

Suprajit Automotive Private Limited

BALANCE SHEET AS AT 31ST MARCH 2023

₹ in Millions

Particulars	Note	Mar 31, 2023	Mar 31, 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	497.12	520.74
Capital work-in-progress	4	2.16	-
Right of use assets	5	64.09	66.74
Financial Assets			
Others	6	4.62	14.66
Other non-current assets	7	6.77	4.56
		574.76	606.70
Current assets			
Inventories	8	392.12	419.99
Financial Assets			
Investments	9	557.63	397.82
Trade Receivables	10	186.70	144.03
Cash and cash equivalents	11	47.38	23.58
Loans	12	1.09	0.79
Others	13	20.52	68.09
Other current assets	14	90.47	50.98
		1,295.92	1,105.28
TOTAL ASSETS		1,870.68	1,711.98
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	15	19.90	19.90
Other Equity	16	1,246.32	1,054.29
		1,266.22	1,074.19
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	17	-	32.57
Lease liabilities	18	75.45	73.43
Other financial liabilities	24	25.61	1.73
Provisions	19	5.96	4.85
Deferred tax liabilities(net)	20	32.10	48.94
Government Grants	21	3.44	3.59
		142.56	165.11
Current liabilities			
Financial Liabilities			
Borrowings	22	234.50	265.23
Lease liabilities	18	8.03	7.82
Trade Payable			
Dues to Micro and Small Enterprises	23	10.75	14.57
Dues to other than Micro and Small Enterprises	23	175.78	166.72
Other financial liabilities	24	14.75	9.12
Other current liabilities	25	2.19	1.71
Government Grants	21	2.36	3.44
Provisions	19	2.84	2.07
Current Tax liabilities	26	10.70	2.01
		461.90	472.68
TOTAL EQUITIES AND LIABILITIES		1,870.68	1,711.98

Company overview and Summary of Significant Accounting Policies 1 & 2

The notes referred to above form an integral part of the Financial Statements
As per Report attached of even date

For Ishwar & Gopal
Chartered Accountants
ICAI FRN.No.001154S



K V Gopalakrishnayya
Partner
M. No. 021748

Place : Bengaluru
Date : May 22, 2023

For and on behalf of the Board of Directors



K Ajith Kumar Rai
Chairman
DIN:01160327

Place : Bengaluru
Date : May 22, 2023



Mohan N.S
Director
DIN: 01916468

ISHWAR & GOPAL
CHARTERED ACCOUNTANTS
Sri Vinayaka Building
21/3, T.S.P. Road
Kalasipalyam
BANGALORE - 560 002



Suprajit Automotive Private Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2023

₹ in Millions

Particulars	Note	Mar 31, 2023	Mar 31, 2022
INCOME			
Revenue from operations	27	1,738.03	1,759.90
Other Income	28	98.71	148.08
Total Income (I)		1,836.74	1,907.98
EXPENDITURE			
Cost of raw material and components consumed	29	932.01	975.09
Changes in inventories of finished goods and work-in-progress	30	35.35	23.55
Employee benefits expense	31	178.25	164.20
Finance Costs	32	24.82	27.15
Depreciation and amortisation	3 & 5	40.65	37.79
Other Expenses	33	285.68	341.54
Total expenses (II)		1,496.76	1,569.33
Profit before exceptional items and tax (III = I-II)		339.98	338.65
Exceptional items (IV)	51	-	(10.58)
Profit before tax (V=III-IV)		339.98	349.23
Tax expense (VI)			
Current Tax	20	104.50	62.00
Taxes of earlier years		0.89	-
Deferred Tax		(16.32)	26.68
		89.07	88.68
Profit for the year (VII = V-VI)		250.91	260.56
Other Comprehensive Income (VIII)			
Items that will not be reclassified to statement of profit or loss			
Re-measurement gains (losses) on defined benefit plans		(2.09)	(0.18)
Income tax effect on above		0.53	0.05
		(1.56)	(0.13)
Total Comprehensive Income for the year (IX = VII+VIII)		249.35	260.42
Earnings per equity share (face value of Rs 10/- each):			
(1) Basic	34	126.08	130.93
(2) Diluted		126.08	130.93

Company overview and Summary of Significant Accounting Policies 1 & 2

The notes referred to above form an integral part of the Financial Statements

As per Report attached of even date

For Ishwar & Gopal
Chartered Accountants
ICAI FRN.No.001154S

K V Gopalakrishnayya
Partner
M. No. 021748

Place : Bengaluru
Date : May 22, 2023

ISHWAR & GOPAL
CHARTERED ACCOUNTANTS
Sri Vinayaka Building
21/3, T.S.P. Road
Kalasipalyam
BANGALORE - 560 002

For and on behalf of the Board of Directors


K Ajith Kumar Rai
Chairman
DIN:01160327

Place : Bengaluru
Date : May 22, 2023


Mohan N.S.
Director
DIN: 01916468



Suprajit Automotive private Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2023

₹ in Millions

A. Equity Share Capital

As at Mar 31, 2022	Changes in equity share capital during the year	As at Mar 31, 2023
19.90	-	19.90

B. Other Equity

Particulars	Reserve and Surplus		Items of other comprehensive income	Employee Share Based Payments (Contribution from holding Company)	Total
	General Reserve	Retained Earnings	Remeasurements of the net defined benefit plans		
Opening Balance as at April 01, 2021	407.50	438.19	(0.93)	6.76	851.52
Profit for the year	-	260.56	-	-	260.56
Other comprehensive income for the year, net of income tax	-	-	(0.13)	-	(0.13)
Interim Dividends (refer note 16g)	-	(59.70)	-	-	(59.70)
Employee stock Appreciation Rights granted	-	-	-	2.05	2.05
Transfer from Retained earnings to General reserve	-	-	-	-	-
Closing balance as at March 31, 2022	407.50	639.05	(1.06)	8.81	1,054.29
Profit for the year	-	250.91	-	-	250.91
Other comprehensive income for the year, net of income tax	-	-	(1.56)	-	(1.56)
Interim Dividends (refer note 16g)	-	(59.70)	-	-	(59.70)
Employee stock Appreciation Rights granted	-	-	-	2.38	2.38
Transfer from Retained earnings to General reserve	-	-	-	-	-
Closing balance as at Mar 31, 2023	407.50	830.26	(2.63)	11.19	1,246.32

Company overview and Summary of Significant Accounting Policies 1 & 2

The notes referred to above form an integral part of the Financial Statements.

As per our report attached of even date

For Ishwar & Gopal
Chartered Accountants
ICAI FRN.No.0011545

K V Gopalakrishnayya
Partner
M. No. 021748

Place : Bengaluru
Date : May 22, 2023

ISHWAR & GOPAL
CHARTERED ACCOUNTANTS
Sri Vinayaka Building
21/3, T.S.P. Road
Kalasipalyam
BANGALORE - 560 002

For and on behalf of the Board of Directors


K Ajith Kumar Rai
Chairman
DIN:01160327


Mohan N.S
Director
DIN: 01916468

Place : Bengaluru
Date : May 22, 2023



Suprajit Automotive Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

₹ in Millions

	Year Ended March 31, 2023		Year Ended March 31, 2022	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net profit before tax		339.98		349.24
Adjustments for:				
Depreciation	40.65		37.79	
Finance cost	24.61		28.66	
Interest income on Bank Deposits	-		(0.17)	
Unrealised foreign currency fluctuations (net)	10.47		(73.62)	
Net (Gain)/loss on disposal of Property Plant and Equipment	(0.20)		0.06	
Government Grant for interest expenses	(5.95)		(10.06)	
Fair value gain on investments at FVTPL	(16.77)		(9.04)	
Profit on sale of investments	(6.14)		(8.52)	
Expense on Employee stock appreciation rights	2.38		2.05	
Exceptional items	-		10.58	
Provision for doubtful debts	0.31		(1.47)	
Bad Debts Written Off	0.55	49.91	0.02	(23.70)
Operating profit before working capital changes		389.89		325.54
Adjustments for changes in working capital:				
(Increase)/Decrease in Non current Financial Assets	10.04		(6.44)	
(Increase)/Decrease in Other Non current Assets	(2.21)		0.36	
Decrease in Inventories	27.86		62.33	
(Increase)/Decrease in trade receivables	(43.53)		60.72	
(Increase)/Decrease in Current Financial Assets	67.79		(0.01)	
(Increase)/Decrease in other Current Assets	(40.47)		80.86	
Increase/ (Decrease) in Trade payable	5.23		(123.05)	
Decrease in Other Financial Liabilities	(1.47)		(10.43)	
Increase/(Decrease) in Other Current Liabilities	0.48		(1.00)	
Decrease in Provisions	(0.20)		(10.80)	
		23.51		52.52
Cash generated from operations		413.40		378.06
Direct taxes paid (net of refunds)		(96.70)		(57.68)
Net cash generated from operating activities		316.70		320.38
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Investments	(200.00)		(150.00)	
Proceeds from sale of investments and units extinguished	63.10		50.56	
Purchase of Property, Plant and Equipment and Capital work in progress	(16.51)		(48.61)	
Interest received	-		0.17	
Proceeds from sale of Property, Plant & Equipment	0.20		0.09	
Net cash used in investing activities		(153.21)		(147.78)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Finance cost paid	(11.12)		(8.99)	
Proceeds/(repayment) of long term borrowings (net)	(32.57)		(67.96)	
Proceeds/(repayment) of short term borrowings (net)	(30.73)		(17.43)	
Dividend paid	(59.70)		(59.70)	
Payment against lease liability	(5.59)		(5.13)	
Net cash used in financing activities		(139.71)		(159.21)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		23.78		13.39
CASH AND CASH EQUIVALENTS - At the beginning of the Year		23.58		10.19
CASH AND CASH EQUIVALENTS - At the End of the Year		47.38		23.58



Suprajit Automotive Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

₹ in Millions

Notes :			
1. Cash and Cash equivalents (Refer Note No 11)		47.38	23.58
		47.38	23.58
The Details are as below			
Cash in hand		0.02	0.01
Balances with Banks			
- In Current Accounts		0.63	15.71
- In Over Draft Accounts		33.45	4.34
- In EEFC Accounts		13.28	3.52
		47.38	23.58

Company overview and Summary of Significant Accounting Policies 1 & 2

As per report attached of even date


For Ishwar & Gopal
Chartered Accountants
ICAI FRN.No.0011545



K V Gopalakrishnayya
Partner
M. No. 021748

Place : Bengaluru
Date : May 22, 2023

For and on behalf of the Board of Directors



K Ajith Kumar Rai
Chairman
DIN:01160327

Mohan N.S
Director
DIN: 01916468

Place : Bengaluru
Date : May 22, 2023



ISHWAR & GOPAL
CHARTERED ACCOUNTANTS
Sri Vinayaka Building
21/3, T.S.P. Road
Kalasipalyam
BANGALORE - 560 002

Suprajit Automotive Private Limited

Notes to the financial statements for the year ended 31st March, 2023

1 CORPORATE INFORMATION

Suprajit Automotive Private Limited ('the Company') is a private limited Company domiciled in India and is incorporated under the provisions of Companies Act, 1956. The company is registered as 100 % EOU. The Company is engaged in the manufacturing and selling of Automotive cables and part thereof. The Company caters to both domestic and international markets. Suprajit Automotive Private Limited is a wholly owned subsidiary of Suprajit Engineering Limited, a listed entity.

