



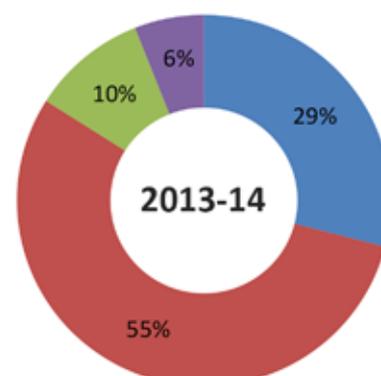
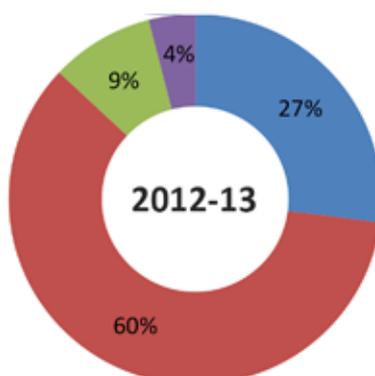
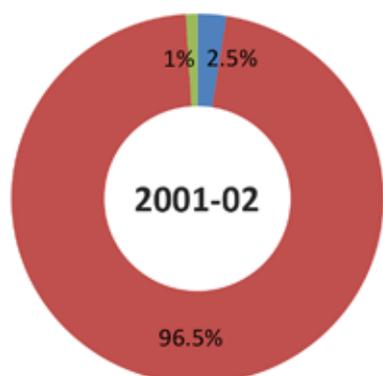
Suprajit Engineering Limited
Twenty Ninth Annual Report 2013-2014



THE TRANSFORMATION CONTINUES

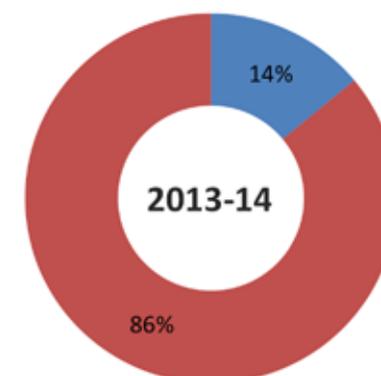
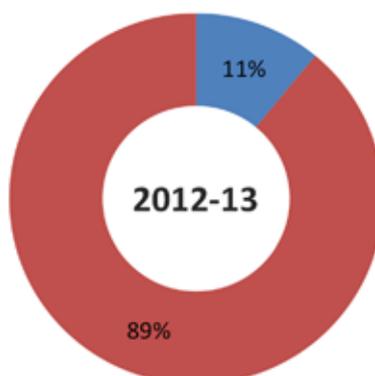
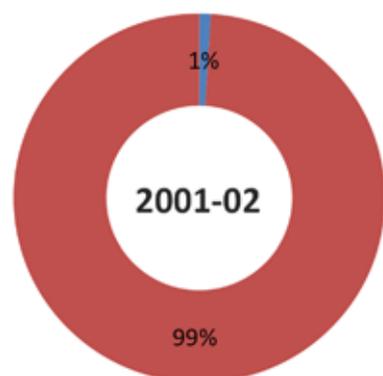
SEGMENT TRANSFORMATION

Two Wheeler Aftermarket Non-automotive Automotive



GEOGRAPHIC TRANSFORMATION

Domestic Export



STANDALONE FINANCIAL HIGHLIGHTS AND KEY INDICATORS

₹ in Million

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

GROUP HIGHLIGHTS

₹ in Million

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

MARCHING AHEAD WITH CONFIDENCE



My Dear Shareholder,

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

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

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

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

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

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

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

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

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

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

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

With warm personal regards,

Yours sincerely,

K. Ajith Kumar Rai
Chairman & Managing Director



Team Suprajit Speaks

Dr. Mohan Chelliah, Executive Director, Suprajit Engineering Ltd

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



N.S. Mohan, President, Suprajit Engineering Ltd

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



Peter Greensmith, Managing Director, Suprajit Europe Ltd

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



Narayan Shankar, Executive VP, Suprajit Engineering Ltd

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



Medappa Gowda, VP Finance & Company Secretary

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



Shankar, Associate VP of Human Resources

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

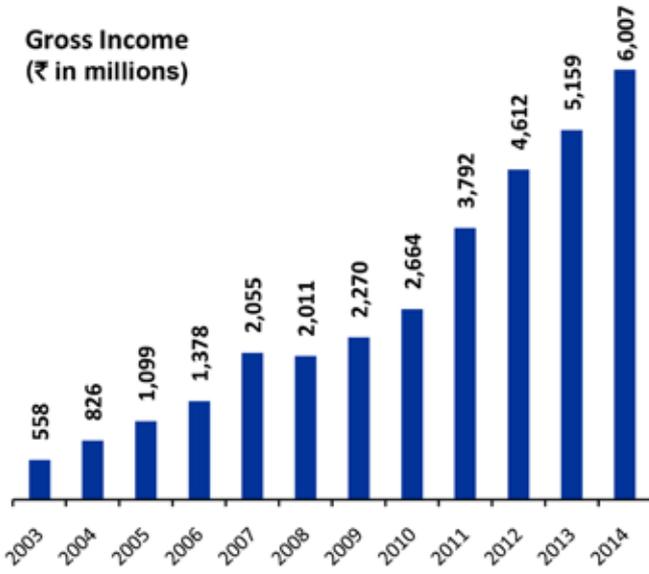


Akhilesh Rai, Head of Information Technology

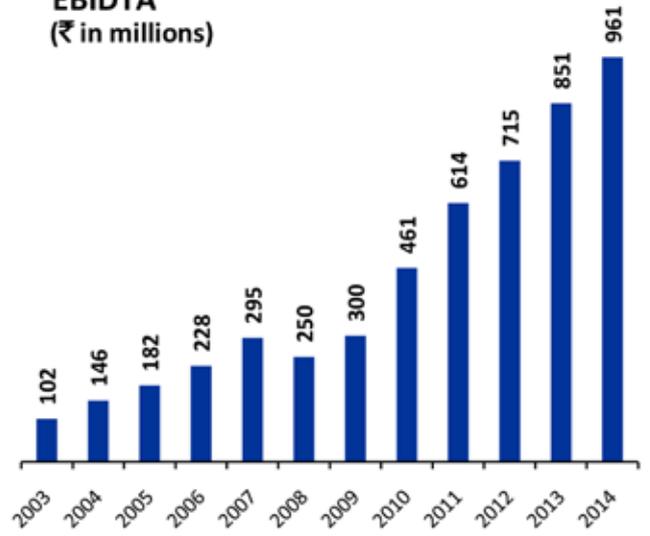
Suprajit's rapid growth is backboned by its streamlined IT systems. These systems manage and drive productivity, establish efficiency, standardize business processes, put information at management's fingertips and ensure excellent control across the organisation. To ensure the best value to our customers,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



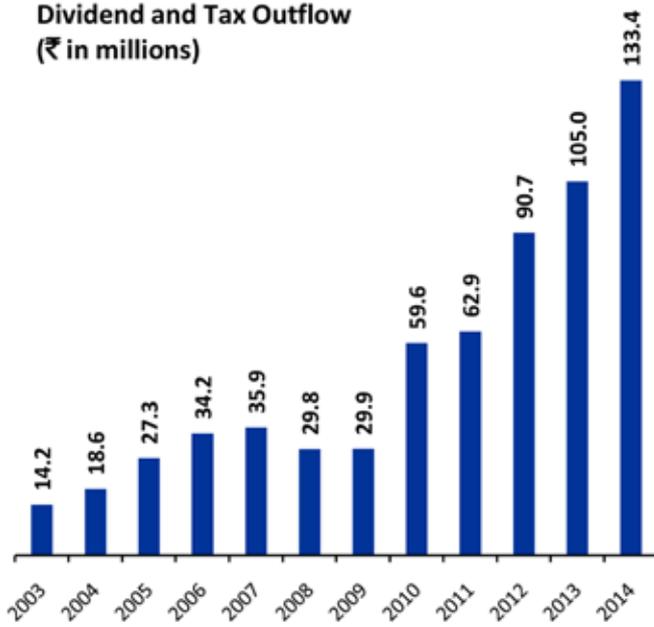
Gross Income
(₹ in millions)



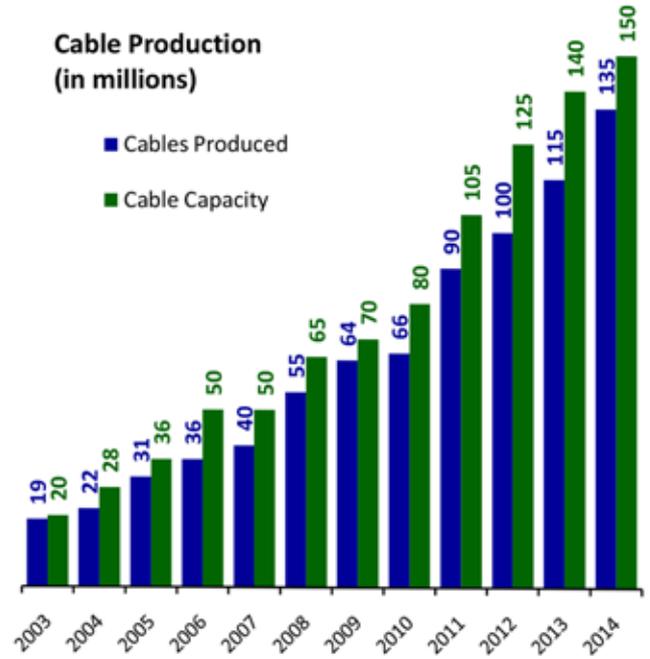
EBIDTA
(₹ in millions)



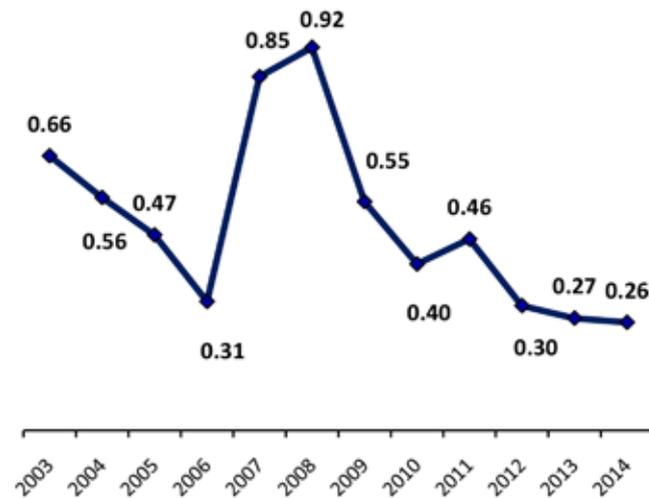
Dividend and Tax Outflow
(₹ in millions)



