139.50	(5.95)	49.15
13	Proposed Dividend	-	-	-	-	-
14	% of Shareholding	100%	100%	100%	100%	100%

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

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

Part "B": Associates and Joint Ventures

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

Sl.No	Name of Associates/Joint Ventures	
1.	Latest audited Balance Sheet Date	The Company has no Associates or Joint Ventures as on 31st March 2017. Hence Part "B" is not applicable to the Company
2.	Shares of Associate/Joint Ventures held by the company on the year end	
3.	No.	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding %	
	Description of how there is significant influence	
4.	Reason why the associate/joint venture is not consolidated	
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	
6.	Profit / Loss for the year	
	i. Considered in Consolidation	
	ii. Not Considered in Consolidation	

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

For and on behalf of the Board of Directors

K Ajith Kumar Rai
Chairman & Managing Director

Mohan Srinivasan Nagamangala
Director & CEO

Medappa Gowda J
Company Secretary & Chief Financial Officer

Place : Bengaluru
Date : September 13, 2017

CEO & CFO CERTIFICATION

a. **We have reviewed financial statements and the cash flow statement for the year ended March 31, 2017 and certify, to the best of our knowledge and belief, that:**

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

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

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

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

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

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

For **Suprajit Engineering Limited**

Place :Bengaluru
Date : September 13, 2017

Medappa Gowda J
CFO & Company Secretary

Mohan Srinivasan Nagamangala
Director & CEO
DIN : 01916468

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

I, Mohan Srinivasan Nagamangala, Director & CEO of Suprajit Engineering Limited hereby declare that all the Board Members and Senior Managerial Personnel have affirmed for the year ended March 31, 2017 compliance with the code of conduct of the Company laid down for them.

Place :Bengaluru
Date : September 13, 2017

Mohan Srinivasan Nagamangala
Director & CEO
DIN : 01916468

CERTIFICATE

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

To

The Members
Suprajit Engineering Limited
Bengaluru.

I have examined all the relevant records of Suprajit Engineering Limited ('the Company') for the purpose of certifying the compliances of the conditions of Corporate Governance by the Company for the financial year ended 31st March, 2017 as stipulated under the 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 Agreement / the Listing Regulations.

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

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

Place : Bengaluru
Date : September 13, 2017

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

To

The Members of **SUPRAJIT ENGINEERING LIMITED**

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Suprajit Engineering Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Profit and Loss Statement and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

This responsibility also includes the 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 the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 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 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of erstwhile Phoenix Lamps Limited (the "Transferor Company"), included in the financial statements pursuant to amalgamation with the Company (Refer Note 23.5 of this standalone financial statements), which constitute total assets of ₹ 2551.25 million as at 31st March, 2017, total revenue (including other income) of ₹ 2366.21 million and net cash outflows of ₹ 0.52 million for the year then ended as considered in the standalone financial statements. The financial statements and other financial information of the Transferor Company have been audited by other auditors whose reports have been furnished to us, and our opinion on these financial statements in so far as it relates to the amounts and disclosures included in respect of the Transferor Company is based solely on the report of such other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **'Annexure A'** a statement on the matters specified in the paragraph 3 and 4 of the said Order, to the extent applicable
2. As required by Section 143 (3) of the Act, we report that:
    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
    b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c. The Balance Sheet, the Profit and Loss Statement, and the Cash Flow Statement 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 Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
    e. On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
    f. With respect to the adequacy of the internal financials controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
    g. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
        i. the Company has pending litigations disclosed as contingent liabilities in its Note No.23.6.1 to the standalone financial statements, the impact if any on the final settlement of these litigations is not ascertainable at this stage;
        ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
        iii. there were no delays in transferring undisputed amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year and
        iv. the Company has provided requisite disclosure in note no. 23.15 of its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of account maintained by the Company.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

R KESAVADAS
Partner
M. No. 23862

Place: Bengaluru
Date : September 13, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING 'REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS' OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMITED FOR THE YEAR ENDED 31ST MARCH 2017

(i) (a) As stated in Note No. 23.4 to the standalone financial statement, the full particulars giving quantitative details and situation of fixed assets are maintained in the ERP system in respect of additions made after 1st April 2008, however certain particulars requires to be updated. The particulars of fixed assets acquired prior to this date have been updated in the ERP system in a summarised format. However, item wise particulars are available for major assets in manual form.

(b) We are informed by the management that most of the fixed assets of the Company are being physically verified in accordance with a programme, which in our opinion, is reasonable having regard to the size and nature of its assets. According to the information and explanations given to us material discrepancies identified on such verification when compared with available records have been properly dealt within the books of account.

(c) According to the information and explanations given to us and as per verification of the records of the Company, the title deeds of the immovable properties included in the property plant and equipment are held in the name of the Company. As stated in note no. 4.1.3, 4.1.4, 5.1.2 to 5.1.4 of the standalone financial statements, the immovable properties are mortgaged for availing credit facilities from banks and financial institution.

(ii) According to the information and explanation given to us and as per our verification of the records of the Company, the management has conducted physical verification of inventory at reasonable intervals during the year and the discrepancies of material nature noticed on physical verification, by the management, have been properly dealt with in the books of account during the year.

(iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships, or other parties covered in the register maintained under section 189 of the Act, except to the extent of ₹ 108.86 million loan given to a body corporate (wholly owned foreign subsidiary) in respect of which ₹ 108.53 million has been repaid by such body corporate during the year as mentioned in Note no. 23.17(a) of the standalone financial statements. Based on our verification of books and records of the Company, in our opinion, the terms and conditions of such loan are not prejudicial to the interest of the Company. Since there are no repayment terms agreed upon with the borrower, we have not commented upon the regularity of the repayment of principal and interest and as a result there are no amounts overdue as on 31st March 2017.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of the section 185 and 186 of the Act in respect of the investments made, loans granted, guarantees given and securities provided by the Company.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, applicable to the Company. According to the information and explanations given to us, in respect of such deposits there are no directives issued by the Reserve Bank of India which requires to be complied with by the Company.

(vi) We have broadly reviewed the books of account and records 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 Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.

(vii) (a) According to the information and explanations given to us and as per our verification of the records of the Company, the Company has been fairly regular in depositing undisputed statutory dues including Provident fund, Employee's State Insurance, Income Tax, Sales Tax, Custom Duty, Excise Duty, Service Tax, Value Added Tax, Cess and other statutory dues with the appropriate authorities during the year to the extent applicable. There are no arrears of undisputed statutory dues of a material nature outstanding as at the last day of the financial year for a period of more than six months from the date on which they became payable.

(b) According to the information and explanations given to us and as per our verification of the records of the Company, the following disputed amounts of tax/ duty have not been deposited with appropriate authorities as at 31st March 2017:

Name of the Statute	Nature of the dues	Amount (₹ in millions)	Period (financial year) to which the amount relates to	Forum where dispute is pending
Maharashtra VAT Act, 2002 #	Value Added Tax	31.65*	2006-07	Joint Commissioner of Sales Tax (Appeals)
Central Sales Tax Act,1956 #	Central Sales Tax	2.10*	2006-07	Joint Commissioner of Sales Tax (Appeals)
Maharashtra VAT Act, 2002 #	Value Added Tax	31.09*	2008-09	Deputy Commissioner of Sales Tax(Appeals)
Maharashtra VAT Act, 2002 #	Value Added Tax	24.78*	2009-10	Joint Commissioner of Sales Tax (Appeals)
Central Sales Tax Act,1956 #	Central Sales Tax	3.89*	2009-10	Joint Commissioner of Sales Tax (Appeals)
Income Tax Act,1961	Income Tax	4.52**	2009-10 (AY 2010-11)	Commissioner of Income Tax (Appeals)

Name of the Statute	Nature of the dues	Amount (₹ in millions)	Period (financial year) to which the amount relates to	Forum where dispute is pending
Income Tax Act,1961	Income Tax	3.24	2010-11 (AY 2011-12)	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income Tax	2.19	2012-13 (AY 2013-14)	Dispute Resolution Panel
Finance Act, 1994	Service Tax	0.11	2015-16	Customs Excise & Service tax Appellate Tribunal
Central Sales Tax Act, 1956	Pending C Forms	0.23	FY 2006-07 & 2008-09	Deputy Commissioner of Assessment, Uttarakhand
Delhi Sales Tax Act, 1975	Sales tax demand	0.08	FY 1994-95	D.C. Appeal IV, Delhi
Finance Act, 1994	Penalty against service tax demand	0.04	FY 2008-09 & 2012-13	Superintendent, Service Tax Range-XVII, Division-IV, Noida
Finance Act, 1994	Penalty against service tax demand	1.03	FY 2009-10 & 2010-11	CESTAT, New Delhi
Total		**104.95**		

* includes ₹ 3.60 million paid under protest in respect of such demand.

** ₹ 4.52 million adjusted against earlier year's refund.

a stay order has been received against the amount disputed and not deposited.

(The above does not include demands in relation to General Lighting business which was sold by the Transferor Company on August 30, 2013 and any statutory liabilities relating to such business will be borne by buyer, in accordance with the Business Transfer signed by the Transferor Company and the buyer.)

(viii) According to the information and explanations given to us and as per our verification of the records of the Company, the Company has not defaulted in repayment of its dues to the banks and financial institution. The Company did not have any outstanding debentures and loan from government during the year end.

(ix) According to the information and explanation given to us and as per our verification of records of the Company, the Company has not raised money by way of initial public offer or further public offer (including debt instrument) during the year.

According to the information and explanations given to us and as per our verification of the records of the Company, the Company has utilised the monies raised by way of term loans for the purposes for which those were raised.

(x) According to the information and explanations given to us and as per our verification of records of the Company, no material fraud either by the Company or on the Company by its officers and employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us and as per our verification of records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of the Section 197 read with Schedule V of the Act.

(xii) In our opinion and according to the information given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable and hence not commented upon.

(xiii) According to the information and explanations given to us and as per our verification of records of the Company, transactions with the related parties are in compliance with the sections 177 and 188 of the Act and details of such transactions have been disclosed in the standalone financial statements as required by the applicable Accounting Standards.

(xiv) According to the information and explanations given to us and as per our verification of records of the Company, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year. The Company had raised the funds from private placement during the previous year and as explained by the management in Note no 2.1.3(a) to the standalone financial statements and as per our verification of records of the Company, amounts raised during the previous year that were pending utilization as at the end of the previous year, prima facie, have been utilised for the purpose for which funds were raised.

(xv) According to the information and explanations given to us and as per our verification of records of the Company, the Company has not entered into non-cash transactions with the directors or persons connected with the directors. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) According to the information and explanations given to us the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

R KESAVADAS
Partner
M. No. 23862

Place: Bengaluru
Date : September 13, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE REFERRED TO IN PARA 2 (F) "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF THE INDEPENDENT AUDITOR'S REPORT OF REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of **Suprajit Engineering Limited** ("the Company") as of March 31, 2017 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures, on test check basis, to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 ICAI.

For **VARMA & VARMA**
Chartered Accountants
FRN 004532S

R KESAVADAS
Partner
M. No. 23862

Place: Bengaluru
Date : September 13, 2017

BALANCE SHEET AS AT 31ST MARCH

(₹ In Millions)

Particulars	Note No.	2017	2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	139.87	131.34
Reserves and Surplus	3	5,026.88	4,012.39
Non-Current Liabilities	4		
Long-term borrowings		506.36	679.37
Deferred tax liabilities (Net)		114.19	96.10
Other long term liabilities		13.34	11.76
Long term provisions		80.37	32.38
Current Liabilities	5		
Short-term borrowings		1,047.92	1,134.47
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		51.40	8.22
Total outstanding dues of creditors other than micro enterprises and small enterprises		638.33	552.90
Other current liabilities		483.54	501.91
Short-term provisions		87.94	145.92
TOTAL		**8,190.14**	**7,306.76**
ASSETS			
Non-Current Assets			
Fixed Assets	6		
(i) Property, Plant and Equipment	6.1	2,469.82	1,743.12
(ii) Intangible Assets	6.2	12.88	15.12
(iii) Capital Work-in-progress	6.3	18.43	168.40
(iv) Software pending installation	6.4	1.20	-
Non-current investments	7	2,524.60	1,774.31
Long term loans and advances	8	57.46	71.34
Other Non-current assets	9	1.05	1.18
Current Assets			
Current investments	10	136.50	1,487.11
Inventories	11	894.06	628.93
Trade receivables	12	1,619.99	1,258.05
Cash and bank balances	13	48.09	24.00
Short-term loans and advances	14	377.57	134.55
Other current assets	15	28.49	0.65
TOTAL		**8,190.14**	**7,306.76**

Significant Accounting Policies 1

Other Explanatory Information 23

As per our report of even date attached

For and on behalf of the Board of Directors

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director
DIN : 01160327

Mohan Srinivasan Nagamangala
Director & Chief Executive Officer
DIN: 01916468

Medappa Gowda J
Company Secretary &
Chief Financial Officer

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : September 13, 2017

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ In Millions)

Particulars	Note No.	2017	2016
Revenue from operations (Gross)	16	9,525.54	6,531.73
Less: Excise duty		910.06	652.35
Revenue from Operations (Net)		**8,615.48**	**5,879.38**
Other Income	17	205.66	125.75
TOTAL		**8,821.14**	**6,005.13**
Expenses			
Cost of materials consumed (Refer Note no. 6.5.12)		5,122.19	3,638.15
Purchase of traded goods		48.64	-
Changes in inventories of finished goods, work-in-progress, traded goods and scrap	18	83.89	(2.24)
Employee benefit expenses	19	1,121.95	725.65
Finance costs	20	223.79	194.41
Depreciation and amortisation expenses	6	159.37	84.33
Other expenses	21	715.72	512.36
CSR Expenditure [Refer Note no. 22.1]	22	24.86	13.44
TOTAL		**7,500.41**	**5,166.10**
Profit before exceptional item and tax		**1,320.73**	**839.03**
Exceptional Item - Expenditure [Refer Note no. 7.3, 7.4 & 21.3]		(54.39)	(56.94)
Profit before tax for the year		**1,266.34**	**782.09**
Tax expense:			
(1) Current tax		(362.27)	(266.25)
(2) Current tax - Net excess provision relating to earlier years now reversed		3.09	-
(3) Deferred tax		(38.56)	(16.10)
Profit after tax for the year		**868.60**	**499.74**
Earnings per equity share: (Refer Note no. 23.16)			
Equity shares of par value ₹ 1/- each			
Before Exceptional Item			
Basic & Diluted (in ₹)		6.60	4.59
After Exceptional Item			
Basic & Diluted (in ₹)		6.21	4.12
Significant Accounting Policies	1		
Other Explanatory Information	23		

As per our report of even date attached

For and on behalf of the Board of Directors

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director
DIN : 01160327

Mohan Srinivasan Nagamangala
Director & Chief Executive Officer
DIN: 01916468

Medappa Gowda J
Company Secretary &
Chief Financial Officer

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : September 13, 2017

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ In Millions)

Particulars	2017	2016
A. **CASH FLOWS FROM OPERATING ACTIVITIES:**		
Profit before tax for the year	1,266.34	782.09
Adjustment for:		
Depreciation	159.37	84.34
Provision for doubtful debts (net)	(3.12)	4.12
Unrealised foreign exchange fluctuation on EEFC account	(0.04)	-
Unrealised foreign exchange fluctuation	4.09	0.01
Provision for impairment of plant and equipment	0.44	1.33
(Profit)/Loss on sale of plant and equipment	3.17	(0.04)
Profit on sale of Mutual funds	(139.61)	(74.00)
Interest income	(3.57)	(2.14)
Dividend received	(39.80)	(39.80)
Provision for obsolete inventories	5.16	-
Legal and professional charges on account of issue of shares on private placement basis	36.82	-
Finance costs relating to acquisition of shares in subsidiary	-	56.94
Legal and professional charges on account of issue of shares on private placement basis	-	35.81
Interest expense	219.68	194.41
Operating profit before working capital changes	**1,508.93**	**1,043.07**
(Increase)/ Decrease in		
- Inventories	151.58	(54.37)
- Trade Receivables	120.25	(204.05)
- Loans and advances (Long term & Short term)	23.90	(85.87)
- Other Non-Current Assets & Current Assets	(23.87)	0.97
Increase/ (Decrease) in		
- Current Liabilities	(61.56)	97.93
- Other Long term Liabilities	(5.71)	1.33
- Provisions (long term and short term)	4.07	12.44
Cash generated from operations	**1,717.59**	**811.46**
Income taxes paid (net of refunds)	(350.49)	(235.53)
Net cash from operating activities	**1,367.10**	**575.93**
B. **CASH FLOWS FROM INVESTING ACTIVITIES:**		
Purchase of fixed assets/ Capital work in progress	(315.52)	(371.71)
Acquisition of Shares in subsidiaries	(1,413.93)	(1,568.41)
Legal and professional charges for acquisition of shares in subsidiary	(36.82)	-
Finance costs relating to acquisition of shares in subsidiary	-	(56.94)
Sale of current investments	1,791.16	1,604.39
Purchase of current investments	(300.93)	(1,900.00)
Interest received	3.55	1.44
Dividend received	39.80	39.80
Proceeds from sale of fixed assets	1.16	0.39
Investments in bank deposits (having original maturity of more than three months)	(2.43)	-
Redemption of bank deposits (having original maturity of more than three months)	2.28	-
Net cash from investing activities	**(231.68)**	**(2,251.04)**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ In Millions)

Particulars	2017	2016
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds/(repayments) from long term borrowings(net)	(343.26)	167.78
Proceeds/(repayments) from short term borrowings(net)	(361.30)	337.62
Availment/ (Repayment) of packing credit foreign currency loan	(60.08)	-
Proceeds from issue of shares (including securities premium)	-	1,499.74
Proceeds from State Investment Subsidies	22.36	-
Legal and professional charges on account of issue of shares on private placement basis	-	(35.81)
Interest paid	(231.07)	(175.17)
Dividend and dividend tax paid	(154.27)	(140.40)
Net cash from financing activities	**(1,127.62)**	**1,653.76**
Net increase in cash and cash equivalents during the year	**7.80**	**(21.34)**
Cash and cash equivalents at beginning of the year	21.28	42.63
Cash and cash equivalents arising on amalgamation	2.21	-
Cash and cash equivalents at end of the year	**31.29**	**21.28**
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and bank balances as per the Balance Sheet (Refer Note no. 13)	48.09	24.00
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (Refer 'Other bank balances' in Note no. 13)#	16.76	2.72
Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note no. 13 *	**31.33**	**21.28**
* Comprises:		
- Cash on hand	0.72	0.89
- Balances with banks:		
- In current accounts	14.82	17.01
- In EEFC accounts	15.79	3.33
- In deposit accounts	-	0.05
	31.33	**21.28**
Effect of exchange rate changes	(0.04)	-
Cash and bank equivalents at the end of the year	**31.29**	**21.28**

(Figures in brackets indicate outflows)

includes ₹ 14.43 million (PY: 1.99 million) which are not available for use by the Company

Note: Cash Flow from operating activities for the year ended on March 31, 2017 is after considering Corporate Social Responsibility Expenditure of ₹ 24.86 million (PY : ₹ 13.44 million).

As per our report of even date attached

For and on behalf of the Board of Directors

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director
DIN : 01160327

Mohan Srinivasan Nagamangala
Director & Chief Executive Officer
DIN: 01916468

Medappa Gowda J
Company Secretary &
Chief Financial Officer

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : September 13, 2017

Significant Accounting Policies forming part of the Financial Statements for the year ended 31st March, 2017

CORPORATE INFORMATION

Suprajit Engineering Limited ('the Company') is a public limited company domiciled in India and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is engaged interalia in the business of manufacturing of auto components consisting mainly control cables, speedo cables, auto lamps and other components for automobiles caters to both domestic and international markets.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of Financial Statements

These financial statements have been prepared and presented under the historical cost convention on accrual basis, except in case of assets for which provision for diminution is made, and in accordance with the provisions of the Companies Act, 2013 ('the Act') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts Rules) 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

1.2 Change in accounting policy

Classification of items of machinery spares

Pre-revised Accounting Standard- 10 'Fixed Assets' required that stand-by and servicing equipment should normally be capitalized as property, plant and equipment. It required that machinery spares are usually treated as inventory and charged to profit or loss on consumption. However, spares parts that can be only used in connection with a particular item of property, plant and equipment, and whose use is expected to be irregular, are capitalized. Such spare parts are depreciated over a period, not exceeding the remaining useful life of the principal asset.

According to Accounting Standard 10 (Revised) 'Property, plant and equipment', all spare parts, stand-by and servicing equipment qualify as plant, property and equipment (PPE) if they meet the definition of PPE i.e. if the Company intends to use these during more than a period of 12 months. The spare parts capitalized in this manner are depreciated as per AS 10 (Revised).

The Company has changed its accounting policy of property, plant and equipment to comply with AS 10 (Revised). The Company has applied transitional provisions, which requires previously recognized stores and spares as inventory should be capitalized as a PPE at its carrying amount and depreciated prospectively over its remaining useful life.

Due to change in the Accounting Standard 10 (Revised) 'Property, plant and equipment', all the spare parts, stand-by and servicing equipment qualify as plant, property and equipment (PPE) if they meet the definition of PPE, i.e if the Company, intends to use these during more than a period of 12 months has been capitalised and applying the transitional provisions has capitalized the previously recognized stores and spares as inventory to PPE at its carrying amount and depreciated prospectively over its remaining useful life.

Had the Company continued to use the earlier policy of classifying stores and spares as inventories, its financial statements for the year would have been impacted as below:

Inventories would have been higher by ₹ 0.11 million, Property, plant and equipment would have been lower by ₹ 0.05 million, depreciation would have been lower by ₹ 3.06 million, loss on disposal of plant and equipment would have been lower by ₹ 1.24 million and other expense would have been higher by ₹ 4.25 million. Profit before tax for the year would have been higher by ₹ 0.06 million.

1.3 Use of Estimates

The preparation of the financial statements is in conformity with Indian GAAP, which requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and such differences are recognised in the period in which the results are ascertained.

1.4 Cash Flow Statement

Cash flow statement is prepared in accordance with AS-3 specified under the Companies Act, 2013 using the indirect method to determine cash flows from operating activities. The cash flows of the Company are segregated into operating, investing and financing activities. Cash and cash equivalents for the purpose of Cash flow statement comprise of cash on hand, demand deposit placed with banks and term deposits with banks (with an original maturity of three months or less).

1.5 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods as well as revenue from processing of goods (services) is recognised at the time of transfer of property in goods, results in or coincides with the transfer of significant risks and rewards to the customers which is generally at the point of dispatch of goods to the customers and no significant uncertainty exist regarding the amount of consideration towards

Significant Accounting Policies forming part of the Financial Statements for the year ended 31st March, 2017

such sale. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year. Revenue from scrap is recognised on sale.

Consultancy charges income is recognised as and when the services are performed and billed to the customer as per the terms of the contract

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the profit and loss statement.

Export entitlements in the form of Merchandise Export from India (MEIS) and Duty Entitlement Pass Book (DEPB) are recognized in the profit and loss statement under the head "Other Operating Revenue" 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 income is recognised when declared.

1.6 Property, Plant and Equipment / Intangible Assets

Property, Plant and Equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of its purchase price, borrowing costs if capitalisation criteria are met and any directly attributable costs of bringing the asset to working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Until these assets are ready for its intended use these costs are aggregated and classified and carried forward as 'Capital Work In-Progress'. Borrowing costs taken for the acquisition of qualifying assets up to the date of commissioning of assets is added to the cost of assets.

Spare parts, stand-by equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventory.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the profit and loss statement for the period during which such expenses are incurred.

Intangible assets are carried at cost less amortisation where it is probable that future economic benefits expected from it is not less than the carrying value.

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

Gains or losses arising from derecognition of an Property, Plant and Equipment and Intangible Assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

1.7 Depreciation / Amortization

Leasehold land is amortised over the period of lease on straight line basis ranging from 78 to 99 years.

Deprecation on property, plant and equipment is provided by the Company on a straight line basis. The Company estimates useful life of the property, plant and equipment and follows the estimated useful life as prescribed under Part C of Schedule II of the Companies Act 2013 for the purpose of computation of depreciation on such assets except in case of the property, plant and equipment listed below in respect of which the estimated useful life has been ascertained which is different from the estimated useful life prescribed under Part C of Schedule II of the Companies Act 2013 based on the independent technical evaluation carried out by the external valuers.

Plant and machinery (Identified specific machinery)	360 months, 240 months, 60 months to 84 months
Electrical Installations	252 months
Furniture & Fixtures	180 months
Office Equipments	120 months

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

The depreciation method and the estimated useful lives of property, plant and equipment is reviewed by the management on an annual basis.

The Company provides additional depreciation @ 50% of the normal depreciation on all the plant & equipment for the period such plant & equipment was used for double shifts.

Certain plant and equipments identified by the management are fully depreciated in the year of purchase in respect of items costing ₹ 5,000 or less.

Business rights acquired and Patents are amortised over a period of 5 years, based on the assessment of future economic benefits that will flow to the Company.

Cost of softwares are amortized on a straight line basis over the estimated useful economic life not exceeding five years.

Significant Accounting Policies forming part of the Financial Statements for the year ended 31st March, 2017

1.8 Impairment of Property, Plant and Equipment and Intangible Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at appropriate rate. 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. After impairment, depreciation is provided on revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed depending on changes in circumstances. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

1.9 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the profit and loss statement under the head "Other Income".

1.10 Inventories

Inventories are valued as follows:

Raw materials, stores and spares, consumables, packing materials and fuels :

Lower of cost and net realizable value. 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. Cost is determined on transaction moving weighted average basis. Conversion and other costs incurred for bringing the inventories to their present location and condition are allocated to the extent applicable. Stores and spares which do not meet the definition of plant, property and equipment are accounted as inventories.

Work in Progress and Finished Goods :

Lower of cost and net realizable value. Cost of Work In Progress and Finished goods includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity Cost of finished goods includes excise duty, wherever applicable.Cost is determined on weighted average basis.

Traded goods:

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on transaction moving weighted average basis.

Scrap:

Scrap inventory, to the extent identified as inventory, is carried at it net realisable value, which is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

1.11 Foreign Currency Transactions

The foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.

At the balance sheet date, monetary assets and liabilities including integral foreign operations, denominated in foreign currency are restated at the applicable exchange rates prevailing as at the Balance Sheet date. All non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using exchange rate at the date of transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in foreign currency are reported using the exchange rate that existed when values are determined.

Gain/Loss arising on the settlement of monetary items or on restatement of reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Premium or discount on forward exchange contracts which are not intended for trading or speculation purpose and is to establish the amount of reporting currency required on the settlement dates is recognised in the Profit and loss statement over the period of the contracts. The exchange differences on the contracts are recognised in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

Significant Accounting Policies forming part of the Financial Statements for the year ended 31st March, 2017

Profit or loss arising from marking the foreign currency forward exchange contracts to market at the end of the reporting period is recognised in the profit and loss statement. Foreign currency forward exchange contracts are entered into to hedge its risks associated with foreign currency fluctuations in respect of highly probable forecast transactions.

1.12 Employee Benefits

Short term employee benefits:

The amounts paid/payable on account of short term employee benefits, comprising largely of salaries & wages, allowances and annual bonus is valued on an undiscounted basis and charged to the Profit and Loss statement for the year.

Defined contribution plans:

The Company has defined contribution plans for its employees comprising of Provident Fund and Employee's State Insurance. The Company has no other obligation in this regard. The Company recognizes contribution payable to these plans as an expenditure, 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, for example, a reduction in future payment or a cash refund.

Defined benefit plans:

a. Gratuity

The Company's Gratuity scheme is administered through the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on actuarial valuation, conducted annually using the projected unit credit method, as adjusted for unrecognised past services cost, if any and as reduced by the fair value of plan assets, is recognised in the financial statements. Actuarial gains and losses are recognised in full in the Profit and Loss Statement for the period in which they occur.

b. Leave encashment

The Company has a scheme for leave encashment for employees, the liability other than for short term leave encashment, which is expected to be utilised/encashed within the next 12 months, is determined on the basis of an actuarial valuation carried out at the end of the year, using projected unit credit method. Actuarial gains and losses are recognised in full in the Profit and Loss statement for the period in which they occur and are not deferred. The Company (erstwhile Phoenix Lamps Limited) presents the leave as a current liability in the balance sheet since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

1.13 Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs other than those attributable to the acquisition, construction or production of an qualifying assets are expensed as and when incurred. Borrowing costs attributable to the acquisition, construction or production of a qualifying assets are capitalised along with the cost of respective asset.

1.14 Leases

Where the Company is lessee

Operating Lease:

Leases where the significant risks and rewards of ownership is with the lessor are classified as operating leases and payment under such leases are recognised as an expense in the Profit and Loss statement on a systematic basis over the lease term.

Finance Lease:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired on finance lease are capitalised as part of Property, Plant and Equipment and corresponding liability is recognised as term loans.

1.15 Taxation

Tax Expense comprising current tax and deferred tax are recognised in the Profit and Loss Statement for the year. Current tax is the amount of income tax determined to be payable 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.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The effect on deferred

Significant Accounting Policies forming part of the Financial Statements for the year ended 31st March, 2017

tax assets and liabilities due to change in such assets/ liabilities as at the end of previous accounting period and due to a change in tax rates are recognised in the income statement of the period.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

1.16 Government Grants and Subsidies

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/ subsidies will be received. Government grants and subsidies where no repayment is ordinarily expected in respect thereof in the nature of promoter's contribution are credited to capital reserve and treated as a part of shareholders' funds.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the profit and loss statement over the years necessary to match them with the related costs, which they are intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

1.17 Research and Development Expenditure

Expenditure incurred during the research phase is charged off to the profit and loss statement.

1.18 Provisions

Provision for losses and contingencies arising as a result of past event where management considers it probable that a liability may be incurred are made on the basis of reliable estimates of the expenditure required to settle the present obligation on the Balance Sheet date and are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Provision for Post-sales warranties

Provisions for warranty related costs are recognised when the product is sold. Provision is based on historical experience and future estimate of claims by the management. The estimate of such warranty related costs is revised annually.

