



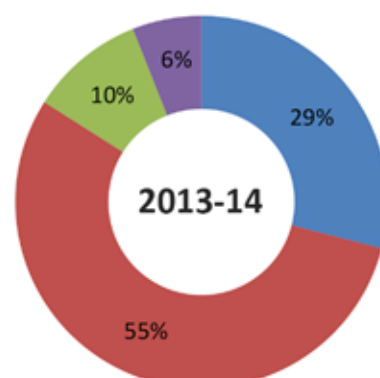
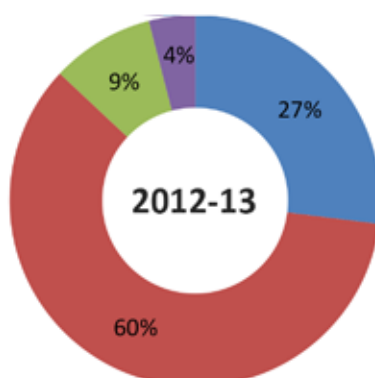
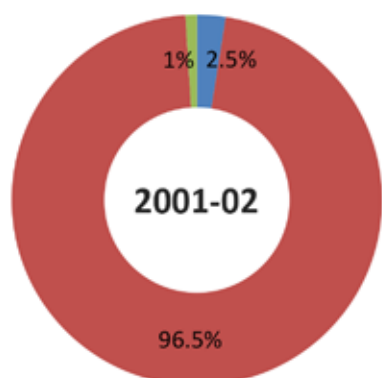
Suprajit Engineering Limited
Twenty Ninth Annual Report 2013-2014



THE TRANSFORMATION CONTINUES

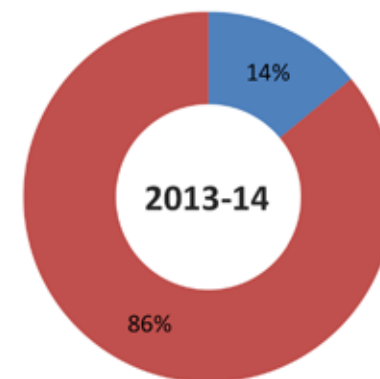
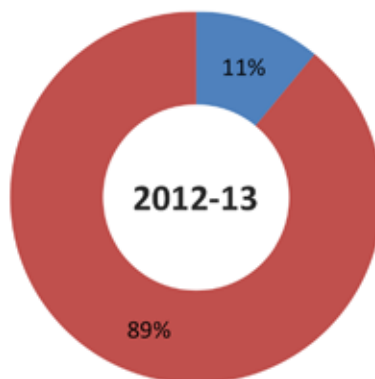
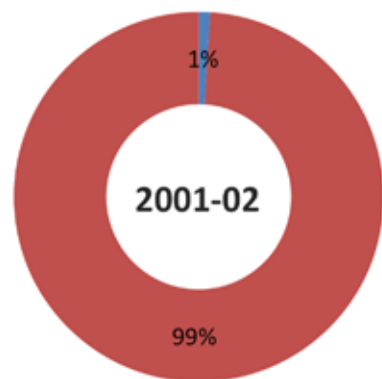
SEGMENT TRANSFORMATION

