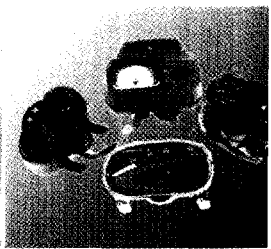
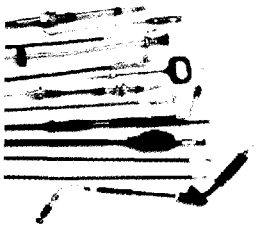
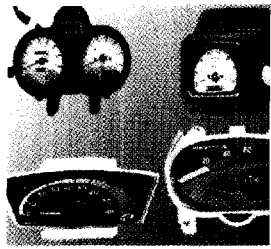
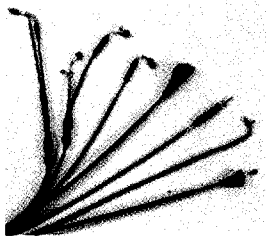
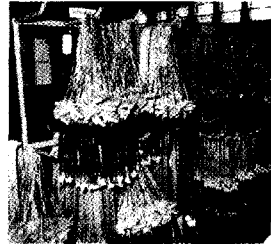




**Suprajit  
Engineering  
Limited**

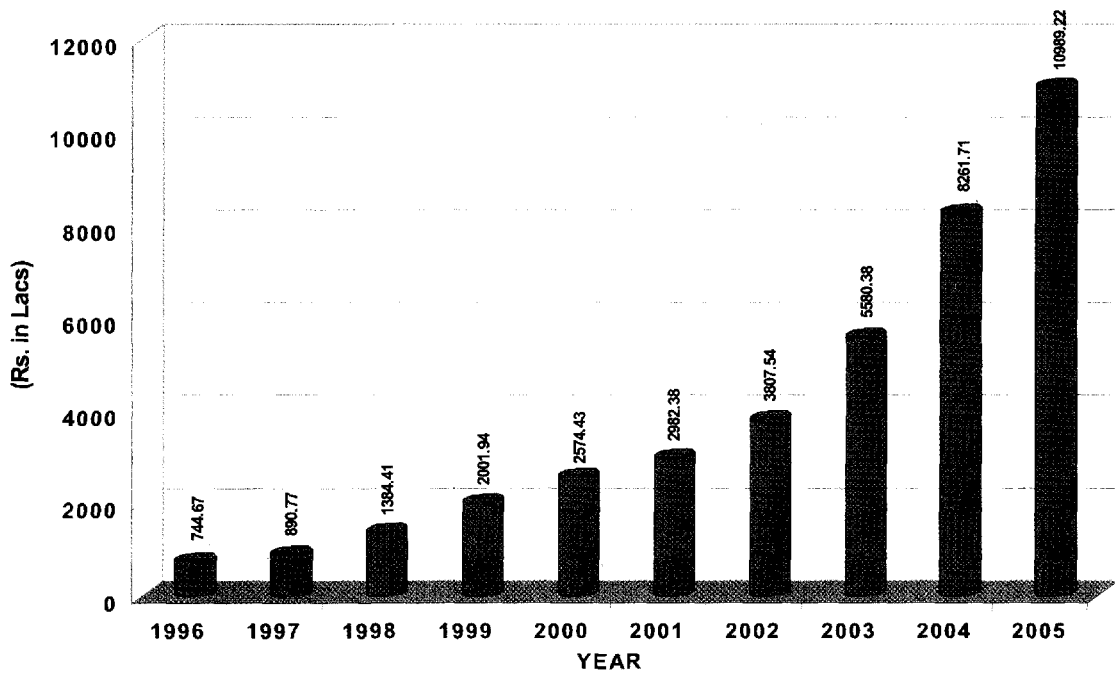
## **TWENTIETH ANNUAL REPORT 2004-2005**

