



moving ahead



Moving Ahead

At Suprajit, we move ahead with confidence and optimism as we further strengthen the foundations of your company today to successfully meet the challenges of tomorrow. This report explains our focus on new growth markets and entry into the non-automotive sector. Our continued efforts towards building higher customer loyalties and enhanced infrastructure in terms of our new state-of-the-art plants makes us a strong player in these segments.

Fiscal year 2008 came to a close amid headlines of government bailouts and plunging global equity markets and yet for Suprajit, it was another good year. We achieved double digit revenue growth, increased our customer base, and catered to the new and emerging markets. We believe the key to our growth is our diverse business model and focus on existing and new product lines.

In 2009, we intend to demonstrate that with our global capability and more than 20 years of focused industry expertise, Suprajit delivers value that our competitors find it hard to match.



Dear Shareholder,

I take this opportunity to share with you, with satisfaction, your Company's performance. The enclosed annual report gives you the current trend in our business and the financials as compared to previous year and other relevant information.

I had stated during my Mid Year review that "I am more confident today, than a year ago, that Suprajit is better prepared and" As you would note from the financial results of your Company, my confidence at that time was not out of place, despite adverse economic, financial and business environment globally. The year gone by is a year of "rejuvenation" for your Company with growth accelerating again and financial parameters showing significant improvement. I am confident that this trend will continue.

While 2007 – 08 was a difficult period, the year just passed was unprecedented! The collapse of financial markets worldwide along with significant economic downtrend in the Western world, led to a global recession, said to be only second to the great depression. Global automotive markets collapsed to a level of up to 60% in certain cases during second half of the year. Many global giants have declared bankruptcies. While the domestic market had a robust first half, it could not withstand the global recession during the second half. volatility of global currencies, difficult credit markets and a demand recession made matters worse.

With this in the background, your Company's performance with a good growth in sales and profitability with margin improvement is heartening. I can confidently say that we have outperformed our peers.

Subsidiaries, being export driven, had a more difficult year in line with the global markets. But our model of front ending support through our Wholly Owned Subsidiary Gills in the

UK and competitive manufacturing out of India through other Wholly Owned Subsidiary Suprajit Automotive, helped us survive the crisis. While the margins at subsidiaries came down, new contracts were won and dependency on a single customer was reduced. While the global automotive trend is bleak, I expect a satisfactory year for both subsidiaries through our efforts to expand our markets.

The positive side of the year was moderation in commodity prices and a new stable government at the centre. Indian economy showed that it is capable of withstanding global recession albeit with a lower rate of growth. This will go a long way in your Company's fortunes improving year by year, as the Indian economy recovers faster than the rest of the world.

A new 100% Export Oriented Unit for non-automotive cables was commercialized and new contracts for this business segment were bagged. Our plans to establish a robust pan India aftermarket sales has taken a firm shape and expected to add to our business in a meaningful way from this year.

A new plant at Haridwar will be built during this year along with a new plant at Sanand later on. This would increase our capacities and improve our market share. Stable economy, low inflation and interest rates, and stable commodity prices will augur well for a good domestic business. I expect that this will strengthen and grow the Indian automotive sector and our fortunes.

Our plans to have diversified customer mix, new areas of focus for our products, and continued focus on competitive manufacturing and customer satisfaction gives me the confidence 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,

K. Ajith Kumar Rai

Our goal, from the biggest to the best

At Suprajit, we are leveraging our global resources and exposure to enhance our product and service offering to our clients in an effort to build strong customer loyalty. TPM initiatives, adherence to TS, close monitoring of PPM is done on a continuous basis.

By working as a single global team and focusing relentlessly on the needs of the customer, we are ensuring our leadership not just in numbers but in quality as well in an effort to build your company into the most trusted cable manufacturing company.

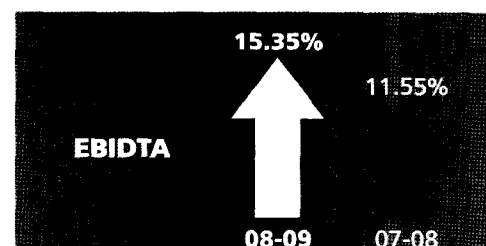
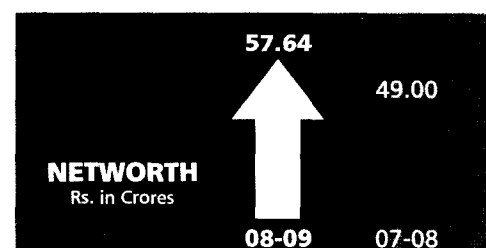
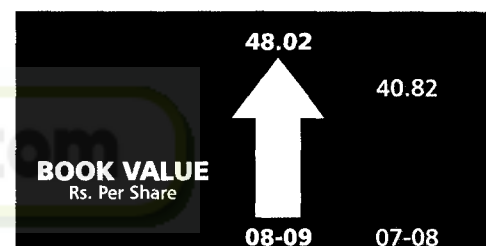
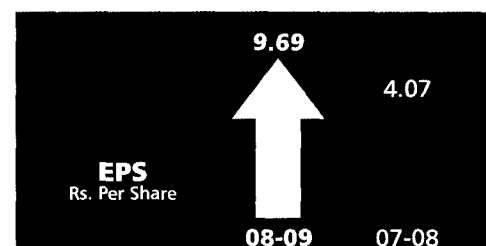
Automotive and non-automotive focus globally