Two Wheeler Aftermarket Non-automotive Automotive



GEOGRAPHIC TRANSFORMATION

Domestic Export



STANDALONE FINANCIAL HIGHLIGHTS AND KEY INDICATORS

₹ in Million

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Gross Income	1098.92	1378.12	1531.74	1594.11	1854.30	2268.94	3304.46	4149.83	4740.90	5360.50
Profit after tax (PAT)	97.88	128.00	124.80	48.83	116.27	218.10	304.95	392.21	474.51	476.55
Equity and Reserves	301.33	395.15	485.20	490.04	576.40	734.92	978.30	1279.85	1649.37	1992.53
Asset Turnover Ratio	3.01	3.43	3.40	2.35	2.37	2.66	3.05	3.22	3.09	2.91
Debt Equity Ratio	0.47	0.31	0.74	0.70	0.50	0.30	0.36	0.29	0.26	0.24
Current Ratio	1.46	1.51	1.78	1.41	1.28	1.22	1.43	1.30	1.48	1.51
EBIDTA %	16.59	16.53	15.90	11.49	15.19	18.63	16.28	16.55	17.07	16.49
Return on net worth - %	49.14	47.51	37.62	20.71	31.37	43.62	43.59	42.94	39.45	34.73
ROCE %	31.88	36.26	21.57	12.14	20.83	33.40	32.15	33.13	30.07	27.90
Book Value of shares (Rs.)	2.51	3.29	4.04	4.08	4.80	6.12	8.15	10.26	13.74	17.18
EPS (Rs.)	0.82	1.07	1.04	0.41	0.97	1.82	2.54	3.27	3.95	3.97
Pay out Ratio (%) to PAT	27.85	26.72	27.84	43.65	25.71	27.31	20.19	23.11	22.12	27.98

GROUP HIGHLIGHTS

₹ in Million

Description	2009-10	2010-11	2011-12	2012-13	2013-14
Turnover	2,658	3,792	4,612	5,159	6,007
EBIDTA	461	614	716	851	961
Profit before tax	329	468	548	668	744

MARCHING AHEAD WITH CONFIDENCE



My Dear Shareholder,

I have pleasure in sharing with you yet another year of satisfying performance by your Company, despite a challenging environment. The enclosed Directors' Report and the Annual Accounts will give you full details and highlights of your Company's performance.

The economy grew at less than 5% in the year that has passed by. Interest rates and inflation remained high. The policy paralysis at the Centre added to the woes of the industry and the automotive industry grew by 4%. Against this background, I am pleased to inform you that your Company outperformed, as always, and grew by 15% with matching profitability, a commendable performance.

Team Suprajit continues to focus on building customer confidence in the domestic OEM market, to aggressively push in the aftermarket and to make inroads in exports. This business consolidation and de-risking, along with focused cost management at all levels, helped your Company do exceedingly well when compared to the rest of the industry.

The capacity expansion to 150 million cables per year was completed during the year, our near term goal, with two new units going into full production. With increased orders and favourable \$-₹, exports clocked robust growth with enhanced margins. Aftermarket business continues to grow rapidly, with new product launches showing positive and sustainable growth. Although the domestic OEM business grew modestly, your Company was able to retain its position as the Numero Uno for mechanical cables in India.

The current year appears to have started on a positive note. Although the GDP is expected to grow only at 5% during the year, a perceptible change in sentiment seems to have occurred due to the resounding mandate for the new Government. With an absolute majority at the Centre, it is expected that the new Government will take much needed policy initiatives and project clearances. Should this happen, it is expected that during the second half of the year, GDP growth may gather momentum. It is also hoped that commodity prices will remain stable. If interest rates and inflation come down with policy measures, it will give a much-needed boost to Indian economy over the years to come. This could also translate in to a good growth in the automotive sector.

With this as the background, your Company is planning significant capacity expansion over the next two years. This will take the group's manufacturing capacity to 225 million cables from the current 150 million. Major capacity expansion will happen with plants at Chennai, Bangalore and Pathredi (Rajasthan) along with capacity balancing in most other units.

The subsidiaries have performed commendably, with significant sales growth and profitability improvements. This is expected to continue in the current year.

You are aware that Suprajit Foundation was established in 2011 to carry out the CSR activities of the Suprajit group. It has made good progress in its focus areas of Education, Healthcare and Rural development. The activities of the Foundation are elaborated elsewhere in this Annual Report.

Team Suprajit has done a commendable job in enhancing customer comfort, consolidating and managing growth, curtailing cost and protecting margins. These, along with our prudent and conservative financial management, aggressive customer focus as a 'Value for Money Supplier', are all the hallmarks of our continued success. I believe we are in the right path of pursuing a robust and profitable growth.

A diversified customer mix, new focus areas for our products, cost effective manufacturing, focused automotive and non-automotive exports and plans to grow aftermarket through multiple products along with product diversification plans, all give me the confidence that Team Suprajit will continue to perform consistently, to deliver a strong performance during the year and add value to all our stakeholders.

To this end, I seek your continued support and good wishes.

