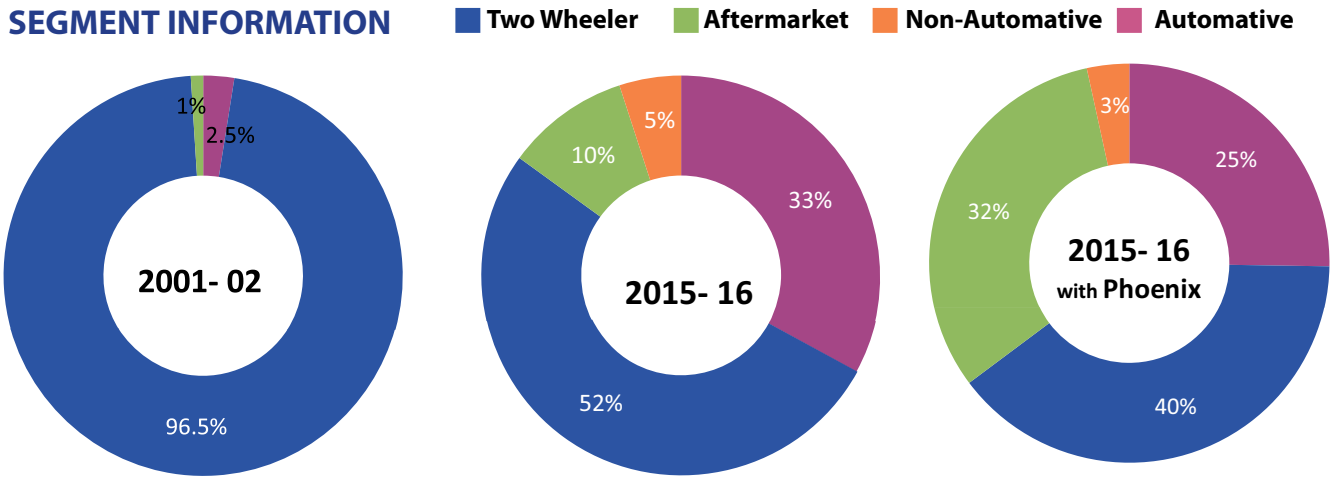
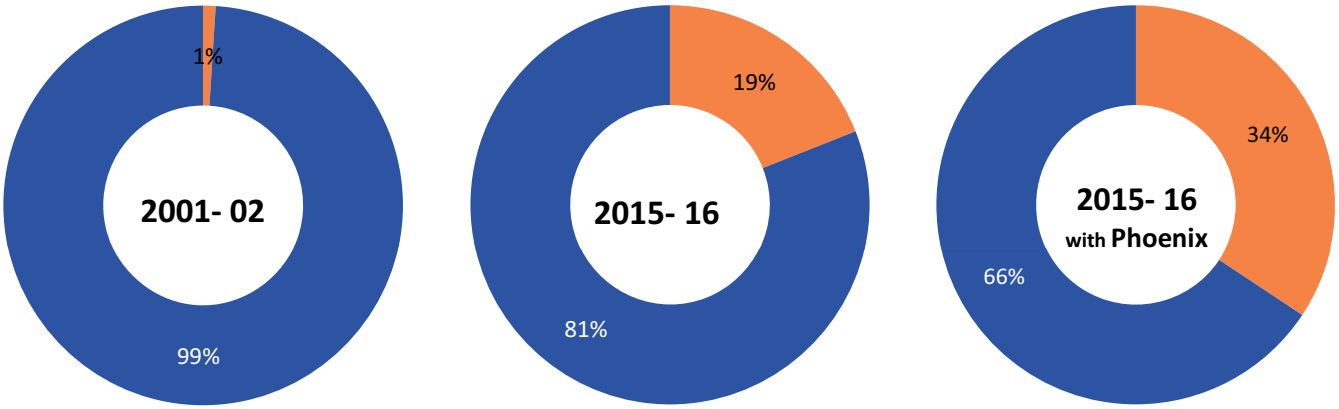
Suprajit Engineering Limited
Thirty First Annual Report 2015-2016

THE TRANFORMATION CONTINUES

SEGMENT INFORMATION



GEOGRAPHIC TRANSFORMATION



FINANCIAL HIGHLIGHTS AND KEY INDICATORS - CONSOLIDATED

₹ in Million

Description	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gross Income	2,010.55	2,269.90	2,663.40	3,792.40	4,612.50	5,107.50	6,006.09	6,718.10	10,504.30
Profit after tax (PAT)	79.85	89.97	221.69	333.01	398.15	471.24	508.09	502.94	803.20
Equity and Reserves	495.39	545.80	702.50	969.10	1,291.80	1,667.30	2,047.00	2,408.08	3,409.60
ROE%	16.12	16.48	31.56	34.36	30.82	28.26	24.82	20.89	23.56
Asset Turnover Ratio (Net assets)	3.26	3.25	3.81	4.37	4.58	4.29	3.94	4.00	4.69
Debt Equity Ratio (Term debt)	0.82	0.46	0.39	0.44	0.30	0.27	0.27	0.38	0.25
Current Ratio	1.42	1.24	1.30	1.59	1.50	1.57	1.60	1.85	1.81
EBIDTA %	12.43	13.22	17.28	16.18	15.51	15.69	16.01	14.90	16.17
ROCE %	15.93	22.02	29.79	39.89	38.07	33.60	33.65	27.32	33.77
Book Value of shares (₹)	4.12	4.54	5.85	8.07	10.76	13.89	17.05	20.06	25.96
EPS (₹)	0.66	0.74	1.84	2.77	3.31	3.92	4.23	4.19	6.11
Pay out Ratio (%) to PAT	43.65	33.14	26.85	18.46	22.75	22.26	26.57	26.84	*19.50

* Subject to shareholders' approval

MARCHING AHEAD WITH CONFIDENCE

My Dear Shareholder,

I have pleasure in sharing with you yet another year of satisfying performance. The enclosed Report of your Board of Directors and the financial statements give succinctly, the highlights of your Company's performance.

India's GDP grew at about 7%, whereas the automotive industry grew only by 3.5%, largely due to lackluster performance of the two wheeler industry. However, your Company, as always in the past, has outperformed the Industry growth and as you would note in the enclosed financial statement, with improved margins. Commodity prices and interest rates remained stable at lower levels and currency fluctuations have been generally modest.

Our Wholly Owned Subsidiaries have performed impressively last year. The consolidated performance of Suprajit Automotive Pvt Ltd and Suprajit Europe Limited showed good growth in business and improved margins, outperforming their past records. The outlook for these subsidiaries is good due to an increased business from some of the existing marquee customers. This is a clear indication that the global customers have started to depend more on our ability to deliver value for money for their requirements.

Phoenix Lamps Limited, our recently acquired subsidiary, has turned out to be a good fit for your Company. With stabilization of operations, restructuring of its subsidiaries and close focus on all regulatory and tax issues, the worst appears to be behind for this subsidiary. A Capex plan has been put in place, which will improve the quality of products and process capabilities. I am confident that Phoenix will perform satisfactorily in the years ahead.

Your Company used a significant amount of the cash it had in the balance sheet and borrowed the balance to complete the acquisition of Phoenix Lamps Limited. To pursue the growth opportunities, your Company raised ₹ 14,997.37 lacs through a Qualified Institutional Placement. The issue received good response by marquee investors.

You are aware that the Boards of both the Companies, i.e. Phoenix and Suprajit, have announced the merger of Phoenix with Suprajit. I believe that this is a clear win win for all minority shareholders. A single entity will have economies of scale, reduced costs of management, better customer service, strong footprint across the world, cost competitiveness, reduced regulatory hurdles and many other multiple advantages. This will add to our strength to march ahead with confidence. I seek your blessings for this merger.

Global uncertainty continues with tepid global growth. Added to this, recent issues of threat perceptions, European and Chinese economic concerns and Brexit will add to the problems of the global economy. The delay in rolling out GST and other reform measures will continue to add to the woes of business in the medium term, on the domestic front.

The capacity expansion plan to increase the annual cable capacity from 150 mn to 225 mn will be completed by September 2016. With commercial production at the new plants at Charal Industrial Estate, Sanand, Gujarat and Vallam Vadagal area, Chennai the current year appears to have begun well. With the expectation of a good monsoon and continued lower commodity and interest rates, the outlook for the current year appears to be satisfactory.

We continue to focus on OEM business and have made significant inroads into the aftermarket business domestically, along with increased OEM and aftermarket businesses in the export market using our enhanced global footprint. This gives me the confidence that Suprajit, as a group, will excel in our business and outperform with our focused derisking of business in every vertical. With Phoenix's additional product line, I am confident that Team Suprajit will continue to deliver a good and robust performance going forward. `Customer Focus' and 'Value For Money Supplier' our motto, drives our Team to continue to perform well in our business.

Suprajit Foundation continues to carry out CSR activities of the group. The activities of Suprajit Foundation are elaborated elsewhere in this report.

The vision of Suprajit 2.0 is to pursue organic growth aggressively, and to explore focused inorganic growth opportunities, with the desire to grow profitability and to perform better than our peers. Team Suprajit continues to work in this direction relentlessly.

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

With warm personal regards,

Yours sincerely,

K. Ajith Kumar Rai
Chairman & Managing Director

TOP MANAGEMENT SPEAKS

Dr. Mohan Chelliah
Executive Director
Suprajit Engineering Ltd.

"Every week is important, every day is important, every moment is important. Ultimately, effective execution happens daily and weekly!" - Brian P. Moran

SUPRAJIT's High-Impact Leadership ensures that effective execution of all the plans happen every moment. This is its success factor and a way of life.

TEAM SUPRAJIT continues its journey of high performance with a time-tested Customer-Centricity. The Company has not lost a single customer in its three decades of existence, which clearly indicates the enormous trust the Company enjoys with all its customers. SUPRAJIT, as a native habit, ensures Best-in-class technology and service to all its customers, be they are of domestic or global, small or big and automotive or non-automotive.

Lately, the Company has implemented People Capability Maturity Model (PCMM) which focuses on continuously improving the management and development of the human assets of the organization.

I am sure, an annual production capacity of 225 million cables, one of the largest in the world and a host of world-class initiatives like Perpetual Bench-marking, Process Optimization and Total Employee Engagement along with recent acquisitions, SUPRAJIT is poised for a major leap forward.

N.S. Mohan
President
Suprajit Engineering Ltd.

Ability to grow both organically and inorganically and keep the capital deployed in a financially efficient manner is business all about. We, at Suprajit, have demonstrated this, again.

While we continue to grow profitably in the cable business, our acquisition of Phoenix Lamps Ltd and successfully integrating the Company from a cultural perspective to imbibe the focus on delivering quality products at affordable prices to our customers and continuously improve on cost efficiencies has been crucial in our strategy of growing inorganically. With the dedication of "Team Suprajit", we have been able to bring-in freshness into Phoenix Lamps and are in the process of making Phoenix, a force to reckon with on a global platform.

The strategic initiatives launched about two years back like Automation, Generation Next, Tech Centre, Penetrating the US market, continues to be in the spotlight. The concept of "Team Suprajit" being a group of qualified professionals across the globe working towards business excellence is taking shape. This would make us a truly global Company in the years to come.

Peter Greensmith
Managing Director
Suprajit Europe Ltd.

Our supply model of manufacturing in India (Suprajit Automotive Private Limited) and warehousing in the UK Tech Centre (Suprajit Europe Limited) continues to work effectively due to the positive integration of the two remote teams.

Both ends of the business grew significantly in the last year mainly due to new contracts with BMW and Nissan. We strengthened the customer facing teams located in UK and in mainland Europe to support increased activity levels both in terms of engineering and plant quality functions. The good performance at Nissan has resulted in new contracts with Renault.

Based on achieving a higher R & D certification at VW and completion of several pilot contracts, SEU has been nominated for several major contracts across the VW Group.

Team Suprajit is proud to be largest manufacturer of automotive cables in the country.

Suprajit Operations Team successfully met the timeline of commissioning two new units in Sanand and Chennai. Operations Team once again demonstrated the art of establishing benchmarked manufacturing units with lean & young teams. We focus on developing simplified, flexible and highly operator friendly processes to achieve zero defect & high productivity.

Automation and TPM initiatives have started giving good results of higher productivity & awareness on cost control. Focus for the year is to continue good efforts made in following best practices and achieve Customer delight by being nimble in delivering value to them.

Narayana Shankar K
Executive VP
Suprajit Engineering Ltd.

We are a stakeholder friendly Company with a transparent, ethical and professional approach. Our high levels of Corporate Governance has certainly increased the confidence level with investors, customers, vendors, banks and associates year on year. Prudent cash management, conservative accounting and efficient capital allocation, will certainly deliver value to our stakeholders. Maintaining key financial ratios like ROCE, asset turnover and gearing ratios, constantly though challenging, demonstrates our commitment to our stakeholders.

Our recent acquisition of Phoenix, its restructuring and integration with Suprajit with improved financial performance, gives us the confidence that we can do more in times to come. Our strong balance sheet, IT and MIS systems gives us an added confidence to perform well in our future journey.

Medappa Gowda J
VP Finance
& Company Secretary
Suprajit Engineering Ltd.

The HR Team is well aligned with the demands of the customers, employees and the Company. Practicing positive people values continues to be the cornerstone of success of Team Suprajit. We are one of the few companies with highest retention of talent at critical levels for a long period. This is the result of the “People values” practiced for several years with success. This year saw the commissioning of two more units. In both the units HR has recruited and trained the manpower as per the requirement of the operations and the customers to meet all the HR needs with good success. This year also saw the best HR practices of Suprajit, implemented in Phoenix Lamps. The employees of Phoenix Lamps have welcomed these initiatives.

Team HR is well geared to meet any challenge in the domain of people management in the days to come.

Shankar S.
VP Human
Resources
Suprajit Engineering Ltd.

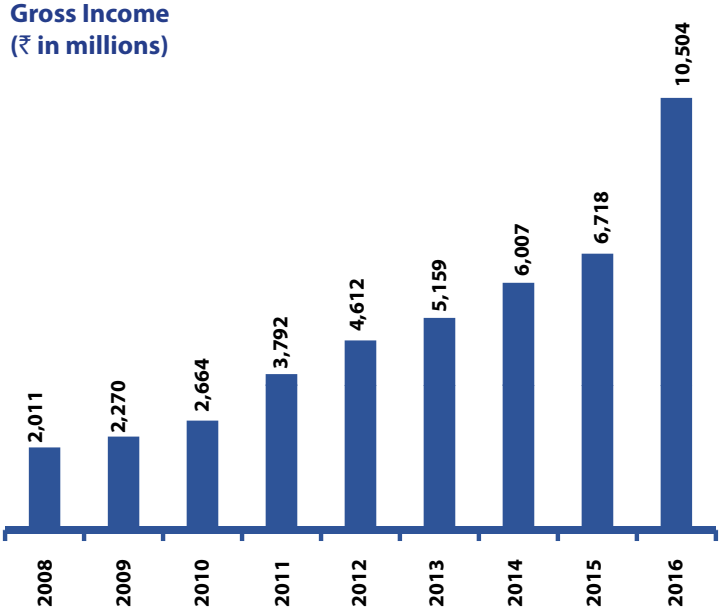
This year was highlighted by the acquisition of controlling share in Phoenix Lamps Limited, running SAP ERP. We quickly setup Suprajit’s best practices in procurement, monitoring of key performance metrics and streamlined the financial closing procedures. We now focus on improved performance and reliability of Phoenix’s systems.

This year the IT team focus will be on upgrading many current systems to handle expected future growth. This includes systems for quicker financial consolidation across multiple legal entities and geographies.

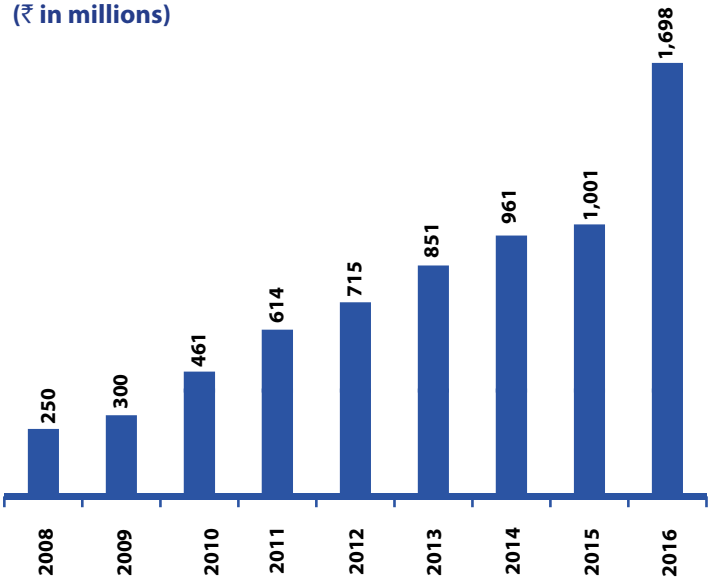
Akhilesh Rai
Head IT
Suprajit Engineering Ltd.

KEY FINANCIAL INDICATORS - GROUP

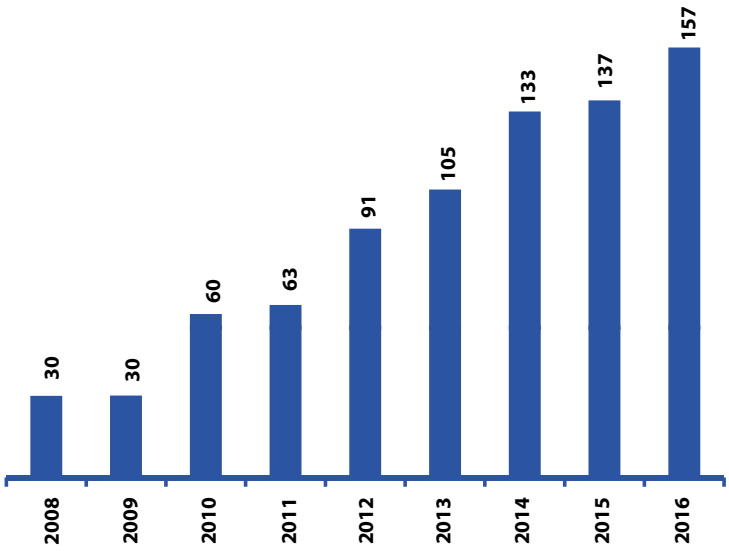
Gross Income
(₹ in millions)



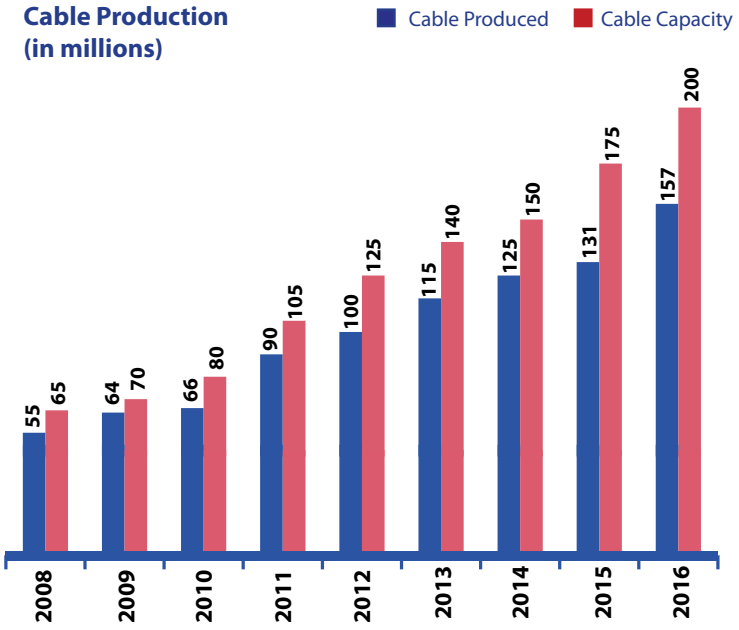
EBIDTA
(₹ in millions)



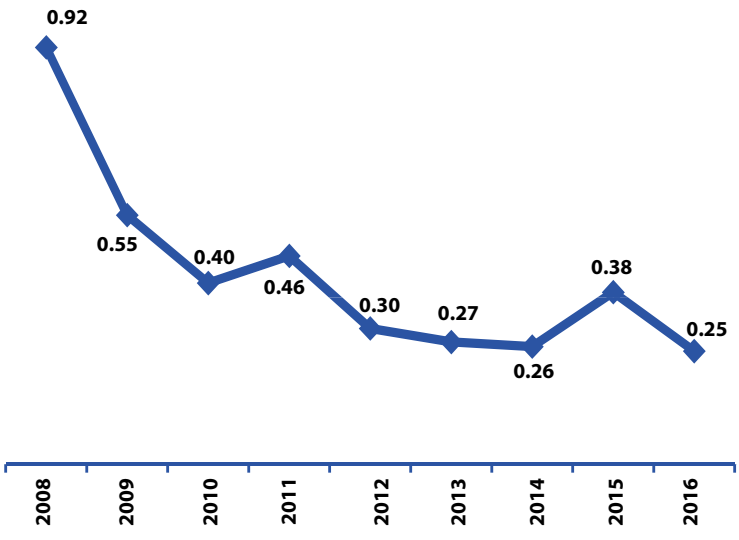
Dividend and Tax Outflow
(₹ in millions)



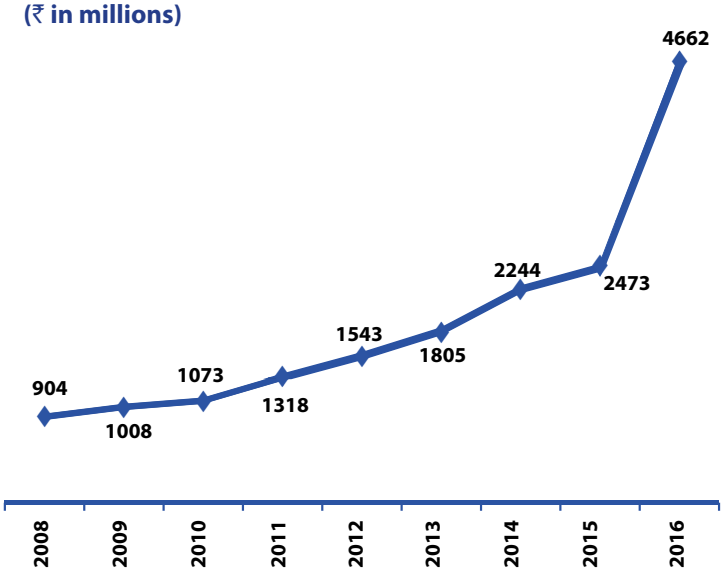
Cable Production
(in millions)



Long Term Debt Equity Ratio



Gross Fixed Assets
(₹ in millions)



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Suprajit

BOARD OF DIRECTORS

K Ajith Kumar Rai
Chairman & Managing Director - CEO

Dr. C Mohan
Executive 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

COMPANY SECRETARY & CFO
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

STOCK EXCHANGES
BSE Ltd (BSE)
National Stock Exchange (NSE)

REGISTERED OFFICE

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

15 PLANTS AT :

Bommasandra and Doddaballapur, Bengaluru (Karnataka)

Chakan (Maharashtra)

Vapi and Sanand (Gujarat)

Manesar (Haryana)

Pathredi, Bhiwadi (Rajasthan)

Haridwar and Pantnagar (Uttarakhand)

Vallam - Vadagal, Chennai (Tamilnadu)

US-Branch Office (Atlanta)

SUBSIDIARIES AT:

Suprajit Automotive Private Limited (100% EOU)
Doddaballapur Indl. Area, Bengaluru.

Suprajit Europe Limited
Tamworth, United Kingdom.

Phoenix Lamps Limited
Noida.

REGISTRAR AND SHARE TRANSFER AGENT

Integrated Enterprises (India) Limited,
No. 30, Ramana Residency,
Malleswaram, Bengaluru - 560 003.
Phone: +91-80-23460815-18,
Fax: +91-80-23460819,
E-mail : irg@integratedindia.in

BANKERS

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

COST AUDITORS

Messrs G N V Associates
Cost Accountants

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 FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty First Annual General Meeting of Suprajit Engineering Limited will be held at Plot No. 101, Bommasandra Industrial Area, Bengaluru-560 099 at 1.00 p.m. on Saturday, the 24th September, 2016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and Cash Flow of the Company for the year ended as on that date together with the Auditors' Report thereon and Report of the Board of Directors including Secretarial Audit Report.
2. To appoint Dr. C Mohan, Executive Director (DIN. 05229359) who retires by rotation and being eligible, offers himself for reappointment.
3. To confirm the payment of Interim Dividend and to declare Final Dividend.
4. To ratify appointment of Messrs Varma & Varma, Chartered Accountants, (Firm Registration No. 004532S) as Statutory Auditors of the Company and authorise Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To ratify the remuneration payable to Messrs G N V and Associates, Cost Accountants, Cost Auditors of the Company for the financial year 2016-17.

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, 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, 2016-17 on a remuneration of ₹ 85,000/- (Rupees Eighty Five Thousand only) plus applicable taxes and reimbursement of out-of-pocket, 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."

By Order of the Board

For **Suprajit Engineering Limited**

Place : Bengaluru
Date : 8th August, 2016

Medappa Gowda J
Company Secretary
Membership No.: 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/ authority, as applicable.

3. The Register of Members and the Share Transfer books of the Company will remain closed from 21st September, 2016 to 24th September, 2016 (both days inclusive).

4. An Interim Dividend of ₹ 0.50 (50%) as recommended at the Board Meeting held on 9th February, 2016 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 19th February, 2016. (Record Date).

5. Final Dividend of ₹ 0.55 (55%) per Equity Share as recommended by the Board, if approved at the Meeting, will be paid to those members whose names appear on the Register of Members of the Company/ Beneficial Owners Position as per the records of depositories as on 20th September, 2016.

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

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 Enterprises (India) 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. 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.

10. 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.

11. 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 19th August, 2016.

12. 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.

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

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

15. 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. The last date for claiming unclaimed dividend for the dividend declared for financial year 2008-09 expires on August 19, 2016. Therefore, shareholders are requested to claim dividend before the expiry of said period.

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

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

    The details of Director proposed to be appointed/re-appointed at the ensuing Annual General Meeting are

reproduced below, in terms of Regulation 27 of SEBI (LODR) Listing Regulations, 2015.

Dr. C Mohan (DIN 05229359)

Dr. C Mohan, aged 63 years was appointed as Executive Director on 12th March, 2012 for a period of three years and the appointment was approved by the shareholders at their Twenty Seventh Annual General Meeting held on 31st July, 2012. The Shareholders further appointed Dr. C Mohan for further period of 2 years through Postal Ballot vide Notice dated February 13, 2015.

Dr. C Mohan is an Engineer from PSG College of Technology, MBA in Finance from Annamalai University and Ph.D from Aligarh Muslim University. Prior to joining Suprajit, he was Chief Operating Officer at Kalyani Forge. During his carrier, Dr. C Mohan has worked in many companies, including BPL, LML, Wellwin, Fiem Industries etc.

His other directorships:

Name of the Company	Nature of Interest
Nil	Nil

17. **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 11.00 A.M 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

18. Notice of the Annual General Meeting along with the Annual Report 2015-16 is being forwarded in electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.

19. To support the 'Green Initiative', the Members who have not registered their e-mail addresses are requested to register the same with Integrated Enterprises (India) Limited /Depositories.

