

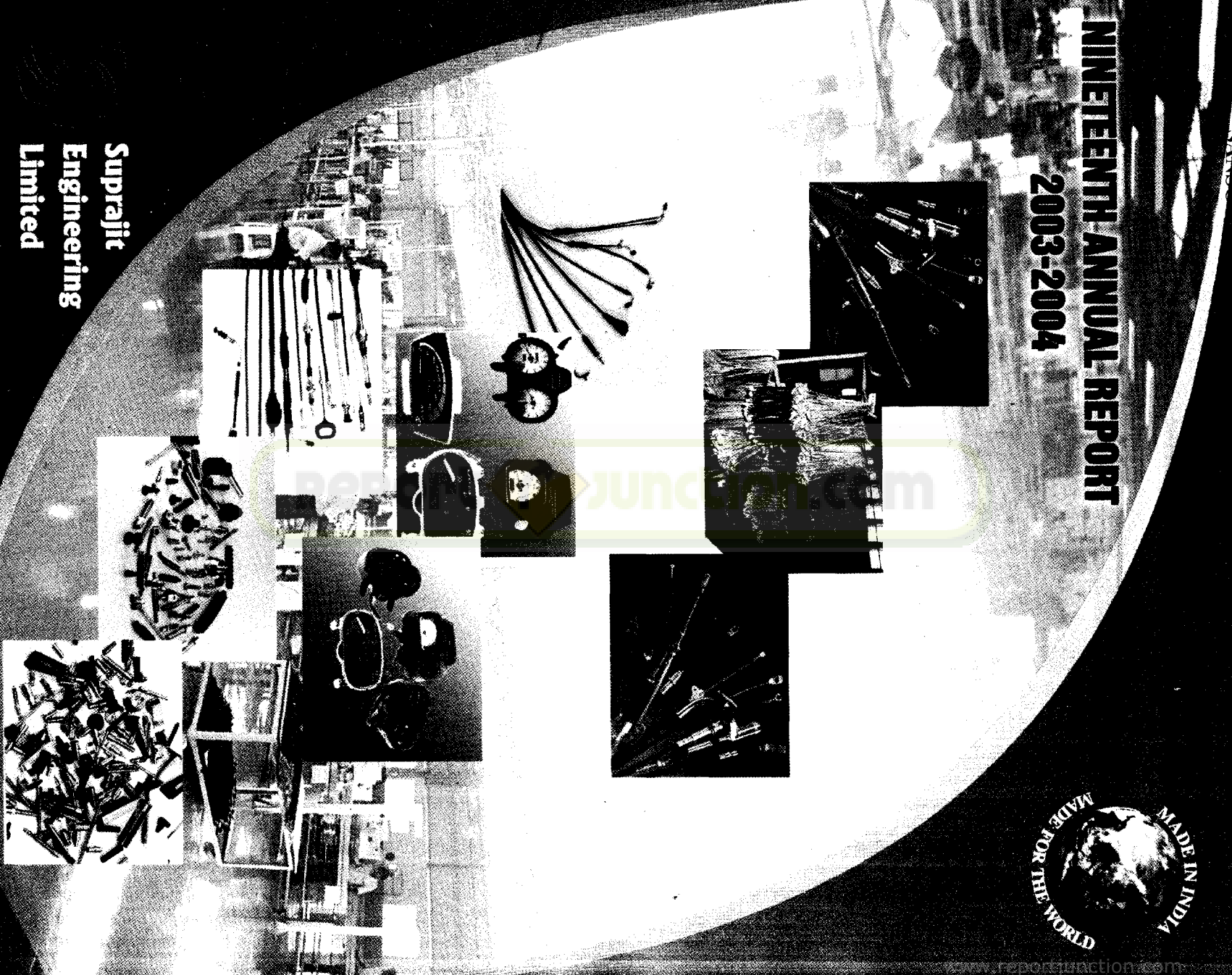
NINETEENTH ANNUAL REPORT