With warm personal regards,

Yours sincerely,

K. Ajith Kumar Rai
Chairman & Managing Director



Dr. Mohan Chelliah, Executive Director, Suprajit Engineering Ltd

Our forte is to offer the most competitive price to our customers through internal cost control and efficient vendor sourcing. With professionals managing the business based on an 'Engage-Energize-Communicate' philosophy, Suprajit continues to harness every opportunity to grow its core cable business. Through new segments, new domestic and overseas customers, as well as expanding the aftermarket businesses with new product lines, Suprajit delivers value to all stakeholders and further de-risks its business. Suprajit's leadership comes from its competitive manufacturing through modular processes and benchmarked products.



N.S. Mohan, President, Suprajit Engineering Ltd

Our endeavor is to spread our wings far and wide in India and throughout the world to cover automotive and non-automotive cable segments while continuing our leadership in two-wheeler markets in India. We deliver value to our global customers by offering the best of both worlds with competitive export oriented plants and strong R & D in India, ably assisted by our Tech Centre in the UK. Suprajit is probably the only cable company out of India with patents filed both in India and US, emphasizing our strong R & D. With a strong financial position and professional management, Suprajit is poised to move to the next level in its global plans.



Peter Greensmith, Managing Director, Suprajit Europe Ltd

With our strong Tech Center in the UK, Suprajit provides a credible business model by understanding US and European customers' engineering requirements and offers a seamless integration with Suprajit's competitive cost advantages out of India, meeting the global industry's Quality, Cost, Delivery and Development expectations. With our expertise in logistics, EDI, design, development, project management and business development, we provide customers much needed comfort and a reliable global supply chain partnership.



Narayan Shankar, Executive VP, Suprajit Engineering Ltd

Our ability to offer the best service based on Quality, Cost, Delivery, Development, quick response and excellent customer service, makes Suprajit a customer centric company. Competitive and controlled manufacturing systems standardized across multiple units, offers significant cost advantages with flexible resources and facilities. The ability to ramp up production to meet our customers' ever changing demands through a dedicated, confident, focused and homegrown team, makes Suprajit a preferred supply chain partner.



Medappa Gowda, VP Finance & Company Secretary

Strong internal control systems, real time unit-wise accounting and a robust MIS make Suprajit one of the best managed companies in the industry. We are a stakeholder friendly company with a transparent, ethical and professional approach. Our prudent cash management, conservative accounting and efficient capital allocation, gives us an added edge in delivering value to our stakeholders on a consistent basis, year on year. Our key financial ratios like ROCE, asset turnover and gearing ratios, are best in class.



Shankar, Associate VP of Human Resources

A stable top and mission critical middle management team, in place for a long period of time, gives a solid foundation on which Suprajit can grow. A compensation system comparable to any in the industry, a focused management, and a 'home away from home' work atmosphere brings the best out of every employee. Having good HR policies in place coupled with fair compensation policies has resulted in high employee retention.



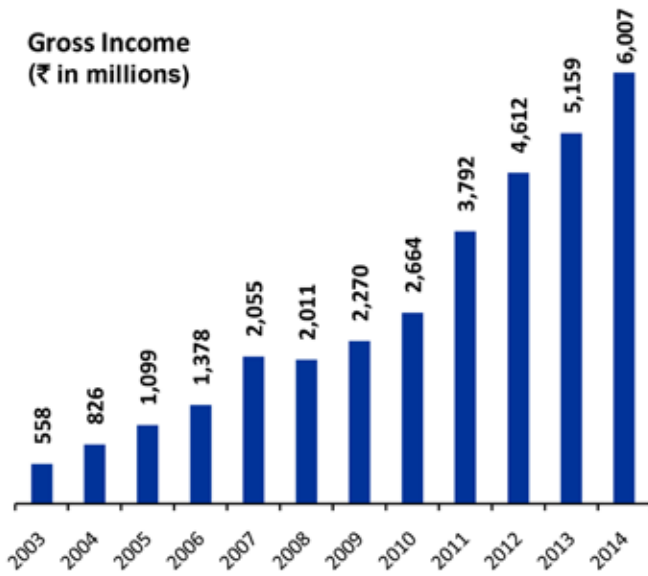
Akhilesh Rai, Head of Information Technology

Suprajit's rapid growth is backboned by its streamlined IT systems. These systems manage and drive productivity, establish efficiency, standardize business processes, put information at management's fingertips and ensure excellent control across the organisation. To ensure the best value to our customers, our IT infrastructure continues to evolve keeping us at the forefront of technologies for R&D, virtualization, disaster recovery, EDI and supply chain planning.