1.19 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but to the extent management is aware, discloses its existence in the financial statements.

1.20 Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under Accounting Standard-11, are marked to market on an individual basis, and the net loss, if any, after considering the offsetting effect on the underlying hedge item, is charged to the Profit and Loss Statement and the net gain, if any, is ignored.

1.21 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.22 Segment Reporting

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

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(₹ In Millions)

Particulars	2017	2016
2 SHARE CAPITAL		
2.1 Equity Share Capital		
2.1.1 **Authorised :-**		
Equity Shares of ₹ 1/- each	**150.00**	**150.00**
150,000,000 (PY - 150,000,000) equity shares		
2.1.2 **Issued, Subscribed and Fully Paid Up**		
Equity Shares of ₹ 1/- each fully paid		
139,872,473 (PY - 131,338,774) equity shares (including 8,533,699 (PY- Nil) shares pending to be issued on amalgamation to minority shareholders of erstwhile Phoenix Lamps Limited)	139.87	131.34
TOTAL	**139.87**	**131.34**

Notes on Share Capital

2.1.3 **The reconciliation of the number of equity shares outstanding and the amount of share capital as at March 31, 2017 and March 31, 2016:**

Equity Shares of ₹ 1 each fully paid	No. of shares	No. of shares
Shares outstanding as at the beginning of the year	131,338,774	120,020,000
Shares issued during the year [Refer Note no. 2.1.3(a)]	-	11,318,774
Shares to be issued on amalgamation, pending allotment (Refer Note. No. 3.6)	8,533,699	-
Shares outstanding as at the end of the year	139,872,473	131,338,774

2.1.3(a) During the previous year, the Company had issued 11,318,774 equity shares on private placement basis to Qualified Institutional Buyers. The proceeds ₹ 1,463.93 million (Total proceeds - ₹ 1499.74 million less expenses towards issue - ₹ 32.81 million) of the issue was for the purpose of optimising the mix of debt and equity to meet its growing needs. As at the end of the previous year, the Company had a balance of ₹ 1,000.00 million, after utilising ₹ 463.93 million towards repayment of loans availed, that was temporarily invested in current investments.

During the current year, the Company has sold the current investments and utilised this proceeds for the purpose of investment in its subsidiary Suprajit USA Inc. as mentioned in Note no. 7.3. The management of the Company is of the opinion that the funds raised on private placement have been utilised for its bonafide business use and its plan for business growth with an established global presence.

2.1.4 **Details of shareholders holding more than 5% shares in the Company:**

Equity Shares of ₹ 1/- each fully paid	No. of shares	No. of shares
K Ajith Kumar Rai		
No. of Shares	44,266,799	44,266,799
% age of Shareholding	31.65%	33.70%
Supriya A Rai		
No. of Shares	14,346,358	14,346,358
% age of Shareholding	10.26%	10.92%

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

2.1.6 There are no shares that have been issued, subscribed and not fully paid up except in respect of shares pending to be issued on account of amalgamation (Refer Note no. 3.6).

2.1.7 There are no forfeited shares.

2.1.8 There are no shares reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment.

2.1.9 The Company has not issued any securities convertible into equity/ preference shares.

2.1.10 Each holder of equity shares is entitled to one vote per share and there are no preferences or restrictions attaching to shares mentioned above.

The Company declares and pays dividend in Indian Rupees. The dividend declared by the Board of Directors is subject to approval/ regularisation of the shareholders in the ensuing Annual General Meeting.

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

2.1.12 **During the last five years ending on 31st March, 2017:**

(i) No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash. Pursuant to amalgamation as mentioned in Note. No. 3.6, the Company has issued shares to minority shareholders of erstwhile subsidiary Phoenix Lamps Limited against the take over of its entire assets and liabilities.

(ii) No bonus shares were allotted

(iii) No shares were bought back.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(₹ In Millions)

Particulars	2017	2016
3 RESERVES AND SURPLUS		
3.1 Reserves		
3.1.1 **Capital Reserve**		
(State Investment Subsidy and surplus on reissue of forfeited shares)		
Opening balance	1.13	1.13
Add: Adjustment on account of amalgamation (Refer Note 3.6)	4.00	-
Add: State Investment subsidies received during the year	22.36	-
Closing Balance	**27.49**	**1.13**
3.1.2 **Securities Premium Reserve**		
Opening Balance	1,488.42	-
Add: Adjustment on account of amalgamation (Refer Note 3.6)	373.39	-
Add : Premium on issue of 11,318,774 equity shares of ₹ 1 each issued at a premium of ₹131.50/- per share during the previous year	-	1,488.42
Closing Balance	**1,861.81**	**1,488.42**
3.1.3 **General Reserve**		
Opening balance	2,165.06	1,865.06
Add: Adjustment on account of amalgamation (Refer Note 3.6)	92.52	-
Less: Adjustment on account of amalgamation (Refer Note 3.6)	(1,296.75)	-
Add: Transfer from the Profit & Loss Statement	500.00	300.00
Closing Balance	**1,460.83**	**2,165.06**
3.1.4 **Capital redemption reserve**		
Opening balance	-	-
Add: Adjustment on account of amalgamation (Refer Note no. 3.6)	293.70	-
Closing Balance	**293.70**	**-**
3.2 Surplus		
3.2.1 **Surplus in the Profit & Loss Statement**		
Opening balance	357.78	314.76
Add: Adjustment on account of amalgamation (Refer Note 3.6)	732.75	-
Add:		
Profit for the year as per the Profit and Loss Statement	868.60	499.74
Less:		
Interim Dividend (Refer Note no. 3.3 & 3.5)	69.94	60.01
Proposed Final Dividend (Refer Note no. 3.4 & 3.5)	-	76.93
Tax on dividend (Refer Note no. 3.4 & 3.5)	6.14	19.78
Transfer to General Reserve	500.00	300.00
Closing Balance	**1,383.05**	**357.78**
TOTAL	**5,026.88**	**4,012.39**

Notes on Reserves & Surplus

3.3 During the year, the Board of Directors have declared interim dividend of ₹0.50 (PY: ₹0.50) per share, which is subject to regularisation of the shareholders in the ensuing Annual General Meeting.

3.4 Final dividend of ₹ Nil (PY: ₹0.55) per share proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

During the previous financial year, the Company had proposed final dividend including the amount due to the minority shareholders of erstwhile Phoenix Lamps Limited and provided for tax on dividend based on the approval of draft scheme of amalgamation by the Board of Directors as mentioned in Note no. 23.5.

3.5 During the current financial year, the Company has declared interim dividend to its shareholders including the amount due to the minority shareholders of erstwhile Phoenix Lamps Limited and provided for tax on dividend based on approval of scheme of amalgamation approved by the members as mentioned in Note no. 23.5. Further the amount of final dividend declared during the current financial year relating to the previous financial year which will become due to the minority shareholders on completion of the final merger formalities of erstwhile Phoenix Lamps Limited with the Company is shown under the head 'Proposed final dividend' above and the tax on dividend thereon is also shown therein. Total of dividend amount is ₹8.96 million and tax on dividend is ₹1.82 million. Refer Note no. 5.4.4 also.

3.6 Note on amalgamation

The scheme of amalgamation under Section 232 of the Companies Act 2013 (sections 391 to 394 of the erstwhile Companies Act, 1956) between Phoenix Lamps Limited (PLL), an erstwhile subsidiary and the Company ('the Scheme') which was approved by their respective shareholders and creditors with effect from April 1, 2016 as the appointed date has been approved by the Honourable National Company Law Tribunal vide its order dated August 11, 2017. Upon necessary filing with the Registrar of Companies, the scheme has become effective on September 13, 2017 and the effect thereof has been given in these financial statements.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(₹ In Millions)

Consequently, in respect of the merger of Phoenix Lamps Limited (PLL) with the Company –

a) In terms of the Scheme, the entire business and the whole of the undertaking of PLL, as a going concern stands transferred to and vested in the Company with effect from the closing hours of April 1, 2016, being the Appointed Date for the merger.

b) In consideration of the amalgamation of PLL with the Company, the Company would issue 8,533,699 equity shares of Re.1/- each aggregating to ₹8.53 million in the ratio of 4 fully paid up equity shares of the face value of Re.1/- each of the Company for every 5 fully paid up equity shares of ₹10/- each held in PLL, which is pending allotment.

c) Accounting for Amalgamation:

The amalgamation of PLL with the Company is an amalgamation in the nature of merger and is accounted for on the basis of the Pooling of Interests Method as envisaged in the Accounting Standard (AS) -14 on Accounting for Amalgamations specified in the Companies (Accounting Standard) Rules 2006 and in terms of the scheme, as below:

– All assets and liabilities of PLL were recorded at their respective book values under the respective accounting heads of the Company.

– ₹ 208.14 million being the difference between the value of net assets (all assets and all liabilities) of PLL transferred to the Company (determined as stated above) and the carrying value of the Company's investment in that company has been adjusted to General Reserve of the Company.

Particulars	**Amount**
Networth of the PLL as on the April 01, 2016	1,776.55
Less: Investment in PLL, (erstwhile subsidiary) by the Company as on April 01, 2016	1,568.41
Amount which is adjusted in General Reserve	**208.14**
Represented by:	
Share capital issued to minority shareholders (Refer Note 2.1.3)	8.53
Reserves on account of amalgamation (Refer Note 3.1.1 to 3.1.4)	763.61
Surplus on account of amalgamation (Refer Note 3.2.1)	732.75
Less:Adjustment to reserves on account of amalgamation (Refer Note 3.1.3)	(1,296.75)
Net amount adjusted in General Reserve	**208.14**

- ₹ 271.66 million being the difference between the value of the amount recorded as share capital issued and the amount of share capital of PLL has been adjusted to General Reserve of the Company.

Particulars	**Amount**
Amount of share capital recorded in PLL as on April 01, 2016	280.19
Less: Amount of Reserves and Surplus to be adjusted on account of issue of equity shares of the Company to minority shareholders as per the Scheme	8.53
Amount which is adjusted in General Reserve	**271.66**

– The inter company balances stood cancelled.

PLL was engaged in the business of manufacturing and trading of auto lamps.

Pursuant to the Scheme referred above, the bank accounts, agreements, licences, rights, patents and certain immovable properties of PLL are in the process of being transferred in the name of the Company.

Particulars	**2017**	**2016**
4 NON CURRENT LIABILITIES		
4.1 Long Term Borrowings:		
4.1.1 **Term Loans(Refer Note no. 4.1.3 and 4.1.4 below)**		
from banks		
-Secured	248.48	368.55
from other parties		
-Secured	257.38	306.57
	505.86	**675.12**
4.1.2 **Deposits (Refer Note no. 4.1.5 below)**		
from related parties		
-Unsecured	-	2.50
from other than related parties		
-Unsecured	0.50	1.75
	0.50	**4.25**
TOTAL	**506.36**	**679.37**

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(₹ In Millions)

Notes on Long Term Borrowings:

4.1.3 Indian rupee term loan from State Bank of India of ₹ 64.00 million (including current maturities (including interest accrued and due) of ₹ 58.50 million) (PY: ₹ 195.43 million and ₹ 132.43 million respectively) carries interest @10.30% p.a. The loan is repayable in 4 to 5 quarterly instalments ranging from ₹ 4.5 million to ₹ 10 million each ending on June, 2018.

Indian rupee term loan from HSBC bank of ₹ 305.56 million (including current maturities (including interest accrued and due) of ₹ 111.11 million) (PY: ₹ 438.63 million and ₹ 133.08 million respectively) carries interest @10.40% p.a. The loan is repayable in 10 to 15 quarterly instalments of ₹ 13.89 million each ending on October, 2020.

Indian rupee term loan from Bajaj Finance Limited of ₹ 332.15 million (including current maturities (including interest accrued and due) of ₹ 74.77 million) (PY: ₹ 403.08 million and ₹ 96.51 million respectively) carries interest ranging from 9.90% to 10.80% p.a. The loan is repayable in 15 quarterly instalments ranging from ₹ 2.78 million to ₹ 9.52 million each ending on November, 2020.

The above term loans availed from various banks and other parties (financial institution) for capacity expansions and working capital requirements are secured by equitable mortgage of land and buildings and hypothecation of other present and future fixed assets of the company on pari-passu first charge basis and in certain cases secured by exclusive charge on the assets acquired from such term loans. Some of these loans are further secured by pari-passu second charge on the movable and immovable fixed assets and current assets of the Company (Including specific charge on assets of the Company and its erstwhile subsidiary).

4.1.4 Indian rupee loan of ₹ 66.17 million (including current maturities (including interest accrued and due) of ₹ 17.64 million) (PY: ₹ Nil and ₹ Nil respectively) carries interest @10.25% to 11.25% p.a. The loan is repayable in 15 quarterly instalments of ₹ 4.41 million each starting from May 5, 2017. The loan is secured by exclusive charge on the plant and equipment purchased from the said term loan located at Plot no. 59A to F, NSEZ, Noida and second pari passu charge on all present and future movable and immovable fixed assets of the Phoenix Lamps Limited (PLL), an erstwhile subsidiary situated at various locations.

4.1.5 Deposits accepted from related parties and other than related parties are unsecured in nature except to the extent of amount of security maintained as mentioned under Note no. 9.1,repayable over the agreed term of 2 years together with interest rate at 9.50% p.a. Interest is payable on a quarterly / half yearly / on maturity basis in accordance with the terms agreed with the depositors.

4.1.6 None of the above borrowings have been guaranteed by any directors or others.

4.1.7 There has been no continuing default as on Balance Sheet date in repayment of loans and interest.

		Particulars	2017	2016
4.2	**DEFERRED TAX LIABILITIES (NET) :**			
	4.2.1	**Liability**		
		On timing differences of depreciation / amortisation	179.55	118.46
		Gross deferred tax liability	**179.55**	**118.46**
	4.2.2	**Asset**		
		On timing differences of:		
		Expenditure allowable for tax purposes when paid	53.46	17.95
		Provision for doubtful debts	3.51	4.41
		Provision for obsolete inventories	8.39	-
		Gross deferred tax asset	**65.36**	**22.36**
		Net deferred tax liability	**114.19**	**96.10**
4.3	**OTHER LONG TERM LIABILITIES:**			
	4.3.1	Trade payables	-	-
	4.3.2	Others		
		Dealer Deposits	13.34	11.76
			13.34	**11.76**
4.4	**LONG TERM PROVISIONS:**			
	4.4.1	**Provision for employee benefits [Refer Note no. 23.9(b)]**		
		- Provision for Gratuity (unfunded) [Refer Note no. 4.4.2 below]	65.63	18.25
		- Provision for Leave encashment	14.74	14.13
			80.37	**32.38**
		TOTAL	**714.26**	**819.61**

4.4.2 Represents the amount of provisions relating to unfunded obligation given in Note no. 23.9(b)(I.a).

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(₹ In Millions)

Particulars	2017	2016
5 CURRENT LIABILITIES		
5.1 SHORT TERM BORROWINGS:		
5.1.1 **Loans repayable on demand**		
Secured from banks (Refer Note no. 5.1.2 to 5.1.4 below)		
Cash credit facility	939.79	991.41
Overdraft facility	15.33	143.06
Bill discounting facility	92.80	-
	1,047.92	**1,134.47**
Notes on Short Term Borrowings		
5.1.2 Cash credit facility from banks outstanding as on 31st March 2017 are repayable on demand and carry interest @ 8.20% to 11.70% p.a. These borrowings are secured by first pari-passu charge by way of hypothecation of entire current assets, both present and future and further secured by way of pari-passu charge on movable and immovable fixed assets (except plant & equipment on which exclusive charge has been created towards term loan availed).		
5.1.3 Overdraft facilities from banks outstanding as on 31st March 2017 are repayable on demand and carry interest @ 9.45% to 12.75% p.a. These borrowings are secured by way of first pari-passu charge by way of hypothecation of entire current assets, both present and future and further secured/ to be secured by pari-passu charge on movable and immovable fixed assets (except plant & equipment on which exclusive charge has been created towards term loan availed).		
5.1.4 Bill discounting facility from a bank outstanding as on 31st March 2017 was availed by the erstwhile subsidiary and carry interest @ 9.75% p.a. Bill discounting facility from a bank is secured by first pari-passu charge by way of hypothecation of entire current assets of such erstwhile subsidiary, both present and future and further to be secured by way of pari-passu charge on movable and immovable fixed assets (except plant & equipment on which exclusive charge has been created towards term loan availed) situated at Plot No. 59 A to F & A1 at Noida.		
5.1.5 None of the above borrowings have been guaranteed by any directors or others.		
5.1.6 There has been no continuing default as on Balance Sheet date in payment of interest.		

Particulars	2017	2016
5.2 TRADE PAYABLES:		
5.2.1 Total outstanding dues of micro enterprises and small enterprises [Refer Note no. 23.7]	51.40	8.22
5.2.2 Total outstanding dues of creditors other than micro enterprises and small enterprises	638.33	552.90
	689.73	**561.12**
5.3 OTHER CURRENT LIABILITIES:		
5.3.1 Current maturities of long term borrowings (including interest accrued and due) (Refer Note no. 4.1.3 to 4.1.4)	262.02	362.02
5.3.2 Current maturities of deposits from (Refer Note no. 4.1.5)		
- related parties	3.00	0.50
- other than related parties	2.65	0.40
5.3.3 Interest accrued but not due		
- on borrowings	18.48	20.37
- on deposits	1.33	0.28
5.3.4 Advances received from customers and their credit balances	16.53	1.80
5.3.5 Unclaimed dividend [Refer Note no. 5.3.7 below]	14.43	1.99

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(₹ In Millions)

Particulars	2017	2016
5.3.6 Other Payables		
Payable towards cost of land	-	5.12
Creditors for purchase of capital goods and services (Refer Note no. 5.3.8 below and 23.7)	37.15	7.03
Statutory Liabilities	48.73	57.21
Payable to employees	59.86	31.74
Payable to directors	15.44	13.45
Security deposits	0.08	-
Deferred premium on forward contracts (Refer Note no. 5.3.9 below)	0.94	-
Unearned Income	1.59	-
Other liabilities	1.31	-
	483.54	**501.91**
5.3.7 As at the year end, there are no amounts outstanding for more than 7 years to be deposited in the Investor Education and Protection Fund. The amounts will be credited to the Investor Education and Protection Fund as and when it is due.		
5.3.8 Includes amount of ₹ 0.65 million (PY-Nil) dues to micro and small enterprises.		
5.3.9 The unamortised premium on outstanding forward contracts is being carried forward to be credited to the profit and loss statement in the subsequent year.		
5.4 SHORT TERM PROVISIONS:		
5.4.1 **Provision for employee benefits** [Refer Note no. 23.9(b)]		
- Provision for Gratuity (net of plan assets) [Refer Note no. 5.4.3 below]	27.25	15.80
- Provision for Leave encashment	11.87	1.21
5.4.2 **Other provisions**		
Provision for Proposed Dividend (Refer Note no. 5.4.4)	8.96	76.93
Provision for Corporate Dividend Tax (Refer Note no. 5.4.4)	1.82	11.61
Provision for Income Tax (Net of Advance Tax and Tax Deducted at Source)	34.84	40.37
Provision for Post-sales warranties (Refer Note no. 5.4.5)	3.20	-
	87.94	**145.92**
TOTAL	**2,309.13**	**2,343.42**

Note :

5.4.3 Amount of contribution payable to the fund maintained with the Life Insurance Corporation of India is disclosed as short term provisions above.

5.4.4 Provision for proposed dividend and provision for corporate dividend tax as at 31st March 2017 represents the amount of dividend and tax thereon accrued as mentioned in Note nos. 3.4 and 3.5.

5.4.5 The Company is carrying post sales warranties provision for auto lamps based on historical experience and future estimate of claims by the management and it is expected that significant portion of these costs will be incurred in the next financial year.

The movement in the provision for post-sales warranties is as follows :

Particulars	31.03.2017	31.03.2016
Amount arising due to amalgamation (Refer Note no. 3.6)	3.20	-
Recognised during the year*	7.72	-
Utilised during the year	(7.72)	-
Reversed during the year	-	-
Balance at the end of the year	**3.20**	**-**

* ₹ 7.72 (PY - Nil) Million debited in sales.

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH

6 FIXED ASSETS

(₹ In Millions)

	Description	Gross Block At Cost					Depreciation/ Amortisation					Accumulated Impairment Provision			Net Block - At WDV	
		As at 01.04.2016	Adjustment on account of amalgamation (Refer Note 3.6)	Additions / Adjustments	Disposals / Adjust-ment	As at 31.03.2017	Upto 01.04.2016	Adjustment on account of amalgamation (Refer Note 3.6)	For the year	Disposals/ Adjustment	As at 31.03.2017	As at 31.03.2017	For the year [Refer Note no. 6.5.6]	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
6.1	**Tangible Assets (Property, Plant & Equipment)**															
	Freehold land	188.25	-	-	5.04	183.21	-	-	-	-	-	-	-	-	183.21	188.25
		(188.25)	-	-	-	*(188.25)*	-	-	-	-	-	-	-	-	*(188.25)*	*(188.25)*
	Leasehold land	189.50	12.81	-	-	202.31	8.27	2.46	1.80	-	12.53	-	-	-	189.78	181.23
		(189.23)	-	*(0.27)*	-	*(189.50)*	*(6.64)*	-	*(1.63)*	-	*(8.27)*	-	-	-	*(181.23)*	*(182.59)*
	Buildings	1,031.28	125.67	192.05	2.45	1,346.55	163.91	65.31	43.18	0.83	271.57	-	-	-	1,074.98	867.37
		(754.26)	-	*(277.02)*	-	*(1,031.28)*	*(132.89)*	-	*(31.02)*	-	*(163.91)*	-	-	-	*(867.37)*	*(621.37)*
	Electrical Installations	132.24	-	29.99	1.07	161.16	35.84	-	8.08	0.22	43.70	0.01	0.01	-	117.45	96.40
		(112.86)	-	*(19.38)*	-	*(132.24)*	*(29.19)*	-	*(6.65)*	-	*(35.84)*	-	-	-	*(96.40)*	*(83.67)*
	Plant and equipment	646.44	1,256.68	377.18	152.44	2,127.86	308.25	1,067.23	84.56	151.86	1,308.18	3.20	0.43	2.77	816.48	335.42
		(583.12)	-	*(63.80)*	*(0.48)*	*(646.44)*	*(280.33)*	-	*(28.11)*	*(0.19)*	*(308.25)*	*(2.77)*	*(1.34)*	*(1.43)*	*(335.42)*	*(301.36)*
	Dies & Moulds	42.24	-	3.69	-	45.93	23.99	-	2.28	-	26.27	-	-	-	19.66	18.25
		(39.38)	-	*(2.86)*	-	*(42.24)*	*(22.40)*	-	*(1.59)*	-	*(23.99)*	-	-	-	*(18.25)*	*(16.98)*
	Furniture and Fixtures	44.54	11.55	3.00	0.01	59.08	19.32	10.95	2.52	0.01	32.78	-	-	-	26.30	25.22
		(42.59)	-	*(1.95)*	-	*(44.54)*	*(17.11)*	-	*(2.21)*	-	*(19.32)*	-	-	-	*(25.22)*	*(25.48)*
	Vehicles	26.14	2.24	3.41	1.75	30.04	14.83	1.76	2.92	1.55	17.96	-	-	-	12.08	11.31
		(26.58)	-	-	*(0.44)*	*(26.14)*	*(12.56)*	-	*(2.65)*	*(0.38)*	*(14.83)*	-	-	-	*(11.31)*	*(14.02)*
	Office equipment	24.72	11.29	8.82	1.17	43.66	12.37	9.76	3.04	1.17	24.00	-	-	-	19.66	12.35
		(20.98)	-	*(3.74)*	-	*(24.72)*	*(10.52)*	-	*(1.85)*	-	*(12.37)*	-	-	-	*(12.35)*	*(10.46)*
	Containers	3.55	-	0.47	-	4.02	3.55	-	0.47	-	4.02	-	-	-	-	-
		(3.38)	-	*(0.17)*	-	*(3.55)*	*(3.38)*	-	*(0.17)*	-	*(3.55)*	-	-	-	-	-
	Computers	44.89	30.89	7.50	1.13	82.15	37.57	30.15	5.34	1.13	71.93	-	-	-	10.22	7.32
		(41.37)	-	*(3.52)*	-	*(44.89)*	*(33.38)*	-	*(4.19)*	-	*(37.57)*	-	-	-	*(7.32)*	*(7.99)*
	Sub Total - 6.1	**2,373.79**	**1,451.13**	**626.11**	**165.06**	**4,285.97**	**627.90**	**1,187.62**	**154.19**	**156.77**	**1,812.94**	**3.21**	**0.44**	**2.77**	**2,469.82**	**1,743.12**
	Previous year	***(2,002.00)***	**-**	***(372.71)***	***(0.92)***	***(2,373.79)***	***(548.40)***	**-**	***(80.07)***	***(0.57)***	***(627.90)***	***(2.77)***	***(1.34)***	***(1.43)***	***(1,743.12)***	***(1,452.17)***
6.2	**Intangible assets**															
	Goodwill	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(Refer Note no. 6.5.6)	*(24.11)*	-	-	*(24.11)*	-	*(24.11)*	-	-	*(24.11)*	-	-	-	-	-	-
	Business Rights	18.80	-	-	-	18.80	5.64	-	3.76	-	9.40	-	-	-	9.40	13.16
		(18.80)	-	-	-	*(18.80)*	*(1.88)*	-	*(3.76)*	-	*(5.64)*	-	-	-	*(13.16)*	*(16.92)*
	Brands	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(Refer Note no. 6.5.6)	*(5.10)*	-	-	*(5.10)*	-	*(5.10)*	-	-	*(5.10)*	-	-	-	-	-	-
	Technical Knowhow	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	(Refer Note no. 6.5.6)	*(0.20)*	-	-	*(0.20)*	-	*(0.20)*	-	-	*(0.20)*	-	-	-	-	-	-
	Patents	0.33	-	-	-	0.33	0.06	-	0.07	-	0.13	-	-	-	0.20	0.27
		-	-	*(0.33)*	-	*(0.33)*	-	-	*(0.06)*	-	*(0.06)*	-	-	-	*(0.27)*	-
	Software	7.51	34.97	0.65	-	43.13	5.82	32.68	1.35	-	39.85	-	-	-	3.28	1.69
		(7.51)	-	-	-	*(7.51)*	*(5.38)*	-	*(0.44)*	-	*(5.82)*	-	-	-	*(1.69)*	*(2.13)*
	Sub Total - 6.2	**26.64**	**34.97**	**0.65**	**-**	**62.26**	**11.52**	**32.68**	**5.18**	**-**	**49.38**	**-**	**-**	**-**	**12.88**	**15.12**
	Previous year	***(55.72)***	**-**	***(0.33)***	***(29.41)***	***(26.64)***	***(36.67)***	**-**	***(4.26)***	***(29.41)***	***(11.52)***	**-**	**-**	**-**	***(15.12)***	***(19.05)***
	Total	**2,400.43**	**1,486.10**	**626.76**	**165.06**	**4,348.23**	**639.42**	**1,220.30**	**159.37**	**156.77**	**1,862.32**	**3.21**	**0.44**	**2.77**	**2,482.70**	**1,758.24**
	Previous year	***(2,057.72)***	**-**	***(373.04)***	***(30.33)***	***(2,400.43)***	***(585.07)***	**-**	***(84.33)***	***(29.98)***	***(639.42)***	***(2.77)***	***(1.34)***	***(1.43)***	***(1,758.24)***	***(1,471.22)***

Previous year figures are given in brackets

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(₹ In Millions)

Particulars	2017	2016
6.3 Capital Work-in-Progress		
Building under construction	5.19	114.46
Machinery pending installation	6.74	31.25
Electrical work in progress	1.81	9.19
Other assets pending capitalisation	4.69	7.66
Borrowing cost pending allocation	-	5.09
Expenditure pending capitalisation	-	0.75
TOTAL	**18.43**	**168.40**
6.4 Software Pending Installation		
Software Pending Installation	1.20	-
TOTAL	**1.20**	**-**

6.5 Notes on Fixed Assets

1. All the fixed assets except the leasehold land are owned by the Company. The title deeds of the immovable properties are held in the name of the Company subject to charge created, in respect of such of immovable properties in favour of its lenders.

2. During the year, based on the no due certificate received from Haryana State Industrial and Infrastructure Development Corporation (HSIIDC), an amount of ₹ 5.04 million shown as enhanced cost payable to HSIIDC in earlier years has now been reduced from the cost of the land.

3. Land on lease at various locations except the leasehold land in Narsapura allotted to the Company on a lease cum sale basis are held on long term lease without right to acquire at the end of the lease period and the cost of such land is amortised over the period of the lease.

4. The Company has taken a property at A1, Noida on Lease for 78 years from the Noida Authority. The lease amount of ₹ 12.81 million paid by the Company at the time of entering into lease agreement is disclosed as 'Leasehold Land' above.

5. Borrowing costs capitalised during the year as per Note no. 20 is ₹14.03 million (PY - ₹ 7.90 million). This amount includes borrowing costs capitalised to property, plant and equipment of ₹ 2.90 million (PY - Nil) during the year on account of amalgamation (Refer Note no. 3.6) which was brought forward from the previous year.

6. During the year, the management has identified certain individual plant and equipment to be impaired based on their condition and usage. The Company has provided for impairment in respect of these assets amounting to ₹ 0.58 million (PY - 1.33 million). During the year, the Company has sold some of the assets impaired in earlier years and has reversed the provision on impairment to the extent of ₹ 0.14 million (PY- Nil).

7. During the previous year, the management has derecognised the Intangible assets (goodwill, brands and technical know-how) based on its assessment that no future economic benefits are expected to arise from its use.

8. Adjustment from plant and equipment represents ₹ 0.39 million being liabilities written back during the year and ₹ 1.46 million being expenditure incurred in previous year and capitalised during the current year.