20. Information and other instructions relating to e-voting are as under:

    (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 First 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 Wednesday, 21st September, 2016 (9.00 a.m) and ends on Friday, 23rd September, 2016 (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 17th September, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

21. **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.
    (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 (iv).

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

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

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

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

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

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

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

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

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

(xvi) If a demat account holder has forgotten the 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. 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 in the General Meeting.

22. The results of Annual General Meeting shall be declared within three (3) 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 (NSE).

23. Mr. Parameshwar G. Bhat, Practising Company Secretary (Membership No. ACS-25167), 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 three 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.

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

Item No. 5:

To ratify the remuneration payable to Messrs G N V and Associates, Cost Accountants as Cost Auditors of the Company.

In terms of Section 148 of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014, your Board on recommendation of Audit Committee has appointed Messrs G N V and Associates, as the Cost Accountants of the Company for the financial year 2016 -17 on a remuneration of ₹ 85,000/- plus applicable taxes and reimbursement of out-of-pocket expenses at actuals.

The Company has received a Certificate from the Cost Auditors confirming their independence and arm's length relationship with the Company and their willingness to act as Cost Auditor of the Company.

The remuneration payable to Messrs G N V and Associates, Cost Accountants of the Company for the financial year 2016-17 is proposed to be ratified by the members of the Company.

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. 5.

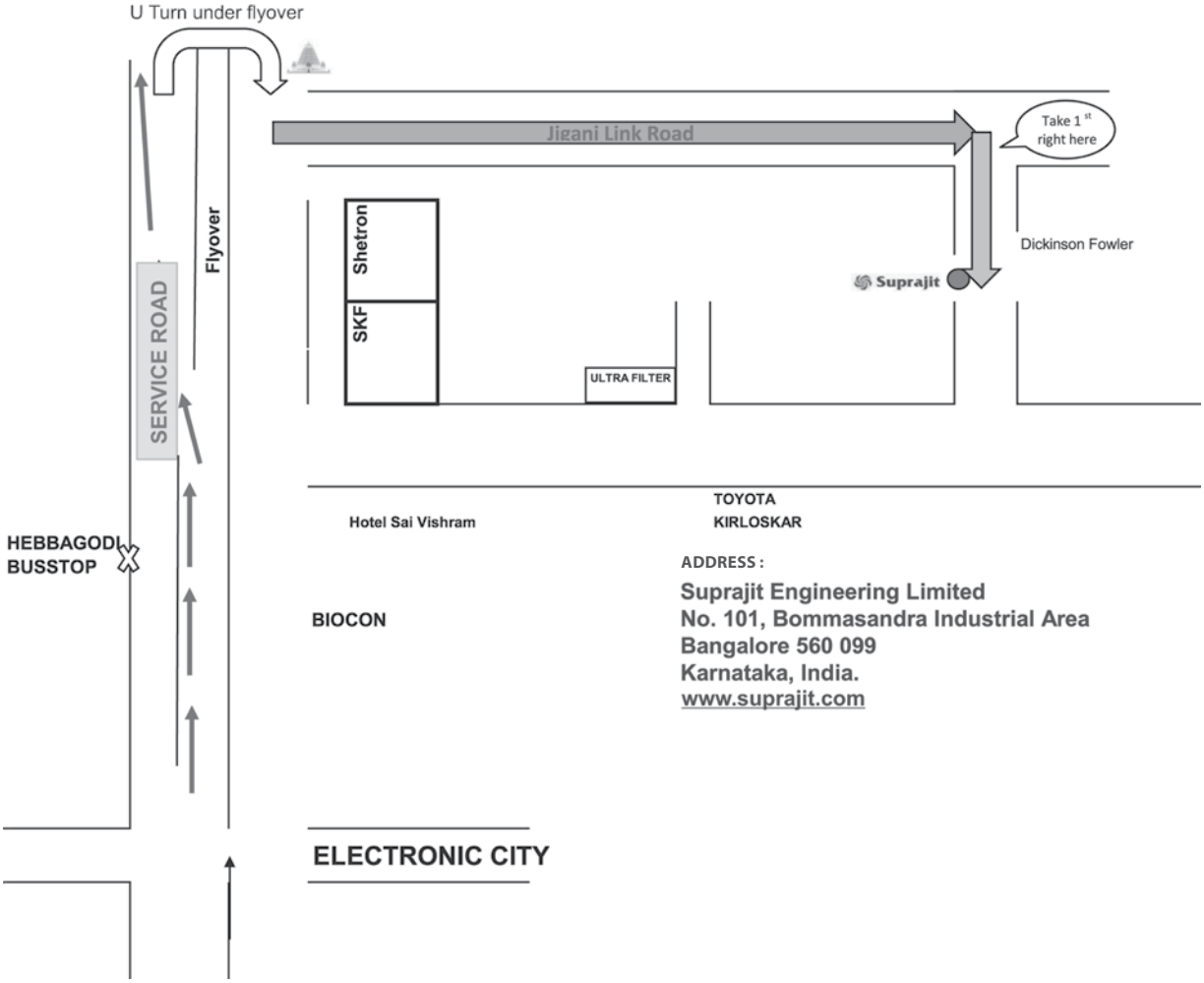
This may be treated as compliance with the SEBI(LODR) Regulations, 2015.

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

Place : Bengaluru
Date : 8th August, 2016

Medappa Gowda J
Company Secretary
Membership No. : 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 First Annual Report on the business and the Audited Statement of Accounts for the year ended 31st March, 2016 together with the Independent Auditor's Report.

FINANCIAL RESULTS:

₹ in Lakhs

Particulars	2015-16	2014-15
Gross Income	66,574.80	58,063.53
Profit before tax	7,820.89	6,646.98
Less: Provision for taxation	2,823.47	2,185.60
Profit after tax before prior period adjustment	4,997.42	4,461.38
Current Tax relation to prior year	Nil	Nil
Profit after tax	4,997.42	4,461.38
Add: Surplus from last year	3,147.58	2,863.24
Profit available for appropriation after adjustments prior period taxes	8,145.00	7,324.61
APPROPRIATIONS:		
1 Interim Dividend 50% (last year interim 45%)	600.10	540.09
Tax on Interim Dividend	81.65	88.09
2 Proposed final Dividend 55 % (last year 50 %)	769.30	600.10
Provision for tax on Final Dividend	116.10	122.16
3 Transfer to General Reserve	3,000.00	2,800.00
Additional depreciation under Schedule II of Companies Act, 2013	-	26.58
4 Balance carried to Balance Sheet	3,577.85	3,147.58

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 ₹ 0.55 per Share of ₹ 1/- each (55%). The total outgo, considering the interim dividend including taxation, stands at ₹ 1,567.15 Lakhs as against ₹ 1,350.44 Lakhs during the last year. In terms of the Scheme of Amalgamation of Phoenix Lamps Limited (subsidiary of your Company) with the Company, which was duly approved by the Board , and is under regulatory approval process, an amount of ₹ 46.93 Lakhs has been provided to be paid to the minority Shareholders of Phoenix Lamps Limited which will become payable upon the said Scheme becoming effective.

SHARE CAPITAL:

Based on the approval accorded by the Shareholders earlier, during the year, the Company had issued and allotted 1,13,18,774 Equity Shares of ₹ 1/- each, at a premium of ₹ 131.50 per share, amounting to ₹ 14,997.37 lakhs through Qualified Institutional Placement. Your Company has received good response for the issue. The proceeds of the issue will be judiciously used to optimize debt and equity and to meet the long term growth plans of your Company.

CHANGE IN NATURE OF BUSINESS:

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

OPERATIONS –MANAGEMENT DISCUSSION AND ANALYSIS:

Indian automotive industry grew at 3.5% as against 8.3% previous year, showing increased sluggishness. This has been largely due to a below normal monsoon and general economic conditions in the country.

Your Company, on a standalone basis, recorded an income of ₹ 66,575 Lakhs during the year 2015-16 as against ₹ 58,063 Lakhs during the year 2014-15, recording a growth of 14.66%. The Profit After Tax was ₹ 4,997 Lakhs during the year 2015-16 as against the Profit After Tax of ₹ 4,461 Lakhs during the year 2014-15, recording a growth of 12%. The consolidated group income (including Phoenix) was ₹ 1,05,045 Lakhs for the year 2015-16 against ₹ 67,181 Lakhs for the year 2014-15, recording a growth of 56 %. The consolidated Profit After Tax was ₹ 7,194 Lakhs during the year 2015-16 as against ₹ 5,029 Lakhs during the year 2014-15, a growth of 43%. You will note that your Company's revenue growth, both standalone and consolidated, has been well ahead of the Industry growth, as in the past. Due to favorable currency, commodity prices, operational improvements, the margins of your Company have improved as compared to the previous year. Your Company's overall performance has been satisfactory.

During the year, your Company started commercial production at its new plant at Charal Industrial Estate, Sanand, Gujarat. It also started the trial production at its new plant at Vallam Vadagal area, Chennai.

CURRENT YEAR:

The Indian GDP is expected to grow at 7% during the current year. The interest rates and inflation have come down. Added to this, commodity prices are expected to remain stable and monsoon forecast for the current year is favorable. This can improve the rural economy and is expected to help automotive industry to grow better than the last year. The trend of the global business is expected to be steady and give satisfactory push for the overall business growth this year for your Company.

Capacity expansion plan from 150 million to 225 million cables per year will be completed during the current year. This will create sufficient capacity for the next few years. The current year trend with the domestic customers, aftermarket and exports appear to be satisfactory. Your Directors believe that the overall performance of your Company for the year will be satisfactory.

ACQUISITION OF PHOENIX LAMPS:

The Directors are pleased to inform that during the year under report, your Company acquired 61.93% in the fully paid up Equity Share Capital of Phoenix Lamps Limited at a cost of ₹ 15,445.09 Lakhs. Your Company initially acquired 1,42,89,843 Equity Shares of ₹ 10/- each at a consideration @ ₹ 89/- per share aggregating to ₹ 12,717.96 Lakhs amounting to 51% from Argon India Limited, Mauritius and Argon South Asia Limited, Mauritius. An 'Open Offer' was made to minority shareholders to acquire additional 26% for which 15,021 Shares were tendered at ₹ 100/- per share aggregating to ₹ 15.02 Lakhs. Your Company further acquired the balance 30,47,312 Equity Shares of ₹ 10/- each at a consideration @ ₹ 89/- per share aggregating to ₹ 2,712 Lakhs amounting to 10.88% stake and completed the transaction in line with Share Purchase Agreement signed on 6th May, 2015. With this, Phoenix Lamps Limited became subsidiary of your Company.

Your Company has worked closely with Phoenix Lamps Limited during the year in various areas including operations, finance, regulatory, compliances, subsidiary businesses, etc. to add significant value to improve the operational and financial performance of the Company. Phoenix continues to be the largest Halogen Lamp manufacturer in India and the product range will complement your Company's core product range of cables. On a standalone basis, Phoenix has recorded an income of ₹ 22,538 Lakhs during the year 2015 -16 as against ₹ 24,601 Lakhs during the year 2014-15, recording a negative growth of 8.39%. The Profit After Tax was ₹ 141.36 Lakhs during the year 2015-16 as against the Profit After Tax of ₹ 2,747.77 Lakhs during the year 2014-15, largely due to a provision for diminution in value of investment at the subsidiary of Phoenix Lamps Limited, lower sales, write-offs relating to previous years, etc. The consolidated group income was ₹ 33,654.40 Lakhs for the year 2015-16 as against ₹ 3,6825.54 Lakhs for the year 2014-15, recording a negative growth of 8.61%. The consolidated Profit After Tax was ₹ 2,290.28 Lakhs during the year 2015-16 as against ₹ 1,957 Lakhs during the year 2014-15, a growth of 17%. Sales were lower due to currency and customer related issues. Your Directors are confident that with both Suprajit and Phoenix teams working together to overcome multiple hurdles, the performance of this subsidiary will be satisfactory, going forward.

MERGER OF PHOENIX LAMPS LIMITED:

On 18th April, 2016, your Company and Phoenix Lamps Limited, in separate meetings of their respective Audit Committees and Boards of Directors, announced the merger of Phoenix Lamps Limited with your Company, subject to necessary regulatory and shareholders' approvals. The merger ratio has been based on the SEBI approved guidelines of price determination based on which, Boards of both companies have set the Share Exchange Ratio at 4 Equity Shares of (₹1/- each) Suprajit for every 5 Equity Shares of (₹ 10/- each) Phoenix. The merger price of Phoenix at ₹ 110 based on closing price of Suprajit on 13th April, 2016 on NSE, represents the premium of 23.50% on ₹ 89/- per one Equity Share of ₹ 10/- of Phoenix Lamps Limited, paid by Suprajit to acquire Phoenix last year, 10% premium to the Open Offer price of ₹ 100/- and 10% premium on the 6 months average price of Phoenix.

Boards of Phoenix and Suprajit have recommended the approval of the merger to their respective shareholders subject to all statutory approvals. Both Suprajit, which holds 61.93% of Phoenix shares and Promoter group of Suprajit, which holds 47.37% of Suprajit, have irrevocably agreed to vote in favour of merger. Your Board feels that the merger of Phoenix with Suprajit will bring significant strengths with stronger balance sheet, along with excellent customer reach. It will enhance cost efficiencies at various levels, better global footprint and management bandwidth. This will also help in managing regulatory compliances and tax matters. Phoenix is a strong brand in the market and will be continued. Your Directors believe that this is a win-win situation for both Suprajit Engineering Limited and Phoenix Lamps Limited and recommend the merger to the shareholders.

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

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

WHOLLY OWNED SUBSIDIARIES:

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 ₹ 10,510 Lakhs against ₹ 9,587 Lakhs previous year, an increase of 9.63 %. The EBIDTA was ₹ 1,931 Lakhs against ₹ 1,245 Lakhs previous year an increase of 55%. The Profit before Tax was ₹ 1,606 Lakhs against ₹ 807 Lakhs previous year an increase of 99%. The subsidiaries are expected to perform satisfactorily this year.

A separate statement in form **AOC-1, "Annexure-VII"**, containing the salient features of the financial statement of its subsidiaries has also 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.

GROSS WORKING CAPITAL:

Gross working capital represented by inventory, sundry debtors, loans and advances increased from ₹ 28,544 Lakhs to ₹ 35,333 Lakhs as at March 31, 2016.

GROSS BLOCK:

The gross block during the year increased from ₹ 20,577 Lakhs to ₹ 24,004 Lakhs. This was largely due to the ongoing projects and other sustaining capex.

CAPITAL EXPENDITURE:

As on 31st March, 2016, the gross tangible and intangible assets stood at ₹ 24,004 Lakhs and the net tangible and intangible assets, at ₹ 17,582 Lakhs. Net additions during the year amounted to ₹ 3,427 Lakhs, including industrial land under lease ₹ 2.67 Lakhs.

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 deposits pursuant to the provisions of the said Sections read with the Companies (Acceptance of Deposits) Rules, 2014 during the year.

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 merger proposal of Phoenix Lamps Limited 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 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 and Guarantees	Amount (₹ in Lakhs)
Suprajit Europe Ltd., U.K	Corporate Guarantee (GBP 5 Lakhs converted at March 31, 2016 exchange rate of 1 GBP = ₹ 96.15)	480.75

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

All related party transactions that were entered into during the financial year were on an 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 and also disclosed to the Stock Exchanges under Regulation 72 of SEBI (LODR) Listing Regulations, 2015. 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 6th May, 2015, 29th May, 2015, 11th August , 2015, 9th November, 2015 and 9th February, 2016.

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, 2016 and of the profits of the Company for the year ended on that date;

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

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

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

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

CORPORATE GOVERNANCE AND BUSINESS RESPONSIBILITY REPORT:

As a Listed Company, necessary measures are taken to comply with the Listing Agreements of the Stock Exchanges. 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):

As you are aware, your Company has been active in CSR activities through Suprajit Foundation for the last 5 years. The Companies Act, 2013 mandates profitable companies to contribute 2% on CSR. Your Company has paid ₹ 134.40 Lakhs, Phoenix Lamps Limited, subsidiary of your Company, has paid ₹ 73.70 Lakhs and Suprajit Automotive Private Limited, wholly owned subsidiary of your Company has paid ₹ 12.74 Lakhs 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 current 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).

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 to 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) During the year your Company has installed 100 kWp solar capacity as the first pilot project 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) Automatic Water Level Controllers have been deployed along with the water pumps which are used for pumping water to the storage tanks.

d) The Company has provided gen-sets with higher as well as lower KVA rating in all the plants so that gen-set power is selectable depending upon actual power requirement in case of power shutdown, thereby avoiding wastage.

e) 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.

f) Shop floors having roofing sheets have been provided 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.

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

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

a) Research and Development (R&D):

1) The Company has taken the initiative to 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.

b) Expenditure on Research and Development:

(₹ in lakhs)

Particulars	2015-16	2014-15
Salaries & Wages	174.35	133.41
Material, Consumables & Stores	51.66	21.15
Other Direct Expenditures	31.29	15.60
TOTAL	**257.30**	**170.16**

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 ₹ 3,209.67 Lakhs in foreign exchange and expended ₹ 5,154.59 Lakhs in foreign exchange 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/she 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 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.

TRAINING 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 Familiarize Programme of Independent Director I.D is available on the website of the Company (www.suprajit.com).

LISTING AGREEMENT:

The Securities and Exchange Board of India (SEBI), on September 2, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said regulations were effective December 1, 2015. The Company entered into Listing Agreement with BSE Limited and the National Stock Exchange of India Limited during December, 2015.

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. **"Annexure-IV'.** The copy of the National and Remuneration Policy is available on the website of the Company (www.suprajit.com).

COMPOSITION OF AUDIT COMMITTEE:

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

VIGIL MECHANISM:

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

AUDITORS:

Statutory Auditors:

The Auditors, Messrs Varma and Varma, (Firm Registration No.004532S), Chartered Accountants, Bengaluru, have been appointed as the Statutory Auditors of the Company in the 30th Annual General Meeting of the Company held on September 19, 2015, to hold the office till the conclusion of 31st Annual General Meeting of the Company.

The Shareholders are requested to ratify the appointment of Messrs Varma & Varma, Chartered Accountants as the Statutory Auditors for the Financial Year 2016-17.

Cost Auditors:

Messrs G N V Associates, Cost Accountants, had been appointed as the Cost Auditors of your Company for the financial year 2016-17. The previous year's report has been filed within due date.

Secretarial Auditor:

The Board has appointed Mr. Parameshwar G. Bhat, Practising Company Secretary (Membership No. ACS-25167) as the Secretarial Auditor as per the Section 204 of the Companies Act, 2013 and the Secretarial Audit Report obtained from him is furnished in **"Annexure-V".**

SUPRAJIT FOUNDATION:

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 2015-16:

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

ACKNOWLEDGEMENT:

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

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

For and on behalf of the Board

Place : Bengaluru **K. Ajith Kumar Rai**
Date : 30th May, 2016 Chairman & Managing Director
(DIN: 01160327)

ANNEXURE TO THE BOARD'S REPORT
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	DIN	CATEGORY	BOARD MEETINGS ATTENDED	ATTENDED LAST AGM
Mr. K Ajith Kumar Rai	01160327	Chairman & Managing Director	5	Yes
Dr. C Mohan	05229359	Executive Director	5	Yes
Mr. M Jayarama Shetty	00303743	Director – Non Executive & Independent	5	Yes
Mr. B S Patil	00061959	Director – Non Executive & Independent	5	No
Dr. Supriya A Rai	01756994	Director – Non Executive & Non Independent	4	Yes
Mr. Diwakar S Shetty	00432755	Director – Non Executive & Independent	5	Yes
Mr. Ian Williamson	01805348	Director – Non Executive & Independent	4	No
Mr. Suresh Shetty	00316830	Director – Non Executive & Independent	5	No

Mr. K Ajith Kumar Rai and Dr. C Mohan are whole time Directors i.e. Managing Director and Executive Director respectively; others are Non-Executive Directors.

(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 as below:

6th May, 2015,
29th May, 2015,
11th August, 2015,
9th November, 2015 and
9th February, 2016

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, 2016:

Name of the Directors	In Listed Companies	Unlisted Public Limited Companies	As Chairman / Member of Board Committees
Mr. K Ajith Kumar Rai	1	Nil	1
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	1	2
Mr. Diwakar S Shetty	1	4	4
Mr. Ian Williamson	1	Nil	1
Mr. Suresh Shetty	2	2	4

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 Listing Agreement. None of the Directors is a member in 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 Audit Committee comprises of Mr. Diwakar S Shetty, Mr. M Jayarama Shetty and Mr. Suresh Shetty, all being Non-Executive Directors', Chairman & Managing Director, Executive Director, Executive Vice President, Head of Finance, Internal Auditor and Statutory Auditors are invitees to the Meeting. Company Secretary acts as the Secretary of the 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 terms of reference of the Audit Committee as per guidelines set out under Clause 49(III) of the Listing Agreement with the Stock Exchanges read with Section 177 of the Companies Act, 2013 are explained below:

1. The Audit Committee shall have minimum three Directors as members. Two-thirds of the members of Audit Committee shall be Independent Directors.

2. All members of Audit Committee shall be financially literate and at least one member shall have accounting or related financial management expertise.

3. Chairman of the Audit Committee shall be an Independent Director.

4. The Chairman of the Audit Committee shall be present at Annual General Meeting to answer shareholder queries.

5. The Audit Committee may invite such Executives of the Company as it considers appropriate to be present at the meetings of the Committee. The Statutory and the Internal Auditors will be invitees for the meetings of the Audit Committee.

6. The Company Secretary shall act as Secretary of the Audit Committee.

7. The Audit Committee shall meet at least four times in a year and not more than four months shall elapse between two meetings. The quorum shall be either two members or one-third of the members of the Audit Committee, whichever is higher but there shall be a minimum of two Independent Directors present.

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 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

Remuneration paid/payable to Directors during 2015-16:

(in ₹)

Sl. No	Name of the Director	Sitting Fees	Salary & PF	Commission	Total
1	Mr. K Ajith Kumar Rai	-	1,53,84,000	1,19,87,302	**2,73,71,302**
2	Dr. C Mohan	-	93,31,045	-	**93,31,045**
3	Mr. M Jayarama Shetty	90,000	-	3,00,000	**3,90,000**
4	Mr. B S Patil	50,000	-	3,00,000	**3,50,000**
5	Dr. Supriya A Rai	Waived	-	Waived	**Waived**
6	Mr. Diwakar S Shetty	90,000	-	3,00,000	**3,90,000**
7	Mr. Suresh Shetty	90,000	-	3,00,000	**3,90,000**
8	Mr. Ian Williamson	Waived	-	Waived	**Waived**
Total		**3,20,000**	**2,47,15,045**	**1,31,87,302**	**3,82,22,347**

The remuneration paid/payable to Chairman and Managing Director was approved by the Shareholders at the Twenty Nineth Annual General Meeting held on 31st July, 2014 based on the recommendation of the Nomination and Remuneration Committee and with the approval of the Board. This is reviewed by the said Committee and the Board. The remuneration consists of fixed salary and commission taking into account 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 their meetings held on 3rd February, 2015 and also was approved by the Shareholders on 23rd March, 2015, through Postal Ballot vide notice dated 13th February, 2015.

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

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 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 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.

INDEPENDENT DIRECTORS' MEETING & PERFORMANCE EVALUATION

During the year under review, the Independent Directors met on February 9, 2016, *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 31st March, 2016, no transfer of shares was pending.

8. SHARES HELD BY NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors as on 31st March, 2016, who held shares in Suprajit Engineering Limited, are as under:-

Name of Director	Number of Shares held as on 31st March, 2016
Mr. M Jayarama Shetty	390,400
Mr. Suresh Shetty	737,500
Mr. Diwakar S Shetty	10,150

9. GENERAL MEETINGS:

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

Annual General Meetings:

YEAR	DATE	DAY	TIME	MEETING
2013	31st July	Wednesday	12.00 noon.	Twenty Eighth Annual General Meeting
2014	31st July	Thursday	12.00 noon.	Twenty Ninth Annual General Meeting
2015	19th September	Saturday	11.00 a.m	Thirtieth Annual General Meeting

Postal Ballot

The Company 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	%	
Alteration of Main Objects.	80,730,939	99.99	21	0.01	May 26, 2016
Alteration of Articles of Association.	80,730,939	99.99	221	0.01	May 26, 2016
Increase in Borrowing Powers.	78,885,703	97.71	1,845,257	2.29	May 26, 2016
Loans and Investments.	78,889,551	97.71	1,846,929	2.29	May 26, 2016

The Company has successfully completed the process of obtaining approval 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. COMPLIANCE OFFICER:

Name and Designation of the Compliance Officer:

Mr. Medappa Gowda J - Company Secretary & Vice President – Finance and CFO.

He can be contacted for any investor related matters relating to the Company.

His Telephone No. +91-80-43421138, Fax: +91-80-27833279, E-mail: mgj@suprajit.com

12. DISCLOSURES:

Related party transactions:

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

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

Accounting Treatment:

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

CEO and CFO Certification:

The Chairman and Managing Director and Company Secretary and Vice President–Finance/CFO of the Company have certified to the Board of Directors, *inter alia,* the accuracy of financial statements and adequacy of Internal Controls for the Financial Reporting purpose as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period ended 31st March, 2016.