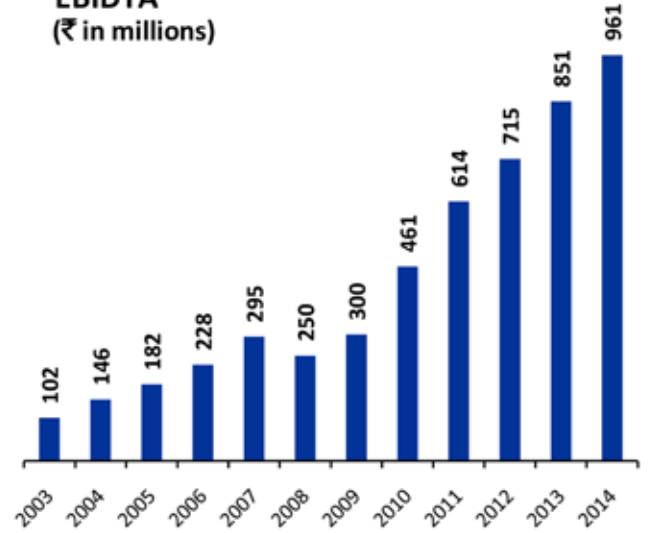


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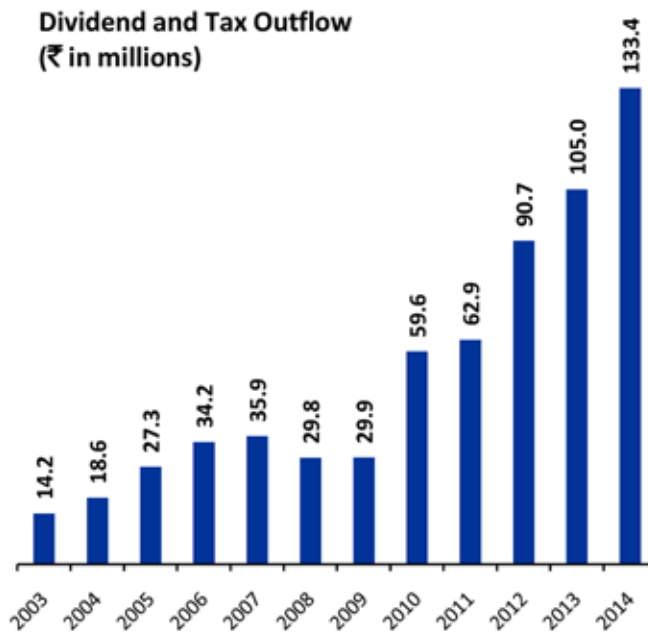
Gross Income
(₹ in millions)



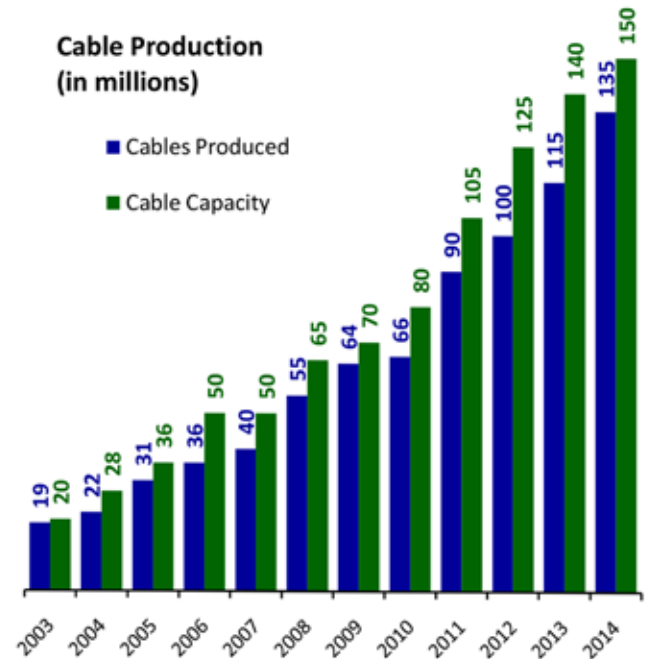
EBIDTA
(₹ in millions)