2 Summary of significant accounting policies

2.1 BASIS OF PREPARATION OF IND AS FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued there after.

Financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except financial assets and liabilities including investments which are measured at fair values at the end of each reporting period. The accounting policies have been applied consistently over all the periods presented in these financial statements.

Financial statements are prepared and presented in Indian Rupees and all amounts have been presented in millions with two decimals, unless otherwise stated.

2.2 CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.



Suprajit Automotive Private Limited

Notes to the financial statements for the year ended 31st March, 2023

2.3 FOREIGN CURRENCIES

The Ind As financial statements are presented in Indian Rupees (INR or Rs.) which is Company's functional and presentation currency. Initially, foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date applicable exchange rates.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss. 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 denominated in foreign currency are reported using the exchange rates that existed when the fair value was determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in other comprehensive income ("OCI") or the statement of profit or loss are also recognised in OCI or the statement of profit or loss, respectively).

In determining the spot exchange rate for initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration.

2.4 FAIR VALUE MEASUREMENT

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

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

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



Suprajit Automotive Private Limited

Notes to the financial statements for the year ended 31st March, 2023

2.5 REVENUE RECOGNITION

Revenue from contracts with customers is recognized upon transfer of control of promised goods/ products to customers at an amount that reflects the consideration to which the Company expect to be entitled for those goods/ products. To recognize revenues, the Company applies the following five-step approach:

- Identify the contract with a customer,
- Identify the performance obligations in the contract,
- Determine the transaction price,
- Allocate the transaction price to the performance obligations in the contract, and
- Recognize revenues when a performance obligation is satisfied.

Revenue from sale of goods is recognized upon transfer of control of promised goods to customers at an amount that reflects the consideration to which the Company expects to be entitled for those goods. Revenue is recognized to the extent

that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances.

The following specific recognition criteria must also be met before revenue is recognized:

Sales of Products

Revenue is recognised at the time of transfer of property in goods, which results in or coincides with the transfer of controls to the customers and is generally as per terms of contract with customers and no significant uncertainty exist regarding the amount of consideration towards such sale. Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue from scrap is recognised on sale.

Interest income

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

Export entitlements

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

Tooling Income

Tools are manufactured through our vendors as per the design specified by the customer which is approved on the basis of the customer acceptance. Income from sale of tools is recognised when the end product is manufactured using the said tool which was accepted by the end customer.

2.6 GOVERNMENT GRANTS AND SUBSIDIES

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

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.



Suprajit Automotive Private Limited

Notes to the financial statements for the year ended 31st March, 2023

2.7 Taxes

Current Income Tax

Tax Expense comprises of current tax and deferred tax and is recognised in the statement of profit and loss. Current income tax assets and liabilities is the amount of income tax determined to be payable/recoverable in respect of taxable income as computed in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date. Current income tax relating to items recognised outside the statement profit or loss is recognised outside the statement of profit or loss (either in OCI or in equity in correlation to the underlying transaction). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions, where appropriate.

Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

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

Deferred Tax Asset:

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

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

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

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

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



Suprajit Automotive Private Limited

Notes to the financial statements for the year ended 31st March, 2023

Goods and Services Tax paid on acquisition of assets or on incurring expenses:

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

2.8 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS INCLUDING CWIP

Property, plant and equipment, capital-work-in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement, if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. Spare parts, stand-by equipment that meet the definition of property, plant and equipment are capitalised at cost and depreciated over their useful life. Otherwise, such items are classified as inventory. Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress.

Depreciation is calculated on a straight-line basis over the useful lives of the assets, as estimated by the management, supported by independent technical evaluation by professionals that considered shift wise working as well. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Category	Useful lives as per Schedule II of the Act / estimated by the management (years)
Plant and Machinery	5 to 20
Electrical Installations	21
Furniture & Fixtures	15
Office Equipments	10
Moulds and dies	5
Factory buildings	30
Factory building - Land under lease (as per lease agreement)	29
Other buildings	60
Testing and lab equipments(included in Plant & Machinery)	10
Computers	3
Servers and networks(included in computers)	6
Crates(included in Plant & Machinery)	1
Vehicles - Two wheeler	10
Vehicles - Four wheeler	8
Borewell	5

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



Suprajit Automotive Private Limited

Notes to the financial statements for the year ended 31st March, 2023

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

2.9 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.10 LEASES

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is or contains a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

The Company has adopted the accounting standard Ind AS 116 "Leases" on April 1, 2019 as per Companies (Indian Accounting Standards) amendment Rules, 2019, notified by MCA on March 30, 2019. Ind AS 116 is a single lessee accounting model and sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. On application of IndAS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-of-use assets(RoU), and finance cost for interest accrued on lease liability.

The land is taken from the holding Company "Suprajit Engineering Ltd" for expansion of production facility.

As a lessee

At the commencement date of the lease the Company recognizes a lease liability measured at the present value of the lease payments that are not paid at that date. The lease payments included in the measurement of the lease liability consist of the payments for the right to use the underlying assets during the lease term that are not paid at the commencement date of the lease.

The lease payments are discounted using the interest rate implicit in the lease, if that rate is readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate.

The Company recognizes a right-of-use asset from a lease contract at the commencement date of the lease, which is the date that the underlying asset is made available for use. The cost of the right-of-use assets comprises the amount of the initial measurement of the lease liability, any initial direct costs incurred and any lease payments made at or before the commencement date of the lease less any lease incentives received. Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation and accumulated impairment losses, if any and adjusted for any re measurement of the lease liability.

The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

It also considers possible asset retirement obligations in the cost of the right-of-use asset. Right-of-use assets are subject to impairment testing in future periods.



Suprajit Automotive Private Limited

Notes to the financial statements for the year ended 31st March, 2023

2.11 INVENTORIES

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

Raw materials and components, stores and spares, consumables, packing materials, tooling in process:

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Finished Goods and Work in Progress :

Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs.

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

2.12 IMPAIRMENT OF NON - FINANCIAL ASSETS

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

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

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

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

2.13 PROVISIONS

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.



Suprajit Automotive Private Limited

Notes to the financial statements for the year ended 31st March, 2023

2.14 RETIREMENT AND OTHER EMPLOYEE BENEFITS

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to a reduction in future payment or a cash refund.

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes changes in the net defined benefit obligation which includes service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and net interest expense or income, as an expense in the statement of profit and loss.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the same is presented as non-current liability.

2.15 SHARE BASED PAYMENTS

Certain Employees of the company are granted stock appreciation rights of holding company, which are settled in shares (equity-settled transactions).

Equity-settled transactions:

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in Employee Share Appreciation Rights (ESAR) liability in other equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.



Suprajit Automotive Private Limited

Notes to the financial statements for the year ended 31st March, 2023

2.16 FINANCIAL INSTRUMENTS

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and

Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

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

and
Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



Suprajit Automotive Private Limited

Notes to the financial statements for the year ended 31st March, 2023

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit or loss.

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through arrangement; and either (a) the company has transferred substantially all the risks and rewards of the asset, or (b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure

Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on twelve month ECL.



Suprajit Automotive Private Limited

Notes to the financial statements for the year ended 31st March, 2023

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR.

When estimating the cash flows, an entity is required to consider :

All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual term.

Financial liabilities

Initial recognition and measurement:

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments.

Subsequent measurement:

The measurement of financial liabilities depends on their classification, as described below:

(a.) Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

(b.) Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.



Suprajit Automotive Private Limited

Notes to the financial statements for the year ended 31st March, 2023

2.17 DERIVATIVE FINANCIAL INSTRUMENTS

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

2.18 CASH AND CASH EQUIVALENTS

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

2.19 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognize a contingent liability but discloses its existence in the Ind AS financial statements unless possibility of out flow of resources remote.

Contingent assets are not recognized in the financial statements. If the inflow of economic benefits is probable, then it is disclosed in the financial statements.

2.20 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share:

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

2.21 EXCEPTIONAL ITEMS

When an item of income or expense within profit or loss from ordinary activity is of such size, nature or incidence that their disclosure is relevant to explain the performance of the Company for the year, the nature and amount of such items is disclosed as exceptional items.

2.22 SEGMENT REPORTING

The Company prepares its segment information in conformity with the Indian Accounting Standard (Ind AS) 108 "Operating Segments".

2.23 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Ind AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The judgements, estimates and assumptions management has made which have the most significant effect on the amounts recognized in the Ind AS financial statements are explained in relevant notes in the financial statements.



