



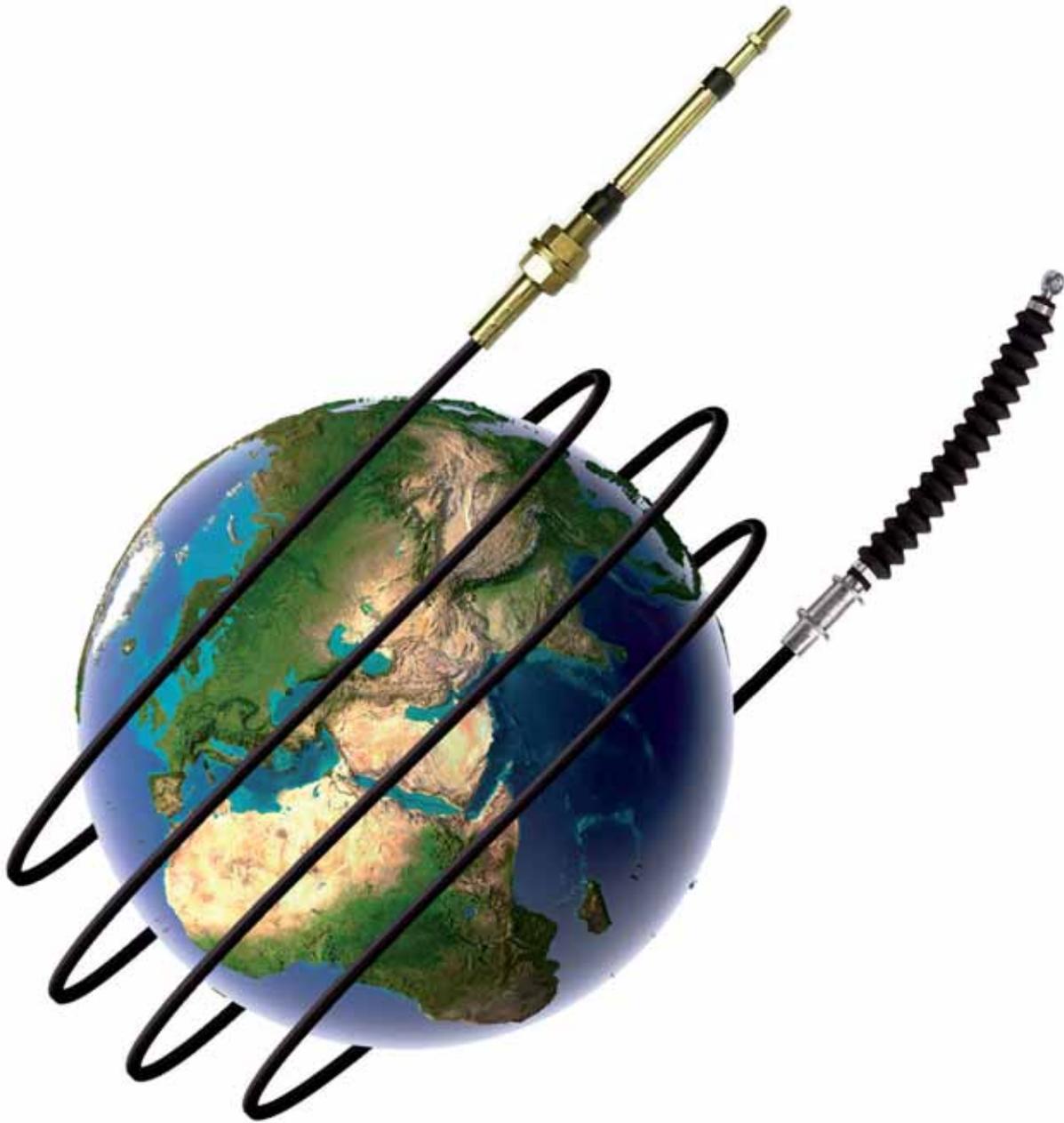
TWENTY SEVENTH ANNUAL REPORT 2011 - 2012



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
- Enviable 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.

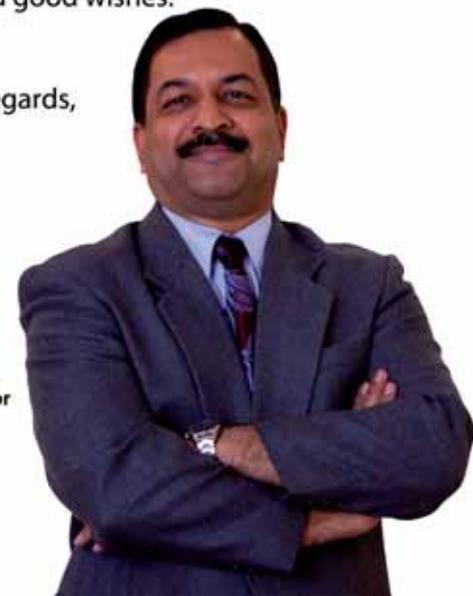
With warm personal regards,

Yours sincerely,



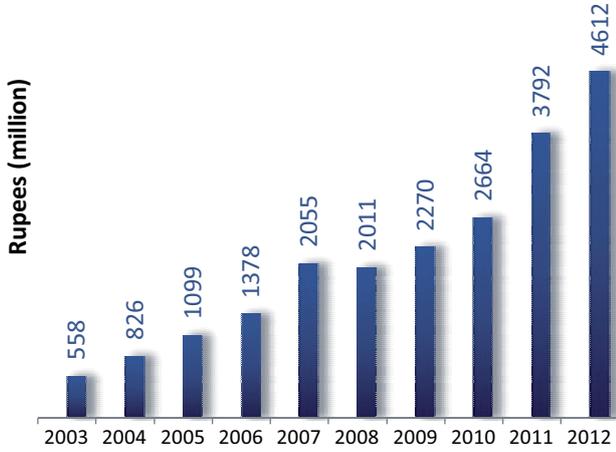
K. Ajith Kumar Rai

Chairman & Managing Director

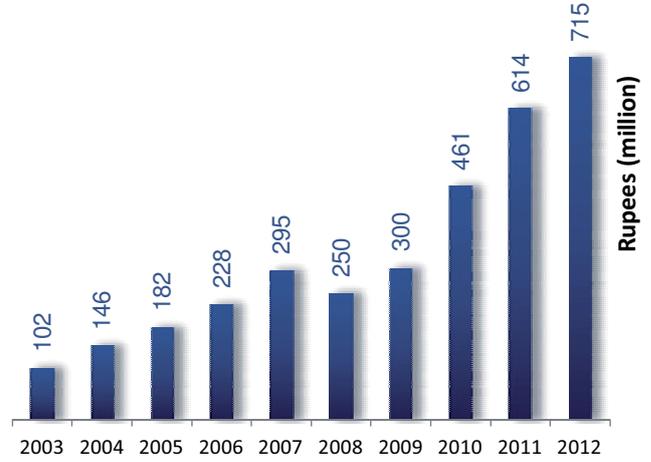


GROUP FINANCIALS

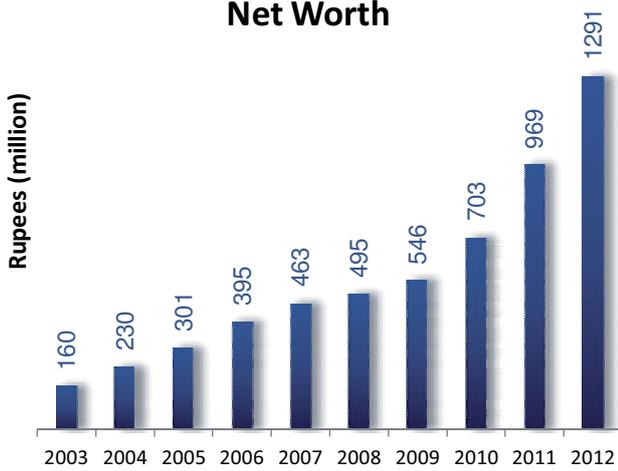
Gross Income



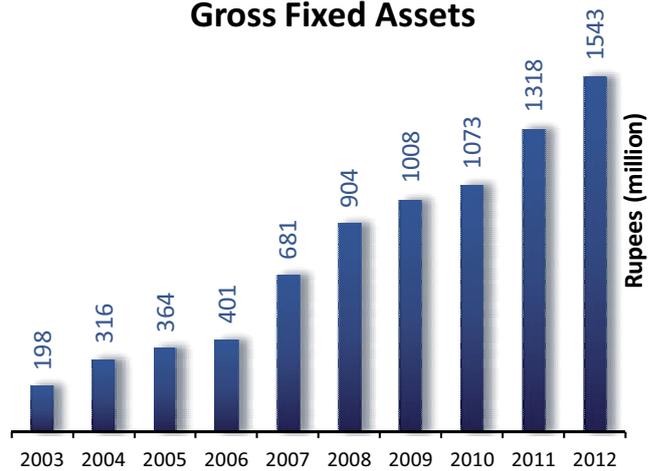
EBIDTA



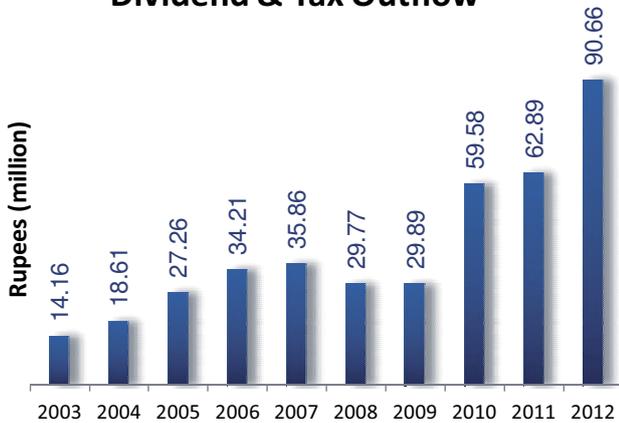
Net Worth



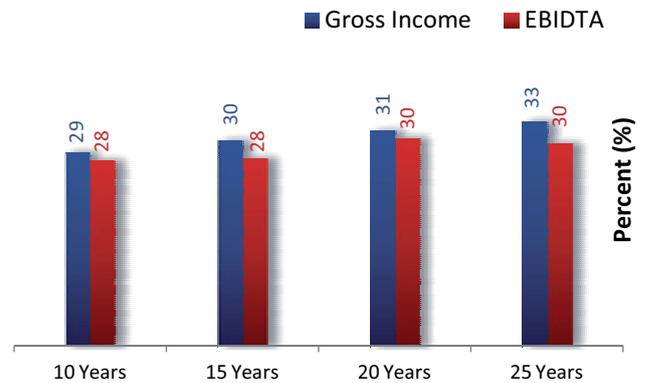
Gross Fixed Assets



Dividend & Tax Outflow

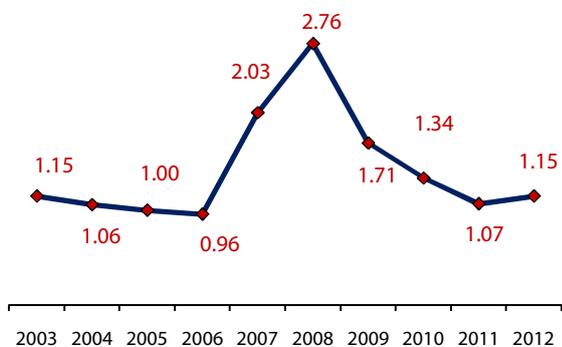


Historic CAGR

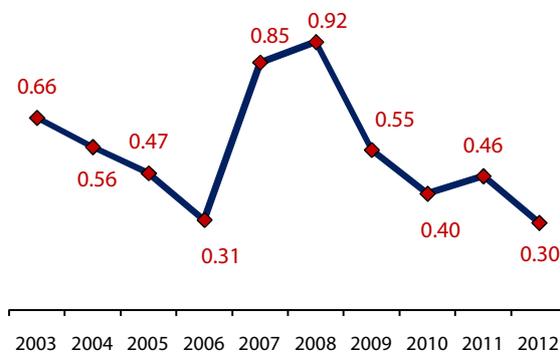


GROUP FINANCIALS

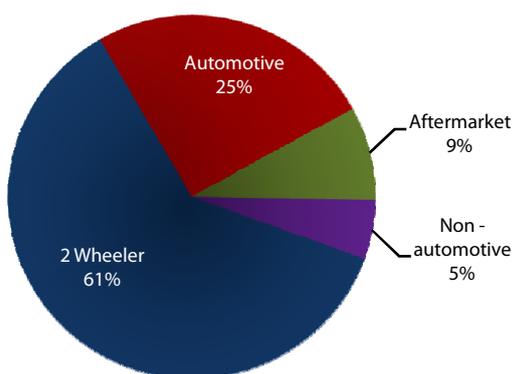
Debt EBIDTA Ratio



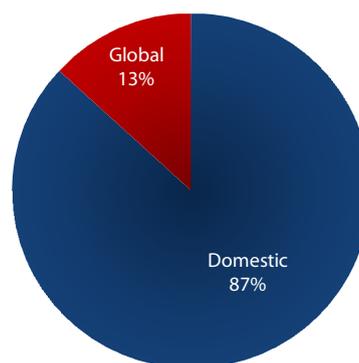
Long Term Debt Equity Ratio



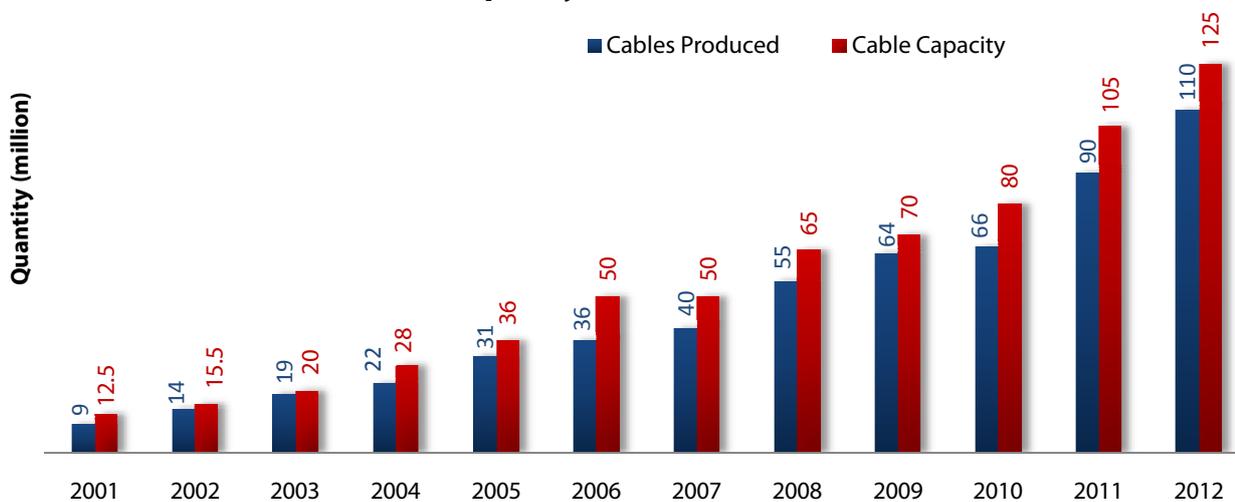
Category-wise Business



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

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. The Register of Members and the Share Transfer books of the Company will remain closed from 25th July, 2012 to 31st July, 2012 (both days inclusive).
3. An Interim Dividend of (30%) ₹ 0.30 as recommended at the Board Meeting held on 29th October, 2011 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 17th November, 2011 (Record Date).
4. Final Dividend of (35%) ₹ 0.35 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, 2012.
5. 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: alfint@vsnl.com.
6. 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.
7. Pursuant to SEBI Notification No. MED/ DOP/ Circular/05/2009, dated 20th May, 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.
8. 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 De-mat account with any of the depository participants to enable transacting in the Stock Exchanges.
9. Members are requested to bring copy of the Annual Report along with them to the Annual General Meeting.
10. Un-claimed dividends up to the year 2004-2005, have been transferred to the General Revenue Account of the Central Government. Consequent upon the amendment to Section 205A read with Section 205C of the Companies Act, 1956, the Dividend declared for the year ended 31st March, 2005 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.
11. As regards re-appointment of Mr. Surendra Kumar N Shah, referred to in item No.3 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Mr. Surendra Kumar N Shah, is a Graduate in Economics and a Graduate in Law. He was an industrialist by occupation having experience in employment for 2 years in Textile industry, 12 years in Engineering Industry. He was the promoter of Shah Concabs Private Limited, which is now merged with your Company. He has rich experience of more than 3 decades as an industrialist in automotive cable industry covering a wide application areas for use in bicycles through an automotive, industrial, construction, material handling, marine and other users. He has extensive exposure and experience in all functions development of Cable and Machines, Marketing, Purchase, Production, etc.

His other Directorships:

Name of the Company	Nature of Interest
Nil	Nil
12. As regards re-appointment of Mr. B S Patil, referred to in item No. 4 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Mr. B S Patil, retired as Chief Secretary to Government of Karnataka in January 2004. He belongs to 1966 batch of Indian Administrative Services (IAS). He held very important assignments during his service and generally regarded as one of the most dynamic officers of the State Government. He has wide ranging experience from heading State Financial Institutions to Industrial Development. He was head of two financial institutions of the State over a period of 7 years and held position of Principal Secretary to Government, Commerce and Industries Department on three occasions with

cumulative period of over 8 years. The Industrial and IT development in Karnataka owe a great deal to him for initiating imaginative policies for attracting investments in the area and for creating infrastructure that as necessary for the success of the IT industry. His brilliant career helped to establish contacts with eminent people and institutions across the Country who generally hold him in very high esteem. He was responsible for organizing the massive Global Investors Meet at Bangalore during 2000, when the State attracted investments over ₹ 27,000 Crores. Mr. B S Patil was appointed as Chief Secretary to Government of Karnataka in the year 2002 and he retired in January, 2004.

His other Directorships:

Name of the Company	Nature of Interest
Shetron Ltd	Director

Mangalore Chemicals & Fertilizer Ltd	Director
UB International Trading Ltd	Director
UB (Holdings) Ltd	Director
Anushka Business Consulting	Director
AMR Construction Co Ltd	Director
Surana Industries Ltd	Director
Scotts Graments Ltd	Director
Weir India Private Ltd	Director

13. **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. on 31st July, 2012 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

EXPLANATORY STATEMENT

(EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956)

Item No. 6.

Dr. C Mohan was appointed as President of the Company, during the year 2007 with responsibilities of operations and related affairs of the Company.

Considering the performance of Dr. C Mohan, initiatives taken by him and the responsibilities shouldered during the tenure as President, Dr. C Mohan was appointed by the Board of Directors as an Additional Director on 12th March, 2012, in terms of Section 260 of the Companies Act, 1956, he holds office up to the date of this Annual General Meeting. The Company has received a notice in writing along with deposit of ₹ 500/- from a member signifying his intention proposing him as a candidate to the office of the Director in terms of Section 257 of the Companies Act, 1956.

Dr. C Mohan, may be deemed to be concerned or interested in the resolution, since the resolution relates to his own appointment.

None of the other Directors is concerned or interested in the resolution.

The Board commends the resolution for approval.

Item No. 7.

With a view to availing the services of Dr. C Mohan to the Company, the Board of Directors appointed Dr. C Mohan, aged 59 years, as an Executive Director on 12th March, 2012.

Based on the recommendations of the Remuneration Committee of the Board, your Board of Directors at its Meeting held on 12th March, 2012 carefully studied the industry norms, the compensation paid by other comparable industries and the performance of the Company under the excellent capabilities of Dr. C Mohan and considering the immense responsibilities to be shouldered in the future, the Board has decided to pay such salary and perquisites and on such terms and conditions as set out in the resolution.

Brief profile and particulars of Dr. C Mohan are given below:

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. Dr. C Mohan brings with him strong management and operational experiences of more than 35 years.

Directorships:

Name of the Company
Nil

Nature of Interest
Nil

Your Company expects to get benefited to a great extent with Dr. C Mohan's vast experience.

Dr. C Mohan may be deemed to be concerned or interested in the resolution since the resolution relates to his own appointment.

None of the other Directors is concerned or interested in the resolution.

This may also be regarded as an Abstract of Terms and Memorandum of interest under Section 302 of the Companies Act, 1956.

A copy of the letter of Appointment is available for inspection by the shareholders at the Registered Office of the Company on any working day during the Office hours till the date of the ensuing Annual General Meeting.

The Board commends the resolution for approval.

Item no. 8:

The Board of Directors of the Company appointed Mr. Akhilesh Rai 'relative' of Mr. K Ajith Kumar Rai, Chairman and Managing Director of the Company as 'Head - IT' at its meeting held on 29th May, 2012.

Mr. Akhilesh Rai graduated as an Electrical Engineer from the leading American University namely, Purdue University, USA.

He worked for a short period in startup IT Company in Dallas, USA and in India. He joined Suprajit Automotive Private Limited in August 2011 as an 'Executive -IT'. He has good exposure to IT & IT related areas. Considering his expertise and growing importance of IT in the Suprajit Group, the Board of Directors, appointed him as 'Head - IT' in the Company with effect from 29th May, 2012.

Mr. Akhilesh Rai is a 'relative' of Mr. K Ajith Kumar Rai, Chairman and Managing Director of the Company. In terms of the provisions of Section 314 of the Companies Act, 1956, this appointment shall be subject to the approval of Shareholders.

