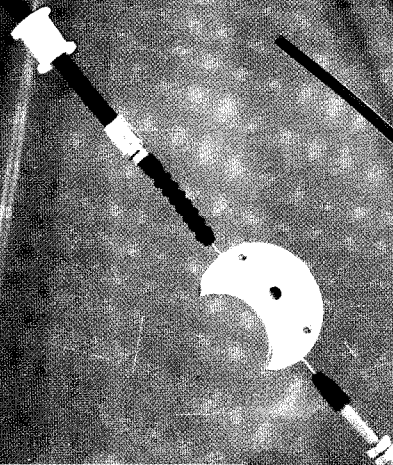


Strengthening the foundation
for global growth



TWENTY THIRD ANNUAL REPORT 2007 - 2008





Looking into the future...

Suprajit is expanding its range of cables
to cover non-automotive and retail markets.

New focus areas, expanding customer base are the only way for profitable growth in tough times.



Dear Shareholder,

I take this opportunity to share with you, your Company's performance. The enclosed annual report gives you the current trend in our business.

Let me honestly admit that the year just ended was a difficult

one in your Company's two decades of consistent performance. One is fully aware of the de-growth in the automotive sector, particularly in the 2-wheeler segment. Oil and steel prices were at record highs along with many other commodity prices. Employee costs escalated as well. Your Company could not avoid the onslaught of the slow-down and cost escalation, which affected the top line growth and led to margin erosion. Despite the negative growth in the automotive sector, your Company grew modestly.

On the export front, our wholly owned subsidiary, Suprajit Automotive has more than doubled the business during the year. The North American automotive market has shrunk and European market had no growth. However, Suprajit Automotive and our UK wholly owned subsidiary, Gills Cables, who have a good reputation in these markets, were able to add to the growth. The global supply chain footprint offered through these 100% subsidiaries along with associates, has generated new businesses for the group. I am confident that the business model adopted by us is robust and that we will receive new business for exports, as automotive giants look for cost competitive suppliers, worldwide.

Domestically, the outlook for the current year does not look encouraging. The automotive industry may not grow this year due to paucity of the credit to the automotive sector,

high interest rates, inflationary pressures and continued high prices of commodities.

Your Company will continue to focus on expanding global business, not only in the automotive sector but also in the non-automotive sector. This is the new area of our concentration. Added to this, we are expanding the opportunity in domestic aftermarket business. With these initiatives along with an increased share of business and negotiated new prices with customers, I am confident, that your Company will continue to grow during this year and perform satisfactorily.

Pantnagar plant and the second plant at Manesar have been successfully established. New plants at Singur and Bangalore for non-automotive exports will be in place before the end of the year. We expect to reach the cable capacity of 100 million in the next 2-3 years to meet the group's medium term business plan.

While the short term growth and profitability have been under pressure, I am confident that on a medium term perspective, your Company's prospects remain sound. This is largely due to your Company's diversified customer mix, brand image and competitive edge. I am confident that "Team Suprajit" will face the current challenges and will continue to perform well in the years ahead.

To this end, I seek your continued support and good wishes in these challenging times.

With warm personal regards,

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ajith' followed by a stylized flourish.

K. Ajith Kumar Rai
Vice-Chairman & Managing Director

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BOARD OF DIRECTORS

M.R.B. Punja
Chairman

K. Ajith Kumar Rai
Vice-Chairman & Managing Director

Surendra Kumar N Shah
Director

M.Jayarama Shetty
Director

B S Patil, IAS (Retd.)
Director

Diwakar S Shetty
Director

Ian Williamson
Director

COMPANY SECRETARY
Medappa Gowda J

STATUTORY AUDITORS
Varma & Varma
Chartered Accountants

INTERNAL AUDITORS
K S Aiyar & Company
Chartered Accountants

STOCK EXCHANGE
The Stock Exchange Mumbai (BSE)
The National Stock Exchange (NSE)

**REGISTRARS AND SHARE
TRANSFER AGENTS**
Alpha Systems Private Limited
No. 30, Ramana Residency
4th Cross, Sampige Road
Malleswaram, Bangalore 560 003
Phone: 080-23460815-18
Fax : 080-23460819
E-mail: alfint@vsnl.com

WORKS

Units - I
Plot No. 100
Bommasandra Indl. Area
BANGALORE - 560 099.