Code of Conduct:

The Company has adopted a Code of Conduct which has been implemented. 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 takes them on record. Half yearly results were sent to each shareholder along with a review of the business. The website of the Company, 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 First Annual General Meeting :

Date	Time	Venue
24th September, 2016	1.00 p.m.	Factory Office at Plot No. 101, Bommasandra Industrial Area, Bengaluru – 560 099.

b. Financial Calendar:

Financial Year	-	April to March
First Quarter Results	-	In July/August
Half Yearly Results	-	In October /November
Third Quarter Results	-	In January /February
Results for the year ended 31st March	-	By May, 2016
Book Closure Date	-	21st September, 2016 to 23rd September, 2016 (Both days inclusive)
Proposed Final Dividend	-	55%
Dividend Payment date(s)	-	September/October 2016
Scrip Code	-	BSE-532509 / NSE-SUPRAJIT
Stock Exchange	-	BSE Limited, Mumbai National Stock Exchange of India Limited

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

c. Share Transfer System:

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

The Company's Registrars and Share Transfer Agents, Integrated Enterprises (India) Limited, has adequate infrastructure to process the share transfers. The Committee meets to approve the transfers etc., as may be required by the Registrars and Share Transfer Agents in compliance with Listing Guidelines. Periodically, a Practising Company Secretary audits the System and a certificate to that effect is issued

and the same is filed with the Stock Exchanges. Additionally, reconciliation on share capital audits and Dematerialization related scrutiny are conducted quarterly by a Practising Company Secretary.

d. Dematerialization of Shares and Liquidity:

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

e. Plant Locations:

The Company has Plants located at:

Bengaluru - Karnataka	-	5 Plants
Bengaluru - Karnataka 100% E.O.U	-	1 Plant
Manesar - Haryana	-	1 Plant
Chakan - Maharashtra	-	2 Plants
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

f. Registered Office / Address for correspondence:

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

g. Shareholding Pattern as on 31st March, 2016:

Category	Number of Shares held	Percentage of Shareholding
Promoters	62,213,157	47.37
Institutional investor		
Mutual Funds/ UTI	11,017,736	8.39
Financial Institutions/ Banks	9,383	0.01
Foreign Institutional Investors	7,721,963	5.88
Non-institutions		
Bodies Corporate	17,006,637	12.95
Individuals -		
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	13,181,746	10.04
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	16,901,286	12.87
Any Other (specify)		
NRI	3,105,088	2.36
Clearing Member	181,778	0.14
Trust	-	-
GRAND TOTAL (A)+(B)+(C)	**131,338,774**	**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, 2016:

Description	Holders	% of Holders	Holding	% of Holdings
1 – 500	9,301	77.56	1,240,954	0.94
501 – 1000	976	8.14	829,347	0.63
1001 – 2000	516	4.30	812,754	0.62
2001 – 3000	219	1.83	562,470	0.43
3001 – 4000	134	1.12	493,334	0.38
4001 – 5000	111	0.93	530,272	0.40
5001 – 10000	336	2.80	2,639,584	2.01
10001 & ABOVE	399	3.33	124,230,059	94.59
Total	**11,992**	**100.00**	**131,338,774**	**100.00**

i. Shares held in Physical and Electronic mode as on 31st March, 2016:

Categories	Position as on 31st March, 2016	
	No. of Shares	% to total shareholding
Physical	6,732,660	5.13
Demat NSDL	119,619,972	91.08
Demat CDSL	4,986,142	3.80
Total	**131,338,774**	**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 Enterprises (India) 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

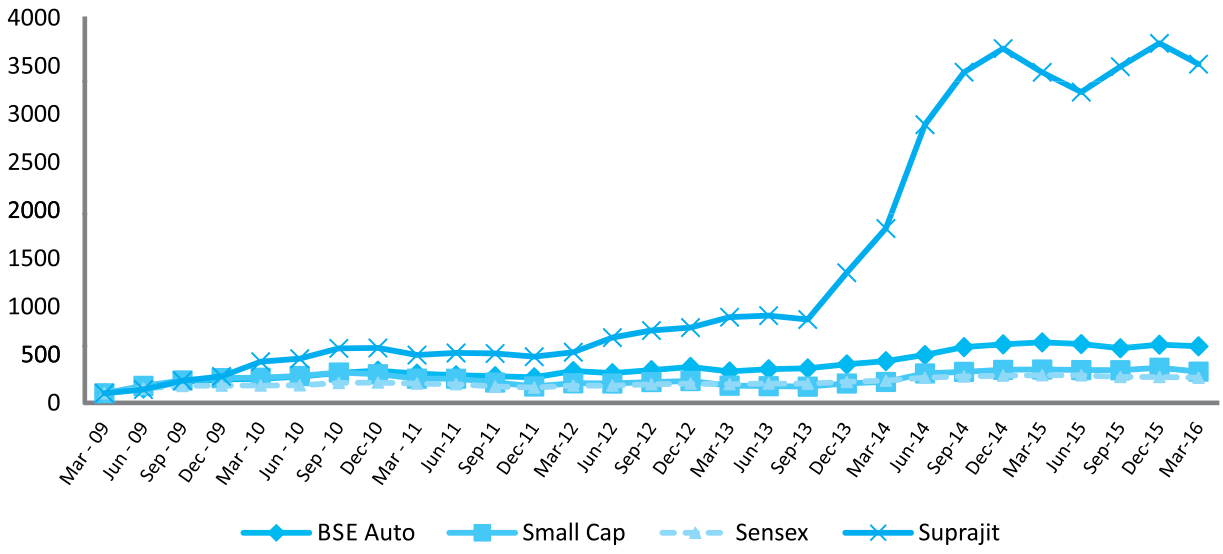
I. SHARE PRICE MOVEMENTS MARCH 2009 – MARCH 2016

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	18,762.74	193.26	28.20	752.00
Dec-12	11,426.21	373.20	7,379.94	227.31	19,426.71	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

* 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 of 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 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 macro economic fundamentals, improving economic activity and easy availability of finance. With almost all the major automobile manufacturers setting up production bases in India and increasing capacities, your Directors are looking at satisfactory growth for your Company in the coming years.

b. OPPORTUNITIES AND THREATS:

OPPORTUNITIES:

- Good potential to grow the exports business.
- Potential to enter into new platforms as well as focus on securing the business from new model launches in the OEM segment in India and overseas.
- Strategic `Value for Money' supplier with good customer relationships.
- Potential to grow aftermarket business.

THREATS:

- Any slowdown in the Indian Auto industry can impact OEM volumes. However, replacement demand from aftermarket segment will continue along with exports.

c) SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

As at March 31st, 2016, the Company is engaged in manufacturing and trading of automotive cables and components.

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 good. Although, global economy continues to struggle, opportunities for business is enormous considering current low market penetration. With focused customer service, the outlook for the Company appears satisfactory.

e) RISKS AND CONCERN:

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

Excessive volatility in the prices of the Company's key raw materials can have impact on its profitability. As the Company derives a 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 an 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 backbone of the 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. Employee turnover remained low during the year, although getting skilled manpower at various levels in the operations continues to be a challenge. 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 **K. Ajith Kumar Rai**
Date : 30th May, 2016 Chairman & Managing Director

ANNEXURE I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2016

(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	Public Ltd. Company
v)	Address of the Registered office and contact details	No. 100, Bommasandra Industrial Area, Bengaluru-560 099, Phone : +91-80-43421100
vi)	Whether listed company	Yes
vi)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Enterprises (India) Ltd., 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru – 560 003. Phone : +91-080-23460815

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	95.92
2	Speedometers	3758	4.00
3	Automotive Components/Parts	3758	0.08

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	100.00%	2(46)
2	Suprajit Europe Limited	NA	Subsidiary	100.00%	2(46)
3.	Phoenix Lamps Limited	L31500UP1991PLC012944	Subsidiary	61.93%	2(46)

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-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	62,213,157	-	62,213,157	51.84	62,213,157	-	62,213,157	47.37	-4.11*
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-

Category of Share holders	No. of Shares held at the beginning of the year [As on 01-April-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) (1)	**62,213,157**	**-**	**62,213,157**	**51.84**	**62,213,157**	**-**	**62,213,157**	**47.37**	***-4.11**
(2) Foreign									
a) Individual / HUF	-	-	-	-	-	-	-	-	-
b) Bodies Corporate	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Shareholding Promoter & Promoter Group (A)=(A)(1)+(A)(2)	**62,213,157**	**-**	**62,213,157**	**51.84**	**62,213,157**	**-**	**62,213,157**	**47.37**	**-4.11**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	2,429,514	-	2,429,514	2.02	11,017,736	-	11,017,736	8.39	6.37
b) Banks / FI	14,649	-	14,649	0.01	9,383	-	9,383	0.01	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies-	-	-	-	-	-	-	-	-	-
g) FIIs	5,673,010	-	5,673,010	4.73	7,721,963	-	7,721,963	5.88	1.15
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**8,117,173**	**-**	**8,117,173**	**6.76**	**18,749,082**	**-**	**18,749,082**	**14.28**	**7.52**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	14,028,625	996,000	15,024,625	12.52	16,010,637	996,000	17,006,637	12.94	0.43
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	11,817,661	1,865,060	13,682,721	11.40	11,508,686	1,673,060	13,181,746	10.04	-1.36
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	13,942,721	3,743,600	17,686,321	14.74	13,157,686	3,743,600	16,901,286	12.87	-1.87
c) Others (specify)									
Non Resident Indians	2,754,147	320,000	3,074,147	2.56	2,785,088	320,000	3,105,088	2.36	-0.20
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	141,941	-	141,941	0.12	181,778	-	181,778	0.14	0.02
Trusts	79,915	-	79,915	0.07	-	-	-	-	-0.07
Foreign Bodies -D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**42,765,010**	**6,924,660**	**49,689,670**	**41.40**	**43,643,875**	**6,732,660**	**50,376,535**	**38.35**	**-3.05**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**50,882,183**	**6,924,660**	**57,806,843**	**48.16**	**62,392,957**	**6,732,660**	**69,125,617**	**52.63**	**4.47**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**113,095,340**	**6,924,660**	**120,020,000**	**100.00**	**124,606,114**	**6,732,660**	**131,338,774**	**100.00**	**-**

* Post QIP

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	%of Shares Pledged/ encumbered to total shares	% change in share holding during the year
1	K Ajith Kumar Rai	45,548,399	37.95	-	44,266,799	33.70	-	-4.25
2	Dr. Supriya A Rai	15,627,958	13.02	-	14,346,358	10.92	-	-2.10
3	Akhilesh Rai	1,036,800	0.86	-	1,200,000	0.91	-	0.05
4	Ashutosh Rai	-	-	-	1,200,000	0.91	-	0.91
5	Aashish Rai	-	-	-	1,200,000	0.91	-	0.91
	Total	**62,213,157**	**51.84**	**-**	**62,213,157**	**47.37**	**-**	**-4.47**

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year 01.04.2015		Date	Increase/ Decrease in Share-Holding	Reason	Cumulative Share holding during the year 31.03.2016	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	K Ajith Kumar Rai	45,548,399	37.95	01/04/2015	-	-	45,548,399	37.95
				08/01/2016	-1,281,600	GIFT	44,266,799	33.70
				31/03/2016	**-**	**-**	**44,266,799**	**33.70**
2	Dr. Supriya A Rai	15,627,958	13.02	01/04/2015	-	-	15,627,958	13.02
				08/01/2016	-1,281,600	GIFT	14,346,358	10.92
				31/03/2016	**-**	**-**	**14,346,358**	**10.92**
3	Akhilesh Rai	1,036,800	0.86	01/04/2015	-	-	1,038,600	0.86
				08/01/2016	+161,400	GIFT	1,200,000	0.91
				31/03/2016	**-**	**-**	**1,200,000**	**0.91**
4	Ashutosh Rai	-	-	01/04/2015	-	-	-	-
				08/01/2016	+1,200,000	GIFT	1,200,000	0.91
				31/03/2016	**-**	**-**	**1200000**	**0.91**
5	Aashish Rai	-	-	01/04/2015	-	-	-	-
				08/01/2016	+1,200,000	GIFT	1,200,000	0.91
				31/03/2016	**-**	**-**	**1,200,000**	**0.91**

(iv) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) :

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year 01.04.2015		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Share-holding during the year 31.03.2016	
		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	4.81	31-03-2016	-	Nil Movement during the Year	5,772,000	4.39

Sl. No.	Shareholder's Name	Shareholding at the beginning of the Year 01.04.2015		Date	Increase/ Decrease in Share Holding	Reason	Cumulative Share-holding during the year 31.03.2016	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
2	TVS MOTOR COMPANY LIMITED	2,892,000	2.41	31-03-2016	-	NIL MOVEMENT DURING THE YEAR	2,892,000	2.20
3	SHOBITA PUNJA	1,940,500	1.62	31-03-2016	-	NIL MOVEMENT DURING THE YEAR	1,940,500	1.48
4	KULA RAMPRASAD RAI	1,800,000	1.5	31-03-2016	-	NIL MOVEMENT DURING THE YEAR	1,800,000	1.37
5	MALABAR INDIA FUND LIMITED	1,701,664	1.42	01-04-2015	-	-	1,701,664	1.42
				24-04-2015	17,622	BOUGHT	1,719,286	1.43
				01-05-2015	21,531	BOUGHT	1,740,817	1.45
				12-06-2015	5,988	BOUGHT	1,746,805	1.46
				19-06-2015	33,439	BOUGHT	1,780,244	1.48
				26-06-2015	21,863	BOUGHT	1,802,107	1.50
				30-06-2015	48,710	BOUGHT	1,850,817	1.54
				31-03-2016	**-**	**-**	**1,850,817**	**1.41**
6	EMERGING SECURITIES PVT LTD	1,701,223	1.42	01-04-2015	-	-	1,701,223	1.42
				17-04-2015	30,000	BOUGHT	1,731,223	1.44
				15-01-2016	10,126	BOUGHT	1,741,349	1.45
				22-01-2016	19,874	BOUGHT	1,761,223	1.47
				29-01-2016	12,272	BOUGHT	1,773,495	1.48
				04-03-2016	29,311	BOUGHT	1,802,806	1.37
				11-03-2016	150	BOUGHT	1,802,956	1.37
				18-03-2016	3,300	BOUGHT	1,806,256	1.38
				25-03-2016	5,000	BOUGHT	1,811,256	1.38
				31-03-2016	15,000	BOUGHT	**1,826,256**	**1.39**
7	MULKI RAMAKRISHNA BHASKER PUNJA	1,400,000	1.17	01-04-2015	-	-	1,400,000	1.17
				03-07-2015	1,400,000	SOLD	-	0.00
				31-03-2016	**-**	**-**	**-**	**-**
8	ANINDA S SHETTY	1,400,000	1.17	31-03-2016	-	NIL MOVEMENT DURING THE YEAR	1,400,000	1.07
9	FIRST STATE INVESTMENTS (HONGKONG) LIMITED A/C FIRST STTE INDIAN	1,215,856	1.01	01-04-2015	-	-	1,215,856	1.01
				30-06-2015	81,632	BOUGHT	1,297,488	1.08
				03-07-2015	72,926	BOUGHT	1,370,414	1.14
				10-07-2015	2,461	BOUGHT	1,372,875	1.14
				14-08-2015	4,147	BOUGHT	1,377,022	1.15
				28-08-2015	5,988	BOUGHT	1,383,010	1.15
				11-09-2015	75,748	BOUGHT	1,458,758	1.22
				18-09-2015	36,867	BOUGHT	1,495,625	1.25
				26-02-2016	331,380	BOUGHT	1,827,005	1.39
				31-03-2016	**-**	**-**	**1,827,005**	**1.39**
10	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.	1,191,775	0.99	01-04-2015	-	-	1,191,775	0.99
				24-04-2015	-10,000	SOLD	1,181,775	0.99
				14-08-2015	-52,000	SOLD	1,129,775	0.95
				26-02-2016	754,716	BOUGHT	1,884,491	1.44
				25-03-2016	15,000	BOUGHT	1,899,491	1.44
				31-03-2016	15,000	BOUGHT	**1,914,491**	**1.45**
11	SARASWATI PUNJA	1,114,461	0.93	17-04-2015	-1,114,461	SOLD	0	0.00
				11-12-2015	1,114,461	BOUGHT	1,114,461	0.93
				31-03-2016	**-**	**-**	**1,114,461**	**0.85**

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. K Ajith Kumar Rai – Chairman & Managing Director/CEO	45,548,399	37.95	44,266,799	33.70
2	Dr. C Mohan – Executive Director	-	-	-	-
3	Mr. Diwakar S Shetty - Independent Director	10,000	0.01	10,150	0.01
4	Mr. M Jayarama Shetty - Independent Director	399,800	0.33	390,400	0.30
5	Mr. Suresh Shetty - Independent Director	719,883	0.60	737,500	0.56
6	Mr. Ian Williamson – Independent Director	-	-	-	-
7	Dr. Supriya A Rai – Non-Independent Director	15,627,958	13.02	14,346,358	10.92

(vi) Indebtedness

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

(₹ in lakhs)

	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the year				
i) Principal Amount	16,662.04	-	51.50	16,713.54
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	4.99	-	9.08	14.07
Total (i+ii+iii)	**16,667.03**	**-**	**60.58**	**16,727.61**
Change in Indebtedness during the financial year				
*** Addition**	7,643.18	-	47.50	7,690.68
*** Reduction**	2,348.00	-	53.79	2,401.79
Net Change	5,295.18	-	-6.29	5,288.89
Indebtedness at the end of the financial year				
iv) Principal Amount	21,758.53	-	51.50	21,810.03
v) Interest due but not paid	-	-	-	-
vi) Interest accrued but not due	203.68	-	2.79	206.47
Total (iv+vi+vii)	**21,962.21**	**-**	**54.29**	**22,016.50**

(vii) Remuneration of Directors and Key Managerial Personnel –

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

(₹ in lakhs)

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager*			TOTAL
		MD	WTD	MANAGER	
		Mr. K Ajith Kumar Rai	Dr. C Mohan		
1	Gross salary				
	a) Salary as per provisions contained u/s 17(1) of the Income-tax Act, 1961	138.00	85.82	-	223.82
	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	-	-	-	-

(₹ in lakhs)

Sl.No.	Particulars of Remuneration	Name of MD/WTD/Manager*			TOTAL
		MD	WTD	MANAGER	
		Mr. K Ajith Kumar Rai	Dr. C Mohan		
4	Commission -as 4% of profit - others	119.87	-	-	119.87
5	Others (Contribution to PF, Gratuity and Superannuation Fund)	15.84	7.49	-	23.33
	Total (A)	**273.71**	**93.31**	**-**	**367.02**

* The Company does not have Manager.

B. Remuneration to other Directors :

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Diwakar S Shetty	Mr. Suresh Shetty	Mr. Jayara-ma M Shetty	Mr. Ian William-son	Mr. B S Patil	Dr. Supriya A Rai	
1	Independent Directors							
	Fee for attending board/committee meetings	0.90	0.90	0.90	Waived	0.50	Waived	3.20
	Remuneration by way of Commission	3.00	3.00	3.00	Waived	3.00	Waived	12.00
	Others, please specify	NA	NA	NA	NA	NA	NA	-
	Total (1)	**3.90**	**3.90**	**3.90**	**-**	**3.50**	**-**	**15.20**
2	Other Non – Executive Director	-	-	-	-	-	-	-
	Fee for attending board/committee meetings	-	-	-	-	-	-	-
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-
	Total (B) = (1+2)	**3.90**	**3.90**	**3.90**	**-**	**3.50**	**-**	**15.20**
	Total Managerial Remuneration Total = (A+B)	**382.22**						
	Overall ceiling as per the Act (10%) of the net profit of the Company as calculated in manner provided under Section 198 of the Companies act, 2013	**646.96**						

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

(₹ in lakhs)

Sl.No.	Particulars of Remuneration	Key Managerial Personnel		TOTAL
		MD/CEO	CFO/CS	
1	Gross salary			
	(a) Salary as per provisions contained u/s 17(1) of the Income tax Act, 1961	138.00	43.07	181.07
	(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: -as 4% of profit	119.87	-	119.87
	- others	-	-	-
	Others (Contribution to PF, Gratuity and Superannuation Fund)	15.84	2.39	18.23
	Total	**273.71**	**45.46**	**319.17**

(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

K. Ajith Kumar Rai
Chairman & Managing Director /
Chief Executive Officer

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, etc. The mid-day meal program is undertaken through Akshayapatra, Rotary Indiranagar, Needy Heart Foundation, One Billionaire Literates Foundation, etc. Suprajit Foundation has received the amounts due as per the CSR policy requirements. It spends a portion of the funds received and is developing a corpus fund for the significant future project in the area of focus as above.
3.	The Composition of CSR Committee:	Mr. 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:	₹ 6,720.07 Lakhs
5.	Prescribed CSR Expenditure (2% of the amount as in item 4 above):	₹ 134.40 Lakhs

6. Details of CSR spends during the financial year:
   a. Total amount spent for the Financial Year — ₹ 134.40 Lakhs
   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 on 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 : (Amount in ₹)

Project	Places and Area undertaken	2015-16
Education & Rural Development :	Various places in Karnataka	
Ongoing projects:		
Vittala Suprajit ITI		668,000
Scholarships and related expenses		2,502,810
Bharatiya Vidya Bhavan - BBMP School		1,323,149
One Billionaire Literates Foundation		35,000
Sukrupa - Midday Meal Programme		550,000
Other school related projects		155,500
Total spent on Education & Rural Development		**5,549,459**
Healthcare Projects:		
Dialysis consumables project		159,349
Other healthcare projects		275,000
Total Spent on Healthcare		**434,349**
Miscellaneous - Expenses		**33,889**
Grand Total		**6,017,697**

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.

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.

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.
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 Providend Fund, 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 31.03.2016
[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

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 31.03.2016 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 31.03.2016 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 (in case of manufacturing companies, where applicable)

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 following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India on the Board and General Meetings i.e. SS - 1 and SS – 2 (applicable from 1st July, 2015).

(ii) The Listing Agreements entered into, by the Company with the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, wherever applicable.

During the period under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above as may be applicable during the year under review. Certain non material findings made during the course of the audit relating to the provisions of Companies Act, Secretarial Standards, Labour Laws were addressed suitably by the Management. Following are some of the observations which in my opinion will have material impact on the Company's compliance status:

1. *Website updating needs to be taken care of, within 2 working days from the date of any change in content.*

2. *Annual Report for the year 31.03.2015 does not disclose certain information on web links as mandated under the Act and the Listing Agreement.*

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 during the year under report the Company acquired 61.93% of the fully paid up Equity Share Capital of Phoenix Lamps Limited during the year i.e. 14,289,843 Equity Shares of ₹ 10/- each at a consideration @ ₹ 89/- per share aggregating to ₹ 12,717.96 lakhs amounting 51% from Argon India Limited, Mauritius and Argon South Asia Limited, Mauritius and an 'Open Offer' was made to minority Shareholders to acquire additional 26% for which 15,021 Shares were tendered at ₹ 100/- per share aggregating to ₹ 15.02 lakhs and the Company further acquired the balance 3,047,312 Equity Shares of ₹ 10/- each at a consideration @ ₹ 89/- per share aggregating to ₹ 2,712 lakhs amounting to 10.88% stake and completed the transaction in line with Share Purchase Agreement signed on 6th May, 2015.

(Parameshwar G. Bhat)
ACS No.: 25167
C P No.: 11004

Place : Bengaluru
Date : 29th May, 2016

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

Annexure

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

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

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

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

4. Where ever required, the Company has represented about the compliance of laws, rules and regulations and happening of events etc as applicable from time to time.

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

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

(Parameshwar G. Bhat)
ACS No.: 25167
C P No.: 11004

Place : Bengaluru
Date : 29th May, 2016

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.	12.44%
The number of permanent employees on the rolls of Company	783
The explanation on the relationship between average increase in remuneration and Company performance	The increase granted to employees is in line with the normal increase granted by the Company from time to time and is intended to compensate for inflation and motivate employees to perform at their best.
Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company :	The comparison of remuneration of each of the Key Managerial personnel against the performance of the Company, is as under : **Particulars** — **% of Net Profit for FY 2015-16** CMD/CEO — 5.48% CS/CFO — 0.91%
Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies.	The Market capitalization of the Company has increased from 1,545.85 Crores as of March 31, 2015 to ₹ 1,733.67 Crores as of March 31, 2016. Over the same period, the price to earnings ratio moved from 34.62 to 32.03. The Company stock price as at March 31, 2016 has increased by 176 times to ₹132 over the last public offering i.e IPO in October 1995 at the price of ₹ 30 per equity share (Including bonus and split).
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, 2016 have increased by 14.66%. The aggregate remuneration of employees excluding Chairman & Managing Director grew by 11.20% over the previous financial year. The aggregate increase in salary for Chairman & Managing Director was 4.67% in the financial year 2015-16 over financial year 2014-15.
The key parameters for any variable component of remuneration availed by the directors.	The Directors are not eligible for any variable compensation other than Commission as per the provisions of the Act.
The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.	Not Applicable.
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 31.03.2016 is as follows:

Sl. No.	Name of the Directors	Ratio
1	Mr. K Ajith Kumar Rai	139.78 x
2	Dr. C Mohan	47.65 x
3	Mr. Diwakar S Shetty	1.53 x
4	Mr. Jayarama M Shetty	1.53 x
5	Mr. B S Patil	1.53 x
6	Mr. Suresh Shetty	1.53 x
7	Mr. Ian Williamson	-
8	Dr. Supriya Rai	-

During the year, the Non-Executive Directors received sitting fees and commission as remuneration.

2. a. 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 31.03.2016 are as follows:

(Amount in ₹)

Sl. No	Name of the Director/ KMP	Designation	As on 31.03.2016	As on 31.03.2015	% increase for ending on 31.03.2016
1	Mr. K Ajith Kumar Rai	Chairman & Managing Director/CEO	27,371,302	26,149,410	4.67
2	Dr. C Mohan	Executive Director	933,1045	8,082,450	15.45
3	Mr. Diwakar S Shetty	Independent Director	300,000**	300,000**	-
4	Mr. Jayarama M Shetty	Independent Director	300,000**	300,000**	-
5	Mr. Suresh Shetty	Independent Director	300,000**	300,000**	-
6	Mr. B S Patil	Independent Director	300,000**	300,000**	-
7	Mr. Ian Williamson	Independent Director	NA	NA	NA
8	Dr. Supriya A Rai	Non - Independent Director	NA	NA	NA
9	Mr. Medappa Gowda J	Company Secretary/ VP-Finance/CFO	4,546,111	4,045,029	12.39

** 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 2015-16, no employee received the remuneration aggregating to Sixty Lakhs p.a.

Sl. No	Employee Name	Designation	Educational Qualification	Age	Experience (in Years)	Date of Joining	Remuneration (in ₹)	Previous Employment
1	Mr. K Ajith Kumar Rai	Chairman & Managing Director	B.E.M.A.Sc (Cannada)	58	31	24.05.85	27,371,302	Research & Teaching Assitant, Technical University of Novascotia, Canada.
2	Dr. C. Mohan	Executive Director	B.E (E&C), Ph.D	63	40	26.11.07	9,331,045	Kalyani Forge Ltd
3	Mohan N.S.	President	B.E (Mechanical), ICWA	54	30	05.12.13	7,993,352	ZF Industrial Technology Ltd
4	Narayana Shankar. K	Executive Vice President-Operations	B.E (Mechanical),	54	30	19.06.87	6,071,894	Vijay Die Cast Ltd
5	Gopal Krishnan Doraiswamy	G.M.-Mktg-USA	Master of Mfrg. System Engineering	51	27	15.04.15	12,335,151	KSS Abhishek Safety Systems Pvt. Ltd.

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

(iii) During the financial year 2015-16, 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

Subsidiaries :

(Information in respect of each Subsidiary to be presented with amounts in lakhs)

Sl. No.	1	2	3	4
1.	**Name of the Subsidiary**	**Suprajit Automotive Private Limited**	**Suprajit Europe Limited**	**Phoenix Lamps Limited**
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	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.	₹	GBP 1 GBP=95.09	₹
4.	Share capital	199.00	2,091.98	2,801.93
5.	Reserves & surplus	2,939.27	(1,217.90)	11,449.71
6.	Total assets	5,266.75	2,472.22	26,090.84
7.	Total Liabilities	2,128.48	1,598.13	11,839.20
8.	Investments	Nil	Nil	Nil
9.	Turnover (Note 3)	7,519.03	7,265.79	32,786.65
10.	Profit before taxation (Note 4)	1,012.13	609.76	3,636.13
11.	Provision for taxation	340.01	22.52	1,345.85
12.	Profit after taxation	672.12	632.27	2,290.28
13	Proposed Dividend	-	-	-
14.	% of Shareholding	100%	100%	61.93%

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(19) 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 ₹ lakhs and has been considered in the table above in the same manner in full figures.