The Board commends the resolution for approval.

None of the Directors, except Mr. K Ajith Kumar Rai is concerned or interested in the said resolution.

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

Place : Bangalore
Date : 29th May, 2012

Medappa Gowda J
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twenty-Seventh Annual Report and the Audited Accounts of the Company for the Year ended 31st March 2012.

FINANCIAL RESULTS:

Particulars	2011-12	2010-11
	₹ in Lakhs	
Gross Income	41498.34	33,044.64
Profit before tax	5495.69	4,264.84
Less: Provision for taxation	1563.37	1,215.33
Profit after tax before prior period adjustment	3932.32	-
Current Tax relation to prior year	10.18	-
Profit after tax	3922.14	3,049.51
Add: Surplus from last year	2220.92	2,087.13
Profit available for appropriation after adjustments prior period taxes	6143.06	5,136.64
APPROPRIATIONS:		
1 Interim Dividend 30% (last year interim dividend 20%)	360.06	240.04
Tax on interim Dividend (Net)	58.41	39.86
2 Proposed final Dividend 35% (last year 25%)	420.07	300.05
Provision for tax on Final Dividend	68.14	35.77
3 Transfer to General Reserve	2800.00	2300.00
4 Balance carried to Balance Sheet	2436.38	2220.92

DIVIDEND:

An Interim Dividend of ₹ 0.30/- per Share of ₹ 1/- each (30%) was declared and paid. In view of the good financial performance of your Company, your Directors have pleasure in recommending a Final Dividend of ₹ 0.35 per Share of ₹ 1/- each (35%). The total outgo, considering the interim dividend including taxation stands at ₹ 906.68 lakhs as against ₹ 615.72 lakhs during the last year.

OPERATIONS:

Despite global recessionary trend and slowing down of Indian economy, your Company had a robust year both in terms of sales and profitability. The Indian auto industry grew by 14%, much lower than the previous year's 27%. Against this, Suprajit has recorded a growth of 25.58%.

Your Company recorded an income of ₹ 41,498 lakhs during the year 2011 -12 as against ₹ 33,044 lakhs during the year 2010-11, recording a growth of 25.58%. During the year 2011 – 12, the Profit After Tax was ₹ 3,922 lakhs against ₹ 3,049 lakhs during the year 2010-11, recording a growth of 28%. The consolidated income grew from ₹ 38,911 lakhs for the year 2010-11 to ₹ 46,135.41 lakhs for the year 2011-12, recording a growth of 18.56 %. The consolidated Profit After Tax grew from ₹ 3,380 lakhs to ₹ 3,946 lakhs during the same period, a growth of 17%. Your Company continues to surpass the industry growth through its aggressive marketing, gains in market share, good growth in the aftermarket and non-automotive businesses.

During the year, the expansions of 100% EOU at Bommasandra Indl. Area and the new 4-wheeler cable plant at Chakan were completed. These have added to the capacity of the Company to grow its business.

Your Company has emerged as the largest 2-wheeler cable manufacturer in the world. It is also the largest exporter of automotive cables from India. Your Company is now emerging as one of the top global cable manufacturers in the world.

CURRENT YEAR:

India's GDP growth is likely to be around 6% in this current year. This will affect the growth of automotive industry. Although interest rates seem to have peaked, inflation will be high. Commodity prices continue to harden. Slowing global economy is adding to the concerns of exports. Indian automotive industry is estimated to grow at 8-10%.

Your Company will reach a targeted 150 million cable capacity during the year, through various capacity expansion projects. New plants for cables in Bommasandra, Karnataka and Bhiwadi Industrial area, Rajasthan are also in advanced stages of implementation. In addition to this, your Company is adding additional plant for the proposed new products at Doddaballapur Industrial area, Karnataka.

The order position from existing customers continues to be robust for cables. Non-automotive as well as aftermarket cable segments will add significant additional business, in this year. Your Company's plan to expand the product range is progressing steadily.

Your Directors expect another year of good performance for your Company.

DEMATERIALIZATION OF SHARES:

As per the directives issued by the Securities and Exchange Board of India (SEBI), Shares of your Company are to be traded compulsorily in dematerialized form. Necessary arrangements have been made with National Securities Depository Limited (NSDL) and Central Depository Service Limited (CDSL) to facilitate dematerialization of Shares.

LISTING OF EQUITY SHARES:

Your Company's Shares continue to be listed at Stock Exchange Mumbai and at National Stock Exchange.

WHOLLY OWNED SUBSIDIARIES:

Global automotive scenario continues to be challenging. The performance of subsidiaries for the year gone by, have been tepid due to difficult market conditions and reduced volumes on existing contracts.

However, the outlook for the current and coming years looks bright in view of the new contracts received from marquee new

customers. These export businesses would be commercialized during this and next year and expected to give significant boost to the exports of automotive cables from the subsidiaries. A new plant to cater to these new contracts is in the advanced stage of implementation at the 100% EOU in Doddaballapur Indl. Area.

Gills Cables Limited has now changed its name to Suprajit Europe Limited. The consolidated sales of the subsidiaries were ₹ 4,637 Lacs against ₹ 5,059.38 Lacs previous year. The EBIDTA was ₹ 253 Lacs against ₹ 752.47 Lacs previous year. The Profit After Tax was ₹ (17 Lacs) against ₹ 273.46 Lacs previous year. The performances of the subsidiaries are expected to improve during this year.

DEPOSITS:

The Company has accepted deposits pursuant to the provisions of Section 58-A of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975 during the year.

INFORMATION PURSUANT TO SECTION 217(1) (e) OF THE COMPANIES ACT, 1956:

The information as required under the above Section is given in Annexure and forms part of this Report.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF THE COMPANIES ACT, 1956:

Information Under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules 1975 as amended is as below:

Sl No	Name	Age (Years)	Qualification	Designation & Nature of Duties	Remuneration (₹)	Experience (Years)	Date of Joining	Previous Employment
1.	K Ajith Kumar Rai	54	B.E. M.A.Sc (Canada)	Chairman & Managing Director	28,385,564	27	24.05.85	Research & Teaching Assistant, Technical University of Novascotia, Canada

Notes:

1. Remuneration included Basic Salary, Allowances, Incentives, Commission, Company's contribution to PF, Superannuation Fund and taxable value of perquisites.
2. The appointments is contractual.
3. Mr. K Ajith Kumar Rai is related to Mr. M Jayarama Shetty.
4. The Shareholding of Mr. K. Ajith Kumar Rai (along with his spouse) in the Company is 62,213,157 shares (51.84%). None of the other employees owns more than 2% of the outstanding Shares of the Company as on 31st March 2012.

INDUSTRIAL RELATIONS:

Relations with the employees continued to be cordial throughout the year. Your Directors wish to place on record their sincere appreciation for the excellent team spirit displayed and support extended by the employees at all levels.

CORPORATE GOVERNANCE:

Your Company has implemented various measures of Corporate Governance aiming to assist the management of the Company and to meet the obligations to Shareholders and towards enhanced transparency. A report on Corporate Governance is given in Annexure and forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT IN TERMS OF SECTION 217 (2AA) OF THE COMPANIES ACT, 1956:

Your Directors confirm:

- I. that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- II. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended 31st March, 2012 and of the profit of the Company for that year.

- III. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- IV. that the Directors have prepared the Annual Accounts on a 'going concern' basis.

STATUTORY DISCLOSURES:

The Annual Accounts of the Subsidiary Companies and the related detailed information will be made available to the members of the Company and its Subsidiary Companies, seeking such information at any point of time. The Board of Directors has passed a resolution giving consent to not to enclose the Annual Accounts of Subsidiary Companies along with the Annual Report in accordance with the provisions of Circular No. 2 /2011 issued by Ministry of Corporate Affairs on 8th February 2011. Accordingly, a statement exhibiting brief financial details of the Company's Subsidiaries for the year ended 31st March, 2012 is included in the Annual Report. The Annual Accounts of the Subsidiary Companies will be kept for inspection by any member of the Company at its Registered Office and also at the Registered Office of the concerned Subsidiary Companies.

ADDITIONAL DISCLOSURES:

In line with the requirements of Listing Agreements and Accounting Standards, your Company has made additional disclosures in respect of Consolidated Financial Statements and Related Party disclosures.

SEGMENT REPORTING:

The Company has classified its products as Auto Components. Since the nature of activities are governed by the same set of risk and returns, these have been grouped as a domestic and export sales based upon geographical segment in the above disclosures.

DIRECTORS:

Mr. Surendra Kumar N Shah and Mr. B S Patil, Directors, retire by rotation and being eligible, offer themselves for re-appointment.

Your Directors have inducted Dr. C Mohan as an Additional Director of the Company and subsequently appointed him as an Executive Director.

AUDIT COMMITTEE:

Audit Committee constituted by the Board of Directors with requisite composition to fall in line with the prevailing laws continued to discharge its functions during the year under report.

INSURANCE COVERAGE:

The Board reports that your Company has adequately insured all the assets of the Company.

AUDITORS:

Messrs Varma & Varma, Chartered Accountants, retire as Auditors of the Company and being eligible, offer themselves for re-appointment.

ACKNOWLEDGMENT:

Your Directors wish to thank State Bank of India, Syndicate Bank, Citibank N.A. and ICICI Bank Limited for their continued support and assistance. Your Directors place on record their gratitude to the customers, distributors, vendors, shareholders and other acquaintances for their continued and valued support.

For and on behalf of the Board

Place : Bangalore
Date : 29th May, 2012

K Ajith Kumar Rai
Chairman & Managing Director

**ANNEXURE TO THE DIRECTORS' REPORT
INFORMATION PURSUANT TO SECTION 217 (1) (E) OF
THE COMPANIES ACT, 1956**

1. CONSERVATION OF ENERGY:

Several energy conservation measures in all plants, such as reduction in night shifts, lighting loads, running of non critical equipments along with changes in shift timing, special notices on power consumption and improvement of power factor etc., have been implemented to conserve energy. The Company has also embarked upon a green initiative, wherein significant number of saplings under tree plantation scheme are implemented. Waste water reutilization plants in some of the units are also established. This has resulted in considerable savings as well as awareness among the employees.

2. TECHNOLOGY ABSORPTION:

a) Research and Development:

The Company has a full-fledged R & D centres with good team of development staff for both cables and speedometers over the 25 years. The Company has developed and established significant number of new technologies to meet requirements of customers. With strong R&D centres, both in India and in UK, the depth of knowledge on automotive cables at Suprajit is at par with any global majors. This has been repeatedly proved with multiple new contracts with marquee customers, worldwide. Company has developed many new cables with challenging requirements for its international customers. With main R&D centres in Bangalore, Pune and Delhi, along with the global technology centre in Tamworth, UK, your Company is fully geared to meet any challenging requirements of customers.

b) Expenditure on Research and Development:

₹ in Lakhs		
Particulars	2011-12	2010-11
Salaries & Wages	64.52	53.30
Material, Consumables & Stores	26.69	6.35
Other Direct Expenditures	2.32	20.79
Total	93.52	80.44

c) Technology Absorption, Adaptation, Innovation and particulars of imported technology:

The Company has completely absorbed and adapted various technologies for cables and speedometers.

3. FOREIGN EXCHANGE EARNINGS AND OUT FLOW:

₹ in Lakhs		
Particulars	2011-12	2010-11
Earnings (FOB Value of Exports)	1,441.36	1,270.26
Out Flow (Raw materials & Foreign Travel Expenses, Commission etc.)	4,231.08	2,319.92

For and on behalf of the Board

Place : Bangalore
Date : 29th May, 2012

K. Ajith Kumar Rai
Chairman & Managing Director

**ANNEXURE TO THE DIRECTORS' REPORT
DISCLOSURES REGARDING SUSPENSE
ACCOUNT PURSUANT TO SEBI
CIRCULAR NO. SEBI/CFD/DIL/LA/1/2009/24/04, DATED APRIL 24, 2009:**

Sl. No.	Particulars	No. of Shareholders	No. of Shares
1.	Shareholders whose shares are lying in the suspense account at the beginning of the year	Nil	Nil
2.	Outstanding shares in the suspense account at the beginning of the year.	Nil	Nil
3.	Shareholders who approached issuer for transfer of Shares from suspense account during the year.	Nil	Nil
4.	Shareholders to whom Shares were transferred from suspense account during the year.	Nil	Nil
5.	Aggregate number of shareholders whose Shares are lying in the suspense account at the end of the year.	Nil	Nil
6.	Outstanding Shares in the suspense account lying at the end of the year.	Nil	Nil

For and on behalf of the Board

Place : Bangalore
Date : 29th May, 2012

K Ajith Kumar Rai
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT REPORT ON CORPORATE GOVERNANCE MANDATORY REQUIREMENTS

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

The Company's philosophy is sustained profitable growth, increase in stakeholders' value, transparency and disclosure, internal controls in its business practices and risk management, communication and good standards in safety, health, environment management, accounting fidelity, product and service quality. The Company complies with the listing requirements of the Stock Exchanges, where its shares are

listed. The Company has complied with all the provisions of Companies Act, SEBI guidelines and also those of the Stock Exchanges guidelines and is committed to good Corporate Governance. The Board fully understands and takes responsibility for its commitments to stakeholders, employees, vendors, customers and the communities where it operates. The primary objective of Customer Satisfaction is relentlessly pursued. Following is a report on the status and progress on various aspects of Corporate Governance of the Company.

2. (a) THE BOARD OF DIRECTORS AND THE MEETINGS ATTENDED BY RESPECTIVE DIRECTORS ARE AS UNDER :-

Name of the Director	Category	Board Meetings Attended	Attended Last AGM
Mr. K Ajith Kumar Rai	Chairman & Managing Director Director – Executive	4	Yes
Dr. C Mohan*	Director – Executive	-	-
Mr. M Jayarama Shetty	Director – Non Executive	4	Yes
Mr. B S Patil	Director – Non Executive & Independent	4	No
Mr. Surendra Kumar N Shah	Director – Non Executive & Independent	4	Yes
Mr. Diwakar S Shetty	Director – Non Executive & Independent	4	Yes
Mr. Ian Williamson	Director – Non Executive & Independent	3	No
Mr. Suresh Shetty	Director – Non Executive & Independent	4	Yes

Mr. K Ajith Kumar Rai and Dr. C Mohan are Whole time Directors i.e. Chairman & Managing Director and Executive Director, respectively, others are Non-Executive Directors.

* Inducted on 12th March, 2012.

(b) DETAILS OF BOARD MEETINGS HELD DURING THE YEAR:

- i) Four Board meetings were held during the year 2011-12 and the gap between two meetings did not exceed four months. The dates are as follows:

30th May 2011
30th July 2011
29th October 2011
31st January 2012

- ii) None of the Non-executive Directors has any material pecuniary relationship or transactions with the Company.

3. OUTSIDE DIRECTORSHIPS / COMMITTEE POSITIONS AS ON 31ST MARCH 2012:

Name of the Directors	In Listed Companies	In Unlisted Public Limited Companies	As Chairman / Member of Board Committees
Mr. K Ajith Kumar Rai	Nil	1	Nil
Dr. C Mohan	Nil	Nil	Nil
Mr. Surendra Kumar N Shah	Nil	Nil	Nil
Mr. M Jayarama Shetty	Nil	Nil	Nil
Mr. B S Patil	4	4	Nil
Mr. Diwakar S Shetty	1	4	Nil
Mr. Ian Williamson	Nil	Nil	Nil
Mr. Suresh Shetty	Nil	2	Nil

NOTES:

1. Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956 are excluded for the above purpose.
2. Only Audit Committee and Shareholders' Grievance Committee are considered for the purpose of Committee positions as per Listing Agreement. None of the Directors is a member in more than 10 committees, nor a Chairman in more than 5 committees across all Companies in which he is a Director.

4. AUDIT COMMITTEE:

The Audit Committee comprises of Mr. Diwakar S Shetty, Mr. M Jayarama Shetty and Mr. Suresh Shetty all being Non-Executive Directors. The Chairman & Managing Director, Head of Finance, Internal Auditor and Statutory Auditors are invitees to the Meeting. The Company Secretary acts as the Secretary of the Committee.

The Company has complied with the requirements of Clause 49(II) (A) of the Listing Agreement relating to the composition of the Audit Committee.

The Chairman of the Audit Committee, Mr. Diwakar S Shetty, was present at the Annual General Meeting held on 30th July, 2011.

The Audit Committee met on 29th May, 2012 to review the Annual Accounts for the year ended 31st March, 2012 before finalization and recommended for acceptance of the Annual Accounts by the Board of Directors of the Company.

The terms of reference of the Audit Committee include the following:

1. Overseeing the Company's financial reporting process including Internal Audit arrangements and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
3. Reviewing with the management the Annual Financial Statements before submission to the Board.
4. Reviewing any activity under its reference.

5. CODE OF CONDUCT:

The Company has adopted a Code of Conduct which has been implemented. The Code of Conduct is made applicable to the Directors and Members of Core Management Team.

6. INVESTORS' AND SHAREHOLDERS' GRIEVANCE COMMITTEE:

The Company has constituted Investors'/Shareholders' Grievance Committee, comprising of Mr. M Jayarama Shetty,

Mr. Diwakar S Shetty, Mr. K Ajith Kumar Rai and Mr. Medappa Gowda J, Secretary. This Committee monitors and addresses investors' complaints, transfer of shares, transmission etc. Based on the information provided by the Company's Registrars and Share Transfer Agents, no queries/complaints were received from the shareholders during the period except change of address and non-receipt of dividend warrants. All of them have been addressed to the satisfaction of the shareholders. As of 31st March, 2012, no transfer of shares was pending.

7. DISCLOSURES REGARDING SUSPENSE ACCOUNT PURSUANT TO SEBI CIRCULAR NO. SEBI/CFD/DIL/LA/1/2009/24/04, DATED APRIL 24, 2009:

As per the above mentioned Circular, Clause 5A stands for shares issued pursuant to the public issues or any other issue which remain unclaimed and are lying in the escrow account and any unclaimed benefits like Dividend, Bonus shares etc., which are to be credited to the Demat Suspense Account. The information as required under the above Circular is given in annexure and forms part of this report.

8. COMPLIANCE OFFICER:

Name and Designation of the Compliance Officer:

Mr. Medappa Gowda .J - Company Secretary & Vice President - Finance

He can be contacted for any investor related matters relating to the Company.

His Telephone No. 080-43421138, Fax : 080 - 27833279, E-mail : mgj@suprajit.com

9. GENERAL MEETINGS:

The last three Annual General Meetings were held at the Factory Office at Bommasandra as detailed below:

Annual General Meetings:

Year	Date	Day	Time	Meeting
2009	29 th August	Saturday	11.00 a.m	Twenty Fourth Annual General Meeting
2010	2 nd August	Monday	12.30 p.m	Twenty Fifth Annual General Meeting
2011	30 th July	Saturday	12.30 p.m	Twenty Sixth Annual General Meeting

10. DISCLOSURES:

a. Related party transactions are disclosed under notes to the accounts in this Report.

b. The Company has continued to comply with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters related to capital markets during the last three years. No penalties have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authorities relating to the above.

11. MEANS OF COMMUNICATION:

The quarterly and annual financial results of the Company are generally published in leading newspapers. These results are sent to the Stock Exchanges immediately after the Board's approval, first by fax then followed by courier. Half yearly results were sent to each shareholders along with a review of the business. The website of the Company, www.suprajit.com gives information on the Company including Financial Results.

12. MANDATORY / NON-MANDATORY REQUIREMENTS:

The Company has complied with the requirements relating to

Corporate Governance as mandated by the Listing Agreement with the Stock Exchanges.

In addition, the Company has complied with the following non-mandatory requirements.

13. REMUNERATION COMMITTEE / REMUNERATION OF DIRECTORS:

The Board of Directors set-up a Remuneration Committee to consider the compensation payable to the Directors. This Sub-Committee has three Non-Executive Directors:

Mr. B S Patil	-	Chairman
Mr. Diwakar S Shetty	-	Member
Mr. M Jayarama Shetty	-	Member

Remuneration paid / payable to Directors during 2011-12 (in ₹)

SI No	Name of the Director	Sitting Fees	Salary & PF	Commission	Total
1	Mr. K Ajith Kumar Rai	-	5,304,000	23,081,564	28,385,564
2	Dr. C Mohan	-	244,709	-	244,709
3	Mr. M Jayarama Shetty	80,000	-	100,000	180,000
4	Mr. B S Patil	30,000	-	100,000	130,000
5	Mr. Surendra Kumar N Shah	40,000	-	100,000	140,000
6	Mr. Diwakar S Shetty	60,000	-	100,000	160,000
7	Mr. Suresh Shetty	80,000	-	100,000	1,80,000
8	Mr. Ian Williamson	waived	-	-	-
	Total	290,000	5,548,709	23,581,564	29,420,273

The remuneration paid/payable to the Chairman and Managing Director was approved by the Shareholders at the Twenty Fourth Annual General Meeting held on 29th August 2009, based on the recommendation of the Remuneration Committee and with the approval of the Board. This is reviewed by the Remuneration Committee and the Board. The remuneration consists of fixed salary and commission taking into accounts the economic results and individual performance.

The Remuneration paid/payable to Dr. C Mohan approved by the Remuneration Committee and subsequently by the Board at its meeting held on 12th March 2012, will be subject to the approval of shareholders at the ensuing Annual General Meeting.

The information on remuneration paid to Chairman and Managing Director and Executive Director is disclosed in the notes to the accounts.

