

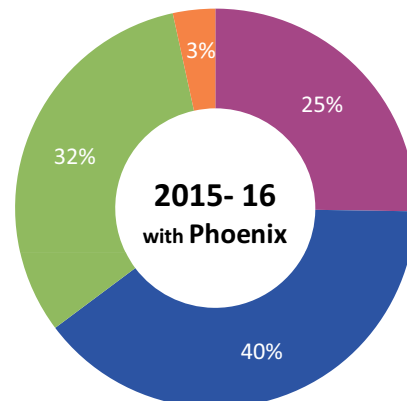
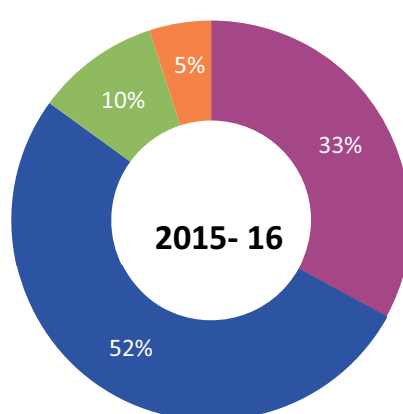
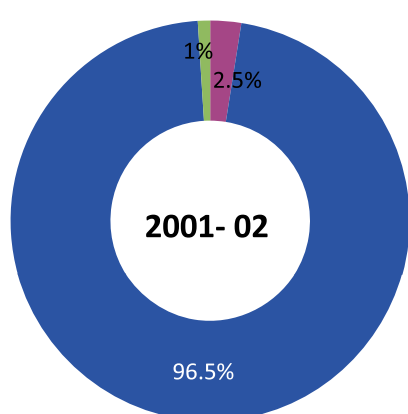


Suprajit Engineering Limited
Thirty First Annual Report 2015-2016

THE TRANSFORMATION CONTINUES

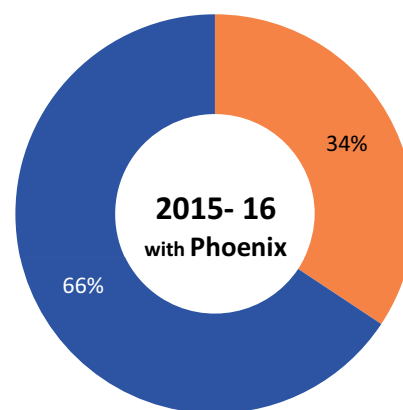
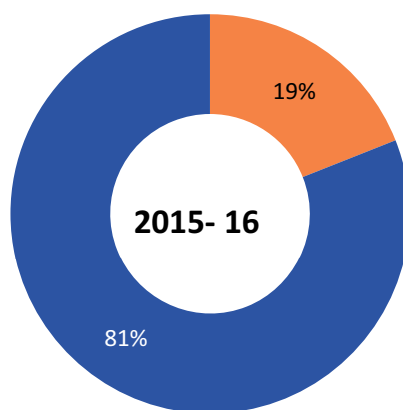
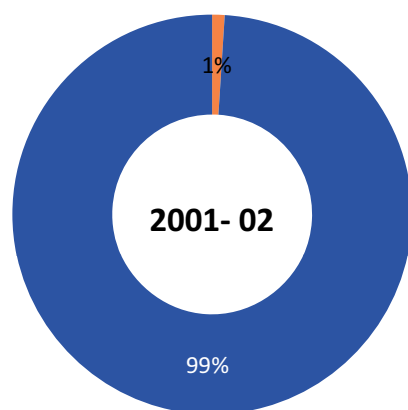
SEGMENT INFORMATION

