

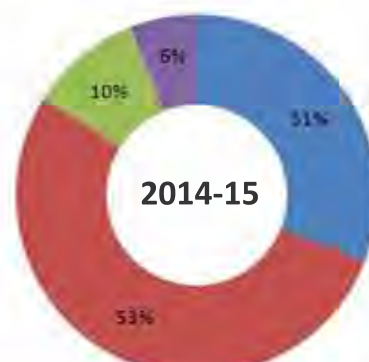
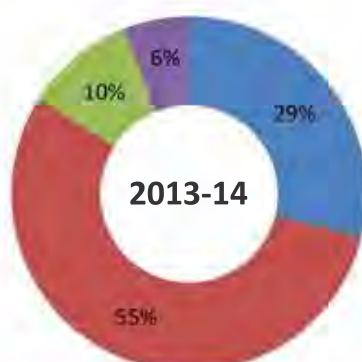


Suprajit Engineering Limited
Thirtieth Annual Report 2014-2015

THE TRANSFORMATION CONTINUES

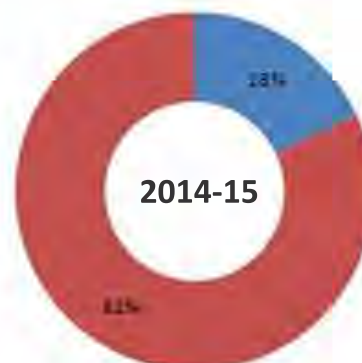
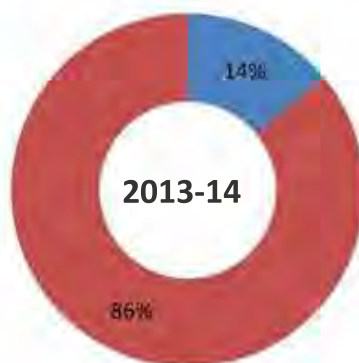
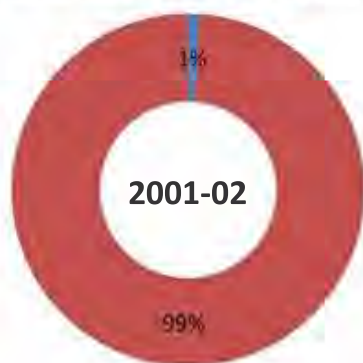
SEGMENT TRANSFORMATION

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	2015
Gross Income	1098.92	1378.12	1531.74	1594.11	1854.30	2268.94	3304.46	4149.83	4740.90	5360.50	5806.35
Profit after tax (PAT)	97.88	128.00	124.80	48.83	116.27	218.10	304.95	392.21	474.51	476.55	446.18
Equity and Reserves	301.33	395.15	485.20	490.04	576.40	734.92	978.30	1279.85	1649.37	1992.53	2300.9
Asset Turnover Ratio	3.01	3.43	3.40	2.35	2.37	2.66	3.05	3.22	3.09	2.91	2.82
Debt Equity Ratio	0.47	0.31	0.74	0.70	0.50	0.30	0.36	0.29	0.26	0.24	0.37
Current Ratio	1.46	1.51	1.78	1.41	1.28	1.22	1.43	1.30	1.48	1.51	1.65
EBIDTA %	16.59	16.53	15.90	11.49	15.19	18.63	16.28	16.55	17.07	16.49	15.06
Return on net worth - %	49.14	47.51	37.62	20.71	31.37	43.62	43.59	42.94	39.45	34.73	28.88
ROCE %	31.88	36.26	21.57	12.14	20.83	33.40	32.15	33.13	30.07	27.90	20.90
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	19.17
EPS (Rs.)	0.82	1.07	1.04	0.41	0.97	1.82	2.54	3.27	3.95	3.97	3.72
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	30.26

GROUP HIGHLIGHTS

₹ in Million

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
Turnover	2,658	3,792	4,612	5,159	6,007	6,718
EBIDTA	461	614	716	851	961	1,001
Profit before tax	329	468	548	668	744	747

MARCHING AHEAD WITH CONFIDENCE



My Dear Shareholder,

I have pleasure in sharing with you yet another year of satisfying performance by your Company, despite the continued challenging environment. The enclosed Report of your Board of Directors and the financial statements give succinctly, the highlights of your Company's performance.