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	1	
1.	Name of Associates/Joint Ventures	The Company has no Associates or Joint Ventures as on 31st March, 2016. Hence Part "B" is not applicable to the Company.
2.	Latest audited Balance Sheet Date	
3.	Shares of Associate/Joint Ventures held by the Company on the year end	
	No.	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding %	
4.	Description of how there is significant influence	
5.	Reason why the associate/joint venture is not consolidated	
6.	Networth attributable to Shareholding as per latest audited Balance Sheet	
7.	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

As per our separate 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
& Chief Executive Officer

M Jayarama Shetty
Director

Medappa Gowda J
Company Secretary
& Chief Financial Officer

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : 30th May, 2016

CEO & CFO CERTIFICATION

a. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2016 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;

b. We further declare, in compliance under Regulations 72 of SEBI (LODR) Listing Regulation 2015, all the Board members and senior management personnel have affirmed compliance with the code of conduct of the Company.

For **Suprajit Engineering Limited**

Place :Bengaluru
Date : 30th May, 2016

Medappa Gowda J
Company Secretary & Vice President - Finance / CFO

K Ajith Kumar Rai
Chairman & Managing Director / CEO

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

I, K. Ajith Kumar Rai, Chairman & Managing Director of Suprajit Engineering Limited, hereby declare that all the Board members and senior managerial personnel have affirmed for the year ended 31st March, 2016 compliance with the code of conduct of the Company laid down for them.

Place : Bengaluru
Date : 30th May, 2016

K Ajith Kumar Rai
Chairman & Managing Director / CEO

CERTIFICATE

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT AND THE SEBI (LODR) REGULATIONS, 2015.

To

The Members of
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 year ended 31st March, 2016 as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges for the period April 1, 2015 to November 30, 2015 and in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') for the period December 1, 2015 to March 31, 2016.

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 : 30th May, 2016

INDEPENDENT AUDITORS' REPORT

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, 2016, 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.

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.

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 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 financial statements. 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. 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 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 (read together with significant accounting policies and other explanatory information attached thereto) 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, 2016, and its profit and its cash flows for the year ended on that date.

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;
   e. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 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; and
      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.

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

R KESAVADAS
Partner
M. No. 23862

Place: Bengaluru
Date : 30th May, 2016

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 2016

(i) (a) As stated in Note No. 23.4, the full quantitative particulars giving item wise/ location wise details of fixed assets are maintained in the ERP system in respect of additions made after 1.4.2008. 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 with in 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 are held in the name of the Company. As stated in note no. 4.1.3 and 5.1.2 of the financial statements, the immovable properties are mortgaged for availing credit facilities from banks / financial institution.

(ii) We are informed by the management that the inventory of raw materials, stores and spares, work-in-progress and finished goods in the custody of the Company are physically verified by the management on a quarterly basis as per a programme of perpetual inventory, the frequency of which, in our opinion is reasonable, having regard to the size of the Company and the nature of its business 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 had 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.

(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 investment made and guarantees given 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, Cess, dues to Investor Education and Protection Fund 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 2016:

Name of the Statute	Nature of the dues	Amount (₹)	Period (financial year) to which the amount relates to	Forum where dispute is pending
Maharashtra VAT Act, 2002 #	Value Added Tax	31,148,407*	2006-07	Joint Commissioner of Sales Tax (Appeals)
Central Sales Tax Act,1956 #	Central Sales Tax	1,802,062*	2006-07	Joint Commissioner of Sales Tax (Appeals)
Maharashtra VAT Act, 2002 #	Value Added Tax	29,085,990*	2008-09	Deputy Commissioner of Sales Tax(Appeals)
Maharashtra VAT Act, 2002 #	Value Added Tax	24,474,972*	2009-10	Joint Commissioner of Sales Tax (Appeals)
Central Sales Tax Act,1956 #	Central Sales Tax	3,392,210*	2009-10	Joint Commissioner of Sales Tax (Appeals)
Income Tax Act,1961	Income Tax	4,515,160	2009-10 (AY 2010-11)	Commissioner of Income Tax (Appeals)
Income Tax Act,1961	Income Tax	3,240,000	2010-11 (AY 2011-12)	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	432,920	2009-10	Customs Excise & Service tax Appellate Tribunal
Total		**98,091,721**		

* net of ₹ 3,600,000/- paid under protest.

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

(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 financial institutions and banks.

(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, it has availed a term loan of ₹ 100 Crores during the year for the purpose of financing the acquisition of shares in the subsidiary through public offer and annual capital expenditure. The Company has repaid ₹ 60 Crores of the term loan, leaving an unutilised balance of ₹ 40 Crores. The Company had a similar unutilised loan amount of ₹ 17.44 Crores brought forward from the previous year making the total unutilised loan amount to ₹ 57.44 Crores. Out of this, the Company has incurred ₹ 37.75 Crores towards capital expenditure, which is prima facie, applied for the purposes for which the loan was obtained. The balance of ₹ 19.69 Crores, as informed by the management of the Company, is proposed for utilisation towards capital projects under progress.

(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.

(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 Accounting Standard 18 – Related Party Transactions.

(xiv) According to the information and explanations given to us and as per our verification of records of the Company, the Company has issued shares to the Qualified Institutional Buyers on a private placement basis on February 23, 2016 and requirement of the section 42 of the Act have been complied with. The Company had raised the funds from the private placement for the purpose of optimizing the mix of debt and equity to meet its needs of the growing business and it has partially utilised the funds in repayment of loans availed and the balance of ₹ 100 Crores have been temporarily invested in current investments, pending utilisation for the above mentioned purpose, as informed to us by the management of the Company.

(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) 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 : 30th May, 2016

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, 2016 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

R KESAVADAS
Partner
M. No. 23862

Place: Bengaluru
Date : 30th May, 2016

BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	Note No.	2016	2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	131,338,774	120,020,000
Reserves and Surplus	3	4,012,393,023	2,180,947,397
Non-Current Liabilities	4		
Long-term borrowings		679,362,514	620,877,788
Deferred tax liabilities (Net)		96,094,000	79,997,000
Other long term liabilities		11,760,416	10,432,617
Long term Provisions		32,378,736	28,252,841
Current Liabilities	5		
Short-term borrowings		1,134,465,584	796,845,980
Trade payables			
Total outstanding dues of micro and small enterprises		8,218,218	10,698,301
Total outstanding dues of creditors other than micro and small enterprises		552,904,560	439,682,739
Other current liabilities		501,927,753	386,360,323
Short-term Provisions		145,922,905	90,730,810
TOTAL		**7,306,766,483**	**4,764,845,796**
ASSETS			
Non-Current Assets			
Fixed Assets	6		
(i) Tangible Assets	6.1	1,744,804,015	1,454,302,488
(ii) Intangible Assets	6.2	13,437,777	16,920,000
(iii) Capital Work-in-progress	6.3	168,402,752	169,738,278
Non-current investments	7	1,774,308,496	205,897,286
Long term loans and advances	8	71,343,036	62,460,723
Other Non-current assets	9	1,172,557	1,086,314
Current Assets			
Current investments	10	1,487,114,710	1,117,500,000
Inventories	11	628,931,913	574,564,739
Trade receivables	12	1,258,053,622	1,058,149,170
Cash and bank balances	13	24,002,732	45,274,455
Short-term loans and advances	14	134,545,221	57,718,582
Other current assets	15	649,652	1,233,761
TOTAL		**7,306,766,483**	**4,764,845,796**
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 &
Chief Executive Officer

M Jayarama Shetty
Director

Medappa Gowda J
Company Secretary &
Chief Financial Officer

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : May 30, 2016

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

Particulars	Note No.	2016	2015
Revenue from operations (Gross)	16	6,531,726,956	5,771,001,740
Less: Excise duty		652,351,805	548,721,664
Revenue from Operations (Net)		**5,879,375,151**	**5,222,280,076**
Other Income	17	125,752,782	35,352,461
TOTAL		**6,005,127,933**	**5,257,632,537**
Expenses			
Cost of materials consumed		3,638,149,093	3,309,280,048
Changes in inventories of finished goods and work-in-progress	18	(2,246,085)	823,082
Employee benefit expenses	19	725,650,826	659,023,347
Finance costs	20	194,408,155	135,152,296
Depreciation and amortisation expenses	6	84,338,385	74,976,640
Other expenses	21	512,359,285	400,921,095
CSR Expenditure [Refer Note no 22.1]	22	13,440,150	12,758,000
TOTAL		**5,166,099,809**	**4,592,934,508**
Profit before exceptional item and tax		**839,028,124**	**664,698,029**
Exceptional Item - Expenditure [Refer Note no. 7.3]		(56,939,029)	-
Profit before tax for the year		**782,089,095**	**664,698,029**
Tax expense:			
(1) Current Tax		(266,250,000)	(203,000,000)
(2) Deferred tax		(16,097,000)	(15,560,128)
Profit after tax for the year		**499,742,095**	**446,137,901**
Earnings per equity share:			
Equity shares of par value ₹ 1/- each			
Before Exceptional Item			
Basic & Diluted (in ₹)		4.59	3.72
After Exceptional Item			
Basic & Diluted (in ₹)		4.12	3.72
Number of shares used in computing earnings per share		121,167,383	120,020,000
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	**M Jayarama Shetty**	**Medappa Gowda J**	**R Kesavadas**
Chairman & Managing Director & Chief Executive Officer	Director	Company Secretary & Chief Financial Officer	Partner M. No. 23862

Place : Bengaluru
Date : May 30, 2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
A. **CASH FLOWS FROM OPERATING ACTIVITIES:**		
Profit before tax for the year	782,089,095	664,698,029
Adjustment for:		
Depreciation	84,338,385	74,976,640
Provision for impairment of fixed assets	1,334,189	-
(Profit)/Loss on sale of fixed assets	(39,027)	58,168
(Profit)/Loss on sale of Mutual funds	(74,002,230)	(20,676,211)
Interest income	(2,137,996)	(2,280,382)
Dividend received	(39,800,000)	(9,950,000)
Legal and professional charges on account of issue of shares on private placement basis	35,806,314	-
Interest expense	194,408,155	135,152,296
Operating profit before working capital changes	**981,996,885**	**841,978,540**
(Increase)/ Decrease in		
- Inventories	(54,367,174)	10,626,002
- Trade Receivables	(199,904,452)	(49,172,181)
- Loans and advances (Long term & Short term)	(85,871,736)	46,319,183
- Other Non-Current Assets & Current Assets	965,749	8,180,376
Increase/ (Decrease) in		
- Current Liabilities	97,927,530	(72,622,729)
- Other Long term Liabilities	1,327,799	2,610,656
- Provisions (long term and short term)	12,443,444	15,862,183
Cash generated from operations	**754,518,045**	**803,782,030**
Income taxes paid (net of refunds)	(235,525,844)	(197,946,878)
Net cash from operating activities	**518,992,201**	**605,835,152**
B. **CASH FLOWS FROM INVESTING ACTIVITIES:**		
Purchase of fixed assets/ Capital work-in-progress	(371,707,448)	(380,395,760)
Purchase of non-current investments	(1,568,411,210)	-
Sale of current investments	1,604,387,520	267,988,776
Purchase of current investments	(1,900,000,000)	(616,500,000)
Interest received	1,443,981	2,684,232
Dividend received	39,800,000	9,950,000
Proceeds from sale of fixed assets	390,218	739,902
Net cash from investing activities	**(2,194,096,939)**	**(715,532,850)**
C. **CASH FLOWS FROM FINANCING ACTIVITIES:**		
Proceeds/(repayments) from long term borrowings(net)	167,778,610	383,315,442
Proceeds/(repayments) from short term borrowings(net)	337,619,604	6,622,248
Proceeds from issue of shares (including securities premium)	1,499,737,555	-
Legal and professional charges on account of issue of shares on private placement basis	(35,806,314)	-
Interest paid	(175,167,910)	(135,131,242)
Dividend and dividend tax paid	(140,402,076)	(133,026,908)
Net cash from financing activities	**1,653,759,469**	**121,779,540**

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
Net increase in cash and cash equivalents during the year	**(21,345,269)**	**12,081,842**
Cash and cash equivalents at beginning of the year	42,628,172	30,546,330
Cash and cash equivalents at end of the year	**21,282,903**	**42,628,172**
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and bank balances as per the Balance Sheet (Refer Note No. 13)	24,002,732	45,274,455
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)	2,719,829	2,646,283
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 13 *	**21,282,903**	**42,628,172**
* Comprises:		
- Cash on hand	888,329	1,025,444
- Balances with banks:		
- In current accounts	17,006,457	34,055,401
- In EEFC accounts	3,333,919	7,483,176
- In deposit accounts	54,198	64,151
	21,282,903	**42,628,172**

(Figures in brackets indicate outflows)

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 &
Chief Executive Officer

M Jayarama Shetty
Director

Medappa Gowda J
Company Secretary &
Chief Financial Officer

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : May 30, 2016

Significant Accounting Policies forming part of the Financial Statements for the year ended 31st March, 2016

CORPORATE INFORMATION

Suprajit Engineering Limited ('the Company') is a public limited company 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 and other components for automobiles.

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of Financial Statements

The financial statements have been prepared 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.

1.2 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.

1.3 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 flows 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).

1.4 Revenue Recognition

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. Gross sales are inclusive of applicable excise duty and exclusive of sales tax and are net of returns. Revenue from scrap is recognised on sale.

Export incentives are recognised when there is reasonable certainty as to realisation and when they are quantifiable with a high degree of accuracy.

Dividend is recognised when declared and interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable rate.

1.5 Tangible/ Intangible Assets

Tangible Assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an asset comprises of its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Until the fixed 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.

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.

1.6 Depreciation/amortization

Pursuant to Companies Act, 2013 with effect from 1st April, 2014 the Company has estimated useful life of the fixed assets and adopted 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 fixed assets 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
Other Plant & machineries	270 months
Electrical Installations	252 months
Furniture & Fixtures	180 months
Office Equipments	120 months

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.

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

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.

Leasehold land is amortised over the period of lease.

1.7 Impairment of 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. 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.

1.8 Investments

Investments that are readily realisable and intended to be held for not more than 12 months are classified as current investments. All other investments are classified as long-term investments. Long term investments are stated at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Current investments are carried at lower of cost or fair value.

1.9 Inventories

Inventories are valued at lower of cost or net realisable value. Cost is ascertained on weighted average method. Conversion and other costs incurred for bringing the inventories to their present location and condition are allocated to the extent applicable.

Significant Accounting Policies forming part of the Financial Statements for the year ended 31st March, 2016

1.10 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 from such restatement as also on settlement of the transactions are adjusted in the Profit and Loss Statement.

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.

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.

1.11 Employee Benefits

Short term employee benefits:

The amounts paid/payable on account of short term employee benefits, comprising largely of salaries & wages, short term compensated absences 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 contributions paid/ payable to these plans during the year are charged to the Profit and Loss Statement for the year. The Company has no other obligation in this regard.

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 accounts. Actuarial gains and losses are recognised in full in the Profit and Loss Statement for the period in which they occur.

b. Compensated Absences

The Company has a scheme for compensated absences for employees, the liability other than for short term compensated absences 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.

1.12 Borrowing Costs

Borrowing costs other than those attributable to qualifying assets are expensed as and when incurred. Borrowing costs attributable to qualifying assets are capitalised along with the cost of respective asset.

1.13 Leases

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.

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 fixed assets and corresponding liability is recognised as term loans.

1.14 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 under the tax laws.

Certain items of income and expenditure are not reported in tax returns and financial statements in the same period for the purpose of determining the current tax. The net tax effect calculated at the current enacted tax rates of this timing difference is reported as deferred income tax asset/liability. 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.

1.15 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.

1.16 Research and Development Expenditure

Expenditure incurred during the research phase is charged off to the Profit and Loss Statement.

1.17 Provisions and Contingencies

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. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Other contingent liabilities to the extent management is aware is disclosed by way of notes on financial statements.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
2 SHARE CAPITAL		
2.1 Equity Share Capital		
2.1.1 **Authorised :-**		
Equity Shares of ₹ 1/- each	**150,000,000**	**150,000,000**
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		
131,338,774 (PY - 120,020,000) equity shares	131,338,774	120,020,000
TOTAL	**131,338,774**	**120,020,000**

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, 2016 and March 31, 2015:**

Equity Shares of ₹ 1 each fully paid	**No. of shares**	**No. of shares**
Shares outstanding as at the beginning of the year	120,020,000	120,020,000
Shares issued during the year *	11,318,774	-
Shares outstanding as at the end of the year	131,338,774	120,020,000

* The Company has issued 11,318,774 equity shares on private placement basis to Qualified Institutional Buyers on February 23, 2016.

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	45,548,399
% age of Shareholding	33.70%	37.95%
Supriya A Rai		
No. of Shares	14,346,358	15,627,958
% age of Shareholding	10.92%	13.02%

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.

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 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 31st March, 2016:**

(i) No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash

(ii) No bonus shares were allotted

(iii) No shares were bought back.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
3 RESERVES AND SURPLUS		
3.1 Reserves		
3.1.1 **Capital Reserve**		
(State Investment Subsidy and surplus on reissue of forfeited shares)		
Opening balance	1,127,150	1,127,150
Add: Additions during the year	-	-
Closing Balance	**1,127,150**	**1,127,150**
3.1.2 **Securities Premium Reserve**		
Opening Balance	-	-
Add : Premium on issue of 1,13,18,774 equity shares of ₹ 1 each issued at a premium of ₹131.50 per share	1,488,418,781	-
Closing Balance	**1,488,418,781**	**-**
3.1.3 **General Reserve**		
Opening balance	1,865,062,311	1,585,062,311
Add: Transfer from the Profit & Loss Statement	300,000,000	280,000,000
Closing Balance	**2,165,062,311**	**1,865,062,311**
3.2 Surplus		
3.2.1 **Surplus in the Profit & Loss Statement**		
Opening balance	314,757,936	286,323,773
Add:		
Profit for the year as per the Profit and Loss Statement	499,742,095	446,137,901
Less:		
Interim Dividend	60,010,000	54,009,000
Proposed Final Dividend (refer note 3.4)	76,929,860	60,010,000
Tax on dividend (refer note 3.4)	19,775,390	21,025,833
Transfer to General Reserve	300,000,000	280,000,000
Additional depreciation on opening WDV of fixed assets consequent to application of Schedule II of Companies Act, 2013 during the year ₹ NIL, [Previous year - net of deferred tax of ₹1,369,128/- (refer note 6.4.5)]	-	2,658,905
Closing Balance	**357,784,781**	**314,757,936**
TOTAL	**4,012,393,023**	**2,180,947,397**

Notes on Reserves & Surplus

3.3 During the year, the Board of Directors have declared interim dividend of ₹ 0.50 (PY: ₹ 0.45) per share, which is subject to regularisation of the shareholders in the ensuing Annual General Meeting.

3.4 Final dividend of ₹ 0.55 (PY: ₹ 0.50) per share proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. The Company has proposed final dividend including the amount due to the minority shareholders of 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 23.5.

4 NON CURRENT LIABILITIES		
4.1 Long Term Borrowings:		
4.1.1 **Secured**		
Term Loans		
- from banks	368,546,854	620,277,788
- from other parties (Refer Note 4.1.3 below)	306,565,660	-
	675,112,514	**620,277,788**
4.1.2 **Unsecured**		
Deposits from		
- related parties	2,500,000	200,000
- other than related parties	1,750,000	400,000
	4,250,000	**600,000**
TOTAL	**679,362,514**	**620,877,788**

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
Notes on Long Term Borrowings:		
4.1.3 Term Loans availed from various banks and 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. Some of these loans are further secured by pari-passu second charge on the current assets of the Company.		
4.1.4 None of the above borrowings have been guaranteed by any Directors or others.		
4.1.5 Term loans from banks and financial institution are repayable in quarterly instalments over the agreed repayment period, ranging between September 2016 to March 2020 together with interest rate ranging between 10.30% to 10.90% (PY - 10.40% to 12.15%) p.a.		
4.1.6 Deposits accepted from various parties are unsecured in nature except to the extent of amount of security maintained 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.		
4.1.7 There has been no continuing default as on Balance Sheet date in repayment of loans and interest.		
4.2 DEFERRED TAX LIABILITIES (NET) :		
4.2.1 **Liability**		
On timing differences of depreciation	118,456,000	97,261,000
Gross deferred tax liability	**118,456,000**	**97,261,000**
4.2.2 **Asset**		
On timing differences of expenditure allowable for tax purposes when paid	17,949,000	14,278,000
Provision for doubtful debts	4,413,000	2,986,000
Gross deferred tax asset	**22,362,000**	**17,264,000**
Net deferred tax Liability	**96,094,000**	**79,997,000**
4.3 OTHER LONG TERM LIABILITIES:		
4.3.1 Dealer Deposits	11,760,416	10,432,617
	11,760,416	**10,432,617**
4.4 LONG TERM PROVISIONS:		
4.4.1 **Provision for employee benefits [Refer Note no. 23.9(b)]**		
- Provision for Gratuity (Unfunded)	18,247,314	16,069,834
- Provision for Compensated Absences	14,131,422	12,183,007
	32,378,736	**28,252,841**
TOTAL	**819,595,666**	**739,560,246**
5 CURRENT LIABILITIES		
5.1 SHORT TERM BORROWINGS:		
5.1.1 **Secured**		
Working capital facilities from banks repayable on demand from banks (Refer Note 5.1.2 below)	1,134,465,584	796,845,980
	1,134,465,584	**796,845,980**
Notes on Short Term Borrowings		
5.1.2 Working Capital facilities availed from various banks are secured by pari-passu first charge on stock of raw materials, semi-finished goods, stores, consumables, book-debts, other current assets and pari-passu second charge on Land and Buildings, Plant and Machinery and present and future fixed assets.		
5.1.3 None of the above borrowings have been guaranteed by any Directors or others.		

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
5.2 TRADE PAYABLES:		
5.2.1 Due to Micro & Small Enterprises (Refer Note No.23.7)	8,218,218	10,698,301
5.2.2 Due to Others	552,904,560	439,682,739
	561,122,778	**450,381,040**
5.3 OTHER CURRENT LIABILITIES:		
5.3.1 Current maturities of long term debt (including interest accrued and due) (Refer Note 4.1.3)	362,024,896	249,081,012
5.3.2 Current maturities of deposits from		
- related parties	500,000	2,800,000
- other than related parties	400,000	1,750,000
5.3.3 Interest accrued but not due		
- on borrowings	20,368,226	499,675
- on deposits	279,775	908,083
5.3.4 Advances received from customers	1,799,406	2,085,100
5.3.5 Unclaimed dividend (Refer Note.No. 5.3.7 below)	1,993,794	2,146,283
5.3.6 Other Payables		
-Payable towards cost of land	5,124,834	4,660,390
-Creditors for purchase of fixed assets	7,033,645	24,742,704
-Statutory Liabilities	57,213,975	39,807,231
-Payable to Employees	31,740,394	31,681,683
-Payable to directors towards commission	13,448,808	13,440,162
-Others (Refer Note.No. 22.1)	-	12,758,000
	501,927,753	**386,360,323**
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.		
5.4 SHORT TERM PROVISIONS:		
5.4.1 **Provision for employee benefits [Refer Note no.23.9(b)]**		
- Provision for Gratuity (Funded) [Refer note 5.4.6 below]"	15,799,614	7,465,200
- Provision for Compensated Absences	1,211,224	1,037,099
5.4.2 Provision for Proposed Dividend (refer note 3.4)	76,929,860	60,010,000
5.4.3 Provision for Corporate Dividend Tax (refer note 3.4)	11,609,938	12,216,624
5.4.4 Provision for Income Tax (Net of Advance Tax and Tax Deducted at Source)	40,372,269	9,810,897
5.4.5 Provision for Wealth Tax	-	190,990
	145,922,905	**90,730,810**
TOTAL	**2,343,439,020**	**1,724,318,153**
Note :		
5.4.6 Amount of contribution payable to the fund maintained with the Life Insurance Corporation of India is disclosed as current liability and the balance as non-current under note 4.4.1.		