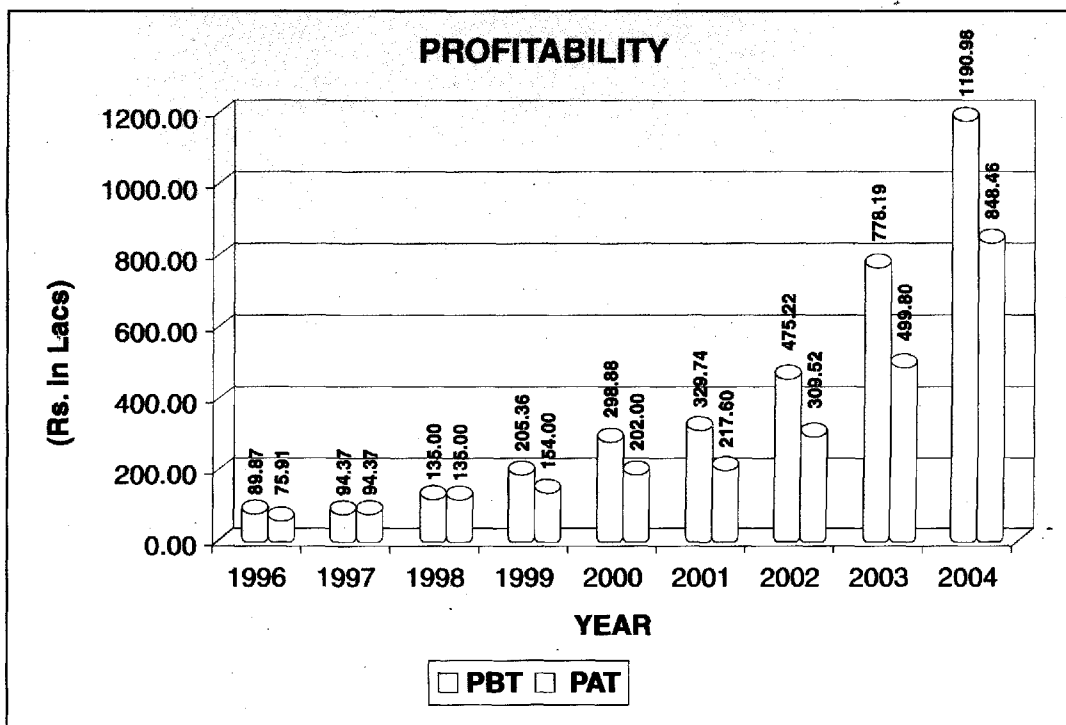
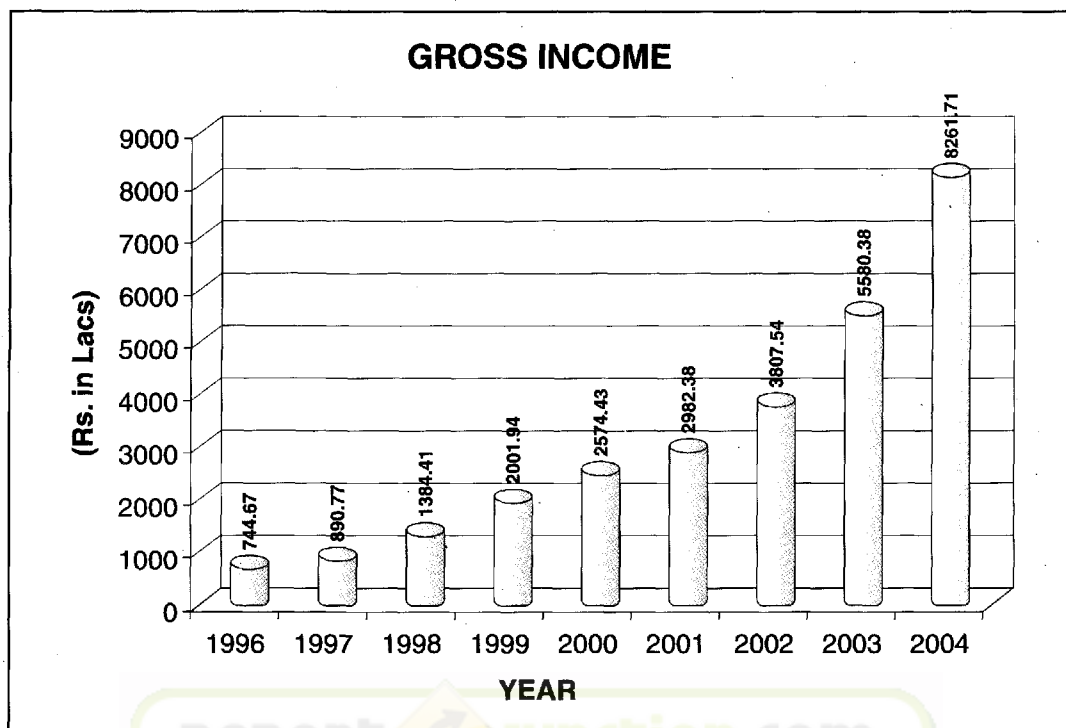
2003-2004