Suprajit Automotive Private Limited

Notes to the financial statements for the year ended 31st March, 2023

I. Useful lives of property, plant and equipment: Determination of the estimated useful life of Property Plant and Equipment and the assessment as to which components of the cost may be capitalised. Useful life of Property Plant and Equipment is based on technical assessment made by technical expert and management estimate which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. Assumption also needs to be made, when company assesses, whether as asset may be capitalised and which components of the cost of the assets may be capitalised.

II. Provisions and liabilities :Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

III. Contingencies :In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystallising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

IV. Fair value measurement of financial instruments: When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs for these valuations are taken from observable sources where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

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

VI.Impairment of financial assets: The impairment provisions for financial assets are based on assumption about the risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market condition as well as forward looking estimates at the end of each reporting period.

VII. Impairment of non-financial assets: The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Units (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if no such transactions can be identified, an appropriate valuation model is used.

VIII. Share-based payments :

Estimating fair value for employee stock appreciation rights (ESAR) requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for employee stock appreciation rights (ESAR) are disclosed in note 46.



Suprajit Automotive Private Limited
 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2023
 3. PROPERTY, PLANT AND EQUIPMENT

₹ in Millions

	Land	Bore well	Buildings	Electrical Installations	Plant and Machinery	Dies and Moulds	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total
At March 31, 2021	9.24	0.34	338.55	55.00	216.96	45.89	13.65	1.59	8.45	9.50	699.19
Additions	-	-	-	-	51.89	1.13	1.28	-	0.84	0.26	55.40
Government Grant	-	-	-	-	0.99	-	-	-	-	-	0.99
Disposals	-	-	-	-	0.45	-	-	-	-	-	0.45
At March 31, 2022	9.24	0.34	338.55	55.00	269.39	47.02	14.93	1.59	9.29	9.77	755.12
Additions	-	-	-	-	9.97	0.32	3.04	-	0.31	0.70	14.35
Government Grant	-	-	-	-	0.03	-	-	-	-	-	0.03
Disposals	-	-	-	-	1.01	-	-	-	-	-	1.01
At March 31, 2023	9.24	0.34	338.55	55.00	278.39	47.34	17.98	1.59	9.61	10.47	768.50
Accumulated depreciation											
At March 31, 2021	-	0.09	49.21	10.19	87.61	36.76	5.34	0.64	6.16	3.58	199.59
Charge for the year	-	0.07	11.25	2.56	15.02	3.40	0.92	0.19	0.38	1.37	35.15
Disposals	-	-	-	-	0.35	-	-	-	-	-	0.35
At March 31, 2022	-	0.16	60.46	12.76	102.28	40.15	6.26	0.83	6.54	4.95	234.38
Charge for the year	-	0.07	13.43	2.56	15.56	3.30	0.85	0.19	0.51	1.53	38.00
Disposals	-	-	-	-	1.01	-	-	-	-	-	1.01
At March 31, 2023	-	0.23	73.88	15.32	116.83	43.46	7.11	1.02	7.04	6.48	271.38
Net book value											
At March 31, 2021	9.24	0.25	289.34	44.80	129.35	9.14	8.31	0.95	2.30	5.92	499.60
At March 31, 2022	9.24	0.18	278.09	42.24	167.11	6.87	8.68	0.76	2.76	4.81	520.74
At March 31, 2023	9.24	0.11	264.66	39.68	161.56	3.88	10.87	0.57	2.56	3.99	497.12

Note

(a) Moulds and dies include assets having original cost of Rs. 13.49 millions (Previous Year - Rs. 13.17 millions) held with the sub-contractors.



4. CAPITAL WORK-IN-PROGRESS ₹ in Millions

Particulars	Mar 31, 2023	Mar 31, 2022
Opening balance	-	4.47
Less: Additions/(deletions) during the year	2.16	(4.47)
Closing balance	2.16	-

Note

(a) Cost of assets not ready for intended use, as on the balance sheet date, is shown as capital work in progress.

Capital work in progress (CWIP) Ageing Schedule

As at March 31, 2023 Rs. in Million

	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	2.16	-	-	-	2.16
Projects temporarily suspended	-	-	-	-	-
Total	2.16	-	-	-	2.16

5. RIGHT OF USE ASSETS ₹ in Millions

Particulars	Mar 31, 2023	Mar 31, 2022
Opening balance	66.74	69.38
Less: Amortisation in the year	2.64	2.64
Closing balance	64.09	66.74



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

6. FINANCIAL ASSETS -OTHERS

₹ in Millions

	Mar 31, 2023	Mar 31, 2022
Derivative financial instruments - foreign exchange forward contracts (refer Note-42)	-	10.23
Deposits with Government Departments	3.45	3.26
Other Deposits	1.17	1.17
	4.62	14.66

7. OTHER NON-CURRENT ASSET

	Mar 31, 2023	Mar 31, 2022
Unsecured, Considered good		
Capital Advances	3.21	1.00
Taxes paid under Protest	3.56	3.56
	6.77	4.56

8. INVENTORIES (including held with third parties)

	Mar 31, 2023	Mar 31, 2022
Inventories (at lower of cost and Net realisable value)		
Raw Materials and components	153.85	149.99
Raw Materials and components in Transit	17.34	17.93
Work in progress	12.17	20.08
Finished Goods	195.34	222.78
Tooling in process	13.42	9.21
	392.12	419.99



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

9. INVESTMENTS

₹ in Millions

	Mar 31, 2023	Mar 31, 2022
Current		
Investments in Mutual funds		
Quoted		
SBI Magnum Medium Duration Fund Direct Growth - 6,95,435.245 Units of Rs. 10/- Each (March 31, 2022 2,36,728.906 Units of Rs. 10/- Each)	31.92	10.36
Kotak Banking & PSU Debt Fund Direct - 6,65,365.929 Units of Rs. 10/- Each (March 31, 2022 6,65,365.929 Units of Rs. 10/- Each)	37.84	36.12
ICICI Pru Short Term Direct - 5,09,901.769 Units of Rs. 10/- Each (March 31, 2022 5,09,901.769 Units of Rs. 10/- Each)	27.72	26.03
HDFC banking & PSU Debt Fund Direct - 13,57,653.752 Units of Rs. 10/- Each (March 31, 2022 13,57,653.752 Units of Rs. 10/- Each)	27.18	26.01
Kotak Corporate Bond Fund Direct - 3,299.971 Units of Rs. 10/- Each (March 31, 2022 3,299.971 Units of Rs. 10/- Each)	10.81	10.34
Axis Treasury Advantage Fund - Direct Growth (TADGG) - 14,174.24 Units of Rs. 10/- Each (March 31, 2022 14,174.24 Units of Rs 10/- each)	38.70	36.71
ICICI Pru Ultra Short Term DP Growth - Nil (March 31, 2022 15,38,661.92 Units of Rs 10/- each)	-	57.27
HDFC Corp Bond Fund-Direct Growth - 29,78,414.16 Units of Rs 10/-Each (March 31, 2022 20,07,818.84 Units of Rs 10/- each)	82.26	78.87
ABSL Corporate Bond Fund - Growth Direct - 5,83,460.63 Units of Rs. 10/- Each (March 31, 2022 5,83,460.63 Units of Rs 10/- each)	55.78	53.21
HDFC Floating Rate Debt Fund-Direct Plan- Growth option - 7,54,332.70 Units of Rs 10/-Each (March 31, 2022 7,54,332.70 Units of Rs 10/- each)	31.96	30.25
ICICI Prudential Savings Fund - Direct plan- Growth- 68,589.13 Units of Rs 10/-Each (March 31, 2022 68,589.13 Units of Rs 10/-Each)	31.73	30.02
Franklin India Low Duration Fund - Direct Growth - Nil (March 31, 2022 34,265.522 units of Rs 10/- Each).	-	0.96
Franklin India Ultra Short Bond Fund Super Institutional Plan- Direct Growth - Nil (March 31, 2022 49,467.526 Units of Rs 10/-Each)	-	1.66
Edelweiss Bharat Bond ETF April 2032 DG - 67,89,871.846 Units of Rs. 10/- each (March 31, 2022 Nil units)	71.03	-
ABSL Short Term Fund DG - 14,16,195.958 Units of Rs. 10/- Each (March 31, 2022 Nil Units)	60.57	-
Axis Dynamic Bond Fund, Direct Growth - 18,53,131.954 Units of Rs. 10/- Each (March 31, 2022 Nil Units)	50.13	-
	557.63	397.82
Aggregate amount of unquoted mutual funds (Refer Note 42)		

10. TRADE RECEIVABLES

	Mar 31, 2023	Mar 31, 2022
Unsecured		
Considered good		
From related parties	4.15	18.37
Others	182.55	125.66
Considered doubtful- Credit Impaired		
Others	2.16	1.85
Less: Loss allowance	(2.16)	(1.85)
	186.70	144.03

Trade receivables Ageing Schedule

As at March 31, 2023

	Receivables not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	116.15	70.55	-	-	-	-	186.70
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Total	116.15	70.55	-	-	-	-	186.70



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

Trade receivables Ageing Schedule	As at March 31, 2022						₹ in Millions	
	Receivables not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total	
Undisputed Trade Receivables - considered good	74.13	69.90	-	-	-	-	144.03	
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	
Undisputed Trade receivable - credit impaired	-	-	-	-	-	-	-	
Disputed Trade receivables - considered good	-	-	-	-	-	-	-	
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-	
Total	74.13	69.90	-	-	-	-	144.03	

11. CASH AND CASH EQUIVALENTS

	Mar 31, 2023	Mar 31, 2022
Cash on hand	0.02	0.01
Balances with banks		
- In Current Accounts	0.63	15.71
- In EEFC accounts	13.28	3.52
- In Over draft accounts & Cash credit account	33.45	4.34
	47.38	23.58



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

12. LOANS - CURRENT

	₹ in Millions	
	Mar 31, 2023	Mar 31, 2022
Unsecured, Considered good, carried at amortised cost		
Loan to employees	1.09	0.79
	1.09	0.79

13. FINANCIAL ASSETS - OTHERS

	Mar 31, 2023	Mar 31, 2022
Derivative financial instruments - foreign exchange forward contracts (refer Note-42)	20.52	65.11
Interest accrued from Bank	-	2.98
	20.52	68.09

14 . OTHER CURRENT ASSETS

	Mar 31, 2023	Mar 31, 2022
Unsecured, Considered good		
Advance to Suppliers	6.19	8.61
Pre-paid expenses	5.45	2.76
Other receivables	1.20	1.09
Balance with Statutory Authorities	75.53	35.45
Government grant - PCRE loan	2.10	3.07
	90.47	50.98

15. SHARE CAPITAL

	Mar 31, 2023	Mar 31, 2022
Authorised		
20,00,000 Equity Shares of Rs.10 each (31-Mar-22 - 20,00,000 Equity Shares of Rs 10 each)	20.00	20.00
Issued, Subscribed & Paid up		
19,90,000 Equity Shares of Rs.10 each Fully Paid (31-Mar-22 - 19,90,000 Equity Shares of Rs 10 each)	19.90	19.90
Total	19.90	19.90

(a) There were no movement in the share capital during current and previous year.