9. Buildings include building of Gross Block ₹ 59.06 million, Written down value ₹ 18.95 million (PY - Nil) constructed on leased land belonging to Noida Special Economic Zone. During the year, depreciation of ₹ 1.85 million (PY - Nil) has been charged on this building.

10 Additions to plant and equipment during the year includes machinery spares transferred from inventory of ₹ 4.35 million (PY-Nil) (Refer Note no. 1.2).

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(₹ In Millions)

11. Plant and equipment having Gross Block of ₹ 152.10 million (PY-Nil) (Written down value ₹ 1.55 million (PY-Nil) have been discarded during the year.

12. The Company has capitalised the following expenses of revenue nature to the cost of plant and equipment & capital work-in-progress. Consequently expenses disclosed under the respective notes are net of amount capitalised by the Company. The break up of expenditure is as follows:

Particulars		Year ended 31.03.2017	Year ended 31.03.2016
Opening balance arising on amalgamation			
Interest on term loan		**2.90**	-
Travelling and conveyance		**0.75**	-
Add: Expenditure during the year:			
Cost of materials consumed			
Consumption of raw materials	1.55	**1.55**	-
Employee benefit expenses			
Salary and wages	0.37	**0.37**	-
Finance costs			
Interest on term loan	9.26		
Interest others *	1.87	**11.13**	-
Other expenses			
Power and fuel	0.53		
Travelling and conveyance	4.97		-
Insurance	0.08		-
Professional charges	0.36	**5.94**	-
		22.64	-
Less: Capitalisation of expenditure to property, plant and equipment		**22.64**	-
Closing balance pending for allocation		**-**	**-**

* interest others on general borrowings for qualifying asset using the weighted average interest rate applicable during the year which is 9.19% p.a.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(₹ In Millions)

Particulars	2017	2016
7 NON CURRENT INVESTMENTS		
7.1 TRADE INVESTMENTS (At Cost, unless stated otherwise)		
7.1.1 **Quoted Equity Instruments- Fully Paid**		
Investment in Subsidiaries		
M/s. Phoenix Lamps Limited	-	1,568.41
Nil (PY - 61.93% Holding)		
Nil (PY - 17,352,176) Equity Shares of ₹10/- each out of total 28,019,300 shares]		
(Refer Note no. 7.4 below, Note no. 3.6 and 23.5)		
7.1.2 **Unquoted Equity Instruments- Fully Paid**		
Investment in Subsidiaries		
M/s. Suprajit Automotive Private Limited	19.90	19.90
100% Holding (PY - 100% Holding)		
[1,990,000 (PY - 1,990,000) Equity Shares of ₹10/- each including beneficial holding of 1 equity share]		
M/s. Suprajit Europe Limited	186.00	186.00
100% Holding (PY - 100% Holding)		
[2,200,000 (PY - 2,200,000) Ordinary shares of GBP 1/- each]		
M/s. Suprajit USA Inc.	1,413.93	-
100% Holding (PY - Nil Holding)		
[1,000 (PY - Nil) Common Stock of USD 21,000/- each]		
(Refer Note No. 7.3 below)		
Trifa Lamps Germany, GmbH	312.00	-
100% Holding (PY - Nil Holding)		
30,000 (PY - Nil Holding) equity shares of EURO 1 each fully paid up in Trifa Lamps Germany, GmbH		
Luxlite Lamps SARL Luxembourg	592.77	-
100% Holding (PY - Nil Holding)		
91,125 (PY - Nil Holding) equity shares of EURO 100 each fully paid up in Luxlite Lamps SARL Luxembourg [At cost less provision for diminution in value of investment: ₹199.54 million (PY- Nil)]		
TOTAL	**2,524.60**	**1,774.31**
Note :		
7.2 General Information		
A Aggregate value of Investments:		
i. Quoted Investments - At Cost	-	1,568.41
ii. Quoted Investments - At Market value	-	1,713.53
iii. Unquoted Investments (net of aggregate provisions)	2,524.60	205.90
B Aggregate provision for diminution in value of investment	199.54	-

7.3 During the year, the Company has set up a subsidiary company M/s. Suprajit USA Inc. in USA. This subsidiary company was set up to acquire controlling stake in Wescon Controls LLC and the acquisition was completed in September 2016. The amount of invested of ₹1,413.93 million (PY-Nil) was used for the purpose of acquisition of shares in Wescon controls LLC. The Company incurred a total expenditure of ₹ 36.81 million in the nature of professional charges towards the acquisition of this step-down subsidiary which is disclosed under the head 'Exceptional items' in the Profit & Loss Statement in accordance with 'Accounting Standard 5 - Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'.

7.4 During the previous year, the Company had acquired 17,352,176 Equity shares of ₹ 10/- each [14,289,843 Equity Shares (51% shareholding) at a consideration of ₹ 89/- per Share on 18th June 2015, 15,021 Equity Shares (0.05 % shareholding) at a consideration of ₹ 100/- per share on 14th August 2015 and 3,047,312 Equity Shares (10.88% shareholding) at a consideration of ₹ 89/- per share on 9th October 2015] of Phoenix Lamps Limited. Accordingly, Phoenix Lamps Limited has become a subsidiary of the Company from 18th June 2015.

During the previous year, the Company had incurred a total expenditure of ₹ 80.84 million towards this acquisition, out of which ₹ 23.90 million relating to professional charges, have been capitalised as part of Cost of Investment in accordance with 'Accounting Standard 13 - Accounting for Investments'. Balance amount of ₹ 56.94 million relating to finance charges is recognised as an expenditure in accordance with 'Accounting Standard 16 - Borrowing Costs' and is disclosed under the head 'Exceptional items' in the Profit & Loss Statement in accordance with 'Accounting Standard 5 - Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(₹ In Millions)

Particulars	2017	2016
8 LONG TERM LOANS AND ADVANCES		
8.1 Capital Advances		
(Unsecured, considered good)		
Advances towards purchase of capital goods	14.01	34.60
	14.01	**34.60**
8.2 Security Deposits	**34.18**	**26.60**
(Unsecured, considered good)		
8.3 Other loans and advances		
(Unsecured, considered good)		
Advance tax [including Tax deducted at source (Net of Provisions)]	-	2.14
Income tax paid under protest [Refer Note no. 23.6.1]	0.90	0.90
Value Added Tax paid under protest [Refer Note no. 23.6.1]	3.60	3.60
Value Added Tax refundable	2.69	3.50
Balances with statutory / government authorities	1.22	-
Prepaid expenses	0.86	-
	9.27	**10.14**
TOTAL	**57.46**	**71.34**
9 OTHER NON-CURRENT ASSETS		
Others		
(Unsecured, considered good)		
Non-current bank deposits (Refer Note no. 9.1 below)	1.00	1.11
Interest accrued on the above non-current bank deposits	0.05	0.07
TOTAL	**1.05**	**1.18**

9.1 Includes ₹ 1.00 million (PY - ₹ 1.11 million) held against public deposits in pursuance of the requirements of applicable rules.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(₹ In Millions)

Particulars	2017	2016
10 CURRENT INVESTMENTS		
10.1 Investments in Mutual Funds (Quoted, Non-trade)		
Investments in Mutual Funds (at lower of cost or fair value) [Refer Note no. 10.2.1 and 10.2.2]	136.50	1,487.11
TOTAL	**136.50**	**1,487.11**
10.2 Details of Other Investments (Non-trade)		
10.2.1 **General Information[Refer Note no. 10.1]**		
(i) Aggregate amount of quoted investments	136.50	1,487.11
(ii) Aggregate market value (Net Asset Value) of quoted Investments	182.83	1,604.33
(iii) Aggregate provision for diminution in value of investments	-	-
10.2.2 **Details of Mutual Funds held at the end of the year [Refer Note no. 10.1]**		

Particulars	31.03.2017	31.03.2016
Birla Sun Life Treasury Optimizer 344,566.41 (344,566.41) units ₹10/- each	54.00	54.00
Birla Sun Life Cash Plus -Growth Direct Plan Nil (1,242,459.822) units of ₹10/- each	-	300.00
Franklin India short term Income plan -Retail Plan 12,117.34 (12,117.34) units of ₹10/- each	30.00	30.00
Franklin India Short Term Income Plan Retail Plan Nil (38,048.02) units of ₹10/- each	-	100.00
Franklin India Short Term Income Plan Retail Plan Nil (7,558.37) units ₹10/- each	-	20.00
Franklin India Ultra Short Bond Fund-Super Institutional Plan 2,453,358.84 (4,208,874.08) units ₹10/- each	42.50	72.50
HDFC High Interest Fund-Growth Nil (1,771,778.05) units ₹10/ each	-	70.00
HDFC Liquid Regular (WMU) Nil (33,757.431) units of ₹10/- each	-	100.00
HDFC Liquid - Direct Plan-Growth Option Nil (67,600.103) units of ₹10/- each	-	200.61
ICICI Prudential Liquid -Direct Plan Growth Nil(1,347,810.011) units of ₹10/- each	-	300.00
IDFC Dynamic Bond Fund Growth Regular Plan 720,860.996(2,837,676.73) units of ₹10/- each	10.00	40.00
IDFC Super Saver Income Fund Short Term Plan Growth Direct Plan Nil (755,038.94) units of ₹10/- each	-	20.00
Reliance Dynamic Bond Growth Nil (3,808,213.18) units of ₹10/- each	-	60.00
SBI Magnum Insta Cash Liquid Floater - Direct Plan Growth Nil (38,995.743) units of ₹10/- each	-	100.00
UTI Bond Fund Growth Nil (560,887.07) units ₹10/- each	-	20.00
TOTAL	**136.50**	**1,487.11**

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(₹ In Millions)

Particulars	2017	2016
11 INVENTORIES		
(Mode of valuation- Refer Note no. 1.10)		
Raw materials [Refer Note no. 18.2]	405.58	338.56
Raw materials in transit (including at customs bonded warehouse)	53.05	36.02
Fuels	2.72	-
Consumables	13.29	7.97
Packing materials	19.83	3.55
Stores and spares (includes in transit ₹ 0.12 million (PY- Nil))	11.83	-
Work in progress [Refer Note no. 18.2]	109.00	42.29
Finished goods [Refer Note no. 18.2]	291.93	200.54
Traded goods [Refer Note no. 18.2]	10.68	-
Scrap	0.41	-
	918.32	**628.93**
Less: Provision for obsolete inventories	24.26	-
TOTAL	**894.06**	**628.93**
12 TRADE RECEIVABLES		
12.1 Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	0.18	-
Unsecured, considered doubtful	5.84	7.19
Less: Provision for Doubtful receivables	5.84	7.19
	0.18	**-**
12.2 Other Trade Receivables		
Unsecured, considered good	1,619.81	1,258.05
Unsecured, considered doubtful	4.32	5.57
Less: Provision for Doubtful receivables	4.32	5.57
	1,619.81	**1,258.05**
TOTAL	**1,619.99**	**1,258.05**
12.3 Other Trade Receivables in Note no.12.2 above include debts due from:		

Particulars	31.03.2017	31.03.2016
A private company which is a subsidiary company in which director of the Company is a director	-	0.02
Total	**-**	0.02

Particulars	2017	2016
13 CASH AND BANK BALANCES		
13.1 Cash and Cash Equivalents		
Balances with Banks		
- in Current Accounts	14.82	17.01
- in EEFC Accounts	15.79	3.33
- in Deposit accounts with original maturity less than three months	-	0.05
Cash on hand	0.72	0.89
	31.33	**21.28**
13.2 Other Bank balances		
Earmarked balances for Unclaimed Dividend accounts (Refer Note no. 13.3 below)	14.43	1.99
Deposits with remaining maturity of less than 12 months [Refer Note no. 13.4 below and 23.6.1]	1.04	-
Deposits with remaining maturity of more than 12 months [Refer Note no. 13.4 below and 23.6.1]	1.29	0.73
	16.76	**2.72**
TOTAL	**48.09**	**24.00**

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

13.4 Includes deposits aggregating to ₹ 1.52 million (PY - Nil) are in the nature of margin money kept with banks against bank guarantees given.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(₹ In Millions)

Particulars	2017	2016
14 SHORT TERM LOANS AND ADVANCES		
Loans and Advances to Related Parties		
(Unsecured, considered good)		
Loan and advance to subsidiary company		
- Foreign Subsidiary	6.12	-
Advances recoverable from subsidiary company (Refer Note no. 14.1 below)		
- Indian Subsidiary	-	12.60
Security deposits	0.24	-
(Unsecured, considered good)		
Others		
(Unsecured, considered good)		
Advances Recoverable in cash or in kind for value to be received		
Advance to Suppliers	41.74	48.67
Advances to Employees	4.10	4.12
Advance for Expenses	3.77	5.68
Advance income taxes/tax deducted at source (Net of provision for income tax)	216.11	-
Balance with statutory/government authorities	87.17	56.58
Prepaid Expenses	18.32	6.90
TOTAL	**377.57**	**134.55**

14.1 Loans and Advances to Related Parties in Note no.14 above include amounts due from:

Particulars	31.03.2017	31.03.2016
A private company which is a subsidiary company in which director of the Company is a director	-	12.60
TOTAL	**-**	12.60

Particulars	2017	2016
15 OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Export benefit receivable	12.78	0.58
Forward contracts receivable	12.30	-
Assets held for sale (at lower of net book value and net realisable value)	0.01	-
Interest accrued on current bank deposits	3.40	0.07
TOTAL	**28.49**	**0.65**

NOTES FORMING PART OF PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ In Millions)

Particulars	2017	2016
16 REVENUE FROM OPERATIONS		
Sale of Products (Refer Note no. 16.1 below)	9,474.57	6,492.46
Sale of Services (Refer Note no. 16.2 below)	12.85	29.32
Other operating revenue (Refer Note no. 16.3 below)	38.12	9.95
TOTAL	**9,525.54**	**6,531.73**
Particulars of Revenue from Operations		
16.1 Sale of Products		
Product wise		
A Manufactured Goods		
Cables (Control and Speedo)	6,659.85	6,227.52
Auto Lamps	2,461.70	-
Speedo Meters	289.51	259.63
Others (including parts)	12.65	5.31
Total	**9,423.71**	**6,492.46**
B Traded Goods		
Auto Lamps	24.02	-
Stop and Tail Lamps	20.06	-
Others	6.79	-
Total	**50.87**	**-**
16.2 Sale of Services		
Processing Charges	12.85	14.32
Consultancy Charges	-	15.00
TOTAL	**12.85**	**29.32**
16.3 Other Operating Revenue		
Scrap Sales	23.32	9.39
Export benefit entitlements (Net)	14.80	0.56
TOTAL	**38.12**	**9.95**
16.4 Excise duty on sales amounting to ₹ 910.06 million (PY: ₹ 652.33 million) has been reduced from sales in profit and loss statement and excise duty on (decrease)/ increase in inventory amounting to ₹ (-) 6.40 million (PY: ₹ 2.31 million) has been considered as (income)/ expense in note 21 of the financial statements.		
17 OTHER INCOME		
Interest Income		
- On deposits	0.16	1.20
- On advances to suppliers	0.54	0.93
- On loan to subsidiary	2.14	-
- On employee loans & advances	-	-
- Others	0.73	-
Dividend received from subsidiary company	39.80	39.80
Profit on sale of mutual funds	139.61	74.00
Net gain/ (loss) on foreign currency transactions	2.84	8.84
Unspent liabilities written back	0.38	-
Profit on sale of plant and equipment	-	0.04
Other non-operating income	19.46	0.94
TOTAL	**205.66**	**125.75**

NOTES FORMING PART OF PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ In Millions)

Particulars	2017	2016
18 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS, TRADED GOODS AND SCRAP		
Opening Stock		
Finished Goods	200.54	173.26
Work-in-Progress	42.29	67.33
Stock on amalgamation		
Finished Goods	137.64	-
Work in Progress	107.76	-
Traded goods	3.48	-
Scrap	4.20	-
	495.91	**240.59**
Less: Closing Stock		
Finished Goods	291.93	200.54
Work in Progress	109.00	42.29
Traded goods	10.68	-
Scrap	0.41	-
	412.02	**242.83**
TOTAL	**83.89**	**(2.24)**
18.1 Details of purchase of traded goods		
Stop & Tail Lamps	18.46	-
Auto Lamps	23.81	-
Others	6.37	-
TOTAL	**48.64**	**-**
18.2 Details of inventories are given below:		
Finished Goods		
Cables (Control and Speedo)	141.82	193.39
Speedo Meters	3.08	6.14
Auto Lamp	145.23	-
Others (including parts)	1.80	1.01
TOTAL	**291.93**	**200.54**
Work In Progress		
Cables (Control and Speedo)	28.96	36.26
Speedo Meters	7.39	6.03
Bulb	17.19	-
Lamp without stamp	50.13	-
Filament	3.26	-
Others (including parts)	2.07	-
TOTAL	**109.00**	**42.29**
Traded goods		
Stop & Tail Lamps	4.02	-
Auto Lamps	5.38	-
Others	1.28	-
Total	**10.68**	**-**
Raw Materials (including raw materials in transit)		
Steel Wire	19.50	17.56
Inner	53.44	71.39
Bend Tube Assy.	23.73	7.59
PVC Compound	6.62	11.83
Glass Tube	68.28	-
Lamp Base Parts	23.00	-
Imported Bulb	10.29	-
T. Filament	6.41	-
Component and Others	247.36	266.21
TOTAL	**458.63**	**374.58**

NOTES FORMING PART OF PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ In Millions)

Particulars	2017	2016
19 EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and bonus (including managerial remuneration)	1,016.14	666.50
Contribution to Provident fund and other funds	46.63	23.64
Gratuity expense	14.23	12.43
Staff welfare expenses	45.32	23.61
	1,122.32	**726.18**
Less: Expenditure incurred during the construction period (Refer Note no.6.5.12)		
- Capitalised to property, plant and equipment	0.37	-
- Transferred to capital work in progress	-	0.53
TOTAL	**1,121.95**	**725.65**
20 FINANCE COSTS		
Interest expense:		
- On borrowings	211.22	196.74
- On deposits	0.46	0.50
- On Income tax	0.29	-
- Others (Refer Note no. 20.1 below)	1.13	0.23
Loan processing charges	21.82	4.84
	234.92	**202.31**
Less: Expenditure incurred during the construction period (Refer Note no.6.5.12)		
- Capitalised to property, plant and equipment	11.13	2.81
- Transferred to capital work in progress	-	5.09
TOTAL	**223.79**	**194.41**

20.1 Net of interest concession under Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit of the Government of India of ₹ 0.36 million (PY- Nil).

Particulars	2017		2016	
21 OTHER EXPENSES				
Increase/ (Decrease) of excise duty on Inventory		(6.40)		2.31
Power and fuel		161.85		91.38
Rent		14.90		7.26
Repairs & Maintenance:				
- Buildings		12.98		3.19
- Plant and equipment		43.22		35.03
- Others		35.14		17.70
Insurance		17.28		10.75
Rates and taxes, filing and legal charges		15.23		9.45
Bank Charges		4.80		1.01
Travelling and Conveyance		72.57		38.81
Professional Charges (Refer Note no. 21.1 and 21.2 below)		44.67		57.53
Security Expenses		27.33		17.41
Communication Expenses		9.59		5.76
Printing & Stationery		10.01		6.24
Freight Outward and C & F Charges		115.47		68.09
Advertisement and Sales Promotion		17.45		5.40

NOTES FORMING PART OF PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ In Millions)

Particulars	2017		2016	
Discount		94.76		121.94
Commission				
- Sales Commission		5.15		0.09
- Others		0.02		-
Directors' Sitting Fees & Commission		1.57		1.52
Bad debts/ receivables written off	2.04		0.55	-
Less: Withdrawal of earlier year provisions	1.68	0.36	0.29	0.25
Provision for Doubtful debts		(1.44)		4.42
Research & Development expenses (Refer Note no. 23.2)		4.46		3.13
Loss on discard/ disposal of plant and equipment (net)		3.17		-
Provision for impairment of plant and equipment (Net) [Refer Note no. 6.5.6]		0.44		1.33
Provision for obsolete inventories		5.16		-
General Expenses		11.92		4.26
		721.66		**514.26**
Less: Expenditure incurred during the construction period (Refer Note no. 6.5.12)				
- Capitalised to property, plant and equipment		5.94		1.67
- Transferred to capital work in progress		-		0.23
TOTAL		**715.72**		**512.36**
21.1 Auditors' Remuneration * (excluding service tax)				
a. As auditor (including limited review, consolidated financial statements)		4.78		1.60
b. For certification		0.66		0.62
c. Reimbursement of expenses		0.59		0.30
		6.03		**2.52**

* includes remuneration to the auditors of erstwhile Phoenix Lamps Limited in respect of the current year 2016-17 - ₹ 3.84 million.

21.2 Legal and professional charges includes ₹ Nil (PY - ₹ 35.81 million) relating to the issue of shares to the Qualified Institutional Buyers during the financial year ended 31st March 2016.

21.3 Exceptional item includes amount of ₹ 17.58 million to Noida Special Economic Zone (NSEZ) towards transfer charges on account of change in composition of Board of Directors in the erstwhile Phoenix Lamps Limited and shareholding of the Company, upon acquisition of 61.93% stake by the Company in the previous financial year, as per the prevalent guidelines of the NSEZ Authority. The same has been shown as 'Exceptional item' in Profit & Loss Statement.

Particulars	2017	2016
22 CSR EXPENDITURE		
Contribution to Suprajit Foundation [Refer Note no. 22.1 below]	24.86	13.44
TOTAL	**24.86**	**13.44**

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

Details of CSR expenditure are given below:	2017	2016
a) Gross amount to be spent by the Company during the year	24.75	13.44
b) Amount spent during the year:		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above- Payment made in cash by the Company	24.86	26.20

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

23 OTHER NOTES ON FINANCIAL STATEMENTS

23.1 In the opinion of the Board, none of the assets other than property, plant and equipment ,intangible assets and non-current investments have a value lower on realisation in the ordinary course of business than the amount at which they are stated in the Balance Sheet.

23.2 Research & Development Expenditure

Particulars	2016-17	2015-16
Salaries & Wages	16.54	17.43
Materials, Consumables & Stores	4.83	5.17
Other Direct Expenditure	4.47	3.13
TOTAL	**25.84**	**25.73**

The expenses such as Salaries, Wages (included in Note no 19), Materials and Consumables (included in 'Cost of materials consumed') are included in the respective head of accounts. Direct expenditure (included in Note no. 21) is disclosed under Research & Development Expenditure in the Profit & Loss Statement.

23.3 Suprajit Europe Limited, a Wholly Owned Subsidiary (WOS) was established in 2006 and has accumulated losses of ₹31.09/- million (PY: ₹121.79/- million) as at the year ended March 31st, 2017. During the year,the WOS has earned net profits and the management expects to have a sustained growth in revenue and profits in the forseeable future. Hence in the opinion of the management there is no permanent diminution in the value of the investment. The Company has provided a Corporate guarantee of GBP. 0.50 million (PY: GBP. 0.50 million) to the bankers of the WOS to fund its operations if required.

23.4 Full quantitative particulars giving item wise and location wise details of property, plant and equipment are maintained in the ERP system in respect of additions made after 1st April, 2008. The management is in the process of updating the same to bring it to a current level. The particulars of property, plant and equipment acquired prior to this date have been updated in the ERP system in a summarised format. However, item wise particulars are maintained for major assets in manual form.

23.5 The equity shareholders, secured and unsecured creditors have approved the scheme of amalgamation of the Company with Phoenix Lamps Limited,(PLL), an erstwhile subsidiary of the Company, at the Court Convened Meetings (CCM) held on September 24, 2016. The draft scheme of amalgamation was approved by the Board of Directors of both the companies on April 18, 2016. The Company had filed the petition with the Hon'ble High Court of Karnataka initially and subsequently, the said petition was moved to National Company Law Tribunal, Karnataka (NCLT) as per the directions of the Ministry of Company Affairs (MCA) and the proceedings are on with NCLT.

After the end of the year, this scheme of amalgamation with the appointed date as April 01, 2016 has been approved by the NCLT vide order dated August 17, 2017 and upon necessary filing with the Registrar of Companies, the scheme has become effective on September 13, 2017 and this financial statements is after considering the adjustments arising on amalgamation as mentioned in Note no 3.6. In view of the above, the standalone financial statements of the Company and the standalone financial statements of erstwhile Phoenix Lamps Limited as approved by respective Board of directors on May 29, 2017 and May 27, 2017 is considered for preparation of this financial statements.

(₹ In Millions)

	Particulars	31.03.2017	31.03.2016
23.6	**Contingent Liabilities and Commitments**		
	23.6.1 **Contingent Liabilities**		
	Corporate Guarantees issued on behalf of subsidiaries to their bankers towards credit facility [GBP 0.50 million (PY: GBP 0.50 million)]	41.17	48.08
	Corporate Guarantees issued on behalf of subsidiaries to their bankers towards credit facility [USD 25 million (PY: Nil)]	1,640.00	-
	B-17 Bond Executed in favour of customs	15.00	15.00
	Bank Guarantee furnished to Tax Authorities for availing concessions.	0.75	0.75
	Disputed Excise/ service tax dues pending in appeal *	0.11	0.43
	Disputed Sales tax/VAT matters in respect of the following years pending in appeal against which amounts mentioned in Note No 8.3 as 'Value Added Tax paid under protest' is paid under protest, disclosed under the head Long term advances -Others and stay has been granted by the authorities in respect of payment of balance demand.*	-	-
	- In respect of FY 2006-07, the amount paid under protest against the demand is ₹ 0.80/- million.	33.75	33.75
	- In respect of FY 2008-09, the amount paid under protest against the demand is ₹ 2.00/-million.	31.09	31.09
	- In respect of FY 2009-10, the amount paid under protest against the demand is ₹ 0.80/- million.	28.67	28.67

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Millions)

	Particulars	31.03.2017	31.03.2016
	Disputed Income tax matters pending before Commisioner of Income Tax(Appeals) with respect to Assessement year 2009-10 and 2010-11 inrespect of which amounts mentioned in Note no 8.3 as Income tax paid under protest is paid under protest and disclosed under the head Long term advances-others	-	-
	- In respect of AY 2009-10 (FY 2008-09), the amount paid under protest against the demand is ₹ 0.90/- million.	-	0.90
	- In respect of AY 2010-11 (FY 2009-10)	-	4.52
	- In respect of AY 2011-12 (FY 2010-11)	-	3.24
	'(i) Demands from the Indian tax authorities for disputed demands of income tax for the Assessment Years 2005-06 and 2011-12 *	7.05	-
	(iii) In respect of Assessment Year 2012-13, certain adjustments/ disallowances were made by the tax authorities on account of benefits claimed u/s 10AA of the Income Tax Act, 1961, interest on delayed realized export proceeds, SBLC charges etc. The Parent Company during the year, received an order from Dispute Resolution Panel ('DRP') wherein amount of disallowances of ₹113.27/- million was reduced to ₹17.78/- million, on which income tax amounts to ₹5.77 million . The Parent Company has filed an appeal before Income Tax Appellate Tribunal (ITAT) for the disallowances sustained by DRP*	5.77	-
	(iv) In respect of Assessment Year 2013-14, certain adjustments/ disallowances were made by the Indian tax authorities on account interest on delayed realized export proceeds, SBLC charges etc. The amount of disallowances is ₹8.47/- million on which income tax amounts to ₹2.74/- million (excluding interest, penalty etc) *	2.75	-
	(v) VAT/Sales Tax demands *	0.45	-
	(vi) Penalty against service tax demand *	1.07	-
	(vii) Claims also includes suspension period wages *	4.33	-
	TOTAL	**1,811.96**	**166.43**

* No provision has been made in these financial statements for these disputed duty, tax demands, as the management is confident based on favourable decision in similar cases, discussions with the advocate etc. that the matter will be ultimately decided in favour of the company.

The contingent liabilities disclosed above exclude liabilities pertaining to General Lighting business which are to be borne by Halonix Technologies Private Limited ("HTPL") to whom the business had been transferred in the Financial Year 2013-14, in accordance with the Business Transfer Agreement signed by the earstwhile Phoenix Lamps Limited with HTPL.

	Particulars	31.03.2017	31.03.2016
23.6.2	**Commitments**	**31.03.2017**	**31.03.2016**
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	9.90	37.16

23.7 The Company has identified Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006. Particulars of dues to these parties are as under:

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Millions)

Particulars	31.03.2017	31.03.2016
Principal amount (including overdue amount) outstanding at the beginning of the year (including amount on amalgamation for 31.03.2017)	8.22	10.70
Interest amount outstanding at the beginning of the year	0.02	0.15
Interest (out of the above) paid during the year	0.02	0.03
Amount paid after the due date during the year	7.43	13.22
Overdue amount outstanding at the end of the year	0.79	-
Principal amount (other than overdue amount) outstanding at the end of the year	48.74	8.22
Interest amount accrued and remaining unpaid at the end of the year	2.52	0.02

23.8 Foreign Exchange exposure

a. The details of unhedged foreign currency exposure as at the year end is given below:

Particulars	31.03.2017			31.03.2016		
I. ASSETS	**Foreign currency**	**Exchange Rate**	**Equivalent ₹**	**Foreign currency**	**Exchange Rate**	**Equivalent ₹**
USD Receivable@	1.73	63.90	110.55	1.48	65.92	97.46
Euro Receivable	1.08	68.85	74.36	0.17	74.16	12.38
GBP Receivable	0.31	78.97	24.48	0.09	94.27	8.17
Bank Balance EURO*	0.00	66.79	0.02	-	-	-
EEFC Bank Balance USD	0.24	64.73	15.79	0.05	65.91	3.33
Total Receivables	**3.36**		**225.20**	**1.78**		**121.34**

Particulars	31.03.2017			31.03.2016		
II. LIABILITIES	**Foreign currency**	**Exchange Rate**	**Equivalent ₹**	**Foreign currency**	**Exchange Rate**	**Equivalent ₹**
USD Payable*	0.25	66.04	16.51	0.00	66.16	0.21
Euro Payable	0.45	68.62	30.88	-	-	-
GBP Payable*	0.00	78.53	0.03	0.00	92.59	0.01
JPY Payable	0.08	0.61	0.05	-	-	-
USD Payable towards capital goods	0.34	64.32	21.87	-	-	-
Total Payables	**1.12**	**-**	**69.34**	0.00	**-**	**0.22**

b. Particulars of derivative outstanding as at the reporting date

Particulars	31.03.2017		31.03.2016	
	Currency	**Equivalent Rupees**	**Currency**	**Equivalent Rupees**
Forward Contracts Sell	EURO	1.22	-	-
Forward Contracts Sell	EURO	3.00	-	-

@ Above figures does not include advances paid against goods/ services as it is adjustable against future supplies/ services.