■ Two Wheeler ■ Aftermarket ■ Non-Automotive ■ Automotive



GEOGRAPHIC TRANSFORMATION

■ Domestic ■ Global



FINANCIAL HIGHLIGHTS AND KEY INDICATORS - CONSOLIDATED

₹ in Million

Description	2008	2009	2010	2011	2012	2013	2014	2015	2016
Gross Income	2,010.55	2,269.90	2,663.40	3,792.40	4,612.50	5,107.50	6,006.09	6,718.10	10,504.30
Profit after tax (PAT)	79.85	89.97	221.69	333.01	398.15	471.24	508.09	502.94	803.20
Equity and Reserves	495.39	545.80	702.50	969.10	1,291.80	1,667.30	2,047.00	2,408.08	3,409.60
ROE%	16.12	16.48	31.56	34.36	30.82	28.26	24.82	20.89	23.56
Asset Turnover Ratio (Net assets)	3.26	3.25	3.81	4.37	4.58	4.29	3.94	4.00	4.69
Debt Equity Ratio (Term debt)	0.82	0.46	0.39	0.44	0.30	0.27	0.27	0.38	0.25
Current Ratio	1.42	1.24	1.30	1.59	1.50	1.57	1.60	1.85	1.81
EBIDTA %	12.43	13.22	17.28	16.18	15.51	15.69	16.01	14.90	16.17
ROCE %	15.93	22.02	29.79	39.89	38.07	33.60	33.65	27.32	33.77
Book Value of shares (₹)	4.12	4.54	5.85	8.07	10.76	13.89	17.05	20.06	25.96
EPS (₹)	0.66	0.74	1.84	2.77	3.31	3.92	4.23	4.19	6.11
Pay out Ratio (%) to PAT	43.65	33.14	26.85	18.46	22.75	22.26	26.57	26.84	*19.50

* Subject to shareholders' approval

MARCHING AHEAD WITH CONFIDENCE



My Dear Shareholder,

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

India's GDP grew at about 7%, whereas the automotive industry grew only by 3.5%, largely due to lackluster performance of the two wheeler industry. However, your Company, as always in the past, has outperformed the Industry growth and as you would note in the enclosed financial statement, with improved margins. Commodity prices and interest rates remained stable at lower levels and currency fluctuations have been generally modest.

Our Wholly Owned Subsidiaries have performed impressively last year. The consolidated performance of Suprajit Automotive Pvt Ltd and Suprajit Europe Limited showed good growth in business and improved margins, outperforming their past records. The outlook for these subsidiaries is good due to an increased business from some of the existing marquee customers. This is a clear indication that the global customers have started to depend more on our ability to deliver value for money for their requirements.

Phoenix Lamps Limited, our recently acquired subsidiary, has turned out to be a good fit for your Company. With stabilization of operations, restructuring of its subsidiaries and close focus on all regulatory and tax issues, the worst appears to be behind for this subsidiary. A Capex plan has been put in place, which will improve the quality of products and process capabilities. I am confident that Phoenix will perform satisfactorily in the years ahead.

Your Company used a significant amount of the cash it had in the balance sheet and borrowed the balance to complete the acquisition of Phoenix Lamps Limited. To pursue the growth opportunities, your Company raised ₹ 14,997.37 lacs through a Qualified Institutional Placement. The issue received good response by marquee investors.

You are aware that the Boards of both the Companies, i.e. Phoenix and Suprajit, have announced the merger of Phoenix with Suprajit. I believe that this is a clear win win for all minority shareholders. A single entity will have economies of scale, reduced costs of management, better customer service, strong footprint across the world, cost competitiveness, reduced regulatory hurdles and many other multiple advantages. This will add to our strength to march ahead with confidence. I seek your blessings for this merger.

Global uncertainty continues with tepid global growth. Added to this, recent issues of threat perceptions, European and Chinese economic concerns and Brexit will add to the problems of the global economy. The delay in rolling out GST and other reform measures will continue to add to the woes of business in the medium term, on the domestic front.

The capacity expansion plan to increase the annual cable capacity from 150 mn to 225 mn will be completed by September 2016. With commercial production at the new plants at Charal Industrial Estate, Sanand, Gujarat and Vallam Vadagal area, Chennai the current year appears to have begun well. With the expectation of a good monsoon and continued lower commodity and interest rates, the outlook for the current year appears to be satisfactory.