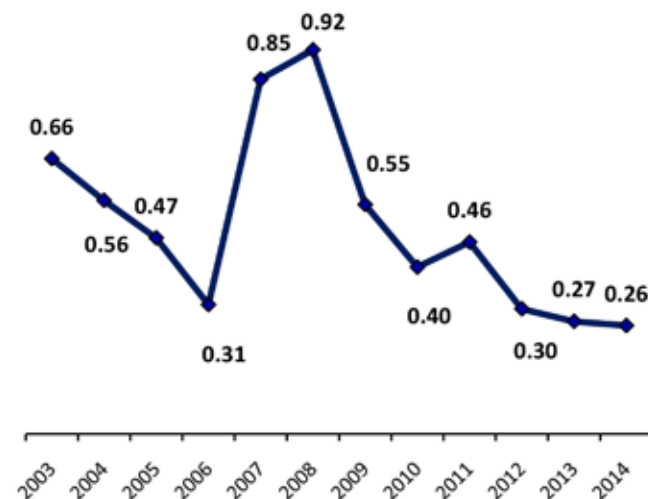
Dividend and Tax Outflow
(₹ in millions)



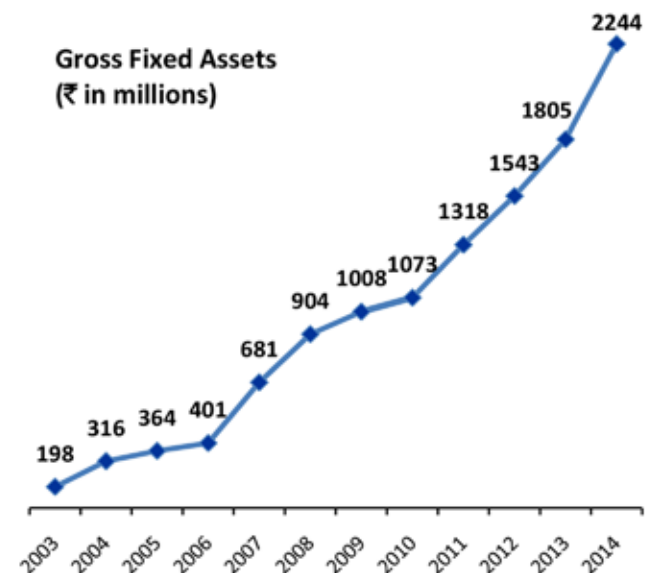
Cable Production
(in millions)



Long Term Debt Equity Ratio



Gross Fixed Assets
(₹ in millions)



contents

Notice _____	6
Directors' Report _____	11
Independent Auditors' Report _____	25
Balance Sheet _____	28
Profit and Loss Statement _____	29
Cash Flow Statement _____	30
Notes forming part of Accounts _____	32
Statement pursuant to Section 212 of the Companies Act, 1956 _____	53
Statement on Financials of Subsidiary Companies _____	54
Independent Auditors' Report on Consolidated Financial Statements _____	56
Consolidated Balance Sheet _____	57
Consolidated Profit and Loss Statement _____	58
Consolidated Cash Flow Statement _____	59
Consolidated Notes forming part of Accounts _____	61

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 (up to 30th May, 2014)

Dr. Supriya A Rai
Director (from 30th May, 2014)

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)

REGISTRAR AND SHARE TRANSFER AGENT
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 : irg@integratedindia.in

BANKERS
State Bank of India
Syndicate Bank
Citi Bank N.A.
HSBC
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 Industrial Area, Bangalore