(b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting.

In the event of the liquidation of the Company, the holder of equity shares will be entitled to receive the residual assets of the Company, after distribution of all preferential amount and the distribution will be proportionate to the number of equity shares held by the shareholders.



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

(c) Disclosure of the Shares of the Company held by -

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	Number	Amount(Rs.)	Number	Amount(Rs.)
Holding Company				
- Suprajit Engineering Limited	1.99	19.90	1.99	19.90
Nominee of the holding Company				
- Mr. K Ajith Rai	0.00	0.00	0.00	0.00
	1.99	19.90	1.99	19.90

(d) shareholders holding more than 5% of the aggregate shares in the Company

	As at Mar 31, 2023		As at Mar 31, 2022	
	Number	% of Holding	Number	% of Holding
Suprajit Engineering Limited	1.99	99.99%	1.99	99.99%

(e) Shareholding of promoters

Promotor Name	No. of Shares	% of total shares	% change during the year
Suprajit Engineering Limited	1.99	99.99%	-

f) No class of shares have been allotted as fully paid up pursuant to contract(s) without payment being received in cash, allotted as fully paid up by way of bonus shares or bought back during the period of five years immediately preceding the reporting date.

g) During the year the company has paid the dividend of Rs.30 (Previous Year Rs.30) per equity share which resulted in a cash outflow of Rs. 59.70 million (Previous Year Rs.59.70 million).

16. OTHER EQUITY

	Mar 31, 2023	Mar 31, 2022
General Reserve	407.50	407.50
Retained earnings	830.26	639.05
OTHER COMPREHENSIVE INCOME:		
Remeasurements of the net defined benefit plans	(2.63)	(1.06)
Employee stock Appreciation Rights granted	11.19	8.81
	1,246.32	1,054.29

a) General reserve

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations.

b) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for certain specific purposes in accordance with the provisions of the Companies Act, 2013.

17. BORROWINGS

	Mar 31, 2023	Mar 31, 2022
Term Loans from Banks(Secured)	-	32.57
The details of the security are as follows:		
- First exclusive charge by way of equitable mortgage of the building and other fixed assets funded from the term loan.		
- First charge on present and future movable fixed assets.		
- First exclusive charge by way of equitable mortgage of property located at Plot No. 25 & 26-A (part), KIADB Industrial Area, Veerapura		
- Second pari passu charge on the current assets of the Company.		
	-	32.57



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

₹ in Millions

Term Loans From Banks	Mar 31, 2023	Mar 31, 2022
In 16 quarterly instalments of EUR 1,89,513.71 from 29th November 2018 to 31st August 2023 at an interest rate of LIBOR USD (3m)+2 %.	34.50	97.71
Less: Current maturities of long-term borrowings	34.50	65.14
	-	32.57

18. LEASE LIABILITIES

	Mar 31, 2023	Mar 31, 2022
Non Current		
Opening balance	73.43	73.65
Less: Changes during the year	(2.02)	0.21
Closing balance	75.45	73.43
Current		
Opening balance	7.82	8.37
Less: Changes during the year	(0.21)	0.56
Closing balance	8.03	7.82
	83.48	81.25

19. PROVISIONS

	Mar 31, 2023	Mar 31, 2022
Non Current		
Provision for employee benefits		
Gratuity	3.11	2.30
Compensated absences	2.85	2.55
	5.96	4.85
Current		
Provision for employee benefits		
Gratuity	2.44	1.79
Compensated absences	0.40	0.27
	2.84	2.07

20. INCOME TAXES

Indian companies are subject to Indian income tax on a standalone basis. Each entity is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31.

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, the set-off of tax losses and depreciation carried forward and retirement benefit costs. The Company has adopted the concessional rate of tax 22% in line with tax laws (Amendment) Ordinance, 2019 which gives option to the Companies to adopt lower tax rate of 22% without claiming any exemptions and deductions.

a) Income tax expenses

Particulars	For the year ended	
	Mar 31, 2023	Mar 31, 2022
Current tax:		
Current tax	104.50	62.00
Tax pertaining to earlier years	0.89	-
Deferred tax	(16.32)	26.68
Total	89.07	88.68

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to income tax expense recognised for the year is indicated

Particulars	For the year ended	
	Mar 31, 2023	Mar 31, 2022
Profit before tax	339.98	349.24
Enacted tax rate in India	25.17%	25.17%
Expected income tax expense at statutory tax rate	86.00	88.00
Tax impact on account of		
Non-deductible expenses for tax purposes	0.78	(0.72)
CSR expenditure	1.40	1.41
	88.19	88.68
Tax expenses pertaining to current year	88.19	88.68
Effective income tax rate	25.94%	25.39%



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

Deferred Tax Liabilities

The majority of the deferred tax balance represents differential rates of depreciation for property plant and equipment under income tax act and disallowance of certain expenditure under income tax act. Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

Deferred Tax Liabilities (Net)

	Mar 31, 2023	Mar 31, 2022
Deferred Tax Liability:		
On account of accelerated depreciation for tax purpose	34.02	30.45
Impact of fair value of investments	10.39	6.72
MTM forward contact Income	-	17.64
Deferred Tax Asset:		
MTM forward contact Income	4.66	-
Provision for Employee Benefits	1.35	1.40
Actuarial gain/(loss)	0.96	0.44
Others	0.45	0.38
Deferred tax on ROU Assets	4.88	3.65
Deferred Tax Liabilities (Net off assets)	32.11	48.94

b) Deferred Tax Balances

Particulars	As at March 31, 2022	Recognised in Other comprehensive Income	Recognised in Statement of Profit and Loss	As at March 31, 2023
Deferred Tax Liability arising on account of :-				
On account of accelerated depreciation for tax purpose	30.45	-	3.56	34.02
Impact of fair value of investments	6.72	-	3.67	10.39
Impact of MTM forward contact Income	-	-	-	-
Deferred Tax Liability (A)	54.81	-	7.24	44.41
Deferred Tax Asset arising on account of :-				
Provision for Employee Benefits	1.40	-	(0.05)	1.35
Others	0.38	-	0.08	0.45
Deferred Tax Impact on Actuarial gain/(Loss)	0.44	0.53	-	0.96
Deferred tax on ROU Assets	3.65	-	1.23	4.88
Impact of MTM forward contact Income	(17.64)	-	22.30	4.66
Deferred Tax Asset (B)	5.87	0.53	23.55	12.30
Net Deferred Tax Liability(A-B)	48.94	(0.53)	16.31	32.11

Particulars	As at March 31, 2021	Recognised in Other comprehensive Income	Recognised in Statement of Profit and Loss	As at March 31, 2022
Deferred Tax Liability arising on account of :-				
On account of accelerated depreciation for tax purpose	26.34	-	4.12	30.45
Impact of fair value of investments	2.41	-	4.31	6.72
Impact of MTM forward contact Income	(1.60)	-	19.24	17.64
Deferred Tax Liability (A)	28.75	-	27.66	54.81
Deferred Tax Asset arising on account of :-				
Provision for Employee Benefits	1.29	-	0.11	1.40
Others	0.74	-	(0.36)	0.38
Deferred Tax Impact on Actuarial gain/(Loss)	0.39	0.05	-	0.44
Deferred tax on ROU Assets	2.41	-	1.24	3.65
Impact of MTM forward contact Income	-	-	-	-
Deferred Tax Asset (B)	6.44	0.05	0.99	5.87
Net Deferred Tax Liability(A-B)	22.31	(0.05)	(26.67)	48.94



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

21. Government Grants

	Mar 31, 2023	Mar 31, 2022
Opening	7.03	7.91
Add: Recognised during the year	4.72	9.28
less: Released to statement of profit and loss	5.95	10.16
	5.80	7.03
Government Grant - Non Current (includes Imported fixed assets duty benefit)	3.44	3.59
Government Grant -Current	2.36	3.44
	5.80	7.03

Note: Government grants include grant received in nature of customs duty exemption on import of certain property, plant and equipment as the Company is registered as EOU unit and deferred income on packing credit loans taken from banks at concessional rate of interest. There are no unfulfilled conditions or contingencies attached to these grants. Further, based on the scheme notified by the government, grant has been considered for the contribution received from the government towards EPF and EPS employer's share contribution.

