



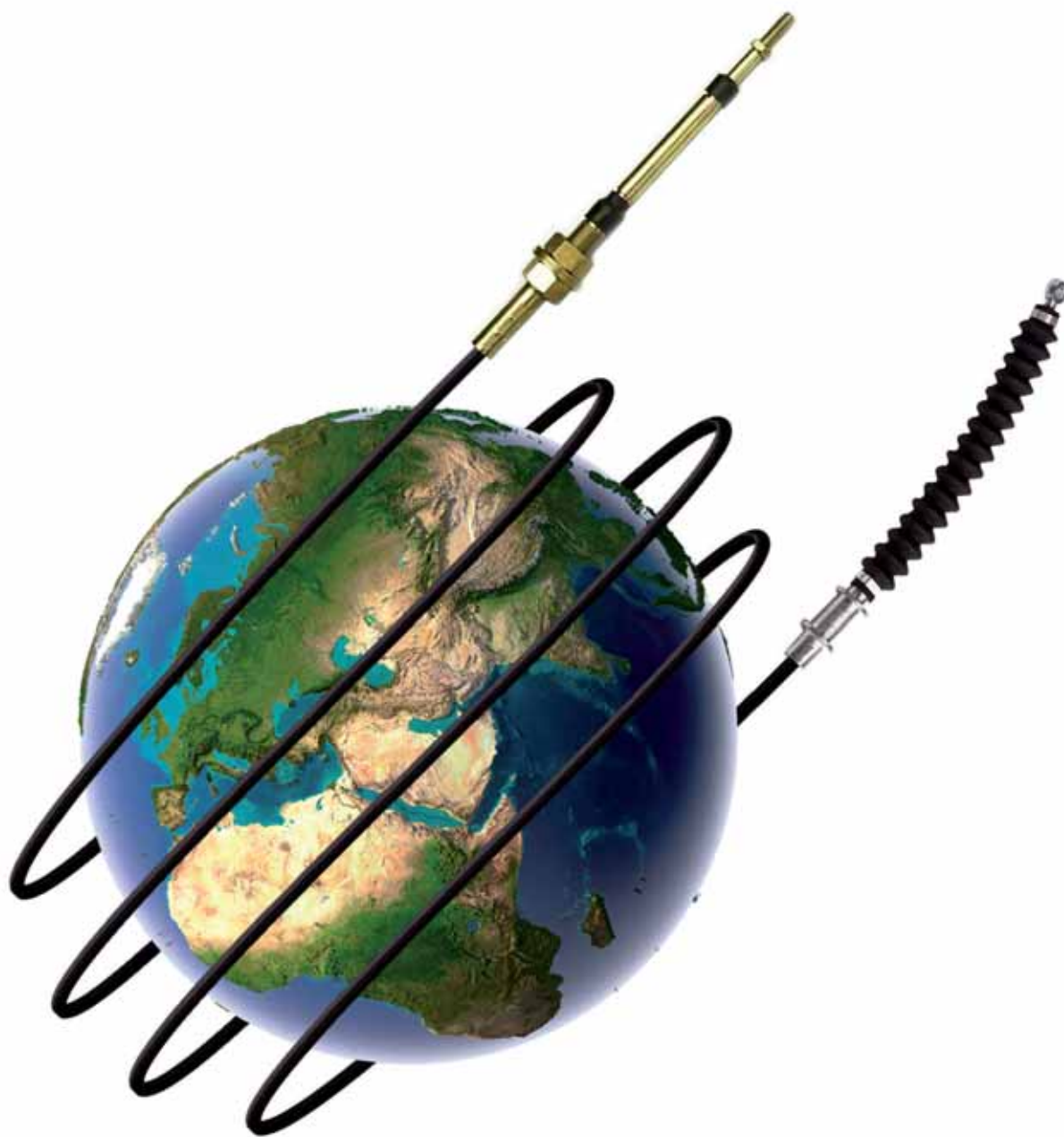
TWENTY SEVENTH ANNUAL REPORT 2011 - 2012



MARCHING AHEAD WITH CONFIDENCE



Suprajit 2.0



**The length of cables Suprajit produced this year
can wrap around the globe four times**

My Dear Shareholder,

I have pleasure in sharing with you, yet another year of satisfying performance by your Company.