*Amount is below the rounding off norm adopted by the Company

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Millions)

23.9 Employee Benefits

Details of the employee benefits are given below.

a. **Defined Contribution Plans:**

During the year the following amounts have been recognised in the Profit and Loss Statement on account of defined contribution plans.

Particulars	31.03.2017	31.03.2016
Employers contribution to Provident Fund (including administration charges)	34.59	19.20
Employers contribution to Employee State Insurance	9.46	3.72

b. **Defined Benefit Plans:**

Gratuity - Funded and Unfunded

Leave encashment - Unfunded

The Company has provided for liability of gratuity and leave encashment based on an actuarial valuation under the projected unit credit method. Principal actuarial assumptions in determining such liability are given below:

Particulars	Gratuity		Leave Encashment	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Discount Rate (per annum)*	7.31%	8.00%	7.31%	8.00%
Expected return on plan assets**	7.55%	8.00%	-	-
Salary escalation rate***	10.00%	10.00%	10.00%	10.00%

One of the division of the Company (erstwhile subsidiary Phoenix Lamps Limited) has separate defined gratuity plan in respect of which different actuarial assumptions are considered as on 31.03.2017 :

Discount Rate (per annum)	7.30%
Expected return on plan assets	8.25%
Employee Turnover#	9.5% for all ages
Salary escalation rate	7.60%

* The discount rate is based on the prevailing market yields of Government of India services as at the Balance Sheet date for the estimated term of the obligations.

** Expected return on plan assets represent the estimated return on plan asset with the LIC.

*** The assumption of future salary increases takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

Employee turnover percentage is the expected service of the employees in the future considered as average of all ages of the employees.

The major categories of Plan Assets as a percentage of fair value of total Plan Assets are as follows :

Particulars	March 31,2017	March 31,2016
Investment with Insurer	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligations is to be settled. The Company expects to contribute ₹ 9.78 million (PY- 9.05 million) to Gratuity Fund in the next year.

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Millions)

	Particulars	31.03.2017		31.03.2016	
		Gratuity	Compensated Absences	Gratuity	Compensated Absences
I.	**Reconciliation of present value of obligation**				
	Present value of obligation at beginning of the year	61.95	15.34	49.06	13.22
	Present value arising on amalgamation	53.87	8.74	-	-
	Current Service Cost	8.76	4.39	10.94	3.03
	Interest Cost	8.62	1.74	3.86	0.99
	Actuarial (gain)/loss	(1.21)	(1.46)	(0.12)	(0.17)
	Benefits Paid	(5.50)	(2.14)	(1.79)	(1.73)
	Present value of obligation at end of the year (Refer Note no. I.a. below)	**126.49**	**26.61**	**61.95**	**15.34**

I.a. Present Value of Obligation towards Gratuity as at 31.03.2017 includes liability not eligible to be covered by the clauses governing the Group Gratuity Scheme and is disclosed as an unfunded obligation in Note no. 4.4.1.

	Particulars	31.03.2017	31.03.2016
		Gratuity	Gratuity
II.	**Reconciliation of fair value of plan assets**		
	Fair value of plan assets beginning of the year	27.90	25.53
	Fair value of plan assets arising on amalgamation	1.68	-
	Expected return on plan assets	1.69	1.97
	Actuarial gain/(loss)	0.25	0.28
	Contributions	8.20	1.91
	Benefits paid	(6.11)	(1.79)
	Fair value of plan assets at end of the year	**33.61**	**27.90**

	Particulars	31.03.2017	31.03.2016
		Gratuity	Gratuity
III.	**Description of Plan Assets**		
	Insurer Managed Funds	33.61	27.90

The fund is maintained with the Life Insurance Corporation of India under the Group Gratuity Scheme administered through trustees.

	Particulars	31.03.2017		31.03.2016	
		Gratuity	Leave encashment	Gratuity	Leave encashment
IV.	**Expenses recognised in the Profit & Loss Statement**				
	Current Service Cost	8.76	4.39	10.94	3.03
	Interest Cost	8.62	1.74	3.86	0.99
	Expected return on plan assets	(1.69)	-	(1.97)	-
	Actuarial (gain)/loss	(1.46)	(1.46)	(0.40)	(0.17)
	Net Expense recognised in the Profit & Loss Statement under employee benefit expense	**14.23**	**4.67**	**12.43**	**3.85**
	Actual Return on Plan Assets	1.93	-	-	-

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Millions)

	Particulars	2016-17		2015-16	
		Gratuity	Leave encashment	Gratuity	Leave encashment
V.	**Net (Asset)/ Liability recognized in the Balance Sheet as at year end**				
	Present value of obligation at end of the year	126.49	26.61	61.95	15.34
	Fair value of plan assets at end of the year	33.61	-	27.90	-
	Net present value of unfunded obligation recognized as (asset)/liability in the Balance Sheet under the Long-term provision and Short-term provision	**92.88**	**26.61**	**34.05**	**15.34**

	Particulars	2017	2016	2015	2014	2013
VI.	**Experience Adjustments :** **Gratuity - Funded & Unfunded**					
	Present value of obligations	126.49	61.95	49.06	32.47	24.76
	Fair value of plan assets	33.61	27.90	25.53	20.97	20.01
	Funded Status [Surplus/(Deficit)]	(39.73)	14.37	7.47	11.50	4.74
	Experience [(Gain)/Loss] adjustment on plan liabilities	2.68	(0.12)	(0.04)	(0.60)	(0.15)
	Experience [Gain/(Loss)] adjustment on plan assets	0.25	0.28	0.18	-	(0.17)
	Leave encashment - Unfunded	-	-	-	-	-
	Present value of obligations	16.01	15.34	13.22	9.49	6.75
	Experience [(Gain)/Loss] adjustment on plan liabilities	(0.93)	(0.17)	0.30	0.42	(0.55)

23.10 Leases

The Company has taken various factory, residential and warehouse premises under operating lease agreements. These are generally cancellable and are renewable by mutually agreed terms. There are no restrictions imposed by lease agreements. There are no sub leases.

Particulars	2016-17	2015-16
Total lease payment for the year (recognized in the Profit and Loss Statement)	10.40	7.26

23.11 Segment Reporting

The Company has classified its products as Auto Components and hence operates in only one primary segment (business) as the products do not have any significantly different risk and returns. Secondary segmental reporting is based on the geographical location of customers. The following table shows the distribution of the Company's consolidated sales by geographical market regardless of where the goods were produced and the carrying amount of trade receivable by geographical market.

Particulars	Within India	Outside India	Total
Gross Sales	**8,117.25**	**1,408.29**	**9,525.54**
	(6,210.76)	(320.97)	(6,531.73)
Trade Receivables	**1,410.60**	**209.39**	**1,619.99**
	(1,140.04)	(118.01)	(1,258.05)
Other Assets	**5,580.97**	**989.18**	**6,570.15**
	(6,048.71)	-	(6,048.71)

Note:

(i) The Company has common fixed assets located in India for producing goods for domestic as well as overseas markets. Hence separate figures for fixed assets/additions to fixed assets have not been furnished.

(ii) Previous Year figures are given in brackets.

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Millions)

23.12 Related Party Disclosures

Party	Relationship
Suprajit Automotive Private Limited	Wholly owned subsidiary
Suprajit Europe Limited, U.K.	Wholly owned subsidiary
Suprajit USA Inc.	Wholly owned subsidiary
Phoenix Lamps Limited	Subsidiary [till 31.03.2016 (until amalgamation)]
Luxlite Lamps SARL Luxembourg	Subsidiary (after amalgamation w.e.f 01.04.2016)
Trifa Lamps Germany GmbH	Subsidiary (after amalgamation w.e.f 01.04.2016)
K Ajith Kumar Rai (Chairman & Managing Director)	Key Management Personnel
Mohan Chelliah (Executive Director) (upto 11th March 2017)	Key Management Personnel
Mohan Srinivasan Nagamangala (WTD & CEO) (from 13th February 2017)	Key Management Personnel
Medappa Gowda J (CFO & CS)	Key Management Personnel
Akhilesh Rai	Relative of Key Management Personnel
Ashutosh Rai	Relative of Key Management Personnel
Manjunath Rai K	Relative of Key Management Personnel
Hemavathi M Rai	Relative of Key Management Personnel
Ashok Kumar Rai	Relative of Key Management Personnel
Suprajit Foundation	Enterprises owned or significantly influenced by Key Management Personnel

Nature of Transaction and Related Party		2016-17	2015-16
I.	**Remuneration/Commission**		
	K Ajith Kumar Rai	31.01	27.37
	Mohan Chelliah	10.63	9.33
	Mohan Srinivasan Nagamangala	1.40	-
	Medappa Gowda.J	5.67	4.55
	Akhilesh Rai	0.59	1.09
	Ashutosh Rai	0.79	0.63
II.	**Sales**		
	Suprajit Automotive Private Limited	39.49	31.19
	Luxlite Lamps SARL Luxembourg	595.49	-
	Trifa Lamps Germany GmbH	201.81	-
III.	**Processing charges Received**		
	Suprajit Automotive Private Limited	3.12	3.23
IV.	**Professional fees**		
	Phoenix Lamps Limited	-	15.00
V.	**Expense reimbursement received**		
	Suprajit Automotive Private Limited	13.34	15.08
	Suprajit USA Inc.	6.16	-
VI	**Dividend Received**		
	Suprajit Automotive Private Limited	39.80	39.80
VII	**Freight Recovery**		
	Luxlite Lamps SARL Luxembourg	2.34	-
	Trifa Lamps Germany GmbH	1.56	-
VIII	**Purchase of duty licenses**		
	Suprajit Automotive Private Limited	5.15	-
IX	**Purchase of Materials**		
	Suprajit Automotive Private Limited	6.33	5.95
	Luxlite Lamps SARL Luxembourg	2.92	-
	Suprajit Europe Limited	-	0.01
X	**Interest Paid**		
	Manjunath Rai K	0.10	0.09
	Hemavathi M Rai	0.10	0.10
	Ashok Kumar Rai	0.10	0.10
XI	**Interest accrued but not due on deposits and outstanding**		
	Manjunath Rai K	0.01	0.01
	Hemavathi M Rai	0.03	0.03
	Mohan Chelliah	0.06	-

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Millions)

Nature of Transaction and Related Party		2016-17	2015-16
XII	**Interest income on loan given**		
	Suprajit USA Inc.	2.14	-
XIII	**CSR Expenditure**		
	Suprajit Foundation	24.86	13.44
XIV	**Reimbursements paid**		
	K Ajith Kumar Rai	2.36	2.41
	Mohan Chelliah	1.01	1.30
	Mohan Srinivasan Nagamangala	0.07	-
	Medappa Gowda.J	0.54	0.30
	Akhilesh Rai	0.15	0.24
	Ashutosh Rai	0.25	-
	Suprajit Automotive Private Limited	0.40	2.89
	Trifa Lamps Germany GmbH	1.25	
XV	**Equity Investment made**		
	Suprajit USA Inc.	1,413.93	-
XVI	**Loan Given**		
	Suprajit USA Inc.	108.86	-
XVII	**Loan Repaid**		
	Suprajit USA Inc.	108.53	-
XVIII	**Fixed Deposits Accepted**		
	Manjunath Rai K	-	0.50
	Hemavathi M Rai	-	1.00
	Ashok Kumar Rai	-	1.00
	Mohan Chelliah	1.00	-
XIX	**Fixed Deposits Refunded on Closure**		
	Manjunath Rai K	-	0.50
	Hemavathi M Rai	-	1.00
	Ashok Kumar Rai	-	1.00
XX	**Technician Charges Paid**		
	Luxlite Lamps SARL Luxembourg	0.95	-
	Trifa Lamps Germany GmbH	0.04	-
XXI	**Standby Letter of Credit redeemed**		
	Trifa Lamps Germany GmbH	1,126.43	-

	Balance outstanding at the year end	31.03.2017	31.03.2016
A	**Receivable**		
	Suprajit Automotive Private Limited (Dr.)	-	12.63
	Suprajit USA Inc. (Dr.)	6.12	-
	Luxlite Lamps SARL Luxembourg (Dr)	104.72	-
	Trifa Lamps Germany GmbH (Dr)	34.17	-
B	**Payables**		
	Suprajit Europe Limited (Cr.)	-	0.01
	Luxlite Lamps SARL Luxembourg (Cr)	0.46	-
	Manjunath Rai K (Cr.)	1.00	1.00
	Hemavathi M Rai (Cr.)	1.00	1.00
	Ashok Kumar Rai (Cr.)	1.00	1.00
	Mohan Chelliah	1.06	-
	Interest accrued but not due on total outstanding deposits (Cr.)	0.10	0.04
C	**Corporate Guarantee Furnished**		
	Suprajit Europe Limited [GBP 0.50 million (PY: GBP 0.50 million)]	41.17	48.08
	Suprajit USA Inc. [USD 25 Million (PY:USD Nil)]	1,640.00	-
D	**Investment in subsidiary**		
	Suprajit Automotive Private Limited	19.90	19.90
	Suprajit Europe Limited	186.00	186.00
	Suprajit USA Inc.	1,413.93	-
	Phoenix Lamps Limited	-	1,568.41
	Luxlite Lamps SARL Luxembourg	792.31	-
	Trifa Lamps Germany GmbH	312.00	-
E	**Provision for diminution in value of Investment**		
	Luxlite Lamps SARL Luxembourg	199.54	-

Notes:

Amounts shown as outstanding at the year end in relation to fixed deposits accepted represent only the principal amount and the accumulated amount of interest accrued but not due is disclosed above.

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Millions)

23.13 (i) Materials consumed/sold

Particulars	**2016-17**	**2015-16**
Steel Wire	458.42	455.44
Inner Meter	711.64	664.32
Bend Tube Assy.	278.28	279.37
PVC Compound	146.51	143.00
Glass Tube	198.61	-
Lamp Base Parts	293.95	-
Imported Bulb	21.39	-
T. Filament	95.85	-
Component and Others	2,917.55	2,096.01
Total	**5,122.19**	**3,638.14**
(ii) Materials Consumed		
Imported	781.01	459.88
Imported % to total	15.25%	12.64%
Indigenous	4,341.18	3,178.26
Indigenous % to total	84.75%	87.36%
Total	**5,122.19**	**3,638.14**
Total %	100%	100%
(iii) CIF Value of Imports		
I. Raw materials	792.20	490.19
II. Capital goods	226.99	7.71
Total	**1,019.19**	**497.90**
(iv) Earnings in Foreign Currency		
Export of goods calculated on F.O.B. basis;	1,400.42	320.97
Freight Recovery	3.99	-
Total	**1,404.41**	**320.97**
(v) Expenditure in foreign currency		
Commission	-	0.09
Travelling expenses	13.13	3.68
Professional charges	12.83	13.8
Technician charges	1.20	-
Finance cost	0.68	-
Other expenses	1.07	-
Total	**28.91**	**17.57**

23.14 Pending receipt of appeal effect orders for the assessment years where appeals have been decided in favour of the Company by the Commissioner of Income Tax (Appeals) and/ or Income Tax Appellate Tribunal (ITAT), interest on income tax refund has not been recognized thereof as the amount is presently not reasonably determinable. Interest income on this refund shall be recognized in the year the appeal effect order is received from Income Tax Department.

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

23.15 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹)

Particulars	SBNs**	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	820,000	814,640	1,634,640
(+) Permitted receipts	-	1,796,492	1,796,492
(-) Permitted payments	-	1,284,649	1,284,649
(-) Amount deposited in Banks	820,000	80,000	900,000
Closing cash in hand as on December 30, 2016	**-**	**1,246,483**	**1,246,483**

**For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

23.16 Computation of Basic and Diluted EPS

Basic and Diluted Earnings per Share ("EPS") computed in accordance with Accounting Standard (AS) 20 "Earnings per Share"

(₹ In Millions)

Particulars	2017		2016	
	Basic	Diluted	Basic	Diluted
Weighted average number of shares used in computing earnings per share (A)	139,872,473	139,872,473	121,167,383	121,167,383
Face value per share (₹)	1	1	1	1
Net Profit After Tax as per Profit and Loss Statement before exceptional items (net of tax expense) (B)	922.99	922.99	556.68	556.68
Earnings per equity share before exceptional items (net of tax expense) (in ₹)	6.60	6.60	4.59	4.59
Net Profit After Tax as per Profit and Loss Statement after exceptional items (net of tax expense) (C)	868.62	868.62	499.74	499.74
Earnings per equity share after exceptional items (net of tax expense) (in ₹)	6.21	6.21	4.12	4.12

23.17 Disclosure required under Section 186 (4) of the Companies Act, 2013

(a) Particulars of Loan given:

(i) FY 2016-17:

(₹ In Millions)

Name of the Loanee	Loan given during the FY 2016-17	Loan repaid during the FY 2016-17	Purpose
Suprajit USA Inc.	108.86	108.53	For meeting expenditure of acquiring step-down foreign subsidiary and in order to facilitate its operations.

(ii) FY 2015-16:

No loans given during the year.

(b) Particulars of Guarantee given:

(i) FY 2016-17

During the year, the Company has issued Corporate Guarantee on behalf of their subsidiaries to their bankers towards credit facility. The details of the guarantees given by the Company as below:

(₹ In Millions)

Name of the Entity	Year (Country)	Guarantee given	Outstanding Balance as on March 31, 2017	Purpose
Suprajit USA Inc.	2016-17 (USA)	USD 25 million	1,640.00	To the bankers towards credit facility
Suprajit Europe Limited, U.K.	2016-17 (UK)	GBP 0.50 million	41.17	To the bankers towards credit facility

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ In Millions)

(ii) FY 2015-16:

Name of the Entity	Year (Country)	Guarantee given	Outstanding Balance as on March 31, 2016	Purpose
Suprajit Europe Limited, U.K.	2015-16 (UK)	GBP 0.50 million	48.08	To the bankers towards credit facility

(c) Particulars of Investments made:

(i) FY 2016-17

During the year, the Company has made investment in subsidiary in USA as mentioned in Note no. 7.3

Name of the Investee	Investment Made	Outstanding Balance as on March 31, 2017
Suprajit USA Inc., USA	1,413.93	1,413.93

(ii) FY 2015-16:

The Company had made investment in subsidiary by way of acquisition of shares from third parties as mentioned in Note no.7.4

Name of the Investee	Investment Made during the Financial Year 2015-16	Outstanding Balance as on March 31, 2016
Phoenix Lamps Limited	1,568.41	1,568.41

23.18 Previous period figures have been rearranged/ reclassified where required to confirm to current year's classification. However, due to amalgamation as mentioned in Note no 23.5 previous year figures are not strictly comparable with current year figures in this financial statements.

(Signatures to Notes 1 to 23)

As per our report of even date attached

For and on behalf of the Board of Directors

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director
DIN : 01160327

Mohan Srinivasan Nagamangala
Director & Chief Executive Officer
DIN: 01916468

Medappa Gowda J
Company Secretary &
Chief Financial Officer

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : September 13, 2017

CONSOLIDATED FINANCIAL STATEMENTS
OF
SUPRAJIT ENGINEERING LIMITED

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To

The Members of **SUPRAJIT ENGINEERING LIMITED**

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Suprajit Engineering Limited (hereinafter referred to as 'the Holding Company') and its five subsidiaries (the Holding Company and its five subsidiaries together referred as 'the Group') comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow statement for the year then ended and a summary of the significant accounting policies, notes on consolidated financial statements and other explanatory information (hereinafter referred to as "the consolidated financial statements).

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

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 the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable pronouncement issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

a) We did not audit the standalone financial statements of erstwhile subsidiary Phoenix Lamps Limited (the "Transferor Company"), included in the standalone financial statements of the Holding Company pursuant to amalgamation with the Holding Company (Refer Note no. 23.5 of the consolidated financial statements of the Holding Company), which constitute total assets of ₹ 2551.25 million as at 31st March, 2017, total revenue (including other income) of ₹ 2366.21 million and net cash outflows of ₹ 0.52 million for the year then ended as considered in the standalone financial statements of the Holding Company for the purpose of preparation of the consolidated financial statements. The standalone financial statements and other financial information of the Transferor Company have been audited by other auditors whose reports have been furnished to us, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of the Transferor Company is based solely on the report of such other auditors.

b) We did not audit the financial statements of the five direct subsidiaries (one of them incorporated in India and four in corporated outside India) whose financial statements reflect total assets of ₹ 5282.91 million as at 31st March, 2017, total operating revenues of ₹ 3514.51 million and net cash outflows amounting to ₹ 47.74 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements which are prepared using all accounting policies having a material impact as that used by the Holding Company and other financial information of the three subsidiaries have been audited by other auditors and whose reports have been furnished to us by the Management and in respect of other two subsidiaries based on the report on the consolidated financial statements of erstwhile subsidiary Phoenix Lamps Limited that have been audited by other auditors and whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of those subsidiaries and our report in terms of sub-section (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, is based solely on the report of other auditors. The financial statements of the foreign subsidiaries have been prepared and audited under the laws applicable in those countries of which

i) the financial statements of one of the foreign subsidiaries have been prepared by the management under the accounting standards applicable in India and such special purpose financial statements have been audited under the auditing standards applicable in India by another auditor.

ii) the figures of the two of the foreign subsidiaries have been considered by the management based on the standalone financial statements and the consolidated financial statements of erstwhile direct subsidiary, Phoenix Lamps Limited (since these subsidiaries were its direct subsidiaries prior to amalgamation referred in Note no. 23.5 of this consolidated financial statements) under the auditing standards applicable in India by another auditor.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act and on the consideration of the report of the other auditors on separate financial statements and other financial information of five subsidiaries, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

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

   (b) In our opinion, proper books of account/ records as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts / records of the holding company 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 Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and based on the reports of the statutory auditors of its subsidiary company incorporated in India to whom this clause is applicable, none of the directors of the Holding Company and its subsidiary company incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financials controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'; and

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and on the consideration of the report of the other auditors on separate financial statements and other financial information of five subsidiaries, as noted in the 'Other Matters' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note no. 23.7.1 to the consolidated financial statements;

      ii. The Group has made provision, as required under the applicable law or accounting standards, if any, on long term contracts including derivative contracts for which there were material foreseeable losses;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary company incorporated in India; and

      iv. The Company has provided requisite disclosures in Note no. 23.18 of its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of accounts maintained by the Company and its subsidiary company incorporated in India to whom this clause is applicable.

For **Varma & Varma**
Chartered Accountants
FRN 004532S

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : September 13, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

ANNEXURE REFERRED TO IN PARA 2 (f) "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF THE INDEPENDENT AUDITOR'S REPORT OF 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 the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Suprajit Engineering Limited ("the Holding Company") and its subsidiary companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, 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 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures, on test check basis, to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion and based on the report of the statutory auditors of its subsidiary companies incorporated in India, the Holding Company and its subsidiaries incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, 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 ICAI.

For **Varma & Varma**
Chartered Accountants
FRN 004532S

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : September 13, 2017

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(₹ in Millions)

Particulars	Note No	2017	2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	139.87	131.34
Reserves and Surplus	3	5,008.83	4,344.45
Minority Interest		-	541.85
Non-Current Liabilities	4		
Long-term borrowings		1,926.57	757.04
Deferred tax liabilities (Net)		258.36	112.49
Other Long term liabilities		14.51	11.76
Long term Provisions		97.79	80.93
Current Liabilities	5		
Short-term borrowings		1,368.46	1,829.29
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		51.13	45.01
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,022.85	901.72
Other current liabilities		817.05	693.60
Short-term provisions		131.91	177.10
TOTAL		**10,837.33**	**9,626.58**
ASSETS			
Non-Current Assets			
Fixed assets	6		
(i) Property, Plant and Equipment	6.1	3,229.66	2,219.89
(ii) Intangible Assets	6.2	13.71	16.73
(iii) Capital Work-in-progress	6.3	22.87	178.05
(iv) Software pending installation	6.4	1.20	-
(v) Goodwill on Consolidation	1.4	2,023.72	1,066.13
Deferred Tax Assets (net)	7	13.07	26.04
Long term loans and advances	8	72.75	233.54
Other Non-current assets	9	8.94	1.57
Current Assets			
Current investments	10	176.50	1,487.11
Inventories	11	2,018.46	1,671.52
Trade receivables	12	2,442.10	2,095.69
Cash and Bank Balances	13	223.05	188.71
Short-term loans and advances	14	522.11	434.98
Other current assets	15	69.19	6.62
TOTAL		**10,837.33**	**9,626.58**

Significant Accounting Policies 1

Other Explanatory Information 23

As per our report of even date attached

For and on behalf of the Board of Directors

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director
DIN : 01160327

Mohan Srinivasan Nagamangala
Director & Chief Executive Officer
DIN:01916468

Medappa Gowda J
Company Secretary
& Chief Financial Officer

R Kesavadas
Partner
M.No 23862

Place : Bengaluru
Date : September 13, 2017

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ in Millions)

Particulars	Note No	2017	2016
Revenue from operations (Gross)	**16**	**13,063.87**	**10,349.21**
Less: Excise duty		926.00	824.20
Revenue from Operations (Net)		**12,137.87**	**9,525.01**
Other Income	**17**	240.08	155.27
TOTAL		**12,377.95**	**9,680.28**
Expenses			
Cost of materials consumed (Refer Note no. 6.5.12 and 18.1)		6,208.08	5,127.56
Purchase of traded goods (Refer Note no. 18.2)		577.41	467.11
Changes in inventories of finished goods and work-in-progress, traded goods and scrap	**18**	77.18	40.27
Employee benefit expense	**19**	1,987.52	1,253.23
Finance costs	**20**	288.83	249.71
Depreciation and amortization expense	**6**	219.39	157.80
Other expenses	**21**	1,252.40	1,071.34
CSR expenditure	**22**	26.55	22.08
TOTAL		**10,637.36**	**8,389.10**
Profit before exceptional items, tax, and minority interest for the year		**1,740.59**	**1,291.18**
Exceptional Items [Refer Note no. 21.2]		(14.94)	(56.94)
Profit before tax and minority interest for the year		**1,725.65**	**1,234.24**
Tax expense:			
(1) Current tax		(457.89)	(410.14)
(2) Current tax - Provision relating to earlier years (net of reversals)		(0.67)	2.42
(3) Deferred tax (Net)		(40.52)	(23.25)
Profit After Tax for the year before Minority Interest		**1,226.57**	**803.27**
Share of Profit attributable to:			
Owners of the Company		1,226.57	719.39
Minority Interest		-	83.88
Earnings per equity share: [Refer Note no.23.17]			
Equity shares of par value ₹ 1/- each			
Before Exceptional Item			
Basic & Diluted		8.88	6.41
After Exceptional Item			
Basic & Diluted		8.77	5.94
Significant Accounting Policies	**1**		
Other Explanatory Information	**23**		

As per our report of even date attached

For and on behalf of the Board of Directors

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director
DIN : 01160327

Mohan Srinivasan Nagamangala
Director & Chief Executive Officer
DIN:01916468

Medappa Gowda J
Company Secretary
& Chief Financial Officer

R Kesavadas
Partner
M.No 23862

Place : Bengaluru
Date : September 13, 2017

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ in Millions)

Particulars	2017	2016
A. CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before tax for the year	1,725.65	1,234.24
Adjustment for:		
Depreciation and Amortisation	219.39	157.80
Provision for doubtful debts (net)	-	(0.48)
Unrealised foreign exchange (gain) / loss (net)	(58.80)	(4.10)
Provision for impairment of plant and equipment	0.44	1.33
(Profit)/Loss on sale of plant and equipment (net)	3.09	1.12
(Profit)/Loss on sale of Mutual funds	(139.62)	(74.00)
Interest income	(1.52)	(5.17)
Reversal of provisions	8.53	(4.42)
Exceptional item - Legal and professional charges for acquisition of shares in subsidiary	26.16	-
Exceptional item - Finance costs relating to acquisition of shares in subsidiary	-	56.94
Legal and professional charges on account of issue of shares on private placement basis.	-	35.81
Interest expense	280.48	241.95
Operating profit before working capital changes	**2,063.80**	**1,641.02**
(Increase)/ Decrease in		
- Inventories	110.46	(0.69)
- Trade Receivables	(180.27)	(302.12)
- Loans and advances (Long term and Short term)	(73.23)	(58.06)
- Other Non Current Assets & Current Assets	(37.26)	0.58
Increase/ (Decrease) in		
- Current Liabilities	69.01	120.58
- Long term Liabilities	9.62	(143.41)
- Provisions (Long term and Short term)	(9.21)	(4.13)
Cash generated from operations	**1,952.92**	**1,253.77**
Income taxes paid (net of refunds)	87.34	(326.09)
Net cash from operating activities	**2,040.26**	**927.68**
B. CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets (including Capital work in progress and capital advances)	(959.37)	(543.36)
Proceeds from sale of fixed assets	1.41	3.58
Payment towards acquisition of investment in subsidiaries	(1,413.93)	(1,568.41)
Sale of current investments in mutual funds	1,791.16	1,604.39
Purchase of mutual fund investments	(340.93)	(1,900.00)
Investments in bank deposits (having original maturity of more than three months)	(2.35)	(0.47)
Redemption/ maturity of bank deposits (having original maturity of more than three months)	2.28	0.76
Interest received	1.32	1.56
Pension, Deferred Compensation	(12.14)	-
Net cash from investing activities	**(932.55)**	**(2,401.95)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ in Millions)

Particulars	2017	2016
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(250.83)	(221.89)
Proceeds/(repayments) from long term borrowings(net)	(395.32)	166.29
Proceeds/(repayments) from short term borrowings(net)	(373.41)	245.25
Legal and professional charges for acquisition of shares in subsidiary	(26.54)	-
Finance costs relating to acquisition of shares in subsidiary	-	(56.94)
Proceeds from State Investment Subsidy	22.36	-
Proceeds from issue of Share Capital (net of issue expenses)	-	1,463.93
Availment of packing credit foreign currency loan	(60.08)	60.08
Interest and factoring charges paid	(41.04)	-
Dividend and dividend tax paid	(162.39)	(148.58)
Exchange fluctuation reserve - foreign subsidiary (net)	(9.59)	2.16
Net cash from financing activities	**(1,296.84)**	**1,510.30**
Net increase in cash and cash equivalents during the year	**(189.13)**	**36.03**
Cash and cash equivalents at beginning of the year *	400.58	136.20
Cash and cash equivalents at end of the year	**211.45**	**172.23**
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and bank balances as per the Balance Sheet (Refer Note No. 13)	223.05	188.71
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statement (Refer 'Other bank balances' in Note No. 13)	17.70	16.48
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statement) included in Note 13 **	**205.35**	**172.223**
** Comprises:		
- Cash on hand	0.93	1.65
- Cheques, drafts on hand	-	4.89
- Balances with banks		
- In current accounts	188.28	161.97
- In EEFC accounts	15.80	3.33
- In deposit accounts	0.34	0.38
	205.35	**172.22**
Effect of exchange rate changes	(6.10)	-
Cash and cash equivalents at the end of the year	**211.45**	**172.22**

(Figures in brackets indicate outflows)

Note :

1 Balance at the beginning of the year for the year ended 31st March 2017 includes the balance of cash and cash equivalents as on the date of acquisition of controlling shares in Suprajit USA Inc. USA on 9th September 2016.