22. BORROWINGS - CURRENT

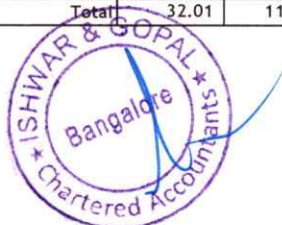
	Mar 31, 2023	Mar 31, 2022
Secured		
Current maturities of long term borrowings	34.50	65.14
Over Draft Loan repayable on demand from Banks	-	0.09
Carries interest range from 7.4% to 7.85%		
Packing credit loan	200.00	200.00
Carries interest range from 3.5% to 6.59% and repayable in 180 days		
The details of the security for both facilities are as follows :		
- First pari-passu charge on present and future current assets including stocks and receivables of the Company		
- Second pari passu charge on present and future movable fixed assets.		
- Second pari passu charge by way of equitable mortgage of property located at Plot No. 25 & 26-A (part), KIADB Industrial Area, Veerapura Villiage, Doddaballapur, Bangalore - 561 203.		
- Demand promissory note and letter of continuity.		
	234.50	265.23

23. TRADE PAYABLES

	Mar 31, 2023	Mar 31, 2022
Dues to Micro and Small Enterprises (Refer Note 36)	10.75	14.57
Dues to Others	175.78	166.72
	186.53	181.29

Trade payables Ageing Schedule		As at March 31, 2023					
	Unbilled dues	Trade payables not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	10.75	-	-	-	-	10.75
Total outstanding dues of creditors other than micro enterprises and small enterprises	35.53	138.74	1.53	-	-	-	175.80
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	35.53	149.48	1.53	-	-	-	186.55

Trade payables Ageing Schedule		As at March 31, 2022					
	Unbilled dues	Trade payables not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	14.53	0.04	-	-	-	14.57
Total outstanding dues of creditors other than micro enterprises and small enterprises	32.01	105.01	29.69	-	-	-	166.72
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	32.01	119.54	29.73	-	-	-	181.29



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

24. OTHER FINANCIAL LIABILITIES

	Mar 31, 2023	Mar 31, 2022
Non Current		
Derivative financial instruments - foreign exchange forward contracts (refer note No.42)	25.61	1.73
	25.61	1.73
Current		
Derivative financial instruments - foreign exchange forward contracts (refer note No.42)	5.38	-
Interest accrued but not due on borrowings	0.73	1.05
Payable for capital purchases	1.10	0.82
Payable to Group Company	0.00	0.19
Employee benefits payable	7.54	7.06
	14.75	9.12

25. OTHER CURRENT LIABILITIES

	Mar 31, 2023	Mar 31, 2022
Statutory dues payable	2.17	1.59
Other payable	0.02	0.12
	2.19	1.71

26. CURRENT TAX LIABILITIES

	Mar 31, 2023	Mar 31, 2022
Provision for income tax [Net of tax payments]	10.70	2.01
	10.70	2.01



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

27. REVENUE FROM OPERATIONS

₹ in Millions

	Mar 31, 2023	Mar 31, 2022
Sale of products		
Finished goods (Automotive Cables and Components)	1,709.03	1,674.95
Sales -Tooling	23.36	46.80
	1,732.39	1,721.75
Other Operating Revenue		
Sale of scrap	5.64	4.36
Income on export entitlement	-	33.80
	1,738.03	1,759.90

28. OTHER INCOME

	Mar 31, 2023	Mar 31, 2022
Profit on disposal of property, plant and equipment	0.20	-
Interest income on Bank deposits	-	0.17
Fair value gain on investments at FVTPL	16.77	9.04
Net gain on foreign currency fluctuations / forward contract	69.58	118.72
Miscellaneous income	0.07	-
Government Grant (Refer Note 21)	5.95	10.16
Gain on sale of investments	6.14	8.52
Excess provision reversed	-	1.47
	98.71	148.08

29. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

	Mar 31, 2023	Mar 31, 2022
Opening Stock*	177.12	215.90
Add: Purchases	939.50	936.32
Less: Closing Stock**	184.62	177.12
	932.01	975.09

* Includes Tooling in process Inventory

**Includes Tooling in process Inventory

30. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	Mar 31, 2023	Mar 31, 2022
(i) Changes in inventories of Finished Goods		
Opening inventory	222.78	249.84
Closing inventory	195.34	222.78
	27.44	27.06
(ii) Changes in Work in progress :		
Opening inventory	20.08	16.58
Closing inventory	12.17	20.08
	7.91	(3.50)
(iii) Net (Increase)/ Decrease = (i)+(ii)	35.35	23.55



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

31. EMPLOYEE BENEFITS EXPENSE

₹ in Millions

	Mar 31, 2023	Mar 31, 2022
Salaries, wages and bonus	161.16	146.84
Contribution to Provident and other funds	5.39	5.25
Gratuity expense (Refer Note 37)	1.68	1.56
Staff Welfare expenses	7.64	8.50
Expense on Employee stock appreciation rights (Refer Note-46)	2.38	2.05
	178.25	164.20

32. FINANCE COSTS

	Mar 31, 2023	Mar 31, 2022
Interest on lease liabilities	7.82	7.60
Interest on Term Loans*	2.85	2.96
Interest on Working Capital & PCRE loans	13.94	16.39
Interest others	0.21	0.20
	24.82	27.15

* Interest On Term Loan includes exchange differences of foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

33. OTHER EXPENSES

	Mar 31, 2023	Mar 31, 2022
Loss on disposal of property, plant and equipment	-	0.06
Power and fuel	14.33	19.24
Rates and taxes	2.12	2.27
Insurance charges	4.84	5.55
Repairs and maintenance		
-Buildings	0.15	0.46
-Machinery	3.74	5.71
-Tools & Others	13.25	14.63
Warehousing charges	34.27	32.53
Professional and consultancy charges	0.60	0.82
Payment to auditors	0.93	1.28
Security charges	2.10	2.14
Bank charges	1.24	1.20
Communication costs	0.35	0.47
Travelling and conveyance	1.64	1.31
Freight outward charges	128.19	174.12
Printing and stationery	0.64	0.74
Commission on Export Sales	68.83	71.56
Provision for doubtful debts	0.31	-
Bad Debts Written Off	0.55	0.02
Business Promotion	-	0.14
Corporate social responsibility expenses(Refer Note - 41)	5.58	5.59
Research & Development expense (Refer Note - 38)	-	0.01
Miscellaneous expenses	1.02	1.20
Directors Sitting Fees & Commission	1.00	0.50
	285.68	341.54

33.1. PAYMENT TO AUDITORS INCLUDES:

	Mar 31, 2023	Mar 31, 2022
Statutory Audit Fees	0.70	0.80
Tax Audit Fees	0.15	0.36
GST Consultancy	0.07	0.09
Reimbursement of expenses	0.01	0.03
	0.93	1.28



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

34 Earnings Per Share (EPS)

₹ in Millions

In compliance of IND AS - 33 on "Earnings Per Share", the calculation of Earning Per Share (Basic and Diluted) is as under:

Particulars	Mar 31, 2023	Mar 31, 2022
Net Profit after taxation (Rs.)	250.91	260.56
Weighted Number of average equity shares outstanding	1.99	1.99
Paid-up equity share capital [Face Value Rs. 10/-Per Share]	19.90	19.90
Basic and Diluted Earnings per share (Rs.)	126.08	130.93

35 Commitment and Contingencies

₹ in Millions

Particulars	Mar 31, 2023	Mar 31, 2022
a) Contingent Liability		
<i>On account of -</i>		
- Excise duty matters (including penalty and interest)*	3.88	3.88
- Service Tax matters (including penalty and interest)*	11.59	11.59
b) Capital commitments		
- Capital commitments (the company has commitment related to installation of Plant and Equipment and Moulding Tools).	2.06	-

The Company has disclosed all possible contingent liabilities and commitments. Necessary provisions have been made in the books of accounts for the year in respect of all known liabilities.

The expected timing of the outflow of economic benefits cannot be determined. No reimbursements are expected. Future cash outflows in respect of the above matters are determinable only on receipt of judgments/ decisions pending at various forums/authorities.

* Wherever penalty and interest is included in demand notice.



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

36 Details of dues to Micro, Small and Medium Enterprises Development Act, 2006(MSMED)

₹ in Millions

Particulars	Mar 31, 2023 (Rs.)	Mar 31, 2022 (Rs.)
i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of 31st March 2023		
i) Principal Amount Due	10.75	14.57
ii) Interest payable under MSMED Act, 2006	-	0.00
Total	10.75	14.57
ii) The amount of interest paid by the Company in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year ended March 31, 2023.	-	-
iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	-	-
iv) The amount of interest accrued and remaining unpaid at the end of accounting year	-	0.00
v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

37 EMPLOYEE BENEFITS

Defined Contribution Plan:

During the year, the Company has recognised the following amounts in the statement of profit and loss -

	₹ in Millions	
	Mar 31, 2023	Mar 31, 2022
Provident Fund Contributions	4.69	4.40
Employers Contribution to ESIC	0.69	0.85
Labour Welfare Fund	0.01	0.01
	5.39	5.26

Defined Benefit Plan:

The Company has a defined benefit gratuity plan for its employees. Every employee who has completed five years of service gets a gratuity on departure at 15 days of basic last drawn salary for each completed year of service. The following table summarises the components of net benefit expenses and the funded status for the plan:

The following summarize the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the Balance Sheet.

	₹ in Millions	
	Mar 31, 2023	Mar 31, 2022
Change in projected benefit obligations		
Obligations at beginning of the year	17.63	15.14
Service cost	1.72	1.35
Interest cost	1.30	1.14
Benefits settled	(0.66)	(0.13)
Transfer in/(out) (net) *	-	-
Actuarial (gain) /loss	1.84	0.13
Obligations at end of the year	21.83	17.63
Change in plan assets		
Plan assets at beginning of the year, at fair value	13.53	11.99
Interest income	1.09	0.93
Actuarial gain /(loss)	(0.25)	(0.05)
Contributions	2.56	0.90
Benefits settled	(0.66)	(0.13)
Admin expenses/Taxes paid from plan assets	-	(0.11)
Plan assets at end of the year	16.27	13.53
Present value of defined benefit obligation at the end of the year	21.82	17.62
Fair value of plan assets at the end of the year	16.27	13.53
Net liability/(asset) recognised in the balance sheet	5.55	4.09
Expenses recognised in statement of profit and loss		
Service cost	1.72	1.35
Administrative Expenses	-	0.11
Interest cost (net)	1.30	1.14
Interest Income (net)	(1.09)	(0.93)
Transfer in/(out) (net) *	-	-
Net gratuity cost	1.92	1.66
Re-measurement gains / (losses) in OCI		
Actuarial (Gain) / Losses due to Demographic Assumption changes in DBO	-	-
Actuarial (gain) / loss due to financial assumption changes	0.03	(0.61)
Actuarial (gain) / loss due to experience adjustments	1.81	0.74
Return on plan assets (greater)/less than discount rate	0.25	0.05
Total expenses/(Gain) routed through OCI	2.09	0.18

* Transfer represents employees of company are transferred from and to holding Company, Suprajit Engineering Ltd.