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH

6 FIXED ASSETS

(Amounts in ₹)

	Description	Gross Block At Cost				Depreciation/ Amortisation					Accumulated Impairment Provision		Net Block - At WDV	
		As at 01.04.2015	Additions / Adjustments	Disposals / Adjustment	As at 31.03.2016	Upto 01.04.2015	For the year	Disposals/ Adjustment	Adjustment (Refer Note 6.4.5)	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
6.1	**Tangible assets**													
	Land	188,250,558	-	-	188,250,558	-	-	-	-	-	-	-	188,250,558	188,250,558
		(186,652,158)	*(1,598,400)*	-	*(188,250,558)*	-	-	-	-	-	-	-	*(188,250,558)*	*(186,652,158)*
	Land on lease	189,230,513	267,200	-	189,497,713	6,640,307	1,632,711	-	-	8,273,018	-	-	181,224,695	182,590,206
		(98,510,629)	*(90,719,884)*	-	*(189,230,513)*	*(3,669,197)*	*(2,971,110)*	-	-	*(6,640,307)*	-	-	*(182,590,206)*	*(94,841,432)*
	Buildings	754,263,566	277,015,156	-	1,031,278,722	132,887,383	31,024,762	-	-	163,912,145	-	-	867,366,577	621,376,183
		(737,784,653)	*(16,478,913)*	-	*(754,263,566)*	*(107,707,582)*	*(25,025,743)*	-	*(154,057)*	*(132,887,382)*	-	-	*(621,376,184)*	*(630,077,071)*
	Electrical Installations	112,858,521	19,378,738	-	132,237,259	29,192,674	6,650,514	-	-	35,843,188	-	-	96,394,071	83,665,847
		(96,885,990)	*(15,972,531)*	-	*(112,858,521)*	*(23,821,280)*	*(5,371,394)*	-	-	*(29,192,674)*	-	-	*(83,665,847)*	*(73,064,710)*
	Plant and Machinery	583,115,615	63,807,873	482,384	646,441,104	280,330,428	28,108,486	185,919	-	308,252,995	2,766,612	1,432,423	335,421,497	301,352,764
		(531,758,428)	*(52,331,547)*	*(974,360)*	*(583,115,615)*	*(255,095,250)*	*(24,465,024)*	*(225,104)*	*(995,353)*	*(280,330,523)*	*(1,432,423)*	*(1,432,423)*	*(301,352,669)*	*(275,230,755)*
	Dies & Moulds	39,379,516	2,861,882	-	42,241,398	22,396,197	1,589,272	-	-	23,985,469	-	-	18,255,929	16,983,319
		(37,162,713)	*(2,216,803)*	-	*(39,379,516)*	*(20,846,740)*	*(1,549,457)*	-	-	*(22,396,197)*	-	-	*(16,983,319)*	*(16,315,973)*
	Furniture and Fixtures	42,592,066	1,948,567	-	44,540,633	17,107,992	2,211,350	-	-	19,319,342	-	-	25,221,291	25,484,074
		(32,713,887)	*(9,878,179)*	-	*(42,592,066)*	*(14,073,666)*	*(1,817,406)*	-	*(1,216,920)*	*(17,107,992)*	-	-	*(25,484,074)*	*(18,640,221)*
	Vehicles	26,580,815	-	437,811	26,143,004	12,559,336	2,654,442	383,084	-	14,830,694	-	-	11,312,310	14,021,479
		(24,149,431)	*(2,528,349)*	*(96,965)*	*(26,580,815)*	*(9,137,627)*	*(3,314,766)*	*(48,151)*	*(155,094)*	*(12,559,336)*	-	-	*(14,021,479)*	*(15,011,804)*
	Office equipment	20,984,570	3,744,563	-	24,729,133	10,522,115	1,854,801	-	-	12,376,916	2,831	2,831	12,349,386	10,459,624
		(17,887,522)	*(3,097,048)*	-	*(20,984,570)*	*(7,909,389)*	*(2,217,394)*	-	*(395,332)*	*(10,522,115)*	*(2,831)*	*(2,831)*	*(10,459,624)*	*(9,975,302)*
	Containers	3,377,714	165,879	-	3,543,593	3,377,714	165,879	-	-	3,543,593	-	-	-	-
		(2,746,296)	*(631,418)*	-	*(3,377,714)*	*(2,746,296)*	*(631,418)*	-	-	*(3,377,714)*	-	-	-	-
	Computers (Including Computer Software)	48,883,782	3,519,784	-	52,403,566	38,765,252	4,630,613	-	-	43,395,865	-	-	9,007,701	10,118,530
		(45,294,301)	*(3,589,481)*	-	*(48,883,782)*	*(31,921,048)*	*(5,732,927)*	-	*(1,111,277)*	*(38,765,252)*	-	-	*(10,118,530)*	*(13,373,253)*
	Sub Total - 6.1	***2,009,517,236***	***372,709,642***	***920,195***	***2,381,306,683***	***553,779,398***	***80,522,830***	***569,003***	***-***	***633,733,225***	***2,769,443***	***1,435,254***	***1,744,804,015***	***1,454,302,584***
	Previous year	***(1,811,546,008)***	***(199,042,553)***	***(1,071,325)***	***(2,009,517,236)***	***(476,928,075)***	***(73,096,639)***	***(273,255)***	***(4,028,033)***	***(553,779,492)***	***(1,435,254)***	***(1,435,254)***	***(1,454,302,490)***	***(1,333,182,679)***
6.2	**Intangible assets**													
	Goodwill (Refer Note 6.4.7)	24,105,251	-	24,105,251	-	24,105,251	-	24,105,251	-	-	-	-	-	-
		(24,105,251)	-	-	*(24,105,251)*	*(24,105,251)*	-	-	-	*(24,105,251)*	-	-	-	-
	Business Rights	18,800,000	-	-	18,800,000	1,880,000	3,760,000	-	-	5,640,000	-	-	13,160,000	16,920,000
		-	*(18,800,000)*	-	*(18,800,000)*	-	*(1,880,000)*	-	-	*(1,880,000)*	-	-	*(16,920,000)*	-
	Brands (Refer Note 6.4.7)	5,100,000	-	5,100,000	-	5,100,000	-	5,100,000	-	-	-	-	-	-
		(5,100,000)	-	-	*(5,100,000)*	*(5,100,000)*	-	-	-	*(5,100,000)*	-	-	-	-
	Technical Knowhow (Refer Note 6.4.7)	195,127	-	195,127	-	195,127	-	195,127	-	-	-	-	-	-
		(195,127)	-	-	*(195,127)*	*(195,127)*	-	-	-	*(195,127)*	-	-	-	-
	Patents	-	333,332	-	333,332	-	55,555	-	-	55,555	-	-	277,777	-
		-	-	-	-	-	-	-	-	-	-	-	-	-
	Sub Total - 6.2	**48,200,378**	**333,332**	**29,400,378**	**19,133,332**	**31,280,378**	**3,815,555**	**29,400,378**	**-**	**5,695,555**	**-**	**-**	**13,437,777**	**16,920,000**
	Previous year	***(29,400,378)***	***(18,800,000)***	***-***	***(48,200,378)***	***(29,400,378)***	***(1,880,000)***	***-***	***-***	***(31,280,378)***	***-***	***-***	***(16,920,000)***	***-***
	Total	**2,057,717,614**	**373,042,974**	**30,320,573**	**2,400,440,015**	**585,059,776**	**84,338,385**	**29,969,381**	**-**	**639,428,780**	**2,769,443**	**1,435,254**	**1,758,241,792**	**1,471,222,584**
	Previous year	***(1,840,946,386)***	***(217,842,553)***	***(1,071,325)***	***(2,057,717,614)***	***(506,328,453)***	***(74,976,639)***	***(273,255)***	***(4,028,033)***	***(585,059,870)***	***(1,435,254)***	***(1,435,254)***	***(1,471,222,490)***	***(1,333,182,679)***

Previous year figures are given in brackets.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
6.3 Capital Work-in-Progress		
Building under construction	114,456,455	152,142,939
Machinery pending installation	31,247,082	1,987,178
Electrical work in progress	9,194,262	9,635,064
Other assets pending capitalisation	7,657,603	824,486
Borrowing cost pending allocation	5,094,926	5,004,778
Expenditure pending capitalisation	752,424	143,833
TOTAL	**168,402,752**	**169,738,278**

6.4 Notes on Fixed Assets

1. All the fixed assets except the land on lease 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 bankers.

2. Additions to land on lease during the previous year ₹ 90,719,884/- represents:

   a) Land allotted at Sanand, Charal Industrial Area, Ahmedabad, Gujarat by the Gujarat Industrial Development Corporation (GIDC) for a period of 99 years and registered in the name of the Company. Total consideration (including stamp duty and other charges) of ₹ 52,718,264/- has been paid during the previous year.

   b) Land allotted at Chennai, SIPCOT Industrial Area, Tamilnadu by the State Industries Promotion Corporation of Tamilnadu (SIPCOT) for a period of 99 years and registered in the name of the company. Total consideration (including stamp duty and other charges) of ₹ 38,001,620/- has been paid during the previous year.

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. Borrowing costs capitalised during the year as per Note no. 20 is ₹ 7,903,689/-(PY - ₹ 5,041,938/-).

5. During the previous year, consequent to introduction of the Companies Act, 2013 ('the Act') w.e.f. 1st April, 2014 the Company has computed depreciation for the period 1st April, 2014 to 31st March, 2015 as required under the Schedule II of the Act and the depreciation of ₹ 4,028,033/- relating to the assets where the remaining useful life of the assets as on 1st April, 2014 is Nil has been recognised in the opening balance of Surplus in Note 3.2.1 net of deferred tax asset of ₹ 1,369,128/-.

6. During the year, the management has identified certain individual plant and machinery to be impaired based on their condition and usage. The Company has provided provision for impairment in respect of these assets amounting to ₹ 1,334,189/- (PY - Nil).

7. During the 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.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
7 NON CURRENT INVESTMENTS		
7.1 TRADE INVESTMENTS (AT COST)		
7.1.1 **Subsidiary Companies**		
Equity Instruments - Fully Paid - M/s. Phoenix Lamps Limited	1,568,411,210	-
61.93% Holding (PY - Nil% Holding) [17,352,176 (PY - Nil) Equity Shares of ₹ 10/- each out of total 28,019,300 shares] (Refer Note No. 7.3 below)		
7.1.2 **Subsidiary Companies**		
Equity Instruments - Fully Paid - Unquoted		
M/s. Suprajit Automotive Private Limited	19,900,000	19,900,000
M/s. Suprajit Europe Limited	185,997,286	185,997,286
100% Holding (PY - 100% Holding) [2,200,000 (PY - 2,200,000) Ordinary shares of GBP 1/- each]		
TOTAL	**1,774,308,496**	**205,897,286**
Note :		
7.2 General Information		
Aggregate value of Investments:		
Unquoted - At Cost	205,897,286	205,897,286
Quoted - At Market value	1,713,527,380	-

7.3 During the year, the 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.

The Company has incurred a total expenditure of ₹ 80,841,344/- towards this acquisition, out of which ₹ 23,902,315/- 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 ₹ 56,939,029/- 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

(Amounts in ₹)

Particulars	2016	2015
8 LONG TERM LOANS AND ADVANCES		
8.1 Capital Advances		
(Unsecured, considered good)		
Capital advances towards fixed assets	34,602,041	28,775,273
	34,602,041	**28,775,273**
8.2 Deposits		
(Unsecured, considered good)		
Electricity Deposits	10,200,286	7,949,214
Refundable deposit towards leasehold land	8,800,000	8,800,000
Rental Deposits	3,570,000	3,570,000
Other Deposits	4,029,385	4,024,885
	26,599,671	**24,344,099**
8.3 Others		
(Unsecured, considered good)		
Advance tax [including Tax deducted at source (Net of Provisions)]	2,137,894	2,300,679
Income tax paid under protest (Refer Note no. 23.6.1)	903,430	903,430
Value Added Tax paid under protest (Refer Note no. 23.6.1)	3,600,000	3,600,000
Value Added Tax refundable	3,500,000	2,537,242
	10,141,324	**9,341,351**
TOTAL	**71,343,036**	**62,460,723**
9 OTHER NON-CURRENT ASSETS		
(Unsecured, considered good)		
Non-current bank deposits (Refer note 9.1 below)	1,105,450	1,000,000
Interest accrued on the above non-current bank deposits	67,107	86,314
TOTAL	**1,172,557**	**1,086,314**

9.1 Held against public deposits in pursuance of the requirements of applicable rules.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
10 CURRENT INVESTMENTS		
10.1 Investments in bonds (Long term at cost)		
Investments in National Highway Authority of India Bonds	-	5,000,000
10.2 Other Investments (Non-trade)		
Investments in Mutual Funds (at lower of cost or fair value) (Refer Note 10.3.1 and 10.3.2)	1,487,114,710	1,112,500,000
TOTAL	**1,487,114,710**	**1,117,500,000**
10.3 Details of Other Investments (Non-trade)		
10.3.1 **General Information (Refer Note 10.2)**		
Aggregate market value (Net Asset Value) of quoted Investments	1,604,326,284	1,242,708,014
10.3.2 **Details of Mutual Funds held at the end of the year (Refer Note 10.2)**		

Particulars	31.03.2016	31.03.2015
Birla Sun Life Dynamic Bond Fund- Retail -Growth - Nil (1,079,445.67) units of ₹10/- each	-	20,000,000
Birla Dynamic Bond Fund Retail Plan Growth - Nil (1,939,435.01) units of ₹ 10/- each	-	35,000,000
Birla Sun Life Treasury Optimizer Plan Growth - 3,44,566.41 (3,44,566.41) units ₹ 10/- each	54,000,000	54,000,000
Birla Sun Life Cash Plus -Growth Direct Plan - 12,42,459.822 (Nil) units of ₹10/- each	300,000,000	-
Franklin India Short Term Income Plan Retail Plan -12,117.34 (14,415.83) units of ₹10/- each	30,000,000	35,000,000
Franklin India Short Term Income Plan Retail Plan - 38,048.02 (38,048.02) units ₹ 10/- each	100,000,000	100,000,000
Franklin India Short Term Income Plan Retail Plan - 7,558.37 (7,558.37) units ₹ 10/- each	20,000,000	20,000,000
Franklin India Ultra Short Bond Fund-Super Institutional Plan - 42,08,874.08 (42,08,874.08) units Rs.10/- each	72,500,000	72,500,000
HDFC Floating Rate Income Fund Short Term Plan Growth Option - Nil (83,58,443.49) units ₹ 10/- each	-	200,000,000
HDFC High Interest Fund-Growth -17,71,778.05 (17,71,778.05) units ₹10/ each	70,000,000	70,000,000
HDFC Liquid Regular (WMU) - 33,757.431(Nil) units of ₹ 10/- each	100,000,000	-
HDFC Liquid - Direct Plan-Growth Option - 67,600.103 (Nil) units of ₹ 10/- each	200,614,710	-
HSBC Income Fund STP Growth - Nil (3,433,773.94) units ₹10/- each	-	70,000,000
ICICI Pre Flexible Income Plan Regular Growth - Nil (5,71,288.85) units ₹10/- each	-	150,000,000
ICICI Prudential Liquid -Direct Plan Growth - 13,47,810.011(Nil) units of ₹10/- each	300,000,000	-
IDFC Dynamic Bond Fund Growth Regular Plan - 28,37,676.73 (28,37,676.73) units ₹ 10/- each	40,000,000	40,000,000
IDFC SSIF STP Regular - Nil (793,603.56) untis ₹ 10/- each	-	20,000,000
IDFC Super Saver Income Fund - Nil (1,993,419.99) units ₹ 10/- each	-	50,000,000
IDFC Super Saver Income Fund Short Term Plan Growth Direct Plan - 7,55,038.94 (7,55,038.94) units ₹ 10/- each	20,000,000	20,000,000
Reliance Dynamic Bond Growth - 3,808,213.18 (3,808,213.18) units ₹ 10/- each	60,000,000	60,000,000
SBI Dynamic Bond Fund Regular Plan Growth -13,77,421.67 (Nil) units ₹ 10/- each	-	20,000,000
SBI Magnum Insta Cash Liquid Floater - Direct Plan Growth - 38,995.743(Nil) units of ₹10/- each	100,000,000	-
UTI Bond Fund Growth - Nil (1,708,364.46) units of ₹10/- each	-	56,000,000
UTI Bond Fund Growth - 560,887.07 (560,887.07) units ₹10/- each	20,000,000	20,000,000
TOTAL	**1,487,114,710**	**1,112,500,000**

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
11 INVENTORIES		
(Valued at Lower of Cost or Net Realisable value)		
Raw materials (including components, packing materials and stores & spares)	350,074,353	295,809,385
Raw materials in transit (including at customs bonded warehouse)	36,024,520	38,168,400
Work-in-Progress	42,291,826	67,327,774
Finished Goods	200,541,214	173,259,180
TOTAL	**628,931,913**	**574,564,739**
12 TRADE RECEIVABLES		
12.1 Outstanding for a period more than six months from the due date of payment		
Unsecured, considered doubtful	7,186,181	5,067,767
Less: Provision for Doubtful receivables	7,186,181	5,067,767
	-	-
12.2 Other Trade Receivables		
Unsecured, considered good	1,258,053,622	1,058,149,170
Unsecured, considered doubtful	5,566,146	3,560,828
Less: Provision for Doubtful receivables	5,566,146	3,560,828
TOTAL	**1,258,053,622**	**1,058,149,170**

12.3 Other Trade Receivables in Note no.12.2 above include debts due from:

Particulars	31.03.2016	31.03.2015
A private company which is a subsidiary company in which director of the Company is a director	24,458	Nil
TOTAL	**24,458**	Nil

13 CASH AND BANK BALANCES		
13.1 Cash and Cash Equivalents		
Balances with Banks		
- in Current Accounts	17,006,457	34,055,401
- in EEFC Accounts	3,333,919	7,483,176
- in Deposit Accounts	54,198	64,151
Cash on hand	888,329	1,025,444
	21,282,903	**42,628,172**
13.2 Other Bank balances		
Earmarked balances for Unclaimed Dividend accounts	1,993,794	2,146,283
Bank deposit held as margin money against bank guarantees (Refer Note 23.6.1)	726,035	500,000
	2,719,829	**2,646,283**
TOTAL	**24,002,732**	**45,274,455**

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
14 SHORT TERM LOANS AND ADVANCES		
Loans and Advances to Related Parties		
(Unsecured, considered good)		
Advances recoverable from subsidiary company (Refer Note 14.1 below)	12,601,888	-
Others		
(Unsecured, considered good)		
Advances Recoverable in cash or in kind for value to be received		
Advance to Suppliers	48,667,671	30,980,520
Advances to Employees	4,113,558	3,591,920
Advance for Expenses	5,678,886	7,498,633
Balance with Central excise, customs & other authorities	56,580,368	12,299,387
Prepaid Expenses	6,902,850	3,348,122
TOTAL	**134,545,221**	**57,718,582**

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

Particulars	31.03.2016	31.03.2015
A private company which is a subsidiary company in which director of the Company is a director	12,601,888	Nil
TOTAL	**12,601,888**	Nil

15 OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Export benefit entitlements	579,685	489,083
Interest accrued on bonds	-	300,000
Interest accrued on current bank deposits	69,967	444,678
TOTAL	**649,652**	**1,233,761**

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

(Amounts in ₹)

Particulars	2016	2015
16 REVENUE FROM OPERATIONS (GROSS)		
Sale of Products (Refer Note 16.1 below)	6,492,459,281	5,741,747,143
Sale of Services (Refer Note 16.2 below)	29,322,175	15,598,366
Other operating revenue (Refer Note 16.3 below)	9,945,500	13,656,231
TOTAL	**6,531,726,956**	**5,771,001,740**
Particulars of Revenue from Operations		
16.1 Sale of Products		
16.1.1 **Manufactured Goods**		
Domestic	6,137,813,942	5,378,405,855
Exports (Including deemed exports)	354,645,339	363,341,288
	6,492,459,281	**5,741,747,143**
16.1.2 **Manufactured Goods (Product wise)**		
Cables (Control and Speedo)	6,227,517,663	5,422,199,693
Speedo Meters	259,632,821	245,326,869
Others (including parts)	5,308,797	74,220,581
	6,492,459,281	**5,741,747,143**
16.2 Sale of Services		
Processing Charges	14,322,175	15,598,366
Consultancy Charges	15,000,000	-
TOTAL	**29,322,175**	**15,598,366**
16.3 Other Operating Revenue		
Scrap Sales	9,386,791	13,029,487
Export benefit entitlements (Net)	558,709	626,744
TOTAL	**9,945,500**	**13,656,231**
17 OTHER INCOME		
Interest Income		
- On deposits	1,203,984	1,057,829
- On advances to suppliers	932,701	1,215,160
- On employee loans & advances	1,311	7,393
Dividend received from subsidiary company	39,800,000	9,950,000
Gain on sale of current investments	74,002,230	20,676,211
Rent received	120,000	50,000
Net gain on foreign currency transactions	8,835,904	1,806,227
Profit on sale of fixed assets	39,027	-
Other non-operating income	817,625	589,641
TOTAL	**125,752,782**	**35,352,461**

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

(Amounts in ₹)

Particulars	2016	2015
18 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Opening Stock		
Finished Goods	173,259,180	189,326,901
Work-in-Progress	67,327,774	52,083,135
	240,586,954	**241,410,036**
Less: Closing Stock		
Finished Goods	200,541,213	173,259,180
Work-in-Progress	42,291,826	67,327,774
	242,833,039	**240,586,954**
TOTAL	**(2,246,085)**	**823,082**
Details of inventories are given below:		
Finished Goods		
Cables (Control and Speedo)	193,390,657	167,027,139
Speedo Meters	6,141,687	4,615,551
Others (including parts)	1,008,869	1,616,490
TOTAL	**200,541,213**	**173,259,180**
Work In Progress		
Cables (Control and Speedo)	36,263,432	58,938,197
Speedo Meters	6,028,393	8,389,577
TOTAL	**42,291,826**	**67,327,774**
Raw Materials (excluding raw materials in transit)		
Steel Wire	17,562,066	13,801,011
Inner	71,387,619	64,702,872
Bend Tube Assy.	7,588,554	8,503,422
PVC Compound	11,825,763	9,400,655
Component and Others	241,710,352	199,401,425
TOTAL	**350,074,353**	**295,809,385**
19 EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages and Bonus (including managerial remuneration)	670,521,886	604,495,487
Contribution to Provident Fund and other funds	32,047,435	23,886,961
Staff welfare expenses	23,608,320	30,693,999
	726,177,641	**659,076,447**
Less: Expenditure incurred during the construction period		
- Transferred to capital work-in-progress	526,815	53,100
TOTAL	**725,650,826**	**659,023,347**
20 FINANCE COSTS		
Interest expense:		
- On borrowings	196,744,193	137,515,599
- On deposits	496,244	606,510
- Others	229,078	1,218,599
Loan processing charges	4,842,330	853,526
	202,311,844	**140,194,234**
Less: Expenditure incurred during the construction period		
- Capitalised to fixed assets	2,808,763	37,160
- Transferred to capital work-in-progress	5,094,926	5,004,778
TOTAL	**194,408,155**	**135,152,296**

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

(Amounts in ₹)

Particulars	2016		2015	
21 OTHER EXPENSES				
Increase/ (Decrease) of excise duty on Inventory		2,311,448		(7,880,431)
Power and fuel		91,377,139		86,934,855
Rent		7,256,726		6,496,016
Repairs & Maintenance:				
- Buildings		3,187,074		7,075,456
- Machinery		35,030,750		30,831,562
- Others		17,697,661		22,212,615
Insurance		10,753,301		11,391,690
Rates and taxes		9,448,408		10,469,815
Bank Charges		1,007,077		2,959,493
Travelling and Conveyance		38,808,485		36,547,054
Legal & Professional Charges (Refer Note No. 21.1 and 21.2 below)		57,528,056		6,485,558
Freight Outward and C & F Charges		68,088,626		69,320,977
Advertisement and Sales Promotion		5,398,577		3,758,978
Discount		121,935,560		68,229,667
Commission:				
- Sales Commission		85,939		8,580,591
- Others		-		7,990
Directors' Sitting Fees & Commission		1,520,000		1,510,000
Bad debts/ receivables written off	546,710		3,855,318	
Less: Withdrawal of earlier year provisions	294,111	252,599	1,738,851	2,116,467
Provision for Doubtful debts		4,417,846		1,867,073
Printing & Stationery		6,241,701		5,754,275
Security Expenses		17,406,226		15,412,106
Communication Expenses		5,757,926		5,304,286
Loss on sale of fixed assets		-		58,168
Research & Development expenses (Refer Note No. 23.12)		3,129,328		1,560,172
Provision for impairment of fixed assets [Refer Note No.6.4.(6)]		1,334,189		-
General Expenses		4,281,002		4,007,395
		514,255,643		**401,011,828**
Less: Expenditure incurred during the construction period				
- Capitalised to fixed assets		1,670,749		-
- Transferred to capital work in progress		225,609		90,733
TOTAL		**512,359,285**		**400,921,095**
21.1 Auditors' Remuneration (excluding service tax)				
a. As auditor (including limited review, consolidated accounts)		1,600,000		1,250,000
b. For certification		620,000		30,510
c. Reimbursement of expenses		299,015		98,013
		2,519,015		**1,378,523**

21.2 Legal and professional charges includes ₹ 35,806,314 /-(PY-Nil) relating to the issue of shares to the Qualified Institutional Buyers during the year.

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

(Amounts in ₹)

Particulars	2016	2015
22 CSR EXPENDITURE		
Contribution to Suprajit Foundation [Refer Note No. 22.1 below]	13,440,150	12,758,000
TOTAL	**13,440,150**	**12,758,000**

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:

a) Gross amount to be spent by the Company during the year	13,440,150	12,758,000
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	26,198,150	-

In respect of the amount of ₹12,758,000/- required to be spent during the previous year, the Company has contributed this amount to Suprajit Foundation in the current financial year, subsequent to adoption of the financial statements of the Company at its Annual General Meeting held on September 19, 2015.

OTHER EXPLANATORY INFORMATION FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

23 OTHER EXPLANATORY INFORMATION

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 Balance Sheet.

23.2 Some of the trade receivables, trade payables, loans and advances are subject to confirmation/ reconciliation.

23.3 Suprajit Europe Limited, a Wholly Owned Subsidiary (WOS) was established in 2006 and has accumulated losses of ₹ 12,17,89,560/- (PY: ₹ 17,76,15,198/-) as at the year ended March 31st, 2016. During the year, the WOS has earned net profits and the management expects to have a sustained growth in revenue and profits in the foreseeable 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. 500,000 (PY: GBP.500,000) 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 fixed assets are maintained in the ERP system in respect of additions made after 1.4.2008. 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 maintained for major assets in manual form.

23.5 The Boards of Directors of the Company and of Phoenix Lamps Limited, the Subsidiary Company, have approved a draft scheme of amalgamation of Phoenix Lamps Limited with the Company at their respective meetings held on April 18, 2016 and further steps have been initiated towards seeking the requisite statutory and regulatory approvals.

(Amounts in ₹)

	Particulars	31.03.2016	31.03.2015
23.6	**Contingent Liabilities and Commitments**		
	23.6.1 **Contingent Liabilities**		
	Corporate Guarantees issued on behalf of a subsidiary to their bankers [GBP 500,000 (PY: GBP 500,000)].	48,075,000	46,745,000
	B-17 Bond Executed in favor of customs	15,000,000	15,000,000
	Bank Guarantee furnished to Tax Authorities for availing concessions.	750,000	750,000
	Disputed Excise/ service tax dues pending in appeal *	432,920	432,920
	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 ₹ 800,000/-.	33,750,469	33,750,469
	- In respect of FY 2008-09, the amount paid under protest against the demand is ₹ 2,000,000/-.	31,085,990	31,085,990
	- In respect of FY 2009-10, the amount paid under protest against the demand is ₹ 800,000/-.	28,667,182	28,667,182
	Disputed Income tax matters pending before Commissioner of Income Tax (Appeals) with respect to Assessment Year 2009-10 and 2010-11 in respect 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 ₹ 903,430/-.	903,430	903,430
	- In respect of AY 2010-11 (FY 2009-10)	4,515,160	4,515,160
	- In respect of AY 2011-12 (FY 2010-11)	3,240,000	-
	TOTAL	**166,420,151**	**161,850,151**
	* No provision has been made in these accounts for these disputed duty, tax demands as the management is confident that the matter will be ultimately decided in favour of the Company.		

OTHER EXPLANATORY INFORMATION FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amounts in ₹)

23.6.2	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	37,164,845	264,644,150
	Total Contingent Liabilities and Commitments	**203,584,996**	**426,494,301**

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:

Particulars	31.03.2016	31.03.2015
Principal amount (including overdue amount) outstanding at the beginning of the year	10,698,301	4,113,651
Interest amount outstanding at the beginning of the year	145,044	144,432
Interest (out of the above) paid during the year	32,330	27,040
Amount paid after the due date during the year	13,223,052	3,702,523
Overdue amount outstanding at the end of the year	-	2,610,574
Principal amount (other than overdue amount) outstanding at the end of the year	8,218,218	8,087,727
Interest amount accrued and remaining unpaid at the end of the year	20,419	145,044

23.8 Foreign Exchange exposure

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

Particulars	31.03.2016		31.03.2015	
	Foreign currency	Equivalent ₹	Foreign currency	Equivalent ₹
USD Receivable@	1,478,519	97,463,954	1,669,562	103,880,144
Euro Receivable	166,942	12,380,404	144,715	9,679,974
GBP Receivable	86,662	8,169,618	133,842	12,262,613
USD Payable	3,174	211,928	8,435	531,927
Euro Payable	-	-	2,115	144,716
GBP Payable	108	10,384	-	-

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

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	31.03.2016	31.03.2015
Employers contribution to Provident Fund (including administration charges)	19,204,925	17,446,941
Employers contribution to Employee State Insurance	3,722,802	3,544,537

b. **Defined Benefit Plans:**

Gratuity - Funded

Compensated absences - Unfunded

OTHER EXPLANATORY INFORMATION FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amounts in ₹)

Gratuity is a funded obligation and leave encashment is an unfunded obligation of the Company. The Company 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		Compensated Absences	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Discount Rate (per annum)*	8.00%	7.81%	8.00%	7.81%
Expected return on plan assets	8.00%	8.75%	-	-
Salary escalation rate**	10.00%	10.00%	10.00%	10.00%

* 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.