We continue to focus on OEM business and have made significant inroads into the aftermarket business domestically, along with increased OEM and aftermarket businesses in the export market using our enhanced global footprint. This gives me the confidence that Suprajit, as a group, will excel in our business and outperform with our focused derisking of business in every vertical. With Phoenix's additional product line, I am confident that Team Suprajit will continue to deliver a good and robust performance going forward. 'Customer Focus' and 'Value For Money Supplier' our motto, drives our Team to continue to perform well in our business.

Suprajit Foundation continues to carry out CSR activities of the group. The activities of Suprajit Foundation are elaborated elsewhere in this report.

The vision of Suprajit 2.0 is to pursue organic growth aggressively, and to explore focused inorganic growth opportunities, with the desire to grow profitability and to perform better than our peers. Team Suprajit continues to work in this direction relentlessly.

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.

"Every week is important, every day is important, every moment is important. Ultimately, effective execution happens daily and weekly!" - Brian P. Moran

SUPRAJIT's High-Impact Leadership ensures that effective execution of all the plans happen every moment. This is its success factor and a way of life.

TEAM SUPRAJIT continues its journey of high performance with a time-tested Customer-Centricity. The Company has not lost a single customer in its three decades of existence, which clearly indicates the enormous trust the Company enjoys with all its customers. SUPRAJIT, as a native habit, ensures Best-in-class technology and service to all its customers, be they are of domestic or global, small or big and automotive or non-automotive.

Lately, the Company has implemented People Capability Maturity Model (PCMM) which focuses on continuously improving the management and development of the human assets of the organization.

I am sure, an annual production capacity of 225 million cables, one of the largest in the world and a host of world-class initiatives like Perpetual Bench-marking, Process Optimization and Total Employee Engagement along with recent acquisitions, SUPRAJIT is poised for a major leap forward.



N.S. Mohan
President
Suprajit Engineering Ltd.

Ability to grow both organically and inorganically and keep the capital deployed in a financially efficient manner is business all about. We, at Suprajit, have demonstrated this, again.

While we continue to grow profitably in the cable business, our acquisition of Phoenix Lamps Ltd and successfully integrating the Company from a cultural perspective to imbibe the focus on delivering quality products at affordable prices to our customers and continuously improve on cost efficiencies has been crucial in our strategy of growing inorganically. With the dedication of "Team Suprajit", we have been able to bring-in freshness into Phoenix Lamps and are in the process of making Phoenix, a force to reckon with on a global platform.

The strategic initiatives launched about two years back like Automation, Generation Next, Tech Centre, Penetrating the US market, continues to be in the spotlight. The concept of "Team Suprajit" being a group of qualified professionals across the globe working towards business excellence is taking shape. This would make us a truly global Company in the years to come.



Peter Greensmith
Managing Director
Suprajit Europe Ltd.

Our supply model of manufacturing in India (Suprajit Automotive Private Limited) and warehousing in the UK Tech Centre (Suprajit Europe Limited) continues to work 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 new contracts with Renault.

Based on achieving a higher R & D certification at VW and completion of several pilot contracts, SEU has been nominated for several major contracts across the VW Group.

Team Suprajit is proud to be largest manufacturer of automotive cables in the country.

Suprajit Operations Team successfully met the timeline of commissioning two new units in Sanand and Chennai. Operations Team once again demonstrated the art of establishing benchmarked manufacturing units with lean & young teams. We focus on developing simplified, flexible and highly operator friendly processes to achieve zero defect & high productivity.

Automation and TPM initiatives have started giving good results of higher productivity & awareness on cost control. Focus for the year is to continue good efforts made in following best practices and achieve Customer delight by being nimble in delivering value to them.



Narayana Shankar K
Executive VP
Suprajit Engineering Ltd.