14. SHARES HELD BY NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors as on 31st March 2012, who held shares in Suprajit Engineering Limited are as under :-

Name of Director	Number of Shares held as on 31st March, 2012
Mr. M Jayarama Shetty	461000
Mr. Suresh Shetty	590000
Mr. Surendhra Kumar N Shah	28142
Mr. Diwakar S Shetty	10000

15. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:

The Company has obtained the Certificate from a Practicing Company Secretary regarding compliance with the provisions relating to Corporate Governance set down in clause 49 of the Listing Agreement with the Stock Exchanges.

16. GENERAL SHAREHOLDER INFORMATION:

a. Twenty-Seventh Annual General Meeting :

Date	Time	Venue
31st July, 2012	12.30 p.m.	Factory Office at Plot No. 101, Bommasandra Industrial Area Bangalore – 560 099.

b. Financial Calendar:

Financial Year	-	April to March
First Quarter Results	-	In July/August
Half Yearly Results	-	In October
Third Quarter Results	-	In January
Results for the year ended 31st March	-	By May 2012
Book Closure Date	-	25th July, 2012 to 31st July, 2012 (Both days inclusive)
Proposed Final Dividend	-	35% (Interim 30%)
Dividend Payment date(s)	-	August 2012
Scrip Code	-	BSE-532509/NSE-SUPRAJIT
Stock Exchange	-	The Stock Exchange, Mumbai National Stock Exchange of India Limited

International Securities Identification Number (ISIN) for National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL): **INE-399C01030**.

c. Share Transfer System:

All the transfers received are processed and approved by the Transfer/Shareholders Grievance Committee at its meeting or by circular resolutions.

The Company's Registrars and Share Transfer Agents, Integrated Enterprises (India) Limited, has adequate infrastructure to process the share transfers. The Committee meets to approve the transfers etc., as may be required by the Registrars and Share Transfer Agents in compliance with Listing Guidelines. Periodically, a Practising Company Secretary audits the System and a certificate to that effect is issued and the same is filed with the Stock Exchanges. Additionally, Secretarial Audits and Dematerialization related scrutiny are conducted quarterly by a Practising Company Secretary.

d. Dematerialization of Shares and Liquidity:

Equity Shares of the total Equity Capital are held in dematerialized form with NSDL and CDSL.

e. Plant Locations:

The Company has fourteen Plants located at:

Bangalore - Karnataka - 5 Plants
(1 plant under implementation)

Bangalore - Karnataka - 1 Plant
100% E.O.U

Manesar - Haryana - 1 Plant

Chakan - Maharashtra - 2 Plants

Vapi - Gujarat - 1 Plant

Pantnagar - Uttarakhand - 1 Plant

Haridwar - Uttarakhand - 1 Plant

Sanand - Gujarat - 1 plant
(under implementation)

Biwadi - Rajasthan - 1 plant
(under implementation)

f. Registered Office / Address for correspondence:

Suprajit Engineering Limited
No. 100, Bommasandra Indl. Area,
Bangalore - 560 099.
Tel: 080-42421100,
Fax: 080-27833279
E-mail: investors@suprajit.com / info@suprajit.com

Shareholders holding Shares in electronic mode should address all their correspondence to their respective Depository Participant (DP).

g. Shareholding Pattern as on 31st March, 2012:

SI No	Category	Number of Shares held	Percentage of Shareholding
(A)	Shareholding of Promoter and Promoter Group[2]		
(1)	Indian :		
	Individuals/ Hindu Undivided Family	62,213,157	51.84
	Central Government/ State Government(s)	-	-
	Bodies Corporate	-	-
	Financial Institutions/ Banks	-	-
	Any Other (specify)	-	-
	Sub-Total (A)(1)	62,213,157	51.84
(2)	Foreign :		
	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-
	Bodies Corporate	-	-
	Institutions	-	-
	Any Other (specify)	-	-
	Sub-Total (A)(2)	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	62,213,157	51.84
(B)	Public shareholding[3]		
(1)	Institutions :		
	Mutual Funds/ UTI	966,416	0.81
	Financial Institutions/ Banks	-	-
	Central Government/ State Government(s)	-	-
	Venture Capital Funds	-	-
	Insurance Companies	-	-
	Foreign Institutional Investors	48,000	0.04
	Foreign Venture Capital Investors	-	-
	Any Other (specify)	-	-
	Sub-Total (B)(1)	1,014,416	0.85

SI No	Category	Number of Shares held	Percentage of Shareholding
(2)	Non-institutions		
	Bodies Corporate	14,352,725	11.96
	Individuals -		
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	18,125,396	15.10
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	21,152,597	17.62
	Any Other (specify)		
	NRI	3,003,409	2.50
	Clearing Member	157,300	0.13
	Trust	1,000	0.00
	Sub-Total (B)(2)	56,792,427	47.32
	Total Public Shareholding (B)= (B)(1)+(B)(2)	57,806,843	48.16
	TOTAL (A)+(B)	120,020,000	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued		
	Promoter and Promoter Group	-	-
	Public	-	-
	Sub-Total (C)	-	-
	GRAND TOTAL (A)+(B)+(C)	120,020,000	100.00

h. Distribution of shareholding according to size class as on 31st March, 2012:

Description	Holders	% of Holders	Holding	% of Holdings
1 – 500	4,829	57.73	1,074,241	0.90
501 – 1000	1,311	15.67	1,193,972	0.99
1001 – 2000	678	8.11	1,132,426	0.94
2001 – 3000	281	3.36	748,812	0.62
3001 – 4000	152	1.82	567,043	0.47
4001 – 5000	201	2.40	977,193	0.81
5001 – 10000	425	5.08	3,348,159	2.79
10001 & ABOVE	488	5.83	110,978,154	92.47
Total	8,365	100.00	120,020,000	100.00

i. Shares held in Physical and Electronic mode as on 31st March 2012:

Categories	Position as on 31 st March, 2012	
	No. of Shares	% to total shareholding
Physical	8,374,960	6.98
Demat NSDL	107,188,876	89.31
Demat CDSL	4,456,164	3.71
Total	120,020,000	100.00

j. Listings of Shares:

The Company's shares are listed at:
The Stock Exchange Mumbai (BSE),
 Phiroze Jeejeebhoy Towers,
 Dalal Street, Mumbai 400 001.

National Stock Exchange of India Ltd (NSE),
 Exchange Plaza,
 Bandra Kurla Complex,
 Bandra (East), Mumbai 400 051.

k. Registrars and Share Transfer Agent:

Integrated Enterprises (India) Limited,
 No. 30, Ramana Residency,
 4th Cross, Sampige Road,
 Malleswaram, Bangalore - 560 003.
 Tel: 080-23460815
 Fax: 080-23460819
 E-mail: alfint@vsnl.com

I.

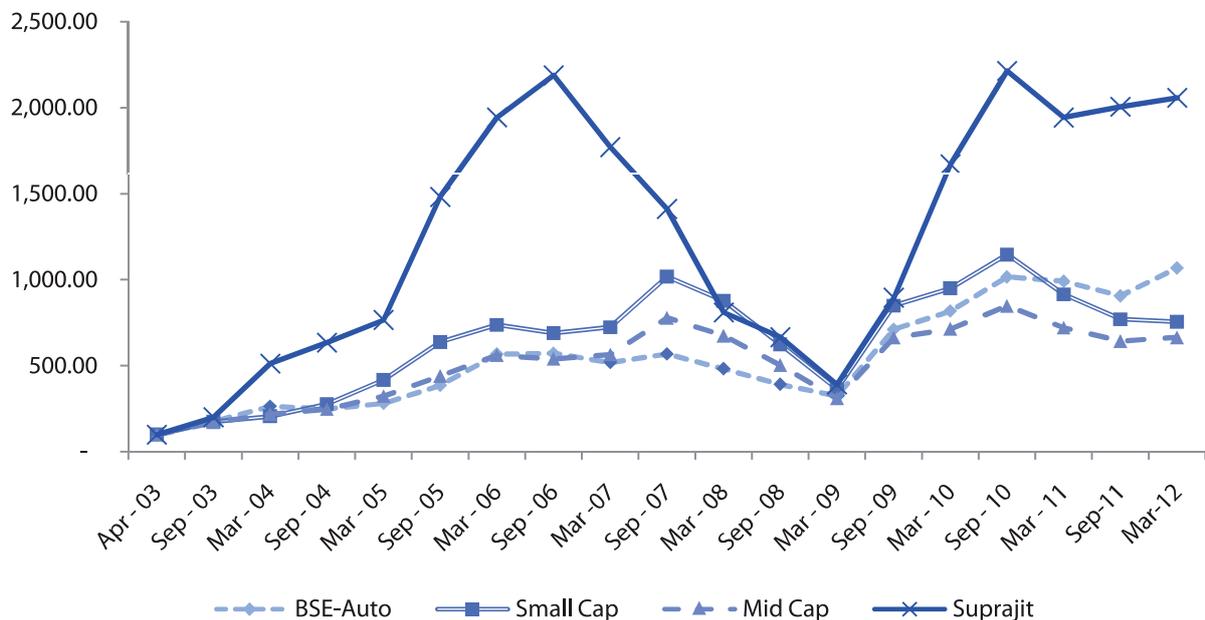
**SHARE PRICE MOVEMENTS
APRIL 2003 – MARCH 2012**

Period	BSE - Auto Index		SMALL CAP		MIDCAP		Suprajit Share Price*	
	Closing	Indexed	Closing	Indexed	Closing	Indexed	Closing	Indexed
Apr - 03	937.96	100.00	893.27	100.00	952.27	100.00	0.96	100.00
Sep - 03	1,660.70	177.05	1,561.88	174.85	1,638.53	172.07	1.93	201.04
Mar - 04	2,472.94	263.65	1,844.83	206.53	2,083.18	218.76	4.92	512.50
Sep - 04	2,354.83	251.06	2,473.62	276.92	2,360.90	247.92	6.09	634.38
Mar - 05	2,644.94	281.99	3,726.70	417.20	3,080.73	323.51	7.36	766.67
Sep - 05	3,617.12	385.64	5,697.69	637.85	4,196.70	440.70	14.22	1,481.25
Mar - 06	5,322.73	567.48	6,591.66	737.92	5,348.62	561.67	18.66	1,943.75
Sep - 06	5,365.72	572.06	6,161.73	689.79	5,148.38	540.64	21.00	2,187.50
Mar - 07	4,869.13	519.12	6,470.51	724.36	5,384.12	565.40	17.00	1,770.83
Sep - 07	5,332.26	568.50	9,099.93	1,018.72	7,422.43	779.45	13.55	1,411.46
Mar - 08	4,524.77	482.41	7,841.62	877.86	6,427.82	675.00	7.78	810.42
Sep - 08	3,674.98	391.81	5,577.47	624.39	4,798.29	503.88	6.40	666.67
Mar - 09	3,061.67	326.42	3,246.63	363.45	2,956.23	310.44	3.75	390.63
Sep - 09	6,664.25	710.50	7,590.04	849.69	6,324.16	664.11	8.60	895.83
Mar - 10	7,671.24	817.86	8,497.43	951.27	6,806.18	714.73	16.05	1,671.88
Sep - 10	9,527.64	1,015.78	10,245.71	1,146.99	8,084.14	848.93	21.25	2,213.54
Mar - 11	9,290.75	990.53	8,175.89	915.28	6,873.40	721.79	18.65	1,942.71
Sep - 11	8,498.42	906.05	6,881.08	770.32	6,129.59	643.68	19.25	2,005.21
Mar - 12	10,019.28	1,068.20	6,749.21	755.56	6,330.15	664.74	19.75	2,057.29

* Price indexed for:

- Sub division of the original Equity Shares of ₹ 10/- each into two Equity Shares of ₹ 5/- each and 1:1 bonus issued during March 2004.
- Sub division of the Equity Shares of ₹ 5/- each into Five Equity Shares of ₹ 1/- each and 1:1 bonus issued during March 2010.

Share Price Movement



m. Nomination Facility:

The Companies (Amendment) Act, 1999 introduced through Section 109A, the facility of nomination to shareholders. The facility is mainly useful for all holders holding the Shares in single name. Investors are advised to avail of this facility, especially investors holding securities in single name, to avoid the lengthy process of transmission formalities.

The nomination form may be had on request from the Company / Registrars & Share Transfer Agents.

However, if the Shares are held in dematerialized form, the nomination has to be conveyed by the Shareholders to their respective Depository Participant (DP) directly, as per the format prescribed by them.

n. Shareholders' Rights:

The quarterly and Annual Financial Results, after they are taken on record by the Board of Directors, are forthwith sent to the Stock Exchanges with whom the Company has listing arrangements. The results, in prescribed proforma, are published in leading Newspapers.

The second quarter and half-year results for the period ended 30th September, 2011 were also sent to each Shareholder.

o. Postal Ballot:

The concept of Postal Ballot was introduced by the Companies (Amendment) Act, 2000. The Company will comply with the provisions of law, whenever so required.

17. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**a. Business Overview**

World economy has entered a very uncertain phase. Concerns in euro zone as well as political unrest in the gulf region have negatively impacted world's economy. Slowing global economy has had its effect on India. GDP is expected to grow at 6% in the current year. Major concerns on deficit and policy paralysis are adding to the uncertainty for the business environment in India. Weakening Rupee is threatening the stability of Indian economy in general and adding to inflationary trends. Commodity prices continue to be at elevated levels and interest rates are refusing to come down. With these in the background, Indian automotive industry grew slower at 14% (passenger vehicle segment by 6.09%, MCV & HCV by 7.17%, LCV by 18.87%, 3-wheelers by 10.07%, 2-wheelers by 15.66%) against 27% of last year. India continues to be the 6th largest car manufacturer and second largest 2-wheelers manufacturer in the world. This has augured well for the component suppliers

to continue to clock good growth despite the slowing Indian automotive growth. The outlook for your Company continues to be promising with Suprajit emerging as a competitive and "value for money" cable manufacturer in India and has opened many avenues for growth. This includes new customers coming to India in the auto sector and in Tier 1/Tier 2 suppliers who require cables. Some of the customers who started buying products in the last 2-3 years for local requirements are now sourcing cables for their international operations through our subsidiaries. Despite the gloomy global situation, the overall outlook for the Company as well as its subsidiaries is expected to be satisfactory for the current year.

Line stoppages, quality problems, product recall at customers, high levels of interest rates and commodity prices and weakening of Rupee are continuing threats for Company's activities.

Excellent customer management, competitive products and focus on quality and delivery continue to be the strength of your Company. With a planned capacity of 150mn cables per year, your Company is poised to take advantage of the growing economy and its prospects.

b. Human Resource Development:

Shortage of skilled manpower continues to be a challenge at all levels. Mobility at staff levels due to multitude of opportunities has led to staff turnover. However, your Company has satisfactory recruitment system in place, to address the increased needs of the Company.

c. Corporate Social Responsibility:

Suprajit Foundation, a Charitable Trust, promoted by Suprajit Group, will spearhead the Corporate Social Responsibilities of the group. The focus area for the Foundation activities is education, healthcare and rural development. To this end, the Foundation has taken specific steps to implement a few socially relevant projects during the year. These include setting up an Industrial Training institute, assisting the primary school as well as the local college in their infrastructural needs in a rural area. On healthcare, the activities include free dialysis, free cataract operations, blood donation camps, assisting in the palliative care for advanced cancer patients, all in association with reputed institutions.

For and on behalf of the Board

Place : Bangalore
Date : 29th May, 2012

K. Ajith Kumar Rai
Chairman & Managing Director

CEO & CFO CERTIFICATION

- a. We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2012 and certify, to the best of our knowledge and belief, that:
- i. these statements present a true and fair view of the Company's affairs, and are in compliance with existing accounting standards, applicable laws and regulations;
 - ii. these statements do not contain any materially untrue statement, or omit any material fact, or contain statements that might be misleading;
 - iii. no transactions entered into by the company during the year were fraudulent, illegal or violative of the Company's code of conduct and no instances of fraud took place;
 - iv. we accept responsibility for establishing and maintaining internal controls for financial reporting;
 - v. we have evaluated the effectiveness of the internal control systems of the Company and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and have taken steps to rectify the same, wherever found;
 - vi. significant changes in internal control over financial reporting, as well as changes in accounting policies, if any, have been intimated to the auditors and the Audit Committee and been disclosed in the notes to the financial statements;
- b. We further declare, in compliance to Clause 49.I (D) (ii) to Listing Agreement, that all the Board members and senior management personnel have affirmed compliance with the code of conduct of the Company.

For **Suprajit Engineering Limited**

Medappa Gowda J
Company Secretary & Vice President-Finance

K Ajith Kumar Rai
Chairman & Managing Director

Place : Bangalore
Date : 29th May, 2012

DECLARATION BY CHIEF EXECUTIVE OFFICER (CEO)

I, K. Ajith Kumar Rai, Chairman & Managing Director of Suprajit Engineering Limited hereby declare that all the Board members and senior managerial personnel have affirmed for the year ended 31st March, 2012 compliance with the code of conduct of the Company laid down for them.

Place : Bangalore
Date : 29th May, 2012

K Ajith Kumar Rai
Chairman & Managing Director

CERTIFICATE

AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

To
The Members of
Suprajit Engineering Limited

I have examined the compliance of conditions of Corporate Governance by Suprajit Engineering Limited for the year ended 31st March, 2012 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

In my opinion and to the best of my information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreements.

I state that in respect of investor grievances received during the year ended 31st March, 2012, no investor grievances are pending against the Company as on 31st March, 2012, as per the records maintained by the Company and presented to the Transfer/ Shareholders' Grievances Committee.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Bangalore
Date : 29th May, 2012

Vijayakrishna KT
Practicing Company Secretary
FCS 1788
CP - 980

AUDITORS' REPORT

The Members,
SUPRAJIT ENGINEERING LIMITED,
Bangalore.

We have audited the attached Balance Sheet of SUPRAJIT ENGINEERING LIMITED as at 31st March 2012, the Profit and Loss Statement for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- I. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order;
- II. Further to our comments in the Annexure referred to above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (ii) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (iii) The Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report are in agreement with the books of account;

- (iv) In our opinion, the Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the Directors and taken on record by the Board of Directors, we report that none of the Director of the Company is disqualified as on 31st March 2012, from being appointed as a Director in terms of Clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes on accounts attached thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
 - b) in the case of the Profit and Loss Statement, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

For **Varma & Varma**
Chartered Accountants
FRN 004532S

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 29th May, 2012

ANNEXURE REFERRED TO IN PARAGRAPH I OF OUR AUDIT REPORT OF EVEN DATE ON THE ACCOUNTS OF SUPRAJIT ENGINEERING LIMITED FOR THE YEAR ENDED 31ST MARCH 2012

1. (a) As stated in Note No. 21.4, the full quantitative particulars giving item wise/location wise details of fixed assets are maintained in the ERP system in respect of additions made after 1.4.2008. The particulars of fixed assets acquired prior to this date have been updated in the ERP system in a summarized format. However, item wise particulars are available for major assets in manual form.
- (b) We are informed by the management that most of the fixed assets of the Company are being physically verified in accordance with a programme. According to the information and explanations given to us no material discrepancies were identified on such verification when compared with available records.
- (c) The Company has not disposed off substantial part of fixed assets during the year.
2. (a) We are informed that the inventory of raw materials, stores and spares in the custody of the Company are physically verified by the management on a continuing basis as per a programme of perpetual inventory and inventories of other items have been physically verified at the year-end, the frequency of which, in our opinion is reasonable, having regard to the size of the Company and the nature of its business;
- (b) In our opinion and according to the explanations given to us, the procedures of physical verification of inventory followed by the management are fairly reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) The Company is maintaining proper records of inventory and as informed to us, discrepancies of material nature noticed on physical verification, by the management, have been adequately adjusted in the books of account during the year.
3. According to the information and explanations given to us, the Company had not granted or taken loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, except the fixed deposits accepted from relatives of Directors in accordance with the fixed deposit scheme of the Company, the terms and conditions of which are prima facie not prejudicial to the interests of the Company and there are no arrears of principal or interest due. The payment of principal amount and interest in respect of such deposits are regular.
4. In our opinion and according to the information and explanations given to us, there are fairly adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. We have not noted any continuing failure to correct major weaknesses in internal control systems.
5. According to the information and explanations given to us, all transactions which require to be entered in a register maintained pursuant to Section 301 of the Companies Act, 1956, have been so entered. Where each such transaction is in excess of ₹ 5 lakhs in respect of any party, they have been made at cost/ negotiated prices and they either compare favourably with market prices or there are no comparable prices.
6. The Company has accepted deposits from the public and the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under have been complied with.
7. In our opinion, the Company has a fairly adequate internal audit system commensurate with the size of the Company and the nature of its business.
8. We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of auto components, pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
9. (a) According to the information and explanations given to us and as per our verification of the records of the Company, the Company has been fairly regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess, except for ₹ 88,698/- of Investor Education and Protection Fund paid after a delay of 58 days and other statutory dues with the appropriate authorities during the year to the extent applicable. There are no arrears of undisputed statutory dues of a material nature outstanding for a period of more than six months from the date on which they became payable.