Units - II
Plot No. 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
Gujarat - 396 195.

Unit - VII
Plot No. 14, Sector 10,
IIE-SIDCUL, Pantnagar,
Udhamsingh Nagar Dist
Uttarakhand - 263 153.

BANKERS
Syndicate Bank
Citi Bank N.A.
The Hongkong & Shanghai Bank
The Bank of Nova Scotia

REGISTERED OFFICE
Plot No. 100,
Bommasandra Indl. Area
Bangalore - 560 099
Phone: 080 - 27833827-29
Fax : 080 - 27833279
E-mail: info@suprajit.com
Investors@suprajit.com

MILESTONES

- 1985 - Incorporated as Private Limited Company.
- 1987 - Commercial Production at Unit-I.
- 1994 - Commercial Production at Unit II.
- 1996 - Public issue of Equity Shares at premium.
- 1997 - "Enterprise of the State" by KSFC.
- 1998 - Commercial Production at Unit III.
- 1998 - Second Largest manufacturer of cables in India.
- 2001 - QS 9000 certification for Unit - I, II & III.
- 2002 - State of the art cable plant - Unit-IV, Manesar near Delhi.
- 2002 - Acquisition of Shah Concabs, a Cable Manufacturer at Vapi - Unit VI.
- 2002 - India's largest cable Manufacturer.
- 2003 - Implementation of TS-16949 at all units, 4 units certified.
- 2003 - State of the Art cable plant at Chakan, Pune-Unit V.
- 2003 - Listing of Shares at The Stock Exchange Mumbai (BSE).
- 2004 - Launch of CTP Suprajit Automotive Private Limited.
- 2004 - ISO 14000 & 18000 Certification for Manesar Unit.
- 2005 - Listing of Shares at The National Stock Exchange of India Ltd, Mumbai (NSE).
- 2005 - Turnover crosses Rs.1.0 Billion.
- 2006 - Successfully implemented Oracle ERP across all the units.
- 2006 - Acquisition of business and assets of CTP Gills Cables, U.K. through 100% Owned Subsidiary Gills Cables Limited, U.K.
- 2006 - Acquisition of the balance 50% stake held by Carclo plc., U.K. in the Joint Venture - CTP Suprajit Automotive Private Limited.
- 2006 - Twin Awards by CNBC / ICICI Bank / CRISIL :
 - 1. SME of the Year.
 - 2. Auto Ancillary of the Year.
- 2007 - Group Turnover crosses Rs.2.0 billion.
- 2007 - Commercial production at Pantnagar plant - Unit VII.
- 2007 - Commercial production at the second plant in Manesar - Unit IV.
- 2007 - Best IT User Award -2006 in Automotive Sector by NASSCOM.
- 2008 - Civil works commenced for Singur - West Bengal Unit & 100% EOU in Bangalore.

FINANCIAL HIGHLIGHTS

(Rs. in Million)

DESCRIPTION	2003	2004	2005	2006	2007*	2008*
Gross Income	558.03	826.17	1,098.92	1,378.12	2054.31	2010.55
Equity and Reserves	162.04	230.74	301.33	395.15	463.64	495.39
Net worth	159.81	229.60	301.36	395.15	463.64	495.39
Gross Assets	198.12	315.73	363.89	401.37	681.24	904.42
Capital Employed	260.38	360.72	464.57	517.74	856.86	861.50
Term Loan	108.33	129.98	149.52	122.59	393.22	366.11
Debt Equity Ratio	0.66	0.56	0.47	0.31	0.84	0.73
Current Ratio	1.59	1.38	1.46	1.51	1.38	1.21
Profit before tax (PBT)	77.81	119.09	148.11	187.74	212.87	138.29
Return on net worth - %	48.69	51.87	49.14	47.51	45.91	27.91
EBIDTA %	18.30	17.70	16.59	16.53	14.61	12.45
Book Value of shares (Rs.)	13.82	19.13	25.10	32.92	38.63	41.27
EPS (Rs.)	4.47	7.07	8.15	10.66	8.69	6.65
Dividend (%)	22.50	27.50	40.00	50.00	50.00	40.00 **
Dividend & Tax outflow (Rs)	14.16	18.61	27.26	34.21	35.86	29.77
Pay out Ratio (%) to PAT	28.35	21.94	27.85	26.72	34.36	37.28