The year started with euphoria of "Acche Din" with the new Government at the Centre winning an absolute majority, a scenario not witnessed in decades. The hopes and aspirations were high that the new Government would usher in stability in governance and transformational new policies, which can rapidly boost the Indian economy. During the year, inflation was reined in, interest rates started coming down and a few policy measures were taken. Commodity prices started easing, particularly oil prices coming down significantly. A stage appeared to have been set for a sustained growth in Indian economy from a longer-term perspective.

However, the year just ended had muted growth. The Indian automotive industry grew at 8%. Most auto component companies continue to face headwinds with cost-push inflation, currency crosswinds and an overall competitive landscape. Your Company was not an exception to this. While on a consolidated basis, the sales grew, as expected, ahead of industry growth, margins came under marginal pressure during the year.

The current year's outlook at this moment appears to be challenging. The rural economy is sluggish, impacting the automotive industry's growth. Tight monetary conditions and stock rationalization at various levels of industry seem to be having a negative effect on aftermarket sales. Non-automotive business is facing headwinds in view of certain customers having temporary setbacks. Automotive exports appear to be stable, while significant depreciation of the Euro had its toll on our exports. The domestic automotive sector is expected to grow in a low single digit, this year.

In view of all these, I foresee that the first half of the year will be challenging. With interest rates coming down, commodity prices moderating, good monsoon and low inflation, I hope that the second half of the year will start seeing the much-awaited sustainable growth for the coming years.

Your Company's plan to increase the Group's annual cable capacity from 150 million to 225 million is progressing as per plan and should be in place by March 2016, with new plants in Gujarat and Tamilnadu. With this, your Company will have a presence in 7 states with 15 plants in India.

Subsidiaries have performed commendably with significant growth in sales and profitability. I expect this to consolidate in the current year.

In line with the vision of Suprajit 2.0, I am happy to inform you that during the year gone by, your Company acquired the cable division from Pricol Limited on a slump sale basis, and integrated its operations into the Company's cable division. Further, I am delighted to inform you that during the current year, your Company has signed Share Purchase Agreement and acquired majority stake in Phoenix Lamps Limited. Phoenix is the leader in the Indian Automotive industry for halogen headlamps with significant market share in every segment. It has two European subsidiaries - Trifa and Luxlite, through which it has a good market share of Europe and many other countries in South America, Africa and the Middle East. This is an exciting new range of products to de-risk Suprajit's growth model, so far dependent on one product, cables. I believe that the acquisition of Phoenix brings multiple synergies, and offers Suprajit group a strong presence in the Indian auto component industry.

Perhaps all of you are aware that Suprajit had initiated CSR activities much before the laws made it mandatory. Suprajit Foundation continues to carry out CSR activities of the group. Activities of Suprajit Foundation are elaborated elsewhere in this report.

Team Suprajit continues to focus on customers as a 'value for money supplier' and enjoys strong customer confidence in the OEM market. Your Company will continue to focus on growing the OEM business, make inroads in the aftermarket businesses, increase the presence in the nonautomotive sector and enhance business in the automotive export markets. With focused de-risking of business in every vertical, and the recent acquisition of Phoenix, I am confident that Team Suprajit will continue to deliver a good and robust performance, going forward.

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

With warm personal regards,

Yours sincerely,

K. Ajith Kumar Rai
Chairman & Managing Director



TOP MANAGEMENT SPEAKS



Dr. Mohan Chelliah
Executive Director
Suprajit Engineering Ltd

Profitable Growth has always been Suprajit's mantra. The company believes in the principle: Consistent value-creating revenue growth through best practices in Strategy, Marketing, Operations and Organization.