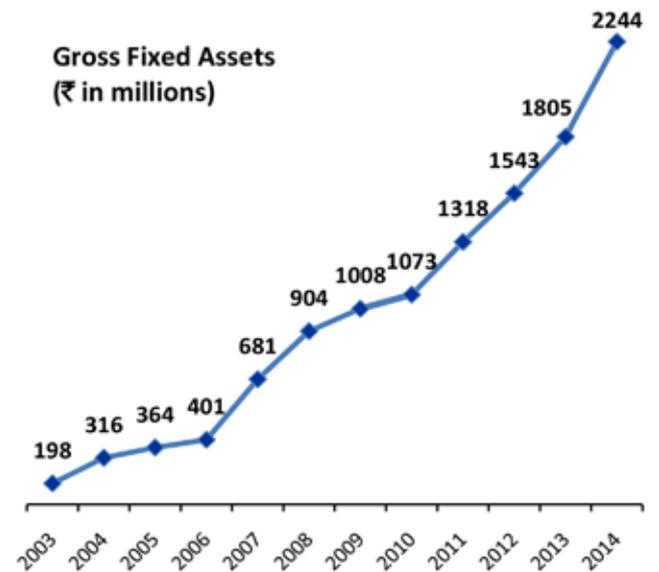
Cable Production
(in millions)



Long Term Debt Equity Ratio



Gross Fixed Assets
(₹ in millions)



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BOARD OF DIRECTORS

K Ajith Kumar Rai
Chairman & Managing Director

Dr. C Mohan
Executive Director

Diwakar S Shetty
Director

Ian Williamson
Director

B S Patil, IAS (Retd.)
Director

Surendra Kumar N Shah
Director (up to 30th May, 2014)

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

M Jayarama Shetty
Director

Suresh Shetty
Director

COMPANY SECRETARY
Medappa Gowda J

STATUTORY AUDITORS
Varma & Varma
Chartered Accountants

INTERNAL AUDITORS
K S Aiyar & Company
Chartered Accountants

STOCK EXCHANGES
The Stock Exchange Mumbai (BSE)
The National Stock Exchange (NSE)

REGISTRAR AND SHARE TRANSFER AGENT
Integrated Enterprises (India) Limited,
No. 30, Ramana Residency, 4th Cross, Sampige Road,
Malleswaram, Bangalore -560 003.
Phone: 080-23460815-18, Fax: 080-23460819,
E-mail : irg@integratedindia.in

BANKERS
State Bank of India
Syndicate Bank
Citi Bank N.A.
HSBC
ICICI Bank Limited

REGISTERED OFFICE

Plot No. 100, Bommasandra Indl. Area,
Bangalore – 560 099.
Phone : 080-43421100,
Fax : 080-27833279
E-mail : info@suprajit.com
investors@suprajit.com

MANUFACTURING FACILITIES AT:

Unit - 1
Bommasandra Industrial Area, Bangalore

Unit - 2A
Bommasandra Industrial Area, Bangalore

Unit - 3
Doddaballapur Indl. Area, Bangalore

Unit - 4
IMT Manesar, Gurgaon District, Haryana

Unit - 5
MIIDC, Chakan Industrial Area, Pune

Unit - 6
VAPI, Gujarat

Unit – 7
Pantnagar, Uttarakhand

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

Unit - 10
Haridwar, Uttarakhand

Unit - 11
Sanand, Gujarat (Acquired Land)

Unit - 12
Bommasandra Indl Area, Bangalore

Unit - 12A
Bommasandra Indl Area, Bangalore

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

Unit - 15
Bhiwadi, Rajasthan

MANUFACTURING FACILITIES OF SUBSIDIARIES AT:

Suprajit Automotive Private Limited (100% EOU)
Doddaballapur Indl. Area, Bangalore.

Suprajit Europe Limited
Tamworth, United Kingdom.

NOTICE

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

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2014 and the Profit and Loss Statement for the year ended as on that date together with the Reports of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare Final Dividend.
3. To appoint Dr. C Mohan, Executive Director (DIN 05229359) who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors of the Company and authorize the Board to fix their remuneration.
5. To ratify the remuneration fixed by the Board of Directors to Messrs G N V and Associates, Cost Auditors appointed for the year 2014-15.

SPECIAL BUSINESS:

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

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

- a) Basic salary ₹ 10, 00,000/-per month in the grade of ₹ 10, 00,000 -1, 00,000 ₹ - 14, 00,000/-.
- b) House Rent Allowance of ₹ 50,000/- per month.
- c) Commission: Commission of 4% of the net profits of the Company in any year computed in accordance with the Companies Act, 2013, subject however to the condition that the overall remuneration shall not exceed 4% of the net profits of the Company in any financial year.
- d) Use of Company's telephone at residence, the rent, call charges and other outgoings in respect thereof to be paid by the Company except the personal long distance calls of the Chairman & Managing Director.
- e) Reimbursement of actual conveyance expenses incurred by the Chairman & Managing Director for the purpose of the business of the Company.

- f) Use of chauffeur driven motorcar, all expenses running and upkeep of such motorcar as also the salary of the chauffeur to be borne by the Company.
- g) Reimbursement of entertainment expenses incurred by Chairman & Managing Director for the purpose of the business of the Company.
- h) Benefit of the Company's Provident Fund scheme, Gratuity benefits, Encashment of Leave etc., is as per the rules and as applicable to the employees of the Company from time to time.
- i) Chairman and Managing Director will not be entitled to sitting fees for attending the meetings of the Board of Directors and of any Committees thereof.
- j) The contract is terminable with three months' notice on either side.
- k) He shall not become interested or otherwise concerned directly or indirectly in any selling agency of Company's products without complying with the provisions of the Companies Act, 2013.
- l) Chairman and Managing Director shall not be liable to retire by rotation.
- m) MINIMUM REMUNERATION
- n) In the event of absence or inadequacy of profits in any Financial Year during the currency of tenure of his appointment, the entire applicable remuneration by way of Salary and perquisites mentioned above shall be paid as Minimum Remuneration, subject to the provisions under Schedule V of the Companies Act, 2013.

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

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

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

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

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

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

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

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

Medappa Gowda J
Company Secretary

NOTES

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

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

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

His other Directorships:

| Name of the Company | Nature of Interest |
|---------------------|--------------------|
| Nil | Nil |

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

Contact persons:

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

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

20. Voting through electronic means :

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

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

The instructions for E-voting are as under:

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

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

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

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

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

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

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

(viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the relevant EVSN on which you choose to vote.

(x) On the voting page, you will see Resolution Description and against the same the option "YES/NO" for voting. Select the option "YES" or "NO" as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the "Resolutions File" link if you wish to view the entire Resolutions.

(xii) After selecting the resolutions you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take print-out of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xv) If Demat account holder has forgotten the changed password then Enter the User ID and Captcha Code, click on Forgot Password and enter the details as prompted by the system.

(xvi) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates. After receiving the login details they have to link the account(s) which they wish to vote on and then cast their vote. They should upload a scanned copy of the Board Resolution or Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

(B) In case of members receiving the physical copy of Notice of AGM [for members whose e-mail IDs are not registered with the Company/Depository participant(s) or requesting physical copy]:

Please follow all steps from sl. no (ii) to sl. no. (xii) above, to cast vote.

(C) For members who wish to vote using Ballot Form :

Pursuant to clause 35B of the listing agreement, members may fill in the Ballot Form enclosed with the Notice (a copy of the same is also part of the soft copy of the Notice) and submit the same in a sealed

envelope to the Scrutinizer, Mr. Parameshwar G. Bhat, Practicing Company Secretary, Unit : Suprajit Engineering Limited. C/o Integrated Enterprises (India) Ltd, 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore – 560 003 , so as to reach by 6.00 pm on 28th July, 2014. Unsigned, in complete or incorrectly ticked forms are liable to be rejected and the decision of the Scrutinizer on the validity of the forms will be final.

In the event, a member casts his votes through both the processes i.e. e-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.

(D) The voting period begins on Wednesday, 23rd July, 2014 (9.00 a.m.) and ends on Friday, 25th July, 2014 (6.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 30th June, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at <https://www.evotingindia.co.in> under help section or write an email to helpdesk.evoting@cdslindia.com.
- Voting can be exercised only by the shareholder or his/her duly constituted attorney/proxy or, in case of bodies corporate, the duly authorized person.
- The Results of Annual General Meeting shall be declared on 31st July 2014. The Results declared along the scrutinizers report shall be placed on the Company's website (www.suprajit.com) and on the website of CDSL and shall be communicated to BSE and NSE Limited.
- Mr. Parameshwar G. Bhat, practicing Company Secretary, Bangalore has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period of not exceeding three working days from the conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make his report of the votes cast in favour or against and shall submit to the Chairman of the Meeting.

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

Place : Bangalore
Date : 30th May, 2014

Medappa Gowda J
Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

Following Explanatory Statements are furnished in respect of Special Business :

Item No. 6:

Mr. K Ajith Kumar Rai (DIN 01160327): The Shareholders may kindly recapitulate that Mr. K Ajith Kumar Rai is the Chief Promoter of your Company and has been the Managing Director from inception and was also appointed as Chairman some time back. He holds Bachelor Degree in Mechanical Engineering from the University of Mysore and Masters Degree in Industrial Engineering from the Technical University of Nova Scotia, Canada. It is under his stewardship and leadership that the Company has continued to achieve phenomenal growth surpassing the industry growth rate. The Company had major milestones in as much as establishing fifteen manufacturing facilities by organic growth and by acquisitions/ mergers and is on a strong growth path. The credit for success of any enterprise largely goes to the people involved and Mr. K Ajith Kumar Rai has been very successful in choosing the competent personnel for the right positions and more so, has been able to retain them. The approval for his appointment as Chairman & Managing Director and the terms thereof accorded by the Shareholders earlier for 5 years expired on 31st March, 2014.

Based on the recommendations of the Remuneration Committee of the Board, your Board of Directors at its Meeting held on 31st January, 2014 has carefully studied the industry norms, the compensation paid by other comparable industries and the performance of the Company under the excellent capabilities of Mr. K Ajith Kumar Rai and considering the immense responsibilities to be shouldered in the future, has decided to appoint Mr. K Ajith Kumar Rai as the Chairman & Managing Director for the next five years with effect from 1st April, 2014 on such salary and perquisites and terms and conditions as set out in the resolution.

Mr. K Ajith Kumar Rai 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 190 of the Companies Act, 2013.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

A copy of the draft 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 meeting. Suitable agreement will be entered into, with the appointee.

Item No. 7:

Mr. M Jayarama Shetty (DIN 00303743): As regards appointment of Mr. M Jayarama Shetty as an Independent Director referred to, in item No. 7 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Mr. M Jayarama Shetty, aged 60 years, is a Graduate in Commerce and a Graduate in Law. He is also a Fellow Member of the

Institute of Chartered Accountants of India. He worked for 15 years with HMT Limited in various capacities and took voluntary retirement as Asst. General Manager in 1995. Presently he is practicing as a Chartered Accountant.

His other directorships :

| Name of the Company/Firms | Nature of Interest |
|---|--------------------|
| Kempegowda Urban Souharda Sahakari Bank Ltd, Tumkur | Director |
| Messrs RJSR & Associates, Chartered Accountants, Tumkur | Partner |

Mr. M Jayarama Shetty along with the other persons on a beneficial basis holding 8,81,000 Equity Shares (which is 0.73%) of the Company as on 31st March, 2014.