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

The major categories of plan assets of the fair value of the total plan assets are as follows

Investment with insurers	100%	100%
		₹ in Millions

The principal assumptions used in determining gratuity obligations for the Companies plans are as shown below:

Particulars	Mar 31, 2023	Mar 31, 2022
Discount rate	7.52%	7.53%
Estimated rate of return on plan assets	7.53%	7.53%
Salary increase rate	9.00%	9.00%
Attrition Rate	6.00%	6.00%
Mortality rate during employment	Indian assured lives mortality 2012-2014 Ult.	

Experience adjustments ₹ in Millions

Particulars	31.03.2023	31.03.2022	31.03.2021	31.03.2020	31.03.2019
Defined Benefit Obligation	21.83	17.63	15.14	14.37	12.25
Plan Assets	16.27	13.53	11.99	11.96	9.01
Surplus / (Deficit)	(5.56)	(4.10)	(3.15)	(2.41)	(3.23)
Experience Adjustments on Plan Liabilities - (Loss)/Gain	1.81	0.74	(0.36)	1.22	0.57
Experience Adjustments on Plan Assets - (Loss)/Gain	(0.25)	(0.05)	0.01	0.08	(0.15)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The overall expected rate of return on assets is determined based on the market price prevailing on that date, applicable to the period over which the obligation is to be settled.

A quantitative sensitivity analysis for significant assumption is as below: ₹ in Millions

	Mar 31, 2023		Mar 31, 2022	
	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation (gratuity)				
Discount rate	(2.51)	2.98	(2.04)	2.42
Salary increase rate	2.89	(2.48)	2.34	(2.01)
Attrition Rate	(0.47)	0.52	(0.38)	0.42

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The average expected remaining lifetime of the plan members is 16.92 years (March 31, 2022 is 16.21 years) as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

The following payments are expected contribution to the defined benefit plans in future years: ₹ in Millions

	Mar 31, 2023	Mar 31, 2022
Within next 12 months	1.61	0.63
Between 2 to 5 years	2.59	3.15
Between 5 to 10 years	6.95	5.59
	11.15	9.37



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

38 Research & Development Expenditure

₹ in Millions

Particulars	Mar 31, 2023	Mar 31, 2022
Salaries Wages & Bonus	5.13	4.74
Consumption of Raw material and components	-	0.69
Others	-	0.01
	5.13	5.44

39 Segment Reporting

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company.

As the Company's business activity primarily falls within a single business segment i.e auto components as primary segment, thus there are no additional disclosures to be provided under Ind AS 108 - 'Operating Segments' as per Ind AS 108.

The following table shows the geographical distribution of the Company's revenue and total non current assets. All Property, Plant & Equipment are located in India.

₹ in Millions

Particulars	Mar 31, 2023	Mar 31, 2022
Revenue *		
India	148.77	168.48
Rest of world		
- North America	472.98	362.65
- Europe	902.91	1,015.27
- South America	150.40	156.97
- Others	62.97	56.52
	1,738.03	1,759.90
Other Non current assets ** (apart from financial asset and tax asset)		
India	3.21	1.00
	3.21	1.00

* On the basis of location of customers.

** On the basis of location of the assets.

The Company has common Property, Plant & Equipment, Capital work in progress and ROU in India for producing goods/providing services for Domestic market and Overseas markets. Hence separate figures for Property, Plant & Equipment, Capital work in progress and ROU have not been furnished.

The customers representing 10% or more of the Company's total revenue are given below:

Name of the Customer	Mar 31, 2023	Mar 31, 2022
Suprajit Europe Limited	990.56	1,052.31

40 Related Party Disclosures

Name	Nature of Relationship
Suprajit Engineering Limited (SEL)	Holding Company
Suprajit Europe Limited, UK (SEU)	Fellow subsidiary
Mr. K Ajith Kumar Rai	Key Management Personnel
N.S.Mohan	Director
Babugowda Sangnanagowda Patil	Director
Suresh Shetty	Director
Suprajit Foundation	Common control
Luxlite Lamp SARL	Fellow subsidiary
Trifa Lamps Germany GmbH	Fellow subsidiary
Suprajit USA Inc.	Fellow subsidiary
Wescon Controls LLC	Fellow subsidiary



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

Related Party Transactions and outstanding balances:

S.No	Particulars	SEL		SEU		₹ in Millions	
		Holding Company		Fellow Subsidiary		Total	
		2022-23	2021-22	2022-23	2021-22	2022-23	2021-22
1)	Sale of products	3.71	4.91	990.56	1,052.31	994.27	1,057.22
2)	Sale of export Entitlements	-	36.39	-	-	-	36.39
3)	Sale of Property, Plant & Equipments	0.20	0.11	-	-	0.20	0.11
4)	Purchase of Raw Materials and component	1.12	3.85	3.60	6.89	4.72	10.74
5)	Purchase of Property, Plant & Equipment	1.10	-	0.42	-	1.52	-
6)	Sub-contracting expenses	0.26	0.33	-	12.28	0.26	12.62
7)	Repairs & Maintenance - Machinery	-	-	0.05	0.14	0.05	0.14
8)	Reimbursement of expenses	6.11	5.12	5.68	4.46	11.79	9.58
9)	Commission on export sales	-	-	68.83	71.56	68.83	71.56
10)	Trade Receivable	-	-	4.15	18.37	4.15	18.37
11)	Trade payable	-	-	0.74	0.04	0.74	0.04
12)	Commission payable	-	-	4.39	26.45	4.39	26.45
13)	Interim dividend paid	59.70	59.70	-	-	59.70	59.70
14)	ESAR Expenditure	2.38	2.05	-	-	2.38	2.05
15)	Payable to group company	-	0.19	-	-	-	0.19
16)	Lease Rent	5.59	5.32	-	-	5.32	5.32
Commission payment to KMP							
1	Babugowda Sanganagowda Patil	0.50	0.50	-	-	0.50	0.50
Outstanding commission payable to Director							
1	Babugowda Sanganagowda Patil	-	-	-	-	-	-
Payment for CSR expenditure contribution							
1	Suprajit Foundation	5.58	5.59	-	-	5.58	5.59
Outstanding balance payable for CSR expenditure							
1	Suprajit Foundation	-	-	-	-	-	-

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. The Company's material related party transactions and outstanding balances are with related parties with whom the Company routinely enter into transactions in the ordinary course of business.

41 Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, Company has made 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.

₹ in Millions

Details of CSR expenditure are given below:		Mar 31, 2023	Mar 31, 2022
a)	Gross amount to be spent by the company during the year	5.58	5.59

	Mar 31, 2023			Mar 31, 2022		
	In Cash	Yet to be paid in Cash	Total	In Cash	Yet to be paid in Cash	Total
b)	Amount spent during the year					
	i) Construction/ acquisition of any asset	-	-	-	-	-
	ii) On purposes other than (i) above	5.58	-	5.58	5.59	5.59

- c) Shortfall at the end of the year: Nil
d) Total of previous years shortfall: Nil
e) Reason for shortfall,: NA



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

42 Financial instruments fair value measurement

All assets and liabilities for which fair value is measured or disclosed in the Ind AS financial statements are categorised within the fair value hierarchy, as below, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 : Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 : Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Level wise disclosure of financial instruments

₹ in Millions

Particulars	Mar 31, 2023	Mar 31, 2022	Level
Investment in mutual funds(included in current and non current investments)			
- Carrying value	557.63	397.82	2
- Fair Value	557.63	397.82	
Foreign exchange forward contracts			
- Carrying value	(10.47)	73.62	2
- Fair Value	(10.47)	73.62	

The management assessed that fair value of cash and cash equivalents, other bank balances, loans, short term bank deposits, trade receivables, other financial assets (except foreign currency derivative contracts), trade payables, borrowings and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Derivative financial instruments - The Company enters into derivative contracts with financial institutions in nature of foreign currency forward contracts which are valued using mark to market valuation provided by financial institutions. The valuation includes foreign currency exchange rates in the active markets.

Investment in Mutual funds - The fair value of mutual funds determined using net asset value based on mutual fund statement.

Categories of financial instruments

₹ in Millions

Particulars	Mar 31, 2023		Mar 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets				
Measured at amortised cost				
Loans	1.09	1.09	0.79	0.79
Trade receivables	186.70	186.70	144.03	144.03
Cash and cash equivalents	47.38	47.38	23.58	23.58
Total financial assets at amortised cost (A)	235.17	235.17	168.39	168.39
Measured at fair value through other comprehensive income (B)	-	-	-	-
Investments (current & non-current)	557.63	557.63	397.82	397.82
Other financial assets	25.14	25.14	81.77	81.77
Measured at fair value through profit and loss (C)	582.77	582.77	479.60	479.60
Total financial assets (A+B+C)	817.94	817.94	647.99	647.99
Financial liabilities				
Measured at amortised cost				
Non current Borrowings	-	-	32.57	32.57
Non current Lease liabilities	75.45	75.45	73.43	73.43
Current Borrowings	234.50	234.50	265.23	265.23
Trade payables	186.52	186.52	181.29	181.29
Current Lease Liabilities	8.03	8.03	7.82	7.82
Other financial liabilities	40.36	40.36	9.12	9.12
Total financial liabilities carried at amortised cost	544.86	544.86	569.45	569.45



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

43 Financial risk management objectives and policies

The Company Board of Directors responsible for overseeing the Risk Management Framework and developing and monitoring the Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

The Company's activities expose it to the following risks:

- Credit risk
- Liquidity risk
- Market risk

a) Credit Risk

Credit risk is the risk that counter party will not meet its obligations under a financial instruments or customer contract leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions, investments, foreign exchange transactions and other financial instruments.

i) Trade receivables

Customer credit risk is managed by the Company subject to the Company's established policy, procedures and control relating to customer credit risk management. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on company's past history, existing market condition as well as forward looking estimates at the end of each reporting period. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivable disclosed in note 10.

ii) Financial instrument and cash deposit

Credit risk is limited as the Company generally invest in deposits with banks .Investments primarily include investments in liquid mutual fund units.

b) Liquidity risk

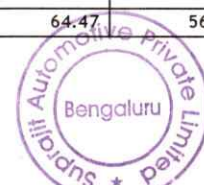
Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Typically the Company ensures that it has sufficient cash on demand to meet expected short term operational expenses. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans/internal accruals.