2 Balance at the beginning of the year for the year ended 31st March 2016 includes the balance of cash and cash equivalents as on the date of acquisition of controlling shares in Phoenix Lamps Limited (ie 18th June, 2015).

3 Cash Flow from operating activities for the year ended on March 31, 2017 is after considering Corporate Social Responsibility Expenditure of ₹ 26.55 million (PY : ₹ 22.08 million).

As per our report of even date attached

For and on behalf of the Board of Directors

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director
DIN : 01160327

Mohan Srinivasan Nagamangala
Director & Chief Executive Officer
DIN:01916468

Medappa Gowda J
Company Secretary
& Chief Financial Officer

R Kesavadas
Partner
M.No 23862

Place : Bengaluru
Date : September 13, 2017

Significant Accounting Policies forming part of the consolidated financial statements for the year ended 31st March 2017

GROUP INFORMATION

Suprajit Engineering Limited ('the Company' or 'the Parent Company') is a public limited company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company and its subsidiaries (jointly referred to as the 'Group' hereunder) are engaged interalia, in the business of manufacturing of auto components consisting mainly control cables, speedo cables, auto lamps and other components for automobiles, tractors etc. and caters to both domestic and international markets.

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis for consolidation

The consolidated financial statements relate to Suprajit Engineering Limited ('the Company' or 'the Parent Company') and its subsidiary companies (thereinafter referred as the "Suprajit Group" or "the Group").

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Parent.

The consolidated financial statements have been prepared on the following basis:

i) The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under the Accounting Standard (AS) 21,"Consolidated Financial Statements" specified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The consolidated financials statements of the Parent Company and its subsidiary companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.

ii) The subsidiaries considered in the consolidated financial statements are:

Name of the Company	Country of Incorporation	% voting power As at 31.03.2017	% voting power As at 31.03.2016
Subsidiary company of Suprajit Engineering Limited			
Suprajit Automotive Private Limited	India	100.00%	100.00%
Suprajit Europe Limited	United Kingdom	100.00%	100.00%
Phoenix Lamps Limited (Refer Note no. 23.4)	India	Nil	61.93%
Suprajit USA Inc (Refer Note no. 23.5(a))	USA	100.00%	Nil
Trifa Lamps Germany GmbH *	Germany	100.00%	Nil
Luxlite Lamps SARL*	Luxembourg	100.00%	Nil
Subsidiary company of Phoenix Lamps Limited			
Trifa Lamps Germany GmbH *	Germany	Nil	100.00%
Luxlite Lamps SARL*	Luxembourg	Nil	100.00%
Subsidiary company of Suprajit USA Inc.			
Wescon Controls LLC	USA	100.00%	Not Applicable

* Consequent to amalgamation as mentioned in Note no. 23.4, the subsidiaries of Phoenix Lamps Limited, an erstwhile subsidiary, became direct subsidiaries of the Parent Company.

iii) Goodwill represents the difference between the Parent Company's share in the net worth of subsidiary company and the cost of acquisition at the time of making the investment in the subsidiary company. For this purpose, the Parent Company's share of net worth of the subsidiary company is determined on the basis of the latest financial statements of the subsidiary company prior to acquisition, after making necessary adjustments for material events between the date of such financial statements and the date of respective acquisition. Goodwill arising on consolidation as per Accounting Standard (AS) 21 "Consolidated Financial Statements" is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully.

iv) Minority interests represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company.

v) The Parent Company follows the financial year ending March 31, 2017. The subsidiary companies both incorporated in India & outside India follow the same financial year. The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances in the same manner as the Company's separate financial statements. Differences in accounting policies, if any, have been disclosed separately.

vi) During the year ended March 31, 2016, the wholly owned subsidiary company of Phoenix Lamps Limited namely International Lamps Holding Company S.A. was merged with its wholly owned subsidiary namely Luxlite Lamps SARL from March 30, 2016 with an exchange ratio of 0.0098:1 (received 91,125 equity shares of Euro 100 each fully paid up in exchange of 9,340,000 equity shares of Euro 1 each fully paid up) as arrived on the basis of the valuation report of an independent valuer. Accordingly with the requisite approval from the regulatory authorities, Luxlite Lamps SARL, Luxembourg became wholly owned subsidiary of the Phoenix Lamps Limited. Following the reverse merger, all assets and liabilities of the erstwhile holding company were transferred to the subsidiary company at book value without any cash consideration. Accounting effect of the said merger had been given from the effective date i.e. April 1, 2015.

Significant Accounting Policies forming part of the consolidated financial statements for the year ended 31st March 2017

vii) During the year ended March 31, 2016, the Phoenix Lamps Limited had acquired the remaining shareholding i.e. 25,000 equity shares of Euro 1 each fully paid up in its downstream subsidiary Trifa Lamps Germany, GmbH (Trifa), from its another downstream subsidiary Luxlite Lamps SARL Luxembourg, for a consideration of Euro 4.16 million equivalent to ₹ 311.63 million based on a valuation performed by an independent valuer. Thus, Trifa became a wholly owned subsidiary of the Phoenix Lamps Limited. The registration of the aforesaid number of 25,000 equity shares with the Registry of Commerce as required under the applicable laws in Germany has been completed on December 13, 2016.

viii) In case of foreign subsidiaries, being integral foreign operations, the consolidated financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Group itself.

ix) In case of foreign subsidiaries, being non-integral foreign operations, revenue items are converted to rupees being the reporting currency at the average exchange rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the foreign currency translation reserve.

x) Contingent liabilities in foreign currency are translated at the closing rate.

1.2 Basis of preparation of Financial Statements

The consolidated financial statements of the Group have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The consolidated financial statements of the Group have been prepared on accrual basis and presented under the historical cost convention and in accordance with the provisions of the Companies Act, 2013 ('the Act') and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts Rules) 2014 and Companies (Accounting Standards) Amendment Rules, 2016.

The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

Pre-revised Accounting Standard- 10 'Fixed Assets' required that stand-by and servicing equipment should normally be capitalized as property, plant and equipment. It required that machinery spares are usually treated as inventory and charged to profit or loss on consumption. However, spares parts that can be only used in connection with a particular item of property, plant and equipment, and whose use is expected to be irregular, are capitalized. Such spare parts are depreciated over a period, not exceeding the remaining useful life of the principal asset.

According to Accounting Standard 10 (Revised) 'Property, plant and equipment', all spare parts, stand-by and servicing equipment qualify as plant, property and equipment (PPE) if they meet the definition of PPE i.e. if the Company intends to use these during more than a period of 12 months. The spare parts capitalized in this manner are depreciated as per AS 10 (Revised).

The Parent Company and its Indian subsidiaries has changed its accounting policy of property, plant and equipment to comply with AS 10 (Revised). The Parent Company and its Indian subsidiaries has applied transitional provisions, which requires previously recognized stores and spares as inventory should be capitalized as a PPE at its carrying amount and depreciated prospectively over its remaining useful life.

1.3 Use of Estimates

The preparation of the financial statements is in conformity with Indian GAAP, which requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and such differences are recognised in the period in which the results are ascertained.

1.4 Computation of Goodwill (On consolidation)

The Goodwill on Consolidation in the Consolidated Financial Statements represents:

a) The excess of the purchase consideration of investment over the Parent's share in the net assets of Phoenix Lamps Limited ('PLL'), an erstwhile subsidiary and its subsidiaries.

b) During the previous year, the Parent Company has acquired PLL for purchase consideration of ₹ 1568.41 million and acquired net assets of ₹ 740.78 million and hence recorded goodwill of ₹ 827.63 million.

Particulars	March 31, 2017 (Refer Note below)	March 31, 2016 (₹ in Millions)
Consideration paid to erstwhile shareholders towards purchase of equity shares of Phoenix Lamps Limited [Refer Note no. 23.4]- (A)	Nil	1,568.41
Parent's share in the net assets of the consolidated accounts of the subsidiary companies - (B)	Nil	740.78
Goodwill (A-B)	**Nil**	**827.63**
The excess of the purchase consideration of investment over the Phoenix Lamps Limited's share in the net assets of Luxlite Lamps SARL	Nil	238.50
Total Goodwill on Consolidation	**Nil**	1,066.13

Significant Accounting Policies forming part of the consolidated financial statements for the year ended 31st March 2017

Note : During the year ended March 31, 2017, as the scheme of amalgamation (refer in Note no. 3.6 & 23.4) has become effective on September 13, 2017 with effect from April 1, 2016 and this financial statements prepared is after considering the adjustments arising on amalgamation and the Company accounted the amalgamation under pooling interest method as referred in AS 14 'Accounting for Amalgamations'. The excess consideration paid over net assets taken over by the Parent Company adjusted against reserves of the Company (Refer Note no. 3.6)

(b) During the year, the Parent Company has set up Suprajit USA Inc, a subsidiary with 100% holding (Refer Note no. 23.5(b)). The Parent Company has paid a purchase consideration of ₹ 1413.93 million for the net assets of Suprajit USA Inc and its subsidiary.

(₹ in Millions)

Particulars	March 31, 2017	March 31, 2016
Consideration paid to Suprajit USA Inc. and its subsidiary towards purchase of equity shares of Suprajit USA Inc. [Refer Note no. 23.5(b)] - (A)	1,413.93	Nil
Parent's share in the net assets of the consolidated accounts of the subsidiary companies on the date of acquisition- (B)	1,413.93	Nil
Goodwill C = A-B	**-**	**Nil**
The excess of the purchase consideration of investment over the Suprajit USA Inc.'s share in the net assets of Wescon Controls LLC (restated amount) (D)	1,803.79	Nil
Total Goodwill on Consolidation E = C+D	**1,803.79**	**Nil**

(c) The Group has recognised and is carrying forward a goodwill of ₹ 219.93 million (PY- ₹ 238.50 million) in respect of Luxlite Lamps SARL, Luxembourg, (LLSL) a wholly owned subsidiary of the Parent Company. Based on the financial statements of this subsidiary, its net worth is partially eroded. The subsidiary company has incurred loss during the current year. The Parent Company represents that the investment made in LLSL is strategic in nature and has resulted in increased business of the Parent Company on consolidated basis, therefore no impairment provision is required.

(₹ in Millions)

Particulars	March 31, 2017	March 31, 2016
Consideration paid to erstwhile shareholder towards secondary purchase of equity shares of International Lamps Holding Company S.A. Luxembourg on December 3, 2012, now merged with its subsidiary company (A)	2.50	25.04
Fresh equity shares issued by Trifa Lamps Germany GmbH, Annweiler on November 27, 2012 (B)	0.37	3.65
Phoenix Lamps Limited's share in the net assets of the consolidated accounts of the subsidiary companies (C)	(224.06)	(2,240.59)
Goodwill (A+B-C)	**226.93**	**2,269.28**
Restated as at March 31, 2017 @ ₹ 69.2476 (March 31, 2016 @ ₹ 75.0955)/ Euro (Amount in Euro 3.18 million)	219.93	238.50

1.5 Cash Flow Statement

The Cash flow statement is prepared in accordance with AS-3 specified under the Companies Act, 2013 using the indirect method to determine cash flows from operating activities. The cash flows of the Company are segregated into operating, investing and financing activities. Cash and cash equivalents for the purpose of Cash flow statement comprise of cash on hand, demand deposit placed with banks and term deposits with banks (with an original maturity of three months or less).

1.6 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods as well as revenue from processing of goods (services) is recognised at the time of transfer of property in goods, results in or coincides with the transfer of significant risks and rewards to the customers which is generally at the point of dispatch of goods to the customers and no significant uncertainity exist regarding the amount of consideration towards such sale. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year. Revenue from scrap is recognised on sale.

Consultancy charges income is recognised as and when the services are performed and billed to the customer as per the terms of the contract.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the profit and loss statement.

Export entitlements in the form of Merchandise Export from India (MEIS) and Duty Entitlement Pass Book (DEPB) are recognized in the profit and loss statement under the head "Other Operating Revenue" 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 income is recognised when declared.

1.7 Property, plant and equipment and Intangible Assets

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of its purchase price, borrowing costs if capitalisation criteria are met and any directly attributable costs of bringing the asset to working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Until these assets are ready for its intended use these costs are aggregated and classified and carried forward as 'Capital Work-In-Progress'. Borrowing costs taken for the acquisition of qualifying assets up to the date of commissioning of assets is added to the cost of assets.

Spare parts, stand-by equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventory.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the profit and loss statement for the period during which such expenses are incurred.

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment, if any, where it is probable that future economic benefits expected from it is not less than the carrying value.

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

Goodwill purchased from another company:

Costs relating to goodwill purchased at the time of acquisition of business from another company are recognised as Intangible Assets. These assets are recorded at cost, including incidental expenses.

Gains or losses arising from derecognition of an property, plant and equipment and Intangible Assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit and loss statement when the asset is derecognized.

1.8 Depreciation/ amortisation

i) Leasehold land is amortised over the period of lease on straight line basis ranging from 78 to 99 years.

Deprecation on property, plant and equipment is provided by the Company on a straight line basis. The Company estimates useful life of the property, plant and equipment and follows the estimated useful life as prescribed under Part C of Schedule II of the Companies Act 2013 for the purpose of computation of depreciation on such assets except in case of the property, plant and equipment listed below in respect of which the estimated useful life has been ascertained which is different from the estimated useful life prescribed under Part C of Schedule II of the Companies Act 2013 based on the independent technical evaluation carried out by the external valuers.

Asset Category	Useful Life
Plant and Equipment (Identified specific Machinery)	360 months, 240 months, 60 months to 84 months
Electrical Installations	252 months
Furniture & Fixtures	180 months
Office Equipments	120 months

The depreciation method and the estimated useful lives of property, plant and equipment is reviewed by the management on an annual basis.

ii) Machinery spares are depreciated over the remaining useful life of related plant and equipment or useful life of spare part, whichever is lower.

iii) The tangible fixed assets of two direct foreign subsidiaries are depreciated over the expected useful economic life of the asset on a straight line basis that is different from that of the parent Company as given below:

Asset Category	Useful Life
Plant and equipment (Identified specific machinery)	24 months to 120 months, 60 years
Land Improvements	240 months,60 months
Building and leasehold improvements	120 months to 240 months, 60 months
Office Equipments	36 months to 120 months, 24 months
Vehicles	36 months to 60 months, 36 months

iv) The Parent Company provides additional depreciation @ 50% of the normal depreciation on all the plant & equipment for the period for which such plant & equipment was used for double shifts.

v) Assets taken over by the Company has been depreciated over the remaining useful life based on the independent technical evaluation carried out by the external valuers.

vi) Certain plant and equipments in the Indian subsidiaries identified by the management are fully depreciated in the year of purchase in respect of items costing ₹ 5,000 or less.

vii) Business rights acquired and Patents are amortised over a period of 5 years, based on the assessment of future economic benefits that will flow to the Company.

viii) Goodwill arising on acquisition is amortised over the estimate of useful life on a straight line basis.

Significant Accounting Policies forming part of the consolidated financial statements for the year ended 31st March 2017

ix) softwares are amortized on a straight line basis over the estimated useful economic life not exceeding five years. In respect of one of the direct foreign subsidiary, software is amortised on a straight line basis over the estimated useful life not exceeding 2 years.

x) Leasehold land is amortised on straight line basis over the period of lease ranging from 78 to 99 years.

xi) Leasehold improvements are amortised on straight line basis over the primary period of lease.

1.10 Impairment of property, plant and equipment and intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at appropriate rate. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. After impairment, depreciation is provided on revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed depending on changes in circumstances. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the asset no longer exist or have decreased. However, the increase in carrying amount of an asset due to reversal of an impairment loss is recognized to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years.

1.11 Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the profit and loss statement under the head "Other Income".

1.12 Inventories

Inventories are valued as follows:

Raw materials, stores and spares, consumables, packing materials and fuels :

Lower of cost and net realizable value. 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. Cost is determined on transaction moving weighted average basis. Conversion and other costs incurred for bringing the inventories to their present location and condition are allocated to the extent applicable. Stores and spares which do not meet the definition of plant, property and equipment are accounted as inventories.

Work in Progress and Finished Goods :
Lower of cost and net realizable value. Cost of Work In Progress and Finished goods includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity Cost of finished goods includes excise duty, wherever applicable. Cost is determined on weighted average basis.

Traded goods:

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on transaction moving weighted average basis.

Scrap:

Scrap inventory, to the extent identified as inventory, is carried at it net realisable value, which is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale.

In case of two direct foreign subsidiaries, the cost of purchase is ascertained based on the First-In-First-Out (FIFO) basis.

1.13 Foreign Currency Transactions

The foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.

At the balance sheet date, monetary assets and liabilities including integral foreign operations, denominated in foreign currency are restated at the applicable exchange rates prevailing as at the Balance Sheet date. All non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using exchange rate at the date of transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in foreign currency are reported using the exchange rate that existed when values are determined.

Gain/Loss arising on the settlement of monetary items or on restatement of reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Premium or discount on forward exchange contracts which are not intended for trading or speculation purpose and is to establish the amount of reporting currency required on the settlement dates is recognised in the Profit and loss statement over the period of the contracts. The exchange differences on the contracts are recognised in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

Profit or loss arising from marking the foreign currency forward exchange contracts to market at the end of the reporting period is recognised in the profit and loss statement. Foreign currency forward exchange contracts are entered into to hedge its risks associated with foreign currency fluctuations in respect of highly probable forecast transactions.

The Company enters into foreign currency forward exchange contracts to hedge its risks associated with foreign currency fluctuations in respect of highly probable forecast transactions. At the end of the reporting period these contracts are marked to market and the resultant loss, if any is recognised in the Profit and Loss Statement.

Translation of integral and non-integral foreign operation

The Group classifies all its foreign operations as either "integral foreign operations" or "non-integral foreign operations"

The consolidated financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of group itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date. Their consolidated profit and loss statement are translated at exchange rates prevailing at the dates of the transactions or weighted average weekly rates of average exchange rate prevailing during the year. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognised in the consolidated profit and loss statement.

When there is a change in the classification of foreign operation, the translation procedures applicable to the revised classification are applied from the date of change in the classification.

1.14 Employe Benefits

Short term employee benefits:

The amounts paid/payable on account of short term employee benefits, comprising largely of salaries & wages, allowances and annual bonus is valued on an undiscounted basis and charged to the Profit and Loss statement for the year.

Defined contribution plans:

The Parent Company and its Indian subsidiary have defined contribution plans for its employees comprising of Provident Fund and Employee's State Insurance. The contributions paid/payable to these plans during the year are charged to the Profit and Loss Statement for the year. The Parent Company and its Indian subsidiaries has no other obligation in this regard. 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, for example, a reduction in future payment or a cash refund.

Defined benefit plans:

a) Gratuity

The Parent Company and its Indian subsidiary Gratuity Scheme is administered through the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on actuarial valuation, conducted annually using the projected unit credit method, as adjusted for unrecognised past services cost if any and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Profit and Loss Statement for the period in which they occur.

b) Leave encashment

Accumulated leave, which is expected to be utilized within the next 12 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 Parent Company and its Indian subsidiary has a scheme for leave encashment for employees, the liability other than for short term leave encashment is determined on the basis of an actuarial valuation carried out at the end of the year, using projected unit credit method. Actuarial gains and losses are recognised in full in the Profit and Loss Statement

Significant Accounting Policies forming part of the consolidated financial statements for the year ended 31st March 2017

for the period in which they occur. One of the Indian subsidiary presents the leave as a current liability in the consolidated balance sheet since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Retirement benefit in form of social security paid by the subsidiary companies is a defined contribution scheme. The subsidiary companies do not have any obligation, other than the contribution payable to the respective funds. The contributions are charged to the consolidated profit and loss statement of the year when contribution to the respective fund is due.

1.15 Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs other than those attributable to the acquisition, construction or production of an qualifying assets are expensed as and when incurred. Borrowing costs attributable to the acquisition, construction or production of a qualifying assets are capitalised along with the cost of respective asset.

1.16 Leases

Where the Company is lessee

Operating Lease

Leases where the significant risks and rewards of ownership is with the lessor are classified as operating leases and payment under such leases are recognised as an expense in the Profit and Loss Statement on a systematic basis over the lease term.

Finance Lease

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired on finance lease are capitalised as part of property, plant and equipment and corresponding liability is recognised as term loans.

1.17 Taxation

Tax Expense comprising current tax and deferred tax are recognised in the Profit and Loss Statement for the year. Current tax is the amount of income tax determined to be payable 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 for entities incorporated outside India is measured at the amount expected to be paid to the tax authorities in accordance with the requirements of the respective country of incorporation.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits. The effect on deferred tax assets and liabilities due to change in such assets/liabilities as at the end of previous accounting period and due to a change in tax rates are recognised in the income statement of the period.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. The Group writes-down the carrying amount of deferred tax asset to the extent that is no longer reasonable certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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

MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. In the year in which the Minimum Alternative tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss account and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

Significant Accounting Policies forming part of the consolidated financial statements for the year ended 31st March 2017

1.18 Government Grants and Subsidies

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/ subsidies will be received. Government grants and subsidies where no repayment is ordinarily

expected in respect thereof and in the nature of promoter's contribution are credited to capital reserve and treated as a part of shareholders' funds.

When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the years necessary to match them with the related costs, which they are intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted in arriving at the carrying amount of the related asset.

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

1.19 Research and Development Expenditure

Expenditure incurred during the research phase is charged off to the Profit and Loss Statement.

1.20 Provisions

Provision for losses and contingencies arising as a result of past event where management considers it probable that a liability may be incurred are made on the basis of reliable estimates of the expenditure required to settle the present obligation on the Balance Sheet date and are not discounted to its present value and are determined based on best management estimate required to settle the obligation at the Balance Sheet date. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

Provision for Post-sales warranties

Provisions for warranty related costs are recognised when the product is sold. Provision is based on historical experience and future estimate of claims by the management. The estimate of such warranty related costs is revised annually.

1.21 Earnings Per Share:

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earning per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

1.22 Segment reporting

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

1.23 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.24 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability to the extent management is aware but discloses its existence in the consolidated financial statements.

1.25 Derivative instruments

In accordance with the ICAI announcement, derivative contracts, other than foreign currency forward contracts covered under Accounting Standard-11, are marked to market on an individual basis, and the net loss, if any, after considering the offsetting effect on the underlying hedge item, is charged to the Profit and Loss Statement and the net gain, if any, is ignored.

As a result of the above, the Company has recorded a gain of Rs.22.61 million due to changes in fair value of derivative outstanding as on Balance sheet date and disclosed it under Other Income head - 'Net gain on foreign currency transactions and translations'.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(₹ in Millions)

Particulars	2017	2016
2 SHARE CAPITAL		
2.1 Equity Share Capital		
2.1.1 **Authorised :-**		
Equity Shares of ₹ 1 each 150,000,000 (PY - 150,000,000) equity shares	**150.00**	**150.00**
2.1.2 **Issued, Subscribed and Fully Paid Up:-**		
Equity Shares of ₹ 1 each fully paid 139,872,473 (PY - 131,338,774) equity shares (including 8,533,699 shares pending to be issued on amalgamation to minority shareholders of erstwhile Phoenix Lamps Limited)	139.87	131.34
TOTAL	**139.87**	**131.34**

Notes on Share Capital

2.1.3 **The reconciliation of the number of equity shares outstanding and the amount of share capital as at March 31, 2017 and March 31, 2016:**

Equity Shares of ₹ 1/- each fully paid	2017	2016
Shares outstanding as at the beginning of the year	131.34	120.02
Shares issued during the year [Refer Note. no. 2.1.3(a)]	-	11.32
Shares to be issued on amalgamation, pending allotment (Refer Note no. 3.6)	8.53	-
Shares outstanding as at the end of the year	139.87	131.34

2.1.3(a) During the previous year, the Company had issued 11,318,774 equity shares on private placement basis to Qualified Institutional Buyers. The proceeds ₹ 1,463.93 million (Total proceeds - ₹ 1,499.74 million less expenses towards issue - ₹ 32.81 million) of this issue was for the purpose of optimising the mix of debt and equity to meet its growing needs. As at the end of the previous year, the Company had a balance of ₹ 1,000.00 million, after utilising ₹ 463.93 million towards repayment of loans availed, that was temporarily invested in current investments.

During the current year, the Company has sold the current investments and utilised the proceeds for the purpose of investment in its subsidiary Suprajit USA Inc.. The management of the Company is of the opinion that the funds raised on private placement have been utilised for its bonafide business use and its plan for business growth with an established global presence.

2.1.4 **Details of shareholders holding more than 5% shares in the Company:**

Equity Shares of Re.1 each fully paid	2017	2016
K Ajith Kumar Rai		
No. of Shares	44,266,799	44,266,799
% age of Shareholding	31.65%	33.70%
Supriya A Rai		
No. of Shares	14,346,358	14,346,358
% age of Shareholding	10.26%	10.92%
As per records of the Parent Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.		

2.1.5 There are no shares that have been issued, subscribed and not fully paid up.

2.1.6 There are no forfeited shares.

2.1.7 There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

(₹ in Millions)

2.1.8 The Company has not issued any securities convertible into equity / preference shares.

2.1.9 Each holder of equity shares is entitled to one vote per share and there are no preferences or restrictions attaching to class of shares mentioned above.

The Company declares and pays dividend in Indian Rupees. The dividend proposed / declared by the Board of Directors is subject to approval / regularisation of the shareholders in the ensuing Annual General Meeting.

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

2.1.11 **During the last five years ending on 31 Mar 2017:**

(i) No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash. Pursuant to amalgamation as mentioned in Note no. 3.6, the Company has issued shares to minority shareholders of erstwhile subsidiary Phoenix Lamps Limited against the take over of its entire assets and liabilities.

(ii) No bonus shares were alloted.

(iii) No shares were bought back.

Particulars	2017	2016
3 RESERVES & SURPLUS		
3.1 Reserves		
3.1.1 **Capital Reserve**		
(State Investment Subsidy and surplus on reissue of forfeited shares)		
Opening balance	1.13	1.13
Add: Adjustment on account of amalgamation (Refer Note no. 3.6)	4.00	-
Add: State investment subsidies received during the year	22.36	-
Closing Balance	**27.49**	**1.13**
3.1.2 **Capital redemption reserve**		
Opening balance	-	-
Add: Adjustment on account of amalgamation (Refer Note no. 3.6)	293.70	-
Closing Balance	**293.70**	**-**
3.1.3 **Securities Premium Reserve**		
Opening Balance	1,488.42	-
Add: Adjustment on account of amalgamation (Refer Note no. 3.6)	373.39	-
Add : Premium on issue of 1,13,18,774 equity shares of Re.1 each issued at a premium of ₹ 131.50 during previous the year	-	1,488.42
Closing Balance	**1,861.81**	**1,488.42**
3.1.4 **General Reserve**		
Opening balance	2,354.73	2,014.73
Add: Adjustment on account of amalgamation (Refer Note no. 3.6)	92.52	-
Less: Adjustment on account of amalgamation (Refer Note no. 3.6)	(1,296.75)	-
Add: Transferred from the Profit & Loss Statement	575.00	340.00
Closing Balance	**1,725.50**	**2,354.73**
3.1.5 **Foreign Currency Translation Reserve**		
Opening balance	17.73	4.29
Add: Current year translation adjustments	(150.84)	13.44
Closing Balance	**(133.11)**	**17.73**

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(₹ in Millions)

		Particulars	2017	2016
3.2	**Surplus**			
	3.2.1	**Surplus in the Profit & Loss Statement**		
		Opening balance	482.44	267.94
		Add: Adjustment on account of amalgamation (Refer Note no. 3.6)	732.75	-
		Less: Adjustment on account of amalgamation (Refer Note no. 3.6)	(549.12)	-
		Add: Share of Profit from the Profit & Loss Statement (post acquisition)	1,226.57	719.39
		Less:		
		Interim Dividend (Refer Note no. 3.3 & 3.5)	69.94	60.01
		Proposed Final Dividend (Refer Note no. 3.4 & 3.5)	-	76.93
		Tax on dividend (Refer Note no. 3.4 & 3.5)	14.26	27.95
		Transfer to General Reserve	575.00	340.00
		Closing Balance	**1,233.44**	**482.44**
		TOTAL	**5,008.83**	**4,344.45**

Notes on Reserves & Surplus

3.3 During the year, the Board of Directors have declared interim dividend of ₹ 0.50 (PY: ₹ 0.50) per share, which is subject to regularisation of the shareholders in the ensuing Annual General Meeting.