I remember quoting Robert Frost 2 years ago about "...leaving footprints on the sands of time". I cannot help but quote him once again:

Two roads diverged in a wood, and I,
I took the one less traveled by,
And that has made all the difference.

With 25 years of solid manufacturing behind us, Suprajit has now emerged as the world's largest 2-wheeler cable maker. Needless to add, we are significantly ahead of the competition in the domestic market and are the largest cable exporter from India. It is now time for **Suprajit 2.0**.

I believe a new chapter of Suprajit has now begun on the strong foundation of years of manufacturing expertise, technical knowhow, personnel strength, consistent financial performance and a great relationship with all the stakeholders.

You will note from the Annual Report that your Company's performance continues to surpass the industry performance by a significant margin, both in sales and profitability. Profit margins continue to be one of the best in the auto component industry. On a consolidated basis, your Company sold over 110 million cables, easily placing your Company in the top 5 cable producers of the world.

I would attribute this to the enviable strengths established by your Company over the years due to the following critical factors:

- Cost competitive, focused and committed cable manufacturer
- Reliable supply chain partner with top quality and delivery rating
- Deep commitment to customers for the long term
- Only supply chain partner with excellent geographical reach throughout India
- Ability to benchmark cables with the best in Industry
- Envable reputation with customers as the best in its class; for quality, cost, delivery and development

This gives us the courage to march ahead with confidence, even though the automotive industry and the economy face significant challenges. These

challenges include a deteriorating currency, continued higher interest rates, rising commodity prices, global slowdown and, the list goes on...

Team Suprajit continues to have a strong relationship with every customer. We are pursuing new markets and business segments for product application, and are persuading existing customers to collaborate with us for development of new products. Aftermarket sales and non-automotive business are expected to grow robustly in this year. Suprajit Automotive, our 100% owned subsidiary has bagged significant new contracts and is in the process of adding a new plant within its premises. Two new cable factories, one in Bangalore and one in Pathredi (Rajasthan), will go into production during this year. This will take our group cable capacity to more than 150 million cables.

It is time for us to look at new opportunities for growth, as an integral part of Suprajit 2.0. Our new product development group is working on products that are expected to be commercialized during the course of next few years. While we are pursuing organic growth aggressively, we will continue to look for opportunities of inorganic growth.

The major challenge for Team Suprajit is to continue to aggressively pursue profitable growth. Our strategy to have a diversified customer mix, new focus areas for our products, continued focus on cost effective manufacturing, complete customer satisfaction and plans for product diversification gives me the confidence that Team Suprajit will continue to perform well and will have an equally strong performance during Suprajit 2.0.

As we march ahead with confidence, I seek in abundance, the blessing of the Lord Almighty and your continued support and good wishes.