** 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.

	Particulars	2015-16		2014-15	
		Gratuity	Compensated Absences	Gratuity	Compensated Absences
I.	**Reconciliation of present value of obligation**				
	Present value of obligation at beginning of the year	49,063,547	13,220,106	32,471,985	9,488,494
	Current Service Cost	10,943,956	3,042,157	15,234,065	3,897,025
	Interest Cost	3,853,538	988,262	2,493,171	695,548
	Actuarial (gain)/loss	(117,519)	(174,214)	(37,318)	304,303
	Benefits Paid	(1,788,654)	(1,733,664)	(1,098,356)	(1,165,264)
	Present value of obligation at end of the year#	**61,954,868**	**15,342,647**	**49,063,547**	**13,220,106**

\# Present value of obligation towards Gratuity as at 31.03.2016 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	2015-16	2014-15
		Gratuity	Gratuity
II.	**Reconciliation of fair value of plan assets**		
	Fair value of plan assets beginning of the year	25,528,512	20,971,507
	Expected return on plan assets	1,970,735	1,786,954
	Actuarial gain/(loss)	280,146	182,904
	Contributions	1,917,201	3,685,503
	Benefits paid	(1,788,654)	(1,098,356)
	Fair value of plan assets at end of the year	**27,907,940**	**25,528,512**

	Particulars	2015-16	2014-15
		Gratuity	Gratuity
III.	**Description of Plan Assets**		
	Insurer Managed Funds	27,907,940	25,528,512

OTHER EXPLANATORY INFORMATION FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amounts in ₹)

The fund is maintained with the Life Insurance Corporation of India under the Group Gratuity Scheme administered through trustees.

Particulars		2015-16		2014-15	
		Gratuity	Compensated Absences	Gratuity	Compensated Absences
IV.	**Expenses recognised in the Profit & Loss Statement**				
	Current Service Cost	10,943,956	3,042,157	15,234,065	3,897,025
	Interest Cost	3,853,538	988,262	2,493,171	695,548
	Expected return on plan assets	(1,970,735)	-	(1,786,954)	-
	Actuarial (gain)/loss	(397,665)	(174,214)	(3,720,222)	304,302
	Net Expense recognised in the Profit & Loss Statement	**12,429,094**	**3,856,205**	**12,220,060**	**4,896,875**

Particulars		2015-16		2014-15	
		Gratuity	Compensated Absences	Gratuity	Compensated Absences
V.	**Net (Asset)/ Liability recognized in the Balance Sheet as at year end**				
	Present value of obligation at end of the year	61,954,868	15,342,647	49,063,547	13,220,106
	Fair value of plan assets at end of the year	27,907,940	-	25,528,512	-
	Net present value of unfunded obligation recognized as (asset)/ liability in the Balance Sheet	**34,046,928**	**15,342,647**	**23,535,035**	**13,220,106**

Particulars		2016	2015	2014	2013	2012
VI.	**Experience Adjustments : Gratuity - Funded & Unfunded**					
	Present value of obligations	61,954,868	49,063,547	32,471,985	24,755,467	16,654,773
	Fair value of plan assets	27,907,940	25,528,512	20,971,508	20,013,866	5,926,077
	Funded Status [(Surplus)/Deficit]	14,373,850	7,465,201	11,500,477	4,741,601	10,728,696
	Experience [Gain/(Loss)] adjustment on plan liabilities	(117,519)	(37,318)	(597,951)	(152,978)	(1,791,700)
	Experience [Gain/(Loss)] adjustment on plan assets	280,146	182,904	(2,042)	(172,997)	(45,355)
	Compensated Absences-Unfunded					
	Present value of obligations	15,342,647	13,220,106	9,488,494	6,752,511	5,075,640
	Experience [Gain/(Loss)] adjustment on plan liabilities	(174,214)	304,302	(417,629)	(549,703)	(59,273)

OTHER EXPLANATORY INFORMATION FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amounts in ₹)

23.10 Segment Reporting

The Company has classified its products as Auto Components and hence operates in only one primary segment (business). Secondary segmental reporting is based on the geographical location of customers. The following is the distribution of the Company's sale by geographical markets and segment assets which can be attributed to customers in such markets.

Particulars	2015-16	2014-15
Sales/Operating income		
- India	5,558,408,241	4,879,780,663
- Rest of the world	320,966,910	342,499,413
TOTAL	**5,879,375,151**	**5,222,280,076**
Segment Assets		
- India	7,188,752,508	4,639,023,065
- Rest of the world	118,013,975	125,822,731
TOTAL	**7,306,766,483**	**4,764,845,796**

23.11 Related Party Disclosures

Party	Relationship
Suprajit Automotive Private Limited	Wholly owned subsidiary
Suprajit Europe Limited, U.K.	Wholly owned subsidiary
Phoenix Lamps Limited	Subsidiary (w.e.f.18th June 2015)
K Ajith Kumar Rai (Chairman & Managing Director)	Key Management Personnel
Mohan Chelliah (Executive Director)	Key Management Personnel
Medappa Gowda J *	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	Controlled Trust

Nature of Transaction and Related Party	2015-16	2014-15
Remuneration/Commission		
K Ajith Kumar Rai	27,371,302	26,149,410
Mohan Chelliah	9,331,045	8,082,450
Medappa Gowda J *	4,546,111	-
Akhilesh Rai	1,091,306	817,386
Ashutosh Rai	628,955	271,314
Sales		
Suprajit Automotive Private Limited	31,186,003	30,043,068
Sale of Assets		
Suprajit Automotive Private Limited	-	383,011
Processing charges Received		
Suprajit Automotive Private Limited	3,228,760	2,700,257
Consultancy Charges		
Phoenix Lamps Limited	15,000,000	-
Dividend Received		
Suprajit Automotive Private Limited	39,800,000	9,950,000
Purchase of Materials		
Suprajit Automotive Private Limited	5,948,189	4,213,980
Suprajit Europe Limited	10,373	-
Interest Paid		
Manjunath Rai K	85,578	95,000
Hemavathi M Rai	95,000	76,052
Ashok Kumar Rai	95,000	95,000

OTHER EXPLANATORY INFORMATION FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amounts in ₹)

Interest accrued but not due on deposits and outstanding		
Manjunath Rai K	11,504	13,065
Hemavathi M Rai	32,378	32,273
Ashok Kumar Rai	-	8,068
CSR Expenditure		
Suprajit Foundation	13,440,150	12,758,000
Reimbursements paid / payable		
K Ajith Kumar Rai	2,408,043	1,181,651
Mohan Chelliah	1,302,138	1,228,592
Medappa Gowda J *	301,102	-
Akhilesh Rai	236,182	400,378
Suprajit Automotive Private Limited	2,887,944	-
Reimbursements received/ receivable		
Suprajit Automotive Private Limited	15,083,134	460,098
Fixed Deposits Accepted		
Manjunath Rai K	500,000	-
Hemavathi M Rai	1,000,000	-
Ashok Kumar Rai	1,000,000	-
Fixed Deposits Refunded on Closure		
Manjunath Rai K	500,000	-
Hemavathi M Rai	1,000,000	-
Ashok Kumar Rai	1,000,000	-
Balances outstanding (net)		
Suprajit Automotive Private Limited (Dr.)	12,626,346	-
Suprajit Europe Limited (Cr.)	10,373	-
Manjunath Rai K (Cr.)	1,000,000	1,000,000
Hemavathi M Rai (Cr.)	1,000,000	1,000,000
Ashok Kumar Rai (Cr.)	1,000,000	1,000,000
Suprajit Foundation (Cr)	-	12,758,000
Interest accrued but not due on total outstanding deposits (Cr.)	43,882	53,406
Corporate Guarantee Furnished		
Suprajit Europe Limited [GBP 500,000 (PY: GBP 500,000)]	48,075,000	46,745,000

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.

* This Key Managerial Personnel is a related party as defined under the Companies Act, 2013 with effect from the current year. Hence, previous year figures are not disclosed.

23.12 Research & Development Expenditure

Particulars	2015-16	2014-15
Salaries & Wages	17,434,681	13,341,512
Materials, Consumables & Stores	5,165,618	2,114,944
Other Direct Expenditure	3,129,328	1,560,172
TOTAL	**25,729,627**	**17,016,628**

The expenses such as Salaries, Wages (included in Note No. 19), Materials and Consumables (incided 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.

OTHER EXPLANATORY INFORMATION FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

23.13 (i) Raw materials consumed/sold

	Particulars	2015-16	2014-15
	Steel Wire	455,437,226	477,127,159
	Inner	664,324,682	584,871,118
	Bend Tube Assy.	279,369,907	285,773,423
	PVC Compound	143,002,448	157,204,477
	Component and Others	2,096,014,829	1,804,303,871
	TOTAL	**3,638,149,093**	**3,309,280,048**
(ii)	**Raw Materials Consumed**		
	Imported	459,883,811	527,604,724
	Imported % to total	12.64%	15.94%
	Indigenous	3,178,265,282	2,781,675,324
	Indigenous % to total	87.36%	84.06%
	TOTAL	**3,638,149,093**	**3,309,280,048**
	TOTAL %	**100%**	**100%**
(iii)	**CIF Value of Imports**		
	I. Raw materials	490,185,312	536,536,367
	II. Capital goods	7,708,738	-
(iv)	**Earnings in Foreign Currency**		
	Export of goods calculated on F.O.B. basis;	320,966,910	342,499,413
(v)	**Expenditure in foreign currency (On accrual basis)**		
	Export commission	85,939	8,580,591
	Travelling expenses	3,675,046	4,446,837
	Professional charges	13,804,048	-
	TOTAL	**17,565,033**	**13,027,428**

(vi) There are no amounts remitted in foreign currency during the current year and the previous year on account of dividend to non-resident shareholders. Amount of dividends to non-resident shareholders have been deposited into their designated Indian rupee accounts maintained with the banks in India.

23.14 Previous period figures have been rearranged/ reclassified where required to confirm to current year's classification.

(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 &
Chief Executive Officer

M Jayarama Shetty
Director

Medappa Gowda J
Company Secretary &
Chief Financial Officer

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : May 30, 2016

CONSOLIDATED FINANCIAL STATEMENTS
OF
SUPRAJIT ENGINEERING LIMITED

INDEPENDENT AUDITORS' REPORT

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 three subsidiaries (the Holding Company and its three subsidiaries together referred as 'the Group') comprising of the Consolidated Balance Sheet as at 31st March, 2016, 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 ("herein after 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. 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 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 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 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 to in sub-paragraph (a) of the Other Matter 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, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of the three subsidiaries whose financial statements reflect total assets of Rs. 338.30 crores as at March 31, 2016, total revenues of Rs. 496.50 crores and net cash inflows amounting to Rs. 7.46 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other financial information of the three subsidiaries have been audited by other auditors 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 these 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. One of these being a direct foreign subsidiary, the financial statements have been prepared and audited under the laws applicable in that country.

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 Section143(3) of the Act and on the consideration of the report of the other auditors on separate financial statements and other financial information of three subsidiaries, as noted in the 'Other Matter' 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 account/ records 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.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and based on the reports of the statutory auditors of its subsidiary companies incorporated in India to whom this clause is applicable, none of the directors of the Holding Company and its subsidiary companies incorporated in India is disqualified as on 31st March, 2016 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 matter 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 three subsidiaries, as noted in the 'Other Matter' paragraph:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 23.6.1 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; and

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India.

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

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : 30 May, 2016

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 31 March 2016, 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 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India

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

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : 30 May, 2016

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	Note No	2016	2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	131,338,774	120,020,000
Reserves and Surplus	3	4,344,447,259	2,288,083,331
Minority Interest		541,854,806	-
Non-Current Liabilities	4		
Long-term borrowings		757,033,283	654,977,439
Deferred tax liabilities (Net)		106,915,149	90,841,556
Other Long term liabilities		11,760,416	10,432,617
Long term Provisions		80,932,003	32,069,031
Current Liabilities	5		
Short-term borrowings		1,829,285,755	1,004,680,572
Trade payables			
Total outstanding dues of micro and small enterprises		45,007,582	12,658,693
Total outstanding dues of creditors other than micro and small enterprises		898,915,404	555,826,700
Other current liabilities		696,423,756	425,103,452
Short-term provisions		136,724,095	91,410,786
TOTAL		**9,580,638,282**	**5,286,104,177**
ASSETS			
Non-Current Assets			
Fixed assets	6		
(i) Tangible Assets	6.1	2,219,904,371	1,662,587,148
(ii) Intangible Assets	6.2	16,724,556	16,920,000
(iii) Capital Work-in-progress	6.3	178,052,921	170,356,434
(iv) Goodwill on Consolidation	1.4	1,066,130,102	-
Deferred Tax Assets (net)	6A	20,467,357	-
Long term loans and advances	7	233,539,084	67,789,676
Other Non-current assets	8	1,567,304	1,086,314
Current Assets			
Current investments	9	1,487,114,710	1,117,500,000
Inventories	10	1,669,420,009	799,253,405
Trade receivables	11	2,095,684,163	1,250,489,993
Cash and Bank Balances	12	188,710,735	55,753,732
Short-term loans and advances	13	394,608,831	132,083,254
Other current assets	14	8,714,139	12,284,221
TOTAL		**9,580,638,282**	**5,286,104,177**

Significant Accounting Policies 1
Other Explanatory Information 22

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
& Chief Executive Officer

M Jayarama Shetty
Director

Medappa Gowda J
Company Secretary
& Chief Financial Officer

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : May 30 2016

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

Particulars	Note No	2016	2015
Revenue from operations (Gross)	**15**	**10,349,210,863**	**6,677,434,166**
Less: Excise duty		824,198,083	559,413,022
Revenue from Operations (Net)		**9,525,012,780**	**6,118,021,144**
Other Income	**16**	155,264,657	40,759,977
TOTAL		**9,680,277,437**	**6,158,781,121**
Expenses			
Cost of materials consumed		5,127,557,054	3,757,282,044
Purchase of traded goods		467,113,129	-
Changes in inventories of finished goods and work-in-progress and traded goods	**17**	40,273,865	(28,224,834)
Employee benefit expense	**18**	1,253,228,682	825,546,167
Finance costs	**19**	249,710,367	163,992,161
Depreciation and amortization expense	**6**	157,803,360	89,929,728
Other expenses	**20**	1,071,330,331	589,333,151
CSR expenditure	**21**	22,083,938	13,618,394
TOTAL		**8,389,100,726**	**5,411,476,811**
Profit before prior period, exceptional items, and minority interest for the year		**1,291,176,711**	**747,304,310**
Exceptional Items [Refer Note No. 22.6(b)]		(56,939,029)	-
Profit before tax and minority interest for the year		**1,234,237,681**	**747,304,310**
Tax expense:			
(1) Current tax		(410,139,455)	(227,777,000)
Tax adjustment for earlier years		2,419,151	644,783
(2) Deferred tax (Net)		(23,246,228)	(17,404,982)
Profit for the year before Minority Interest		**803,271,149**	**502,767,111**
Share of Profit attributable to:			
Owners of the Company		719,395,629	502,767,111
Minority Interest		83,875,520	-
Earnings per equity share:			
Equity shares of par value ₹ 1/- each			
Before Exceptional Item			
Basic & Diluted		6.41	4.19
After Exceptional Item			
Basic & Diluted		5.94	4.19
Number of shares used in computing earnings per share		121,167,383	120,020,000
Significant Accounting Policies	**1**		
Other Explanatory Information	**22**		

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
& Chief Executive Officer

M Jayarama Shetty
Director

Medappa Gowda J
Company Secretary
& Chief Financial Officer

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : May 30 2016

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
A. **CASH FLOWS FROM OPERATING ACTIVITIES:**		
Profit before tax for the year	1,234,237,682	747,485,776
Adjustment for:		
Depreciation and Amortisation	157,803,360	89,929,728
Provision for impairment of fixed assets	1,334,189	
(Profit)/Loss on sale of fixed assets (net)	1,121,408	58,168
(Profit)/Loss on sale of Mutual funds	(74,002,230)	(20,676,211)
Expenses relating to issue of shares on private placement basis	35,806,314	-
Unrealised foreign exchange (gain) loss net	(4,104,725)	-
Interest income	(5,173,701)	(2,374,257)
Provision for doubtful debts / advances written off (net)	(479,000)	-
Reversal of provisions	(4,418,000)	-
Interest expense	241,953,996	163,992,161
Operating profit before working capital changes	**1,584,079,293**	**978,415,365**
(Increase)/ Decrease in		
- Inventories	(686,801)	(25,580,308)
- Trade Receivables	(302,120,934)	(61,759,425)
- Loans and advances (Long term and Short term)	(58,063,444)	42,749,503
- Other Non Current Assets & Current Assets	579,749	(2,755,436)
Increase/ (Decrease) in		
- Current Liabilities	120,584,394	(46,088,198)
- Long term Liabilities	(143,407,605)	2,610,656
- Provisions (Long term and Short term)	(4,132,686)	9,748,948
Cash generated from operations	**1,196,831,966**	**897,341,105**
Income taxes paid (net of refunds)	(326,085,549)	(225,670,586)
Net cash from operating activities	**870,746,417**	**671,670,519**
B. **CASH FLOWS FROM INVESTING ACTIVITIES:**		
Purchase of fixed assets/ Capital work-in-progress	(543,364,985)	(412,638,259)
Payment towards acquisition of investment in subsidiaries	(1,568,411,210)	-
Sale of current investments	1,604,387,520	267,988,776
Investments in bank deposits (having original maturity of more than three months)	(473,800)	-
Redemption/ maturity of bank deposits (having original maturity of more than three months)	763,000	-
Purchase of mutual fund investments	(1,900,000,000)	(616,500,000)
Interest received	1,556,782	2,729,268
Proceeds from sale of fixed assets	3,575,195	739,902
Net cash from investing activities	**(2,401,967,498)**	**(757,680,313)**

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
C. CASH FLOWS FROM FINANCING ACTIVITIES:		
Interest paid	(221,885,669)	(163,287,911)
Proceeds/(repayments) from long term borrowings(net)	166,294,341	367,231,526
Proceeds/(repayments) from short term borrowings(net)	245,253,958	7,289,661
Availment of packing credit foreign currency loan	60,076,000	-
Proceeds from issue of Share Capital (net of issue expenses)	1,463,931,241	-
Dividend and dividend tax paid	(148,581,283)	(134,641,049)
Exchange fluctuation reserve - foreign subsidiary (net)	2,158,044	(3,603,199)
Net cash from financing activities	**1,567,246,632**	**72,989,028**
Net increase in cash and cash equivalents during the year	**36,025,551**	**(13,020,766)**
Cash and cash equivalents at beginning of the year *	136,198,928	65,351,871
Cash and cash equivalents at end of the year	**172,224,479**	**52,331,105**
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and bank balances as per the Balance Sheet (Refer Note No. 12)	188,710,735	55,189,581
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. 12)	16,486,256	2,858,476
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statement) included in Note 12 **	**172,224,479**	**52,331,105**
** Comprises:		
- Cash on hand	1,651,893	1,229,188
- Cheques, drafts on hand	4,889,468	755,360
- Balances with banks		
- In current accounts	161,973,642	42,596,267
- In EEFC accounts	3,333,919	267,008
- In deposit accounts	375,557	7,483,282
	172,224,479	**52,331,105**

(Figures in brackets indicate outflows)

* Balance at the beginning of the year 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)

Note: Consolidated Cash Flow Statement for the year ended 31st March, 2016 includes the cash flows of Phoenix Lamps Limited for the period 18th June 2015 to 31st March 2016.

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
& Chief Executive Officer

M Jayarama Shetty
Director

Medappa Gowda J
Company Secretary
& Chief Financial Officer

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : May 30 2016

Significant Accounting Policies forming part of the consolidated financial statements for the year ended 31st March 2016

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 and other components for automobiles.

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of Financial Statements

The financial statements have been prepared 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.

1.2 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.

1.3 Basis for consolidation

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 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. The consolidated financials statement 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) 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 financial statements of the subsidiary company on the date of acquisition of cotrolling stake and after arriving at the post acquisition profits between the date of such financial statements and the date of subsequent acquisition on a time proportion basis. 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.

iii) 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.

iv) 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 seperate financial statements.

v) 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.

vi) 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 foriegn currency translation reserve.

vii) Contingent liabilities in foreign currency are translated at the closing rate.

viii) The subsidiaries considered in the consolidated financial statements are:

NAME OF THE COMPANY	COUNTRY OF INCORPORATION	% VOTING POWER	
		AS AT 31.03.2016	AS AT 31.03.2015
SUPRAJIT AUTOMOTIVE PRIVATE LIMITED	INDIA	100	100
SUPRAJIT EUROPE LIMITED	UNITED KINGDOM	100	100
PHOENIX LAMPS LIMITED * (REFER NOTE 22.6(a))	INDIA	61.93	NIL

Significant Accounting Policies forming part of the consolidated financial statements for the year ended 31st March 2016

* Consolidated financial statements of Phoenix Lamps Limited including its subsidiaries, Trifa Lamps Germany GmbH and Luxlite Lamps SARL is considered.

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 and its subsidiaries.

PARTICULARS	MARCH 31, 2016	MARCH 31, 2015
Consideration paid to erstwhile share-holders towards purchase of equity shares of Phoenix Lamps Limited [Refer note 22.6(a)] - (A)	1,568,411,210	-
Parent's share in the net assets of the consolidated accounts of the subsidiary companies - (B)	740,784,716	-
Goodwill (A-B)	**827,626,494**	**-**
b) The excess of the purchase consideration of investment over the Phoenix Lamps Limited's share in the net assets of Luxlite Lamps SARL	238,503,608	-
Total Goodwill on Consolidation	**1,066,130,102**	**-**

c) Based on the financial statements of the subsidiary M/s Luxlite Lamps SARL, its net worth is partially eroded, however this subsidiary company has made profits in the current year. Phoenix Lamps Limited represents that the investment made in this subsidiary is strategic in nature and has resulted in increased business on consolidated basis and hence no impairment provision is required.

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 cashflows of the Company are segregated into operating, investing and financing activities. Cash and cash equivalents for the purpose of Cash flows 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

Sale of goods as well as revenue from processing of goods (services) are recognised at the time of transfer of property in goods and results in or concides with the transfer of significant risks and rewards to the customers which are generally at the point of dispatch of goods to the customers. Gross sales are inclusive of applicable excise duty and exclusive of sales tax and are net of returns. Revenue from scrap is recognised on sale.

Export incentives are recognised when there is reasonable certainty as to realisation and when they are quantifiable with a high degree of accuracy.

Dividend is recognised when declared and interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable rate.

1.7 Tangible/ Intangible Assets

Tangible Assets are stated at cost less accumulated depreciation and impairment losses, if any. The cost of an asset comprises of its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Until the fixed 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 upto the date of commissioning of assets is added to the cost of assets.

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.

1.8 Depreciation/ amortisation

i) The Parent Company has estimated useful life of the fixed assets and adopted 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 fixed assets 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 machinery (Identified specific Machinery)	360 months
Other Plant & machineries	270 months
Electrical Installations	252 months
Furniture & Fixtures	180 months
Office Equipments	120 months

ii) The tangible fixed assets of both the Indian subsidiaries are depreciated over the expected useful economic life of the asset on a straight line basis based on the estimated useful lives prescribed under Part C of Schedule II of the Companies Act 2013 and in case of one of the subsidiaries, the above mentioned estimated useful life for the nature of assets described above.

iii) The tangible fixed assets of direct and indirect 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 ranging between 2 to 11 years.

iv) The Parent provides additional depreciation @ 50% of the normal depreciation on all the plant & machinery for the period for which such plant & machinery was used for double shifts.

Significant Accounting Policies forming part of the consolidated financial statements for the year ended 31st March 2016

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) Some of the assets in the Indian subsidiaries are being depreciated @ 100% in the year of acquisition depending upon the cost of such fixed assets and the useful life of the assets as estimated by the management.

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/amalgamation is amortised over the estimate of useful life.

ix) Software acquired separately by one of the Indian subsidiaries of the parent, is measured on initial recognition at cost. Following initial recognition, software is carried at cost less accumulated amortisation and accumulated impairment losses, if any. Such software is amortised on a straight line basis over the estimated useful economic life not exceeding 5 years.

x) Leasehold land is amortised over the period of lease.

1.9 Impairment of 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. 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.

1.10 Investments

Investments that are readily realisable and intended to be held for not more than 12 months are classified as current investments. All other investments are classified as long-term investments. Long term investments are stated at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments. Current investments are carried at lower of cost or fair value.

1.11 Inventories

Inventories are valued at lower of cost or net realisable value. Cost is ascertained on weighted average method. Conversion and other costs incurred for bringing the inventories to their present location and condition are allocated to the extent applicable.

In case of the direct foreign subsidiary, the cost of purchase is ascertained based on the First-In-First-Out (FIFO) basis.

1.12 Foreign Currency Transactions

The foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are restated at the applicable exchange rates prevailing as at the Balance Sheet date. Gain/loss arising from such restatement as also on settlement of the transactions are adjusted in the Profit and Loss Statement.

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.

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.

1.13 Employee Benefits

Short term employee benefits:

The amounts paid/payable on account of short term employee benefits, comprising largely of salaries & wages, short term compensated absences 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 contributions paid/payable to these plans during the year are charged to the Profit and Loss Statement for the year. The Company has no other obligation in this regard.

Defined benefit plans:

a) Gratuity

The Parent'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 accounts. Actuarial gains and losses are recognised in full in the Profit and Loss Statement for the period in which they occur.

Significant Accounting Policies forming part of the consolidated financial statements for the year ended 31st March 2016

b) Compensated Absences

The group has a scheme for compensated absences for employees', the liability other than for short term compensated absences 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.

1.14 Borrowing Costs

Borrowing costs other than those attributable to qualifying assets are expensed as and when incurred. Borrowing costs attributable to qualifying assets are capitalised along with the cost of respective asset.

1.15 Leases

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.

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 fixed assets and corresponding liability is recognised as term loans.

1.16 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 under the tax laws.

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.

Certain items of income and expenditure are not reported in tax returns and financial statements in the same period for the purpose of determining the current tax. The net tax effect calculated at the current enacted tax rates of this timing difference is reported as deferred income tax asset/liability. 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.

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.

1.17 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.

1.18 Research and Development Expenditure

Expenditure incurred during the research phase is charged off to the Profit and Loss Statement.

1.19 Provisions and Contingencies

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. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Other contingent liabilities to the extent management is aware is disclosed by way of notes on financial statements.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
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	**150,000,000**	**150,000,000**
2.1.2 **Issued, Subscribed and Fully Paid Up:-**		
Equity Shares of ₹ 1 each fully paid 131,338,774 (PY - 120,020,000) equity shares	131,338,774	120,020,000
TOTAL	**131,338,774**	**120,020,000**

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, 2016 and March 31, 2015:**

Equity Shares of ₹ 1/- each fully paid	No. of shares	No. of shares
Shares outstanding as at the beginning of the year	120,020,000	120,020,000
Shares issued during the year *	11,318,774	-
Shares outstanding as at the end of the year	131,338,774	120,020,000

* The Company has issued 11,318,774 equity shares on private placement basis to Qualified Institutional Buyers on February 24, 2016.

2.1.4 **Details of shareholders holding more than 5% shares in Equity Shares of ₹ 1/- each fully paid:**

	2016	2015
Mr. K Ajith Kumar Rai		
No. of Shares	44,266,799	45,548,399
% age of Shareholding	33.70%	37.95%
Dr. Supriya A Rai		
No. of Shares	14,346,358	15,627,958
% age of Shareholding	10.92%	13.02%

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.

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 31st March, 2016 :**

(i) No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash.

(ii) No bonus shares were alloted.