- (b) According to the information and explanations given to us and as per our verification of the records of the Company, the following disputed amounts of tax/duty have not been deposited with appropriate authorities as at 31st March 2012:

Name of the Statute	Nature of the dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	451,715	FY 2008-09 (AY 2009-10)	Commissioner of Income Tax (Appeals)

10. There are no accumulated losses at the end of the financial year. The Company has also not incurred cash losses during the year and in the immediately preceding financial year.
11. According to the information and explanations given to us and as per our verification of the records of the Company, the Company has not defaulted in repayment of dues to the financial institutions and banks.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of Shares, Debentures and other securities.
13. Since the Company is not a chit fund/nidhi/mutual benefit fund/society, the relative reporting requirements are not applicable.
14. Since the Company is not dealing or trading in Shares, Securities, Debentures or other Investments, the relative reporting requirements are not applicable.
15. According to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by the subsidiaries from

bank, are not prima facie prejudicial to the interests of the Company.

16. According to the information and explanations given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
17. According to the information and explanations given to us and as per our verification of the records of the Company, on an overall basis, at the year end, the Company has not utilized funds raised on short-term basis for long term purposes.
18. The Company has not made any preferential allotment of Shares to parties and companies covered in the Register maintained under Section 301 of the Act.
19. The Company has not issued any Debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us and as per our verification of the records of the Company, no material fraud either on or by the Company has been noticed or reported during the year.

For **Varma & Varma**
Chartered Accountants
FRN 004532S

Place : Bangalore
Date : 29th May, 2012

R Kesavadas
Partner
M. No. 23862

BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	Note No	2012	2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	120,020,000	120,020,000
(b) Reserves & Surplus	2	1,159,826,908	858,281,464
(2) Non-Current Liabilities			
(a) Long-term Borrowings	3	311,226,164	165,031,605
(b) Deferred Tax Liabilities (Net)		41,170,000	34,834,000
(c) Other Long-term Liabilities		5,398,486	4,738,932
(d) Long-term Provisions		5,678,933	4,027,872
(3) Current Liabilities			
(a) Short-term Borrowings	4	363,935,282	202,869,532
(b) Trade Payables		409,645,642	337,592,860
(c) Other Current Liabilities		164,586,883	261,316,991
(d) Short-term Provisions		63,034,192	46,657,671
TOTAL		2,644,522,490	2,035,370,927
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets	5		
(i) Tangible Assets		896,653,779	744,268,496
(ii) Intangible Assets		238,154	672,197
(iii) Capital Work-in-progress		123,881,186	42,661,994
(b) Non-current Investments	6	207,897,286	207,897,286
(c) Long-term Loans and Advances	7	37,430,106	27,810,518
(d) Other Non-current Assets	8	573,243	-
(2) Current Assets			
(a) Current Investments	9	179,024,003	79,015,971
(b) Inventories	10	323,871,286	248,865,385
(c) Trade Receivables	11	755,604,517	599,357,079
(d) Cash and Cash Equivalents	12	29,043,562	19,661,593
(e) Short-term Loans and Advances	13	88,140,796	63,274,237
(f) Other Current Assets	14	2,164,572	1,886,171
TOTAL		2,644,522,490	2,035,370,927

Significant Accounting Policies

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Notes to Accounts

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As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director

Diwakar S Shetty
Director

Medappa Gowda J
Company Secretary

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 29th May, 2012

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

Particulars	Note No	2012	2011
REVENUE FROM OPERATIONS			
Sale of Products		4,107,370,792	3,263,213,791
Sale of Services		10,571,299	6,352,447
Other Operating Revenues		10,067,564	8,754,550
Total		4,128,009,655	3,278,320,788
Less:			
Excise Duty		340,824,822	273,311,239
Total Revenue from Operations		3,787,184,833	3,005,009,549
Other Income	15	21,825,575	26,142,821
TOTAL REVENUE		3,809,010,408	3,031,152,370
EXPENSES			
Cost of Materials Consumed		2,535,996,786	2,013,252,261
Changes in Inventories of Finished Goods and Work-In-Progress	16	(52,558,463)	(54,365,867)
Employee Benefit Expense	17	401,808,553	326,696,874
Finance Costs	18	86,363,650	61,059,573
Depreciation and Amortization Expense	5	51,175,545	48,539,370
Other Expenses	19	236,654,883	209,486,343
TOTAL EXPENSES		3,259,440,954	2,604,668,554
Profit Before Tax for the Year		549,569,454	426,483,816
Tax expense:			
(1) Current Tax		(150,000,000)	(122,000,000)
Tax expense pertaining to earlier years		(903,430)	(943,440)
Fringe Benefit Tax relating to prior years		(115,920)	(197,872)
(2) Deferred tax		(6,336,000)	1,608,000
Profit After Tax for the Year		392,214,104	304,950,504
Earnings Per Equity Share:			
Equity Shares of par value ₹ 1/- each			
Basic & Diluted		3.27	2.54
Number of Shares used in computing earnings per Share		120,020,000	120,020,000

Significant Accounting Policies

20

Notes to Accounts

21

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director

Diwakar S Shetty
Director

Medappa Gowda J
Company Secretary

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 29th May, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

	2012		2011	
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Net profit before taxation and extraordinary items		549,569,454		426,483,816
Adjustment for:				
Depreciation	51,175,545		48,539,370	
(Profit)/Loss on sale of fixed assets	443,486		-	
(Profit)/Loss on sale of Mutual funds	(7,904,937)		(5,109,416)	
Provision for diminution in value of investments	(4,767)		7,169,998	
Interest income	(866,594)		(1,474,030)	
Dividend received	(4,009,338)		(10,560,000)	
Interest expense	86,363,650	125,197,045	63,187,313	101,753,235
Operating profit before working capital changes		674,766,499		528,237,051
(Increase)/ Decrease in inventories	(75,005,901)		(92,535,152)	
(Increase)/ Decrease in trade receivables	(156,247,438)		(169,017,366)	
(Increase)/ Decrease in loans and advances (short-term)	(24,866,559)		(20,176,436)	
(Increase)/ Decrease in loans and advances (long-term)	(5,150,168)		(23,679,463)	
(Increase)/ Decrease in Other Current assets	(278,401)		3,807,789	
(Increase)/ Decrease in Other Non Current assets	(573,243)		-	
Increase/ (Decrease) in current liabilities	(24,677,326)		298,827,900	
Increase/ (Decrease) in non current liabilities	659,554		577,511	
Increase/ (Decrease) in provisions (long-term and short-term)	4,535,897	(281,603,585)	20,675,570	18,480,354
Cash generated from operations		393,162,914		546,717,405
Income taxes paid		(157,237,420)		(125,390,441)
Net cash from operating activities		235,925,494		421,326,964
B. CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of fixed assets / Capital work-in-progress	(285,649,728)		(255,661,421)	
Sale of investments	212,920,677		145,465,757	
Purchase of investments	(305,019,005)		(141,781,170)	
Interest received	866,594		6,971,884	
Dividend received	4,009,338		10,560,000	
Proceeds from sale of fixed assets	860,265		-	
Net cash used in investing activities		(372,011,859)		(234,444,950)
C. CASH FLOWS FROM FINANCING ACTIVITIES:				
Interest paid	(86,363,650)		(63,166,804)	
Proceeds/(repayments) from long-term borrowings (net)	146,194,559		31,086,694	
Proceeds/(repayments) from short-term borrowings (net)	161,065,750		(78,328,661)	
Dividend and dividend tax paid	(75,428,325)		(67,162,502)	
Net cash used in financing activities		145,468,334		(177,571,273)
Net increase in cash and cash equivalents during the year		9,381,969		9,310,741
Cash and cash equivalents at beginning of the year		19,661,593		10,350,852
Cash and cash equivalents at end of the year		29,043,562		19,661,593

(Figures in brackets indicate outflows)

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director

Diwakar S Shetty
Director

Medappa Gowda J
Company Secretary

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 29th May, 2012

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2012		2011	
	No. of Shares	Amount	No. of Shares	Amount
1 SHARE CAPITAL				
1.1 Equity Share Capital				
1.1.1 Authorised Equity Share Capital:- [Equity shares of ₹ 1/- each]	125,000,000	125,000,000	125,000,000	125,000,000
1.1.2 Issued, Subscribed and Fully Paid Up:- Equity Shares of ₹ 1/- each	120,020,000	120,020,000	120,020,000	120,020,000
TOTAL ISSUED, SUBSCRIBED AND FULLY PAID UP SHARE CAPITAL	120,020,000	120,020,000	120,020,000	120,020,000
1.1.3 There are no Shares that have been issued, subscribed and not fully paid up.				
1.1.4 There are no Forfeited Shares				
1.1.5 There are no Shares reserved for issue under options and contracts / commitments for the sale of Shares / disinvestment.				
1.1.6 The reconciliation of the number of Equity Shares outstanding and the amount of Share Capital as at March 31, 2012 and March 31, 2011:				
Shares outstanding as at the beginning of the year	120,020,000		120,020,000	
Shares issued during the year	-		-	
Shares outstanding as at the end of the year	120,020,000		120,020,000	
1.1.7 Details of shareholders holding more than 5% Shares in the Company:				
Equity Shares of ₹ 1/- each fully paid				
K Ajith Kumar Rai	45,548,399	37.95%	44,925,764	37.43%
Supriya A Rai	15,627,958	13.02%	15,476,780	12.90%
	61,176,357		60,402,544	
1.1.8 The Company has not issued any securities convertible into Equity / Preference Shares.				
1.1.9 Each holder of Equity Shares is entitled to one vote per Share and there are no preferences or restrictions attaching to class of Shares mentioned above.				
1.1.10 During the last five years ending from 31 Mar 2007:-				
No Shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash. During the year ended 31.03.2010 Company has issued 90,015,000 Equity Shares of ₹ 1/- each as fully paid up Bonus Shares by way of capitalisation of Securities Premium and General Reserve.				
No Shares were bought back.				
1.1.11 In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company after payment of all liabilities. The distribution will be in proportion to the number of Equity Shares held by the shareholders.				

(Amounts in ₹)

Particulars	2012	2011
2 RESERVES AND SURPLUS		
2.1 Reserves		
2.1.1 Capital Reserve (State investment subsidy and surplus on re-issue of Forfeited Shares)		
Opening balance	1,127,150	1,127,150
Add: Additions during the year	-	-
Closing Balance	1,127,150	1,127,150
2.1.2 General Reserve		
Opening Balance	635,062,311	405,062,311
Add: Transferred from Profit & Loss Statement	280,000,000	230,000,000
Closing Balance	915,062,311	635,062,311
2.2 Surplus		
2.2.1 Surplus in the Profit & Loss Statement		
Opening Balance	222,092,003	208,713,514
Add:-		
Profit for the year as per Profit & Loss Statement	392,214,104	304,950,504
Less:-		
Interim Dividend	36,006,000	24,004,000
Final Dividend	42,007,000	30,005,000
Tax on Dividend	12,655,660	7,563,015
Transfer to General Reserve	280,000,000	230,000,000
Closing Balance	243,637,447	222,092,003
TOTAL RESERVES & SURPLUS	1,159,826,908	858,281,464
3 NON CURRENT LIABILITIES		
3.1 Long Term Borrowings:		
3.1.1 Secured:		
Term Loans From Banks (Refer Note 3.1.3 below)	288,135,150	161,738,613
Other Loans and Advances - Vehicle Loan (Refer Note 3.1.4 below)	-	48,126
Total Secured Long Term Borrowings	288,135,150	161,786,739
3.1.2 Unsecured:		
Loans and Advances from Related Parties	1,854,266	2,844,866
Deferred Payment Liabilities - Lease Obligations (Refer Note 3.1.7)	20,836,748	-
Other loans and advances (Deposits from other than relatives)	400,000	400,000
Total Unsecured Long Term Borrowings	23,091,014	3,244,866
	311,226,164	165,031,605
3.1.3 Notes on Long Term Borrowings:		
Term Loans availed from various Banks for capacity expansions are secured by Equitable Mortgage of land and buildings and hypothecation of other present and future fixed assets of the Company on pari-passu first charge basis. Some of these loans are further secured by pari-passu second charge on the current assets of the Company.		
3.1.4 Vehicle loan availed is secured by hypothecation of vehicle for which charge is pending registration.		
3.1.5 Term loan from banks are repayable in quarterly instalments over the agreed repayment period, together with interest @ 12.75% p.a.		
3.1.6 There has been no continuing default as on Balance Sheet date in repayment of loans and interest.		
3.1.7 In respect of land referred in Note No. 5.4 (1), a balance consideration of ₹ 27,782,328/- is payable in 16 quarterly installments. Such amount relating to the lease payable after 12 months is disclosed in Note No. 3.1.2 and current maturities of this liability is disclosed under Note No. 4.3		

(Amounts in ₹)

Particulars	2012	2011
3.2 DEFERRED TAX LIABILITIES (NET)		
3.2.1 Liability:		
On timing differences of depreciation between the Companies Act, 1956 and the Income Tax Act, 1961.	49,193,000	41,633,000
Gross deferred tax liability	49,193,000	41,633,000
3.2.2 Asset:		
On timing differences of expenditure allowed only on payment basis for Income tax	6,905,000	4,575,000
Provision for doubtful debts	1,118,000	2,224,000
Gross deferred tax asset	8,023,000	6,799,000
	41,170,000	34,834,000
3.3 OTHER LONG TERM LIABILITIES:		
Other Long Term Liabilities- Dealer Deposits	5,398,486	4,738,932
	5,398,486	4,738,932
3.4 LONG TERM PROVISIONS:		
Provision for employee benefits:		
Provision for leave encashment [Refer Note No. 21.8 (b)]	4,393,605	2,478,479
Provision for Income Tax (Net of Advance Tax)	1,285,328	1,549,393
	5,678,933	4,027,872
TOTAL NON CURRENT LIABILITIES	358,075,097	203,893,477
4 CURRENT LIABILITIES		
4.1 SHORT TERM BORROWINGS		
4.1.1 Secured:		
Working Capital facilities from banks repayable on demand from banks (Refer Note 4.1.3 below)	359,885,282	198,624,710
	359,885,282	198,624,710
4.1.2 Unsecured		
Deposits from related parties	3,300,000	3,160,910
Deposits from other than related parties	750,000	1,083,912
	4,050,000	4,244,822
	363,935,282	202,869,532
4.1.3 Working Capital facilities availed from various banks are secured by pari-passu first charge on stock of raw materials, semi-finished goods, stores, consumables, book-debts, other current assets and pari-passu second charge on Land and Buildings, Plant and Machinery and present and future fixed assets.		
4.2 TRADE PAYABLES		
Due to Micro & Small Enterprises	9,651,150	23,960,782
Due to Others	399,994,492	313,632,078
	409,645,642	337,592,860
4.3 OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Refer Note 3.1.3 and 3.1.7)	63,497,762	178,511,972
Current maturities of vehicle loan (Refer Note 3.1.4)	48,126	352,299
Interest accrued but not due on borrowings/deposits	268,984	360,787
Unclaimed dividend	1,665,938	2,219,655
Due to Investor Education & Protection Fund *	88,698	56,412
Rent Deposit	585,900	-
Statutory liabilities	27,184,888	20,452,379
Other payables	71,246,587	59,363,487
	164,586,883	261,316,991

(Amounts in ₹)

Particulars	2012	2011
4.4 SHORT TERM PROVISIONS		
Provision for Gratuity	10,728,696	8,429,102
Provision for Leave Encashment	682,035	925,618
Dividend Payable (Proposed Dividend)	42,007,000	30,005,000
Provision for Corporate Dividend Tax	6,814,586	3,576,251
Provision for loss on forward contracts	806,841	-
Provision for Income Tax (Net of Advance Tax)	1,891,138	3,639,788
Provision for Wealth Tax	103,896	81,912
	63,034,192	46,657,671
TOTAL CURRENT LIABILITIES	1,001,201,999	848,437,054
* Subsequently paid on 20th April, 2012		

(Amounts in ₹)

5 FIXED ASSETS

Description	Gross Block at Cost			Depreciation/Amortisation			Net Block		
	As at 01.04.2011	Additions / Adjustments	Disposals / Adjustment	As at 31.03.2012	Upto 01.04.2011	For the year	Disposals/ Adjustment	As at 31.03.2012	As at 31.03.2011
5.1 Tangible assets									
Land	167,765,269	226,460	-	167,991,729	-	-	-	167,991,729	167,765,269
Land on lease	26,275,057	45,592,785	-	71,867,842	1,496,198	667,866	-	69,703,778	24,778,859
Buildings	349,801,267	74,875,528	-	424,676,795	54,734,211	14,894,028	-	355,048,556	295,067,056
Electrical Installations	53,764,703	9,290,864	-	63,055,567	13,821,860	2,704,574	-	46,529,133	39,942,843
Plant and Equipments	349,075,581	58,191,613	-	407,267,194	179,412,925	23,218,320	-	204,635,949	169,662,656
Dies & Moulds	22,809,153	6,371,677	-	29,180,830	15,668,450	1,471,382	-	12,040,998	7,140,703
Furniture and Fixtures	20,237,837	5,277,529	-	25,515,366	8,212,166	1,765,691	-	15,537,509	12,025,671
Vehicles	22,071,468	645,237	2,587,147	20,129,558	8,313,336	1,622,822	1,297,582	11,490,982	13,758,132
Office Equipments	9,551,350	949,431	75,690	10,425,091	4,811,310	848,523	61,504	4,826,762	4,740,040
Containers	1,210,484	251,660	-	1,462,144	1,210,484	251,660	-	-	-
Computers	31,169,476	2,757,752	-	33,927,228	21,782,209	3,296,636	-	8,848,383	9,387,267
5.2 Intangible assets									
Goodwill	24,105,251	-	-	24,105,251	24,105,251	-	-	24,105,251	-
Brands	5,100,000	-	-	5,100,000	4,427,803	434,043	-	238,154	672,197
Technical Know-how	195,127	-	-	195,127	195,127	-	-	195,127	-
Total Tangible & Intangible Assets	1,083,132,023	204,430,536	2,662,837	1,284,899,722	338,191,330	51,175,545	1,359,086	896,891,933	744,940,693
Previous year	850,986,782	232,145,241	-	1,083,132,023	289,651,960	48,539,370	-	744,940,693	561,334,821
5.3 Capital Work-in-Progress									
TOTAL FIXED ASSETS								1,020,773,119	787,602,687

5.4 Note:-

- Addition to Land on lease relates to the land at Bhiwadi allotted to the Company amounting to ₹ 45,592,785/- (PY - Nil) possession of which has been handed over to the Company. Cost of such land is not amortised pending execution of lease deed.
- Additions during the year includes borrowing costs capitalised ₹ 1,321,672/- (₹ Nil) including from the Capital Work-in-progress.
- Borrowing costs relating to Capital Work-in-progress pending allocation is ₹ 3,971,536/- (PY - ₹ 546,893/-).
- During the last five years ended 31st March, 2007 there was no write off of any of the tangible or intangible assets due to reduction of capital.
- During the last five years ended 31st March, 2007 there was no write off / reduction of any of the tangible or intangible assets due to revaluation.