We are a stakeholder friendly Company with a transparent, ethical and professional approach. Our high levels of Corporate Governance 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 our stakeholders.

Our recent acquisition of Phoenix, its restructuring and integration with Suprajit with improved financial performance, gives us the confidence that we can do more in times to come. Our strong balance sheet, IT and MIS systems gives us an added confidence to perform well in our future journey.



Medappa Gowda J
VP Finance
& Company Secretary
Suprajit Engineering Ltd.

The HR Team is well aligned with the demands of the customers, employees and the Company. Practicing positive people values continues to be the cornerstone of success of Team Suprajit. We are one of the few companies with highest retention of talent at critical levels for a long period. This is the result of the "People values" practiced for several years with success. This year saw the commissioning of two more units. In both the units HR has recruited and trained the manpower as per the requirement of the operations and the customers to meet all the HR needs with good success. This year also saw the best HR practices of Suprajit, implemented in Phoenix Lamps. The employees of Phoenix Lamps have welcomed these initiatives.

Team HR is well geared to meet any challenge in the domain of people management in the days to come.



Shankar S.
VP Human
Resources
Suprajit Engineering Ltd.

This year was highlighted by the acquisition of controlling share in Phoenix Lamps Limited, running SAP ERP. We quickly setup Suprajit's best practices in procurement, monitoring of key performance metrics and streamlined the financial closing procedures. We now focus on improved performance and reliability of Phoenix's systems.

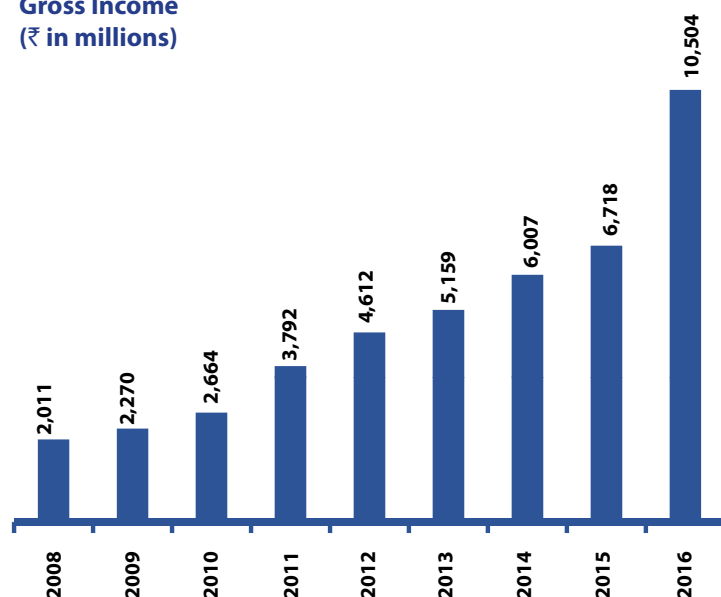
This year the IT team focus will be on upgrading many current systems to handle expected future growth. This includes systems for quicker financial consolidation across multiple legal entities and geographies.



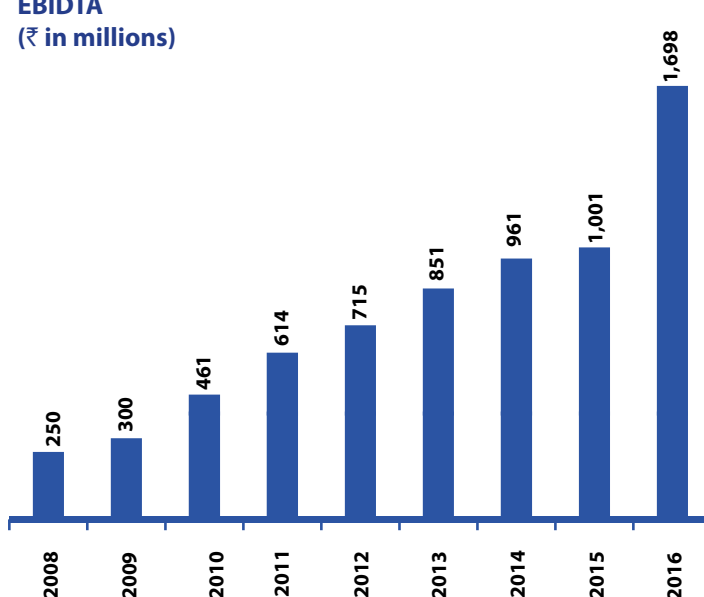
Akhilesh Rai
Head IT
Suprajit Engineering Ltd.