Unit - 2A
Bommasandra Industrial Area, Bangalore

Unit - 3
Doddaballapur Indl. Area, Bangalore

Unit - 4
IMT Manesar, Gurgaon District, Haryana

Unit - 5
MIIDC, Chakan Industrial Area, Pune

Unit - 6
VAPI, Gujarat

Unit – 7
Pantnagar, Uttarakhand

Unit - 9 (100% EOU)
Bommasandra Industrial Area, Bangalore

Unit - 10
Haridwar, Uttarakhand

Unit - 11
Sanand, Gujarat (Acquired Land)

Unit - 12
Bommasandra Indl Area, Bangalore

Unit - 12A
Bommasandra Indl Area, Bangalore

Unit - 14 (4 Wheeler Cable Division)
MIIDC, Chakan Industrial Area, Pune

Unit - 15
Bhiwadi, Rajasthan

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 Ninth Annual General Meeting of **Suprajit Engineering Limited** will be held at Plot No. 101, Bommasandra Industrial Area, Bangalore - 560 099 on Thursday, the 31st July, 2014 at 12.00 noon to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 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 Dr. C Mohan, Executive Director (DIN 05229359) who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company and authorize the Board to fix their remuneration.
5. To ratify the remuneration fixed by the Board of Directors to Messrs G N V and Associates, Cost Auditors appointed for the year 2014-15.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to Sections 196, 197 and 198 read with Schedule V and other applicable provisions of the Companies Act, 2013, subject to the approval of the Central Government, if any, Mr. K Ajith Kumar Rai (DIN 01160327) be and is hereby re-appointed as Chairman & Managing Director of the Company for a period of five years w.e.f 1st April, 2014 on the following terms and conditions:

- a) Basic salary ₹ 10, 00,000/-per month in the grade of ₹ 10, 00,000 -1, 00,000 ₹ - 14, 00,000/-.
- b) House Rent Allowance of ₹ 50,000/- per month.
- c) Commission: Commission of 4% of the net profits of the Company in any year computed in accordance with the Companies Act, 2013, subject however to the condition that the overall remuneration shall not exceed 4% of the net profits of the Company in any financial year.
- d) Use of 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 Chairman & Managing Director.
- e) Reimbursement of actual conveyance expenses incurred by the Chairman & Managing Director for the purpose of the business of the Company.

- f) Use of chauffeur driven motorcar, all expenses 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 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., is as per the rules and as applicable to the employees of the Company from time to time.
- i) Chairman and Managing Director will not be entitled to sitting fees for attending the meetings of the Board of Directors and of any Committees thereof.
- j) The contract is terminable with three months' notice on either side.
- k) He shall not become interested or otherwise concerned directly or indirectly in any selling agency of Company's products without complying with the provisions of the Companies Act, 2013.
- l) Chairman and Managing Director shall not be liable to retire by rotation.

m) MINIMUM REMUNERATION

- n) In the event of absence or inadequacy of profits in any Financial Year during the currency of tenure of his 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 V of the Companies Act, 2013.

FURTHER RESOLVED THAT the Board of Directors be and is hereby authorized to vary the terms and conditions of appointment of Mr. K Ajith Kumar Rai as Chairman and Managing Director from time to time subject to the limits prescribed under Schedule V of the Companies Act, 2013.

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. M Jayarama Shetty (DIN 00303743), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019."

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

"RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the

Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Mr. Diwakar S Shetty (DIN 00432755), Director of the Company who retires by rotation at the Annual General Meeting, be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to March 31, 2019."