(Amounts in ₹)

Particulars	2012		2011	
	No. of Shares	Amount	No. of Shares	Amount
6 NON CURRENT INVESTMENTS				
6.1 TRADE INVESTMENTS (LONG TERM, AT COST)				
6.1.1 Subsidiary Companies				
Equity Instruments - Fully Paid - Unquoted				
Suprajit Automotive Private Limited-100% Holding (PY - 100% Holding) [1,990,000 Equity Shares of ₹ 10/- each including beneficial holding of 1 Equity Share]	1,990,000	19,900,000	1,990,000	19,900,000
Suprajit Europe Limited - 100% Holding (PY - 100% Holding) [2,200,000 Ordinary Shares of GBP 1/- each] - (Refer Note 21.3)	2,200,000	185,997,286	2,200,000	185,997,286
		205,897,286		205,897,286
6.1.2 Associate Companies				
Equity Instruments - Fully Paid - Unquoted				
Suprajit Chemicals Private Limited - 27.32% Holding (PY - 27.32%) [20,000 Equity Shares of ₹ 100/- each]	20,000	2,000,000	20,000	2,000,000
		2,000,000		2,000,000
6.1.3 Others (In Limited Companies)				
Equity Instruments - Fully Paid - Unquoted				
Suprawin Technologies Limited - 12.89% Holding (PY - 12.89%)[540,000 Equity Shares of ₹10/- each]	540,000	7,164,070	540,000	7,164,070
Less: Provision for diminution in value of Investment		7,164,070		7,164,070
Net Investment		-		-
TOTAL NON-CURRENT INVESTMENTS		207,897,286		207,897,286
6.2 General Information				
Aggregate value of Investments:				
Unquoted		215,061,356		215,061,356
Provision for diminution in value of investments		7,164,070		7,164,070

(Amounts in ₹)

Particulars	2012	2011
7 LONG TERM LOANS AND ADVANCES		
7.1 Capital Advances		
Unsecured, considered good	32,018,448	19,969,432
Total Capital Advances	32,018,448	19,969,432
7.2 Security Deposits		
Unsecured, considered good		
Electricity Deposits	3,165,117	1,602,299
Other Deposits	1,201,182	724,008
TOTAL SECURITY DEPOSITS	4,366,299	2,326,307
7.3 Others		
Unsecured, considered good		
Advance tax [including Tax deducted at source (Net of Provisions)]	1,045,359	5,514,779
Total Others	1,045,359	5,514,779
TOTAL OF LONG TERM LOANS AND ADVANCES	37,430,106	27,810,518
8 OTHER NON CURRENT ASSETS		
8.1 Non-current bank deposit (held against public deposits)	534,226	-
8.2 Interest accrued on the above non-current bank deposit	39,017	-
TOTAL OTHER NON-CURRENT ASSETS	573,243	-

(Amounts in ₹)

Particulars		2012	2011
9 CURRENT INVESTMENTS			
9.1 Other Investments (Non-trade)			
Investments in Mutual Funds (at lower of cost or fair value)		179,024,003	79,015,971
TOTAL CURRENT INVESTMENTS		179,024,003	79,015,971
9.2 Details of Other Investments (Non-trade)			
9.2.1 Mutual Funds			
Particulars		31.03.2012	31.03.2011
Birla MIP II Wealth 25 Plan - Nil (61,737.92) units of ₹10/- each		-	1,000,000
HSBC MIP-Saving Plan - Nil (216,859.113) units of ₹10/- each		-	4,000,000
HSBC MIP-Regular Plan - Nil (503,649.883) units of ₹10/- each		-	8,000,000
Reliance Monthly Income Plan - Nil (822,259.42) units of ₹10/- each		-	16,000,000
HDFC Monthly Income Plan - Nil (43,925.537) units of ₹10/- each		-	1,000,000
HDFC Monthly Income Plan - 58,423.16 (832,308.958) units of ₹10/- each		1,342,601	17,000,000
Birla MIP II Savings 5 Plan - 166,816.80 (669,393.62) units of ₹10/- each		3,000,000	11,021,899
Birla MIP II Wealth 25 Plan - Nil (56,350.727) units of ₹10/- each		-	1,000,000
HDFC Monthly Income Plan - Nil (43,778.429) units of ₹10/- each		-	1,000,000
Reliance Monthly Income Plan - Nil (46,474.232) units of ₹10/- each		-	1,000,000
Birla MIP II Wealth 25 Plan - Nil (56,019.584) units of ₹10/- each		-	998,829
HDFC Monthly Income Plan - Nil (43,571.656) units of ₹10/- each		-	1,000,000
Reliance Monthly Income Plan - Nil (46,256.678) units of ₹10/- each		-	1,000,000
Birla MIP II Wealth 25 Plan - Nil (224,942.78) units of ₹10/- each		-	4,000,000
HDFC Monthly Income Plan - Nil (176,724.5) units of ₹10/- each		-	4,000,000
HDFC MIP - Saving Plan - 204,304.71 (51,822.332) units of ₹10/- each		-	995,243
Reliance Monthly Income Plan - Nil (46,593.546) units of ₹10/- each		-	1,000,000
Birla MIP II Wealth 25 Plan - Nil (56,245.5) units of ₹10/- each		-	1,000,000
HDFC MIP - Long term plan MDIV 204,304.71 (Nil) units of ₹10/- each		2,612,465	-
Reliance Monthly Income Plan - 187,414.199 (187,414.199) units of ₹10/- each		4,000,000	4,000,000
Reliance Monthly Income Plan - 323,497.420 (Nil) units of ₹10/- each		7,000,000	-
Kotak Bond Regular Growth - 248,249.63 (Nil) units of ₹10/- each		7,500,000	-
Birla Dynamic Bond fund retail plan-growth - 421,963.91 (Nil) units of ₹10/- each		7,500,000	-
UTI Bond Fund growth - 241,120.58 (Nil) units of ₹10/- each		7,500,000	-
Birla Sunlife 95 Fund growth - 25,160.12 (Nil) units of ₹10/- each		7,500,000	-
Birla MIP II Wealth 25 Plan - 439,376.20 (Nil) units of ₹10/- each		8,000,000	-
IDFC Dynamic Bond Fund Gr - 477,293.84 (Nil) units of ₹10/- each		10,000,000	-
HDFC Monthly Income Plan - 452,484.76 (Nil) units of ₹10/- each		10,500,000	-
HDFC Prudence Fund - Growth - 60,708.12 (Nil) units of ₹10/- each		12,568,937	-
IDFC Super Saver Income Fund - Short Term Plan A- Growth 14,14697.23 (Nil) units of ₹10/- each		30,000,000	-
DSP BlackRock STP Gr - 1,715,100.87 (Nil) units of ₹10/- each		30,000,000	-
Templeton India short term Income Retail growth plan 14,671.39 (Nil) units of ₹10/- each		30,000,000	-
TOTAL		179,024,003	79,015,971
9.2.2 General Information			
Aggregate value of Investments:-			
Quoted			
At Fair Value		179,024,003	79,015,971
At Market Value		185,358,056	84,914,071

Particulars	2012	2011
10 INVENTORIES		
10.1 Valued at Lower of Cost or Net Realisable value		
Raw materials (including components, packing materials and stores & spares)	191,996,513	167,203,930
Raw materials in transit	6,872,530	-
Work in Progress	30,803,806	18,801,121
Finished Goods	94,198,437	62,860,334
TOTAL INVENTORIES	323,871,286	248,865,385
11 TRADE RECEIVABLES		
11.1 Outstanding for a period more than six months from the due date of payment		
Unsecured, considered doubtful	2,691,828	6,854,962
Less:- Provision for Doubtful receivables	2,691,828	6,854,962
	-	-
11.2 Other Trade Receivables		
Unsecured, considered good	755,604,517	599,357,079
Unsecured, considered doubtful	754,871	-
Less: Provision for Doubtful receivables	754,871	-
TOTAL TRADE RECEIVABLES	755,604,517	599,357,079
11.3 Trade Receivables stated above include debts due from:		
Particulars	31.03.2012	31.03.2011
Private Company in which Director is a member	983,511	-
Total	983,511	-
12 CASH AND CASH EQUIVALENTS		
12.1 Balances with Banks	26,294,811	16,498,455
12.2 Other Bank balances		
Earmarked balances:-		
Unclaimed Dividend accounts	1,754,636	2,276,067
Bank deposits (held against public deposits)	-	432,965
12.3 Cheques, drafts on hand	380,275	-
12.4 Cash on hand	613,840	454,106
TOTAL CASH AND CASH EQUIVALENTS	29,043,562	19,661,593
13 SHORT TERM LOANS AND ADVANCES		
13.1 Others		
Unsecured, considered good		
Advance to Suppliers	71,538,247	39,321,312
Advances to Employees	4,040,089	3,334,079
Balance with Central Excise, Customs & other authorities	5,160,548	12,894,389
Prepaid Expenses	4,004,115	4,960,867
Others	3,397,797	2,763,590
Total of Loans and Advances to Others	88,140,796	63,274,237
TOTAL SHORT TERM LOANS AND ADVANCES	88,140,796	63,274,237
14 OTHER CURRENT ASSETS		
14.1 Export benefit entitlements	2,154,572	1,775,256
14.2 Matured National Savings Certificates	10,000	10,000
14.3 Interest accrued on bank deposits	-	100,915
TOTAL OTHER CURRENT ASSETS	2,164,572	1,886,171

(Amounts in ₹)

Particulars	2012	2011
15 OTHER INCOME		
Interest Income	866,594	1,474,030
Dividend Income		
from Subsidiaries	-	7,960,000
from other Companies	-	2,600,000
from Mutual funds	4,009,338	-
Net gain on foreign currency transactions and translations	4,521,213	3,789,782
Net gain on sale of investments	7,904,937	5,109,416
Rent Received	3,665,870	3,275,358
Discount Received	857,623	-
Other non-operating income	-	1,934,235
TOTAL OTHER INCOME	21,825,575	26,142,821
16 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS		
Opening Stock		
Finished Goods	62,860,334	26,243,762
Work-in-Progress	18,801,121	6,589,652
	81,661,455	32,833,414
Excise duty on stocks	(9,217,675)	(5,537,826)
	72,443,780	27,295,588
Less: Closing Stock		
Finished Goods	94,198,437	62,860,334
Work-in-progress	30,803,806	18,801,121
	125,002,243	81,661,455
TOTAL CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS	(52,558,463)	(54,365,867)
17 EMPLOYEE BENEFITS		
Salaries and Wages	374,260,882	297,830,178
Contribution to Provident and other Funds	13,491,458	14,431,819
Staff Welfare Expenses	14,056,213	14,434,877
TOTAL EMPLOYEE BENEFITS	401,808,553	326,696,874
18 FINANCE COSTS		
Interest expense	89,296,150	57,463,518
Loan processing charges	1,813,815	4,142,948
	91,109,965	61,606,466
Less: Expenditure incurred during the construction period		
- Capitalised during the year	(774,779)	-
- Added to Capital Work-in-progress	(3,971,536)	(546,893)
TOTAL FINANCE COSTS	86,363,650	61,059,573

(Amounts in ₹)

Particulars	2012	2011
19 OTHER EXPENSES		
Power and fuel	57,279,366	53,625,120
Rent	556,770	477,128
Repairs & Maintenance:		
Buildings	3,951,484	2,362,105
Machinery	24,050,481	18,438,543
Others	11,637,139	11,394,885
Insurance	7,391,774	6,200,471
Rates and taxes	3,798,254	2,774,500
Bank Charges	3,048,659	2,127,740
Travelling and Conveyance	23,718,531	19,623,846
Professional Charges (Refer Note 19.1 below)	4,148,879	3,426,277
Freight Outward & C & F Charges	36,875,105	30,012,316
Advertisement and Sales Promotion	2,777,412	1,675,220
Discount	28,126,020	17,883,370
Sales Commission	2,520,932	2,631,235
Directors' Sitting Fees & Commission	820,000	890,000
Bad debts written off	2,201,653	2,314,299
Provision for Doubtful debts	(3,408,263)	2,145,624
Printing & Stationery	4,256,039	4,032,668
Security Expenses	7,013,558	5,595,058
Communication Expenses	5,077,331	5,813,308
Research & Development expenses (Refer Note 21.11 below)	1,590,359	2,079,291
Loss on Sale of fixed assets (net)	443,486	-
Provision for diminution in value of Investments (net)	(4,767)	7,169,998
General Expenses	8,784,681	6,909,697
	236,654,883	209,602,699
Less: Expenditure incurred during the construction period		
- Added to Capital Work-in-progress	-	(116,356)
TOTAL OTHER EXPENSES	236,654,883	209,486,343
19.1 Auditors' Remuneration		
a. As auditor (including limited review, consolidated accounts and certification)	865,000	725,000
b. Service tax and reimbursement of expenses	206,891	146,703
	1,071,891	871,703

Significant Accounting Policies and Notes to Accounts forming part of the accounts for the year ended 31st March 2012

20 SIGNIFICANT ACCOUNTING POLICIES

20.1 Basis of preparation of Financial Statements

The Financial Statements have been prepared and presented under the historical cost convention and in accordance with the provisions of the Companies Act, 1956 and the Companies (Accounting Standards) Rules, 2006 (Indian GAAP) as adopted consistently by the Company.

20.2 Use of Estimates

The preparation of the Financial Statements is in conformity with Indian GAAP, which requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of Financial Statements and the reported amounts of revenue and expenses during the reporting period. Although, such estimates are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and such differences are recognised in the period in which the results are ascertained.

20.3 Cash Flow Statement

Cash Flow Statement is prepared in accordance with AS-3 of Companies (Accounting Standards) Rules, 2006, using the indirect method to determine cash flow from operating activities.

20.4 Revenue Recognition

Sale of goods is recognized at the point of dispatch of goods to the customers. Gross sales are inclusive of applicable excise duty and exclusive of sales tax. Revenue from scrap is recognised on sale.

Export incentives are recognised when, there is reasonable certainty as to realisation and when they are quantifiable with a high degree of accuracy.

Dividend is recognized when declared and interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable rate.

20.5 Tangible/Intangible Assets

Fixed Assets are stated at cost less accumulated depreciation. The cost of an asset comprises of its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Interest on loan taken for the acquisition of qualifying assets up to the date of commissioning of assets is added to the cost of assets.

Intangible assets are carried at cost less amortization, where it is probable that future economic benefits expected from it is not less than the carrying value.

20.6 Depreciation/amortization

Depreciation is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Assets individually costing less than or equal to ₹ 5,000/- are fully depreciated in the year of acquisition.

Intangible assets like brands and know-how are amortized on a straight line basis over their estimated useful life of 10 years. Goodwill arising on acquisition / amalgamation is amortized over a period of 5 years. Leasehold land is amortised over the period of lease.

20.7 Investments

Investments that are readily realisable and intended to be held for not more than 12 months are classified as current investments. All other investments are classified as long-term investments. Long-term investments are stated at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Current investments are carried at lower of cost or fair value.

20.8 Inventories

Inventories are valued at lower of cost or net realizable value. Cost is ascertained on weighted average method. Conversion and other costs incurred for bringing the inventories to their present location and condition are allocated to the extent applicable.

20.9 Foreign Currency Transactions

The foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are restated at the applicable exchange rates prevailing as at the Balance Sheet date. Gain / loss arising from such restatement as also on settlement of the transactions are adjusted in the Profit and Loss Statement.

Premium or discount on forward exchange contracts which are not intended for trading or speculation purpose and is to establish the amount of reporting currency required on the settlement dates is recognized in the Profit and Loss Statement over the period of the contracts. The exchange differences on the contracts are recognized in the year in which the exchange rates change.

The Company enters into foreign currency forward exchange contracts to hedge its risks associated with foreign currency fluctuations in respect of highly probable forecast transactions. At the end of the reporting period these contracts are marked to market and the resultant loss, if any, is recognised in the Profit and Loss Statement.

20.10 Employee Benefits

Short term employee benefits

The amounts paid/payable on account of short term employee benefits, comprising largely of salaries & wages, short term compensated absences and annual bonus is valued on an undiscounted basis and charged to the Profit and Loss Statement for the year.

Defined Contribution plans:

The Company has defined contribution plans for its employees comprising of Provident Fund and Employee's State Insurance. The contributions paid/payable to these plans during the year are charged to the Profit and Loss Statement for the year. The Company has no other obligation in this regard.

Defined benefit plans:**Gratuity**

The Company's Gratuity Scheme is administered through the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on actuarial valuation, conducted annually using the projected unit credit method, as adjusted for unrecognized past services cost, if any and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Profit and Loss Statement for the period in which they occur.

Compensated Absences (Earned Leave Encashment)

The Company has a scheme for compensated absences for employees, the liability other than for short term compensated absences is determined on the basis of an actuarial valuation carried out at the end of the year, using projected unit credit method. Actuarial gains and losses are recognised in full in the Profit and Loss Statement for the period in which they occur.

20.11 Borrowing Costs

Borrowing costs other than those attributable to qualifying assets are expensed as and when incurred. Borrowing costs attributable to qualifying assets are capitalised under relevant asset class.

20.12 Leases**Operating Lease:**

Leases where the significant risks and rewards of ownership is with the lessor are classified as operating leases and payment under such leases are recognized as an expense in the Profit and Loss Statement on a systematic basis.

Finance Lease:

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired on finance lease are capitalized as part of fixed assets and corresponding liability is recognized as term loans.

20.13 Taxation

Tax Expense comprising current tax, fringe benefit tax and deferred tax are recognised in the Profit and Loss Statement for the year. Current tax is the amount of income tax determined to be payable in respect of taxable income as computed under the tax laws. Fringe benefit tax is a presumptive tax on the deemed fringe benefit to employees payable by the Company, presently stands withdrawn.

Certain items of income and expenditure are not reported in tax returns and financial statements in the same period for the purpose of determining the current tax. The net tax effect calculated at the current enacted tax rates of this timing difference is reported as deferred income tax asset/liability. The effect on deferred tax assets and liabilities due to change in such assets/liabilities as at the end of previous accounting period and due to a change in tax rates are recognised in the income statement of the period.

20.14 Research and Development Expenditure

Expenditure incurred during the research phase is charged off to the Profit and Loss Statement.

20.15 Provisions and Contingencies

Provision for losses and contingencies arising as a result of past event where management considers it probable that a liability may be incurred are made on the basis of reliable estimates of the expenditure required to settle the present obligation on the Balance Sheet date and are not discounted to its present value. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Other contingent liabilities to the extent management is aware is disclosed by way of notes to accounts.

21 OTHER NOTES ON ACCOUNTS

- 21.1** In the opinion of the Board, none of the assets have a value lower on realization in the ordinary course of business than the amount at which they are stated in the Balance Sheet.
- 21.2** Some of the trade receivables, trade payables, loans and advances are subject to confirmation/ reconciliation.
- 21.3** Suprajit Europe Limited (formerly Gills Cables Limited), a wholly owned Subsidiary (WOS) was established in 2006 and has accumulated losses of ₹ 135,775,985/- (PY: ₹ 94,239,432/-) as at the year ended 31st March, 2012. The WOS is near the cash break even level if exceptional items are excluded and the management expects the operations to be cash positive in the foreseeable future. Hence, in the opinion of the management there is no permanent diminution in the value of the investment. The Company has provided a Corporate guarantee to the bankers of the WOS to fund its operations, if required.
- 21.4** Full quantitative particulars giving item wise and location wise details of fixed assets are maintained in the ERP system in respect of additions made after 1.4.2008. The particulars of fixed assets acquired prior to this date have been updated in the ERP system in a summarized format. However, item wise particulars are maintained for major assets in manual form.

(Amounts in ₹)

	31.03.2012	31.03.2011
21.5 Contingent Liabilities and Commitments		
21.5.1 Contingent Liabilities		
Disputed Excise/ Entry tax dues pending in appeal	1,434,040	1,434,040
Corporate Guarantees issued on behalf of a subsidiary to their bankers [GBP 500,000 (PY: GBP 500,000)].	41,290,000	36,450,000
B-17 Bond Executed in favour of customs	15,000,000	10,000,000
Bank Guarantee furnished to Tax Authorities for availing concessions	750,000	2,276,168
Other sums for which the Company is contingently liable	3,921,851	3,921,851
Total	62,395,891	54,082,059
21.5.2 Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	95,051,147	102,014,428
Total Contingent Liabilities and Commitments	157,447,038	156,096,487

21.6 The Company has identified Micro and Small Enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006. Particulars of dues to these parties are as under:

Particulars	31.03.2012	31.03.2011
Principal amount (including overdue amount) outstanding at the beginning of the year	23,960,782	13,626,231
Interest amount outstanding at the beginning of the year	268,950	85,461
Interest (out of the above) paid during the year	268,950	-
Amount paid after the due date during the year	36,664,512	31,426,274
Interest paid on the amount paid after due date during the year	-	-
Overdue amount outstanding at the end of the year	7,134,081	6,297,461
Principal amount (other than overdue amount) outstanding at the end of the year	2,517,068	17,663,321
Interest amount accrued and remaining unpaid at the end of the year	126,710	268,950

21.7 Foreign Exchange exposure

The detail of foreign currency exposure as at 31st March, 2012 is given below:

Particulars	31.03.2012		31.03.2011	
	Foreign currency	Equivalent ₹	Foreign currency	Equivalent ₹
Hedged by derivative instruments: (Converted at committed exchange rates)				
Forward contract to hedge loan liability USD	-	-	1,687,236	78,589,624
Forward contract to hedge highly probable forecast receivables:				
Euro	175,000	11,885,750	-	-
GBP	175,000	13,661,500	-	-
Not hedged by derivative instruments (net):				
USD Receivable	482,725	24,467,373	33,243	1,066,716
Euro Receivable	73,282	4,941,179	80,900	5,044,911
GBP Receivable	74,401	6,008,238	137,523	9,762,739

21.8 Employee Benefits:

Details of the employee benefits are given below.

a. Defined Contribution Plans:

During the year, the following amounts have been recognised in the Profit and Loss Statement on account of defined contribution plans.

Particulars	31.03.2012	31.03.2011
Employers contribution to Provident Fund (incl. admin charges)	8,563,886	6,889,616
Employers contribution to Employee State Insurance	2,127,977	1,919,294

b. Defined Benefit Plans:

Gratuity - Funded

Compensated absences - Unfunded

Gratuity is a funded obligation and leave encashment is an unfunded obligation of the Company. The Company has provided for liability of gratuity and leave encashment based on an actuarial valuation under the projected unit credit method. Actuarial assumptions in determining such liability are given below:

Particulars	Gratuity		Compensated Absences	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Discount Rate (per annum)	8.5%	8%	8.5%	8%
Expected return on plan assets	8.5%	8%	-	-
Salary escalation rate*	7%	7%	7%	7%

* The assumption of future salary increases takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

Particulars	2011-12		2010-11	
	Funded Scheme	Unfunded Scheme	Funded Scheme	Unfunded Scheme
I. Reconciliation of present value of obligation:				
Present value of obligation at beginning of the year	14,683,405	3,404,097	8,773,677	3,020,761
Current Service Cost	3,420,175	2,406,425	5,704,316	1,502,365
Interest Cost	1,211,187	250,009	692,514	195,769
Actuarial (gain)/loss	(1,791,700)	(59,273)	(252,589)	(167,501)
Benefits Paid	(868,294)	(925,618)	(234,513)	(1,147,297)
Present value of obligation at end of the year	16,654,773	5,075,640	14,683,405	3,404,097

Particulars	2011-12	2010-11
	Funded Scheme	Funded Scheme
II. Reconciliation of fair value of plan assets:		
Fair value of plan assets beginning of the year	6,254,303	5,805,621
Expected return on plan assets	494,713	461,544
Actuarial gain/(loss)	45,355	59,788
Contributions	-	161,863
Benefits paid	(868,294)	(234,513)
Fair value of plan assets at end of the year	5,926,077	6,254,303

Particulars	2011-12	2010-11
	Funded Scheme	Funded Scheme
III. Description of Plan Assets:		
Insurer Managed Funds	5,926,077	6,254,303

(Amounts in ₹)

Particulars	2011-12		2010-11	
	Funded Scheme	Unfunded Scheme	Funded Scheme	Unfunded Scheme
IV. Net (Asset)/Liability recognized in the Balance Sheet as at year end:				
Present value of obligation at end of the year	16,654,773	5,075,640	14,683,405	3,404,097
Fair value of plan assets at end of the year	5,926,077	-	6,254,303	-
Net present value of unfunded obligation recognized as (asset)/liability in the Balance Sheet	10,728,696	5,075,640	8,429,102	3,404,097

21.9 Segment Reporting:

The Company has classified its products as Auto Components and hence operates in only one primary segment (business). Secondary segmental reporting is based on the geographical location of customers. The following is the distribution of the Company's sale by geographical markets and segment assets which can be attributed to customers in such markets.