www.reportjunction.com

**Suprajit
Engineering
Limited**







**Suprajit
Engineering
Limited**

Annual Report 2003 - 2004

BOARD OF DIRECTORS

M.R.B. Punja
Chairman

S.R. Singh
Director

M.Jayarama Shetty
Director

Surendra Kumar N Shah
Director

K. Ajith Kumar Rai
Managing Director

COMPANY SECRETARY
Medappa Gowda J

AUDITORS
T R Varadarajan & Associates
Chartered Accountants

REGISTRARS AND SHARE TRANSFER AGENTS

Alpha Systems Private Limited
No. 30, Ramana Residency
4th Cross, Sampige Road
Malleswaram, Bangalore - 560 003

WORKS

Unit - I & II
Plot No. 100 & 132
Bommasandra Indl. Area
BANGALORE - 560 099.

Unit - III
No. 25,26,27A (Part)
Doddaballapur Indl. Area,
BANGALORE - 561 203.

Unit - IV
No. 164 & 165, Sector - 3,
IMT Manesar,
Gurgaon District,
Haryana - 122 001.

Unit - V
Plot No. B-13, MIDC
Chakan Indl. Area
Pune, Maharashtra - 410 501.

Unit - VI
A-1/5411, IV Phase, G.I.D.C.,
VAPI-396195
Dist. Valsad, Gujarat.

STOCK EXCHANGE
The Stock Exchange Mumbai

BANKERS
The Bank of Nova Scotia
Syndicate Bank
CITI Bank

REGISTERED OFFICE
Plot No. 100
Bommasandra Indl. Area
BANGALORE - 560 099.

C O N T E N T S

	Page Nos.
Notice	7
Directors' Report	11
Auditors' Report	29
Balance Sheet	32
Profit and Loss Account	33
Schedules	34
Notes forming part of Accounts	40
Cash Flow Statement	46
Consolidated Financial Statements	47
Balance Sheet Abstract	51
Statement pursuant to Section 212 of the Companies Act, 1956	52
 Subsidiary :	
Suprawin Technologies Limited	53

HISTORICAL MILE STONES

- ✚ **Incorporated in 1985**
- ✚ **Commercial Production started for high quality Cables in 1987 in technical collaboration with Toh Fon Machine Co. Ltd.**
- ✚ **New unit for expansion of production capacity for cables in 1994.**
- ✚ **Successful initial Public Issue of equity in 1995.**
- ✚ **Recognized by KSFC as an outstanding enterprise of the state, in 1995.**
- ✚ **New unit for speedometers fully commissioned in 1998 in technical collaboration with Chao Long Motor Parts Corp.**
- ✚ **Set up state of the art cable plant at Manesar in 2002 for North Indian Customers in a record time of 6 months.**
- ✚ **Acquired Shah Concabs Private Limited, a successful and well established cable manufacturer in 2002 and merged with the company to strengthen the presence in every automotive sector.**
- ✚ **Largest manufacturer of Automotive Cables in India since 2002.**
- ✚ **Set up state of the art cable plant at Chakan, Pune in 2003 for customers in the Western zone ahead of schedule.**
- ✚ **TS-16949 certification for 4 units during the year 2003.**
- ✚ **Equity Shares listed at The Stock Exchange Mumbai (BSE) in 2003.**
- ✚ **Sales grew from Rs. 5.00 million in 1988 to Rs.800.00 million in 2003 - 04. Compounded annual growth in excess of 35%.**