Considering the knowledge and experience of Mr. M Jayarama Shetty, the Board recommends the resolution for your approval.

None of the Directors, except Mr. M. Jayarama Shetty himself, is concerned or interested in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

Item No. 8:

Mr. Diwakar S Shetty (DIN 00432755): As regards appointment of Mr. Diwakar S Shetty as an Independent Director, referred to in item No. 8 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Mr. Diwakar S Shetty, Founder Chairman of Shetron Limited, a listed Company, is a successful businessman with over four decades of experience in the Engineering Industry. He is a Graduate in Commerce. Mr. Diwakar S Shetty has also promoted Fibre Foils Ltd to manufacture Paper Drums, Composite Cans, Fibre Drums and Paper Tubes and cans. He has been bestowed with various awards.

His other directorships:

| Name of the Company | Nature of Interest |
|-----------------------------|--------------------|
| Shetron Limited | Executive Chairman |
| Fibre Foils Limited | Executive Chairman |
| Shetron Metropack P Ltd | Director |
| Shetron Enterprises Pvt Ltd | Director |
| Bunts Properties Pvt Ltd | Director |
| Konjal Machines Pvt Ltd | Director |
| Fibre Boards Ltd | Director |
| Sansha Systems Ltd | Director |

Mr. Diwakar S Shetty is holding 10,000 Equity Shares (which is 0.008%) of the Company as on 31st March, 2014.

Considering the knowledge and experience of Mr. Diwakar S Shetty, the Board recommends the resolution for your approval.

None of the Directors, except Mr. Diwakar S Shetty himself, is concerned or interested in the resolution.

This Explanatory Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchange.

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

Place : Bangalore
Date : 30th May, 2014

Medappa Gowda J
Company Secretary

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twenty Ninth Annual Report and the Audited Accounts of the Company for the Year ended 31st March, 2014. As notified by MCA Circular No. 1/19/2013-CL-V dated 04.04.2014, the Company has followed the Companies Act, 1956, in respect of the report.

FINANCIAL RESULTS:

₹ in Lakhs

| Particulars | 2013-14 | 2012-13 |
|--|----------|----------|
| Gross Income | 53605.81 | 46891.63 |
| Profit before tax | 6921.64 | 6572.53 |
| Less: Provision for taxation | 2156.10 | 1817.36 |
| Profit after tax before prior period adjustment | 4765.54 | 4755.17 |
| Tax expenses pertaining to earlier years | - | 10.00 |
| Profit after tax | 4765.54 | 4745.17 |
| Add: Surplus from last year | 2831.66 | 2436.37 |
| Profit available for appropriation after adjustments of prior period taxes | 7597.20 | 7181.54 |
| APPROPRIATIONS: | | |
| 1 Interim Dividend 45% (last year interim dividend 35%) | 540.09 | 420.07 |
| Tax on Interim Dividend | 91.78 | 68.14 |
| 2 Proposed Final Dividend 50% (last year 45%) | 600.10 | 480.08 |
| Provision for tax on Final Dividend | 101.98 | 81.59 |
| 3 Transfer to General Reserve | 3400.00 | 3300.00 |
| 4 Balance carried to Balance Sheet | 2863.24 | 2831.66 |

DIVIDEND:

An Interim Dividend of ₹ 0.45/- per Share of ₹ 1/- each (45%) was declared and paid. In view of the good financial performance of your Company, your Directors have pleasure in recommending a Final Dividend of ₹ 0.50 per Share of ₹ 1/- each (50%). The total outgo, considering the interim dividend including taxation, stands at ₹ 1333.96 lakhs as against ₹ 1049.88 lakhs during the last year.

OPERATIONS –MANAGEMENT DISCUSSION AND ANALYSIS:

Indian economy slowed down further during the year with GDP growing at less than 5%. With policy paralysis at the centre, high interest rates and inflation, the automotive industry had a dismal performance for the year and grew at 4%. This low industry growth is for the second year in succession. Against this, your Company has recorded a growth of 17.61%.

Your Company recorded an income of ₹ 53,605 lakhs during the year 2013 -14 as against ₹ 46,891 lakhs during the year 2012-13, recording a growth of 14.31%. During the year 2012-13, there was an exceptional income of ₹ 518 lakhs due to sale of a property. Excluding this, during the year 2013 – 14, the Profit After Tax was ₹ 4,765 lakhs as against the adjusted Profit After Tax of ₹ 4,227 lakhs during the year 2012-13, recording a growth of 12.72%. The consolidated group income grew from ₹ 51,075 lakhs for the year 2012-13 to ₹ 60,073 lakhs for the year 2013-14, recording a growth of 17.61 %. The consolidated Profit After Tax was ₹ 5,081 lakhs during the year 2013-14 as against the adjusted Profit After Tax of ₹ 4,194 lakhs during

the year 2012-13, a growth of 21.15%. As you will note, your Company has surpassed the industry growth, again, due to customer focused approach and continued outperformance in the aftermarket and export business.

During the year, new cable plants, both at Bommasandra (Karnataka) and Pathredi (Rajasthan) were well established. Commercial production at the new automotive plant at its subsidiary Suprajit Automotive was fully established. During the year, your Company has also acquired 4 acres of land in the outskirts of Chennai for the proposed cable plant for its customers in that region.

CURRENT YEAR:

Indian GDP is likely to grow at around 5% during the current year for the third year in a row. However, with the change in the Government at the centre with full majority, it is expected that the policy paralysis that plagued India will change for the better. With the expectation of growth oriented programs from the new government, Indian GDP and the Indian automotive industry may grow well in the coming years.

Automotive growth in the current year is expected to be at single digit. Your Company endeavors to grow faster than the industry, as in the past. The group is planning a capacity expansion from the current 150 mn to about 225 mn cables per year with a capital outlay of about ₹ 65 crores over the next 2 years. Capacity expansion plan at Pathredi has started. Construction of a new plant at Vallam Vadagal, Chennai, is expected to start soon. An additional plant in Bangalore is also envisaged.

Your Company's focus in the aftermarket along with exports, both in the automotive and non-automotive businesses continue to yield higher growth to the Company. This trend is expected to continue in the current year.

DEMATERILISATION 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 India Limited (CDSL) to facilitate dematerialization of Shares.

LISTING OF EQUITY SHARES:

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

WHOLLY OWNED SUBSIDIARIES:

The wholly owned subsidiaries, Suprajit Automotive Private Limited and Suprajit Europe Limited have performed significantly better during the year. On a consolidated basis, the two subsidiaries have performed better both in terms of

revenue and profitability compared to previous years. The two subsidiaries work in tandem for business.

The consolidated sales of the subsidiaries were ₹ 6,729 lakhs against ₹ 4,514 lakhs previous year, an increase of 49%. The EBITDA was ₹ 796 lakhs against ₹ 438 lakhs previous year an increase of 82%. The Profit Before Tax was ₹ 496 lakhs against ₹ 132 lakhs previous year an increase of 276%. This trend is expected to continue in the current year. With the installation of a new plant at the subsidiary Suprajit Automotive Private Limited Bangalore, subsidiaries are well placed to provide increased business volume to their global customers.

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 the Companies (Particulars of Employees) Rules, 1975 as amended is as below :

| SI No | Name | Age (Years) | Qualification | Designation & Nature of Duties | Remuneration (₹) | Experience (Years) | Date of Joining | Previous Employment |
|-------|------------------------|-------------|----------------------|--------------------------------|------------------|--------------------|-----------------|---|
| 1. | Mr. K. Ajith Kumar Rai | 56 | B.E. M.A.Sc (Canada) | Chairman & Managing Director | 3,43,20,646 | 29 | 24.05.85 | Research & Teaching Assistant, Technical University of Novascotia, Canada |
| 2. | Dr. C Mohan | 61 | B.E, MBA-Fin & Ph.D | Executive Director | 60,49,471 | 37 | 26.11.07 | Chief Operating Officer at Kalyani Forge Ltd. |

Notes:

1. Remuneration included Basic Salary, Allowances, Incentives, Commission, Company's contribution to PF, Superannuation Fund and taxable value of perquisites.
2. The appointments are contractual.
3. 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, 2014.

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 by the employees at all levels.

There was no complaint lodged by any woman employee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, with the Company during the period under report.

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, 2014 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 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, 2014 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. M Jayarama Shetty and Mr. Diwakar S Shetty, Directors, retire by rotation and being eligible, offer themselves for

re-appointment. In terms of the requirements of the new Companies Act, 2013, their appointments as Independent Directors are proposed under Special Business.

Dr. C Mohan, Non Independent and Executive Director, retires by rotation as per the new Companies Act, 2013 and being eligible, offers himself for re-appointment.

Mr. Surendra Kumar N Shah opted to step down from the Board due to advancing age and health reasons. Your Board places on record the invaluable support and guidance received from him during his tenure as Director.

Dr. Supriya A Rai, a reputed dental surgeon and wife ('relative') of Mr K Ajith Kumar Rai, Chairman and Managing Director, was inducted as Non Executive Non Independent Director in the casual vacancy created by the resignation of Mr. Surendra Kumar N Shah. This appointment is a compliance under the Companies Act, 2013 of the requirement of appointment of a Woman Director on the Board.

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, (FRN 004532S) retire as Auditors of the Company and being eligible, offer themselves for re-appointment.

COST AUDITORS:

Messrs GNV and Associates,(FRN 000150) Cost Accountants have been appointed as Cost Auditors of the Company for the Financial Year 2013-14.

ACKNOWLEDGMENT:

Your Directors wish to thank State Bank of India, Syndicate Bank, Citibank N.A., HSBC and ICICI Bank Ltd 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 : 30th May, 2014

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:

Conservation of energy is one of the highest priority measures directly supervised by the senior management of the company.

As and when new units are getting added in the Company, the Unit Managers and Unit HR-Heads see to that various measures like rain- water harvesting, STP, water usage control, planting of trees, discarding of old gen-sets and minimum usage of lighting power during day time are very well adopted from day one.

In addition, the following new initiatives have been undertaken during the year :-

- a) Automatic Water Level Controllers have been deployed along with the water pumps which are used for pumping water to the storage tanks.
- b) The Company has provided gen-sets with higher KVA rating as well as lower KVA rating in all the units so that gen-set power is selectable depending upon actual power requirement in case of power shutdown by which the units only generate the power what is required and not more thereby avoiding wastage.
- c) Electrical systems in all the new units have been provided with individual controls in place of bulk controls so that the user can exercise selection of, say, a particular fan, light or anything depending upon requirement at that particular point of time. Thus avoids indiscriminate and mindless bulk selection of electrical systems though the actual requirement could be met by selecting few.
- d) Shop floors having roofing sheets have been provided with thermal vents on top of the roofing sheets (circulating fans operating with wind) in order to reduce the heat effect in summer and also to reduce usage of electrically operated fans in the shop floor.
- e) Rain water harvesting has been modified to properly channelize the rain water into earth in a manner borewell gets adequate water for its re-generation.