NOTES:

1. Consolidated Figures for the year 2007 and 2008.*
2. Final Dividend Proposed 20% for the year 2008.**

ANNUAL REPORT 2007-2008



NOTICE

NOTICE is hereby given that the Twenty-third Annual General Meeting of **Suprajit Engineering Limited** will be held at the Factory No. 132, Bommasandra Indl. Area, Bangalore - 560 099 on Saturday, the 13th September 2008 at 11:00 AM to transact the following business:

ORDINARY BUSINESS:

- 1 To receive, consider and adopt the Audited Balance Sheet as at 31st March 2008 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 confirm the payment of interim Dividend and to declare final Dividend.
- 3 To appoint a Director in place of Mr. M.Jayarama Shetty, who retires by rotation and who is eligible for re-appointment.
- 4 To appoint a Director in place of Mr. Diwakar S Shetty, who retires by rotation and who is eligible for re-appointment.
- 5 To appoint Auditors of the Company and authorize the Board to fix their remuneration.

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

Place : Bangalore
Date : 14th July, 2008.

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 10th September to 13th September 2008 (both days inclusive).
3. An interim dividend of 20% declared at the Board Meeting held on 29th January 2008 was paid to those members, whose names appeared on the Company's Register of Members as beneficial owners as per the records of the depositories as on 20th February 2008 (Record Date).
4. Final dividend of 20% as recommended by the Board, if approved at the Meeting, will be paid to those members whose names appear on the Register of Members of the Company as beneficial owners as per the records of depositories as on 13th September 2008.
5. All correspondences 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: alfint@vsnl.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 1999-2000 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 2001 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 are 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.
10. As regards re-appointment of Mr. M.Jayarama Shetty referred to in item No.3 of the notice, the following necessary disclosures are made for the information of the shareholders:

Mr. M. Jayarama Shetty, aged 53 years, is a Graduate in Commerce and a Graduate in Law. He is also a Fellow Member of the Institute of Chartered Accountants of India. He worked for 15 years with HMT Limited in various capacities and took voluntary retirement as Asst. General Manager in 1995. Presently he is practicing as a Chartered Accountant.

His other directorships:**Name of the Company**

Nil

Nature of Interest

Nil

11. As regards re-appointment of Mr. Diwakar.S.Shetty referred to in item No.4 of the notice, the following necessary disclosures are made for the information of the shareholders:

Mr. Diwakar Shetty, Founder Chairman of Shetron Ltd, a listed Company, is a successful businessman with over three decades of experience in the Engineering Industry. He is a Graduate in Commerce. Mr.Diwakar Shetty has also promoted Fibre Foils Ltd to manufacture Paper Drums, Composite Cans, Fibre Drums and Paper Tubes and cans. He has been bestowed with various awards.

His other directorships:**Name of the Company****Nature of Interest**

Shetron Limited

Chairman & Managing Director

Fibre Foils Limited

Director

Fibre Shells Limited

Director

Shetron Enterprises Private Limited

Director

Konjal Machines Private Limited

Director

Bunts Properties Private Limited

Director

Shetron Shobemi Europe

Director

Shetron Metropack Private Limited

Director

Fibre Boards Limited

Director

12. The Company will provide transport facility from Bangalore to attend the Annual General Meeting. Members are requested to report at 9.00 A.M. on Saturday, the 13th September 2008 near Bangalore Stock Exchange, No.51, I cross, J.C. Road, Bangalore - 560 002;

Contact persons: Mr.Ranganath, Cellphone No.9945109318 / Mr.S.L.Satish, Cell phone No. 9342135877.