Report  Junction.com

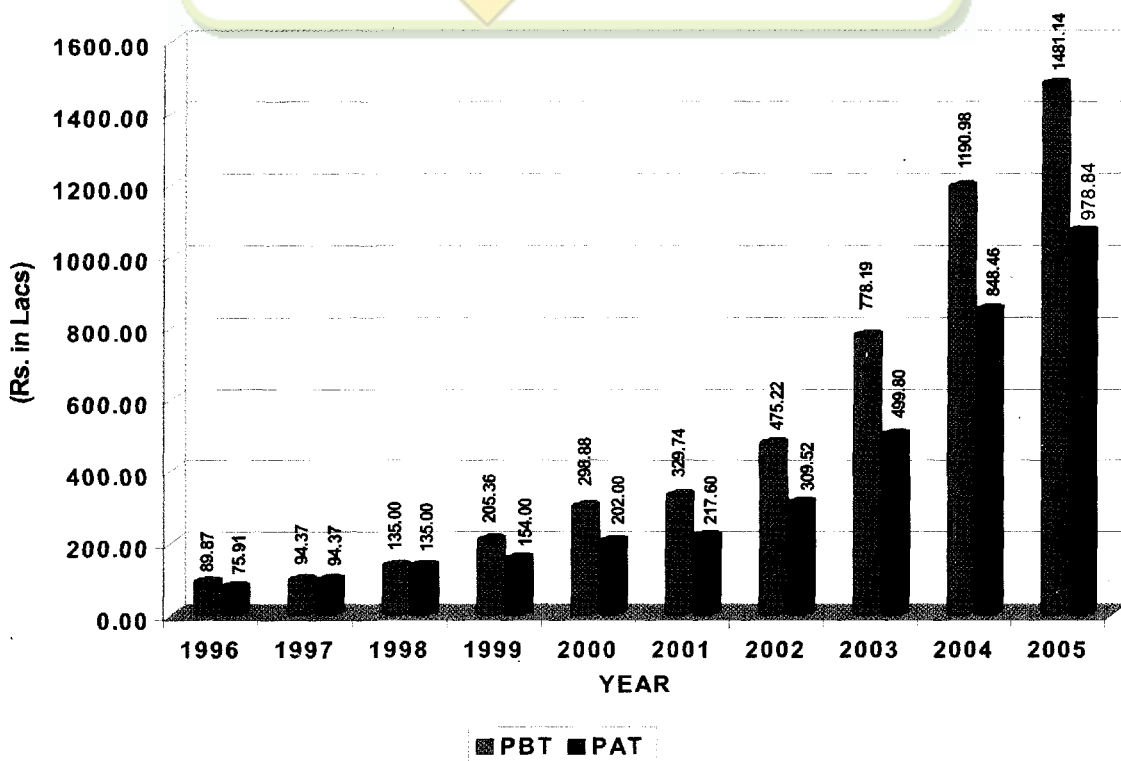


• Automotive Cables • Speedometers • Components

### GROSS INCOME



### PROFITABILITY





**Suprajit  
Engineering  
Limited**

**Annual Report 2004 - 2005**

#### **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

#### **STATUTORY AUDITORS**

T R Varadarajan & Associates

Chartered Accountants

#### **INTERNAL AUDITORS**

K S Aiyar & Company

Chartered Accountants

#### **REGISTRARS AND SHARE TRANSFER AGENTS**

Alpha Systems Private Limited

No. 30, Ramana Residency

4<sup>th</sup> Cross, Sampige Road

Malleswaram, Bangalore - 560 003

Phone: 080-23460815-18

Fax : 080-23460819

E-mail: [alfint@vsnl.com](mailto:alfint@vsnl.com)

#### **WORKS**

##### **Unit - I & II**

Plot No. 100 & 132

Bommasandra Indl. Area

BANGALORE - 560 099.

##### **Unit - III**

No. 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 (BSE)

The National Stock Exchange of India Ltd (NSE)

#### **BANKERS**

Citi Bank N.A.

The Bank of Nova Scotia

Syndicate Bank

#### **REGISTERED OFFICE**

Plot No. 100

Bommasandra Indl. Area

BANGALORE - 560 099.