Particulars	2011-12	2010-11
Sales/Operating income:		
- India	3,643,048,657	2,877,982,939
- Rest of the world	144,136,176	127,026,610
Segment Assets:		
- India	2,606,826,137	1,999,738,765
- Rest of the world	37,696,353	31,992,375

21.10 Related Party Disclosures

Party	Relationship
Suprajit Automotive Private Limited	Wholly owned subsidiary
Suprajit Europe Limited, U.K	Wholly owned subsidiary
Suprajit Chemical Private Limited	Associate
K Ajith Kumar Rai (Chairman & Managing Director)	Key Management Personnel
Mohan Chelliah (Executive Director appointed w.e.f 12 March, 2012)	Key Management Personnel
Jayarama M Shetty (Director)	Relative of Key Management Personnel
Manjunath Rai K	Relative of Key Management Personnel
Hemavathi M Rai	Relative of Key Management Personnel
Ashok Kumar Rai	Relative of Key Management Personnel
Arathi Shetty	Relative of Key Management Personnel
Suprajit Foundation	Trust Setup with effect from 31.03.2011

Nature of Transaction and Related Party	2011-12	2010-11
Remuneration/Commission:		
K Ajith Kumar Rai	28,385,564	22,714,738
M Jayarama Shetty (Director)	100,000	100,000
Mohan Chelliah	244,709	-
Sitting Fee:		
M Jayarama Shetty (Director)	80,000	80,000
Sales/Conversion charges:		
Suprajit Automotive Private Limited	8,432,798	8,628,479
Suprajit Europe Limited	-	16,971
Purchase of Land/Buildings:		
Suprajit Chemicals Private Limited	-	36,313,060
Dividend Received:		
Suprajit Automotive Private Limited	-	7,960,000
Suprajit Chemicals Private Limited	-	2,600,000

(Amounts in ₹)

Nature of Transaction and Related Party	2011-12	2010-11
Interest Paid:		
Suprajit Automotive Private Limited	59,606	-
Suprajit Chemicals Private Limited	-	-
M Jayarama Shetty (Director)	10,383	1,978
Manjunath Rai K	78,173	110,000
Hemavathi M Rai	75,479	110,000
Ashok Kumar Rai	95,260	63,890
Arathi Shetty	10,383	1,978
Reimbursements:		
K Ajith Kumar Rai	1,886,130	728,800
Suprajit Automotive Private Limited	-	128,772
Suprajit Chemicals Private Limited	-	7,178
Advances Received:		
Suprajit Automotive Private Limited	7,500,000	-
Repayments of Advance:		
Suprajit Automotive Private Limited	7,500,000	-
Receipt of Interest on Loan:		
Suprajit Automotive Private Limited	-	5,176,686
Purchase of Materials:		
Suprajit Automotive Private Limited	1,319,365	2,075,498
Suprajit Europe Limited	15,727	-
Donation:		
Suprajit Foundation	5,475,000	4,534,000
Fixed Deposits Accepted:		
Manjunath Rai K	1,000,000	1,000,000
Hemavathi M Rai	1,000,000	1,000,000
M Jayarama Shetty (Director)	-	200,000
Ashok Kumar Rai	-	1,000,000
Arathi Shetty	-	200,000
Fixed Deposits Refunded on Closure:		
Manjunath Rai K	1,000,000	500,000
Hemavathi M Rai	1,000,000	399,000
Arathi Shetty	200,000	200,000
M Jayarama Shetty (Director)	200,000	200,000
Balances outstanding (net):		
Suprajit Automotive Private Limited (Dr.) (net)	890,198	-
Suprajit Europe Limited (Dr.)	14,982	16,971
Manjunath Rai K (Cr.)	1,000,000	1,000,000
Hemavathi M Rai (Cr.)	1,000,000	1,000,000
Ashok Kumar Rai (Cr.)	1,000,000	1,000,000
Arathi Shetty (Cr.)	-	200,000
M Jayarama Shetty (Director) (Cr.)	-	200,000
Suprajit Foundation (Cr)	5,475,000	4,534,000
Corporate Guarantee Furnished:		
Suprajit Europe Limited [GBP 500,000 (PY: GBP 500,000)]	41,290,000	36,450,000

Notes:

1. Dr. Mohan Chelliah has been appointed as an additional Executive Director with effect from 12 March, 2012 and related party figures are post this date.
2. Amounts shown as outstanding at the year end in relation to fixed deposits accepted represent only the principal amount, as there is no interest due, but not paid at the year end.

(Amounts in ₹)

21.11 Research & Development Expenditure:

Particulars	2011-12	2010-11
Salaries & Wages	6,451,642	5,330,017
Materials, Consumables & Stores	2,668,519	635,171
Other Direct Expenditure	232,022	2,079,291
Total	9,352,183	8,044,479

The expenses such as Salaries, Wages, Materials and Consumables are included in the respective head of accounts and direct expenditure is disclosed under Research & Development Expenditure in the Profit and Loss Statement.

21.12 Additional information:**21.12.1 Turnover of Goods (Major Products)**

Particulars	31.03.2012	31.03.2011
Control cables	2,846,002,135	2,259,076,637
Speedo Cables	546,149,166	403,940,597
Speedometers	180,281,101	162,596,085
Others	194,113,568	164,289,233
Total	3,766,545,970	2,989,902,552

21.12.2 Raw materials consumed/sold:

Particulars	31.03.2012	31.03.2011
Steel Wire	382,419,582	341,831,100
Inner Meter	402,547,305	306,401,610
Bend Tube Assy.	221,439,643	179,988,812
PVC Compound	104,217,873	94,506,465
Component and Others	1,408,013,920	1,090,524,274
Total	2,518,638,323	2,013,252,261

21.12.3 CIF Value of Imports:

I. Raw materials;	417,113,681	227,907,837
II. Capital goods;	908,978	-

21.12.4 Earnings in Foreign Currency:

I. Export of goods calculated on F.O.B. basis;	144,136,175	127,026,610
------------------------------------------------	-------------	-------------

21.12.5 Expenditure in Foreign Currency:

Export commission	2,520,932	2,631,235
Travelling expenses	3,475,175	1,452,491

21.12.6 Raw Materials Consumed:

Imported	417,113,681	212,735,062
Imported % to total	16.45%	10.57%
Indigenous	2,118,883,105	1,800,517,199
Indigenous % to total	83.55%	89.43%
Total	2,535,996,786	2,013,252,261
Total %	100%	100%

21.13 Previous period figures have been rearranged/ reclassified where required to confirm to current year's classification and changes mandated by revised Schedule VI.

(Signatures to Notes 1 to 21)

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director

Diwakar S Shetty
Director

Medappa Gowda J
Company Secretary

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 29th May, 2012

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956,
RELATING TO SUBSIDIARY COMPANIES**

Particulars	Name of the Subsidiary Companies	
	Suprajit Automotive Private Limited, India	Suprajit Europe Limited, U.K. (Formerly known as Gills Cables Limited)
Financial Period ended	31st March 2012	31st March 2012
Interest of Suprajit Engineering Limited	100%	100%
Shares held by Suprajit in the Subsidiary Company	1,990,000 equity Share of ₹ 100/- each, fully paid up	2,200,000 equity Shares of £ 1 each, fully paid up
The net aggregate of Profits or Losses for the current period of the subsidiary so far as it concerns the members of the Holding Company	-	-
* dealt with or provided for in the accounts of the Holding Company	Nil	Nil
* not dealt with or provided for in the accounts of the Holding Company	₹ 40,651,002	(₹ 26,814,261)
The net aggregate of Profits and Losses for previous Financial Years of the subsidiary so far as it concerns the members of the Holding Company	-	-
* dealt with or provided for in the accounts of the Holding Company	Nil	Nil
* not dealt with or provided for in the accounts of the Holding Company	Nil	Nil

For and on behalf of the Board

Medappa Gowda. J
Company Secretary

Diwakar S Shetty
Director

K. Ajith Kumar Rai
Chairman & Managing Director

Place : Bangalore
Date : 29th May, 2012

**STATEMENT PURSUANT TO EXEMPTION RECEIVED UNDER SECTION 212 (8)
OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANIES**

Name of the Company	Suprajit Automotive Private Limited		Suprajit Europe Limited	
	2011-12	2010-11	2011-12	2010-11
Reporting Currency	₹	₹	£	£
Exchange Rate	-	-	76.40/81.80	70.88/72.00
			₹	₹
Capital	19,900,000	19,900,000	179,960,000	158,400,000
Reserves Total	159,564,673	118,913,671	(135,775,985)	(94,239,432)
Total Assets	305,896,239	293,567,019	118,996,495	134,396,856
Total Liabilities	126,431,566	154,753,348	74,812,480	70,236,360
Investment other than investment in Subsidiary	Nil	Nil	Nil	Nil
Turnover	329,403,995	357,573,722	218,320,411	225,469,422
Profit before Taxation	31,038,701	56,502,253	(24,808,226)	(10,369,115)
Provision for Taxation	(9,612,301)	12,223,261	2,006,035	815,971
Profit after taxation	40,651,002	44,278,992	(26,814,261)	(11,185,086)
Proposed dividend	Nil	Nil	Nil	Nil
Country	India	India	UK	UK

For and on behalf of the Board

Medappa Gowda. J
Company Secretary

Diwakar S Shetty
Director

K. Ajith Kumar Rai
Chairman & Managing Director

Place : Bangalore
Date : 29th May, 2012

CONSOLIDATED FINANCIAL STATEMENTS
OF
SUPRAJIT ENGINEERING LIMITED

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors
Suprajit Engineering Limited
Bangalore

1. We have audited the attached Consolidated Balance Sheet of **Suprajit Engineering Limited** ('the Company'), its two wholly owned subsidiaries (collectively referred as 'the Group') as at March 31, 2012, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. This also includes Company's share of profit in an associate enterprise M/s Suprajit Chemicals Private Limited. These Financial Statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate Financial Statements and other financial information regarding components. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that, we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall Financial Statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the Financial Statements of the two Subsidiaries whose Financial Statements reflect total assets of ₹ 42.49 crores as at March 31, 2012, total revenues of ₹ 54.08 crores and net cash inflows amounting to ₹ (0.517) crores for the year ended on that date. We also did not audit accounts of the associate Suprajit Chemicals Private Limited, share of profit from which has been included in the consolidated Profit and Loss Statement to the extent of ₹ 0.22 lakhs. The Financial Statements and other financial information of the subsidiaries have

been audited by other auditors whose reports have been furnished to us and our opinion is based solely on the report of other auditors. Accounts of the Associate Company is unaudited. One of these being a Foreign Subsidiary, the Financial Statements have not been prepared and audited under the applicable Indian laws and regulations.

4. We report that the Consolidated Financial Statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard (AS) 21, Consolidated Financial Statements and AS- 23 Accounting for Investments in Associate Enterprises in Consolidated Financial Statements of the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of reports of other auditors on their separate Financial Statements, Unaudited Financial Statement of the associate and on the basis of the other financial information of these Companies and to the best of our information and according to the explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2012;
 - ii. in the case of the Consolidated Profit and Loss Statement, of the profit for the year ended on that date; and
 - iii. in the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For **Varma & Varma**
Chartered Accountants
FRN 004532S

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 29th May, 2012

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	Note No	2012	2011
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share Capital	1	120,020,000	120,020,000
(b) Reserves & Surplus	2	1,171,861,057	849,174,669
(2) Non-Current Liabilities			
(a) Long-term Borrowings	3	311,226,164	181,698,272
(b) Deferred Tax Liabilities (Net)		46,025,862	37,774,446
(c) Other Long term Liabilities		5,398,486	4,738,932
(d) Long term Provisions		13,652,209	11,902,069
(3) Current Liabilities			
(a) Short-term Borrowings	4	437,200,551	281,234,569
(b) Trade Payables		464,872,895	385,821,005
(c) Other Current Liabilities		185,116,655	283,224,343
(d) Short-term Provisions		63,282,273	47,132,787
TOTAL		2,818,656,152	2,202,721,092
II. ASSETS			
(1) Non-current Assets			
(a) Fixed Assets	5		
(i) Tangible Assets		992,194,937	841,551,097
(ii) Intangible Assets		14,277,137	25,387,017
(iii) Capital Work-in-progress		130,711,466	42,661,994
(b) Non-current Investments	6	4,197,723	4,175,563
(c) Long Term Loans and Advances	7	63,117,496	29,237,388
(d) Other Non-current Assets	8	583,243	-
(2) Current Assets			
(a) Current Investments	9	179,024,003	79,015,971
(b) Inventories	10	392,900,739	325,689,459
(c) Trade Receivables	11	892,986,471	733,638,953
(d) Cash and Cash Equivalents	12	31,230,251	27,022,890
(e) Short-term Loans and Advances	13	115,202,711	92,421,011
(f) Other Current Assets	14	2,229,975	1,919,749
TOTAL		2,818,656,152	2,202,721,092

Significant Accounting Policies
Notes to Accounts

20
21

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director

Diwakar S Shetty
Director

Medappa Gowda J
Company Secretary

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 29th May, 2012

CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

Particulars	Note No	2012	2011
REVENUE FROM OPERATIONS			
Sale of Products		4,561,925,464	3,729,763,894
Sale of Services		9,902,293	4,673,498
Other Operating Revenues		11,309,661	9,752,227
Total		4,583,137,418	3,744,189,619
Less:			
Excise Duty		345,613,423	277,000,913
Total Revenue from Operations		4,237,523,995	3,467,188,706
Other Income	15	29,284,526	47,531,873
TOTAL REVENUE		4,266,808,521	3,514,720,579
EXPENSES			
Cost of Materials Consumed		2,790,303,988	2,260,864,597
Changes in Inventories of Finished Goods and Work-In-Progress	16	(31,264,265)	(57,460,775)
Employee Benefit Expense	17	487,173,125	414,913,215
Finance Costs	18	93,098,780	69,404,888
Depreciation and Amortization Expense	5	74,741,646	72,311,917
Other Expenses	19	304,870,304	287,103,119
TOTAL EXPENSES		3,718,923,578	3,047,136,961
Profit Before Tax for the Year		547,884,943	467,583,618
Share of Profit/(Loss) from Associate [Refer Note 20.3]		22,160	(5,557,461)
Tax expense:			
(1) Current Tax		159,600,000	133,260,000
Less: MAT Credit Entitlement		(19,641,551)	-
Tax Expense Relating to Prior Years		1,003,017	1,526,063
Fringe Benefit Tax Relating to Prior Years		115,920	197,872
Deferred Tax		8,671,698	(411,391)
Profit After Tax for the Year		398,158,019	327,453,613
Earnings Per Equity Share:			
Equity Shares of par value ₹ 1/- each			
Basic & Diluted		3.32	2.73
Number of shares used in computing earnings per share		120,020,000	120,020,000

Significant Accounting Policies

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Notes to Accounts

21

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 0045325

K Ajith Kumar Rai
Chairman & Managing Director

Diwakar S Shetty
Director

Medappa Gowda J
Company Secretary

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 29th May, 2012

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

	2012		2011	
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Net profit before taxation and extraordinary items		547,884,943		467,583,618
Adjustment for:				
Depreciation	74,741,646		72,311,917	
(Profit)/Loss on sale of fixed assets	141,079		-	
(Profit)/Loss on sale of Mutual funds	(7,904,937)		(5,109,416)	
Share of Profit/(Loss) from associate	-		5,557,461	
Provision for diminution in value of investments	(4,767)		7,164,070	
Interest income	(952,609)		(1,527,552)	
Dividend received	(4,009,338)		(2,600,000)	
Interest expense	93,098,780	155,109,854	73,965,707	149,762,187
Operating profit before working capital changes		702,994,797		617,345,805
(Increase)/ Decrease in inventories	(67,211,280)		(102,732,921)	
(Increase)/ Decrease in trade receivables	(159,347,518)		(156,081,302)	
(Increase)/ Decrease in loans and advances (short-term)	(22,781,700)		(17,625,282)	
(Increase)/ Decrease in loans and advances (long-term)	(33,880,108)		(24,620,343)	
(Increase)/ Decrease in Other Current assets	(583,243)		(7,531,612)	
(Increase)/ Decrease in Other Non Current assets	(310,226)		-	
Increase/ (Decrease) in current liabilities	(19,055,798)		183,222,121	
Increase/ (Decrease) in non current liabilities	659,554		4,738,932	
Increase/ (Decrease) in provisions (long-term and short-term)	2,659,291	(299,851,028)	6,430,816	(114,199,591)
Cash generated from operations		403,143,769		503,146,214
Income taxes paid		(141,077,386)		(137,342,633)
Net cash from operating activities		262,066,383		365,803,581
B. CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of fixed assets / Capital work-in-progress	(299,904,272)		(262,689,946)	
(Purchase)/Sale of investments	212,920,677		(2,075,650)	
Purchase of investments	(305,019,005)		-	
Interest received	952,609		1,848,720	
Dividend received	4,009,338		2,600,000	
Proceeds from sale of fixed assets	1,210,745		-	
Net cash used in investing activities		(385,829,908)		(260,316,876)
C. CASH FLOWS FROM FINANCING ACTIVITIES:				
Interest paid	(93,098,780)		(74,903,181)	
Proceeds/(repayments) from long-term borrowings (net)	129,527,892		(605,970)	
Proceeds/(repayments) from short-term borrowings (net)	155,965,982		42,432,635	
Dividend and dividend tax paid	(75,428,325)		(57,303,585)	
Exchange fluctuation reserve - Foreign Subsidiary (net)	11,004,117		(364,949)	
Net cash used in financing activities		127,970,886		(90,745,050)
Net increase in cash and cash equivalents during the year		4,207,361		14,741,655
Cash and cash equivalents at beginning of the year		27,022,890		12,281,235
Cash and cash equivalents at end of the year		31,230,251		27,022,890

(Figures in brackets indicate outflows)

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 0045325

K Ajith Kumar Rai
Chairman & Managing Director

Diwakar S Shetty
Director

Medappa Gowda J
Company Secretary

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 29th May, 2012

NOTES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2012		2011	
	No. of Shares	Amount	No. of Shares	Amount
1 SHARE CAPITAL				
1.1 Equity Share Capital				
1.1.1 Authorised Equity Share Capital:- [Equity Shares of ₹ 1/-each]	125,000,000	125,000,000	125,000,000	125,000,000
1.1.2 Issued, Subscribed and Fully Paid Up:- Equity Shares of ₹ 1/- each		120,020,000		120,020,000
TOTAL ISSUED, SUBSCRIBED AND FULLY PAID UP		120,020,000		120,020,000
1.1.3 There are no Shares that have been issued, subscribed and not fully paid up.				
1.1.4 There are no Forfeited Shares				
1.1.5 There are no Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.				
1.1.6 The reconciliation of the number of Equity Shares outstanding and the amount of Share Capital as at 31st March, 2012 and 31st March, 2011:				
Shares outstanding as at the beginning of the year	120,020,000		120,020,000	
Shares issued during the year	-		-	
Shares outstanding as at the end of the year	120,020,000		120,020,000	
1.1.7 Details of shareholders holding more than 5% Shares in the Company:				
Equity Shares of ₹ 1/- each fully paid				
K Ajith Kumar Rai	45,548,399	37.95%	44,925,764	37.43%
Supriya A Rai	15,627,958	13.02%	15,476,780	12.90%
	61,176,357		60,402,544	
1.1.8 During any of the last five years ending from 31st March, 2007:				
No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash.				
During the year ended 31.03.2010 Company has issued 90,015,000 Equity Shares of ₹1 each as fully paid up Bonus Shares by way of capitalization of Securities Premium and General Reserve.				