Liquidity exposure as at March 31, 2023

₹ in Millions				
Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Loans	1.09	-	-	1.09
Trade receivables	186.70	-	-	186.70
Cash and cash equivalents	47.38	-	-	47.38
Other Bank balances	-	-	-	-
Investments	557.63	-	-	557.63
Other financial Assets	20.52	4.62	-	25.14
Total financial assets	813.32	4.62	-	817.94
Financial liabilities				
Non current Borrowings	-	-	-	-
Non current Lease liabilities	-	34.05	41.41	75.45
Current Borrowings	234.50	-	-	234.50
Trade payables	186.52	-	-	186.52
Other financial liabilities	40.36	-	-	40.36
current Lease liabilities	8.03	-	-	8.03
Total financial liabilities	469.41	34.05	41.41	544.86

Liquidity exposure as at March 31, 2022

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Loans	0.79	-	-	0.79
Trade receivables	144.03	-	-	144.03
Cash and cash equivalents	23.58	-	-	23.58
Other Bank balances	-	-	-	-
Investments	397.82	-	-	397.82
Other financial Assets	68.09	14.66	-	82.75
Total financial assets	634.31	14.66	-	648.97
Financial liabilities				
Non current Borrowings	-	32.57	-	32.57
Non current Lease liabilities	-	8.96	64.47	73.43
Current Borrowings	265.23	-	-	265.23
Trade payables	181.29	-	-	181.29
Other financial liabilities	9.12	-	-	9.12
current Lease liabilities	7.82	-	-	7.82
Total financial liabilities	463.45	41.53	64.47	569.45



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risk include borrowings, trade receivable and trade payable.

d) Interest risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have significant debt obligations with floating interest rates, hence, is not exposed to any significant interest rate risk.

Interest rate Sensitivity

	Mar 31, 2023		Mar 31, 2022	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	(2.34)	2.34	(2.98)	2.98

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. The company manage foreign currency exposures by undertaking forward contract on forecast basis. The board monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company. The company is exposed to EUR, GBP and USD currency risk.

Foreign Currency Sensitivity

A reasonably possible sensitivity of the Indian Rupee against Foreign currencies at March 31 would have affected the measurement of foreign forward exchange contract designated as cash flow hedges and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases. Impact of hedging, if any has not been considered here. A 1% increase or decrease is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency rate.

	Year Ended March		Year Ended March 31,2022	
	5% increase	5% decrease	5% increase	5% decrease
Foreign currency receivables (Net of payables and borrowings)- INR		117.00		(19.87)
Impact on PBT	5.85	(5.85)	(0.99)	0.99

44 Capital management

The Company's objective is to maintain a strong capital base to ensure sustained growth in business. The Capital Management focuses to maintain an optimal structure that balances growth and maximizes shareholder value. The Company is predominantly equity financed. Further, the Company has sufficient cash, cash equivalents, current investments and financial assets which are liquid to meet the debts.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

	₹ in Millions	
	Mar 31, 2023	Mar 31, 2022
Non-current borrowings	-	32.57
Current maturities of non-current borrowings	34.50	65.14
Current borrowings	200.00	200.09
Less: Cash and cash equivalents	47.40	23.58
Less: Other bank balances	-	-
	187.10	274.22
Equity share capital	19.90	19.90
Other equity	1,246.32	1,054.29
Total capital	1,266.22	1,074.19
Gearing ratio	0.15	0.26

i) Equity includes all capital and reserves of the Company that are managed as capital.

ii) Debt is defined as long and short term borrowings as described in Note 17 & 22



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

45 Taxation

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under section 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the transactions entered into with the associated enterprises during the financial year and expects such records to be in existence latest by due date as required under the law. The management is of the opinion that its transactions with the associated enterprises are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

46 Share Based payments

Employee stock Appreciation Rights :

Under the 'Suprajit Engineering Limited Employee stock Appreciation Rights Plan 2017' (SEL ESAR - 2017), which includes stock options, stock appreciation rights the holding company, at its discretion, may grant rights to purchase common stock to certain employees of the Company. Such stock appreciation rights typically vest one year but not later than five years from the grant date, have an life of up to 9 years. The fair value of share appreciation rights is estimated at the date of grant using the Black-Scholes-Merton ("BSM") pricing model, taking into account the terms and conditions upon which the share appreciation rights were granted. This model takes into consideration the following inputs that are required to compute the fair value of a stock option: 1) the exercise price of the option, 2) the fair market value of the underlying share, 3) the expected term of the rights, 4) the expected volatility of the price of the underlying share, 5) the expected dividend yield of the underlying share, and 6) the risk-free interest rate over the expected term of the option.

Expected volatilities under the BSM model are based on historic volatility, adjusted for any expected changes to future volatility due to publicly available information. The volatility is calculated considering the daily volatility of National Stock Exchange of India Ltd. (NSE) over a period prior to the date of grant corresponding with the expected life of the options. The expected term of the stock appreciation rights granted is the period of time for which the company expects the rights to be live. The risk-free interest rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the options based on the zero-coupon yield curve for government securities.

The expenses recognized for stock options during the year are shown in the following table:

	<u>Mar 31, 2023</u>	<u>Mar 31, 2022</u>
Expenses arising from equity-settled share-based payment transactions	2.38	2.05
Total	<u>2.38</u>	<u>2.05</u>

Suprajit Engineering Limited (SEL) ("the Holding company") cross charges the Company the amount of expense incurred as per IND AS 102 - towards stock based expense.

The following table illustrates the number and exercise prices of, and movements in, share rights during the year:

Amount in Rupees

Particulars	Mar 31, 2023		Mar 31, 2022	
	No. of Options	Exercise price per stock option (Rs.)	No. of Options	Exercise price per stock option (Rs.)
Outstanding at the beginning of the year	1,02,765	1	73,075	1
Granted during the year	-	-	29,690	1
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired/lapsed/transferred during the year	-	-	-	-
Outstanding at the end of the	1,02,765	1	1,02,765	1
Options exercisable at the end of the year	45,324	1	21,920	1

The weighted average fair value of options granted during the year is NIL.

The Black Scholes valuation model has been used for computing the weighted average fair value considering the following inputs:

	Mar 31, 2023		Mar 31, 2022	
	Grant-I	Grant-II	Grant-I	Grant-II
Risk Free Interest Rate	7.92%	6.10%	7.92%	6.10%
Expected Life (in years)	6.53	6.41	6.53	6.41
Expected Volatility	35.79	38.64	35.79	38.64
Dividend Yield	0.54	0.48	0.54	0.48
Exercise Price	1	1	1	1
Price of underlying share in market at the time of the option grant	257.65	365.05	257.65	365.05



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

47 Ratio calculations for the year ended March 31, 2023

Ratios	Mar 31, 2023	Mar 31, 2022	% of Variance	Remarks for variance more than 25%
1) Current ratio (Current asset/ Current liabilities)	2.81	2.34	20	Not Applicable
2) Debt to equity ratio (Total Debt / Equity)	0.25	0.35	-29	Improvement in ratios is due to increase in other equity and reduction in debt amount.
3) Debt Service Coverage Ratio (EBITDA / Total debt service)	3.59	3.60	0	Not Applicable
4) Return on Equity (ROE) (PAT / Average Shareholders Equity)	0.21	0.27	-20	Not Applicable
5) Inventory Turn over ratio (Net sales / Average Inventory)	4.28	3.90	10	Not Applicable
6) Trade Receivable Turnover Ratio (Net sales / Average Trade Receivables)	10.51	10.13	4	Not Applicable
7) Trade Payable Turnover Ratio (Net credit purchases / Average Trade Payable)	6.66	5.26	27	We have made payments to our creditors on time.
8) Net Capital Turnover Ratio (Net sales / Working capital)	2.08	2.78	-25	Not Applicable
9) Net Profit ratio (PAT / Net sales)	0.14	0.15	-2	Not Applicable
10) Return On Capital Employed (ROCE) (EBIT/Total capital employed)	0.16	0.14	14	Not Applicable
11) Return On investment (ROI)	0.05	0.06	-7	Not Applicable



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

48 Reconciliation of inventory stock statement as submitted to the Banks with the Books of Accounts:

Particulars	June 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023
Inventories disclosed in Financial statements (A)	423.40	479.65	416.82	392.13
Inventories as per Bank Stock Statement (B)	183.21	186.45	233.82	198.30
Variation (C)=(A)-(B)	240.19	293.20	183.00	193.83

Remarks : Inventories disclosed in the financial statement includes finished goods in transit and stored with third parties as per revenue recognition standards. However, same was not included in the Inventory values as per stock statement submitted to the Banks.

49 Other statutory information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(viii) The Company has not been declared a wilful defaulter by any bank or financial institution or other lender.



Suprajit Automotive Private Limited

NOTES TO THE FINANCIAL STATEMENTS

50 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stake holders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

51 As on March 31, 2022, the Company has an investment of Rs. 1.95 million in Franklin Templeton Mutual Fund (FTMF), valued at Net Asset Value (NAV) of Rs. 2.63 millions as on said date. FTMF has voluntarily decided to wind up six of its fixed-income debt schemes effective April 23, 2020 and FTMF has communicated that NAV per unit will continue to be computed and declared as per the same accounting and valuation principles as done prior to April 23, 2020 without any change. In preparing the financial statement for the year 2019-20, the Company has made an assessment and made a provision of Rs. 10.58 million, on a best estimate basis, as an exceptional item in the Statement of Profit & Loss, factoring regular updates given by FTMF, maturity profile of schemes and other factors such as historical yield, expected future returns from the underlying investments made by the funds etc. Due to increase in the net asset value of FTMF as on 31, March, 2022, we have reversed the provision made and shown as income in the financial statement of financial year 2021-22.