The revenue growth has been ensured every year aided by the foundational mantra of Suprajit: 'Grow the core business of cables and position Suprajit in the top-league of global cable manufacturers'. Having achieved critical mass through its sizable revenue and capacity few years back, the management turned its attention towards entering new product lines and acquisition.

A good acquisition has been just completed for halogen bulbs which will derisk single product status of Suprajit.

Technology and Organizational Redesign will find their relevant place inside Suprajit. We should integrate Structure, Processes and People in order to not lose track of the strategic impetus that is in place now.

I am confident that Suprajit Management Team will rise to this immediate need.



N.S. Mohan
President
Suprajit Engineering Ltd

A focussed approach with a strategic intent and an eye for detail in execution is key to success. At Suprajit all these three aspects have been demonstrated time and again.

While the supervisory board and the executive management teams take a lead on the first two, the executive management and the operating team strives to excel in the later two.

Formation of Suprajit tech centre, making in-roads into American market, emphasis on low cost automation, expanding our managerial talent in terms of depth and breadth have been some of the new initiatives at Suprajit.

While these help us in maintaining the leadership role in the Automotive cable market, recent acquisition of Phoenix Lamps Ltd has provided a great opportunity to diversify beyond cables.

We, Team Suprajit, believe in delivering great value to all our stake holders to grow our business successfully.



Peter Greensmith
Managing Director
Suprajit Europe Ltd

Our supply model of manufacturing in India and warehousing in the UK Tech Centre (SEU) is working effectively due to the positive integration of the two remote teams.

Both ends of the business grew significantly in the last year mainly due to new contracts with BMW and Nissan. We strengthened the customer facing teams located in UK and in mainland Europe to support increased activity levels both in terms of engineering and plant quality functions. The good performance at Nissan has resulted in the first spin off contracts with Renault. Having recently achieved a higher R&D certification at VW the door is open to deliver similar performance within VW group in the coming year. BMW, one of our key customers, continues to provide new business opportunities.

The operational essence of Team Suprajit is quick and timely response to customers. We have mastered this art and improved on the same, year after year, and it has become our proverbial personality.

Our operations over the years has become highly simplified, flexible and nimble. We are capable of taking any challenge in the manufacturing technology of cables for volumes, cost, quality and delivery.

The year that has gone by saw a large thrust on automation and TPM efforts with success. The current year will see the creation of Bench marked units and horizontal deployment of Best Practices.

Team Suprajit shall strive to Create Best Value for all stake holders.



Narayan Shankar
Executive VP
Suprajit Engineering Ltd

Our healthy Balance sheet and strong cash flows support the organic and inorganic growth plans of the Company. With our strong internal control systems and robust MIS we are agile and able to manage any changing trends.

We are a stakeholder friendly Company with a transparent, ethical and professional approach and this approach has certainly increased the confidence level with investors, customers, vendors, Banks and associates year on year. Prudent cash management, conservative accounting and efficient capital allocation, will certainly deliver value to our stakeholders. Maintaining key financial ratios like ROCE, asset turnover and gearing ratios, constantly, though challenging, demonstrates our commitment to stake holders.

We at Suprajit, maintain the highest level of Corporate Governance.



Medappa Gowda
VP Finance
& Company Secretary

HR practices of the Company continued to be customer centric and met all the critical demands of the customer and the company.

The year witnessed aggressive up-gradation of knowledge and skill to meet the ever increasing aspirations of the auto industry. Various employees were trained in customer driven TPM clusters and our TPM practices have been commended by the customer.

Another customer demanded we upgrade a unit's Manufacturing process and Quality systems to meet the challenge of an advanced vehicle launch. The challenge was successfully met with Team effort and continuous up-gradation of talent. The new unit was commissioned within the shortest time by Team Suprajit.

People practices in Suprajit continue to be conducive to the business demands of the company and Team Suprajit is well aware of the challenges to be met in days to come.