Particulars	2012	2011
2 RESERVES AND SURPLUS		
2.1 Reserves		
2.1.1 Capital Reserve (State investment subsidy and surplus on sale of Forfeited Shares)		
Opening balance	1,127,150	1,127,150
Add: Additions during the year	-	-
Closing Balance	1,127,150	1,127,150
2.1.2 General Reserve		
Opening Balance	737,225,831	477,225,831
Add: Transferred from Profit & Loss Statement	282,500,000	260,000,000
Closing Balance	1,019,725,831	737,225,831
2.2 Surplus		
2.2.1 Surplus in the Profit & Loss Statement		
Opening Balance	133,865,765	129,306,224
Add:-		
Profit for the Year as per Profit & Loss Statement	398,158,019	327,453,613
Less:-		
Interim Dividend	36,006,000	24,004,000
Final Dividend	42,007,000	30,005,000
Tax on Dividend	12,655,660	8,885,072
Transfer to General Reserve	282,500,000	260,000,000
Closing Balance	158,855,124	133,865,765
Foreign Exchange Fluctuation Reserve	7,847,048	23,044,077
TOTAL RESERVES & SURPLUS	1,171,861,057	849,174,669
3 NON CURRENT LIABILITIES		
3.1 Long Term Borrowings		
3.1.1 Secured		
Term Loans From Banks (Refer Note 3.1.3 and Note 3.1.5 below)	288,135,150	178,405,280
Other Loans and Advances-Vehicle Loan (Refer Note 3.1.4 below)	-	48,126
	288,135,150	178,453,406
3.1.2 Unsecured		
Loans and Advances From Related Parties	1,854,266	2,844,866
Deferred Payment Liabilities-Lease Obligations (Refer Note 3.1.5)	20,836,748	-
Other loans and advances (Deposits from other than relatives)	400,000	400,000
	23,091,014	3,244,866
	311,226,164	181,698,272
3.1.3 Notes on Long Term Borrowings		
Term Loans availed from various banks for capacity expansions are secured by Equitable Mortgage on land and buildings and hypothecation of other present and future fixed assets of the Company on pari-passu first charge basis. Some of these loans are further secured by pari-passu second charge on the current assets of the Company.		
3.1.4 Vehicle loan availed is secured by hypothecation of vehicle for which charge is pending registration.		
3.1.5 In respect of land referred to in Note No. 5.4.1, a balance consideration of ₹ 27,782,328/- is payable in 16 quarterly instalments. The amount relating to the lease payable after 12 months is disclosed in Note No. 3.1.2 and current maturities of this liability is disclosed in Note No. 4.3.		

(Amounts in ₹)

Particulars	2012	2011
3.2 DEFERRED TAX LIABILITIES (NET)		
Liability		
On timing differences of depreciation between the Companies Act, 1956 and the Income Tax Act, 1961.	48,569,597	41,903,934
Asset		
Accelerated Capital Allowance	(842,704)	(775,728)
Timing difference on purchase of goodwill	(1,701,031)	(3,353,760)
TOTAL DEFERRED TAX LIABILITIES (NET)	46,025,862	37,774,446
3.3 OTHER LONG TERM LIABILITIES		
Other Long Term Liabilities- Dealer Deposits	5,398,486	4,738,932
	5,398,486	4,738,932
3.4 LONG TERM PROVISIONS		
Provision for employee benefits (Refer Note 21.6)		
Provision for Gratuity	571,972	540,204
Provision for Leave Encashment	5,023,909	3,041,472
Provision for Rework Charges	6,771,000	6,771,000
Provision for Income Tax (Net of advance tax)	1,285,328	1,549,393
	13,652,209	11,902,069
TOTAL NON CURRENT LIABILITIES	376,302,721	236,113,719
4 CURRENT LIABILITIES		
4.1 SHORT TERM BORROWINGS		
4.1.1 Secured		
Working Capital Facilities from Banks Repayable on Demand (Refer Note 4.1.3)	433,150,551	276,989,747
	433,150,551	276,989,747
4.1.2 Unsecured		
Deposits from related parties	3,300,000	3,160,910
Deposits from other than related parties	750,000	1,083,912
	4,050,000	4,244,822
	437,200,551	281,234,569
4.1.3 Working capital facilities availed from various banks are secured by pari- passu first charge on stock of raw material, semi- finished goods, stores consumables, book-debts, other current assets and pari-passu second charge on land and buildings, plant and machinery and present and future assets		
4.2 TRADE PAYABLES		
Due to Micro & Small Enterprises	9,651,150	24,122,987
Due to Others	455,221,745	361,698,018
	464,872,895	385,821,005
4.3 OTHER CURRENT LIABILITIES		
Current maturities of long-term debt (Refer Notes 3.1.3 & 3.1.5)	80,164,428	195,277,520
Current Maturities of Vehicle Loan (Refer Note 3.1.4)	48,126	352,299
Interest accrued but not due on borrowings	435,972	660,790
Employees benefits payable	2,403,275	4,060,391
Other payables-Statutory remittances	1,292,843	781,410
Unclaimed dividend	1,665,938	2,219,655
Rent Deposit	585,900	-
Statutory liabilities	27,184,888	20,452,379
Other payables	71,246,587	59,363,487
Due to Investor Education & Protection Fund*	88,698	56,412
	185,116,655	283,224,343
* Subsequently paid on 20th April 2012		

(Amounts in ₹)

Particulars	2012	2011
4.4 SHORT TERM PROVISIONS		
Provision for employee benefits	241,011	422,873
Provision for Gratuity	10,728,696	8,429,102
Provision for Leave Encashment-Current	682,035	925,618
Other provisions	7,070	-
Provision for loss on forward contracts	806,841	-
Dividend Payable (Proposed Dividend)	42,007,000	30,005,000
Provision for Corporate Dividend Tax	6,814,586	3,576,251
Provision for Income Tax (Net of Advance Tax)	1,891,138	3,692,031
Provision for Wealth Tax	103,896	81,912
	63,282,273	47,132,787
TOTAL CURRENT LIABILITIES	1,150,472,374	997,412,704

(Amounts in ₹)

5 FIXED ASSETS

Description	Gross Block				Depreciation/Amortisation				Net Block		
	As at 01.04.2011	Additions / Adjustments	Disposals / Adjustment	Currency Fluctuation arising on consolidation	As at 31.03.2012	Upto 01.04.2011	For the year	Disposals/ Adjustment	Currency Fluctuation arising on consolidation	As at 31.03.2012	As at 31.03.2011
5.1 Tangible assets											
Freehold Land	167,765,269	226,460	-	9,238,885	177,230,614	-	-	-	-	177,230,614	167,765,269
Leasehold Land	38,649,471	45,686,037	-	(8,812,068)	75,523,440	4,017,368	1,317,418	-	393,018	5,727,805	34,632,103
Buildings	387,916,874	76,240,275	-	-	464,157,149	60,356,333	16,211,402	-	324,440	387,264,974	327,560,541
Electrical Installations	60,675,234	9,290,864	-	-	69,966,098	15,857,408	3,046,134	-	-	18,903,542	44,817,827
Plant and Equipments	414,161,565	61,427,877	818,000	3,517,450	478,288,891	210,122,137	28,950,286	818,000	2,004,396	240,258,819	204,039,428
Dies & Moulds	39,063,764	7,444,686	-	-	46,508,450	21,561,028	2,777,511	-	-	24,338,539	17,502,735
Furniture and Fixtures	25,257,556	5,810,163	-	1,276,690	32,344,409	10,306,799	2,200,340	-	1,479,064	13,986,203	14,950,757
Vehicles	23,052,345	1,110,237	2,587,147	-	21,575,435	8,451,056	1,848,352	1,297,582	9,000	9,010,826	14,601,288
Office Equipments	11,022,247	1,158,693	153,590	-	12,027,350	5,236,831	965,820	91,331	-	6,111,320	5,785,415
Containers	1,210,484	251,660	-	-	1,462,144	1,210,484	251,660	-	-	1,462,144	-
Computers (including Software)	33,083,281	3,207,847	-	-	36,291,128	23,187,548	3,625,690	-	(324,439)	26,488,799	9,895,734
5.2 Intangible assets											
Goodwill	110,900,510	-	-	11,813,799	122,714,309	86,185,690	13,112,990	-	9,376,646	108,675,326	24,714,820
Brands	5,100,000	-	-	-	5,100,000	4,427,803	434,043	-	-	4,861,846	672,197
Technical Knowhow	195,127	-	-	-	195,127	195,127	-	-	-	195,127	-
Total Tangible & Intangible Assets	1,318,053,727	211,854,799	3,558,737	17,034,755	1,543,384,545	451,115,612	74,741,646	2,206,913	13,262,124	536,912,470	866,938,114
Previous year	1,072,724,768	239,173,766	-	6,155,191	1,318,053,725	374,841,281	72,622,225	-	3,652,106	451,115,612	697,883,488
5.3 Capital Work-in-Progress											
TOTAL FIXED ASSETS										1,137,183,540	909,600,108

5.4. Addition to land on lease includes the land at Bhiwadi allotted to the Company amounting to ₹ 45,592,785/- (PY - Nil), the possession of which has been handedover to the Company. The cost of such land is not amortised, pending execution of lease deed.

(Amounts in ₹)

Particulars	2012	2011
6 NON CURRENT INVESTMENTS		
6.1 Details of Trade Investments		
6.1.1 Associate Companies		
Suprajit Chemicals Private Limited - 27.32% Holding (PY - 27.32%) [20,000 Equity Shares of ₹100/- each]	4,197,723	4,175,563
6.1.2 Others (In Limited Companies)		
Equity Instruments - Fully Paid - Unquoted		
Suprawin Technologies Limited - 12.89% Holding (PY - 12.89%) [540,000 Equity Shares of ₹ 10/- each]	7,164,070	7,164,070
Less: Provision for diminution in value of Investment	7,164,070	7,164,070
Net Investment	-	-
TOTAL NON-CURRENT INVESTMENTS	4,197,723	4,175,563
7 LONG TERM LOANS AND ADVANCES		
7.1 Capital Advances		
Unsecured, considered good	40,284,805	20,900,279
Total Capital Advances	40,284,805	20,900,279
7.2 Security Deposits		
Unsecured, considered good		
Government Deposit	515,553	429,373
Electricity Deposits	3,165,117	1,602,299
Other Deposits	1,201,182	724,008
TOTAL SECURITY DEPOSITS	4,881,852	2,755,680
7.3 Other loans and advances		
Unsecured, considered good		
MAT Credit Entitlement	16,292,350	-
Advance Tax (Net of Provisions)	1,419,179	5,514,779
Advance to Vendors	122,660	-
Other Deposits	116,650	66,650
Total Other Loans and advances	17,950,839	5,581,429
TOTAL OF LONG TERM LOANS AND ADVANCES	63,117,496	29,237,388
8 OTHER NON CURRENT ASSETS		
Unsecured, considered good		
8.1 Non-current bank deposits (held against public deposits)		
Interest accrued on the above non-current bank balance	534,226	-
Advance to Gratuity Trust	39,017	-
	10,000	-
	583,243	-
TOTAL OTHER NON CURRENT ASSETS	583,243	-

(Amounts in ₹)

Particulars	2012	2011
9 CURRENT INVESTMENTS		
9.1 Other Investments (Non-trade)		
Investments in Mutual Funds (at lower of cost or fair value)	179,024,003	79,015,971
Total Trade Investments	179,024,003	79,015,971
Less:- Provision for Diminution in the value of investments	-	-
TOTAL CURRENT INVESTMENTS	179,024,003	79,015,971
9.2 Details of Other Investments (Non-trade)		
9.2.1 Mutual Funds		
Particulars	31.03.2012	31.03.2011
Birla MIP II Wealth 25 Plan - Nil (61,737.92) units of ₹ 10/- each	-	1,000,000
HSBC MIP-Saving Plan - Nil (216,859.113) units of ₹ 10/- each	-	4,000,000
HSBC MIP-Regular Plan - Nil (503,649.883) units of ₹ 10/- each	-	8,000,000
Reliance Monthly Income Plan - Nil (822,259.42) units of ₹ 10/- each	-	16,000,000
HDFC Monthly Income Plan - Nil (43,925.537) units of ₹ 10/- each	-	1,000,000
HDFC Monthly Income Plan - 58,423.16 (832,308.958) units of ₹ 10/- each	1,342,601	17,000,000
Birla MIP II Savings 5 Plan - 166,816.80 (669,393.62) units of ₹ 10/- each	3,000,000	11,021,899
Birla MIP II Wealth 25 Plan - Nil (56,350.727) units of ₹ 10/- each	-	1,000,000
HDFC Monthly Income Plan - Nil (43,778.429) units of ₹ 10/- each	-	1,000,000
Reliance Monthly Income Plan - Nil (46,474.232) units of ₹ 10/- each	-	1,000,000
Birla MIP II Wealth 25 Plan - Nil (56,019.584) units of ₹ 10/- each	-	998,829
HDFC Monthly Income Plan - Nil (43,571.656) units of ₹ 10/- each	-	1,000,000
Reliance Monthly Income Plan - Nil (46,256.678) units of ₹ 10/- each	-	1,000,000
Birla MIP II Wealth 25 Plan - Nil (224,942.78) units of ₹ 10/- each	-	4,000,000
HDFC Monthly Income Plan - Nil (176,724.5) units of ₹ 10/- each	-	4,000,000
HDFC MIP -Saving Plan - 204,304.71 (51,822.332) units of ₹ 10/- each	-	995,243
Reliance Monthly Income Plan - Nil (46,593.546) units of ₹ 10/- each	-	1,000,000
Birla MIP II Wealth 25 Plan - Nil (56,245.5) units of ₹ 10/- each	-	1,000,000
HDFC MIP - Long term plan MDIV 204,304.71 (Nil) units of ₹ 10/- each	2,612,465	-
Reliance Monthly Income Plan - 187,414.199 (187,414.199) units of ₹ 10/- each	4,000,000	4,000,000
Reliance Monthly Income Plan - 323,497.420 (Nil) units of ₹ 10/- each	7,000,000	-
Kotak Bond Regular Growth - 248,249.63 (Nil) units of ₹ 10/- each	7,500,000	-
Birla Dynamic Bond fund retail plan-growth - 421,963.91 (Nil) units of ₹ 10/- each	7,500,000	-

(Amounts in ₹)

	Particulars	31.03.2012	31.03.2011
	UTI Bond Fund growth - 241,120.58 (Nil) units of ₹ 10/- each	7,500,000	-
	Birla Sunlife 95 Fund growth - 25,160.12 (Nil) units of ₹ 10/- each.	7,500,000	-
	Birla MIP II Wealth 25 Plan - 439,376.20 (Nil) units of ₹ 10/- each	8,000,000	-
	IDFC Dynamic Bond Fund Gr - 477,293.84 (Nil) units of ₹ 10/- each	10,000,000	-
	HDFC Monthly Income Plan - 452,484.76 (Nil) units of ₹ 10/- each	10,500,000	-
	HDFC Prudence Fund - Growth - 60,708.12 (Nil) units of ₹ 10/- each	12,568,937	-
	IDFC Super Saver Income Fund - Short Term Plan A - Growth 14,14697.23 (Nil) units of ₹ 10/- each	30,000,000	-
	DSP BlackRock STP Gr - 1,715,100.87 (Nil) units of ₹ 10/- each	30,000,000	-
	Templeton India short term Income Retail growth plan 14,671.39 (Nil) units of ₹ 10/- each	30,000,000	-
	TOTAL	179,024,003	79,015,971
	General Information		
	Aggregate value of Investments:		
	Quoted at Cost		
	At carrying value	179,024,003	79,015,971
	At Market value	185,358,056	84,914,071
10 INVENTORIES			
10.1 Valued at Lower of Cost or Realisable value			
	Raw materials (including components, packing materials and stores & spares)	225,141,711	197,282,509
	Raw materials in transit	7,056,070	2,590,891
	Work-in-Progress	31,497,289	24,095,045
	Finished Goods	121,253,891	101,721,014
	Finished Goods-in-Transit	7,951,778	-
	TOTAL INVENTORIES	392,900,739	325,689,459
11 TRADE RECEIVABLES			
11.1 Outstanding for a period more than six months from the due date of payment			
	Unsecured considered good	-	-
	Unsecured considered doubtful	2,691,828	7,972,424
		2,691,828	7,972,424
	Less:- Provision for Doubtful receivables	2,691,828	7,972,424
		-	-
11.2 Other Trade Receivables			
	Secured considered good		
	Unsecured considered good	892,986,471	741,611,377
	Unsecured considered doubtful	754,871	-
		893,741,342	741,611,377
	Less:- Provision for Doubtful receivables	754,871	7,972,424
		892,986,471	733,638,953
	TOTAL TRADE RECEIVABLES	892,986,471	733,638,953

(Amounts in ₹)

Particulars	2012	2011
12 CASH AND BANK BALANCES		
12.1 Balances with Banks	26,733,072	22,255,189
12.2 Other Bank balances		
Earmarked balances:-		
Unclaimed Dividend accounts	1,754,636	2,276,067
Other than earmarked balances:-		
Bank balances (deposits)	1,553,630	1,927,141
Cheques, drafts on hand	380,275	-
Cash on hand	808,638	564,493
TOTAL CASH AND BANK BALANCES	31,230,251	27,022,890
13 SHORT TERM LOANS AND ADVANCES		
13.1 Others		
Unsecured, considered good		
Advances to Employees	4,040,089	3,334,079
Advance to Suppliers	73,003,365	40,874,648
Advances to be recoverable in cash or kind	142,150	60,500
Balance with Tax authorities	21,267,561	30,434,880
Prepaid Expenses	13,351,749	14,953,314
Others	3,397,797	2,763,590
TOTAL SHORT TERM LOANS AND ADVANCES	115,202,711	92,421,011
14 OTHER CURRENT ASSETS		
Export benefit entitlements	2,154,572	1,775,256
Matured National Savings Certificates	10,000	10,000
Interest accrued on the non-current bank balance	65,403	134,493
TOTAL OTHER CURRENT ASSETS	2,229,975	1,919,749
15 OTHER INCOME		
Interest Income	952,609	1,527,552
Dividend Income		
from other companies	-	2,600,000
from Mutual funds	4,009,338	-
Net gain on foreign currency transactions and translations	10,580,341	15,519,308
Excess provision of earlier years written back	1,117,462	-
Net gain on sale of investments	7,904,937	5,109,416
Excess provision withdrawn on settlement of claims (Net)	-	17,546,982
Rent Received	3,665,870	3,275,358
Discount Received	857,623	-
Other non-operating income	196,345	1,953,257
TOTAL OTHER INCOME	29,284,526	47,531,873
16 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE		
Opening Stock		
Finished Goods	111,723,513	63,786,037
Work-in-progress	24,095,045	9,408,190
	135,818,558	73,194,227
Excise duty on stocks	(9,217,675)	(5,537,826)
	126,600,883	67,656,401
Less: Closing Stock		
Finished Goods	126,367,859	101,022,131
Work-in-progress	31,497,289	24,095,045
	157,865,148	125,117,176
TOTAL CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE	(31,264,265)	(57,460,775)

(Amounts in ₹)

Particulars	2012	2011
17 EMPLOYEE BENEFITS		
Salaries and Wages,	458,804,393	387,683,267
Contribution to Provident and other Funds,	12,733,656	10,743,423
Staff welfare expenses	15,635,076	16,486,525
TOTAL EMPLOYEE BENEFITS	487,173,125	414,913,215
18 FINANCE COSTS		
Interest expense	94,966,657	65,470,783
Other borrowing costs	2,878,438	4,480,998
	97,845,095	69,951,781
Less: Expenditure incurred during the construction period		
- Capitalised during the year	(774,779)	-
- Added to Capital Work-in-progress	(3,971,536)	(546,893)
TOTAL FINANCE COSTS	93,098,780	69,404,888
19 OTHER EXPENSES		
Power and fuel	63,131,799	61,069,446
Printing & Stationery	5,360,579	4,947,196
Rent	4,871,842	2,506,495
Labour Charges	2,745,979	2,515,325
Repairs & Maintenance		
Buildings	4,636,552	2,738,224
Machinery	25,395,750	20,842,422
Others	14,771,183	14,437,632
Insurance	11,160,541	9,338,568
Rates and taxes	6,714,948	5,520,894
Travelling and Conveyance	31,055,125	27,389,329
Communication Expenses	6,544,900	7,544,416
Professional Charges	8,609,674	7,432,678
Freight Outward	54,809,095	55,652,351
Security Expenses	7,777,136	6,166,578
Advertisement and Sales Promotion	2,799,785	1,675,220
Sales Commission	7,051,834	6,994,395
Research & Development expenses (Refer Note 21.11)	1,693,266	2,774,728
Discount	28,126,020	17,883,370
Bank Charges	5,004,139	4,560,819
Provision for Doubtful debts (Net of reversal of excess provision)	(798,558)	9,779,107
Provision for diminution in value of Investments (Net)	(4,767)	7,169,998
Directors' Sitting Fees	820,000	890,000
Auditors' Remuneration	2,366,503	2,803,678
Loss on Sale / Discarding of Fixed Assets (Net)	141,079	-
Miscellaneous Expenses	10,085,899	4,586,606
	304,870,304	287,219,475
Less: Expenditure incurred during the construction period		
- Added to Capital Work-in-progress	-	(116,356)
TOTAL OTHER EXPENSES	304,870,304	287,103,119

Significant Accounting Policies

20 SIGNIFICANT ACCOUNTING POLICIES

20.1 Basis of preparation of Financial Statements

The Consolidated Financial Statements have been prepared on accrual basis of accounting under the historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956, including Accounting Standards notified there under.

20.2 Use of Estimates

The preparation of Financial Statements requires estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions and such differences are recognized in the period in which the results are crystallized.

20.3 The Financial Statements of the Subsidiary Companies used in the consolidation are drawn up to the same reporting date as that of the Parent.

The Consolidated Financial Statements have been prepared on the following basis:

- i) The Financial Statements of the parent and its Subsidiary Companies have been combined on a line by line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.
- ii) In case of Foreign Subsidiaries, being non-integral foreign operations, revenue items are converted to rupees being the reporting currency at the average exchange rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the exchange fluctuation reserve.
- iii) The Consolidated Financial Statements include share of profit / loss of Associate Companies, which are accounted under the 'Equity method' as per which the share of profit of the Associate Company has been included in the Profit and Loss Statement and added to the cost of investment in the Balance Sheet. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.
- iv) Contingent liabilities in foreign currency are translated at the closing rate.