With warm personal regards,

Yours sincerely,



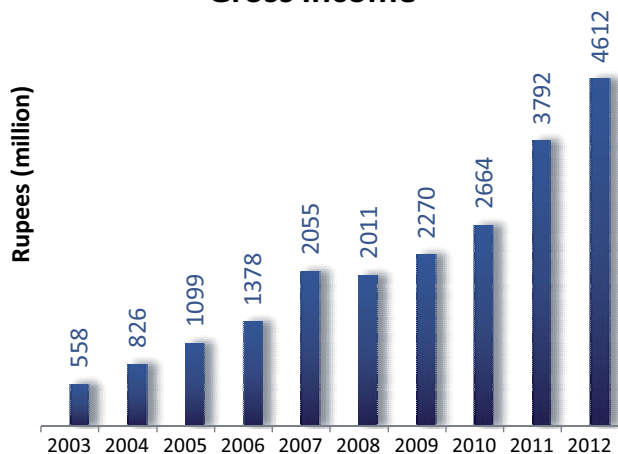
K. Ajith Kumar Rai

Chairman & Managing Director

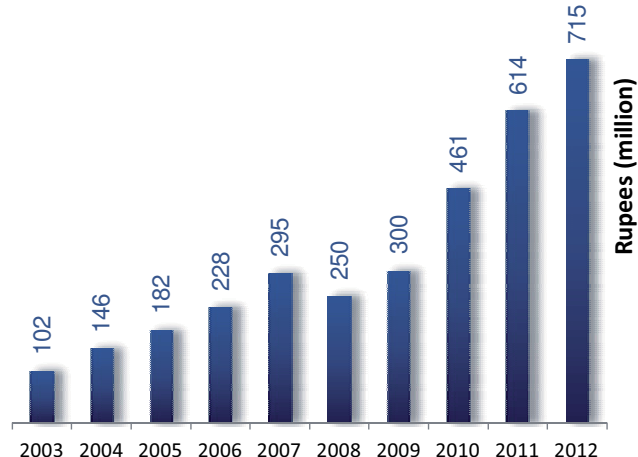


GROUP FINANCIALS

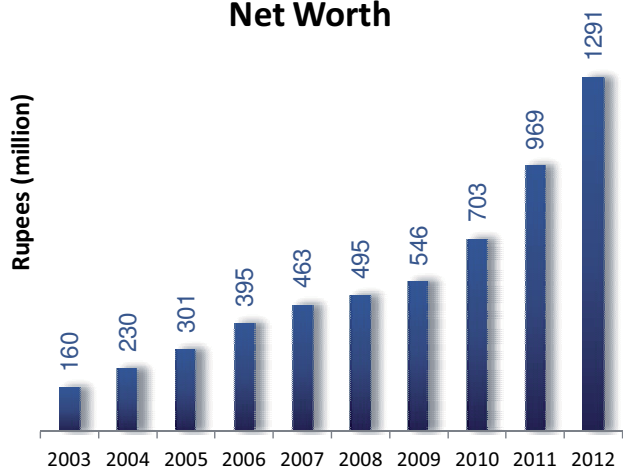
Gross Income



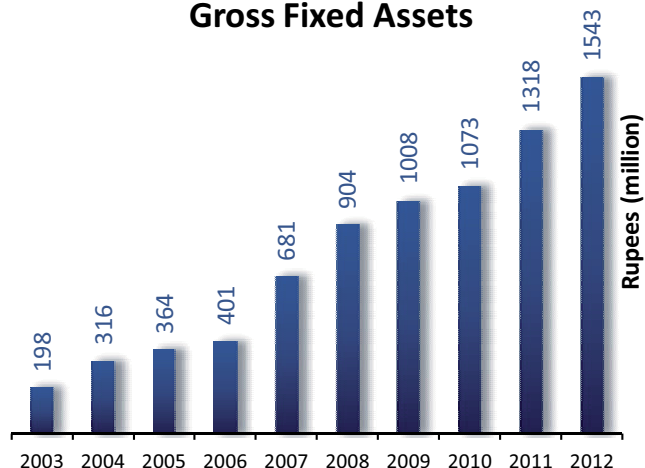
EBIDTA



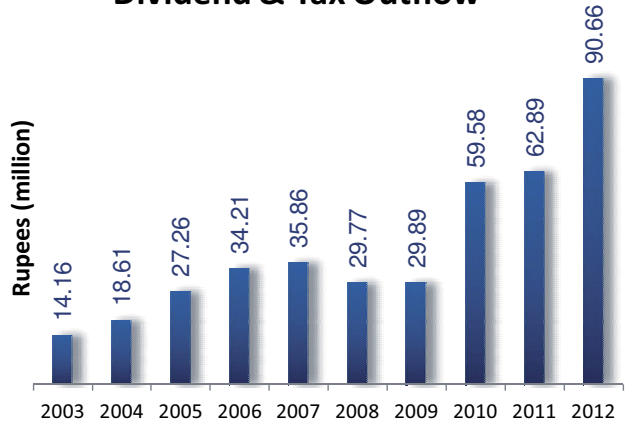
Net Worth



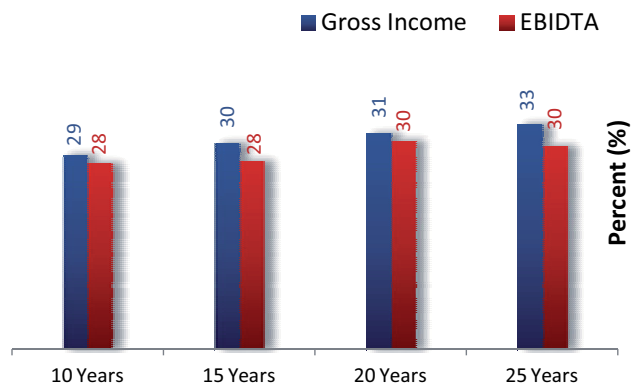
Gross Fixed Assets



Dividend & Tax Outflow

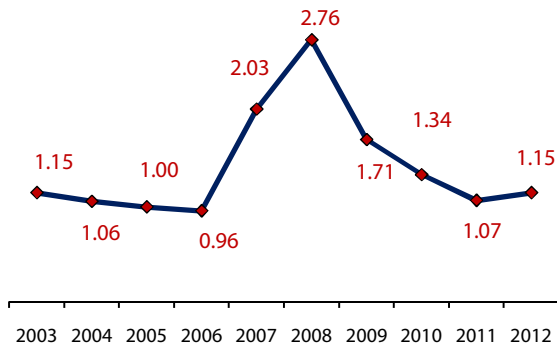


Historic CAGR

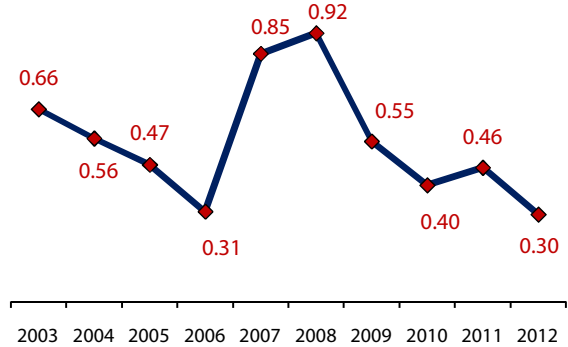


GROUP FINANCIALS

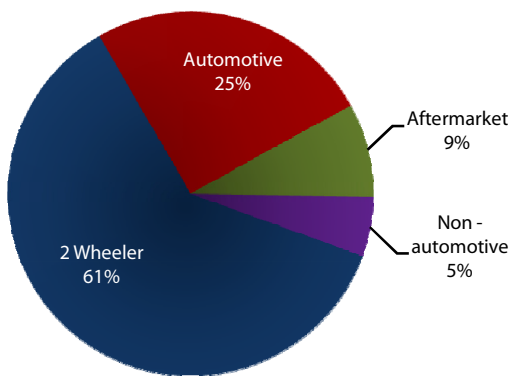
Debt EBIDTA Ratio



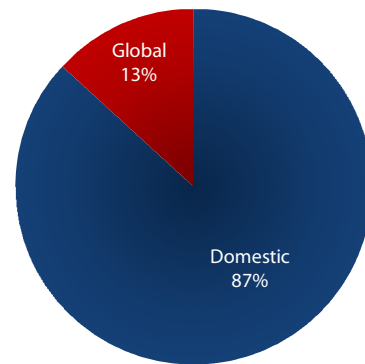
Long Term Debt Equity Ratio



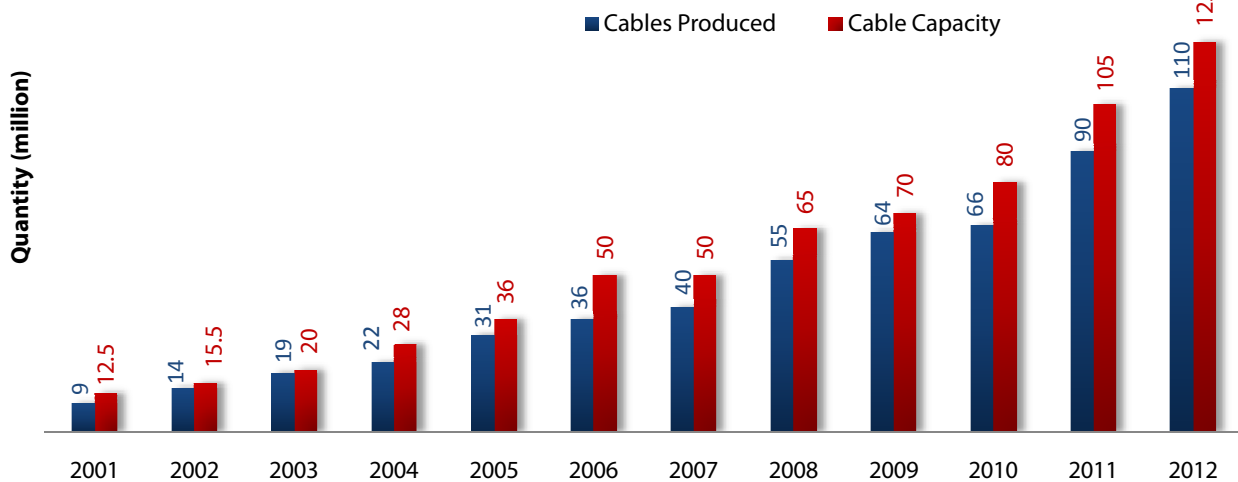
Category-wise Business