Suprajit is accelerating the pace of its new product introductions in its key global markets. While we are an established leader in the 2 & 4 wheeler automotive markets in India, we are streamlining our product development process to cater to newer sectors like tractors, off road vehicles, ATVs, snow mobiles, grass management equipments, golf carts, material handling equipments etc. Our plans also include an increased commitment to the small car market, with a dedicated plant expected to come up in Sanand to cater to the requirement of Nano cars.



Turnaround

At Suprajit, we have achieved substantial financial and operational progress this year. Our flow of cables into the market has accelerated, leading to improved EBIDTA margins and reduced debt. We have improved our efficiencies in production processes, waste elimination and operational costs. Added this is an ongoing effort on cost reduction with existing and new suppliers. These factors are helping Suprajit achieve a turnaround in terms of major financial parameters.



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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 - 1
Plot No. 100,
Bommasandra Indl. Area,
BANGALORE - 560 099.

Units - 2
Plot No. 132,
Bommasandra Indl. Area,
BANGALORE - 560 099.

Unit - 3
No. 26 & 27A (Part),
Doddaballapur Indl. Area,
BANGALORE - 561 203.

Unit 4
No. 164 & 165, Sector - 3,
IMT Manesar, Gurgaon District,
Haryana - 122 001.

Unit - 5
Plot No. B-13, MIDC,
Chakan Indl. Area
Pune, Maharashtra 410 501.

Unit - 6
A-1/5411, IV Phase, G.I.D.C., VAPI,
Gujarat - 396 195.

Unit - 7
Plot No. 14, Sector 10,
IEE-SIDCUL, Pantnagar, Rudrapur,
Udhamsingh Nagar Dist.
Uttarakhand - 263 153.

Unit - 9
Plot No. 101,
Bommasandra Indl. Area,
BANGALORE - 560 099.

BANKERS
Syndicate Bank
Citi Bank N.A.
The Hongkong & Shanghai Bank
State Bank of India
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 a Private Limited Company.
- 1987 - Commercial Production at Unit -1.
- 1994 - Commercial Production at Unit -2.
- 1996 - Public issue of Equity Shares at premium.
- 1997 - "Enterprise of the State" by KSFC.
- 1998 - Commercial Production at Unit -3.
- 1998 - Second Largest manufacturer of cables in India.
- 2001 - QS 9000 certification for Unit - 1, 2 & 3.
- 2002 - State of the art cable plant - Unit -4, Manesar near Delhi.
- 2002 - Acquisition of Shah Concabs, a Cable Manufacturer at Vapi - Unit -6.
- 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 -5.
- 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 Panthnagar plant - Unit -7.
- 2007 - Commercial production at the second plant in Manesar - Unit -4.
- 2007 - Best IT User Award -2006 in Automotive Sector by NASSCOM.
- 2008 - Civil works commenced for 100% EOU in Bangalore.
- 2009 - Commercial Production at 100% EOU in Bangalore - Unit -9.
- 2009 - Civil works commenced for a Plant in Haridwar.



FINANCIAL HIGHLIGHTS

(Rs. in Million)

DESCRIPTION	2003	2004	2005	2006	2007	2008	2009
Gross Income	558.03	826.17	1,098.92	1,378.12	1,531.74	1,594.11	1,854.30
Equity and Reserves	162.04	230.74	301.33	395.15	485.20	490.04	576.40
Net worth	159.81	229.60	301.36	395.15	485.20	490.04	576.40
Gross Fixed Assets	198.12	315.73	363.89	401.37	450.35	676.34	781.72
Capital Employed	260.38	360.72	464.57	517.74	846.20	836.15	867.73
Term Loan	108.33	129.98	149.52	122.59	361.00	346.11	291.92
Debt Equity Ratio	0.66	0.56	0.47	0.31	0.74	0.70	0.50
Current Ratio	1.59	1.38	1.46	1.51	1.78	1.41	1.28
Profit before tax (PBT)	77.81	119.09	148.11	187.74	182.53	101.51	180.83
Return on net worth - %	48.69	51.87	49.14	47.51	37.62	20.71	31.37
EBIDTA %	18.30	17.70	16.59	16.53	16.04	11.55	15.35
ROCE %	29.89	33.01	31.88	36.26	21.57	12.14	20.83
Book Value of shares (Rs.)	13.82	19.13	25.10	32.92	40.42	40.82	48.02
EPS (Rs.)	4.47	7.07	8.15	10.66	10.40	4.07	9.69
Dividend (%)	22.50	27.50	40.00	50.00	50.00	40.00	45.00
Dividend & Tax outflow (Rs)	14.16	18.61	27.26	34.21	34.74	28.08	29.89
Pay out Ratio (%) to PAT	28.35	21.94	27.85	26.72	27.84	43.65	25.71