Shankar
Associate VP
Human Resources

Suprajit continues to be on the forefront of IT in the industry while keeping costs at a minimum. Applications are deployed from our head office to all locations, ensuring standardized business processes, quick transparent information access and productivity across all plants.

European customers now send 3 years of schedules every week and receive electronic invoices including bar codes, a direct integration that is a pioneering functionality (EDI) for an Oracle ERP instance in India. Through MRP, all units ensure accurate planning and efficient inventory.

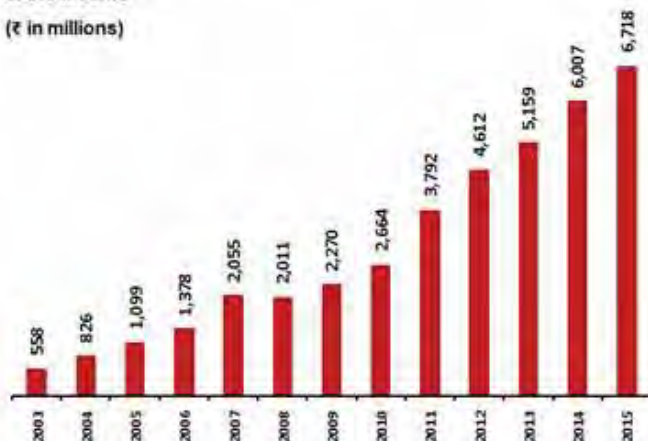
This year we will be moving non-critical open-source applications to a secure private cloud and implementing state of the art applications aimed at user productivity and knowledge sharing.



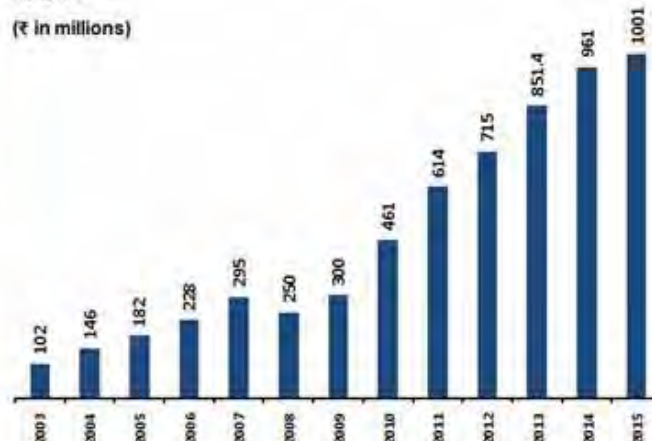
Akhilesh Rai
Head IT

KEY FINANCIAL INDICATORS - GROUP

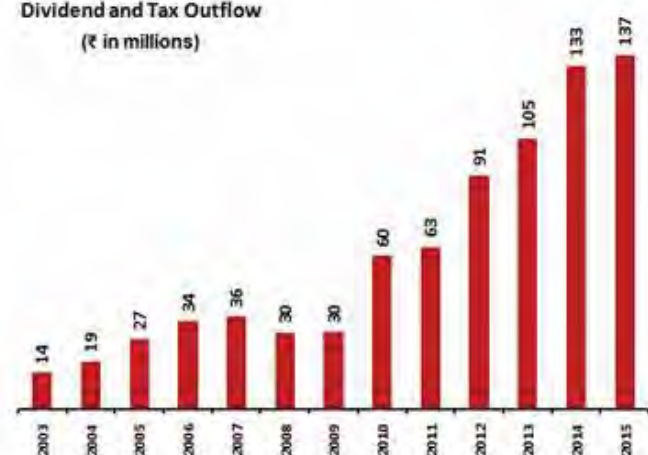
Gross Income
(₹ in millions)