Geography-wise Business



Cable Capacity & Cables Produced



STANDALONE FINANCIAL HIGHLIGHTS AND KEY INDICATORS

₹ in Million

Description	2004	2005	2006	2007	2008	2009	2010	2011	2012
Gross Income	826.17	1098.92	1378.12	1531.74	1594.11	1854.30	2268.94	3304.46	4149.83
Equity and Reserves	230.74	301.33	395.15	485.20	490.04	576.40	734.92	978.30	1279.85
Net Worth	229.60	301.36	395.15	485.20	490.04	576.40	734.92	978.30	1279.85
Gross Fixed Assets	315.73	363.89	401.37	450.35	676.34	781.72	850.98	1083.13	1284.90
Asset Turnover Ratio	2.61	3.01	3.43	3.40	2.35	2.37	2.66	3.05	3.22
Capital Employed	360.72	464.57	517.74	846.20	836.15	867.73	959.74	1326.44	1658.72
Term Loan	129.98	149.52	122.59	361.00	346.11	291.92	224.82	348.14	372.47
Debt Equity Ratio	0.56	0.47	0.31	0.74	0.70	0.50	0.30	0.36	0.29
EBIDTA %	17.70	16.59	16.53	16.04	11.55	15.35	18.63	16.28	16.55
Debt EBIDTA Ratio	1.06	1.00	0.96	1.69	3.32	1.61	1.19	1.01	1.06
Current Ratio	1.38	1.46	1.51	1.78	1.41	1.28	1.22	1.43	1.30
Profit before tax (PBT)	119.09	148.11	187.74	182.53	101.51	180.83	320.63	426.48	549.57
Profit after tax (PAT)	84.85	97.88	128.00	124.80	48.83	116.27	218.10	304.95	392.21
Return on net worth - %	51.87	49.14	47.51	37.62	20.71	31.37	43.62	43.59	42.94
ROCE %	33.01	31.88	36.26	21.57	12.14	20.83	33.40	32.15	33.13
Book Value of shares (₹)	1.91	2.51	3.29	4.04	4.08	4.80	6.12	8.15	10.26
EPS (₹)	0.71	0.82	1.07	1.04	0.41	0.97	1.82	2.54	3.27
Dividend & Tax outflow (₹)	18.61	27.26	34.21	34.74	28.08	29.89	59.58	61.57	90.67
Pay out Ratio (%) to PAT	21.94	27.85	26.72	27.84	43.65	25.71	27.31	20.19	23.11