(iii) No shares were bought back.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
3 RESERVES & SURPLUS		
3.1 Reserves		
3.1.1 **Capital Reserve**		
(State Investment Subsidy and surplus on reissue of forfeited shares)		
Opening balance	1,127,150	1,127,150
Add: Additions during the year	-	-
Closing Balance	**1,127,150**	**1,127,150**
3.1.2 **Securities Premium Reserve**		
Opening Balance	-	-
Add : Premium on issue of 1,13,18,774 equity shares of ₹ 1 each issued at a premium of ₹ 131.50 during the year	1,488,418,781	-
Closing Balance	**1,488,418,781**	**-**
3.1.3 **General Reserve**		
Opening balance	2,014,725,831	1,694,725,831
Add: Transferred from the Profit & Loss Statement	340,000,000	320,000,000
Closing Balance	**2,354,725,831**	**2,014,725,831**
3.2 Surplus		
3.2.1 **Surplus in the Profit & Loss Statement**		
Opening balance	267,940,790	224,811,453
Add:		
Share of Profit from the Profit & Loss Statement (post acquisition)	719,395,630	502,948,577
Less:		
Interim Dividend	60,010,000	54,009,000
Proposed Final Dividend	76,929,860	60,010,000
Tax on dividend	27,954,597	22,639,973
Transfer to General Reserve	340,000,000	320,000,000
Additional depreciation on opening WDV of fixed assets consequent to application of Schedule II of Companies Act, 2013 during the year ₹ NIL, [Previous year - net of deferred tax of ₹ 1,369,128/- (refer note 6.4.5)]	-	3,160,267
Closing Balance	**482,441,963**	**267,940,790**
Foreign Exchange Fluctuation Reserve	17,733,534	4,289,560
TOTAL	**4,344,447,259**	**2,288,083,331**

Notes on Reserves & Surplus

3.3 During the year, the Board of Directors have declared interim dividend of ₹ 0.50/- (PY : ₹ 0.45/-) per share, which is subject to regularisation of the shareholders in the ensuing Annual General Meeting.

3.4 Final dividend of ₹ 0.55 (PY: ₹ 0.50) per share proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

The Company has proposed final dividend including the amount due to the minority shareholders of 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 23.5.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
4 NON CURRENT LIABILITIES		
4.1 LONG TERM BORROWINGS		
4.1.1 **Secured**		
Term Loans		
- from banks	445,256,626	654,377,439
- from other parties	307,526,657	-
	752,783,283	**654,377,439**
4.1.2 **Unsecured**		
Deposits		
- related parties	2,500,000	200,000
- other than related parties	1,750,000	400,000
	4,250,000	**600,000**
TOTAL	**757,033,283**	**654,977,439**
Notes on Long Term Borrowings		
4.1.3 None of the above borrowings have been guaranteed by any Directors or others.		
4.2 DEFERRED TAX LIABILITIES (NET)		
4.2.1 **Liability**		
On timing differences of depreciation	136,745,203	112,754,963
Gross deferred tax liability	**136,745,203**	**112,754,963**
4.2.2 **Asset**		
On timing differences of expenditure allowable for tax purposes when paid	19,848,203	15,673,463
Accelarated Capital Allowance	177,248	177,153
Tax losses	5,391,603	3,076,791
Provision for doubtful debts	4,413,000	2,986,000
Gross deferred tax asset	**29,830,054**	**21,913,407**
Net deferred tax asset	**106,915,149**	**90,841,556**
4.3 OTHER LONG TERM LIABILITIES		
4.3.1 Dealer Deposits	11,760,416	10,432,617
	11,760,416	**10,432,617**
4.4 LONG TERM PROVISIONS		
4.4.1 **Provision for employee benefits [Refer Note no. 22.10(b)]**		
- Provision for Gratuity	63,457,032	17,954,437
- Provision for Compensated Absences	16,481,674	14,114,594
- Provision for Pension Obligation	993,297	-
	80,932,003	**32,069,031**
TOTAL	**956,640,851**	**788,320,643**

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
5 CURRENT LIABILITIES		
5.1 SHORT TERM BORROWINGS		
5.1.1 **Secured**		
Working capital facilities from banks repayable on demand from banks (Refer Note 5.1.2 below)	1,829,285,755	1,004,680,572
	1,829,285,755	**1,004,680,572**
Notes on Short Term Borrowings		
5.1.2 None of the above loans have been guaranteed by any Directors or others.		
5.2 TRADE PAYABLES		
5.2.1 Due to Micro and Small Enterprises	45,007,582	12,658,693
5.2.2 Due to Other than micro and small enterprises	898,915,404	555,826,700
	943,922,986	**568,485,393**
5.3 OTHER CURRENT LIABILITIES		
5.3.1 Current maturities of long term debt (including interest accrued and due) (Refer Note 4.1.2)	394,715,158	272,647,444
5.3.2 Current maturities of deposits from		
- related parties	500,000	2,800,000
- other than related parties	400,000	1,750,000
5.3.3 Interest accrued but not due		
- on borrowings	23,314,676	2,503,790
- on deposits	279,775	908,083
5.3.4 Advance received from Customers	18,628,337	3,622,491
5.3.5 Unclaimed dividend	13,832,830	2,146,283
5.3.6 Other Payables	28,156,339	-
- Payable towards cost of land	5,124,834	4,660,390
- Creditors for purchase of fixed assets	7,183,874	26,291,022
- Statutory liabilities	68,405,083	42,446,507
- Payable to Employees	87,235,461	38,268,886
- Payable to directors towards commission	13,448,808	13,440,162
- Commission payable	1,778,660	-
- Interest on income tax payable	157,351	-
- Interest due on micro enterprises and small enterprises	1,095,306	-
- Payable towards capital goods	6,558,510	-
- Security deposits	75,000	-
- Deferred premium on forward contracts **	452,498	-
- Unearned Income	1,452,458	-
- Payroll and church tax payable	3,047,226	-
- Others	20,581,572	13,618,394
	696,423,756	**425,103,452**

** The unamortised premium on outstanding forward contracts is being carried forward to be credited to the Profit & Loss Statement in subsequent year.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
5.4 SHORT TERM PROVISIONS		
5.4.1 **Provision for employee benefits [Refer Note no. 23.10(b)]**		
- Provision for Gratuity	25,349,598	7,615,916
- Provision for Compensated Absences	17,205,324	1,204,357
5.4.2 Provision for Proposed Dividend	76,929,860	60,010,000
5.4.3 Provision for Corporate Dividend Tax	11,609,938	12,216,624
5.4.4 Provision for Income Tax (Net of Advance Tax and Tax Deducted at Source)	-	10,172,899
5.4.5 Provision for post-sales warranties	3,200,000	-
5.4.7 Provision for mark-to-market losses on forward contracts	2,429,375	-
5.4.8 Provision for Wealth Tax	-	190,990
	136,724,095	**91,410,786**
TOTAL	**3,606,356,592**	**2,089,680,203**

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

6 FIXED ASSETS

(Amounts in ₹)

	Description	Gross Block						Depreciation/Amortisation							Accumulated Impairment			Net Block	
		As at 01.04.2015	Additions	Adjustment on account of consolidation [Refer Naote (a) below]	Disposals / Adjustment	Currency Fluctuation arising on consolidation [Refer Note no.1.3]	As at 31.03.2016	Upto 01.04.2015	Adjustment on account of consolidation [Refer Naote (a) below]	For the year	Disposals/ Adjustment	Adjustment due to change in useful life of assets	Currency Fluctuation arising on consolidation (Refer Note no.1.3)	As at 31.03.2016	As at 31.03.2015	For the year [Refer Note No 6.4.(6)]	As at 31.03.2016	As at 31.03.2016	As at 31.03.2015
6.1	**Tangible assets**																		
	Land	197,489,443	-	-	-	-	197,489,443	-	-	-	-	-	-	-	-	-	-	197,489,443	197,489,443
		(195,891,043)	*(1,598,400)*	-	-	-	*(197,489,443)*	-	-	-	-	-	-	-	-	-	-	*(197,489,443)*	*(195,891,043)*
	Land on lease	193,644,498	920,658	12,811,000	1,196,855	124,502	206,303,803	10,807,572	2,325,330	1,987,821	-	-	110,419	15,231,141	-	-	-	191,072,662	182,836,926
		(102,972,863)	*(91,001,887)*	-	-	*(330,252)*	*(193,644,498)*	*(8,085,862)*	-	*(3,053,704)*	-	-	*(331,994)*	*(10,807,572)*	-	-	-	*(182,836,926)*	*(94,887,001)*
	Buildings	876,175,199	277,015,156	126,864,000	-	-	1,280,054,355	148,439,700	62,374,060	38,432,525	475,976	-	-	248,770,309	-	-	-	1,031,284,046	727,735,499
		(852,737,631)	*(23,437,568)*	-	-	-	*(876,175,199)*	*(119,259,277)*	-	*(29,026,365)*	-	*(154,057)*	-	*(148,439,699)*	-	-	-	*(727,735,499)*	*(733,478,354)*
	Electrical Installations	127,144,534	19,378,738	-	-	-	146,523,272	32,998,480	-	7,277,485	-	-	-	40,275,965	-	-	-	106,247,307	94,146,054
		(109,397,594)	*(17,746,940)*	-	-	-	*(127,144,534)*	*(27,028,702)*	-	*(5,969,778)*	-	-	-	*(32,998,480)*	-	-	-	*(94,146,054)*	*(82,368,892)*
	Plant and Machinery	698,925,870	97,686,230	1,239,732,372	7,047,372	1,273,252	2,030,570,352	336,682,180	1,043,288,852	65,960,085	6,474,999	-	818,536	1,440,274,654	1,432,423	1,334,189	2,766,612	587,529,086	360,811,267
		(630,868,221)	*(71,026,238)*	-	*(974,360)*	*(1,994,228)*	*(698,925,871)*	*(307,755,435)*	-	*(30,060,946)*	*(225,104)*	*(1,006,359)*	*(1,915,455)*	*(336,682,181)*	*(1,432,423)*	-	*(1,432,423)*	*(360,811,267)*	*(321,680,363)*
	Dies & Moulds	66,624,354	3,815,084	-	-	-	70,439,438	34,385,803	-	3,115,395	-	-	-	37,501,198	-	-	-	32,938,240	32,238,551
		(60,732,240)	*(5,892,114)*	-	-	-	*(66,624,354)*	*(31,438,165)*	-	*(2,947,638)*	-	-	-	*(34,385,803)*	-	-	-	*(32,238,551)*	*(29,294,061)*
	Furniture and Fixtures	51,978,074	2,539,822	11,249,000	-	142,354	65,909,250	23,405,765	10,853,116	2,985,706	-	-	128,378	37,372,965	-	-	-	28,536,285	28,572,309
		(42,010,266)	*(10,367,806)*	-	-	*(399,999)*	*(51,978,073)*	*(20,049,238)*	-	*(2,514,492)*	-	*(1,216,920)*	*(374,884)*	*(23,405,766)*	-	-	-	*(28,572,309)*	*(21,961,028)*
	Vehicles	27,929,005	3,049,943	4,421,000	4,069,292	194,659	31,525,315	13,458,973	2,644,842	2,991,102	846,640	-	46,420	18,294,697	-	-	-	13,230,618	14,470,032
		(25,522,503)	*(2,528,349)*	-	*(96,965)*	*(24,882)*	*(27,929,005)*	*(9,756,847)*	-	*(3,615,662)*	*(48,151)*	*(155,094)*	*(20,479)*	*(13,458,973)*	-	-	-	*(14,470,032)*	*(15,765,656)*
	Office equipment	27,664,317	7,071,563	18,305,677	603,699	880,842	53,318,700	14,217,979	12,831,392	5,024,899	424,593	-	418,647	32,068,324	2,831	-	2,831	21,247,545	13,443,507
		(23,221,453)	*(4,479,223)*	-	-	*(36,359)*	*(27,664,317)*	*(9,325,942)*	-	*(3,911,489)*	-	*(1,049,624)*	*(69,076)*	*(14,217,979)*	*(2,831)*	-	*(2,831)*	*(13,443,507)*	*(13,892,680)*
	Containers	3,377,714	165,879	-	-	-	3,543,593	3,377,714	-	165,879	-	-	-	3,543,593	-	-	-	-	-
		(2,746,296)	*(631,418)*	-	-	-	*(3,377,714)*	*(2,746,296)*	-	*(631,418)*	-	-	-	*(3,377,714)*	-	-	-	-	-
	Computers (including Software)	52,409,008	4,047,537	30,834,420	22,575	-	87,268,390	41,565,448	29,199,468	6,196,911	22,575	-	-	76,939,252	-	-	-	10,329,138	10,843,560
		(48,504,695)	*(3,904,313)*	-	-	-	*(52,409,008)*	*(34,059,077)*	-	*(6,318,238)*	-	*(1,188,133)*	-	*(41,565,448)*	-	-	-	*(10,843,560)*	*(14,445,618)*
	Total (A)	**2,323,362,016**	**415,690,610**	**1,444,217,469**	**12,939,793**	**2,615,609**	**4,172,945,911**	**659,339,614**	**1,163,517,060**	**134,137,807**	**8,244,783**	**-**	**1,522,399**	**1,950,272,097**	**1,435,254**	**1,334,189**	**2,769,443**	**2,219,904,371**	**1,662,587,148**
		(2,094,604,805)	***(232,614,256)***	**-**	***(1,071,325)***	***(2,785,720)***	***(2,323,362,016)***	***(569,504,841)***	**-**	***(88,049,730)***	***(273,255)***	***(4,770,187)***	***(2,711,888)***	***(659,339,615)***	***(1,435,254)***	**-**	***(1,435,254)***	***(1,662,587,148)***	***(1,523,664,696)***
6.2	**Intangible assets**																		
	Goodwill (Refer Note 6.4.7)	144,473,404	-	280,167,080	24,105,251	31,478,119	432,013,352	144,473,404	263,699,229	18,371,622	24,105,251	-	29,574,348	432,013,352	-	-	-	-	-
		(144,473,404)	-	-	-	-	*(144,473,404)*	*(144,473,404)*	-	-	-	-	-	*(144,473,404)*	-	-	-	-	-
	Software	-	97,650	37,541,116	217	300,104	37,938,653	-	33,023,851	1,478,376	-	-	(149,647)	34,651,874	-	-	-	3,286,779	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Business Rights	18,800,000	-	-	-	-	18,800,000	1,880,000	-	3,760,000	-	-	-	5,640,000	-	-	-	13,160,000	16,920,000
		-	*(18,800,000)*	-	-	-	*(18,800,000)*	-	-	*(1,880,000)*	-	-	-	*(1,880,000)*	-	-	-	*(16,920,000)*	-
	Brands (Refer Note 6.4.7)	5,100,000	-	-	5,100,000	-	-	5,100,000	-	-	5,100,000	-	-	-	-	-	-	-	-
		(5,100,000)	-	-	-	-	*(5,100,000)*	*(5,100,000)*	-	-	-	-	-	*(5,100,000)*	-	-	-	-	-
	Technical Knowhow (Refer Note 6.4.7)	195,127	-	-	195,127	-	-	195,127	-	-	195,127	-	-	-	-	-	-	-	-
		(195,127)	-	-	-	-	*(195,127)*	*(195,127)*	-	-	-	-	-	*(195,127)*	-	-	-	-	-
	Patents	-	333,332	-	-	-	333,332	-	-	55,555	-	-	-	55,555	-	-	-	277,777	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (B)	**168,568,531**	**430,982**	**317,708,196**	**29,400,595**	**31,778,223**	**489,085,337**	**151,648,531**	**296,723,080**	**23,665,553**	**29,400,378**	**-**	**29,723,995**	**472,360,781**	**-**	**-**	**-**	**16,724,556**	**16,920,000**
		(149,768,531)	***(18,800,000)***	**-**	**-**	**-**	***(168,568,531)***	***(149,768,531)***	**-**	***(1,880,000)***	**-**	**-**	**-**	***(151,648,531)***	**-**	**-**	**-**	***(16,920,000)***	**-**
	Total (A+B)	**2,491,930,547**	**416,121,592**	**1,761,925,665**	**42,340,388**	**34,393,832**	**4,662,031,248**	**810,988,145**	**1,460,240,140**	**157,803,360**	**37,645,161**	**-**	**31,246,394**	**2,422,632,878**	**1,435,254**	**1,334,189**	**2,769,443**	**2,236,628,927**	**1,679,507,148**
		(2,244,373,336)	***(251,414,256)***	**-**	***(1,071,325)***	***(2,785,720)***	***(2,491,930,547)***	***(719,273,372)***	**-**	***(89,929,730)***	***(273,255)***	***(4,770,187)***	***(2,711,888)***	***(810,988,146)***	***(1,435,254)***	**-**	***(1,435,254)***	***(1,679,507,148)***	***(1,523,664,696)***

Note: Previous year figures are in brackets.

'Adjustments on account of consolidation' column under the 'Gross Block' above represents the amount of gross block of fixed assets of Phoenix Lamps Limited as on the date of acquisition ie upto 18th June 2015 and under the 'Depreciation/ Amortisation' block represents the amount of accumulated depreciation/ amortisation relating to such assets.

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars		2016	2015
6.3	**Capital Work-in-Progress**		
	Building under construction	120,151,919	152,743,986
	Machinery pending installation	35,201,787	2,004,287
	Electrical work-in-progress	9,194,262	9,635,064
	Other assets pending capitalisation	7,657,603	824,486
	Borrowing cost pending allocation	5,094,926	5,004,778
	Expenditure pending capitalisation	752,424	143,833
	TOTAL	**178,052,921**	**170,356,434**

6.4 Notes on Fixed Assets

1. All the fixed assets except the land on lease are owned by the Company.
2. Additions to land on lease during the previous year ₹ 90,719,884/- represents:
   a) Land allotted at Sanand, Charal Industrial Area, Ahmedabad, Gujarat by the Gujarat Industrial Development Corporation (GIDC) for a period of 99 years and registered in the name of the company. Total consideration (including stamp duty and other charges) of ₹ 52,718,264/- has been paid during the previous year.
   b) Land allotted at Chennai, SIPCOT Industrial Area, Tamilnadu by the State Industries Promotion Corporation of Tamilnadu (SIPCOT) for a period of 99 years and registered in the name of the company. Total consideration (including stamp duty and other charges) of ₹ 38,001,620/- has been paid during the previous year.
3. Land on lease at various locations except as mentioned in Note No. 3 above 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. Borrowing costs capitalised during the year as per Note no. 20 is ₹ 7,903,688/- (PY - ₹ 5,041,938/-).
5. During the previous year, consequent to introduction of the Companies Act, 2013 ('the Act') wef 1st April 2014, the Company has computed depreciation for the period 1st April 2014 to 31st March 2015 as required under the Schedule II of the Act and the depreciation of ₹ 4,028,033/- relating to the assets where the remaining useful life of the assets as on 1st April 2014 is Nil has been recognised in the opening balance of Surplus in Note 3.2.1 net of deferred tax asset of ₹ 1,369,128/-.

   During the year, one of the Indian subsidiaries has re-assessed the remaining useful life of certain plant and machinery having gross block of ₹ 205.38 lakhs on technical evaluation and accordingly has provided additional depreciation of ₹ 113.13 lakhs on these assets to depreciate them fully during the year. Had it continued to use the earlier basis of providing depreciation, the charge to the statement of profit and loss for the current year would have been lower by ₹ 113.13 lakhs and the net block of fixed assets would correspondingly have been higher by ₹ 113.13 lakhs.
6. During the year, the management has identified certain individual plant and machinery to be impaired based on their condition and usage. The Company has provided provision for impairment in respect of these assets amounting to ₹ 1,334,189/- (PY - Nil).
7. During the 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.

6A	**DEFERRED TAX ASSETS (Net)**		
6A.1	**Liability**		
	On timing differences of depreciation	16,279,279	-
	Gross deferred tax liability	**16,279,279**	**-**
6A.2	**Asset**		
	On timing differences of expenditure allowable for tax purposes when paid	29,114,300	-
	Provision for obsolete inventories	6,610,435	-
	Provision for Mark to Market Losses on Forward Contracts	840,758	-
	Provision for doubtful debts	181,143	-
	Gross deferred tax asset	**36,746,636**	**-**
	Net deferred tax asset	**20,467,357**	**-**

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
7 LONG TERM LOANS AND ADVANCES		
7.1 Capital Advances		
(Unsecured, considered good)		
Capital advances towards fixed assets	163,892,465	29,724,911
	163,892,465	**29,724,911**
7.2 Deposits		
(Unsecured, considered good)		
Electricity Deposits	11,432,037	9,141,509
Refundable deposits towards leasehold land	8,800,000	8,800,000
Rental Deposits	3,570,000	3,570,000
Other Deposits	4,197,317	4,216,478
	27,999,354	**25,727,987**
7.3 Others		
(Unsecured, considered good)		
Advance tax [including Tax deducted at source (Net of Provisions)]	3,560,393	3,723,177
Income tax paid under protest	1,913,276	1,913,276
MAT credit entitlement (Refer note 22.15)	15,432,234	563,083
Value Added Tax paid under protest	3,600,000	3,600,000
Security Deposits	12,565,019	-
Value added tax refundable	3,500,000	2,537,242
Balances with statutory / government authorities	1,076,343	-
	41,647,265	**12,336,778**
TOTAL	**233,539,084**	**67,789,676**
8 OTHER NON-CURRENT ASSETS		
(Unsecured, considered good)		
Non-current bank deposits *	1,500,197	1,000,000
Interest accrued on the above non-current bank deposit	67,107	86,314
TOTAL	**1,567,304**	**1,086,314**

₹ 1,105,450/- (PY - ₹ 1,000,000) is held against public deposits in pursuance of the requirements of applicable Rules and ₹ 394,747/- (PY - ₹ Nil) are in the nature of margin money kept with banks against bank guarantees given.

9 CURRENT INVESTMENTS		
9.1 Investments in bonds (Long term at cost)		
Investments in National Highway Authority of India Bonds.	-	5,000,000
9.2 Other Investment (Non-trade)		
Investments in Mutual Funds (at lower of cost or fair value)	1,487,114,710	1,112,500,000
TOTAL	**1,487,114,710**	**1,117,500,000**

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

		2016	2015
9.3	**Details of Other Investments (Non-trade)**		
9.3.1	**General Information**		
	Aggregate market value (Net Asset Value) of quoted Investments	1,604,326,284	1,242,708,014
9.3.2	**Details of Mutual Funds held at the end of the year:**		

Particulars	31.03.2016	31.03.2015
Birla Sun Life Dynamic Bond Fund- Retail -Growth - Nil (1,079,445.67) units of ₹10/- each	-	20,000,000
Birla Dynamic Bond Fund Retail Plan Growth - Nil (1,939,435.01) units of ₹ 10/- each	-	35,000,000
Birla Sun Life Treasury Optimizer Plan Growth - 3,44,566.41 (3,44,566.41) units ₹ 10/- each	54,000,000	54,000,000
Franklin India Short Term Income Plan Retail Plan -12,117.34 (14,415.83) units of ₹10/- each	30,000,000	35,000,000
Franklin India Short Term Income Plan Retail Plan - 38,048.02 (38,048.02) units ₹ 10/- each	100,000,000	100,000,000
Franklin India Short Term Income Plan Retail Plan - 7,558.37 (7,558.37) units ₹ 10/- each	20,000,000	20,000,000
Franklin India Ultra Short Bond Fund-Super Institutional Plan - 42,08,874.08 (42,08,874.08) units ₹10/- each	72,500,000	72,500,000
HDFC Floating Rate Income Fund Short Term Plan Growth Option - Nil (83,58,443.49) units ₹ 10/- each	-	200,000,000
HDFC High Interest Fund-Growth -17,71,778.05 (17,71,778.05) units ₹10/ each	70,000,000	70,000,000
HSBC Income Fund STP Growth - Nil (3,433,773.94) units ₹10/- each	-	70,000,000
ICICI Pre Flexible Income Plan Regular Growth - Nil (5,71,288.85) units ₹10/- each	-	150,000,000
IDFC Dynamic Bond Fund Growth Regular Plan - 28,37,676.73 (28,37,676.73) units ₹ 10/- each	40,000,000	40,000,000
IDFC SSIF STP Regular - Nil (793,603.56) untis ₹ 10/- each	-	20,000,000
IDFC Super Saver Income Fund - Nil (1,993,419.99) units ₹ 10/- each	-	50,000,000
IDFC Super Saver Income Fund Short Term Plan Growth Direct Plan - 7,55,038.94 (7,55,038.94) units ₹ 10/- each	20,000,000	20,000,000
Reliance Dynamic Bond Growth - 3,808,213.18 (3,808,213.18) units ₹ 10/- each	60,000,000	60,000,000
SBI Dynamic Bond Fund Regular Plan Growth -13,77,421.67 (Nil) units ₹ 10/- each	-	20,000,000
UTI Bond Fund Growth - Nil (1,708,364.46) units of ₹10/- each	-	56,000,000
UTI Bond Fund Growth - 560,887.07 (560,887.07) units ₹10/- each	20,000,000	20,000,000
ICICI Prudential Liquid -Direct Plan Growth - 13,47,810.011(Nil) units of ₹10/- each	300,000,000	-
Birla Sun Life Cash Plus -Growth Direct Plan - 12,42,459.822 (Nil) units of ₹10/- each	300,000,000	-
HDFC Liquid Regular (WMU) - 33,757.431(Nil) units of ₹ 10/- each	100,000,000	-
HDFC Liquid - Direct Plan-Growth Option - 67,600.103 (Nil) units of ₹ 10/- each	200,614,710	-
SBI Magnum Insta Cash Liquid Floater - Direct Plan Growth - 38,995.743(Nil) units of ₹10/- each	100,000,000	-
Total	**1,487,114,710**	**1,112,500,000**

Particulars	2016	2015
10 INVENTORIES		
(Valued at Lower of Cost or Net Realisable value)		
Raw materials (including components, packing materials and stores & spares)	605,383,049	350,901,775
Raw materials in transit (including in custom bonded warehouse)	63,570,520	44,338,842
Work-in-Progress	152,029,031	68,880,243
Finished Goods	605,342,985	292,815,233
Finished Goods-in-Transit	46,705,260	39,727,196
Traded Goods	189,143,928	-
Tools	3,050,000	2,590,116
Scrap	4,195,236	-
TOTAL	**1,669,420,009**	**799,253,405**