Phone: 080 - 7833827-29

Fax : 080 - 7833279

E-mail: [suprajith@vsnl.com](mailto:suprajith@vsnl.com)



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**HISTORICAL MILE STONES**

- ☛ **1985-Incorporated as Private Limited company.**
- ☛ **1987-Commercial Production at Unit-I.**
- ☛ **1994-Commercial Production at Unit II (First Expansion).**
- ☛ **1995-Converted into Public Limited Company.**
- ☛ **1996-Public issue of Equity Shares at premium.**
- ☛ **1998-Commercial Production of Speedometers – Unit III (Second Expansion).**
- ☛ **1998-Second Largest manufacturer of cables in India.**
- ☛ **1998-Unit I & II (Cables) –ISO Certification .**
- ☛ **1999-Unit III Speedometers – ISO Certification.**
- ☛ **2001-QS –9000 certification for Unit-I,II & III.**
- ☛ **2002-State of the art cable plant –Unit-IV, Manesar near Delhi (Third Expansion).**
- ☛ **2002-Acquisition of operating cable Unit –Shah Concabs, near Mumbai –Unit VI.**
- ☛ **2002-India's largest cable Manufacturer.**
- ☛ **2003-Implementation of TS-16949 at all units, 4 units certified.**
- ☛ **2003-Commercial production of State of the Art cable plant at Chakan, Pune-Unit V.**
- ☛ **2003-Listing of Shares at The Stock Exchange Mumbai (BSE).**
- ☛ **2004-Compounded Annual Sales Growth - more than 30% over a 10 year period.**
- ☛ **2004-Launch of CTP Suprajit Automotive Private Limited, JV with UK Collaboration.**
- ☛ **2004-ISO 14000 & 18000 Certification for Manesar Unit.**
- ☛ **2005-Listing of Shares at The National Stock Exchange of India Ltd, Mumbai (NSE).**
- ☛ **2005-Record Turnover in excess of Rs.1.0 Billion.**
- ☛ **2005- Initiation of Oracle ERP Implementation.**



**Suprajit  
Engineering  
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## FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

DESCRIPTION	2001	2002	2003	2004	2005
<b>Gross Income</b>	2982.38	3807.54	5580.38	8261.71	10989.22
<b>Equity and Reserves</b>	1056.32	1242.31	1620.43	2307.41	3150.48
<b>Net worth</b>	1011.97	1208.98	1598.12	2296.03	3150.21
<b>Gross Assets</b>	1212.72	1269.73	1981.29	3157.32	3638.93
<b>Asset Turnover Ratio</b>	2.46	3.00	2.82	2.62	3.01
<b>Capital Employed</b>	1462.76	1855.28	2603.83	3607.24	4645.72
<b>Term Loans</b>	412.60	617.57	1083.38	1299.83	1495.24
<b>Debt Equity Ratio</b>	0.39	0.49	0.66	0.56	0.47
<b>Term Loan to sales (%)</b>	13.83%	16.22%	19.41%	15.73%	13.60%
<b>Current Ratio</b>	1.38	2.08	1.59	1.38	1.46
<b>Profit before tax (PBT)</b>	329.74	475.21	778.19	1190.98	1481.14
<b>Profit after tax (PAT)</b>	217.69	309.51	499.80	848.46	978.84
<b>Book value of shares (Rs.)</b>	9.06	10.83	13.82	19.13	26.24
<b>ROCE (%)</b>	22.54	25.61	29.89	33.01	31.88
<b>EPS (Rs.)</b>	1.95	2.77	4.47	7.07	8.15
<b>Dividend (%)</b>	16%	20%	22.5%	27.5%	40%
<b>Dividend and Tax outflow (Rs)</b>	98.40	117.31	141.68	186.15	272.63
<b>Pay out Ratio (%) to PAT</b>	45.20	37.90	28.35	21.94	27.85

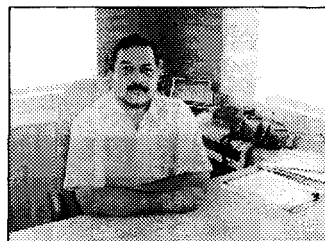
**Note:**

- Equity Shares of Rs. 10/- each divided into two Equity Shares of Rs.5/- each and Bonus Shares issued 1:1 during 2003-04.
- Interim dividend of 20% paid during the year 2004-05 and the proposed 20% final dividend is subject to the approval of members at the 20th Annual General Meeting.