2. TECHNOLOGY ABSORPTION:

- a) Research and Development (R&D):
 - 1) The Company has taken the initiative to set up a centralised Tech Centre at Bangalore. This centre will have Engineers for R&D work, testing and validation of products as per customers' requirements. The centre will have product-, process- and material- specialists in order to offer latest technology products to the customers.
 - 2) Development cells in every unit have been upgraded with more Engineers and latest equipments.
 - 3) The Company's R&D has developed many specialized cables for Customers as per the end user requirements . This is being successfully deployed by the customer with significant cost savings. The Company has also developed new types of Parking Brake Levers for Tractor application for USA and Japan based customers.
 - 4) The Company has developed many equipments specialised for cable making with significant energy savings and increased productivity.

- b) Expenditure on Research and Development:

₹ in Lakhs

| Particulars | 2013-14 | 2012-13 |
|--------------------------------|---------------|---------------|
| Salaries & Wages | 124.42 | 93.86 |
| Material, Consumables & Stores | 22.26 | 19.39 |
| Other Direct Expenditures | 14.85 | 6.61 |
| Total | 161.53 | 119.86 |

- c) Technology Absorption, Adaptation, Innovation and particulars of imported technology:
 - 1) The Company has not imported any technology during the year.
 - 2) The Company has developed innovative and path-breaking processes for certain Cable Manufacturing for which patents are pending.
 - 3) The Company has successfully adapted a customer's design for a new type of Throttle Unit for Tractors.

3. FOREIGN EXCHANGE EARNINGS AND OUT FLOW:

₹ in Lakhs

| Particulars | 2013-14 | 2012-13 |
|--|---------|---------|
| Earnings (FOB Value of Exports) | 3342.09 | 1905.53 |
| Out Flow (Raw materials & Foreign Travel Expenses, Commission etc.) | 6292.22 | 4720.26 |

For and on behalf of the Board

Place : Bangalore
Date : 30th May, 2014

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:**

| SI 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 : 30th May, 2014

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 and increase in stakeholders' value. This will be done through proper transparency and disclosures, adequate internal controls in its business practices and risk management, proper communication and good standards in safety, health, environment management, highest standards in accounting fidelity, product and service quality. The Company complies with the listing requirements of the Stock Exchanges, where its shares are

listed and endeavors to meet necessary listing guidelines. 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 | Executive Director | 4 | Yes |
| Mr. M Jayarama Shetty | Director – Non Executive & Independent | 4 | Yes |
| Mr. B S Patil | Director – Non Executive & Independent | 4 | No |
| Mr. Surendra Kumar N Shah | Director – Non Executive & Independent | 1 | No |
| 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. Managing Director and Executive Director respectively; others are Non-Executive Directors.

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

- i) Four Board meetings were held during the year 2013-14 and the gap between two meetings did not exceed four months. The dates are as follows:-

25th May 2013
31st July 2013
31st October 2013
31st January 2014

- 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, 2014:

| Name of the Directors | In Listed Companies | In Unlisted Public Limited Companies | As Chairman / Member of Board Committees |
|---------------------------|---------------------|--------------------------------------|--|
| Mr. K Ajith Kumar Rai | Nil | Nil | 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 | 2 | 7 | 3 |
| Mr. Diwakar S Shetty | 1 | 3 | Nil |
| Mr. Ian Williamson | Nil | Nil | Nil |
| Mr. Suresh Shetty | Nil | Nil | 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. Chairman & Managing Director, Executive Director, President, Executive Vice President, Head of Finance, Internal Auditors and Statutory Auditors are invitees to the Meeting. 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.

Chairman of the Audit Committee, Mr. Diwakar S Shetty, was present at the Annual General Meeting held on 31st July, 2013.

The Audit Committee met on 30th May, 2014 to review the Annual Accounts for the year ended 31st March, 2014 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 Statements 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.

The additional requirements of the new Companies Act, 2013 on the widened scope of the Committee will be addressed hereafter.

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, 2014, 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. 080-43421100, 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 |
|------|-----------------------|-----------|------------|---------------------------------------|
| 2011 | 30 th July | Saturday | 12.30 p.m | Twenty Sixth Annual General Meeting |
| 2012 | 31 st July | Tuesday | 12.30 p.m | Twenty Seventh Annual General Meeting |
| 2013 | 31 st July | Wednesday | 12.00 noon | Twenty Eighth Annual General Meeting |

10. DISCLOSURES:

- Related party transactions are disclosed under notes to the accounts in this Report.
- 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 Boards approval, first by fax followed by courier. Half yearly results were sent to each shareholder 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 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 2013-14

(in ₹)

| Sl. No | Name of the Director | Sitting Fees | Salary & PF | Commission | Total |
|--------------|---------------------------|-----------------|--------------------|--------------------|--------------------|
| 1 | Mr. K Ajith Kumar Rai | - | 66,48,000 | 2,76,72,646 | 3,43,20,646 |
| 2 | Dr. C Mohan | - | 60,49,471 | - | 60,49,471 |
| 3 | Mr. M Jayarama Shetty | 1,00,000 | - | 1,00,000 | 2,00,000 |
| 4 | Mr. B S Patil | 60,000 | - | 1,00,000 | 1,60,000 |
| 5 | Mr. Surendra Kumar N Shah | 10,000 | - | 1,00,000 | 1,10,000 |
| 6 | Mr. Diwakar S Shetty | 1,00,000 | - | 1,00,000 | 2,00,000 |
| 7 | Mr. Suresh Shetty | 80,000 | - | 1,00,000 | 1,80,000 |
| 8 | Mr. Ian Williamson | Waived | - | Waived | - |
| Total | | 3,50,000 | 1,26,97,471 | 2,81,72,646 | 4,12,20,117 |

The remuneration paid/payable to 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 fresh appointment of, and remuneration payable to, Chairman and Managing Director as approved by the Board based on the recommendation of the Remuneration Committee will be subject to the approval of the Shareholders at the ensuing Annual General Meeting.

The Remuneration paid / payable to Dr. C Mohan was approved by the Remuneration Committee and subsequently by the Board at their meeting held on 12th March, 2012 and also was approved by the Shareholders at their Twenty Seventh Annual General Meeting held on 31st July, 2012.

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

14. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility (CSR) Committee was constituted at the Board level comprising of Mr. K Ajith Kumar Rai, Mr. Ian Williamson and Dr. Supriya A Rai as its members. The terms of reference of the Committee are in line with provisions of Section 135 of the Companies Act, 2013.

15. SHARES HELD BY NON-EXECUTIVE DIRECTORS :

The Non-Executive Directors as on 31st March, 2014, who held shares in Suprajit Engineering Limited are as under:-

| Name of Director | Number of Shares held as on 31 st March, 2014 |
|-----------------------|--|
| Mr. M Jayarama Shetty | 439000 |
| Mr. Suresh Shetty | 719883 |
| Mr. Diwakar S Shetty | 10000 |

16. 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.

17. GENERAL SHAREHOLDER INFORMATION:

a. Twenty-Ninth Annual General Meeting :

| Date | Time | Venue |
|-----------------------------|------------|---|
| 31 st July, 2014 | 12.00 noon | 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 31 st March | - | By May, 2014 |
| Book Closure Date | - | 21 st July, 2014 to 31 st July, 2014 (Both days inclusive) |
| Proposed Final Dividend | - | 50% |
| Dividend Payment date(s) | - | August, 2014 |
| 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 Practicing Company Secretary audits the System and a certificate to that effect is issued and the same is filed with the Stock Exchanges. Additionally, reconciliation on share capital audits and Dematerialization related scrutiny are conducted quarterly by a Practicing Company Secretary.

d. Dematerialization of Shares and Liquidity:

112747340 Equity Shares consisting 93.94 % of the total Equity Capital are held in dematerialized form with NSDL and CDSL.

e. Plant Locations:

The Company has fifteen Plants located at:

| | | |
|-------------------------|---|----------------------|
| Bangalore - Karnataka | - | 5 Plants |
| Bangalore - Karnataka | - | 100% E.O.U - 1 Plant |
| Manesar - Haryana | - | 1 Plant |
| Chakan - Maharashtra | - | 2 Plants |
| Vapi - Gujarat | - | 1 Plant |
| Pantnagar - Uttarakhand | - | 1 Plant |
| Haridwar - Uttarakhand | - | 1 Plant |
| Sanand - Gujarat | - | 1 Plant (land only) |
| Pathredi - Rajasthan | - | 1 Plant |

Subsidiaries:

| | | |
|---------------------------|---|--------------------|
| Bangalore - Karnataka | - | 100% EOU - 1 Plant |
| Tamworth - United Kingdom | - | 1 plant |

f. Registered Office / Address for correspondence:

Suprajit Engineering Limited
No. 100, Bommasandra Indl. Area,
Bangalore - 560 099.
Tel: 080-43421100, Fax: 080-27833279
E-mail: investors@suprajit.com / info@suprajit.com

g. Shareholding Pattern as on 31st March, 2014:

| 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 |

| SI No | Category | Number of Shares held | Percentage of Shareholding |
|------------|---|-----------------------|----------------------------|
| | 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 | 1,682,924 | 1.40 |
| | Financial Institutions/ Banks | 5,496 | 0.00 |
| | Central Government/ State Government(s) | - | - |
| | Venture Capital Funds | - | - |
| | Insurance Companies | - | - |
| | Foreign Institutional Investors | 2,923,698 | 2.44 |
| | Foreign Venture Capital Investors | - | - |
| | Any Other (specify) | - | - |
| | Sub-Total (B)(1) | 4,612,118 | 3.84 |
| (2) | Non-institutions | | |
| | Bodies Corporate | 14,233,668 | 11.86 |
| | Individuals - | | |
| | i. Individual shareholders holding nominal share capital up to ₹ 1 lakh. | 149,55,835 | 12.46 |
| | ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh. | 196,70,276 | 16.39 |
| | Any Other (specify) | | |
| | NRI | 3,126,703 | 2.61 |
| | Clearing Member | 1,198,653 | 1.00 |
| | Trust | 9590 | 0.01 |
| | Sub-Total (B)(2) | 53,194,725 | 44.31 |
| | 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 |

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

h. Distribution of shareholding according to size class as on 31st March, 2014:

| Description | Holders | % of Holders | Holding | % of Holdings |
|---------------|--------------|---------------|--------------------|---------------|
| 1 – 500 | 4,201 | 59.69 | 801,992 | 0.67 |
| 501 – 1000 | 934 | 13.27 | 836,015 | 0.70 |
| 1001 – 2000 | 521 | 7.40 | 849,310 | 0.71 |
| 2001 – 3000 | 254 | 3.61 | 654,431 | 0.55 |
| 3001 – 4000 | 141 | 2.00 | 530,595 | 0.44 |
| 4001 – 5000 | 152 | 2.16 | 735,464 | 0.61 |
| 5001 – 10000 | 395 | 5.61 | 3,149,069 | 2.62 |
| 10001 & ABOVE | 440 | 6.25 | 112,463,124 | 93.70 |
| Total | 7,038 | 100.00 | 120,020,000 | 100.00 |

i. Shares held in Physical and Electronic mode as on 31st March, 2014:

| Categories | Position as on 31 st March, 2014 | |
|--------------|---|-------------------------|
| | No. of Shares | % to total shareholding |
| Physical | 7,272,660 | 6.06 |
| Demat NSDL | 108,336,520 | 90.27 |
| Demat CDSL | 4,410,820 | 3.67 |
| Total | 120,020,000 | 100.00 |

j. Listing 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. Registrar and Share Transfer Agent:

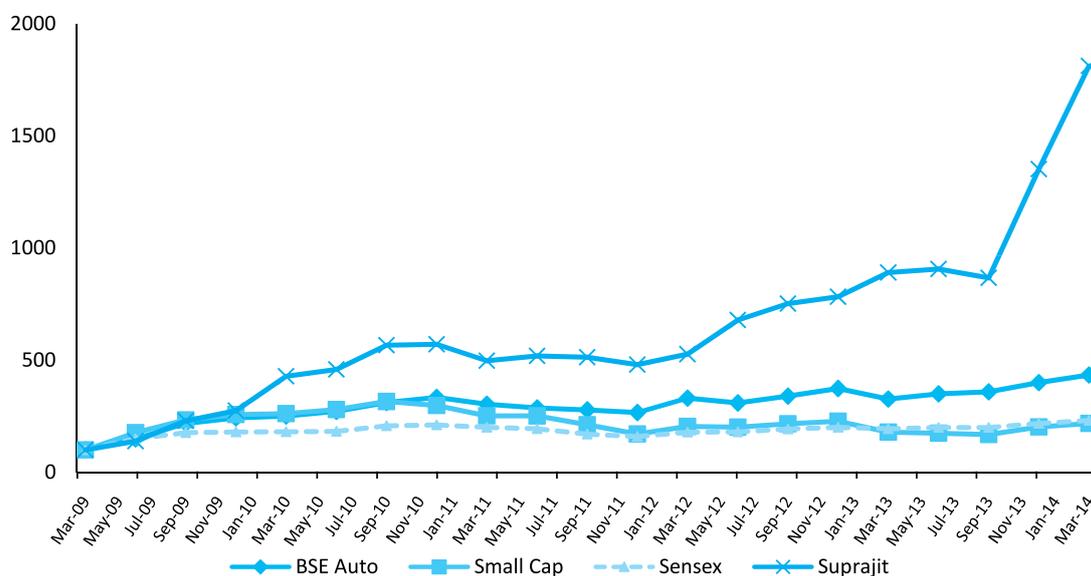
Integrated Enterprises (India) Limited
No. 30, Ramana Residency
4th Cross, Sampige Road
Malleswaram, Bangalore - 560 003.
Tel: 080-23460815
Fax: 080-23460819
E-mail: irg@integratedindia.in

I. SHARE PRICE MOVEMENTS MARCH 2009 – MARCH 2014

| Period | BSE - Auto Index | | SMALL CAP | | BSE – SENSEX | | Suprajit Share Price* | |
|----------|------------------|---------|-----------|---------|--------------|---------|-----------------------|----------|
| | Closing | Indexed | Closing | Indexed | Closing | Indexed | Closing | Indexed |
| Mar - 09 | 3,061.67 | 100.00 | 3,246.63 | 100.00 | 9708.50 | 100.00 | 3.75 | 100.00 |
| Jun - 09 | 4558.43 | 148.89 | 5740.04 | 176.80 | 14493.84 | 149.29 | 5.20 | 138.85 |
| Sep - 09 | 6,664.25 | 217.67 | 7,590.04 | 233.78 | 17126.84 | 176.41 | 8.60 | 229.64 |
| Dec - 09 | 7435.83 | 242.87 | 8357.62 | 257.42 | 17464.81 | 179.89 | 10.30 | 274.67 |
| Mar-10 | 7671.24 | 250.56 | 8497.43 | 261.73 | 17527.77 | 180.54 | 16.05 | 428.00 |
| Jun-10 | 8323.30 | 271.85 | 9071.20 | 279.40 | 17700.90 | 182.32 | 17.20 | 458.67 |
| Sep-10 | 9527.64 | 311.19 | 10245.71 | 315.58 | 20069.12 | 206.72 | 21.25 | 566.67 |
| Dec-10 | 10235.41 | 334.31 | 9670.31 | 297.86 | 20509.09 | 211.25 | 21.40 | 570.67 |
| Mar-11 | 9290.75 | 303.45 | 8175.89 | 251.83 | 19445.22 | 200.29 | 18.65 | 497.33 |
| Jun-11 | 8798.48 | 287.38 | 8156.60 | 251.23 | 18845.87 | 194.12 | 19.45 | 518.67 |
| Sep-11 | 8498.42 | 277.57 | 6881.08 | 211.95 | 16453.76 | 169.48 | 19.25 | 513.33 |
| Dec-11 | 8143.65 | 265.99 | 5550.14 | 170.95 | 15454.92 | 159.19 | 18.00 | 480.00 |
| Mar-12 | 10,134.88 | 331.02 | 6629.38 | 204.19 | 17404.20 | 179.27 | 19.75 | 526.67 |
| Jun-12 | 9457.91 | 308.91 | 6543.75 | 201.56 | 17429.98 | 179.53 | 25.45 | 678.67 |
| Sep-12 | 10413.19 | 340.11 | 7017.89 | 216.16 | 18762.74 | 193.26 | 28.20 | 752.00 |
| Dec-12 | 11426.21 | 373.20 | 7379.94 | 227.31 | 19426.71 | 200.10 | 29.35 | 782.67 |
| Mar-13 | 9994.23 | 326.43 | 5804.65 | 178.79 | 18835.77 | 194.01 | 33.40 | 890.67 |
| Jun-13 | 10,715.77 | 350.00 | 5,643.52 | 173.83 | 19,395.81 | 199.78 | 34.00 | 906.67 |
| Sep-13 | 10,996.59 | 359.17 | 5,466.24 | 168.37 | 19,379.77 | 199.62 | 32.50 | 866.67 |
| Dec-13 | 12,258.83 | 400.40 | 6,551.13 | 201.78 | 21,170.68 | 218.06 | 50.70 | 1,352.00 |
| Mar-14 | 13,280.27 | 433.76 | 7071.96 | 217.82 | 22,386.27 | 230.58 | 67.95 | 1,812.00 |

* 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 Re.1/- each and 1:1 bonus issued during March, 2010.



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 Participants (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 2013, 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.

18. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

a. Business Overview

Indian economy continued to struggle with less than 5% GDP growth, high inflation and interest rates. The slowdown was evident and noticeable in the automotive sector as well, which grew at 4%. World economy continues to be weak although US economy has started to grow. Rupee depreciation was the only silverlining for the exporting companies.

This significant slowdown in the automotive industry has not augured well for the component suppliers. However, with focused customer management and its philosophy of 'Value for Money', Suprajit continues to perform creditably in a difficult market place. With a new regime at the centre, with clear mandate, the outlook is stable for the Indian economy and hence gives the comfort for Suprajit to continue to perform well.

Significant increase in commodity prices, continued high inflation and interest rates, product recalls, employee unrest and \$-₹ fluctuations are the threats faced by all the component suppliers, including Suprajit.

However, strong customer loyalty due to its ability to deliver quality products in time, competitive price along with good developmental capability, makes Suprajit a perfect vendor partner for its customers. This will lead to a satisfactory business performance for the Company.

b. Human Resource Development:

With slowing down of economy, there appears to be some stability at staff levels with reduced turnover of

people. However, skilled manpower continues to be challenging at the plant levels. Your Company has a satisfactory recruitment system in place to address the requirements of your Company.

c. Corporate Social Responsibility:

Suprajit Foundation is spearheading the CSR activities of the Company. The focus area for the Foundation is education, healthcare and Rural Development. To this end, the Foundation has implemented relevant projects during the past years as elaborated hereunder. Foundation intends to spend a portion of donations for the ongoing projects and develop a corpus for a significant project in the focus area at a later date.

ONGOING PROJECTS:

EDUCATION:

Vittala Suprajit Industrial Training Institute: Suprajit Foundation continues to support VSITI (<http://vittalsuprajititi.org>). The institute has 4 courses (Electrician, Fitter, Mechanics of Motors Vehicle and Mechanical Refrigeration & Air-conditioning) with a total current strength of 180 students. First batch graduated in 2013. A significant number of students were placed in various companies including Suprajit.

Bhavan BBMP School: Suprajit Foundation continues to sponsor this slum area school in Srirampuram, run by Bruhat Bangalore Mahanagara Palike (<http://www.bhavanbbmpublicschool.com>). The school has 300 students. The school will eventually have classes up to 10th standard. This is a significantly subsidized school for the children from poorest in this area.

Suprajit Foundation has set-up girls' toilets and provided benches in government schools in rural areas.

Scholarships: The scholarship project in the rural has now 124 students as against 61 students last year. Students have been funded for various educational courses including Medical, Engineering, ITI, Diploma and other university courses.

Sukrupa School : Suprajit Foundation has provided free lunch through Akshayapatra Foundation at Sukrupa (<http://www.sukrupa.org>), in Cholanayakanahalli, Bangalore. This school has mostly deprived children from urban slum communities. The mid-day meal, apart from giving much needed nutritious food to the children has improved their performance as well as attendance at the school.

Healthcare:

Suprajit Foundation continues to support Karunashraya, a Hospice for advance stage cancer patients. It supports heart surgeries through the Needy Heart Foundation and works with Rotary on dialysis projects for the economically backward patients in designated hospitals.

New Projects:

Vocational Training : Suprajit Foundation signed an MoU with Bharatiya Vidya Bhavan and Rotary Bangalore Indirangar to setup a vocational training centre at Bharatiya Vidya Bhavan and supports the Gandhi Institute of Computer Education and Information Technology.

For and on behalf of the Board

Place : Bangalore

K. Ajith Kumar Rai

Date : 30th May, 2014

Chairman & Managing Director

CEO & CFO CERTIFICATION

- a.** We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2014 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 : 30th May, 2014

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, 2014 compliance with the code of conduct of the Company laid down for them.

Place : Bangalore

Date : 30th May, 2014

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
Bangalore.**

I have examined the compliance of the conditions of Corporate Governance by Suprajit Engineering Limited for the year ended 31st March, 2014 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to 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 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 Agreement.

I state that in respect of investor grievances received during the year ended 31st March, 2014, no investor grievances are pending against the Company as on 31st March, 2014, 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.

Vijayakrishna KT
Practicing Company Secretary
FCS - 1788
CP - 980

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

INDEPENDENT AUDITORS' REPORT

The Members

SUPRAJIT ENGINEERING LIMITED

Bangalore

Report on the Financial Statements

We have audited the accompanying financial statements of Suprajit Engineering Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2014, the Profit and Loss Statement and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies, notes on financial statements and other explanatory information.