KEY FINANCIAL INDICATORS - GROUP

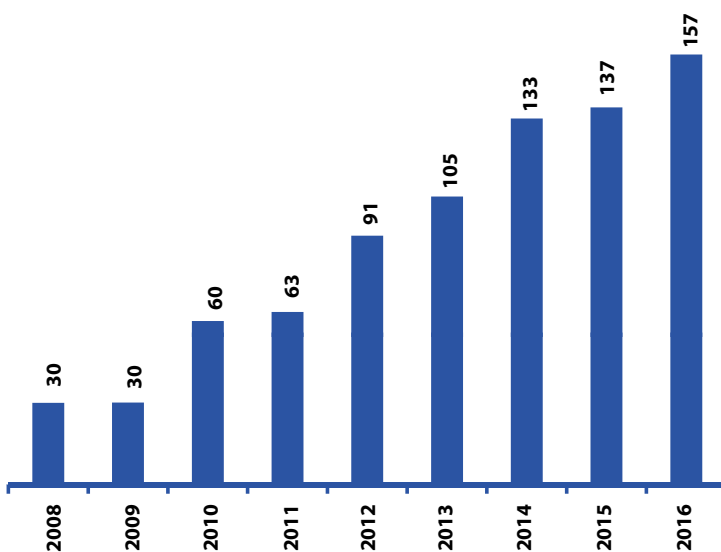
Gross Income
(₹ in millions)



EBIDTA
(₹ in millions)

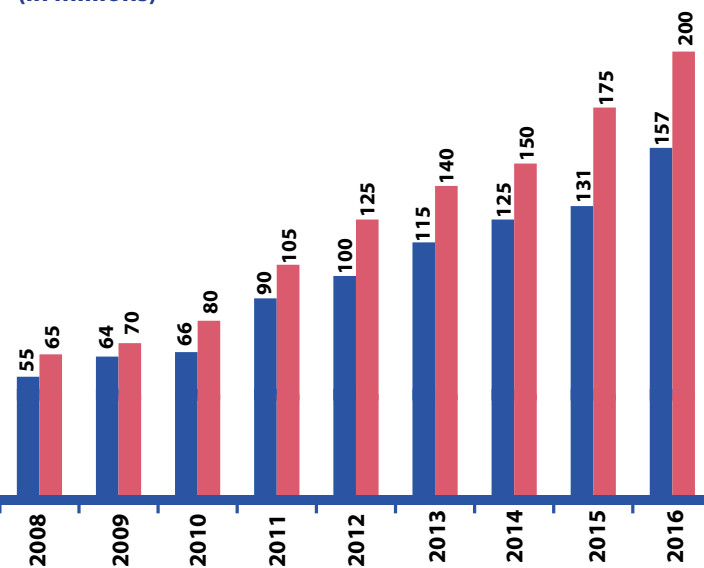


Dividend and Tax Outflow
(₹ in millions)