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

Place : **Bangalore**
Date : **30th May, 2014**

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 as per Section 102 of the Companies Act, 2013 is attached hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 21st July, 2014 to 31st July, 2014 (both days inclusive).
4. An Interim Dividend of ₹ 0.45 (45%) per Equity Share as recommended at the Board Meeting held on 31st January, 2014 was paid to those members, whose names appeared on the Company's Register of Members/ beneficial owners as per the records of the depositories as on 12th February, 2014. (Record Date).
5. Final Dividend of ₹ 0.50 (50%) per Equity Share 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/ beneficial owners as per the records of depositories as on 31st July, 2014.
6. All correspondences relating to Change of Address, Transfer and Demat of Shares may be addressed to Integrated Enterprises (India) Limited, No.30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003, Phone : 080-23460815 to 818, Fax: 080-23460819, E-mail: irg@integratedindia.in.
7. 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.
8. Members holding shares in physical form are requested to consider converting their holding to dematerialized to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or Integrated Enterprises (India) Limited for assistance in this regard.
9. Members holding shares in physical form in identical orders of names in more than one folio are requested to send to the company, or Integrated Enterprises (India) Limited, the details of such folio together with the shares certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
10. In case of joint holders attending the meeting, the Member whose name appears first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. Members seeking any information with regard to the Annual Accounts, are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
12. Pursuant to SEBI notification no. MED/ DOP/ Circular/05/2009 dated May 20, 2009, it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company/ RTA to enable/effect transfer of Shares in physical form.
13. The Equity Shares of the Company are available for trading in dematerialized form (electronic form) through depository participants. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). ISIN Code No. INE399CO1030. All Shareholders holding Shares in physical form are requested to make use of this facility. Members are requested to open Demat account with any of the depository participants to enable transacting in the Stock Exchanges.
14. Members are requested to bring copy of the Annual Report along with them to the Annual General Meeting.
15. Un-claimed dividend up to the year 2006-2007 have been transferred to the General Revenue Account of the Central Government. In terms of Section 205A read with Section 205C of the Companies Act, 1956, the dividend declared for the year ended 31st March, 2007 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.
16. As regards re-appointment of Dr. C Mohan referred to, in item No. 3 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Dr. C Mohan, aged 61 years was appointed as an Executive Director on 12th March, 2012 for a period of three years and the appointment was approved by the shareholders at their twenty seventh Annual General Meeting held on 31st July, 2012.

Dr. C Mohan is an Engineer from PSG College of Technology, MBA in Finance from Annamalai University and Ph. D from Aligarh Muslim University. Prior to joining Suprajit, he was Chief Operating Officer at Kalyani Forge. During his career, Dr. C Mohan has worked in many companies, including BPL, LML, Wellwin, Fiem Industries etc.

His other Directorships:

Name of the Company	Nature of Interest
Nil	Nil

17. **For the convenience of the Members, the Company will provide a coach service from Bangalore on the day of the Annual General Meeting; Members are requested to report at 10.30 A.M near Bangalore Stock Exchange, No. 51, 1st cross, J.C. Road, Bangalore - 560 002.**

Contact persons:

1. Mr. K S Ranganath - Cellphone No. 9945108318
2. Mr. S L Satish - Cellphone No. 9342135877

18. The notice of the Annual General Meeting along with the Annual Report 2013-14 is being forwarded in electronic mode to those Members whose e-mail address are registered with the Company/Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail address, physical copies are being sent by the permitted mode.
19. To support the 'Green Initiative', the Members who have not registered their e-mail address are requested to register the same with Integrated Enterprises (India) Limited /Depositories.

20. Voting through electronic means :

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility to the members to cast their votes electronically on all resolutions set forth in the Notice convening the 29th Annual General Meeting to be held on Thursday, the 31st July, 2014 at 12.00 noon.

The Company has engaged the services of Central Depository Services (India) Limited (CDSL) to provide the e-voting facility.

The instructions for E-voting are as under:

(A) In case of members receiving e-mail:

- (i) If you are holding shares in Demat form and had logged on to www.evotingindia.com and casted your vote earlier for EVSN of any Company, then your existing login id and password are to be used. If you are a first time user follow steps given below.
- (ii) Log on to the e-voting website www.evotingindia.com

- (iii) Click on "Shareholders" tab to cast your votes.
- (iv) Now select the Electronic Voting Sequence Number – "EVS" along with "Suprajit Engineering Limited" from the drop down menu and click on "SUBMIT".
- (v) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	For Members holding shares in Physical Form
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the company
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders)	
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.	
Dividend Bank Details#	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio	

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the default number : (SUPRAJIT12) in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the Depository please enter the < No. of Shares held by you as on 30th June 2014> in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then reach directly the EVSN selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.