20.4 Investments other than in Subsidiaries and Associates have been accounted as per Accounting Standard (AS) 13 on "Accounting for Investments". The two wholly owned subsidiaries i.e. Suprajit Automotive Private Limited, India and Suprajit Europe Limited, UK and interest in associate company Suprajit Chemicals Private Limited have been considered for consolidation.

20.5 Cash Flow Statement

Cash Flow Statement is prepared in accordance with AS-3 of Companies (Accounting Standards) Rules, 2006, using the indirect method to determine cash flow from operating activities.

20.6 Revenue Recognition

Sale of goods is recognized at the point of dispatch of goods to the customers. Gross sales are inclusive of applicable excise duty and exclusive of sales tax. Revenue from scrap is recognised on sale.

Export incentives are recognised when, there is reasonable certainty as to realization and when they are quantifiable with a high degree of accuracy.

Dividend is recognized when declared and interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable rate.

20.7 Tangible/Intangible Assets

Fixed Assets are stated at cost less accumulated depreciation. The cost of an asset comprises of its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Interest on loan taken for the acquisition of qualifying assets up to the date of commissioning of assets is added to the cost of assets.

Intangible assets are carried at cost less amortization, where it is probable that future economic benefits expected from it is not less than the carrying value.

20.8 Depreciation/amortization

Depreciation is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956. Assets individually costing less than or equal to ₹ 5,000/- are fully depreciated in the year of acquisition. The fixed assets of the foreign subsidiary are depreciated over the estimated useful economic life of the asset, as follows.

Leasehold improvements	- 5 years or lease period if shorter
Plant & Machinery	- 5-10 years
Fixtures & Fittings	- 3-5 years

Intangible assets like brands and know how are amortized on a straight line basis over their estimated useful life of 10 years. Goodwill arising on acquisition / amalgamation is amortized over the estimate of useful life. Leasehold land is amortised over the period of lease.

20.9 Investments

Investments that are readily realisable and intended to be held for not more than 12 months are classified as current investments. All other investments are classified as long-term investments. Long-term investments are stated at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. Current investments are carried at lower of cost or fair value.

20.10 Inventories

Inventories are valued at lower of cost or net realizable value. Cost is ascertained on weighted average method. Conversion and other costs incurred for bringing the inventories to their present location and condition are allocated to the extent applicable.

20.11 Foreign Currency Transactions

The foreign currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are restated at the applicable exchange rates prevailing as at the Balance Sheet date. Gain / loss arising from such restatement as also on settlement of the transactions are adjusted in the Profit and Loss Statement.

Premium or discount on forward exchange contracts which are not intended for trading or speculation purpose and is to establish the amount of reporting currency required on the settlement dates is recognized in the Profit and Loss Statement over the period of the contracts. The exchange differences on the contracts are recognized in the year in which the exchange rates change.

The Company enters into foreign currency forward exchange contracts to hedge its risks associated with foreign currency fluctuations in respect of highly probable forecast transactions. At the end of the reporting period these contracts are marked to market and the resultant loss, if any, is recognised in the Profit and Loss Statement.

20.12 Employee Benefits

Short term employee benefits

The amounts paid/payable on account of short term employee benefits, comprising largely of salaries & wages, short term compensated absences and annual bonus is valued on an undiscounted basis and charged to the Profit and Loss Statement for the year.

Defined contribution plans:

The Company has defined contribution plans for its employees comprising of Provident Fund and Employee's State Insurance. The contributions paid/payable to these plans during the year are charged to the Profit and Loss Statement for the year. The Company has no other obligation in this regard.

Defined benefit plans:

Gratuity

The Parent's Gratuity scheme is administered through the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India. The net present value of the obligation for gratuity benefits as determined on actuarial valuation, conducted annually using the projected unit credit method, as adjusted for unrecognized past services cost, if any and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Profit and Loss Statement for the period in which they occur.

Compensated Absences

The group has a scheme for compensated absences for employees; the liability other than for short term compensated absences is determined on the basis of an actuarial valuation carried out at the end of the year, using projected unit credit method. Actuarial gains and losses are recognised in full in the Profit and Loss Statement for the period in which they occur.

20.13 Borrowing Costs

Borrowing costs other than those attributable to qualifying assets are expensed as and when incurred. Borrowing costs attributable to qualifying assets are capitalised under relevant asset class.

20.14 Leases

Operating Lease

Leases where the significant risks and rewards of ownership is with the lessor are classified as operating leases and payment under such leases are recognized as an expense in the Profit and Loss Statement on a systematic basis.

Finance Lease

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The assets acquired on finance lease are capitalized as part of fixed assets and corresponding liability is recognized as term loans.

20.15 Taxation

Tax Expense comprising current tax, fringe benefit tax and deferred tax are recognised in the Profit and Loss Statement for the year. Current tax is the amount of income tax determined to be payable in respect of taxable income as computed under the tax laws. Fringe benefit tax is a presumptive tax on the deemed fringe benefit to employees payable by the Parent and its Indian Subsidiary, presently stands withdrawn.

Certain items of income and expenditure are not reported in tax returns and financial statements in the same period for the purpose of determining the current tax. The net tax effect calculated at the current enacted tax rates of this timing difference is reported as deferred income tax asset/liability. The effect on deferred tax assets and liabilities due to change in such assets/liabilities as at the end of previous accounting period and due to a change in tax rates are recognised in the income statement of the period.

20.16 Research and Development Expenditure

Expenditure incurred during the research phase is charged off to the Profit and Loss Statement.

20.17 Provisions and Contingencies

Provision for losses and contingencies arising as a result of past event where management considers it probable that a liability may be incurred are made on the basis of reliable estimates of the expenditure required to settle the present obligation on the Balance Sheet date and are not discounted to its present value. Provisions are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Other contingent liabilities to the extent management is aware is disclosed by way of notes to accounts.

21 OTHER NOTES ON ACCOUNTS

- 21.1 In the opinion of the Board, none of the assets have a value lower on realization in the ordinary course of business than the amount at which they are stated in the Balance Sheet.
- 21.2 Some of the trade receivables, trade payables, loans and advances are subject to confirmation/ reconciliation.
- 21.3 Full quantitative particulars giving item wise and location wise details of fixed assets are maintained in the ERP system in respect of additions made after 1.4.2008. The particulars of fixed assets acquired prior to this date have been updated in the ERP system in a summarized format. However, item wise particulars are maintained for major assets in manual form.

(Amounts in ₹)

Particulars	31.03.2012	31.03.2011
21.4 Contingent Liabilities and Commitments		
21.4.1 Contingent Liabilities		
Disputed Excise/ Entry tax dues pending in appeal	1,434,040	1,434,040
Corporate Guarantees issued on behalf of Subsidiaries to their bankers [GBP 500,000 (PY: GBP 500,000)]	41,290,000	36,450,000
Letter of credit	727,513	-
Bond Executed in favour of customs	20,000,000	10,000,000
Bank Guarantee furnished to Tax Authorities for availing concessions	750,000	4,776,168
Other sums for which the Company is contingently liable	3,921,851	3,921,851
Total	68,123,404	56,582,059
21.4.2 Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	126,534,919	102,014,428
Total Contingent Liabilities and Commitments	194,658,323	158,596,487

21.5 Foreign Exchange exposure

The detail of foreign currency exposure as at 31st March, 2012 is given below:

Particulars	31.03.2012		31.03.2011	
	Foreign currency	Equivalent ₹	Foreign currency	Equivalent ₹
Hedged by derivative instruments (Converted at committed exchange rates)				
USD Receivable	1,303,866	66,087,680	2,800,000	132,495,250
Euro Receivable	1,127,000	76,544,230	1,675,000	108,710,830
GBP Receivable	50,000	3,903,286	75,000	5,757,750
Forward contract to hedge loan liability USD	-	-	1,687,236	78,589,624
Forward contract to hedge highly probable forecast receivable				
Euro	175,000	11,885,750	-	-
GBP	175,000	13,661,500	-	-
Not hedged by derivative instruments (net)				
USD Receivable	925,967	46,933,512	1,361,690	60,045,053
Euro Receivable	474,194	31,973,622	823,067	51,308,959
Euro Payable	179,000	12,069,500	-	-
GBP Receivable	133,756	10,801,440	91,580	5,566,415

21.6 Employee Benefits

The foreign subsidiary has provided for retirement plans in accordance with their local laws.

a. Defined Contribution Plans:

During the year the following amounts have been recognised in the Profit and Loss Statement on account of defined contribution plans.

Particulars	31.03.2012	31.03.2011
Employers contribution to Provident Fund (incl. admin charges)	9,782,630	7,996,394
Employers contribution to Employee State Insurance	2,768,514	2,574,311
Employers contribution to other Social Security Schemes	7,869,200	6,996,926

b. Defined Benefit Plans:

Gratuity - Funded

Compensated absences - Unfunded

Gratuity is a funded obligation and leave encashment is an unfunded obligation of the Company. The Company has provided for liability of gratuity and leave encashment based on an actuarial valuation under the projected unit credit method. Actuarial assumptions in determining such liability are given below:

Particulars	Gratuity		Compensated Absences	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
Discount Rate (per annum)	8.5%	8%	8.5%	8%
Expected return on plan assets	8.5%	8%	-	-
Salary escalation rate*	7%	7%	7%	7%

*The assumption of future salary increases takes into account inflation, seniority, promotions and other relevant factors such as supply and demand in the employment market.

Particulars	2011-12		2010-11	
	Funded Scheme	Unfunded Scheme	Funded Scheme	Unfunded Scheme
I. Reconciliation of present value of obligation				
Present value of obligation at beginning of the year	16,264,586	4,087,648	9,854,472	3,574,007
Current Service Cost	3,740,820	2,578,488	6,139,923	1,737,411
Interest Cost	1,344,609	302,987	778,977	234,920
Actuarial (gain)/loss	(1,994,657)	(126,735)	(274,274)	(183,671)
Benefits Paid	(891,313)	(1,046,176)	(234,513)	(1,275,019)
Present value of obligation at the end of the year	18,464,045	5,796,212	16,264,586	4,087,648

Particulars	2011-12	2010-11
	Funded Scheme	Funded Scheme
II. Reconciliation of fair value of plan assets		
Fair value of plan assets beginning of the year	6,992,965	6,489,567
Expected return on plan assets	569,369	516,260
Actuarial gain/(loss)	39,298	59,788
Contributions	302,315	161,863
Benefits paid	(891,313)	(234,513)
Fair value of plan assets at the end of the year	7,012,634	6,992,964

Particulars	2011-12	2010-11
	Funded Scheme	Funded Scheme
III. Description of Plan Assets		
Insurer Managed Funds	7,012,634	6,992,965

Particulars	2011-12		2010-11	
	Funded Scheme	Unfunded Scheme	Funded Scheme	Unfunded Scheme
IV. Net (Asset)/Liability recognized in the Balance Sheet as at year end				
Present value of obligation at the end of the year	18,464,045	5,796,212	16,264,586	4,087,648
Fair value of plan assets at the end of the year	7,012,634	-	6,992,965	-
Net present value of unfunded obligation recognized as (asset)/liability in the Balance Sheet	9,342,422	5,796,212	9,271,621	4,087,648

(Amounts in ₹)

21.7 Segment Reporting

The Company has classified its products as Auto Components and hence operates in only one primary segment (business). Secondary segmental reporting is based on the geographical location of customers. The following is the distribution of the Company's sale by geographical markets and segment assets which can be attributed to customers in such markets.

Particulars	2011-12	2010-11
Sales/Operating income		
- India	3,694,605,530	2,904,146,482
- Rest of the world	542,918,465	563,042,225
Segment Assets		
- India	1,510,919,142	1,999,738,765
- Rest of the world	167,704,614	31,992,375

21.8 Related Party Disclosures

Party	Relationship
K Ajith Kumar Rai (Chairman & Managing Director)	Key Management Personnel
Peter Greensmith	Key Management Personnel
Mohan Chelliah	Key Management Personnel
Suprajit Chemical Private Limited	Associate
Suprajit Foundation	Trust set up w.e.f 31.3.2011
Akhilesh Rai	Relative of Key Management Personnel
Jayarama M Shetty	Relative of Key Management Personnel
Manjunath Rai K	Relative of Key Management Personnel
Hemavathi M Rai	Relative of Key Management Personnel
Ashok Kumar Rai	Relative of Key Management Personnel
Arathi Shetty	Relative of Key Management Personnel

Nature of Transaction and Related Party	2011-12	2010-11
Remuneration:		
Key Management Personnel	34,441,639	28,106,225
Relative of Key Management Personnel	364,000	100,000
Purchase of Land and Building:		
Associates	-	36,313,060
Sitting Fees:		
Relative of Key Management Personnel	80,000	80,000
Interest Paid:		
Relative of Key Management Personnel	269,677	-
Donation:		
Trust	5,475,000	4,534,000
Reimbursements:		
Key Management Personnel	1,886,130	728,800
Associates	-	7,178
Fixed Deposits Accepted:		
Relative of Key Management Personnel	2,000,000	-
Fixed Deposits Refunded on Closure:		
Relative of Key Management Personnel	2,400,000	-
Balances outstanding (net):		
Relative of Key Management Personnel	3,000,000	-
Trust	5,475,000	4,534,000

Dr. Mohan Chelliah has been appointed as an additional Executive Director with effect from 12th March, 2012 and related party figures are post of this date.

Amounts shown as outstanding at the year end in relation to fixed deposits accepted represent only the principal amount as there is no interest due but not paid at the year end.

21.9 Operating Lease commitments:

The Foreign Subsidiary has annual commitments under non cancelable operating leases for land & building and other assets as follows:

Particulars	Amount as on 31.03.2012	Amount as on 31.03.2011
Due within one year	-	2,799,360
Due between two to five years	5,348,000	-

21.10 Research & Development Expenditure

Particulars	2011-12	2010-11
Salaries & Wages	18,981,463	6,126,847
Materials, Consumables & Stores	2,668,519	635,171
Other Direct Expenditure	640,528	2,491,208
TOTAL	22,290,510	9,253,226

The expenses such as Salaries, Wages, Materials, and Consumables are included in the respective head of accounts and direct expenditure is disclosed under Research & Development Expenditure in the Profit and Loss Statement.

21.11 Previous period figures have been rearranged/ reclassified where required to confirm to current year's classification and changes mandated by revised Schedule VI.

(Signatures to Notes 1 to 21)

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director

Diwakar S Shetty
Director

Medappa Gowda J
Company Secretary

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 29th May, 2012

SUPRAJIT ENGINEERING LIMITED
Registered & Corporate Office: No. 100, Bommasandra Industrial Area,
Bangalore – 560 099

ECS MANDATE FORM

Members holding Shares in Physical Mode

Please inform:
 Integrated Enterprises (India) Limited,
 No. 30, Ramana Residency,
 4th Cross, Sampige Road,
 Malleswaram, Bangalore - 560 003.

Members holding Shares in Physical Mode

Please inform: Your DPs directly
 (if not done earlier)

I hereby consent to have the amount of Dividend on my Equity Shares credited through the Electronic Clearing Service (Cash Clearing) (ECS). The particulars are :

1. Folio No. / Certificate No.	
2. Name of the 1 st Holder	
3. Name of the Bank	
4. Full Address of the Branch	
5. Account number	
6. Account Type (Please tick the relevant account)	Savings / Current / Cash Credit
7. 9 Digit Code Number of the Bank and Branch appearing on the MICR cheque issued by the Bank (Please attach a photocopy of a cheque for verifying the accuracy of the Code Number)	

I hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I will not hold the Company responsible.

Signature of the 1st Holder as per the
 Specimen signature with the Company

Name:

Address:

Date:

.....

.....

SUPRAJIT ENGINEERING LIMITED

**Registered & Corporate Office: No. 100, Bommasandra Industrial Area,
Bangalore – 560 099**

29th May, 2012

Dear Shareholder,

The Ministry of Corporate Affairs, Government of India (MCA) has, by its Circular dated 21st April, 2011 announced “Green Initiative in the Corporate Governance” by allowing paperless compliance by companies. In terms of the said Circular, service of notice/documents by a Company to its shareholders required to be made under the provisions of the Companies Act, 1956, can be made through the electronic mode.

In line with the above initiative of the MCA, the Company proposes to send documents such as the Notice of the Annual General Meeting, Audited Financial Statements, Directors’ Report, Auditors’ Report, Postal Ballots etc., henceforth to all its esteemed shareholders, including your good self, in electronic form, through e-mail. To facilitate the same, we request you to furnish your e-mail id, quoting your Folio Number/DPID/Client ID to our Registrar and Share Transfer Agent at the following address :

**Integrated Enterprises (India) Limited,
30, Ramana Residency,
4th Cross, Sampige Road,
Malleswaram,
Bangalore - 560 003,
Phone No.: 080-23460815-18, Fax : 080-23460819,
E-mail id: alfint@vsnl.com**

We are sure you would appreciate this welcome initiative taken by the MCA to reduce consumption of paper and thereby, protect the environment. We expect to receive your support and co-operation in helping the Company to contribute its share to the said initiative.

Thanking You,

Yours faithfully,

For **Suprajit Engineering Limited**

Medappa Gowda J
Company Secretary

SUPRAJIT ENGINEERING LIMITED

Registered & Corporate Office: No. 100, Bommasandra Industrial Area,
Bangalore – 560 099

ATTENDANCE SLIP

This attendance slip duly filled in to be handed over at the entrance of the meeting hall

Name of the attending Member (in block letters) :

Members' Folio Number :

Client I.D. No:

D.P.I.D. No:

Name of Proxy (in Block Letters, to be filled in if the proxy attends instead of the members)

.....

No. of Shares held:

I hereby record my presence at the Twenty Seventh Annual General Meeting of the Company held on Tuesday, the 31st July 2012,
at 12.30 p.m. at Factory Office No.101, Bommasandra Industrial Area, Bangalore – 560 099.

To be signed at the time of handing

Signature of Member / Proxy

.....

SUPRAJIT ENGINEERING LIMITED

Registered & Corporate Office: No. 100, Bommasandra Industrial Area,
Bangalore – 560 099

PROXY

I/Weof.....in the district of.....being a Member / Members
of Suprajit Engineering Limited, hereby appoint ofof failing him of
.....in the district of of failing him in the district of
as my/our proxy to vote me/us on my/our behalf at the Twenty Seventh Annual General Meeting of the Company to be held on
Tuesday , the 31st July 2012, at 12.30 p.m at Factory office at Plot No. 101, Bommasandra Industrial Area, Bangalore – 560 099 – and
at any adjournments thereof.

Signed thisday of2012

Client ID No

D.P.I.D No.....

Regd. Folio No

No of Shares held



Signature

Note : The Proxy and the Power of Attorney (if any) under which it is signed or notarized copy of the same must be deposited at the Registered Office
of the Company at No. 100, Bommasandra Industrial Area, Bangalore – 560 099, not less than 48 hours before the time fixed for holding the meeting.

MILESTONES

- 1985 - Incorporated as a Private Limited Company.
- 1987 - Commercial Production at Unit 1.
- 1994 - Commercial Production at Unit 2.
- 1996 - Public issue of Equity Shares at premium.
- 1997 - "Enterprise of the State" award by KSFC.
- 1998 - Commercial Production at Unit 3.
- 2002 - State of the Art cable plant – Unit 4, Manesar.
- 2002 - Acquisition of Shah Concabs Pvt Ltd, a Cable Manufacturer at Vapi – Unit 6.
- 2002 - India's largest cable Manufacturer.
- 2003 - Implementation of TS- 16949 at all units.
- 2003 - State of the Art cable plant at Chakan, Pune – Unit 5.
- 2003 - Listing of Shares at The Stock Exchange, Mumbai (BSE).
- 2004 - Launch of CTP Suprajit Automotive Private Limited.
- 2004 - ISO 14000 & 18000 Certification for Manesar Unit.
- 2005 - Listing of Shares at The National Stock Exchange of India Ltd, Mumbai (NSE).
- 2006 - Successfully implemented Oracle ERP across all units.
- 2006 - Acquisition of business and assets of CTP Gills Cables, U.K. through 100% owned subsidiary, Gills Cables, U.K.
- 2006 - Acquisition of the balance 50% stake held by Carclo plc., U.K in the Joint Venture – Suprajit Automotive Private Limited (100% EOU).
- 2006 - Twin Awards by CNBC / ICICI Bank / CRISIL :
 1. SME of the Year.
 2. Auto Ancillary of the Year.
- 2007 - Commercial production at Pantnagar plant – Unit 7.
- 2007 - Commercial production at the second plant in Manesar – Unit 4.
- 2007 - Best IT User Award – 2006 in Automotive Sector by NASSCOM.
- 2009 - Commercial Production at 100% EOU in Bangalore – Unit 9.
- 2010 - Awarded by KSFC as "Best Enterprise of the State".
- 2010 - Commercial Production at Haridwar – Unit 10.
- 2011 - Commercial Production at Bangalore – Unit 12.
- 2011 - Gills Cables Limited renamed as Suprajit Europe Ltd.
- 2011 - Formation of Suprajit Foundation, a Trust for CSR activities.
- 2012 - Commercial production at Chakan – Unit 14.
- 2012 - India's leading exporter of cables.
- 2012 - World's largest 2-Wheeler cable maker.

SOME OF OUR ESTEEMED CUSTOMERS



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