GROUP HIGHLIGHTS

₹ in Million

	2009-10	2010-11	2011-12
Turnover	2,657.87	3,791.72	4,612.42
EBIDTA	460.54	613.86	715.72
Profit before tax	329.39	467.58	547.88
Profit after tax	221.69	327.45	398.16

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BOARD OF DIRECTORS

K Ajith Kumar Rai

Chairman & Managing Director

Dr. C Mohan

Executive Director

Diwakar S Shetty

Director

Ian Williamson

Director

B S Patil, IAS (Retd.)

Director

Surendra Kumar N Shah

Director

M Jayarama Shetty

Director

Suresh Shetty

Director

COMPANY SECRETARY

Medappa Gowda J

STATUTORY AUDITORS

Varma & Varma

Chartered Accountants

INTERNAL AUDITORS

K S Aiyar & Company

Chartered Accountants

STOCK EXCHANGES

The Stock Exchange Mumbai (BSE)

The National Stock Exchange (NSE)

REGISTRARS AND SHARE TRANSFER AGENTS

Integrated Enterprises (India) 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

BANKERS

State Bank of India

Syndicate Bank

Citi Bank N.A.

ICICI Bank Limited

REGISTERED OFFICE

Plot No. 100, Bommasandra Indl. Area,
Bangalore - 560 099.

Phone: 080 - 43421100,

Fax: 080 - 27833279,

E-mail: info@suprajit.com

Investors@suprajit.com

MANUFACTURING FACILITIES AT:

Unit - 1

Bommasandra Indl. Area, Bangalore.

Unit - 2

Bommasandra Indl. Area, Bangalore.

Unit - 2A

Bommasandra Indl. Area, Bangalore.
(Under implementation)

Unit - 3

Doddaballapur Indl Area, Bangalore.

Unit - 4

IMT Manesar, Gurgaon Dist., Haryana.

Unit - 5

MIDC, Chakan Indl. Area, Pune.

Unit - 6

VAPI, Gujarat.

Unit - 7

Pantnagar, Uttaranchal.

Unit - 9 (100% EOU)

Bommasandra Indl. Area, Bangalore.

Unit - 10

Haridwar, Uttarakhand.

Unit - 11

Sanand, Gujarat

(Under implementation)

Unit - 12

Bommasandra Indl. Area, Bangalore.

Unit - 14 (4 Wheeler Cable Division)

MIDC, Chakan Indl. Area, Pune.

Unit - 15

Bhiwadi, Rajasthan.

(Under implementation)

MANUFACTURING FACILITIES OF SUBSIDIARIES AT:

Suprajit Automotive Private Limited (100% EOU)

Doddaballapur Indl. Area, Bangalore.

Suprajit Europe Limited

Tamworth, United Kingdom.

NOTICE

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of **Suprajit Engineering Limited** will be held at Plot No. 101, Bommasandra Industrial Area, Bangalore - 560 099 on Tuesday, the 31st July, 2012 at 12.30 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Statement 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 being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. B.S. Patil, who retires by rotation and being eligible, offers 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 thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

"RESOLVED THAT Dr. C Mohan, who was appointed by the Board of Directors of the Company as an Additional Director pursuant to Section 260 of the Companies Act, 1956 on 12th March, 2012 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."