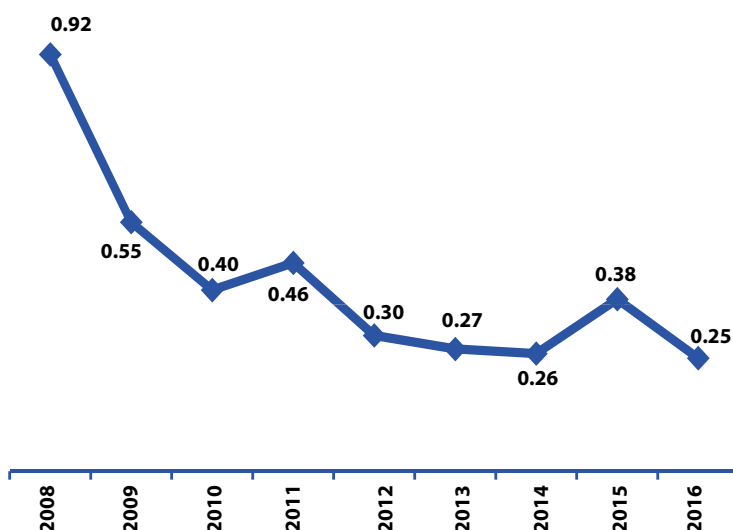


Cable Production
(in millions)

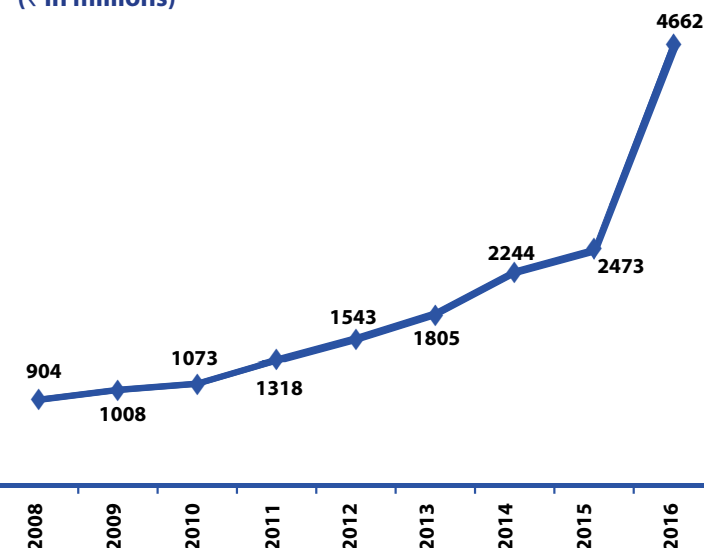
■ Cable Produced ■ Cable Capacity



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

Messrs Varma & Varma

Chartered Accountants

INTERNAL AUDITORS

Messrs K S Aiyar & Company

Chartered Accountants

SECRETARIAL AUDITOR

Parameshwar G Bhat

Company Secretary

STOCK EXCHANGES

BSE Ltd (BSE)

National Stock Exchange (NSE)

REGISTERED OFFICE

Plot No. 100, Bommasandra Indl. Area,

Bengaluru – 560 099.

Phone : +91-80-43421100,

Fax : +91-80-27833279,

E-mail : info@suprajit.com, investors@suprajit.com

15 PLANTS AT :

Bommasandra and Doddaballapur, Bengaluru (Karnataka)

Chakan (Maharashtra)

Vapi and Sanand (Gujarat)

Manesar (Haryana)

Pathredi, Bhiwadi (Rajasthan)

Haridwar and Pantnagar (Uttarakhand)

Vallam - Vadagal, Chennai (Tamilnadu)

US-Branch Office (Atlanta)

SUBSIDIARIES AT:

Suprajit Automotive Private Limited (100% EOU)

Doddaballapur Indl. Area, Bengaluru.

Suprajit Europe Limited

Tamworth, United Kingdom.

Phoenix Lamps Limited

Noida.

REGISTRAR AND SHARE TRANSFER AGENT

Integrated Enterprises (India) Limited,

No. 30, Ramana Residency,

Malleswaram, Bengaluru - 560 003.

Phone: +91-80-23460815-18,

Fax: +91-80-23460819,

E-mail : irg@integratedindia.in

BANKERS

State Bank of India

Citi Bank N.A.