3.4 Final dividend of ₹ Nil (PY: ₹ 0.55) per share proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

During the previous financial year, the Company had proposed final dividend including the amount due to the minority shareholders of erstwhile Phoenix Lamps Limited and provided for tax on dividend based on the approval of draft scheme of amalgamation by the Board of Directors as mentioned in Note no. 23.4.

3.5 During the current financial year, the Company has declared interim dividend to its shareholders including the amount due to the minority shareholders of erstwhile Phoenix Lamps Limited and provided for tax on dividend based on approval of scheme of amalgamation approved by the members as mentioned in Note no. 23.4. Further the amount of final dividend declared during the current financial year relating to the previous financial year which will become due to the minority shareholders on completion of the final merger formalities of erstwhile Phoenix Lamps Limited with the Company is shown under the head 'Proposed final dividend' above and the tax on dividend thereon is also shown therein. Total of dividend amount is ₹ 8.96 million and tax on dividend is ₹ 1.82 million. Refer Note no. 5.4.2 also.

3.6 Note on amalgamation

The scheme of amalgamation under Section 232 of the Companies Act 2013 (sections 391 to 394 of the erstwhile Companies Act, 1956) between Phoenix Lamps Limited (PLL), an erstwhile subsidiary and the Company ('the Scheme') which was approved by their respective shareholders and creditors with effect from April 1, 2016 as the appointed date has been approved by the Honorable National Company Law Tribunal vide its order dated August 11, 2017. Upon necessary filing with the Registrar of Companies, the scheme has become effective on September 13, 2017 and the effect thereof has been given in these financial statements.

a) Consequently, in respect of the merger of Phoenix Lamps Limited with the Company –
In terms of the Scheme, the entire business and the whole of the undertaking of PLL, as a going concern stands transferred to and vested in the Company with effect from the closing hours of April 1, 2016, being the Appointed Date for the merger.

b) In consideration of the amalgamation of PLL with the Company, the Company would issue 8,533,699 equity shares of Re.1/- each aggregating to ₹ 8.53 million in the ratio of 4 fully paid up equity shares of the face value of Re.1/- each of the Company for every 5 fully paid up equity shares of ₹ 10/- each held in PLL, which is pending allotment.

(₹ in Millions)

c) **Accounting for Amalgamation:**

The amalgamation of PLL with the Company is an amalgamation in the nature of merger and is accounted for on the basis of the Pooling of Interests Method as envisaged in the Accounting Standard (AS) -14 on Accounting for Amalgamations specified in the Companies (Accounting Standard) Rules 2006 and in terms of the scheme, as below:

– All assets and liabilities of PLL were recorded at their respectivebook values under the respective accounting heads of the Company.

– ₹ 208.14 million being the difference between the value of net assets (all assets and all liabilities) of PLL transferred to the Company (determined as stated above) and the carrying value of the Company's investment in that company has been adjusted to General Reserve of the Company.

Particulars	Amount
Networth of PLL as on the April 01, 2016	1,776.55
Less: Investment in PLL, (erstwhile subsidiary) by the Company as on April 01, 2016	1,568.41
Amount which is adjusted in General Reserve	**208.14**
Represented by:	
Share capital issued to minority shareholders (Refer Note no. 2.1.3)	8.53
Reserves on account of amalgamation (Refer Note no. 3.1.1 to 3.1.5)	763.61
Surplus on account of amalgamation (Refer Note no. 3.2.1)	732.75
Less: Adjustment to reserves on account of amalgamation (Refer Note no. 3.1.3)	(1,296.75)
Net amount adjusted in General Reserve	**208.14**

- ₹ 271.66 million being the difference between the value of the amount recorded as share capital issued and the amount of share capital of PLL has been adjusted to General Reserve of the Company.

Particulars	Amount
Amount of share capital recorded in PLL as on April 01, 2016	280.19
Less: Amount of Reserves and Surplus to be adjusted on account of issue of equity shares of the Company to minority shareholders as per the Scheme	8.53
Amount which is adjusted in General Reserve	**271.66**

– The inter company balances stood cancelled.

PLL was engaged in the business of manufacturing and trading of auto lamps.

Pursuant to the Scheme referred above, the bank accounts, agreements, licences, rights, patents and certain immovable properties of PLL are in the process of being transferred in the name of the Company.

d) Amount adjusted of ₹ 549.12 million (Refer Mote 3.2.1) under General Reserve represents share of pre-acquisition and post acquisition profits relating to the direct subsidiaries of erstwhile subsidiary Phoenix Lamps Limited considered for computation of goodwill on acquisition of Phoenix Lamps Limited in the previous year and now considered separately due to amalgamation of Phoenix Lamps Limited as mentioned in note no. 3.6 above.

Particulars	2017	2016
4 NON CURRENT LIABILITIES		
4.1 LONG TERM BORROWINGS		
4.1.1 **Term loans (Refer Note no. 4.1.5 to 4.1.7 below)**		
from banks		
- Secured	1,666.82	445.26
from other parties		
- Secured	257.38	306.57
	1,924.20	**751.83**
4.1.2 **Deposits (Refer Note no. 4.1.8 below)**		
from related parties		
- Unsecured	-	2.50
from other than related parties		
- Unsecured	0.50	1.75
	0.50	**4.25**
4.1.3 Long term maturities of finance obligations (secured) (Refer Note no. 4.1.10)	1.26	-
4.1.4 Other loans and advances		
Car finance loan from bank (secured) (Refer Note no. 4.1.11)	0.61	0.96
TOTAL	**1,926.57**	**757.04**

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(₹ in Millions)

Notes on Long Term Borrowings

4.1.5 Indian rupee term loan from State Bank of India of ₹ 64.00 million [(including current maturities (including interest accrued and due) of ₹ 58.50 million)] (PY: ₹ 195.43 million and ₹ 132.43 million respectively) carries interest @10.30% p.a. The loan is repayable in 4 to 5 quarterly installments ranging from ₹ 4.5 million to ₹ 10 million each ending on June, 2018.

Indian rupee term loan from HSBC bank of ₹ 305.56 million [(including current maturities (including interest accrued and due) of ₹ 111.11 million)] (PY: ₹ 438.63 million and ₹ 133.08 million respectively) carries interest @10.40% p.a. The loan is repayable in 10 to 15 quarterly installments of ₹ 13.89 million each ending on October, 2020.

Indian rupee term loan from Bajaj Finance Limited of ₹ 332.15 million [(including current maturities (including interest accrued and due) of ₹ 74.77 million)] (PY: ₹ 403.08 million and ₹ 96.51 million respectively) carries interest ranging from 9.90% to 10.80% p.a. The loan is repayable in 15 quarterly installments ranging from ₹ 2.78 million to ₹ 9.52 million each ending on November, 2020.

The above term loans availed from various banks and other parties (financial institution) for capacity expansions and working capital requirements are secured by equitable mortgage of land and buildings and hypothecation of other present and future fixed assets of the company on pari-passu first charge basis and in certain cases secured by exclusive charge on the assets acquired from such term loans. Some of these loans are further secured by pari-passu second charge on the movable and immovable fixed assets and current assets of the Company (Including specific charge on assets of the Company and its erstwhile subsidiary).

4.1.6 Indian rupee loan of ₹ 66.17 million [(including current maturities (including interest accrued and due) of ₹17.64 million)] (PY: ₹ Nil and ₹ Nil respectively) carries interest @10.25% to 11.25% p.a. The loan is repayable in 15 quarterly installments of ₹ 4.41 million each starting from May 5, 2017. The loan is secured by exclusive charge on the plant and equipment purchased from the said term loan located at Plot no. 59A to F, NSEZ, Noida and second pari passu charge on all present and future movable and immovable fixed assets of the Phoenix Lamps Limited (PLL), an erstwhile subsidiary situated at various locations.

4.1.7 In case of one of the foreign subsidiaries in connection with the acquisition of step-down subsidiary, the subsidiary entered into a credit agreement that provides for a term loan. Interest is payable monthly based on the 3 Month LIBOR, plus an applicable margin of 3%. (4.1% at March 31, 2017). For the period ended March 31, 2017, the Company was not required and did not make principal payments under the agreement. Principal payments are due in quarterly installments, the first installment of which is due on December 31, 2017. The loan matures on September 30, 2021, at which date the final quarterly installment is due. The outstanding balance of the loan at March 31, 2017 was USD 25.00 million equivalent to ₹ 1620.96 million (PY- ₹ Nil) [(including current maturities of USD 0.31 million equivalent ₹ 202.62 million (PY- ₹ Nil)]. Accrued interest is USD 88,819 (PY- USD Nil) as of March 31, 2017.

The loan is collateralised by substantially all of the assets of the subsidiary and guaranteed by the Parent Company. The term loan is also subject to certain financial and nonfinancial covenants including issuing annual audited financial statements without audit opinion qualification. The Company was not in compliance with certain financial covenants for the period ended March 31, 2017. For the period ended March 31, 2017, the lender waived these financial covenants.

4.1.8 Loan taken from one of the Indian subsidiary secured by first pari-passu charge on present and future current assets including stocks and receivables of the Company and first exclusive charge by way of equitable mortgage of property located at Plot No. 25 & 26-A (part), KIADB Industrial Area, Veerapura Village, Doddaballapur, Bengaluru - 561 203 belonging to the Company. Loan includes amount of ₹10.53 million (including current maturities of ₹10.53 million) (PY: ₹ 34.10 million and ₹ 23.56 million respectively) carries interest rate variable subject to Treasury bill rate with quarterly installments ranging from ₹ 0.91 million to ₹ 1.35 million maturity between 31st May 2017 to 31st August 2017.

4.1.9 Deposits accepted from related parties and other than related parties are unsecured in nature except to the extent of amount of security maintained under as mentioned under Note no. 9, repayable over the agreed term of 2 years together with interest rate at 9.50% p.a. Interest is payable on a quarterly / half yearly / on maturity basis in accordance with the terms agreed with the depositors.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(₹ in Millions)

4.1.10 In case of one of the foreign direct subsidiary, has acquired fixed assets under finance lease which is secured by the assets acquired under such lease. The amount of GBP 0.02 million equivalent to ₹ 1.57 million (PY- Nil) (including current maturities of GBP 3811 equivalent to ₹ 0.31 million) (PY - Nil) on monthly installments ending in the year 2022.

4.1.11 Car finance loan to the extent of Euro 0.01 million equivalent to ₹ 0.89 million (PY- Euro 0.02 million equivalent to ₹ 1.26 million) carries interest @ 2.90% p.a. and is repayable in 17 equal monthly installment of Euro 369 equivalent to ₹ 0.03 million each (PY-0.03 million) (including interest). At the end of 17th installment, lumpsum amount of Euro 0.007 million equivalent to ₹ 0.48 million is due. The loan is secured by hypothecation of vehicles purchased out of proceeds of the loan of a subsidiary company.

4.1.12 None of the above borrowings have been guaranteed by any directors or others.

4.1.13 There has been no continuing default as on Balance Sheet date in repayment of loans and interest.

	Particulars	2017	2016
4.2	**DEFERRED TAX LIABILITIES (NET)**		
	4.2.1 **Liability**		
	On timing differences of depreciation / amortisation	278.58	136.75
	Gross deferred tax liability	**278.58**	**136.75**
	4.2.2 **Asset**		
	On timing differences of	16.79	19.85
	Expenditure allowable for tax purposes when paid		
	Provision for doubtful debts	3.43	4.41
	Gross deferred tax asset	**20.22**	**24.26**
	Net deferred tax liability	**258.36**	**112.49**
4.3	**OTHER LONG TERM LIABILITIES**		
	4.3.1 Trade payables	-	-
	4.3.2 Others		
	Dealer Deposits	13.35	11.76
	Deferred Compensation Agreements	1.16	-
		14.51	**11.76**
4.4	**LONG TERM PROVISIONS**		
	4.4.1 **Provision for employee benefits [Refer Note no. 23.10(b)]**		
	- Provision for Gratuity (Unfunded) [Refer Note no. 4.4.2 below]	67.97	63.46
	- Provision for other employee benefits	11.04	-
	- Provision for leave encashment	17.82	16.48
	- Provision for Pension Obligations	0.96	0.99
		97.79	**80.93**
TOTAL		**2,297.23**	**962.22**

4.4.2 Represents the amount of provisions relating to unfunded obligation given in Note no. 23.10 (b)(I.a).

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(₹ in Millions)

Particulars	2017	2016
5 CURRENT LIABILITIES		
5.1 SHORT TERM BORROWINGS		
5.1.1 Loans repayable on demand		
Secured from banks (Refer Note no. 5.1.2 to 5.1.6 below)		
Cash credit facility	1,106.84	1,291.28
Bill discounting facility	92.80	140.11
Packing credit foreign currency loan facility	-	60.08
Overdraft facility	13.13	99.12
Working capital loan facility	15.33	56.32
Unsecured from other parties (Refer Note no. 5.1.7 below)		
Bill discounting in foreign currency	140.36	182.38
	1,368.46	**1,829.29**

Notes on Short Term Borrowings

5.1.2 Cash credit facility from banks outstanding as on 31st March 2017 are repayable on demand and carry interest @ 8.20% to 11.70% p.a. These borrowings are secured by first pari-passu charge by way of hypothecation of entire current assets, both present and future and further secured by way of pari-passu charge on movable and immovable fixed assets (except plant & equipment on which exclusive charge has been created towards term loan availed).

5.1.3 (a) Working Capital Loan / Cash Credit facility from a Bank namely Deustche Bank AG was secured against inventory of Trifa Lamps Germany Gmbh, a subsidiary company. These facilities were further secured by way of a standby letter of credit from Standard Chartered Bank amounting to Euro Nil (Equivalent to ₹ Nil) [(Previous year Euro 1,500,000 (Equivalent to ₹ 112,643,250)] provided by the Parent Company. The facility carried interest rate of 1.80% p.a. The facility has been discontinued during current year.

(b) Working Capital Loan from a Bank namely Commerz Bank amounting to Euro 750,000 (previous year: Nil) secured against inventory of Trifa Lamps Germany Gmbh, a subsidiary company. The subsidiary company has not utilised any amount against such facility. The facility carries interest rate of 5.25% p.a.

5.1.4 Bill discounting facility from a bank carry interest @ 9.75% p.a. Bill discounting facility from a bank is to be secured by first charge by way of hypothecation of entire current assets of the Parent Company, both present and future and further to be secured by way of first pari-passu charge on movable and immovable fixed assets (except plant & equipment on which exclusive charge has been created towards term loan availed) situated at Plot No. 59 A, 59 D & A1 at Noida.

5.1.5 Packing credit foreign currency loan from a bank was for a term not exceeding a period of 180 days from the drawdown date and carried interest @ 3.00% p.a. These borrowings were secured by first pari-passu charge by way of hypothecation of entire current assets, both present and future situated at Plot No. 59 A, 59 D & A1 at Noida and further were secured by way of second pari-passu charge on movable and immovable property plant and equipments (except property, plant and equipment on which exclusive charge has been created towards term loan availed) situated at Plot No. 59 A, 59 D & A1 at Noida.

5.1.6 Overdraft facilities from banks are repayable on demand and carry interest @ 9.45% to 12.75% p.a. These borrowings are secured by way of first pari-passu charge by way of hypothecation of entire current assets of the Company, both present and future and further secured/ to be secured by first pari-passu charge on movable and immovable fixed assets (except plant & equipment on which exclusive charge has been created towards term loan availed) situated at Plot No. 59 A to F & A1 at Noida.

5.1.7 Bill discounting from other parties in foreign currency represent receivables of Luxlite Lamps SARL, a subsidiary company, assigned to a factoring firm that does not take over the default risk.

5.1.8 Overdraft facilities from bank in respect of one of the direct foreign subsidiaries is secured by a fixed and floating charge on all assets of the Company and by a guarantee from the Parent Company referred in Note no. 23.7.1.

5.1.9 None of the above loans have been guaranteed by any Directors or others.

5.1.10 There has been no continuing default as on Balance Sheet date in payment of interest.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

= (₹ in Millions)

Particulars	2017	2016
5.2 TRADE PAYABLES		
5.2.1 Total outstanding dues of micro enterprises and small enterprises (Refer Note no. 23.8)	51.13	45.01
5.2.2 Total outstanding dues of creditors other than micro enterprises and small enterprises	1,022.85	901.72
TOTAL	**1,073.98**	**946.73**
5.3 OTHER CURRENT LIABILITIES		
5.3.1 a) Current maturities of long term debt (including interest accrued and due) (Refer Note no. 4.1.5 to 4.1.8 and 4.1.11)	475.45	394.72
b) Current maturities of finance lease obligations (Refer Note no. 4.1.10)	0.31	-
5.3.2 Current maturities of deposits from (Refer Note no. 4.1.9)		
- related parties	3.00	0.50
- other than related parties	2.65	0.40
5.3.3 Interest accrued but not due		
- on borrowings	24.58	23.31
- on deposits	1.33	0.28
5.3.4 Advance received from Customers and their credit balances	18.15	18.97
5.3.5 Unclaimed dividend [Refer Note no. 5.3.7 below]	14.43	13.83
5.3.6 Other Payables		
- Payable towards cost of land	0.62	5.12
-Payable towards purchase of capital goods and services (Refer Note no. 5.3.8 below)	37.16	13.74
- Statutory liabilities	63.81	70.17
- Payable to Employees	118.68	84.08
- Payable to directors	15.44	13.45
- Commission payable	2.48	1.78
- Interest on income tax payable	-	0.16
- Interest due on micro enterprises and small enterprises (Refer Note no. 23.8)	2.49	1.10
- Security deposits	0.08	0.08
- Deferred premium on forward contracts (Refer Note no. 5.3.9 below)	0.94	0.45
- Unearned Income	1.59	1.45
- Church and Solidarity tax payable	1.28	1.27
- Accruals and deferred income	22.41	28.15
- Other liabilities	10.17	20.59
TOTAL	**817.05**	**693.60**

5.3.7 As at the year end, there are no amounts outstanding for more than 7 years to be deposited in the Investor Education and Protection Fund. The amounts will be credited to the Investor Education and Protection Fund as and when it is due.

5.3.8 Includes amount of ₹ 0.65 million (PY-Nil) due to micro and small enterprises.

5.3.9 The unamortised premium on outstanding forward contracts is being carried forward to be credited to the profit and loss statement in the subsequent year.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(₹ in Millions)

Particulars	2017	2016
5.4 SHORT TERM PROVISIONS		
5.4.1 **Provision for employee benefits [Refer Note no. 23.10(b)]**		
- Provision for Gratuity (net of plan assets) [Refer Note no. 5.4.3 below]	27.87	25.35
- Provision for Leave encashment	39.32	17.21
- Other Provisions	1.96	-
5.4.2 **Others**		
Provision for Proposed Dividend (Refer Note no. 5.4.4)	8.96	76.93
Provision for Corporate Dividend Tax (Refer Note no. 5.4.4)	1.82	11.61
Provision for Income Tax (net of advance tax and tax deducted at source)	48.78	40.37
Provision for post-sales warranties (Refer Note no. 5.4.5)	3.20	3.20
Provision for mark-to-market losses on forward contracts	-	2.43
	131.91	**177.10**
TOTAL	**3,391.40**	**3,646.72**

Note :

5.4.3 Amount of contribution payable to the fund maintained with the Life Insurance Corporation of India is disclosed as short term provisions above.

5.4.4 Provision for proposed dividend and provision for corporate dividend tax as at 31st March 2017 represents the amount of dividend and tax thereon accrued as mentioned in Note nos. 3.4 and 3.5.

5.4.5 The Company is carrying post sales warranties provision for auto lamps based on historical experience and future estimate of claims by the management and it is expected that significant portion of these costs will be incurred in the next financial year.

The movement in the provision for post-sales warranties is as follows :

Particulars	2017	2016
Balance at the beginning of the year	-	3.20
Amount arising due to amalgamation (Refer Note no. 3.6)	3.20	-
Recognized during the year*	7.72	8.71
Utilised during the year	(7.72)	(8.71)
Liability transferred on sale of General Lighting Division during the previous year	-	-
Balance at the end of the year	**3.20**	**3.20**

* ₹ 7.72 million (March 31, 2016: ₹ 8.71 million) debited in sales.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(₹ in Millions)

6 FIXED ASSETS

	Description	Gross Block at Cost							Depreciation/Amortisation							Accumulated Impairment				Net Block at WDV
		As at 01.04.2016	Adjustment on account of amalgamation [Refer Note no. 3.6]	Additions	Adjustment on account of consolidation [Refer Note (b) below]	Disposals / Adjustment	Currency Fluctuation arising on consolidation [Refer Note no.1.1]	As at 31.03.2017	Upto 01.04.2016	Adjustment on account of amalgamation [Refer Note no. 3.6]	Adjustment on account of consolidation [Refer Note (a) below]	For the year	Disposals/ Adjustment	Currency Fluctuation arising on consolidation [Refer Note no.1.1]	As at 31.03.2017	As at 31.03.2016	For the year [Refer Note no 6.4.6]	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
6.1	**Tangible Assets (Property, Plant & Equipment)**																			
	Freehold land	197.49	-	21.71	-	5.04	-	214.16	-	-	-	-	-	-	-	-	-	-	214.16	197.49
		(197.49)	-	-	-	-	-	(197.49)	-	-	-	-	-	-	-	-	-	-	(197.49)	(197.49)
	Leasehold land	193.49	12.81	-	-	-	(0.68)	205.62	12.78	2.46	-	1.97	-	(0.68)	16.53	-	-	-	189.09	191.06
		(193.64)	-	(0.92)	(12.81)	(1.20)	(0.13)	(206.30)	(10.81)	-	(2.33)	(1.99)	-	(0.11)	(15.24)	-	-	-	(191.06)	(182.83)
	Buildings	1,154.40	125.67	318.01	-	2.45	-	1,595.63	183.45	65.31	-	51.79	0.83	-	299.72	-	0.01	0.01	1,295.90	1,031.31
		(876.18)	-	(277.02)	(126.87)	-	-	(1,280.07)	(148.44)	-	(62.37)	(38.43)	(0.48)	-	(248.76)	-	-	-	(1,031.31)	(727.74)
	Electrical Installations	146.52	-	30.15	-	1.07	-	175.60	40.28	-	-	8.71	0.22	-	48.77	-	-	-	126.83	106.24
		(127.14)	-	(19.38)	-	-	-	(146.52)	(33.00)	-	-	(7.28)	-	-	(40.28)	-	-	-	(106.24)	(94.14)
	Plant and equipment (Refer Note (d) below)	773.89	1,256.68	768.59	-	153.69	(4.26)	2,641.21	373.05	1,067.23	-	120.07	151.86	(4.00)	1,404.49	2.77	0.42	3.19	1,233.53	587.52
		(698.93)	-	(97.69)	(1,239.73)	(7.05)	(1.27)	(2,030.57)	(336.68)	-	(1,043.29)	(65.96)	(6.47)	(0.82)	(1,440.28)	(1.43)	(1.34)	(2.77)	(587.52)	(360.82)
	Dies & moulds (Refer Note (c) below)	70.43	-	4.77	-	-	-	75.20	37.51	-	-	3.38	-	-	40.89	-	-	-	34.31	32.92
		(66.62)	-	(3.81)	-	-	-	(70.43)	(34.39)	-	-	(3.12)	-	-	(37.51)	-	-	-	(32.92)	(32.23)
	Furniture and Fixtures	54.36	11.55	4.18	-	0.01	(0.76)	69.32	26.43	10.95	-	3.12	0.01	(0.76)	39.73	-	-	-	29.59	28.53
		(51.98)	-	(2.54)	(11.25)	-	(0.14)	(65.91)	(23.41)	-	(10.85)	(2.99)	-	(0.13)	(37.38)	-	-	-	(28.53)	(28.57)
	Vehicles	29.28	2.24	5.71	-	2.69	(0.18)	34.36	16.53	1.76	-	3.65	2.48	(0.06)	19.40	-	-	-	14.96	13.23
		(27.93)	-	(3.05)	(4.42)	(4.07)	(0.19)	(31.52)	(13.46)	-	(2.64)	(2.99)	(0.85)	(0.05)	(18.29)	-	-	-	(13.23)	(14.47)
	Office equipment	42.03	11.29	72.58	-	1.17	(0.97)	123.76	22.31	9.76	-	14.00	1.17	(0.73)	44.17	-	0.01	0.01	79.58	21.25
		(27.66)	-	(7.07)	(18.31)	(0.60)	(0.88)	(53.32)	(14.22)	-	(12.83)	(5.02)	(0.42)	(0.42)	(32.07)	-	-	-	(21.25)	(13.44)
	Containers	3.55	-	0.46	-	-	-	4.01	3.55	-	-	0.47	-	-	4.02	-	-	-	(0.01)	-
		(3.38)	-	(0.17)	-	-	-	(3.55)	(3.38)	-	-	(0.17)	-	-	(3.55)	-	-	-	-	-
	Computers	56.39	30.89	7.72	-	1.13	-	93.87	46.79	30.15	-	6.34	1.13	-	82.15	-	-	-	11.72	10.34
		(52.41)	-	(4.05)	(30.84)	(0.02)	-	(87.28)	(41.57)	-	(29.20)	(6.19)	(0.02)	-	(76.94)	-	-	-	(10.34)	(10.84)
	Total (A)	**2,721.83**	**1,451.13**	**1,233.88**	**-**	**167.25**	**(6.85)**	**5,232.74**	**762.68**	**1,187.62**	**-**	**213.49**	**157.70**	**(6.23)**	**1,999.87**	**2.77**	**0.44**	**3.21**	**3,229.66**	**2,219.89**
		(2,323.36)	**-**	**(415.70)**	**(1,444.23)**	**(12.94)**	**(2.61)**	**(4,172.96)**	**(659.36)**	**-**	**(1,163.51)**	**(134.14)**	**(8.24)**	**(1.53)**	**(1,950.30)**	**(1.43)**	**(1.34)**	**(2.77)**	**(2,219.89)**	**(1,662.57)**
6.2	**Intangible assets**																			
	Goodwill (Refer Note 6.5.7)	432.02	-	-	-	-	(24.27)	407.75	432.02	-	-	-	-	(24.27)	407.75	-	-	-	-	-
		(144.47)	-	-	(280.17)	(24.10)	(31.48)	(432.02)	(144.48)	-	(263.70)	(18.37)	(24.10)	(29.57)	(432.02)	-	-	-	-	0.01
	Software	2.97	34.97	2.95	-	-	(0.41)	40.48	1.97	32.68	-	2.07	-	(0.34)	36.38	-	-	-	4.10	3.29
		-	-	(0.10)	(37.54)	-	(0.30)	(37.94)	-	-	(33.02)	(1.48)	-	(0.15)	(34.65)	-	-	-	(3.29)	-
	Business Rights	18.80	-	-	-	-	-	18.80	5.64	-	-	3.76	-	-	9.40	-	-	-	9.40	13.16
		(18.80)	-	-	-	-	-	(18.80)	(1.88)	-	-	(3.76)	-	-	(5.64)	-	-	-	(13.16)	(16.92)
	Brands (Refer Note 6.5.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		(5.10)	-	-	-	(5.10)	-	-	(5.10)	-	-	-	(5.10)	-	-	-	-	-	-	-
	Technical Knowhow (Refer Note 6.5.7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		(0.20)	-	-	-	(0.20)	-	-	(0.20)	-	-	-	(0.20)	-	-	-	-	-	-	-
	Patents	0.33	-	-	-	-	-	0.33	0.05	-	-	0.07	-	-	0.12	-	-	-	0.21	0.28
		-	-	(0.33)	-	-	-	(0.33)	-	-	-	(0.05)	-	-	(0.05)	-	-	-	(0.28)	-
	Total (B)	**454.12**	**34.97**	**2.95**	**-**	**-**	**(24.68)**	**467.36**	**439.68**	**32.68**	**-**	**5.90**	**-**	**(24.61)**	**453.65**	**-**	**-**	**-**	**13.71**	**16.73**
		(168.57)	**-**	**(0.43)**	**(317.71)**	**(29.40)**	**(31.78)**	**(489.09)**	**(151.66)**	**-**	**(296.72)**	**(23.66)**	**(29.40)**	**(29.72)**	**(472.36)**	**-**	**-**	**-**	**(16.73)**	**(16.91)**
	Total (A+B)	**3,175.95**	**1,486.10**	**1,236.83**	**-**	**167.25**	**(31.53)**	**5,700.10**	**1,202.36**	**1,220.30**	**-**	**219.39**	**157.70**	**(30.84)**	**2,453.52**	**2.77**	**0.44**	**3.21**	**3,243.37**	**2,236.62**
		(2,491.93)	**-**	**(416.13)**	**(1,761.94)**	**(42.34)**	**(34.39)**	**(4,662.05)**	**(811.02)**	**-**	**(1,460.23)**	**(157.80)**	**(37.64)**	**(31.25)**	**(2,422.66)**	**(1.43)**	**(1.34)**	**(2.77)**	**(2,236.62)**	**(1,679.48)**

Note:

(a) Previous year figures are in brackets.

(b) Adjustments on account of consolidation' column under 'Gross Block' above represents the amount of gross block of fixed assets of Phoenix Lamps Limited as on the date of acquisition i.e. upto 18th June 2015 and under the 'Depreciation/ Amortisation' block represents the amount of accumulated depreciation/ amortisation relating to such assets.

(c) Moulds and dies include assets having original cost of ₹15.33 million (PY- ₹ 1.2 million) held by sub-contractors.