52 The Previous year figures have been regrouped/reclassified wherever necessary to make them comparable with the current year's classification/disclosure.

As per our report of even date

For Ishwar & Gopal

Chartered Accountants

ICAI FRN.No.001154S



K V Gopalakrishnayya

Partner

M. No. 021748

For and on behalf of the Board of Directors



K Ajith Kumar Rai

Chairman

DIN : 01160327



Mohan N. S

Director

DIN: 01916468

Place: Bengaluru

Date : May 22, 2023

Place: Bengaluru

Date : May 22, 2023



ISHWAR & GOPAL
CHARTERED ACCOUNTANTS
Sri Vinayaka Building
21/3, T.S.P. Road
Kalasipalyam
BANGALORE - 560 002

ISHWAR & GOPAL

CHARTERED ACCOUNTANTS

K.V. GOPALAKRISHNAYYA, B.Com., F.C.A.

Y. KESHAVAYYA, B.Com., F.C.A.

S. BHASKAR, B.Com., F.C.A.

THILAKRAJ S.P., B.Com., F.C.A.

SEETHALAKSHMI A., B.Com., A.C.A.

AJAY V HANDE, B.Com., A.C.A.



Sri Vinayaka Building, 2nd Floor
No. 21/3, T.S.P.Road, Kalasipalyam
Bengaluru - 560 002.
Telephone: 080 - 26701694, 26700009
E-Mail: gopal@gkcas.com
keshav@gkcas.com
bhaskar@gkcas.com
thilak@gkcas.com

Independent Auditor's Report

To the Members of Suprajit Automotive Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Suprajit Automotive Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, , the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31st March 2023, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis of Opinion

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



Information Other than the Financial Statements and Auditor's Report Thereon:

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's Report, but does not include, the standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

The Board of Directors are also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit 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 Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as



on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. With respect to the other matters to be included in the Auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, to the best of our information and according to the explanations given to us, the company has not paid/provided remuneration to its directors during year under review.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in the standalone financial statements. Refer Note No: 35 of the standalone financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 13 and 24 on Derivative Financial Instruments to the standalone financial statements.
 - iii. As per the information furnished to us, no amount is required to be transferred to the Investor Education and Protection Fund by the Company during the year under review.
 - iv. A. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

B. The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf

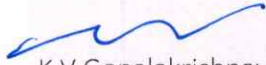


of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

C. Based on such audit procedures we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material misstatement.

- v. The interim dividend declared and paid by the Company during the year under review and until the date of this report is in accordance with section 123 of the Companies Act 2013.

For Ishwar and Gopal,
Chartered Accountants,
FRN: 001154S



K V Gopalakrishnayya
Partner
MRN 021748

Date: 22/05/2023

Place: Bangalore

UDIN: 23021748BGRNNE5582

ISHWAR & GOPAL
CHARTERED ACCOUNTANTS
Sri Vinayaka Building
21/3, T.S.P. Road
Kalasipalyam
BANGALORE - 560 002

Annexure - A To The Independent Auditor's Report

In terms of Companies (Auditor's Report) Order 2020, issued by the Central Government of India, in terms of section 143(11) of The Companies Act, 2013, we further report, on the matters specified in paragraph 3 and 4 of the said Order, that:-

- i.
 - a. (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(ii) As per the information and explanation furnished to us, the company is not owning any intangible assets.
 - b. As explained to us, during the year, the Property, Plant & Equipment of the Company have been physically verified by the management and we have been informed that no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets.
 - c. The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
 - d. The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year under review.
 - e. As per the information and explanation provided to us, no proceedings have been initiated against the company for holding benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
- ii.
 - a. The management has conducted physical verification of inventory including inventory lying with third parties at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. As informed to us, discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.
 - b. As per the information furnished to us, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. As per the details made available to us, the quarterly returns/statements filed by the Company disclosing the inventory particulars with such banks and financial institutions are not in agreement with the books of accounts of the Company and the details are as follows:



Quarter ending	Value per books of account Rs in Mns	Value per quarterly return/statement- Rs in Mns	Reasons for variation
June 30,2022	423.40	183.21	We have been informed that the value of inventories disclosed in the returns does not include finished goods in transit and stored with third parties.
September 30,2022	479.65	186.45	
December 31,2022	416.82	233.82	
March 31,2023	392.13	198.30	

iii.

- a. As per the information and explanation furnished to us , except Rs . 2.04Mns of interest free unsecured advances in the nature of loans given to the employees during the year under review, the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to Companies, firms, Limited Liability Partnerships or any other parties.
- b. The aggregate amount of advances in the nature of loans given to employees outstanding as on the date of the balance sheet amounted Rs 1.09 Mn
- c. In our opinion the advances in the nature of loans given as referred above are prima facie not prejudicial to the interest of the Company.
- d. As per the information made available to us, the schedule of repayment of principal of the interest free advances in the nature of loans has been stipulated and the repayments are regular. Hence, paragraph 3(iii) (d) is not applicable for the year under review.
- e. As explained to us, no loan or advances in the nature of loan granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.
- f. The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to Companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on Paragraph 3(iii)(f) of the Order is not applicable to the Company.

iv. As per the information furnished to us, the Company has complied with the provisions of Section 186 of the Companies Act in respect of investments made. As per the



explanation given to us, Company has not given any loans / provided securities and guarantees for which provisions of Section 185 and 186 of the Companies Act applies.

- v. According to the information and explanations provide to us, the Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on Paragraph 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of section 148 of the Act and the rules framed there under.
- vii.
- a. As per the information made available to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- b. As per the information and explanations made available to us, following statutory dues applicable to the Company have not been deposited on account dispute:

Name of the statute	Nature of dues	Amount Demanded including interest and penalty (Rs. In millions)	Amount paid under protest (Rs. in millions)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act 1944	Excise Duty	5.55	0.37	April 2010 - September 2014	CESTAT - Bangalore
Central Excise Act 1944	Excise Duty	3.95	0.36	October 2014 - September 2016	CESTAT - Bangalore
Central Excise Act 1944	Excise Duty	2.09	0.19	October 2016 - June 2017	CESTAT - Bangalore
Finance Act 1994	Service Tax	3.88	2.64	April 2010 - December 2013	CESTAT - Bangalore
		15.48	3.56		



- viii. As per the information furnished to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on Paragraph 3(viii) of the Order is not applicable to the Company.
- ix. As per the information and explanation given to us,
- The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
 - The Company has not been declared wilful defaulter by any bank or financial institution or by any other lender.
 - During the year under review, Company has not availed any fresh term loans.
 - On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
 - The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Paragraph 3(x) (e) and 3(ix)(f) of the Order is not applicable to the Company.
- x. As per the information furnished to us,
- The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on Paragraph 3(x)(a) of the Order is not applicable to the Company.
 - The Company has not made any preferential allotment or private placement of shares fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on Paragraph 3(x)(b) of the Order is not applicable to the Company.
- xi. As per the information and explanation given to us,
- No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
 - No report has been filed by the auditors under sub-section (12) of section 143 of the Companies Act Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
 - As represented to us by the management, Company has not received any whistle blower complaints received during the year under review.
- xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, report on Paragraph 3(xii)(a),(b) and (c) to of the Order is not applicable to the Company for the year under review.
- xiii. As per the explanation provided to us, the transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details



have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under Paragraph 3(xiii) of the Order in so far as it relates to section 177 of the Act is not applicable to the Company.

xiv.

a. In our opinion and according to the information and explanation given to us, the Company is not in the class of Companies required to have internal audit system. Accordingly, clause 3 (iv) (a) to (b) of the Order is not applicable to the Company during the year under review.

xv. As per the information furnished to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on Paragraph 3(xv) of the Order is not applicable to the Company.

xvi.

a. The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on paragraph 3 (xvi)(a) ,(b) ,(c) and (d) to of the Order is not applicable to the Company.

xvii. The Company has not incurred cash losses in the current financial year or during the immediate preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year under review and hence clause 3 (xviii) of the Order is not applicable to the Company for the year under review.

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



xx.

- a. As per the information's furnished to us, in respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.
- b. There are no unspent amounts in respect of ongoing projects, which are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.

For Ishwar and Gopal,
Chartered Accountants,
FRN: 001154S



K V Gopalakrishnayya
Partner
MRN 021748

Date: 22/05/2023
Place: Bangalore
UDIN: 23021748BGRNNE5582

ISHWAR & GOPAL
CHARTERED ACCOUNTANTS
Sri Vinayaka Building
21/3, T.S.P. Road
Kalasipalyam
BANGALORE - 560 002

Annexure - B to The Independent Auditor's Report

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the Members of Suprajit Automotive Private Limited on the Ind AS financial statements for the year ended March 31, 2023]

Report on the Internal Financial Controls with reference to Financial Statements under Paragraph (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal financial controls with reference to Ind AS financial statements of Suprajit Automotive Private Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls with reference to financial statements 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.

Auditor's Responsibility

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



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls with reference to Financial Statements

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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of Internal Financial Controls with reference to Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the Internal financial controls with reference to financial statements 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 with reference to financial statements were operating effectively as at March 31, 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal financial controls with reference to financial statements issued by the ICAI.

For Ishwar and Gopal,
Chartered Accountants,
FRN: 001154S



K V Gopalakrishnayya
Partner
MRN 021748

Date: 22/05/2023
Place: Bangalore
UDIN: 23021748BGRNNE5582

ISHWAR & GOPAL
CHARTERED ACCOUNTANTS
Sri Vinayaka Building
21/3, T.S.P. Road
Kalasipalyam
BANGALORE - 560 002