FIVE YEAR FINANCIAL HIGHLIGHTS**(Rs. in Lacs)**

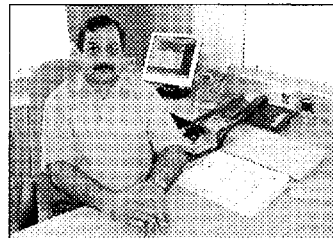
DESCRIPTION	2000	2001	2002	2003	2004
Gross Income	2574.43	2982.38	3807.54	5580.38	8261.71
Equity and Reserves	937.21	1056.32	1242.31	1620.43	2307.41
Net worth	881.85	1011.97	1208.98	1598.12	2296.03
Gross Assets	1129.63	1212.72	1269.73	1981.29	3157.32
Asset Turnover Ratio	2.28	2.46	3.00	2.82	2.62
Capital Employed	1250.61	1462.76	1855.28	2603.83	3607.24
Term Loans	320.54	412.6	617.57	1083.38	1299.83
Debt Equity Ratio	0.34	0.39	0.49	0.66	0.56
Term Loan to sales (%)	12.45%	13.83%	16.22%	19.41%	15.73%
Profit before tax (PBT)	298.89	329.74	475.21	778.19	1190.98
Profit after tax (PAT)	202.50	217.69	309.51	499.80	848.46
Book value of shares (Rs.)	31.60	36.27	43.33	55.29	19.13*
ROCE (%)	23.90	22.54	25.61	29.89	33.01
EPS (Rs.)	7.25	7.80	11.09	17.91	7.07*
Dividend (%)	30%	32%	40%	45%	55%**
Dividend and Tax outflow (Rs.)	94.76	98.40	117.31	141.68	186.15
Pay out Ratio (%) to PAT	46.80	45.20	37.90	28.35	21.94

* After Sub-division and Bonus

** Interim Dividend 45% & Final Dividend 5% Post Bonus

Business Overview

K. Ajith Kumar Rai
Managing Director



Dear Shareholder,

I have immense pleasure in enclosing the Annual Report 2003 – 04 and reporting to you that your Company has completed another year of excellent growth and profitability. The gross sales increased to Rs.8261.71 Lacs from Rs. 5580.38 Lacs of the previous year and the Profit before tax increased to Rs. 1190.98 Lacs from Rs.778.10 Lacs of the previous year, recording a growth of 53.06%.

OPERATIONS :

During the year, Shah Concabs Private Limited, a Wholly Owned Subsidiary was merged with your Company. Vapi Unit, as it is now called, is currently undergoing major renovation of its facilities to meet the current requirements of your customers.

The State of the Art unit for cables at Chakan near Pune started manufacturing during September 2003, ahead of schedule. Cable units at Manesar, Vapi and Bangalore performed well along with Speedometer division. Export growth continues to be strong.

The overall capacity of all the cable units will reach to 40 million cables by March 2005, making it arguably one of the largest capacities for any one Company in a specific country in the world.

Four of the six units are TS16949 certified and other units will follow soon. ISO 14000 will be the next focus area.

CURRENT YEAR :

I am sure, you are aware that the commodity prices worldwide have increased tremendously. Especially, steel prices have gone up substantially. At the same time, there is fierce competition in the market place making it very difficult for vehicle manufacturers to increase the price in the market. In view of this, it has become difficult to pass on the price increase to the customers. Needless to say, this is adding to the pressure on the margins. The only way to combat these pressures is through increased productivity, reduced overheads and focused exports. Your Company is taking every step for effective utilisation of resources and maximise profitability.