(d) Carrying value of the assets held under finance lease included above

(Rs.In Millions)

Particulars	2017	2016
Plant and equipment	1.37	-
Total	**1.37**	**-**

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(₹ in Millions)

	Particulars	2017	2016
6.3	**Capital Work-in-Progress**		
	Building under construction	7.43	120.15
	Machinery pending installation	7.00	35.20
	Electrical work in progress	2.15	9.20
	Other assets pending capitalisation	6.29	7.66
	Borrowing cost pending allocation	-	5.09
	Expenditure pending capitalisation	-	0.75
	TOTAL	**22.87**	**178.05**
6.4	**Software pending installation**		
	Software pending installation	1.20	-
	TOTAL	**1.20**	**-**

6.5 Notes on Fixed Assets

1. All the fixed assets except the leasehold land are owned by the Company. The title deeds of the immovable properties are held in the name of the Company subject to charge created, in respect of such of immovable properties in favour of its lenders.
2. During the year, based on the no due certificate received from Haryana State Industrial and Infrastructure Development Corporation (HSIIDC), an amount of ₹ 5.04 million shown as enhanced cost payable to HSIIDC in earlier years has now been reduced from the cost of the land.
3. Land on lease at various locations except the leasehold land in Narsapura allotted to the Company on a lease cum sale basis are held on long term lease without right to acquire at the end of the lease period and the cost of such land is amortised over the period of the lease.
4. The Company has taken a property at A1, Noida on Lease for 78 years from the Noida Authority. The lease amount of ₹ 12.81 million paid by the Company at the time of entering into lease agreement is disclosed as 'Leasehold Land' above.
5. Borrowing costs capitalised during the year as per Note no. 20 is ₹ 14.03 million (PY - ₹ 11.55 million). This amount includes borrowing costs capitalised to property, plant and equipment of ₹ 2.90 million (PY - Nil) during the year on account of amalgamation (Refer Note no. 3.6) which was brought forward from the previous year.
6. During the year, the management has identified certain individual plant and equipment to be impaired based on their condition and usage. The Company has provided for impairment in respect of these assets amounting to ₹ 0.58 million (PY - 1.33 million). During the year, the Company has sold some of the assets impaired in earlier years and has reversed the provision on impairment to the extent of ₹ 0.14 million (PY- Nil).
7. During the previous year, the management has derecognised the Intangible assets (goodwill, brands and technical know-how) based on its assessment that no future economic benefits are expected to arise from its use.
8. Adjustment from plant and equipment represents ₹ 0.39 million being liabilities written back during the year and ₹ 1.46 million being expenditure incurred in previous year and capitalised during the current year.
9. Buildings include building of Gross Block ₹ 59.06 million, WDV ₹ 18.95 million (PY- Gross Block of ₹ 59.06 million, WDV of ₹ 20.80 million) constructed on leased land belonging to Noida Special Economic Zone. During the year, depreciation of ₹ 1.85 million (PY- ₹ 1.85 million) has been charged on this building.
10. Additions to plant and equipment during the year includes machinery spares transferred from inventory of ₹ 4.35 million (PY-Nil) (Refer Note no. 1.2).
11. Plant and equipment having Gross Block of ₹ 152.10 million (PY-Nil) [(Written down value ₹ 1.55 million (PY-Nil)] have been discarded during the year.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

= (₹ in Millions)

12. **Capitalisation of expenditure:**

The Company has capitalised the following expenses of revenue nature to the cost of plant and equipment & capital work-in-progress. Consequently expenses disclosed under the respective notes are net of amount capitalised by the Company. The break up of expenditure is as follows:

Particulars		Year ended March 31, 2017	Year ended March 31, 2016
Opening balance arising on amalgamation			
Interest on term loan		2.90	-
Travelling and conveyance		0.75	-
Add: Expenditure during the year:			
Cost of materials consumed			
Consumption of raw materials	1.55	1.55	-
Employee benefit expenses			
Salary and wages	0.37	0.37	-
Finance costs			
Interest on term loan	9.26		-
Interest others *	1.87	11.13	-
Other expenses			
Power and fuel	0.53		-
Travelling and conveyance	4.97		-
Insurance	0.08		-
Professional charges	0.36	5.94	-
		22.64	**-**
Less: Capitalisation of expenditure to property, plant and equipment		22.64	-
Closing balance pending for allocation		-	-

* interest others on general borrowings for qualifying asset using the weighted average interest rate applicable during the year which is 9.19% p.a.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(₹ in Millions)

Particulars	2017	2016
7 DEFERRED TAX ASSETS (Net)		
7.1 Asset		
On timing differences of		
Expenditure allowable for tax purposes when paid	29.65	29.12
Provision for obsolete inventories	8.39	6.61
Provision for Mark to Market Losses on Forward Contracts	-	0.84
Provision for doubtful debts	0.08	0.18
Accelerated Capital Allowance	(0.12)	0.18
Short term timing differences	0.04	-
Tax losses	5.31	5.39
Gross deferred tax asset	**43.35**	**42.32**
7.2 Liability		
On timing differences of depreciation / amortisation	30.28	16.28
Gross deferred tax liability	**30.28**	**16.28**
Net deferred tax asset	**13.07**	**26.04**
8 LONG TERM LOANS AND ADVANCES		
8.1 Capital Advances		
(Unsecured, considered good)		
Advances towards Purchase of capital goods	15.48	163.89
	15.48	**163.89**
8.2 Security Deposits		
(Unsecured, considered good)	39.82	40.56
8.3 Other loans and advances		
(Unsecured, considered good)		
Advance tax [including tax deducted at source (net of Provisions)]	5.01	3.56
Income tax paid under protest [Refer Note no. 23.7.1]	4.56	1.92
MAT credit entitlement (Refer Note 23.16)	-	15.43
Value Added Tax paid under protest [Refer Note no. 23.7.1]	3.60	3.60
Value added tax refundable	2.69	3.50
Balances with statutory / government authorities	1.22	1.08
Prepaid expenses	0.37	-
	17.45	**29.09**
TOTAL	**72.75**	**233.54**
9 OTHER NON-CURRENT ASSETS		
Others		
(Unsecured, considered good)		
Non-current bank deposits *	1.00	1.50
Interest accrued on the above non-current bank deposit	0.05	0.07
Unamortised debt issuance cost	7.89	-
TOTAL	**8.94**	**1.57**

* ₹ 1.00 Million (PY - ₹ 1.11 Million) is held against public deposits in pursuance of the requirements of applicable Rules and ₹ 0.39 Million (PY - ₹ Nil) are in the nature of margin money kept with banks against bank guarantees given.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(₹ in Millions)

Particulars	2017	2016
10 CURRENT INVESTMENTS		
10.1 Investments in Mutual Funds (Quoted, Non-trade)		
Investments in mutual funds (at lower of cost or fair value) [Refer Note no. 10.2.1 and 10.2.2]	176.50	1,487.11
TOTAL	**176.50**	**1,487.11**
10.2 Details of Other Investments (Non-trade)		
10.2.1 **General Information [Refer Note no. 10.1]**		
(i) Aggregate amount of quoted investments	176.50	1,487.11
(ii) Aggregate market value (Net Asset Value) of quoted Investments	225.65	1,604.33
(iii) Aggregate provision for diminution in value of investment	-	-
10.2.2 **Details of Mutual Funds held at the end of the year [Refer Note no. 10.1]**		

Particulars	31.03.2017	31.03.2016
Birla Sun Life Treasury Optimizer 344,566.41 (344,566.41) units ₹ 10/- each	54.00	54.00
Birla Sun Life Cash Plus -Growth Direct Plan Nil (1,242,459.822) units of ₹ 10/- each	-	300.00
Franklin India short term Income plan -Retail Plan 12,117.34 (12,117.34) units of ₹ 10/- each	30.00	30.00
Franklin India Short Term Income Plan Retail Plan Nil (38,048.02) units of ₹ 10/- each	-	100.00
Franklin India Short Term Income Plan Retail Plan Nil (7,558.37) units ₹ 10/- each	-	20.00
Franklin India Ultra Short Bond Fund-Super Institutional Plan 2,453,358.84 (4,208,874.08) units ₹ 10/- each	42.50	72.50
HDFC High Interest Fund-Growth Nil (1,771,778.05) units ₹ 10/ each	-	70.00
HDFC Liquid Regular (WMU) Nil (33,757.431) units of ₹ 10/- each	-	100.00
HDFC Liquid - Direct Plan-Growth Option Nil (67,600.103) units of ₹ 10/- each	-	200.61
ICICI Prudential Liquid -Direct Plan Growth Nil(1,347,810.011) units of ₹ 10/- each	-	300.00
IDFC Dynamic Bond Fund Growth Regular Plan 720,860.996(2,837,676.73) units of ₹ 10/- each	10.00	40.00
IDFC Super Saver Income Fund Short Term Plan Growth Direct Plan Nil (755,038.94) units of ₹ 10/- each	-	20.00
Reliance Dynamic Bond Growth Nil (3,808,213.18) units of ₹ 10/- each	-	60.00
SBI Magnum Insta Cash Liquid Floater - Direct Plan Growth Nil (38,995.743) units of ₹ 10/- each	-	100.00
UTI Bond Fund Growth Nil (560,887.07) units ₹ 10/- each	-	20.00
HDFC Floating Rate Income Fund STP -7,54,332.698 Units of ₹ 10/-Each	20.00	-
ICICI Pru Flexible Income- Direct plan- Growth-68589.128 Units of ₹ 10/-Each	20.00	-
Total	**176.50**	**1,487.11**

Particulars	2017	2016
11 INVENTORIES		
(Mode of valuation- Refer Note no. 1.12)		
Raw materials [Refer Note no. 18.3]	885.15	545.68
Raw materials in transit	68.26	70.05
Fuels	2.72	1.88
Consumables	13.29	2.94
Packing materials	43.38	38.18
Stores and spares (includes in transit ₹ 0.12 million (PY- Nil))	11.83	10.23
Work in progress [Refer Note no. 18.3]	129.30	152.03
Finished goods [Refer Note no. 18.3]	539.99	541.70
Finished goods in transit [Refer Note no. 18.3]	166.68	129.44
Traded goods [Refer Note no. 18.3]	167.83	189.14
Tooling in process	17.04	5.15
Scrap	0.42	4.20
Less: Provision for obsolete inventories	27.43	19.10
TOTAL	**2,018.46**	**1,671.52**

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(₹ in Millions)

Particulars	2017	2016
12 TRADE RECEIVABLES		
12.1 Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	0.79	11.94
Unsecured, considered doubtful	6.90	7.91
Less:- Provision for doubtful receivables	6.90	7.91
	0.79	**11.94**
12.2 Other Trade Receivables (Refer Note no.12.3 below)		
Unsecured, considered good	2,441.31	2,083.75
Unsecured, considered doubtful	7.03	6.23
Less:- Provision for doubtful receivables	7.03	6.23
	2,441.31	**2,083.75**
TOTAL	**2,442.10**	**2,095.69**
12.3 A subsidiary company has sold major part of its receivables to a factoring firm that also takes over the default risk. The selling of receivables has not been disclosed to the customers. Trade receivables above are netted off with amount received from factoring firm amounting to Euro 0.56 million equivalent to ₹ 39.11 million (PY- Euro 0.52 Millions equivalent to ₹ 39.22 million).		
13 CASH AND BANK BALANCES		
13.1 Cash and Cash Equivalents		
Balances with Banks		
- in Current accounts	188.28	161.98
- in EEFC accounts	15.80	3.33
- in Deposit accounts with original maturity of less than three months	0.34	0.38
Cash on hand	0.93	1.65
Cheques, drafts on hand	-	4.89
	205.35	**172.23**
13.2 Other Bank balances		
Earmarked balances for unclaimed dividend accounts *	14.43	13.83
Deposits with remaining maturity of less than 12 months**	3.27	2.65
	17.70	**16.48**
TOTAL	**223.05**	**188.71**
* These balances are not available for use by the Company as they represent corresponding unclaimed dividend liabilities. ** Deposits aggregating to ₹ 2.76 million (PY - ₹ 1.27 million) are in the nature of margin money kept with banks against Bank Guarantees given.		
14 SHORT TERM LOANS AND ADVANCES		
Security Deposits (Unsecured, considered good)	0.24	0.22
Others (Unsecured, considered good)		
Advance to Suppliers	62.17	49.62
Advances to employees	5.75	5.34
Advance for Expenses	4.13	6.79
Advances recoverable in cash or in kind	6.48	3.33
Advance income taxes/tax deducted at source (net of provision of Income tax)	217.06	192.40
Balance with statutory/government authorities	166.64	118.02
Prepaid expenses	40.32	32.94
Others	19.32	26.32
TOTAL	**522.11**	**434.98**
15 OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Export benefit entitlements	12.78	0.58
Interest Receivable	3.47	3.57
Forward contract receivable	52.93	2.47
Assets held for sale (at lower of net book value and net realisable value)	0.01	-
TOTAL	**69.19**	**6.62**

NOTES FORMING PART OF CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ in Millions)

Particulars	2017	2016
16 REVENUE FROM OPERATIONS (GROSS)		
Sale of products (Refer Note 16.1 below)	13,010.27	10,325.98
Sale of services (Refer Note 16.2 below)	9.04	7.64
Other operating revenue (Refer Note 16.3 below)	44.56	15.59
TOTAL	**13,063.87**	**10,349.21**
Particulars of Revenue from Operations		
16.1 Sale of Products (Gross)		
Product wise		
A Manufactured Goods		
Cables (Control and Speedo)	9,221.67	7,231.03
Speedo Meters	289.51	259.63
Auto Lamps	2,750.52	1,293.55
Others (including parts)	12.65	5.31
Total	**12,274.35**	**8,789.52**
B Traded Goods		
Stop and Tail Lamps	20.06	10.84
Auto Lamps	715.86	1,525.62
Total	**735.92**	**1,536.46**
16.2 Sale of Services		
Processing Charges	9.04	7.64
Total	**9.04**	**7.64**
16.3 Other Operating Revenue		
Scrap Sales	24.61	13.79
Export benefit entitlements (Net)	19.95	1.80
TOTAL	**44.56**	**15.59**
16.4 Excise duty on sales amounting to ₹ 926.00 million (PY-₹ 824.20 million) has been reduced from sales in statement of profit and loss and excise duty on (decrease)/ increase in inventory amounting to ₹ (6.40) million (PY- ₹ 7.88 million) has been considered as (income)/ expense in Note no. 20 of the consolidated financial statements.		
17 OTHER INCOME		
Interest Income		
- On bank deposits	0.25	1.41
- On advances to suppliers	0.54	0.93
- On Income tax refund	-	2.06
- On employee loans and advances	-	-
- Others	0.73	0.77
Provision for doubtful debt written back (net)	-	0.09
Profit on sale of mutual funds	139.62	74.00
Net gain on foreign currency transactions and translations	75.08	40.43
Profit on sale of plant and equipment	0.03	0.52
Reversal of provision for obsolete inventories	-	4.33
Unspent liabilities written back	1.49	10.92
Other non-operating income	22.34	19.81
TOTAL	**240.08**	**155.27**

NOTES FORMING PART OF CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ in Millions)

Particulars		2017	2016
18 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS TRADED GOODS AND SCRAP			
Opening Stock			
Finished Goods		514.41	332.51
Stock-in-trade		185.66	-
Work in Progress		44.26	68.88
Scrap		-	-
Stock on amalgamation			
Finished Goods		137.64	-
Work in Progress		107.76	-
Stock-in-trade		3.48	-
Scrap		4.20	-
		997.41	**401.39**
Add: Adjustment on account of consolidation (Refer Note below)		128.23	623.21
	Total (A)	**1,125.64**	**1,024.60**
Less: Closing Stock			
Finished Goods		706.68	652.05
Stock-in-trade		167.83	189.14
Work in Progress		129.30	152.03
Scrap		0.41	4.20
	Total (B)	**1,004.22**	**997.42**
Add: Currency Fluctuation arising on consolidation (C) [Refer Note no. 1.1]	**Total (C)**	(44.24)	13.09
Net Change in inventories (A-B+C)		**77.18**	**40.27**
Note: 'Adjustment on account of consolidation' above represents the amount of inventories of Phoenix Lamps Limited as on the date of acquisition i.e. 18th June 2015.			
18.1 Cost of raw materials consumed (Refer Note no. 23.2)			
Steel Wire		526.79	513.86
Inner Meter		774.79	723.98
Bend Tube Assy.		278.28	279.37
PVC Compound		215.64	211.00
Glass Tube		198.61	184.87
Lamp Base Parts		296.21	299.90
Imported Bulb		18.44	20.45
T. Filament		95.85	-
Component and Others		3,803.47	2,894.13
Total		**6,208.08**	**5,127.56**
18.2 Details of purchase of traded goods			
Stop and Tail Lamps		18.46	-
Auto Lamps		552.58	-
Component and Others		6.37	-
		577.41	**-**

NOTES FORMING PART OF CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ in Millions)

	Particulars	2017	2016
18.3	**Details of inventories are given below:**		
	Finished Goods (Including finished goods in transit)		
	Cable (Control & Speedo)	367.90	382.65
	Speedo Meter	3.08	6.14
	Component and Others	99.25	-
	Auto Lamps	236.44	281.34
	Others (including parts)	-	1.01
	Total	**706.67**	**671.14**
	Work In Progress		
	Cable (Control & Speedo)	28.96	38.24
	Speedo Meter	7.40	6.03
	Component and Others	22.36	-
	Bulb	17.19	22.80
	Lamp without stamp	50.13	80.35
	Filament	3.26	4.61
	Total	**129.30**	**152.03**
	Traded Goods		
	Stop and Tail Lamps	4.02	-
	Auto Lamps	162.54	-
	Component and Others	1.27	-
	Total	**167.83**	**-**
	Raw Materials (including raw materials in transit)		
	Steel Wire	22.38	21.41
	Inner Meter	53.88	85.08
	Bend Tube Assy.	24.87	8.05
	PVC Compound	22.26	11.82
	Glass Tube	68.28	64.59
	Lamp Base Parts	23.00	31.06
	Imported Bulb	10.28	7.14
	T. Filament	6.41	-
	Component and Others	722.05	386.58
	Total	**953.41**	**615.73**

NOTES FORMING PART OF CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ in Millions)

Particulars	2017	2016
19 EMPLOYEE BENEFIT EXPENSE		
Salaries, wages and bonus (including managerial remuneration)	1,726.36	1,125.01
Contribution to provident fund and other funds	131.63	69.71
Gratuity expense	16.03	15.81
Staff welfare expenses	113.87	43.23
	1,987.89	**1,253.76**
Less: Expenditure incurred during the construction period (Refer Note no. 6.5.12)		
- Capitalised to property, plant and equipment	0.37	-
- Transferred to capital work in progress	-	0.53
TOTAL	**1,987.52**	**1,253.23**
20 FINANCE COSTS		
Interest expense		
- Borrowings	271.69	249.02
- Deposits	0.45	0.49
- Others* (Including interest in income tax)	6.29	6.81
Loan processing charges	21.53	4.94
	299.96	**261.26**
Less: Expenditure incurred during the construction period (Refer Note no. 6.5.12)		
- Capitalised to property, plant and equipment	11.13	2.81
- Transferred to capital work in progress	-	8.74
TOTAL	**288.83**	**249.71**

* 'Interest - Others' is net of interest concession under Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit of the Government of India of ₹ 0.36 million (PY- ₹ 2.29 million).

NOTES FORMING PART OF CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ in Millions)

Particulars	2017	2016
21 OTHER EXPENSES		
Increase/(decrease) of excise duty on Inventory	(6.40)	7.88
Stores and consumables	43.14	39.78
Power and fuel	195.16	152.26
Labour charges	54.35	53.71
Rent	76.98	49.40
Repairs & maintenance:		
- Buildings	22.35	6.93
- Machinery	61.54	41.94
- Others	59.61	41.02
Insurance	37.86	26.67
Rates and taxes	27.72	19.30
Bank charges, filing and legal charges	14.24	11.71
Travelling and conveyance	102.79	72.38
Professional charges (Refer Note no. 21.1 below)	66.01	114.11
Auditors' remuneration (Refer Note no. 21.2 below)	13.89	11.16
Freight outward and C & F charges	207.23	172.03
Advertisement and sales promotion	28.84	16.89
Discount	101.78	128.10
Commission		
- Sales Commission	31.04	15.21
- Others	0.02	-
Directors' sitting fees & commission	1.57	1.52
Irrecoverable balances written off	0.39	17.23
Provision for doubtful debts (Net)	(3.85)	6.49
Printing & stationery	13.17	10.15
Security expenses	29.17	23.95
Communication expenses	16.24	11.80
Loss on discard/ disposal of plant and equipment	3.42	1.64
Commercial claims	-	5.52
Provision for impairment of plant and equipment [Refer Note no. 6.5.6]	0.44	1.33
Loss on foreign currency transactions	8.13	(0.21)
Provision for Obsolete inventories	8.53	-
Research & development Expenses (Refer Note no. 23.2)	4.52	3.59
General expenses	32.52	9.75
	1,252.40	**1,073.24**
Less: Expenditure incurred during the construction period (Refer Note no. 6.5.12)		
- Capitalised to property, plant and equipment	-	1.67
- Transferred to capital work in progress	-	0.23
TOTAL	**1,252.40**	**1,071.34**
21.1 Auditors' Remuneration (excluding service tax)		
a. As auditor (including limited review, consolidated financial statements)	12.18	8.41
b. For certification	1.02	2.03
c. Reimbursement of expenses	0.69	0.72
Total	**13.89**	**11.16**

* includes remuneration to the auditors of erstwhile Phoenix Lamps Limited in respect of the current year 2016-17 ₹ 3.84 million included in the holding company.

NOTES FORMING PART OF CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(₹ in Millions)

21.2 Exceptional item includes amount of ₹ 17.58 million to Noida Special Economic Zone (NSEZ) towards transfer charges on account of change in composition of Board of Directors in the erstwhile Phoenix Lamps Limited and shareholding of the Company, upon acquisition of 61.93% stake by the Company in the previous financial year, as per the prevalent guidelines of the NSEZ Authority. The same has been shown as 'Exceptional item' in Profit & Loss Statement.

During the current year, a subsidiary company has received an insurance claim of Euro 0.54 million (equivalent to ₹ 39.45 million) on account of damaged production facilities pertaining to earlier years. The same has been shown as 'Exceptional item' in Profit & Loss Statement.

During the previous year the Parent Company has incurred ₹ 56.94 million relating to finance charges is recognised as an expenditure in accordance with 'Accounting Standard 16 - Borrowing Costs' and is disclosed under the head 'Exceptional items' in the Profit & Loss Statement in accordance with 'Accounting Standard 5 - Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'.

The Company incurred a total expenditure of ₹ 36.82 million in the nature of professional charges towards the acquisition of "M/S Suprajit USA Inc." (step-down subsidiary) which is disclosed under the head 'Exceptional items' in the Profit & Loss Statement in accordance with 'Accounting Standard 5 - Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies'.

	Particulars	2017	2016
22	**CSR EXPENDITURE**		
	Contribution to Suprajit Foundation (Refer Note no. 22.1)	26.55	22.08
	TOTAL	**26.55**	**22.08**

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

Details of CSR expenditure are given below:	**2017**	**2016**
a) Gross amount to be spent by the Company during the year	26.45	22.05
b) Amount spent during the year		
i) Construction/ acquisition of any asset	-	-
ii) On purposes other than (i) above- Payment made in cash by the Company	26.55	34.84

In respect of the amount of ₹ 12.75 million required to be spent during the financial year 2014-15, the Company has contributed this amount to Suprajit Foundation in the financial year 2015-16, subsequent to adoption of the financial statements of the Company at its Annual General Meeting held on September 19, 2015.

OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Millions)

23 OTHER NOTES ON FINANCIAL STATEMENTS

23.1 In the opinion of the Board, none of the assets other than fixed assets and non-current investments have a value lower on realisation in the ordinary course of business than the amount at which they are stated in the consolidated Balance Sheet.

23.2 Research & Development Expenditure

Particulars	2016-17	2015-16
Salaries & Wages	33.78	33.51
Materials, Consumables & Stores	6.18	5.83
Other Direct Expenditure	4.52	3.59
TOTAL	**44.48**	**42.93**

23.3 Full quantitative particulars giving item wise and location wise details of property, plant and equipment are maintained in the ERP system in respect of additions made after 1.4.2008. The management of the parent company is in the process of updating the same to bring it to a current level. The particulars of property, plant and equipment acquired prior to this date have been updated in the ERP system in a summarised format. However, item wise particulars are maintained for major assets in manual form.

23.4 The equity shareholders, secured and unsecured creditors have approved the scheme of amalgamation of the Company with Phoenix Lamps Limited,(PLL), an erstwhile subsidiary of the Company, at the Court Convened Meetings (CCM) held on September 24, 2016. The draft scheme of amalgamation was approved by the Board of Directors of both the companies on April 18, 2016. The Company had filed the petition with the Hon'ble High Court of Karnataka initially and subsequently, the said petition was moved to National Company Law Tribunal, Karnataka (NCLT) as per the directions of the Ministry of Company Affairs (MCA) and the proceedings are on with NCLT.

After the end of the year, this scheme of amalgamation with the appointed date as April 01, 2016 has been approved by the NCLT vide order dated August 17, 2017 and upon necessary filing with the Registrar of Companies, the scheme has become effective on September 13, 2017 and this financial statements is after considering the adjustments arising on amalgamation as mentioned in Note no 3.6. In view of the above, the standalone financial statements of the Company and the standalone financial statements of erstwhile Phoenix Lamps Limited as approved by respective Board of directors on May 29, 2017 and May 27, 2017 and consolidated financial statements of erstwhile Phoenix Lamps Limited approved by the Board of Directors on May 27, 2017 is considered for preparation of this financial statements.

23.5 (a) During the previous year 2015-16, the Parent Company has acquired 17,352,176 Equity shares of ₹ 10/- each [14,289,843 Equity Shares (51% shareholding) at a consideration of ₹ 89/- per Share on 18th June 2015, 15,021 Equity Shares (0.05 % shareholding) at a consideration of ₹100/- per share on 14th August 2015 and 3,047,312 Equity Shares (10.88% shareholding) at a consideration of ₹ 89/- per share on 9th October 2015] of Phoenix Lamps Limited. Accordingly, Phoenix Lamps Limited has become a subsidiary of the Company from 18th June 2015.

(b) During the year, the Company has set up a subsidiary company M/s. Suprajit USA Inc. in USA. This subsidiary company was set up to acquire controlling stake in Wescon Controls LLC and the acquisition was completed in September 2016. The amount of invested of ₹ 1,413.93 million (PY-Nil) was used for the purpose of acquisition of shares in Wescon controls LLC.

The total purchase consideration for acquisition of Wescon Controls LLC by Suprajit USA Inc., is ₹ 2989.45 million (USD 44.40 million. This was funded by way of equity invested by the Parent, and a loan of ₹ 1620.96 (USD 25 million) taken by the subsidiary on which the parent has given a corporate guarantee as mentioned in note note 23.7. Hence previous year figures are not strictly comparable with current year figures in the consolidated financial statements.

23.6 The direct foreign subsidiaries of the Parent follows the valuation of inventory, based on the First-In-First-Out basis (FIFO) and difference between the management such method and weighted average costing followed by the Parent is considered to be not material and no adjustments are made in these financial statements.

OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Millions)

Particulars		31.03.2017	31.03.2016
23.7 Contingent Liabilities and Commitments			
23.7.1 **Contingent Liabilities**			
Corporate Guarantees issued on behalf of subsidiaries to their bankers towards Credit facility	[GBP 500,000 (PY: GBP 500,000)].	41.17	48.08
	[USD 30 Million] (PY: Nil)	1,945.16	-
Bond Executed in favour of customs		15.00	15.00
Bank Guarantee furnished to Tax Authorities for availing concessions		0.75	0.75
- Penalty against service tax demand *		2.83	3.15
Disputed Sales tax/VAT matters in respect of the following years pending in appeal against which amounts mentioned in Note No 8.3 as 'Value Added Tax paid under protest' is paid under protest, disclosed under the head Long term advances -Others and stay has been granted by the authorities in respect of payment of balance demand.*			
- In respect of FY 2006-07, the amount paid under protest against the demand is ₹ 8 million.		33.75	33.75
- In respect of FY 2008-09, the amount paid under protest against the demand is ₹ 20 million.		31.09	31.09
- In respect of FY 2009-10, the amount paid under protest against the demand is ₹ 8 million.		28.67	28.67
-In respect of VAT/Sales Tax demands*		0.45	0.38
Disputed Income tax matters pending before Commissioner of Income Tax (Appeals) in respect of which amounts mentioned in Note no 8.3 as 'Income tax paid under protest' is paid under protest, disclosed under the head Long term advances-others *			
- In respect of AY 2009-10 (FY 2008-09), the amount paid under protest against the demand is ₹ 903,430/-.		-	-
- In respect of AY 2010-11 (FY 2009-10)		-	8.66
- In respect of AY 2013-14 (FY 2012-13)		0.42	0.42
Demands from the Indian tax authorities for disputed demands of income tax Assessment Years 2005-06, 2009-10 to 2014-15*		7.05	539.59
In respect of Assessment Year 2012-13, the Parent Company has filed the objection against the draft assessment order and is pending before Dispute Resolution Panel ('DRP') for disposal.		5.77	36.75
(iv) In respect of Assessment Year 2013-14, certain adjustments / disallowances were made by the Indian tax authorities on account interest on delayed realized export proceeds, SBLC charges etc. The amount of disallowances is ₹ 8.47 million on which income tax amounts to ₹ 2.75 million (excluding interest, penalty etc)*		2.75	-
(v) VAT/Sales Tax demands *		0.45	-
(vi) Penalty against service tax demand *		1.07	-
Claims also includes suspension period wages*		4.33	3.90
Total		**1815.55**	**750.19**
* No provision has been made in these financial statements for these disputed duty, tax demands, as the management is confident based on favourable decision in similar cases, discussions with the advocate etc. that the matter will be ultimately decided in favour of the company.			
The Contingent Liabilities of Phoenix Lamps Limited group disclosed above exclude liabilities pertaining to General Lighting business which are to be borne by Halonix Technologies Private Limited ("HTPL") to whom the business had been transferred in the Financial year 2013-14, in accordance with Business Transfer Agreement signed by the Parent Company with HTPL.			

OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Millions)

	Particulars	31.03.2017	31.03.2016
23.7.2	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	9.90	126.12
	Total	**9.90**	**126.12**
	Total Contingent Liabilities and Commitments	**1,825.45**	**876.31**

23.8 The Group has initiated the process of obtaining confirmation from suppliers who have registered themselves under the Micro Small Medium Enterprises Development Act, 2006 (MSMED Act, 2006). The Group has identified Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006. Particulars of dues to these parties are as under:

Particulars	31.03.2017	31.03.2016
Principal amount (including overdue amount) outstanding at the beginning of the year	45.01	10.70
Interest amount outstanding at the beginning of the year	1.12	0.15
Interest (out of the above) paid during the year	1.11	0.03
Amount paid after the due date during the year	44.22	13.22
Overdue amount outstanding at the end of the year	0.80	-
Principal amount (other than overdue amount) outstanding at the end of the year	50.31	45.01
Interest amount accrued and remaining unpaid at the end of the year	2.51	1.12

23.9 Derivative Instruments and foreign currency exposure

a. Particulars of foreign currency exposure as at the reporting date

Particulars	31.03.2017			31.03.2016		
	Foreign currency	Exchange Rate @@	Equivalent Rupees	Foreign currency	Exchange Rate @@	Equivalent Rupees
Hedged by derivative instruments (Converted at committed exchange rates)						
Euro Receivable	4.42	73.18	323.44	3.51	74.91	262.93
GBP Receivable	0.09	79.64	7.06	-	-	-

The details of unhedged foreign currency exposure as at the year end is given below:

Particulars	31.03.2017			31.03.2016		
	Foreign currency	Exchange Rate @@	Equivalent Rupees	Foreign currency	Exchange Rate @@	Equivalent Rupees
USD Receivable@	2.93	64.18	188.05	3.33	65.92	219.52
USD Payable	0.78	65.13	50.80	0.50	66.78	33.39
Euro Receivable	0.16	66.94	10.71	1.43	74.77	106.92
Euro Receivable- Remittance in transit	-	-	-	0.07	69.86	4.89
Euro Payable- Short term Borrowings	-	-	-	0.80	75.10	60.08
Euro Payable	0.44	69.43	30.55	0.47	74.53	35.03
GBP Receivable	0.31	79.48	24.64	0.57	93.79	53.46
GBP Payable	0.01	82.26	1.13	0.00	92.59	0.01
JBY Payable	0.08	0.63	0.05	-	-	-

@ Above figures does not include advances paid against goods/services as it is adjustable against future supplies/ service.

@@ the exchange rate column given above is the average exchange rate arrived at dividing 'Equivalent rupees' divided by 'Foreign currency'.

OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Millions)

b. Particulars of derivative outstanding as at the reporting date

Details of Derivatives	Currency	As at 31.03.2017	As at 31.03.2016	Purpose
		In Foreign Currency	In Foreign Currency	
Forward Contracts	EURO	1.22	0.51	To hedge foreign currency receipts
Sell	EURO	3.00	2.25	To hedge highly probable foreign currency sales

One of the Indian subsidiary has 10 forward exchange contracts for EURO 0.75 million (PY- 7 forward contracts for EURO 1.05 million) and 16 forward exchange contracts for GBP 0.55 million (PY- Nil) for firm commitment of sales.

23.10 Employee Benefits

a. Defined Contribution Plans:

During the year the following amounts have been recognised in the Profit and Loss statement on account of defined contribution plans.

Particulars	31.03.2017	31.03.2016
Employers contribution to Provident Fund (incl. admin charges)	73.05	60.09
Employers contribution to Employee State Insurance	13.66	5.07
Employers contribution to other Social Security Schemes	14.10	14.27

b. Defined Benefit Plans:

Gratuity - Funded & Unfunded

Leave encashment - Unfunded

Gratuity is a funded obligation of the Company and the Indian subsidiary except to the extent of liability of the Parent Company not eligible to be covered by the Gratuity Scheme, which is unfunded. The Company and the Indian subsidiary has funded the liability with Life Insurance Corporation (LIC). Gratuity is computed as 15 days salary for every completed year of service or part thereof in excess of 6 months and is payable on retirement / termination / resignation. Leave encashment is an unfunded obligation of the Company. The Parent and the Indian subsidiary has provided for liability of gratuity and leave encashment based on an actuarial valuation under the projected unit credit method. Actuarial assumptions in determining such liability are given below:

Particulars	Gratuity		Leave Encashment	
	31.03.2017	31.03.2016	31.03.2017	31.03.2016
Discount Rate (per annum)*	7.31%	8.00%	7.31%	8.00%
Expected return on plan assets	7.55%	8.00%	-	-
Salary escalation rate**	10.00%	10.00%	10.00%	10.00%

One of the division of the Company (erstwhile subsidiary Phoenix Lamps Limited) has a separate defined gratuity plan in respect of which different actuarial assumptions are considered as on 31.03.2017 :

Discount Rate (per annum)	7.30%
Expected return on plan assets	8.25%
Employee Turnover #	9.5% for all ages
Salary escalation rate	7.60%

* The discount rate is based on the prevailing market yields of Government of India services as at the Balance Sheet date for the estimated term of the obligations.

** Expected return on plan assets represent the estimated return on plan assets with the LIC.

*** The assumption of future salary increases takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

\# Employee turnover percentage is the expected service of the employees in the future considered as average of all ages of the employees.

OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Millions)

	Particulars	2016-17		2015-16	
		Gratuity	Leave encash-ment	Gratuity	Leave encashment
I.	**I. Reconciliation of present value of obligation**				
	Present value of obligation at beginning of the year	122.70	33.69	110.21	34.04
	Current Service Cost	10.04	5.04	14.00	9.09
	Interest Cost	9.13	1.92	8.63	1.93
	Actuarial (gain)/loss	(1.32)	(1.51)	(4.19)	(1.12)
	Benefits Paid	(5.59)	(5.41)	(5.95)	(10.26)
	Present value of obligation at end of the year (Refer Note I.a below)	134.96	33.73	122.70	33.68

I.a. Present Value of Obligation towards Gratuity as at 31.03.2017 includes liability not eligible to be covered by the clauses governing the Group Gratuity Scheme and is disclosed as an unfunded obligation in Note no. 4.4.1.

	Particulars	2016-17	2015-16
		Gratuity	Gratuity
II.	**Reconciliation of fair value of plan assets**		
	Fair value of plan assets beginning of the year	33.90	31.28
	Expected return on plan assets	2.05	2.48
	Actuarial gain/(loss)	0.26	0.26
	Contributions by employer	9.13	7.37
	Benefits paid	(6.20)	(7.50)
	Fair value of plan assets at end of the year	**39.14**	**33.89**

	Particulars	31.03.2017	31.03.2016
		Gratuity	Gratuity
III.	**Description of Plan Assets**		
	Insurer Managed Funds##	39.13	33.90

The fund is maintained with the Life Insurance Corporation of India under the Group Gratuity Scheme administered through trustees.

The overall expected rate of return on Assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligations is to be settled. The Company expects to contribute ₹ 9.78 million to Gratuity Fund in the next year (PY- ₹ 9.05 million).

	Particulars	2016-17		2015-16	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
IV.	**Expenses recognised in the Profit & Loss Statement**				
	Current Service Cost	10.04	3.95	14.00	4.71
	Interest Cost	9.13	2.04	8.63	1.93
	Expected Return on Plan Assets	(2.05)	-	(2.48)	-
	Actuarial gain/(loss)	(1.09)	(2.04)	(4.34)	(1.12)
	Net Expense recognised in the Profit & Loss Statement under 'Employee Benefit expenses'	**16.03**	**3.95**	**15.81**	**5.52**
	Actual Return on Plan Assets	**0.14**	**-**	**0.13**	**-**

OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Millions)

	Particulars	2016-17		2015-16	
		Gratuity	Leave encashment	Gratuity	Leave encashment
V.	**Net (Asset)/ Liability recognised in the Balance Sheet as at year end**				
	Present value of obligation at end of the year	134.97	33.73	122.70	33.69
	Fair value of plan assets at end of the year	39.13	-	33.90	-
	Net present value of unfunded obligation recognised as (asset)/ liability in the Balance Sheet under the head Long-term provision and Short-term provision	**95.84**	**33.73**	**88.80**	**33.69**

	Particulars	2017	2016	2015	2014	2013
VI.	**Experience Adjustments**					
	Gratuity - Funded & Unfunded					
	Present value of obligations	134.97	122.70	54.94	36.76	27.31
	Fair value of plan assets	39.13	33.90	29.37	23.61	22.22
	Funded Status [(Surplus)/ Deficit]	95.84	88.81	25.57	13.16	5.09
	Experience [Gain/(Loss)] adjustment on plan liabilities	(1.32)	(4.19)	0.08	(0.60)	(0.15)
	Experience [Gain/(Loss)] adjustment on plan assets	0.26	0.26	0.24	(0.47)	(0.25)
	Leave encashment - Unfunded					
	Present value of obligations	33.73	33.69	15.32	11.31	7.78
	Experience [Gain/(Loss)] adjustment on plan liabilities	(0.97)	(0.05)	(0.43)	(0.25)	(0.51)

The direct and indirect foreign subsidiary has provided for retirement plans in accordance with their local laws.

One of the foreign subsidiary has a defined contribution 401(k) plan, which covers substantially all employees. The Company contributes a specified percentage of each participant's annual compensation up to certain limits as defined in the 401(k) plan. The Company recorded expense related to the 401(k) plan of approximately USD 0.2 million during the period ended March 31, 2017.

23.11 On May 8, 2017, the Company entered into an interest rate swap agreement with a financial institution for a notional amount that fluctuates and corresponds with the outstanding balance under the existing credit agreement to limit the impact of increases in the interest rate on the credit facility. This agreement limits the Company's exposure to increasing interest rates by allowing the Company to pay a fixed interest rate of 2.42% and receive a variable rate based upon LIBOR. The agreement settles quarterly and expires on September 8, 2021.

23.12 Segment Reporting

The Group has classified its products as Auto Components and hence operates in only one primary segment (business) as the products do not have any significantly different risk and returns. Secondary segmental reporting is based on the geographical location of customers. The following table shows the distribution of the Groups consolidated sales by geographical market regardless of where the goods were produced and the carrying amount of trade receivable by geographical market.

Particulars	Within India	Outside India	Total
Sales/Operating income	7,708.41	**5,355.46**	**13,063.87**
	(6,602.07)	(3,747.14)	(10,349.21)
Trade Receivables	1,183.82	1,258.28	2,442.10
	(1,369.65)	(726.04)	(2,095.69)
Property, Plant and equipment and Intangible Assets *	4,740.89	550.27	5,291.16
	(3,468.84)	(11.96)	(3,480.80)
Other Assets	2,469.22	621.78	3,091.00
	(3,142.30)	(881.75)	(4,024.05)
Additions to Tangible and Intangible Assets	654.71	582.12	1,236.83
	(409.08)	(7.05)	(416.13)

* Including capital work in progress.

(₹ in Millions)

23.13 Related Party Disclosures

Party	Relationship
K Ajith Kumar Rai (Chairman & Managing Director)	Key Management Personnel
Mohan Chelliah (Executive Director) (up to 11th Mar 2017)	Key Management Personnel
Mohan Srinivasan Nagamangala (Director & CEO)	Key Management Personnel
Medappa Gowda J (CFO & CS)	Key Management Personnel
Peter Greensmith	Key Management Personnel
Pranay D. Gandhi (till June 18,2015)	Key Management Personnel of subsidiary (till June 18, 2015)
Marie-Louise Gentzch	Key Management Personnel
Frank Klinkert	Key Management Personnel of subsidiary
Akhilesh Rai	Relative of Key Management Personnel
Ashutosh Rai	Relative of Key Management Personnel
Manjunath Rai K	Relative of Key Management Personnel
Hemavathi M Rai	Relative of Key Management Personnel
Ashok Kumar Rai	Relative of Key Management Personnel
Suprajit Foundation	Enterprises owned or significantly influenced by Key Management Personnel

Nature of Transaction and Related Party	2016-17	2015-16
Remuneration/ Commission		
K Ajith Kumar Rai	31.01	27.37
Mohan Chelliah	10.63	9.33
Mohan Srinivasan Nagamangala	1.40	-
Medappa Gowda J	5.67	4.55
Akhilesh Rai	0.59	1.09
Ashutosh Rai	0.79	0.63
Peter Greensmith	7.14	6.97
Pranay D. Gandhi	-	3.33
Marie-Louise Gentzch	11.77	18.23
Frank Klinkert	23.59	21.45
Interest Paid		
Manjunath Rai K	0.10	0.09
Hemavathi M Rai	0.10	0.10
Ashok Kumar Rai	0.10	0.10
Interest accrued but not due on deposits and outstanding		
Manjunath Rai K	0.01	0.01
Hemavathi M Rai	0.03	0.03
Mohan Chelliah	0.06	-
Donation		
Suprajit Foundation	26.55	22.08
Reimbursements		
K Ajith Kumar Rai	2.36	2.41
Mohan Chelliah	1.01	1.30
Mohan Srinivasan Nagamangala	0.07	-
Medappa Gowda J	0.54	0.30
Akhilesh Rai	0.15	0.24
Ashutosh Rai	0.25	-

OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Millions)

Nature of Transaction and Related Party	2016-17	2015-16
Fixed Deposits Accepted		
Manjunath Rai K	1.00	0.50
Hemavathi M Rai	1.00	1.00
Ashok Kumar Rai	1.00	1.00
Mohan Chelliah	1.00	-
Fixed Deposits Refunded on Closure		
Manjunath Rai K	-	0.50
Hemavathi M Rai	-	1.00
Ashok Kumar Rai	-	1.00

Balances outstanding at the year end	31.03.2017	31.03.2016
Manjunath Rai K	1.01	1.01
Hemavathi M Rai	1.03	1.03
Ashok Kumar Rai	1.00	1.00
Mohan Chelliah	1.06	-
Marie-Louise Gentzch	6.37	12.97
Suprajit Foundation	26.55	22.08

Notes:

* Amounts shown as outstanding at the year end in relation to fixed deposits accepted represent only the principal amount and the accumulated amount of interest accrued but not due, is disclosed above.

23.14 Leases

The Group has taken various factory, office, residential, warehouse premises and office equipments under operating lease agreements. These are generally cancellable and are renewable by mutually agreed terms. There are no restrictions imposed by these lease agreements. There are no sub leases.

Particulars	31.03.2017	31.03.2016
Total lease payments for the year (recognized in the consolidated profit & loss statement)	76.98	49.40

The subsidiaries have annual commitments under non cancellable operating leases and the future minimum rentals payable under non cancellable operating lease are as follows:

Particulars	31.03.2017	31.03.2016
Not Later than one Year	67.45	48.51
Later than one year but not later than five years	90.33	97.87
Later than five years	-	9.49

23.15 Pending receipt of appeal effect orders for the assessment years where appeals have been decided in favour of the Company by the Commissioner of Income Tax (Appeals) and/ or Income Tax Appellate Tribunal (ITAT), interest on income tax refund has not been recognized thereof as the amount is presently not reasonably determinable. Interest income on this refund shall be recognized in the year the appeal effect order is received from Income Tax Department.

23.16 The asset of ₹ 15.43 million (PY- 62.24 million) recognized by Phoenix Lamps Limited as 'MAT Credit Entitlement' under 'Loans and Advances', in respect of MAT payment for current and earlier years, represents that portion of MAT liability which can be recovered and set off in subsequent periods based on the provisions of Section 115JAA of the Income Tax Act, 1961. The management of the subsidiary based on the future profitability projections, is of the view that there would be sufficient taxable income in foreseeable future, which will enable it to utilize MAT credit assets.

(₹ in Millions)

23.17 Computation of Basic and Diluted EPS

Basic and Diluted Earnings per Share ("EPS") computed in accordance with Accounting Standard (AS) 20 "Earnings per Share

Particulars	2017		2016	
	Basic	Diluted	Basic	Diluted
Weighted average number of shares used in computing earnings per share (A)	139,872,473	139,872,473	121,167,383	121,167,383
Face value per share (Re.)	1.00	1.00	1.00	1.00
Net Profit After Tax as per Profit and Loss Statement before exceptional items (net of tax expense) (B)	1241.51	1241.51	776.33	776.33
Earnings per equity share before exceptional items (net of tax expense) (in ₹)	8.88	8.88	6.41	6.41
Net Profit After Tax as per Profit and Loss Statement after exceptional items (net of tax expense) (C)	1226.57	1226.57	719.39	719.39
Earnings per equity share after exceptional items (net of tax expense) (in₹)	8.77	8.77	5.94	5.94

23.18 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(Amount in ₹)

Particulars	SBNs**	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	1,045,500	904,439	1,949,939
(+) Permitted receipts	-	2,027,420	2,027,420
(-) Permitted payments	-	1,467,473	1,467,473
(-) Amount deposited in Banks	1,045,500	80,485	1,125,985
Closing cash in hand as on December 30, 2016	-	1,383,901	1,383,901

**For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

23.19 Additional Information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary:

Name of the Entity	Net Assets : Total Assets minus Total Liabilities		Share in Profit or Loss	
	As% of consolidated net assets	Amount (₹)	As% of consolidated Profit or Loss	Amount (₹)
Parent Company				
Suprajit Engineering Limited	100.35%	5,166.75	52.38%	642.51
	(82.58%)	(4,143.73)	(62.21%)	(500)
Subsidiaries				
Indian				
1. Suprajit Automotive Private Limited	7.51%	386.74	9.85%	120.83
	(6.25%)	(313.83)	(8.37%)	(67.21)
2. Phoenix Lamps Limited	0.00%	-	0.00%	-
	(28.40%)	(1,425.16)	(28.59 %)	(229.67)

OTHER NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2017

(₹ in Millions)

Name of the Entity	Net Assets : Total Assets minus Total Liabilities		Share in Profit or Loss	
	As% of consolidated net assets	Amount (₹)	As% of consolidated Profit or Loss	Amount (₹)
Foreign				
1. Suprajit Europe Limited	2.85%	146.85	6.41%	78.63
	(1.74%)	(87.41)	(7.87%)	(63.23)
2. Suprajit USA, Inc.	29.06%	1,496.24	11.37%	139.50
	(Nil)	(Nil)	(Nil)	(Nil)
3. Tirfa Lamps Germany GmbH	4.87%	250.89	4.0%	49.15
	(Nil)	(Nil)	(Nil)	(Nil)
4. Luxlite Lamps SARL	3.02%	155.49	(0.49%)	(5.95)
	(Nil)	(Nil)	(Nil)	(Nil)
Minority Interests in all subsidiaries	0.00%	-	0.00%	-
	(10.80%)	(541.85)	(10.44%)	(83.88)

Note: Previous year figures are in brackets.

23.20 Previous period figures have been rearranged/ reclassified where required to confirm to current year's classification. As mentioned in Note no 23.5 previous year figures are not strictly comparable with current year figures in this financial statements.

(Signatures to Notes 1 to 23)

As per our report of even date attached

For and on behalf of the Board of Directors

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director
DIN : 01160327

Mohan Srinivasan Nagamangala
Director & Chief Executive Officer
DIN: 01916468

Medappa Gowda J
Company Secretary &
Chief Financial Officer

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : September 13, 2017

SUPRAJIT ENGINEERING LIMITED

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

September 13, 2017

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 : gopi@integratedindia.in

We are sure you would appreciate this welcome initiative taken by the MCA to reduce consumption of paper and thereby, protect the environment. We expect to receive your support and co-operation in helping the Company to contribute its share to the said initiative.

Thanking You,

Yours faithfully,
For **Suprajit Engineering Limited**

Medappa Gowda J
Company Secretary

SUPRAJIT ENGINEERING LIMITED

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Website: www.suprajit.com, Email: info@suprajit.com, investors@suprajit.com

ECS MANDATE FORM

Members holding Shares in Physical Mode	Members holding Shares in Physical Mode
Please inform **Integrated Registry Management Services Private Limited** No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru – 560 003.	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: ………………………………………………… ………………………………………………………

………………………………………………………

SUPRAJIT ENGINEERING LIMITED

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Website: www.suprajit.com, Email: info@suprajit.com, investors@suprajit.com

FORM NO. MGT - 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : **L29199KA1985PLC006934**
NAME OF THE COMPANY : **SUPRAJIT ENGINEERING LIMITED**
REGISTERED OFFICE : **No. 100, Bommasandra Industrial Area, Bengaluru – 560 099**

Name of the member (s) :
Registered address :
E-mail Id:
Folio No/ Client Id :
DP ID :

I/We, being the member(s) of ………… shares of the above named company, hereby appoint.

1. Name :
   Address :
   E-mail Id :
   Signature :……………. or failing him
2. Name :
   Address :
   E-mail Id :
   Signature :……………. or failing him
3. Name :
   Address :
   E-mail Id :
   Signature :…………….

As my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 32nd Annual general meeting of the Company, to be held on the on Saturday, the 11th November, 2017 at 2.30 P.M at Plot No. 101, Bommasandra Industrial Area, Bengaluru-560 099 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolution
Ordinary Business	
1.	To consider and adopt the Audited Financial Statements & other documents
2.	To appoint Dr. Supriya A Rai as Director, who retires by rotation
3.	To confirm the payment of Interim Dividend and to declare Final Dividend
4.	Appointment of Auditors of the Company.
Special Business	
5.	To Appoint Mr. Mohan Srinivasan Nagamangala as Director & CEO
6.	To approve the remuneration payable to the cost auditors of the Company
7.	To approve SEL employee Stock Appreciation Rights Plan 2017
8.	To approve grant of ESARs to Employees / Directors of Subsidiary under ESAR 2017

Signed this…… day of……… 2017

Signature of shareholder

Signature of Proxy holder(s)

Affix
₹ 1/- Revenue
Stamp

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

SUPRAJIT ENGINEERING LIMITED

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Registered & Corporate Office : No. 100, Bommasandra Industrial Area, Bengaluru – 560 099

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Website: www.suprajit.com, Email: info@suprajit.com, investors@suprajit.com

Form No. MGT-12

Polling Paper

[Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: Suprajit Engineering Limited
Registered office: No. 100, Bommasandra Industrial Area, Bengaluru – 560 099

BALLOT PAPER

Sl. No	Particulars	Details
1.	Name of the First Named Shareholder (In block letters)	
2.	Postal address	
3.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
4.	Class of Share	

I hereby exercise my vote in respect of Ordinary/ Special resolutions enumerated below by recording my assent or dissent to the said resolution in the following manner:

ORDINARY BUSINESS

Sl. No	Item	No. of shares held by me	I assent to the resolution	I dissent from the resolution
1.	To consider and adopt the Audited Financial Statements & other documents			
2.	To appoint Dr. Supriya A Rai as Director, who retires by rotation			
3.	To confirm the payment of Interim Dividend and to declare Final Dividend			
4.	Appointment of Auditors of the Company.			
	SPECIAL BUSINESS			
5.	To Appoint Mr.Mohan Srinivasan Nagamangala as Director & CEO			
6.	To approve the remuneration payable to the cost auditors of the Company			
7.	To approve SEL employee Stock Appreciation Rights Plan 2017			
8.	To approve grant of ESARs to Employees / Directors of Subsidiary under ESAR 2017			

Place:
Date: (Signature of the shareholder)

SUPRAJIT ENGINEERING LIMITED

CIN: L29199KA1985PLC006934

Registered & Corporate Office : No. 100, Bommasandra Industrial Area, Bengaluru – 560 099

Telephone: +91-80-4342 1100, Fax: +91-80- 2783 3279.

Website: www.suprajit.com, Email: info@suprajit.com, investors@suprajit.com

ATTENDANCE SLIP

32nd ANNUAL GENERAL MEETING, SATURDAY, 11th NOVEMBER, 2017 AT 2.30 P.M

Name and Address of the Member ____

Reg. Folio / Client ID No. ____

I certify that I am a registered shareholder of the Company and hold ______________shares.

Please indicate whether Member / Proxy ____________________________

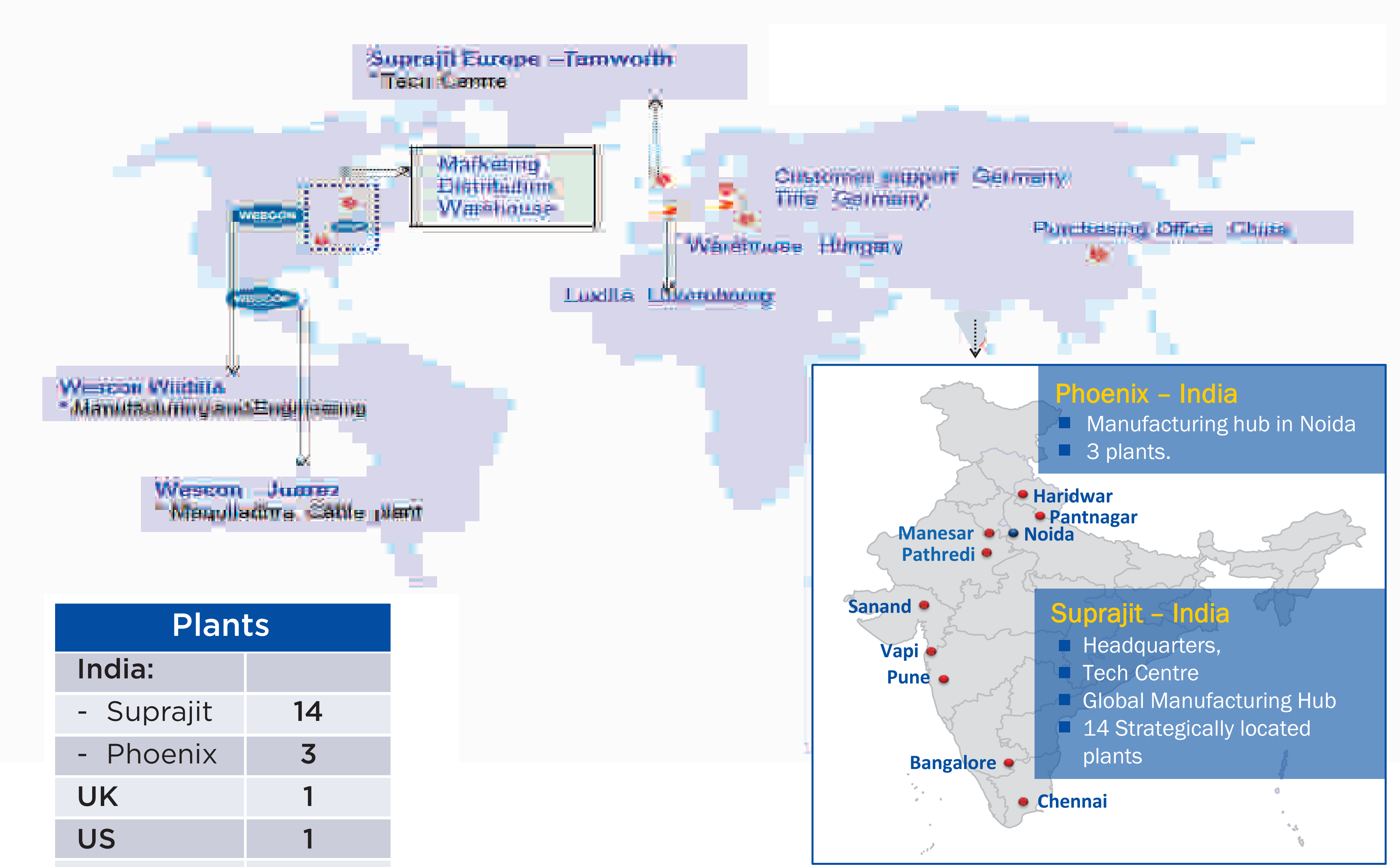
I hereby record my presence at the 32ND ANNUAL GENERAL MEETING of the Company held on Saturday, 11th November , 2017 at 2.30 P.M. at Plot no. 101, Bommasandra Industrial Area, Bengaluru – 560099.

Member's/Proxy Name in BLOCK Letter **Member's / Proxy's Signature**

Note :

Shareholder / Proxy holder must bring the Attendance Slip to the meeting and hand it over at the entrance duly signed.

GLOBAL FOOTPRINT



Plants	
India:	
- Suprajit	14
- Phoenix	3
UK	1
US	1
Mexico	1

SOME OF OUR ESTEEMED CUSTOMERS

Automotive

- BMW
- Volkswagen
- Renault
- Nissan
- GM
- Toyo Seat
- Maruti Suzuki – Way of Life!
- Toyota
- Rolls-Royce
- Mercedes-Benz
- ISRI Isringhausen
- Mahindra
- Suzuki
- Ford
- Skoda Auto
- Swaraj Mazda
- Hyundai
- JCB
- Lumax – DK Jain Group
- Inteva Products
- Bosch
- Jin-shin
- Land Rover
- PHA
- Lear Corporation
- Hella
- Neolite
- IJL
- Benteler
- BOS
- ITW
- Edscha
- brose – Technik für Automobile
- Minda
- Ashok Leyland
- Tata
- Aston Martin
- Witte Velbert
- Magna
- Behr
- Jaguar
- Valeo
- VE Commercial Vehicles – A Volvo Group and Eicher Motors joint venture

Two Wheeler

- TVS
- Hero
- Bajaj
- Honda
- Yamaha
- Piaggio
- Harley-Davidson Motor Company
- Atul Auto Ltd.
- Mahindra 2 Wheelers
- Royal Enfield
- KTM
- Suzuki
- Triumph
- Rinder India
- Fiem
- Varroc Excellence

Non-Automotive

- John Deere
- Husqvarna
- Piaggio
- MTD
- Toro
- Honda Power Equipment
- Jacobsen – A Textron Company
- EZGO – A Textron Company
- TAFE
- Kubota
- Godiga Automotive
- New Holland Agriculture
- Whirlpool
- Briggs & Stratton

Suprajit

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