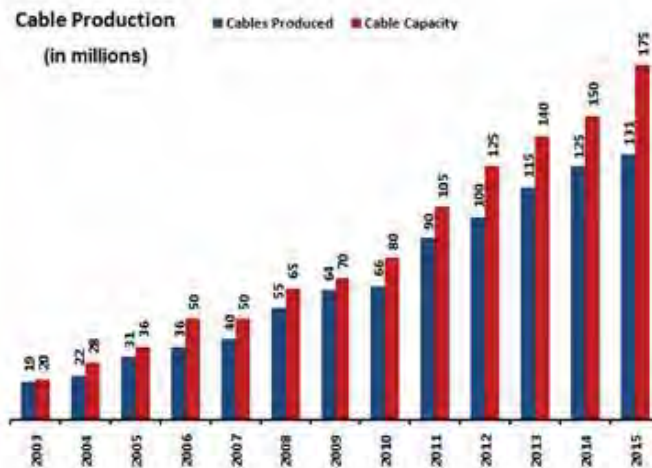
EBIDTA
(₹ in millions)



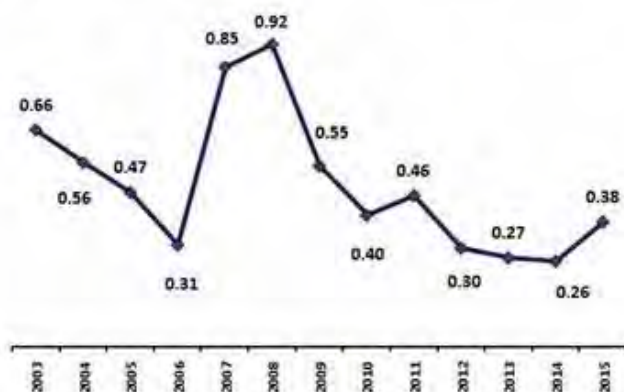
Dividend and Tax Outflow
(₹ in millions)



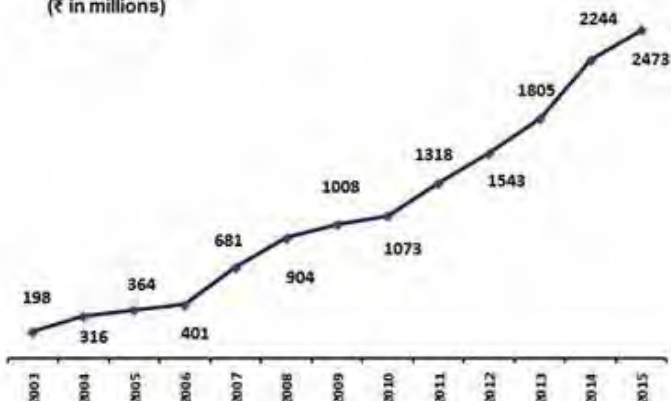
Cable Production
(in millions)



Long Term Debt Equity Ratio



Gross Fixed Assets
(₹ in millions)



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BOARD OF DIRECTORS

K Ajith Kumar Rai

Chairman & Managing Director - CEO

Dr. C Mohan

Executive Director

Diwakar S Shetty

Director

Ian Williamson

Director

B S Patil, IAS (Retd.)

Director

Suresh Shetty

Director

M Jayarama Shetty

Director

Dr. Supriya A Rai

Director

COMPANY SECRETARY & CFO

Medappa Gowda J

STATUTORY AUDITORS

Varma & Varma

Chartered Accountants

INTERNAL AUDITORS

K S Aiyar & Company

Chartered Accountants

SECRETARIAL AUDITOR

Parameshwar G Bhat

Company Secretary

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

Citi Bank N.A.