**Annual Report 2003 - 2004**

Based on suggestions received from some of the shareholders and the performance of the Company, apart from 45% interim dividend, Shares in the ratio of 1:1 were rewarded as Bonus Shares. In addition, the Board has recommended 5% final dividend. Moreover, Share of Rs.10/- each was split into two shares of Rs.5/- each. I am sure all of you have received the Shares accordingly.

"Grow Profitably" and "Be Globally Competitive" continue to drive Team Suprajit in its quest to expand its activities. Acquisition in the Automotive component sector and setting up of exclusive export oriented units for cables are some of the options currently being evaluated by your Company. This is apart from aggressively growing in the domestic market.

I am confident that Team Suprajit will work effectively to ensure considerable growth of business and satisfactory financial performance for the year. We continue in our endeavour to make Suprajit a globally competitive manufacturer in terms of Quality, Cost, Delivery and Development. To this end, I look forward to your continued good wishes.

With warm personal regards,



Yours Sincerely,

Place : Bangalore
Date : 22nd May 2004

K. Ajith Kumar Rai
Managing Director

NOTICE

NOTICE is hereby given that the Nineteenth Annual General Meeting of **Suprajit Engineering Limited** will be held at the Registered Office of the Company at Plot No. 100, Bommasandra Indl. Area, Bangalore-560 099 on Tuesday, the 27th July 2004 at 11.00 A.M. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2004 and the Profit and Loss Account for the year ended as on that date together with the Reports of Directors and Auditors thereon.
2. To declare a dividend.
3. To appoint a Director in place of Mr. M Jayarama Shetty who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors of the Company and authorise the Board to fix their remuneration.

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. Surendra Kumar N Shah was appointed by the Board of Directors of the Company as an Additional Director of the Company pursuant to Section 260 of the Companies Act, 1956 on 12th July 2003 and who holds office up to the date of this Annual General Meeting be and is hereby appointed a Director of the company, liable to retire by rotation."

By order of the Board
for **SUPRAJIT ENGINEERING LIMITED**

Place : Bangalore
Date : 22nd May 2004

Medappa Gowda J
Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY AT LEAST 48 HOURS BEFORE THE MEETING.
2. Explanatory statement setting out all material facts concerning the aforesaid special business contained in item No. 5 as required under Section 173(2) of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 26th July 2004 to 27th July 2004 (both days inclusive).
4. An interim dividend of 45% declared at the Board Meeting held on 13th January 2004 was paid to those members, whose names appeared on the Company's Register of Members and beneficial owners as per the records of the depositories as on 29th January 2004 (Record Date).

Final dividend of 5%, as recommended by the Board, if approved at the Meeting will be paid to those members whose names on the Register of Members of the Company and as beneficial owners as per the records of depositories as on 27th July 2004.

5. All correspondence relating to Change of Address, Transfer and Demat of Shares may be addressed to Alpha Systems Private Limited, No.30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003, Phone : 080-23460815 to 818, Fax: 080-23460819, E-mail: sridhar@123alpha.com.
6. Members are requested to quote the folio numbers or Demat Account Numbers and Depository Participant ID (DPID) in all correspondence to the Registrar and Share Transfer Agents of the Company.
7. The Equity Shares of the Company are available for trading in dematerialised form (electronic form) through depository participants. The Company has entered in to agreements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). ISIN Code No. INE 399CO1022. All shareholders holding shares in physical form are requested to make use of this facility. Members are requested to open De-mat account with any of the depository participants to enable transacting in the Stock Exchanges.
8. Members are requested to bring copy of the Annual Report along with them to the Annual General Meeting.
9. Un-claimed dividends up to the year 1995-96 have been transferred to the General Revenue Account of the Central Government. Consequent upon the amendment to Section 205A read with Section 205C of the Companies Act, 1956, the dividend declared for the year ended 31st March 1997 and for any financial year ending thereafter which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund established by the Central Government. Members are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which were unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.