Management's Responsibility for the Financial Statements

The Management of the Company is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Companies Act, 1956 ("the Act") and the Accounting Standards referred to in sub-section (3C) of section 211 of the Act, read with the general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with significant accounting policies and notes on financial statements attached thereto, give the information required by the Act 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 March 31st, 2014;
- 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 for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 Act, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order;
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. 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;
 - c. the Balance Sheet, Profit and Loss Statement and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. 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 subsection (3C) of section 211 of the Act read with the general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
 - e. 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 directors of the company is disqualified as on 31st March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

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

R KESAVADAS
Partner
M. No. 23862

Place : Bangalore
Date : 30.05.2014

ANNEXURE TO INDEPENDENT AUDITORS' REPORT
ANNEXURE REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDIT REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SUPRAJIT ENGINEERING LIMITED FOR THE YEAR ENDED 31ST MARCH 2014

1. (a) As stated in Note No. 22.4, 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, work-in-progress and finished goods in the custody of the Company are physically verified by the management on a quarterly basis as per a programme of perpetual inventory, 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 systems 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, subject to Auditor's Responsibility paragraph mentioned in the Independent Auditor's Report above.
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 favorably 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 thereunder 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 made and 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, Investor Education and Protection Fund 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 2014:

| Name of the Statute | Nature of the dues | Amount (₹) | Period to which the amount relates | Forum where dispute is pending |
|--------------------------|--------------------|------------|------------------------------------|---|
| Central Excise Act, 1944 | Service Tax | 4,32,920 | FY 2009-10 | Customs Excise & Service Tax Appellate Tribunal |

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 related reporting requirements are not applicable.
14. Since the Company is not dealing or trading in shares, securities, debentures or other investments, the related reporting requirements are not applicable.
15. According to the information and explanations given to us, the terms and conditions of the guarantee given by the Company for loan taken by the subsidiary company from its banker, are not prima facie prejudicial to the interests of the Company.
16. According to the information and explanations given to us, and as per our verification of the records of the company, the term loans availed and to the extent utilised during the year by the Company were, prima facie, applied by the Company for the purposes for which such 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 utilised 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

R KESAVADAS
Partner
M. No. 23862

Place : Bangalore
Date : 30.05.2014

BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

| Particulars | Note No. | 2014 | 2013 |
|--------------------------------|----------|----------------------|----------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 120,020,000 | 120,020,000 |
| Reserves and Surplus | 3 | 1,872,513,234 | 1,529,355,734 |
| Non-Current Liabilities | | | |
| Long-term borrowings | 4 | 367,750,003 | 357,962,854 |
| Deferred tax liabilities (Net) | | 65,806,000 | 52,906,000 |
| Other long term liabilities | | 7,821,961 | 6,860,815 |
| Long term Provisions | | 15,678,707 | 6,063,407 |
| Current Liabilities | | | |
| Short-term borrowings | 5 | 790,223,732 | 518,356,090 |
| Trade payables | | 505,443,207 | 443,277,364 |
| Other current liabilities | | 273,365,936 | 187,173,962 |
| Short-term Provisions | | 80,182,465 | 66,380,011 |
| TOTAL | | 4,098,805,245 | 3,288,356,237 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed Assets | 6 | | |
| (i) Tangible Assets | | 1,333,182,679 | 1,089,005,554 |
| (ii) Intangible Assets | | - | - |
| (iii) Capital Work-in-progress | | 7,185,072 | 115,890,633 |
| Non-current investments | 7 | 210,897,286 | 210,897,286 |
| Long term loans and advances | 8 | 51,431,345 | 72,730,147 |
| Other Non-current assets | 9 | 1,002,544 | 620,250 |
| Current Assets | | | |
| Current investments | 10 | 743,312,565 | 449,256,123 |
| Inventories | 11 | 585,190,741 | 369,559,200 |
| Trade receivables | 12 | 1,008,976,989 | 844,045,856 |
| Cash and bank balances | 13 | 40,027,512 | 59,789,199 |
| Short-term loans and advances | 14 | 114,877,892 | 74,421,661 |
| Other current assets | 15 | 2,720,620 | 2,140,328 |
| TOTAL | | 4,098,805,245 | 3,288,356,237 |

| | |
|--|----|
| Significant Accounting Policies | 1 |
| Other Notes on Financial Statements | 22 |

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 : 30th May, 2014

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

| Particulars | Note No. | 2014 | 2013 |
|---|----------|----------------------|----------------------|
| Revenue from operations (Gross) | 16 | 5,332,241,224 | 4,657,731,729 |
| Less: Excise duty | | 509,283,610 | 447,914,818 |
| Revenue from Operations (Net) | | 4,822,957,614 | 4,209,816,911 |
| Other Income | 17 | 28,340,024 | 31,431,591 |
| TOTAL | | 4,851,297,638 | 4,241,248,502 |
| Expenses | | | |
| Cost of materials consumed | | 3,118,238,911 | 2,739,631,321 |
| Changes in inventories of finished goods and work-in-progress | 18 | (84,176,409) | (32,231,384) |
| Employee benefit expense | 19 | 567,913,580 | 467,682,304 |
| Finance costs | 20 | 118,166,928 | 95,860,619 |
| Depreciation and amortisation expense | 6 | 69,451,766 | 56,714,757 |
| Other expenses | 21 | 369,538,832 | 306,285,217 |
| TOTAL | | 4,159,133,608 | 3,633,942,834 |
| Profit before prior period, exceptional items and tax for the year | | 692,164,030 | 607,305,668 |
| Prior period expenses | | - | (1,887,883) |
| Exceptional Item [Refer Note no. 22.5] | | - | 51,835,587 |
| Profit before tax for the year | | 692,164,030 | 657,253,372 |
| Tax expense: | | | |
| (1) Current Tax | | (202,710,000) | (170,000,000) |
| Tax Expense pertaining to earlier years | | - | (1,000,000) |
| (2) Deferred tax | | (12,900,000) | (11,736,000) |
| Profit after tax for the year | | 476,554,030 | 474,517,372 |
| Earnings per equity share: | | | |
| Equity shares of par value ₹ 1/- each | | | |
| Basic & Diluted (excluding prior period and exceptional items) | | 3.97 | 3.54 |
| Basic & Diluted (including prior period and exceptional items) | | 3.97 | 3.95 |
| Number of shares used in computing earnings per share | | 120,020,000 | 120,020,000 |

| | |
|--|-----------|
| Significant Accounting Policies | 1 |
| Other Notes on Financial Statements | 22 |

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 : 30th May, 2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|--|----------------------|----------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Profit before tax for the year | 692,164,030 | 657,253,372 |
| Adjustment for: | | |
| Depreciation and amortisation | 69,451,766 | 56,714,757 |
| (Profit)/Loss on sale of fixed assets | (21,991) | (52,061,493) |
| Provision for impairment of fixed assets | - | 1,435,254 |
| (Profit)/Loss on sale of shares | - | (8,234,000) |
| (Profit)/Loss on sale of Mutual funds | (12,799,826) | (13,613,267) |
| Provision for diminution in value of investments | - | 853,788 |
| Withdrawal of provision for diminution in value of investments | (854,949) | - |
| Interest income | (1,325,489) | (767,585) |
| Dividend received | (2,439,176) | (4,721,604) |
| Interest expense | 118,166,928 | 95,860,619 |
| Operating profit before working capital changes | 862,341,293 | 732,719,841 |
| (Increase)/ Decrease in | | |
| - Inventories | (215,631,541) | (45,687,914) |
| - Trade Receivables | (164,931,133) | (88,441,339) |
| - Loans and advances (Long term & Short term) | (17,046,001) | (19,867,679) |
| - Other Non-Current Assets & Current Assets | (6,247,379) | (2,807,232) |
| Increase/ (Decrease) in | | |
| - Current Liabilities | 148,035,318 | 53,440,075 |
| - Other Long term Liabilities | 961,146 | 1,462,329 |
| - Provisions (long term and short term) | 9,394,069 | (5,025,195) |
| Cash generated from operations | 616,875,772 | 625,792,886 |
| Income taxes paid (net of refunds) | (204,839,483) | (169,447,957) |
| Net cash from operating activities | 412,036,289 | 456,344,929 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of fixed assets/ Capital work-in-progress | (205,646,981) | (263,811,834) |
| Sale of current investments | 310,299,826 | 202,090,539 |
| Purchase of current investments | (590,701,493) | (459,563,180) |
| Sale of long-term investments | - | 10,234,000 |
| Purchase of long-term investments | - | (5,000,000) |
| Interest received | 1,429,145 | 1,052,054 |
| Dividend received | 2,439,176 | 4,721,604 |
| Proceeds from sale of fixed assets | 745,642 | 70,170,248 |
| Net cash from investing activities | (481,434,685) | (440,106,569) |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (118,364,171) | (95,171,415) |
| Proceeds/(repayments) from long term borrowings (net) | 9,787,149 | 46,736,690 |
| Proceeds/(repayments) from short term borrowings (net) | 271,867,642 | 158,470,808 |
| Dividend and dividend tax paid | (119,354,790) | (97,554,473) |
| Net cash from financing activities | 43,935,830 | 12,481,610 |
| Net increase in cash and cash equivalents during the year | (25,462,566) | 28,719,970 |
| Cash and cash equivalents at beginning of the year | 56,008,896 | 27,288,926 |
| Cash and cash equivalents at end of the year | 30,546,330 | 56,008,896 |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|--|-------------------|-------------------|
| Reconciliation of Cash and cash equivalents with the Balance Sheet: | | |
| Cash and bank balances as per the Balance Sheet (Refer Note No. 13) | 40,027,512 | 59,789,199 |
| Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements (Refer 'Other bank balances' in Note No. 13) | 9,481,182 | 3,780,303 |
| Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 13* | 30,546,330 | 56,008,896 |
| * Comprises: | | |
| - Cash on hand | 819,988 | 634,881 |
| - Cheques, drafts on hand | 150,000 | 90,000 |
| - Balances with banks | | |
| - In current accounts | 24,926,031 | 54,907,411 |
| - In EEFC accounts | 4,586,160 | 376,604 |
| - In deposit accounts | 64,151 | - |
| | 30,546,330 | 56,008,896 |

(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 : 30th May, 2014

Significant Accounting Policies forming part of the Financial Statements for the year ended 31st March, 2014

CORPORATE INFORMATION

Suprajit Engineering Limited ('the Company') is a public limited Company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is engaged inter alia in the business of manufacturing of auto components consisting mainly control cables, speedo cables and other components for automobiles.

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 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, Companies Act, 2013 (to the extent applicable) and the Companies (Accounting Standards) Rules, 2006 (Indian GAAP) as adopted consistently by the Company.

1.2 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.

1.3 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.

1.4 Revenue Recognition

Sale of goods as well as revenue from processing of goods (services) is recognised 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 recognised when declared and interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable rate.

1.5 Tangible/ Intangible Assets

Fixed Assets are stated at cost less accumulated depreciation and impairment losses, if any. 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. Until the fixed assets are ready for its commercial use these costs are aggregated and classified and carried forward as 'Capital Work-In-Progress'. Interest on loan taken for the acquisition of qualifying assets upto the date of commissioning of assets is added to the cost of assets.