HSBC

Syndicate Bank

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

PLANTS AT :

Bommasandra and Doddaballapur, Bangalore (Karnataka)

Chakan (Maharashtra)

Vapi and Sanand (Gujarat)

Manesar (Haryana)

Pathredi, Bhiwadi (Rajasthan)

Haridwar and Pantnagar (Uttarakhand)

Vallam - Vadagal, Chennai (Tamilnadu) Under Implementation

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 Thirtieth Annual General Meeting of Suprajit Engineering Limited will be held at Plot No. 101, Bommasandra Industrial Area, Bangalore-560 099 at 11.00 a.m. on Saturday, the 19th September, 2015 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company including Audited Balance Sheet as at 31st March, 2015 and the Statement of Profit and Loss of the Company for the year ended as on that date together with the Auditors' Report thereon and Report of Board of Directors including Secretarial Audit Report.
2. To appoint Dr. Supriya A. Rai, Non Executive Director (DIN. 01756994) who retires by rotation and being eligible, offers herself for re-appointment.
3. To confirm the payment of Interim Dividend and to declare Final Dividend.
4. To consider and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and The Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Messrs. Varma & Varma, Chartered Accountants, having ICAI Firm Registration No. 0045325, who have offered themselves for re-appointment and have confirmed their eligibility to be appointed as Auditors, in terms of provisions of Section 141 of the Act, and Rule 4 of the Rules, be and are hereby re-appointed as Statutory Auditors of the Company for the Company's financial years 2015-16 to 2016-17 and to hold office from the conclusion of this Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbursement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company".

SPECIAL BUSINESS:

5. To consider and to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof) the appointment of Messrs. G N V and Associates, Cost Accountants, Bangalore, as Cost Auditors of the Company for conducting the cost audit of the accounts for the financial year ending 31st March, 2016 on a remuneration of ` 85,000/- (Rupees Eighty Five Thousand only) plus applicable service tax and reimbursement of out of pocket, at actuals, be and is hereby ratified".

6. To consider and to pass 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. B S Patil (DIN: 00061959), be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to February 2, 2020".

7. To consider and to pass 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. Ian Williamson (DIN: 01805348), be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to February 2, 2020".

8. To consider and to pass 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. Suresh Shetty (DIN: 00316830), be and is hereby appointed as an Independent Director of the Company to hold office for five consecutive years for a term up to February 2, 2020".

9. To consider and to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 & 198 and other applicable provisions, if any, of the Companies Act, 2013 and provisions of The Articles of Association, the Company hereby approves the payment of commission to the Directors of the Company, Commission to be divided in such proportion as the Directors may think fit at a rate not exceeding 1% of the net profits of the Company (or such other limits as may be prescribed by the concerned authorities of the Government of India) to be computed in the manner laid down in Section 198 of the Companies Act, 2013 commencing from the financial year 1st April, 2014.

RESOLVED FURTHER THAT approval of the members be and is hereby accorded to the Board to make such variations in payment of Commission to Directors without any further reference to the Company in General Meeting subject however to the overall commission not exceeding 1% of the net profits of the Company from time to time".

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

Place : **Bangalore**
Date : **11th August, 2015**

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 which sets out details relating to Special Business at the meeting is attached hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from 12th September, 2015 to 19th September, 2015 (both days inclusive).
4. An Interim Dividend of ` 0.45 (45%) as recommended at the Board Meeting held on 3rd February, 2015 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 13th February, 2015. (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 19th September, 2015.
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. Pursuant to Sections 124 & 125 of the Companies Act, 2013 (Corresponding to Sections 205A, 205B & 205C of the Companies Act, 1956), the total dividend amount which remain unpaid/unclaimed for a period of seven years, is required to be transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. After such transfer, no claim of the members whatsoever shall subsist on the said amount. The last date for claiming unclaimed dividend for the dividend declared for financial year 2007- 08 expires on 12th September, 2015. Therefore, shareholders are requested to claim dividend before the expiry of said period.

Further, the particulars of unpaid/unclaimed dividend etc. are being uploaded on the Company's website, www.suprajit.com in compliance of the Investor Education and Protection Fund (Uploading of Information Regarding Unpaid And Unclaimed Amounts Lying With Companies) Rules, 2012.
16. As regards re-appointment of Dr. Supriya A Rai, referred to, in item No.2 of the notice, the necessary disclosures are made for the information of the Shareholders:
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 2014-15 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.