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2016	2015
11 TRADE RECEIVABLES		
11.1 Outstanding for a period more than six months from the due date of payment		
Unsecured, considered good	11,935,074	602,714
Unsecured, considered doubtful	7,909,076	5,067,767
Less:- Provision for Doubtful receivables	7,909,076	5,067,767
	11,935,074	**602,714**
11.2 Other Trade Receivables*		
Unsecured, considered good	2,083,749,089	1,249,887,279
Unsecured, considered doubtful	6,230,264	3,560,828
Less:- Provision for Doubtful receivables	6,230,264	3,560,828
	2,083,749,089	**1,249,887,279**
TOTAL	**2,095,684,163**	**1,250,489,993**
* An indirect 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 5.22 lakhs equivalent to ₹ 392.19 lakhs.		
12 CASH AND BANK BALANCES		
12.1 Cash and Cash Equivalents		
Balances with Banks		
- in Current Accounts	161,973,642	42,596,267
- in EEFC Accounts	3,333,919	7,483,282
- in Deposit Accounts **	375,557	267,008
Cash on hand	1,651,893	1,229,188
Cheques, drafts on hand	4,889,468	755,360
	172,224,479	**52,331,105**
12.2 Other Bank balances		
Earmarked balances for Unclaimed Dividend accounts	13,832,830	2,146,283
Bank deposits **	2,653,426	1,276,344
	16,486,256	**3,422,627**
TOTAL	**188,710,735**	**55,753,732**
** Deposits aggregating to ₹ 2,766,158 (PY - ₹ 1,276,344/-) are in the nature of margin money kept with banks against Bank Guarantees given.		
13 SHORT TERM LOANS AND ADVANCES		
Others		
(Unsecured, considered good)		
Advance to Suppliers	49,620,949	35,961,413
Advances to Employees	5,331,892	3,850,502
Advance for Expenses	6,794,310	8,108,633
Balance with Central Excise Customs & other authorities	118,023,800	51,643,490
Prepaid Expenses	32,932,630	20,108,680
Advance income taxes/tax deducted at source (Net of provision of Income tax)	152,029,324	-
Security Deposits	220,000	-
Advances recoverable in cash or in kind	3,334,548	-
Others	26,321,378	12,410,536
TOTAL	**394,608,831**	**132,083,254**
14 OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Export benefit entitlements	579,685	489,083
Interest accrued on non-current investment in bonds	-	300,000
Interest accrued on bank deposits	137,250	502,638
Interest Receivable - Others	3,429,477	-
Forward contract receivable	385,932	-
Restatement of Forward Contracts outstanding	2,083,120	10,992,500
Tooling recoverables	2,098,675	-
TOTAL	**8,714,139**	**12,284,221**

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

(Amounts in ₹)

Particulars	2016	2015
15 REVENUE FROM OPERATIONS (GROSS)		
Sale of Products (Refer Note 15.1 below)	10,325,986,423	6,651,443,363
Sale of Services (Refer Note 15.2 below)	7,637,644	9,301,822
Other operating revenue (Refer Note 15.3 below)	15,586,795	16,688,981
TOTAL	**10,349,210,863**	**6,677,434,166**
Particulars of Revenue from Operations		
15.1 Sale of Products (Gross)		
15.1.1 **Manufactured Goods**		
Domestic	7,495,562,892	5,436,539,003
Exports (Including deemed exports)	1,293,957,638	1,214,904,360
Sub-Total	**8,789,520,530**	**6,651,443,363**
15.1.2 **Traded Goods**		
Domestic	9,337,702	-
Exports	1,527,128,191	-
Sub-Total	**1,536,465,893**	**-**
Grand Total	**10,325,986,423**	**6,651,443,363**
15.1.3 **Manufactured Goods (Product wise)**		
Cables (Control and Speedo)	7,231,033,494	6,331,895,913
Speedo Meters	259,632,821	245,326,869
Auto Lamps	1,293,545,419	-
Others (including parts)	5,308,796	74,220,581
	8,789,520,530	**6,651,443,363**
15.1.4 **Traded Goods (Product wise)**		
Stop and Tail Lamps	10,844,213	-
Auto Lamps	1,525,621,680	-
	1,536,465,893	**-**
15.2 Sale of Services		
Processing Charges	7,637,644	9,301,822
15.3 Other Operating Revenue		
Scrap Sales	13,783,781	16,062,237
Export benefit entitlements (Net)	1,803,014	626,744
TOTAL	**15,586,795**	**16,688,981**
16 OTHER INCOME		
Interest Income		
- On bank deposits	1,410,122	1,151,704
- On advances to suppliers	932,701	1,215,160
- On employee loans & advances	1,311	7,393
- On Income tax refund	2,058,909	-
- On others	770,658	-
Provisions no longer required written back	-	9,271,000
Provision for doubtful debt writtenback (net) [net of write off ₹ 50,770/- (PY Nil)]	87,664	-
Net gain on sale of current investments	74,002,230	20,676,211
Rent Received	120,000	50,000
Net gain on foreign currency transactions and translations	40,427,935	7,453,634
Gain on sale of fixed assets	522,951	-
Reversal of provision for obsolete inventories	4,330,317	-
Unspent liabilities written back	10,913,950	-
Other non-operating income	19,685,909	934,876
TOTAL	**155,264,657**	**40,759,977**

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

(Amounts in ₹)

Particulars		2016	2015
17 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS			
Opening Stock			
Finished Goods		332,511,283	328,498,708
Work-in-Progress		68,880,243	52,954,200
		401,391,526	381,452,909
Add: Adjustment on account of consolidation (Refer Note below)		623,213,653	-
	Total (A)	**1,024,605,179**	**381,452,909**
Less: Closing Stock			
Finished Goods		652,048,246	332,511,283
Traded Goods		189,143,928	-
Work-in-Progress		152,029,031	68,880,243
Scrap		4,195,236	-
	Total (B)	**997,416,441**	**401,391,526**
Add: Currency Fluctuation arising on consolidation (Refer Note No. 1.3)	**Total (C)**	13,085,127	(8,286,217)
Net Change in inventories (A-B+C)		**40,273,865**	**(28,224,834)**
Note: 'Adjustment on account of consolidation' above represents the amount of inventories of Phoenix Lamps Limited as on the date of acquisition ie 18th June 2015.			
Details of inventories are given below:			
Finished Goods			
Cables (Control and Speedo)		382,651,541	326,279,240
Speedo Meters		6,141,687	4,615,553
Auto Lamps		262,246,148	-
Others (including parts)		1,008,870	1,616,490
Total		**652,048,246**	**332,511,283**
Details of inventories are given below :			
Work-In-Progress			
Cables (Control and Speedo)		38,236,530	60,490,666
Speedo Meters		6,028,393	8,389,577
Bulb		22,803,258	-
Filament		4,611,138	-
Lamp without stamp		80,349,712	-
Total		**152,029,031**	**68,880,243**
Raw Materials (excluding raw materials in transit)			
Steel Wire		21,413,943	20,688,363
Inner		85,087,391	76,686,455
Bend Tube Assy.		8,053,740	9,169,792
PVC Compound		11,825,763	9,400,654
Glass Tube		64,589,516	-
Lamp Base Parts		31,061,887	-
Imported Bulb		7,141,544	-
Component and Others		376,209,266	234,956,511
Total		**605,383,049**	**350,901,775**

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

(Amounts in ₹)

Particulars	2016	2015
18 EMPLOYEE BENEFIT EXPENSE		
Salaries, Wages and bonus (including managerial remuneration)	1,140,824,758	759,567,684
Contribution to Provident Fund and other funds	69,705,151	28,409,474
Staff welfare expenses	43,225,588	37,622,109
	1,253,755,497	**825,599,267**
Less: Expenditure incurred during the construction period		
- Transferred to Capital Work-in-Progress	526,815	53,100
TOTAL	**1,253,228,682**	**825,546,167**
19 FINANCE COSTS		
Interest expense		
- Borrowings	249,017,900	166,174,464
- Deposits	496,244	606,510
- Others* (Including interest in income tax)	6,808,375	1,218,599
Loan processing charges	4,937,329	1,034,526
	261,259,848	**169,034,099**
Less: Expenditure incurred during the construction period		
- Capitalised to fixed assets	2,808,763	37,160
- Transferred to Capital Work-in-Progress	8,740,718	5,004,778
TOTAL	**249,710,367**	**163,992,161**

* Interest - Others is net of interest concession under Interest Equalisation Scheme on Pre and Post Shipment Rupee Export Credit of the Government of India effective from April 1, 2015 of ₹ 2,294,698/- in respect of a subsidiary.

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

(Amounts in ₹)

Particulars	2016		2015	
20 OTHER EXPENSES				
Increase/(Decrease) of excise duty on Inventory		7,875,519		(7,822,270)
Stores and Consumables		39,777,290		9,195,199
Power and fuel		152,257,134		99,064,743
Testing charges		-		954,484
Labour charges		53,711,256		48,989,948
Rent		49,395,952		13,482,216
Repairs & Maintenance:				
- Buildings		6,929,403		7,203,954
- Machinery		41,937,466		34,041,372
- Others		41,024,616		29,692,076
Insurance		26,666,040		16,069,624
Rates and taxes		19,301,434		15,490,988
Bank Charges		11,705,387		5,722,676
Travelling and Conveyance		72,376,846		52,472,212
Professional Charges		117,315,246		11,079,655
Auditors' Remuneration		7,952,174		2,621,273
Freight Outward and C & F Charges		172,027,722		123,407,752
Advertisement and Sales Promotion		16,885,060		3,758,978
Discount		128,097,283		68,229,667
Commission				
- Sales Commission		15,207,941		8,580,591
- Others		-		7,990
Directors' Sitting Fees & Commission		1,520,000		1,510,000
Bad debts / receivables written off	17,527,883		3,855,318	
Less: Withdrawal of earlier year provisions	294,111	17,233,772	1,892,164	2,269,780
Provision for Doubtful debts		6,489,422		5,346,241
Printing & Stationery		10,145,223		7,588,071
Security Expenses		23,951,650		16,864,244
Communication Expenses		11,803,832		6,858,095
Loss on Sale of fixed assets		1,644,359		-
Commercial claims		5,524,992		-
Provision for impairment of fixed assets [Refer Note No.6.4.(6)]		1,334,189		-
Difference on foreign exchange		(208,000)		-
Profit on sale of fixed assets		-		58,168
Research & Development Expenses		3,594,091		1,569,507
General Expenses		9,749,390		4,935,184
		1,073,226,689		**589,242,418**
Less: Expenditure incurred during the construction period				
- Capitalised to fixed assets		1,670,749		-
- Transferred to capital work-in-progress		225,609		(90,733)
TOTAL		**1,071,330,331**		**589,333,151**
21 CSR EXPENDITURE				
Contribution to Suprajit Foundation		22,083,938		13,618,394
TOTAL		**22,083,938**		**13,618,394**

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amounts in ₹)

22 OTHER EXPLANATORY INFORMATION

22.1 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.

22.2 Some of the trade receivables, trade payables, loans and advances are subject to confirmation/ reconciliation.

22.3 Full quantitative particulars giving item wise and location wise details of fixed assets are maintained in the ERP system in respect of additions made after 1.4.2008. 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 maintained for major assets in manual form.

22.4 The Boards of Directors of the Parent and its subsidiary, Phoenix Lamps Limited, have approved a draft scheme of amalgamation of the parent with Phoenix Lamps Limited at their respective meetings held on April 18, 2016 and further steps have been initiated towards seeking the requisite statutory and Regulatory approvals.

22.5 (a) During the year, 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. Hence prevoius year figures are not strictly comparable with current year figures in the consolidated financial statements.

(b) The Parent Company has incurred an expenditure of ₹ 56,939,029/- relating to finance charges towards the acquisition of equity shares in Phoenix Lamps Limited and is disclosed under the head 'Exceptional Item' 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'.

22.6 The direct foreign subsidiary of the Parent follows the cost of purchase 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.

Particulars		31.03.2016	31.03.2015
22.7 Contingent Liabilities and Commitments			
22.7.1	**Contingent Liabilities**		
	Corporate Guarantees issued on behalf of subsidiaries to their bankers [GBP 500,000 (PY: GBP 500,000)].	48,075,000	46,745,000
	Letter of credit outstanding	-	-
	Bond Executed in favour of customs	15,000,000	15,000,000
	Bank Guarantee furnished to Tax Authorities for availing concessions	750,000	750,000
	Other Bank Guarantees	-	-
	Statutory dues on account of -		
	Excise and Service tax matters	3,152,482	5,642,685
	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 ₹ 800,000/-.	33,750,469	33,750,469
	- In respect of FY 2008-09, the amount paid under protest against the demand is ₹ 2,000,000/-.	31,085,990	31,085,990
	- In respect of FY 2009-10, the amount paid under protest against the demand is ₹ 800,000/-.	28,667,182	28,667,182
	-In respect of VAT/Sales Tax demands*	375,937	-
	Disputed Income tax matters pending before Commisioner 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 *		

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

	Particulars	31.03.2016	31.03.2015
	- In respect of AY 2009-10 (FY 2008-09), the amount paid under protest against the demand is ₹ 903,430/-.	-	903,430
	- In respect of AY 2010-11 (FY 2009-10)	8,658,590	4,515,160
	- In respect of AY 2013-14 (FY 2012-13)	421,460	421,460
	Demands from the Indian tax authorities for disputed demands of income tax. Assessment Years 2005-06, 2009-10 to 2014-15*	539,593,638	-
	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	36,750,181	-
	Claims also includes suspension period wages*	3,902,974	-
	Total	**750,183,903**	**167,481,376**
	* No provision has been made in these accounts for these disputed duty, tax demands as the management is confident 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 has been transferred, in accordance with Business Transfer Agreement signed by the Parent Company with HTPL.		
22.7.2	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	126,124,109	264,644,150
	Total Contingent Liabilities and Commitments	**876,308,012**	**432,125,526**

22.8 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	31.03.2016	31.03.2015
Principal amount (including overdue amount) outstanding at the beginning of the year	10,698,301	4,113,651
Interest amount outstanding at the beginning of the year	145,044	144,432
Interest (out of the above) paid during the year	32,330	27,040
Amount paid after the due date during the year	13,223,052	3,702,523
Overdue amount outstanding at the end of the year	-	2,610,574
Principal amount (other than overdue amount) outstanding at the end of the year	45,007,582	8,087,727
Interest amount accrued and remaining unpaid at the end of the year	1,115,725	145,044

22.9 **The detail of foreign currency exposure as at the year end is given below:**

Particulars	31.03.2016		31.03.2015	
	Foreign currency	Equivalent ₹	Foreign currency	Equivalent ₹
Hedged by derivative instruments (Converted at committed exchange rates)				
Euro Receivable	3,512,000	262,928,263	222,009	14,850,204
Not hedged by derivative instruments				
USD Receivable	3,328,130	168,774,587	2,696,394	167,778,793
USD Payable	502,312	(11,776,717)	24,810	1,564,534
Euro Receivable	1,425,822	(82,155,821)	144,715	9,679,974
Euro Receivable - Remittance in transit	65,110	4,889,468	-	-
Euro Payable - Short term Borrowings	800,000	(60,076,000)	-	-
Euro Payable - Others	466,265	(31,436,264)	19,518	1,335,432
GBP Receivable	567,059	53,456,620	135,417	12,409,954
GBP Payable	108	10,384	1,575	147,279

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amounts in ₹)

22.10 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	31.03.2016	31.03.2015
Employers contribution to Provident Fund (incl. admin. charges)	60,090,790	20,914,262
Employers contribution to Employee State Insurance	5,067,938	4,982,714
Employers contribution to other Social Security Schemes	14,271,670	15,960,389

b. Defined Benefit Plans:

Gratuity - Funded & Unfunded

Compensated absences - Unfunded

Gratuity is a funded obligation of the Parent and the Indian subsidiaries except to the extent of liability of the Parent not eligible to be covered by the Gratuity Scheme, which is unfunded. Compensated Absences is an unfunded obligation of the Company. The Parent and the Indian subsidiares has provided for liability of gratuity and compensated absences based on an actuarial valuation under the projected unit credit method and have funded the liability with Life Insurance Corporation (LIC). Principal actuarial assumptions in determining such liability of the Parent are given below:

Particulars	Gratuity		Compensated Absences	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
Discount Rate (per annum)*	8.00%	7.81%	8.00%	7.81%
Expected return on plan assets	8.00%	8.75%	-	-
Salary escalation rate**	10.00%	10.00%	10.00%	10.00%

* 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.

** 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.

	Particulars	2015-16		2014-15	
		Gratuity	Compensated Absences	Gratuity	Compensated Absences
I.	**Reconciliation of present value of obligation**				
	Present value of obligation at beginning of the year	110,213,913	34,044,951	36,762,792	11,309,607
	Current Service Cost	14,000,390	4,708,252	16,599,468	4,197,790
	Interest Cost	8,629,444	1,930,953	2,825,695	826,895
	Actuarial (gain)/loss	(4,192,267)	(1,120,742)	(84,398)	428,582
	Benefits Paid	(5,947,538)	(2,996,480)	(1,164,644)	(1,443,923)
	Present value of obligation at end of the year#	**122,703,942**	**36,566,934**	**54,938,913**	**15,318,951**

\# Present Value of Obligation towards Gratuity as at 31.03.2016 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	2015-16	2014-15
		Gratuity	Gratuity
II.	**Reconciliation of fair value of plan assets**		
	Fair value of plan assets beginning of the year	31,278,691	23,607,033
	Expected return on plan assets	2,483,243	2,056,184
	Actuarial gain/(loss)	260,807	235,409
	Contributions	7,374,745	4,634,576
	Benefits paid	(7,500,175)	(1,164,644)
	Fair value of plan assets at end of the year	**33,897,312**	**29,368,558**

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amounts in ₹)

	Particulars	2015-16	2014-15
		Gratuity	Gratuity
III.	**Description of Plan Assets**		
	Insurer Managed Funds##	33,897,312	29,368,558

The fund is maintained with the Life Insurance Corporation of India under the Group Gratuity Scheme administered through trustees

	Particulars	2015-16		2014-15	
		Gratuity	Compensated Absences	Gratuity	Compensated Absences
IV.	**Expenses recognised in the Profit & Loss Statement**				
	Current Service Cost	14,000,390	4,708,252	16,599,468	4,197,790
	Interest Cost	8,629,444	1,930,953	2,825,695	826,895
	Expected Return on Plan Assets	(2,483,243)	-	(2,056,184)	-
	Acturial gain/(loss)	(4,335,555)	(1,120,742)	(3,819,807)	428,581
	Net Expense recognised in the Profit & Loss Statement	**15,811,035**	**5,518,463**	**13,549,171**	**5,453,266**
V.	**Net (Asset)/ Liability recognised in the Balance Sheet as at year end**				
	Present value of obligation at end of the year	122,703,942	36,566,934	54,938,913	15,318,951
	Fair value of plan assets at end of the year	33,897,312	-	29,368,558	-
	Net present value of unfunded obligation recognised as (asset)/ liability in the Balance Sheet	**88,806,630**	**36,566,934**	**25,570,355**	**15,318,951**

	Particulars	2016	2015	2014	2013	2012
VI.	**Experience Adjustments**					
	Gratuity - Funded & Unfunded					
	Present value of obligations	122,703,942	54,938,913	36,762,791	27,307,078	18,464,045
	Fair value of plan assets	33,897,312	29,368,558	23,607,033	22,221,998	7,012,634
	Funded Status [(Surplus)/Deficit]	88,806,630	25,570,355	13,155,758	5,085,080	11,451,411
	Experience [Gain/(Loss)] adjustment on plan liabilities	(4,192,267)	84,398	(597,951)	(152,978)	(1,791,700)
	Experience [Gain/(Loss)] adjustment on plan assets	260,807	235,409	(471,231)	(247,763)	(151,545)
	Compensated Absences - Unfunded					
	Present value of obligations	36,566,934	15,318,951	11,309,607	7,784,880	5,796,212
	Experience [Gain/(Loss)] adjustment on plan liabilities	(54,338)	(428,582)	(250,161)	(508,627)	(126,735)

The direct and indirect foreign subsidiary has provided for retirement plans in accordance with their local laws.

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amounts in ₹)

22.11 Research & Development Expenditure

Particulars	2015-16	2014-15
Salaries & Wages	33,512,980	31,789,859
Materials, Consumables & Stores	5,832,186	3,183,701
Other Direct Expenditure	3,594,091	2,075,012
TOTAL	**42,939,257**	**37,048,572**

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

22.12 Segment Reporting

The Group has classified its products as Auto Components and hence operates in only one primary segment (business). Secondary segmental reporting is based on the geographical location of customers. The following is the distribution of the Group's sale by geographical markets and segment assets which can be attributed to customers in such markets.

Particulars	2015-16	2014-15
Sales/Operating income		
- India	6,831,819,134	4,882,482,860
- Rest of the world	2,693,193,646	1,197,562,212
Segment Assets		
- India	8,881,660,517	5,143,558,657
- Rest of the world	761,704,422	185,050,749

22.13 Related Party Disclosures

Party	Relationship
K Ajith Kumar Rai (Chairman & Managing Director)	Key Management Personnel
Mohan Chelliah (Executive Director)	Key Management Personnel
Medappa Gowda.J *	Key Management Personnel
Peter Greensmith	Key Management Personnel of subsidiary
Pranay D. Gandhi	Key Management Personnel of subsidiary (till June 18, 2015)
Peter Jaschkowitz	Key Management Personnel of subsidiary (till February 11, 2015)
Marie-Louise Gentzch	Key Management Personnel (w.e.f February 12, 2015)
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	Controlled Trust

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amounts in ₹)

Nature of Transaction and Related Party	2015-16	2014-15
Remuneration/ Commission		
Key Management Personnel	91,503,525	41,454,238
Relative of Key Management Personnel	1,720,261	1,088,700
Sitting Fees		
Relative of Key Management Personnel	-	-
Interest Paid		
Relative of Key Management Personnel	275,578	266,052
Interest accrued but not due on deposits and outstanding		
Relative of Key Management Personnel	43,882	53,406
Donation		
Suprajit Foundation	22,083,938	13,618,394
Reimbursements		
Key Management Personnel	4,011,283	2,410,243
Relative of Key Management Personnel	236,182	400,378
Fixed Deposits Accepted		
Relative of Key Management Personnel	2,500,000	-
Fixed Deposits Refunded on Closure		
Relative of Key Management Personnel	2,500,000	-

Balances outstanding	31.03.2016	31.03.2015
Relative of Key Management Personnel (Cr.)	3,000,000	3,000,000
Interest accrued but not yet due on total outstanding deposits	43,882	53,406
Suprajit Foundation (Cr.)	22,083,938	13,618,394

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.

* This Key Managerial Personnel is a related party as defined under the Companies Act, 2013 during the year. Hence, previous year figures are not disclosed.

22.14 Operating 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	31.03.2016	31.03.2015
Total lease payments for the year (recognized in the consolidated profit & loss statement)	49,395,952	13,482,216

The subsidiaries have annual commitments under non cancelable operating leases and the future minimum rentals payable under non-cancellable operating lease are as follows:

Particulars	31.03.2016	31.03.2015
Not Later than one year	48,514,087	526,745
Later than one year but not later than five years	97,872,426	7,099,264
Later than five years	9,485,048	-

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2016

(Amounts in ₹)

22.15 The asset of ₹154,32,234/- 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.

22.16 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	82.58%	4,143,731,797	62.21%	499,742,095
	(95.55%)	*(2,300,967,398)*	*(88.70%)*	*(446,137,901)*
Subsidiaries				
Indian				
1. Suprajit Automotive Private Limited	6.25%	313,826,819	8.37%	67,212,023
	(12.23 %)	*(294,594,003)*	*(12.47%)*	*(62,699,292)*
2. Phoenix Lamps Limited	28.40%	1,425,164,000	28.59%	229,668,000
	(Nil)	*(Nil)*	*(Nil)*	*(Nil)*
Foreign				
Suprajit Europe Limited	1.74%	87,408,438	7.87%	63,227,435
	(1.07%)	*(25,796,802)*	*(0.03%)*	*(168,537)*
Minority Interests in all subsidiaries	10.80%	541,854,806	10.44%	83,875,520
	(Nil)	*(Nil)*	*(Nil)*	*(Nil)*

Note: Previous year figures are in brackets.

22.17 Previous period figures have been rearranged/ reclassified where required to confirm to current year's classification.

(Signatures to Notes 1 to 22)

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
& Chief Executive Officer

M Jayarama Shetty
Director

Medappa Gowda J
Company Secretary
& Chief Financial Officer

R Kesavadas
Partner
M. No. 23862

Place : Bengaluru
Date : May 30 2016

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

30th May, 2016

Dear Shareholder,

The Ministry of Corporate Affairs, Government of India ("MCA") has, by its circular dated 21st April, 2011 announced a "Green Initiative in the Corporate Governance "by allowing paperless compliance by companies. In terms of the said circular, service of notice/documents by a Company to its shareholders required to be made under the provisions of the Companies Act, 2013 can be made through the electronic mode.

In line with the above initiative of the MCA, the Company proposes to send documents such as the Notice of the Annual General Meeting, Audited financial statements, Directors' Report, Auditors' Report, postal ballots etc., henceforth to all its esteemed shareholders, including your good self, in electronic form, through e-mail. To facilitate the same, we request you to furnish our e-mail id, quoting your folio number/DPID/Client ID to our Registrar and share Transfer Agent at the following address:

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

We are sure you would appreciate this 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

Please inform
Integrated Enterprises (India) Limited
No. 30, Ramana Residency,
4th Cross, Sampige Road, Malleswaram,
Bengaluru – 560 003.

Members holding Shares in Physical Mode

Please inform your DPs directly
(if not done earlier)

I hereby consent to have the amount of Dividend on my Equity Shares credited through the Electronic Clearing Service (Cash Clearing) (ECS), The particulars are:

1. Folio No. / Certificate No.	
2. Name of the 1st Holder	
3. Name of the Bank	
4. Full Address of the Branch	
5. Account number	
6. Account Type (Please tick the relevant account)	Savings / Current / Cash Credit
7. 9 Digit Code Number of the Bank appearing on the MICR cheque issued by the Bank (Please attach a photocopy of a cheque for verifying the accuracy of the Code Number)	

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I will not hold the Company responsible.

Signature of the 1st Holder as per the
Specimen signature with the Company

Name: ……..

Address: ……

……

……

Date: ……

SUPRAJIT ENGINEERING LIMITED

CIN: L29199KA1985PLC006934
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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 31st Annual general meeting of the Company, to be held on Saturday, the 24th September 2016 at 1.00 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.	Adoption of Financial Statements for the year ended March 31, 2016.
2.	Appointment of Dr. C Mohan, as Executive Director, who retires by rotation
3.	To confirm the payment of Interim Dividend and declare Final Dividend
4.	Appointment of Auditors of the Company.
Special Business	
5.	Appointment of Cost Auditors

Signed this…… day of…… 2016

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

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

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]

31st ANNUAL GENERAL MEETING, SATURDAY, THE 24TH SEPTEMBER, 2016 AT 1.00 P. M.

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.	Adoption of Financial Statements for the year ended March 31, 2016.			
2.	Appointment of Dr. C Mohan, as Executive 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.	Appointment of Cost Auditors			

Place:
Date:

(Signature of the shareholder)

SUPRAJIT ENGINEERING LIMITED

CIN: L29199KA1985PLC006934
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Website: www.suprajit.com, Email: info@suprajit.com, investors@suprajit.com

ATTENDANCE SLIP

31st ANNUAL GENERAL MEETING, SATURDAY, THE 24TH SEPTEMBER, 2016 AT 1.00 P.M.

Name and Address of the Member _____

Reg. Folio/Client ID No. _____

I Certify that I am a registered shareholder of the company and hold _____shares.

Please indicate whether Member/Proxy _____

I hereby record my presence at the 31ST ANNUAL GENERAL MEETING of the Company held on Saturday, the 24th September, 2016 at 1.00 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.

225 million cables

One Goal

Technology Centre, Tamworth

Customer support, Germany
Trifa, Germany

Marketing Detroit

Luxlite, Luxembourg

Distribution /Warehousing

Warehouse, Hungary

Purchasing Office, China

Marketing, Atlanta

Suprajit - India:
Headquarters, Tech Centre &
Global Manufacturing Hub
15 Strategically located plants

Phoenix – India:
Manufacturing hub in Noida,
3 plants.

Customer Satisfaction

SOME OF OUR ESTEEMED CUSTOMERS

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Suprajit

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