NOTICE

NOTICE is hereby given that the Twenty-Fourth Annual General Meeting of Suprajit Engineering Limited will be held at the Factory No. 132, Bommasandra Indl. Area, Bangalore - 560 099 on Saturday, the 29th August, 2009 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 2009 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. Surendra Kumar N Shah, who retires by rotation and is eligible, offer himself for re-appointment.
- 4 To appoint a Director in place of Mr. B S Patil, who retires by rotation and is eligible, offer himself for re-appointment.
- 5 To appoint Auditors of the Company and authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

- 6 To consider and, if through fit, to pass, with or without modification(s) the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to and in accordance with Sections 198, 269, 309, 310, 311, Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, re-enactment or modifications thereof, and subject to the approval of the Central Government, if and when required, the approval of the members be and is hereby accorded to the appointment of, and the remuneration payable to, Mr. K Ajith Kumar Rai as Vice Chairman & Managing Director of the Company with effect from 1st April 2009 for a period of five years on the following terms and conditions:

- (a) Basic Salary – Rs.2,50,000/- per month in the grade of Rs.2,50,000/-, Rs.50,000/-, Rs.4,50,000/-.
- (b) House Rent Allowance of Rs.50,000/- per month.
- (c) Commission: Commission of 5% of the net profit of the Company on any year computed in accordance with the Companies Act, 1956 subject, however, to the condition that the overall remuneration shall not exceed 5% of the net profits of the Company in any financial year.
- (d) Use of the Company's telephone at residence, the rent, call charges and other outgoings in respect thereof to be paid by the Company except the personal long distance calls of the Vice Chairman & Managing Director.
- (e) Reimbursement of actual conveyance expenses incurred by the Vice Chairman & Managing Director for the purpose of the business of the Company.
- (f) Use of Chauffeur driven motorcar, all expenses of running and upkeep of such motorcar as also the salary of the chauffeur to be borne by the Company.
- (g) Reimbursement of entertainment expenses incurred by the Vice Chairman & Managing Director for the purpose of the business of the Company.
- (h) Benefit of the Company's Provident Fund scheme, Gratuity benefits, Encashment of Leave etc. are as per the rules and as applicable to the employees of the Company from time to time.
- (i) Vice Chairman & Managing Director will not be entitled to sitting fees for attending the meeting of the Board of Directors of any committee thereof.
- (j) The Vice Chairman & Managing Director is not liable to retire by rotation.
- (k) The contract is terminable with three months notice on either side
- (l) He shall not become interested or otherwise concerned directly or indirectly in any selling agency of the Company's products without complying the provisions of the Companies Act, 1956.
- (m) In the event of absence or inadequacy of profits, no reduction from salary and perquisites shall be made. The above shall be paid as minimum remuneration subject to Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT subject to the provisions of Sections 198, 309 & 310 and other applicable provision, if any, of the Companies Act, 1956, the remuneration payable to Mr. K Ajith Kumar Rai, by way of salary, perquisites, commission and other allowance shall not exceed five percent (5%) of the net profits of the Company in any financial year.

RESOLVED FURTHER THAT notwithstanding anything here above stated, where in any financial year, the Company has incurred loss or its profits are inadequate, the Company may pay to Mr. K Ajith Kumar Rai remuneration by way of salary, perquisites and other allowance not exceeding the limits specified under Section II of Part II of Schedule XII to the Companies Act, 1956.



RESERVED FURTHER THAT in the event of any Statutory Amendments or modifications or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including the salary, commission, perquisites, allowances, etc., with such prescribed limit or ceiling and any arrangement between the Company and Mr. K Ajith Kumar Rai be suitably amended to give effect to such modification, relaxation or variation without any further reference to the Company in General Meeting.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take all such steps as may be necessary for the purpose of giving effect of this resolution and matters incidental thereto."

Place: Bangalore
Date: 29th June, 2009

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

Medappa Gowda J
Company Secretary