***Business Overview***

**K. Ajith Kumar Rai**  
Managing Director

**Dear Shareholder,**

Significant milestones have been achieved after my last communiqué to you in the previous Annual Report. It gives me immense pleasure to share with you that your Company has completed another year of excellent growth and profitability, as you would note from the enclosed Annual Report 2004-05.

Your Company had an added milestone of crossing Rs.100 crores revenue with good profitability despite a year which witnessed tremendous pressures on input costs coupled with other hurdles.

**MARKET SCENARIO:**

The automotive sector grew by 17% during the year. The margin pressures continue to be significant. This is largely due to commodity prices continuing to rule high during the entire year. The fierce competition in the market has made it difficult to pass on the price increase to our customers. However, your Company continues to work diligently in improving productivity, reducing waste, value engineering its products and finding alternate sources to offset the pressures on margins. I am happy to report that despite several constraints, operational parameters of your Company have largely remained unaffected.

**OPERATIONS:**

The state-of-the-art Unit for cables at Chakan is fully functional and is supplying to customers to their complete satisfaction. The expansion and up-gradation activities at our Vapi plant will be completed by June 2005, which will bring this unit on par with our other units. Business at cable units at Bangalore and Manesar is brisk and robust. Export has doubled, as planned. The overall cable capacity was expanded to 38 million cables last year. This will be further expanded to 50 million cables by July 2005.

Manesar plant was certified ISO 14000 and ISO 18000 during the year. TS certification at Chakan and Vapi Plants will be completed this year, making all the units TS certified.

Your Company has, as in the past, relentlessly initiated effective steps to continue to grow faster than the Industry. Continued customers confidence in us and improved export sales will drive your Company's growth. I have pleasure in informing you that a comprehensive ERP project is under implementation, which will be completed before end of this year. It will add value and strength to Company's operations.

**EXPORT MARKETS:**

"Exports will have predominant role in the future growth plans of Suprajit." I have pleasure in informing you that the Joint Venture with Carclo plc to set up 100% Export Oriented Unit to manufacture cables is currently under implementation at Doddaballapur Industrial Area. This 50:50 JV plant is expected to go into production by November 2005 and will export cables to European Union through CTP Gills Cables - a subsidiary of Carclo plc.

US initiatives taken through techno commercial alliances has started yielding initial positive responses. Your Company is in discussion with customers for new businesses.

Your Company is also looking at the feasibility of having presence in the Far-Eastern markets. I believe that these 3 initiatives of US, EU and Far East when in place in the next few years, will give your Company a truly global stature. While these are long term plans of your Company, yet to be fully crystallized, I felt that it is necessary to share the vision of your Company with you all..

Grow profitably and be globally competitive continue to drive Suprajit in its quest to expand its activities. I am confident that Team Suprajit has, as Sir Walter Scott so famously said "The will to do, the soul to dare" and will work effectively to ensure another good year of excellent growth and profitability.

I seek your continued good wishes in our endeavour to make Suprajit a globally competitive manufacturer in terms of Quality, Cost, Delivery and Development.

With warm personal regards,

Yours Sincerely,

Place : Bangalore  
Date : 13th June 2005

**K. Ajith Kumar Rai**  
Managing Director



**NOTICE**

**NOTICE** is hereby given that the Twentieth 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 Thursday, the 28th July 2005 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 2005 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 R B Punja who retires by rotation, and is eligible for re-appointment.
4. To appoint Auditors of the Company and authorise the Board to fix their remuneration.



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

Place : Bangalore  
Date : 13th June 2005

**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. The Register of Members and the Share Transfer books of the Company will remain closed from 27th July 2005 to 28th July 2005 (both days inclusive).
3. An interim dividend of 20% declared at the Board Meeting held on 17th February 2005 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 17th February 2005 (Record Date).

Final dividend of 20%, 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 28th July 2005.

4. 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](mailto:sridhar@123alpha.com).
5. 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.
6. 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.
7. Members are requested to bring copy of the Annual Report along with them to the Annual General Meeting.
8. Un-claimed dividends up to the year 1996-97 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 1998 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.