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

1.6 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 amortised on a straight line basis over their estimated useful life of 10 years. Goodwill arising on acquisition/ amalgamation is amortised over a period of 5 years.

Leasehold land is amortised over the period of lease.

1.7 Impairment of Assets

The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at appropriate rate. After impairment, depreciation is provided on revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

1.8 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 recognise a decline other than temporary in the value of the investments. Current investments are carried at lower of cost or fair value.

1.9 Inventories

Inventories are valued at lower of cost or net realisable 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.

1.10 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 recognised in the Profit and Loss Statement over the period of the contracts. The exchange differences on

Significant Accounting Policies forming part of the Financial Statements for the year ended 31st March, 2014

the contracts are recognised 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.

1.11 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:

a. 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 unrecognised 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.

b. Compensated Absences

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.

1.12 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 along with the cost of respective asset.

1.13 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 recognised 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 capitalised as part of fixed assets and corresponding liability is recognised as term loans.

1.14 Taxation

Tax Expense comprising current 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.

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.

1.15 Government Grants and Subsidies

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/ subsidies will be received. Government grants and subsidies where no repayment is ordinarily expected in respect thereof and in the nature of promoter's contribution are credited to capital reserve and treated as a part of shareholders' funds.

1.16 Research and Development Expenditure

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

1.17 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 on financial statements.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|---|--------------------|--------------------|
| 2 SHARE CAPITAL | | |
| 2.1 Equity Share Capital | | |
| 2.1.1 Authorised Equity Share Capital Equity shares of ₹ 1/- each 125,000,000 (PY - 125,000,000) equity shares | 125,000,000 | 125,000,000 |
| 2.1.2 Issued, Subscribed and Fully Paid Up Equity Shares of ₹ 1/- each fully paid 120,020,000 (PY - 120,020,000) equity shares | 120,020,000 | 120,020,000 |
| TOTAL | 120,020,000 | 120,020,000 |

Notes on Share Capital

2.1.3 The reconciliation of the number of equity shares outstanding and the amount of share capital as at March 31, 2014 and March 31, 2013:

| Equity Shares of ₹ 1 each fully paid | No. of shares | No. of shares |
|--|---------------|---------------|
| 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 |

2.1.4 Details of shareholders holding more than 5% shares in the Company:

| Equity Shares of ₹ 1/- each fully paid | No. of shares | %age | No. of shares | %age |
|--|-------------------|---------------|-------------------|---------------|
| K Ajith Kumar Rai | 45,548,399 | 37.95% | 45,548,399 | 37.95% |
| Supriya A Rai | 15,627,958 | 13.02% | 15,627,958 | 13.02% |
| | 61,176,357 | 50.97% | 61,176,357 | 50.97% |

2.1.5 There are no shares that have been issued, subscribed and not fully paid up.

2.1.6 There are no forfeited shares.

2.1.7 There are no shares reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment.

2.1.8 The Company has not issued any securities convertible into equity/ preference shares.

2.1.9 Each holder of equity shares is entitled to one vote per share and there are no preferences or restrictions attaching to shares mentioned above.

The Company declares and pays dividend in Indian Rupees. The dividend proposed/declared by the Board of Directors is subject to approval/regularisation of the shareholders in the ensuing Annual General Meeting.

2.1.10 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.

2.1.11 During the last five years ending from 31 Mar 2009 :

- (i) No shares were allotted as fully paid up pursuant to contract(s) without payment being received in cash.
- (ii) During the year ended 31.03.2010, the 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.
- (iii) No shares were bought back.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|---|----------------------|----------------------|
| 3 RESERVES AND SURPLUS | | |
| 3.1 Reserves | | |
| 3.1.1 Capital Reserve (State Investment Subsidy and surplus on reissue of forfeited shares) [Refer Note 3.3. below] | | |
| Opening balance | 1,127,150 | 1,127,150 |
| Add: Additions during the year | - | - |
| Closing Balance | 1,127,150 | 1,127,150 |
| 3.1.2 General Reserve | | |
| Opening balance | 1,245,062,311 | 915,062,311 |
| Add: Transfer from the Profit & Loss Statement | 340,000,000 | 330,000,000 |
| Closing Balance | 1,585,062,311 | 1,245,062,311 |
| 3.2 Surplus | | |
| 3.2.1 Surplus in the Profit & Loss Statement | | |
| Opening balance | 283,166,273 | 243,637,447 |
| Add: | | |
| Profit for the year as per the Profit and Loss Statement | 476,554,030 | 474,517,372 |
| Less: | | |
| Interim Dividend | 54,009,000 | 42,007,000 |
| Proposed Final Dividend | 60,010,000 | 48,008,000 |
| Tax on dividend | 19,377,530 | 14,973,546 |
| Transfer to General Reserve | 340,000,000 | 330,000,000 |
| Closing Balance | 286,323,773 | 283,166,273 |
| TOTAL | 1,872,513,234 | 1,529,355,734 |
| Notes on Reserves & Surplus | | |
| 3.3 Includes ₹ 581,650/- (PY - ₹ 581,650/-) State Investment Subsidy credited to capital reserve. | | |
| 3.4 During the year, the Board of Directors have declared interim dividend of ₹ 0.45/- (PY: ₹ 0.35/-) per share, which is subject to regularisation of the shareholders in the ensuing Annual General Meeting. | | |
| 3.5 Final dividend of ₹ 0.50/- (PY: ₹ 0.40/-) per share proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. | | |
| 4 NON CURRENT LIABILITIES | | |
| 4.1 Long Term Borrowings: | | |
| 4.1.1 Secured | | |
| Term Loans from Banks (Refer Note 4.1.3 below) | 363,500,003 | 343,702,641 |
| | 363,500,003 | 343,702,641 |
| 4.1.2 Unsecured | | |
| Deferred Payment Liabilities - lease obligations (Refer Note 4.1.6 below) | - | 12,889,170 |
| Deposits from | | |
| - related parties | 3,500,000 | 721,043 |
| - other than related parties | 750,000 | 650,000 |
| | 4,250,000 | 14,260,213 |
| | 367,750,003 | 357,962,854 |

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|--|--------------------|--------------------|
| Notes on Long Term Borrowings: | | |
| 4.1.3 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. | | |
| 4.1.4 None of the above borrowings have been guaranteed by any Directors or others. | | |
| 4.1.5 Term loan from banks are repayable in quarterly instalments over the agreed repayment period, ranging between September 2016 to December 2018 together with interest rate ranging between 10.90% to 11.65% (PY - 11.65% to 11.85%) p.a. | | |
| 4.1.6 In respect of land referred in Note no. 6.4 (2), the balance consideration was payable in 19 quarterly installments which was fully paid during the year. Such amount as at 31st March 2013 relating to the lease payable after 12 months is disclosed in note no. 4.1.2 above and current maturities of this liability is disclosed under note no. 5.3. | | |
| 4.1.7 There has been no continuing default as on Balance Sheet date in repayment of loans and interest. | | |
| 4.2 DEFERRED TAX LIABILITIES (NET) | | |
| 4.2.1 Liability | | |
| On timing differences of depreciation | 79,947,000 | 60,418,000 |
| Gross deferred tax liability | 79,947,000 | 60,418,000 |
| 4.2.2 Asset | | |
| On timing differences of expenditure allowable for tax purposes when paid | 11,252,000 | 6,205,000 |
| Provision for doubtful debts | 2,889,000 | 1,307,000 |
| Gross deferred tax asset | 14,141,000 | 7,512,000 |
| Net deferred tax | 65,806,000 | 52,906,000 |
| 4.3 OTHER LONG TERM LIABILITIES | | |
| 4.3.1 Dealer Deposits | 7,821,961 | 6,860,815 |
| | 7,821,961 | 6,860,815 |
| 4.4 LONG TERM PROVISIONS: | | |
| 4.4.1 Provision for employee benefits [Refer Note no. 22.9(b)] | | |
| - Provision for Gratuity (Unfunded) | 6,993,043 | - |
| - Provision for Compensated Absences | 8,685,664 | 6,063,407 |
| | 15,678,707 | 6,063,407 |
| TOTAL | 457,056,671 | 423,793,076 |

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|---|----------------------|----------------------|
| 5 CURRENT LIABILITIES | | |
| 5.1 SHORT TERM BORROWINGS | | |
| 5.1.1 Secured: | | |
| Working capital facilities from banks repayable on demand from banks (Refer Note 5.1.2 below) | 790,223,732 | 518,356,090 |
| | 790,223,732 | 518,356,090 |
| Notes on Short Term Borrowings | | |
| 5.1.2 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. | | |
| 5.1.3 None of the above borrowings have been guaranteed by any Directors or others. | | |
| 5.2 TRADE PAYABLES | | |
| 5.2.1 Due to Micro & Small Enterprises [Refer Note No. 22.7] | 4,113,651 | 4,446,692 |
| 5.2.2 Due to Others | 501,329,556 | 438,830,672 |
| | 505,443,207 | 443,277,364 |
| 5.3 OTHER CURRENT LIABILITIES | | |
| 5.3.1 Current maturities of long term debt (Refer Note 4.1.3 and 4.1.6) | 121,000,000 | 77,521,456 |
| 5.3.2 Current maturities of deposits from | | |
| - related parties | 1,793,355 | 4,209,400 |
| - other than related parties | 650,000 | 1,000,000 |
| 5.3.3 Interest accrued but not due | | |
| - on borrowings | 1,016,836 | 1,033,179 |
| - on deposits | 369,869 | 550,769 |
| 5.3.4 Advances received from customers | 1,710,000 | - |
| 5.3.5 Unclaimed dividend [Refer Note. No. 5.3.7] | 1,800,045 | 1,280,303 |
| 5.3.6 Other Payables | | |
| - Payable towards cost of land [Refer Note. No. 6.4 (3) & (4)] | 22,147,265 | - |
| - Creditors for purchase of fixed assets | 9,352,064 | 10,607,458 |
| - Statutory Liabilities | 44,954,163 | 29,094,122 |
| - Payable to Employees | 26,694,940 | 31,427,638 |
| - Payable to directors towards commission & sitting fees | 28,303,399 | 24,499,637 |
| - Others [Refer Note. No. 5.3.8] | 13,574,000 | 5,950,000 |
| | 273,365,936 | 187,173,962 |
| 5.3.7 There are no amounts outstanding for more than 7 years to be deposited in the Investor Education and Protection Fund. | | |
| 5.3.8 As decided by the Board of Directors, a provision of ₹ 13,574,000/- (PY-₹ 5,950,000/-) being 2% (PY - 1%) of the net profits, is made towards Suprajit Foundation, a trust set up for charitable purposes. | | |
| 5.4 SHORT TERM PROVISIONS | | |
| 5.4.1 Provision for employee benefits [Refer Note no. 22.9(b)] | | |
| - Provision for Gratuity (Funded) | 4,507,434 | 4,741,601 |
| - Provision for Compensated Absences | 802,830 | 689,104 |
| 5.4.2 Provision for Proposed Dividend | 60,010,000 | 48,008,000 |
| 5.4.3 Provision for Corporate Dividend Tax | 10,198,700 | 8,158,960 |
| 5.4.4 Provision for Income Tax (Net of Advance Tax and Tax Deducted at Source) | 4,568,525 | 4,586,580 |
| 5.4.5 Provision for Wealth Tax | 94,976 | 195,766 |
| | 80,182,465 | 66,380,011 |
| TOTAL | 1,649,215,340 | 1,215,187,427 |