7. To consider and, if thought 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, Dr. C Mohan as Executive Director of the Company with effect from 12th March 2012 for a period of three (3) years on the following terms and conditions:

- a) Basic Salary : ₹ 2,00,000/- (Rupees Two Lakhs only) per month.

- b) House Rent Allowance : ₹ 75,000/- (Rupees Seventy five thousand only) per month.
- c) Conveyance Allowance : ₹ 20,000/- (Rupees Twenty thousand only) per month. The car is provided by the Company to enable him to perform his functions. The expenditure towards repairs and maintenance of car will be reimbursed on actual basis. Fuel expenses will be reimbursed by the Company not exceeding to ₹ 20,000/- (Twenty thousand only) per month and driver allowance not exceeding to ₹ 15,000/- (Fifteen thousand only) per month.
- d) Special Allowance: A general allowance to cover gas, electricity, water, routine furnishing and decoration, household insurance, minor maintenance and similar expenses at residence. This general allowance will be ₹ 25,300/- (Twenty five thousand three hundred only) per month.
- e) Medical Expenses: Medical expenses incurred in respect of self, spouse and two dependent unmarried children less than 21 years of age will be reimbursed to the extent of ₹ 5000/- (Five thousand only) per month. He will be covered under Medical and Personal Accident Insurance policies taken by the Company.
- f) Leave and Leave Travel Assistance: One month's leave for every eleven months of completed service. Expenses for self and family (as defined above) of travel anywhere in India on leave will be reimbursed once a year subject to a ceiling ₹ 1,50,000/- (One Lakh fifty thousand only) per annum.
- g) Provident Fund: Contribution of 12% of the basic salary by the appointee with an equal amount of contribution by the Company.
- h) Reimbursement of Business Expenses: Reimbursement of actual conveyance / reasonable travel, entertainment expenses incurred for the purpose of the business of the Company.
- i) Performance linked Bonus: He is eligible to receive a performance linked bonus and annual revision in the salary every financial year as decided by the Remuneration Committee of Board of Directors based upon the Company's performance and personal performance measured against agreed objectives for the year as decided by the Board from time to time subject, however to the condition that the overall remuneration shall not exceed the limits specified under the Companies Act, 1956 and Schedule XIII of the Companies Act, 1956.
- j) He shall not become interested or otherwise concerned directly or indirectly in any selling agency of Company's products nor be involved in any other gainful employment directly or indirectly.

- k) The contract is terminable with three months' notice on either side.
- l) He will not be paid any sitting fees for attending meetings of the Board of Directors or Committees thereof.
- m) In the event of absence or inadequacy of profits in any financial year during the currency of tenure of the appointment, the entire applicable remuneration by way of salary and perquisites mentioned above shall be paid as minimum remuneration, subject to the provisions under Schedule XIII to the Companies Act, 1956.

RESOLVED 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 the remuneration, including the salary, perquisites, allowances, etc., with such prescribed limit or ceiling and any arrangement between the Company and Dr. C Mohan, 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 to this resolution and matters incidental thereto."

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

"RESOLVED THAT the Company hereby grants its approval and consent under Section 314 of the Companies Act, 1956, to the appointment of Mr. Akhilesh Rai, 'relative' of Mr. K Ajith Kumar Rai, who is Chairman & Managing Director of the Company as 'Head- IT' with effect from 29th May, 2012 on such remuneration as may be fixed by the Board together with the usual allowances and benefits applicable to employees occupying similar posts in the said management cadre including bonus, retiring gratuity and provident fund benefits and that the Directors be and are hereby authorised to grant from time to time to Mr. Akhilesh Rai, such increment or increments or designations as the Directors may, in their discretion think fit, and be subject to such revisions year after year depending upon the prevailing increment/revision policy of the Company subject, however overall remuneration payable shall not exceed the limits prescribed under Section 314 of the Companies Act, 1956."

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

Place : Bangalore
Date : 29th May, 2012

Medappa Gowda J
Company Secretary