HSBC Limited

Syndicate Bank

ICICI Bank Limited

COST AUDITORS

Messrs G N V Associates

Cost Accountants

SUPRAJIT ENGINEERING LIMITED

CIN: L29199KA1985PLC006934

Registered & Corporate Office: No. 100, Bommasandra Industrial Area, Bengaluru-560 099

Telephone: +91-80-4342 1100, Fax: +91-80- 2783 3279.

Website: www.suprajit.com, Email: info@suprajit.com

NOTICE OF THE THIRTY FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty First Annual General Meeting of Suprajit Engineering Limited will be held at Plot No. 101, Bommasandra Industrial Area, Bengaluru-560 099 at 1.00 p.m. on Saturday, the 24th September, 2016 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, 2016, the Statement of Profit and Loss and Cash Flow of the Company for the year ended as on that date together with the Auditors' Report thereon and Report of the Board of Directors including Secretarial Audit Report.
2. To appoint Dr. C Mohan, Executive Director (DIN. 05229359) who retires by rotation and being eligible, offers himself for reappointment.
3. To confirm the payment of Interim Dividend and to declare Final Dividend.
4. To ratify appointment of Messrs Varma & Varma, Chartered Accountants, (Firm Registration No. 004532S) as Statutory Auditors of the Company and authorise Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

5. To ratify the remuneration payable to Messrs G N V and Associates, Cost Accountants, Cost Auditors of the Company for the financial year 2016-17.

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT, pursuant to the provisions of Section 148(3) 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 remuneration payable to Messrs G N V and Associates, Cost Accountants, Cost Auditors, appointed by the Board of Directors based on the recommendation of the Audit Committee of the Company to conduct audit of the cost records for the financial year, 2016-17 on a remuneration of ₹ 85,000/- (Rupees Eighty Five Thousand only) plus applicable taxes and reimbursement of out-of-pocket, at actuals, be and is hereby ratified.

RESOLVED FURTHER THAT, the Board of Directors and/or Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds and things as may be deemed necessary to give effect to the above resolution."

By Order of the Board

For **Suprajit Engineering Limited**

Place : Bengaluru

Date : 8th August, 2016

Medappa Gowda J

Company Secretary

Membership No.: 4111

NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.

2. **A member entitled to attend and vote is entitled to appoint a proxy to attend and vote on poll on his / her behalf and the proxy need not be a member of the Company.**

Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member.

The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/ authority, as applicable.

3. The Register of Members and the Share Transfer books of the Company will remain closed from 21st September, 2016 to 24th September, 2016 (both days inclusive).
4. An Interim Dividend of ₹ 0.50 (50%) as recommended at the Board Meeting held on 9th February, 2016 was paid to those members, whose names appeared on the Company's Register of Members/ Beneficial Owners Position as per the records of the depositories as on 19th February, 2016. (Record Date).
5. Final Dividend of ₹ 0.55 (55%) 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 Position as per the records of depositories as on 20th September, 2016.
6. Shareholders who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and/or change in address or updation thereof to the Company's Registrar and Share Transfer Agent, Integrated Enterprises (India) Limited, situated at No.30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bengaluru - 560 003, Phone : +91-80-23460815 to 818, Fax: +91-80-23460819, E-mail: irg@integratedindia.in. Shareholders, whose shareholding are in electronic format are requested to direct change of address notification(s), registration of email address and updation of bank account detail to their respective depository participants.
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 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.

9. In case of joint holders attending the meeting, the Member whose name appears as first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
10. 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.
11. The notice of the Annual General Meeting will be sent to those Members/Beneficial Owners, whose name will appear in the register of members/list of beneficiaries received from the depositories as on 19th August, 2016.
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 and 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 2008-09 expires on August 19, 2016. 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. Details of the Director proposed to be appointed/re-appointed:

The details of Director proposed to be appointed/re-appointed at the ensuing Annual General Meeting are