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

6 FIXED ASSETS

(Amounts in ₹)

| Description | Gross Block At Cost | | | Depreciation/ Amortisation | | | Accumulated Impairment Provision | | Net Block - At WDV | | |
|---|----------------------|-------------------------|------------------------|----------------------------|--------------------|-------------------|----------------------------------|--------------------|--------------------|----------------------|----------------------|
| | As at 01.04.2013 | Additions / Adjustments | Disposals / Adjustment | As at 31.03.2014 | Upto 01.04.2013 | For the year | Disposals/ Adjustment | As at 31.03.2014 | As at 31.03.2013 | As at 31.03.2014 | As at 31.03.2013 |
| 6.1 | | | | | | | | | | | |
| Tangible assets | | | | | | | | | | | |
| Land | 165,958,968 | 20,693,190 | - | 186,652,158 | - | - | - | - | - | 186,652,158 | 165,958,968 |
| Land on lease | 71,737,158 | 26,773,471 | - | 98,510,629 | 2,909,908 | 759,289 | 3,669,197 | - | - | 94,841,432 | 68,827,250 |
| Buildings | 583,659,626 | 154,125,027 | - | 737,784,653 | 85,512,974 | 22,194,608 | 107,707,582 | - | - | 630,077,071 | 498,146,652 |
| Electrical Installations | 81,372,264 | 15,513,726 | - | 96,885,990 | 19,673,312 | 4,147,968 | 23,821,280 | - | - | 73,064,710 | 61,698,952 |
| Plant and Machinery | 461,516,319 | 74,689,622 | 4,447,513 | 531,758,428 | 228,619,509 | 30,312,038 | 3,836,297 | 1,432,423 | 1,432,423 | 275,230,755 | 231,464,387 |
| Dies & Moulds | 30,905,097 | 6,257,616 | - | 37,162,713 | 18,704,143 | 2,142,597 | 20,846,740 | - | - | 16,315,973 | 12,200,954 |
| Furniture and Fixtures | 28,176,901 | 4,536,986 | - | 32,713,887 | 11,896,626 | 2,177,040 | 14,073,666 | - | - | 18,640,221 | 16,280,275 |
| Vehicles | 22,381,858 | 2,351,536 | 583,963 | 24,149,431 | 7,631,053 | 1,978,102 | 9,137,627 | - | - | 15,011,804 | 14,750,805 |
| Office equipment | 14,826,619 | 3,060,903 | - | 17,887,522 | 6,675,665 | 1,233,724 | 7,909,389 | 2,831 | 2,831 | 9,975,302 | 8,148,123 |
| Containers | 1,738,233 | 1,008,063 | - | 2,746,296 | 1,738,233 | 1,008,063 | 2,746,296 | - | - | - | - |
| Computers (Including Computer Software) | 39,951,899 | 5,342,402 | - | 45,294,301 | 28,422,711 | 3,498,337 | 31,921,048 | - | - | 13,373,253 | 11,529,188 |
| | | | | | | | | | | | |
| 6.2 | | | | | | | | | | | |
| Intangible assets | | | | | | | | | | | |
| Goodwill | 24,105,251 | - | - | 24,105,251 | 24,105,251 | - | 24,105,251 | - | - | - | - |
| Brands | 5,100,000 | - | - | 5,100,000 | 5,100,000 | - | 5,100,000 | - | - | - | - |
| Technical Knowhow | 195,127 | - | - | 195,127 | 195,127 | - | 195,127 | - | - | - | - |
| | | | | | | | | | | | |
| Total | 1,531,625,320 | 314,352,542 | 5,031,476 | 1,840,946,386 | 441,184,512 | 69,451,766 | 4,307,825 | 1,435,254 | 1,435,254 | 1,333,182,679 | 1,089,005,554 |
| Previous year | 1,284,899,722 | 268,372,387 | 21,646,789 | 1,531,625,320 | 388,007,789 | 56,714,757 | 3,538,034 | 441,184,512 | - | 1,089,005,554 | 896,891,933 |
| Capital Work-in-Progress | | | | | | | | | | 7,185,072 | 115,890,633 |
| TOTAL | | | | | | | | | | 1,340,367,751 | 1,204,896,187 |

6.4 Notes on Fixed Assets

- All the fixed assets except the land on lease are owned by the Company.
- Land on lease includes land at Bhiwadi, Rajasthan registered in the name of the Company for a value of ₹ 45,462,101/- (PY - ₹ 45,462,101/-), payment towards this land, which was agreed upon to be made in instalments during the previous year, has been repaid in entirety during the year.
- Additions to land ₹ 20,693,190/- (PY - Nil) represents additional consideration paid to Haryana State Industrial Development Corporation Limited (HSIDC) in respect of Company's land at Manesar, Haryana. The unpaid balance consideration of ₹ 12,415,914/- (PY - Nil) has been disclosed under Note 5.3.6.
- Additions to land on lease, ₹ 26,773,471/- (PY - Nil) represents land allotted at Narasapura, Kolar Dist., Karnataka by the Karnataka Industrial Area Development Board (KIADB) under a lease cum sale arrangement with a right to purchase on fulfilment of certain conditions after the period of 10 years and the consideration towards such land and hence has not been amortised over the lease period. The Company has obtained possession of the land in May 2013. The lease deed is pending execution and the unpaid balance consideration of ₹ 9,731,351/- (PY - Nil) has been disclosed under Note 5.3.6.
- Land on lease at various locations except as mentioned in Note No. 4 above are held on long term lease without right to acquire at the end of the lease period and the cost of such land is amortised over the period of the lease.
- During the previous year, the management had identified certain individual assets to be impaired based on their condition and usage. The provision for impairment in respect of these assets amounting to ₹ 1,435,254/- made after considering an amount of ₹ 806,300/- towards the net realisable value of these assets. Estimated Net Book value of these assets as on 31st March, 2014 is ₹ 2,241,554/-.
- Borrowing costs capitalised during the year is Nil (PY: ₹ 8,485,237/-).

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | | 2013 | |
|--|---------------|--------------------|---------------|--------------------|
| | No. of shares | Amount | No. of shares | Amount |
| 7 NON CURRENT INVESTMENTS | | | | |
| 7.1 TRADE INVESTMENTS (AT COST) | | | | |
| 7.1.1 Subsidiary Companies | | | | |
| Equity Instruments - Fully Paid - Unquoted | | | | |
| M/s. Suprajit Automotive Private Limited 100% Holding (PY-100% Holding) [Equity Shares of ₹10/- each including beneficial holding of 1 equity share] | 1,990,000 | 19,900,000 | 1,990,000 | 19,900,000 |
| M/s. Suprajit Europe Limited 100% Holding (PY - 100% Holding) [Ordinary Shares of GBP 1/- each] (Refer Note 22.3) | 2,200,000 | 185,997,286 | 2,200,000 | 185,997,286 |
| | | 205,897,286 | | 205,897,286 |
| 7.2 OTHER INVESTMENTS (NON-TRADE) (AT COST) | | | | |
| Investments in bonds | | | | |
| Investments in National Highway Authority of India Bonds (500 Non-convertible Redeemable bonds of face value ₹ 10,000/- each carrying interest @ 6% p.a. payable annually. Date of maturity - 30th September 2015) | | 5,000,000 | | 5,000,000 |
| | | 5,000,000 | | 5,000,000 |
| TOTAL | | 210,897,286 | | 210,897,286 |
| 7.3 General Information | | | | |
| Aggregate value of Investments: | | | | |
| Unquoted - At Cost | | 210,897,286 | | 210,897,286 |

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|--|-------------------|-------------------|
| 8 LONG TERM LOANS AND ADVANCES | | |
| 8.1 Capital Advances (Unsecured, considered good) | | |
| Advance paid for leasehold land | - | 17,042,120 |
| Capital advances towards fixed assets | 16,492,104 | 32,769,678 |
| | 16,492,104 | 49,811,798 |
| 8.2 Deposits (Unsecured, considered good) | | |
| Electricity Deposits | 6,373,164 | 5,082,753 |
| Rental Deposits | 3,500,000 | - |
| Other Deposits | 3,892,385 | 1,273,332 |
| | 13,765,549 | 6,356,085 |
| 8.3 Others (Unsecured, considered good) | | |
| Advance tax [including Tax deducted at source (Net of Provisions)] | 2,111,428 | - |
| Income tax paid under protest | 903,430 | 903,430 |
| Value Added Tax paid under protest [Refer Note no. 22.6.1] | - | 15,658,834 |
| Value Added Tax refundable | 18,158,834 | - |
| | 21,173,692 | 16,562,264 |
| TOTAL | 51,431,345 | 72,730,147 |
| 9 OTHER NON CURRENT ASSETS (Unsecured, considered good) | | |
| Non-current bank deposits * | 1,000,000 | 564,151 |
| Interest accrued on the above non-current bank deposit | 2,544 | 56,099 |
| TOTAL | 1,002,544 | 620,250 |

* Held against public deposits in pursuance of the requirements of applicable Rules.

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|--|--------------------|--------------------|
| 10 CURRENT INVESTMENTS | | |
| 10.1 Other Investments (Non-trade) | | |
| Investments in Mutual Funds (at lower of cost or fair value) | 743,312,565 | 449,256,123 |
| TOTAL | 743,312,565 | 449,256,123 |
| 10.2 Details of Other Investments (Non-trade) | | |
| 10.2.1 General Information | | |
| Aggregate market value (Net Asset Value) of quoted Investments | 788,695,414 | 481,484,021 |
| Aggregate provision for diminution in the value of above investments | - | 854,949 |
| 10.2.2 Details of Mutual Funds held at the end of the year | | |
| Particulars | 31.03.2014 | 31.03.2013 |
| Birla Dynamic Bond fund retail plan growth -1,939,435.01 (1,939,435.01) units of ₹ 10/- each | 35,000,000 | 35,000,000 |
| Birla Sun Life Short Term Fund - Nil (476,536.53) units of ₹ 10/- each | - | 20,000,000 |
| Brila Sun Life Dynamic Bond Fund- Retail - Growth 1,079,445.67 (1,079,445.67) units of ₹ 10/- each | 20,000,000 | 20,000,000 |
| Birla Sun Life Dynamic Bond Fund - Retail - Nil (875,679.75) units of ₹ 10/- each | - | 9,992,644 |
| DSP BlackRock STP Growth - Nil (269,990.06) units of ₹ 10/- each | - | 5,000,000 |
| HDFC High Interest Fund-Growth- 17,71,778.05 (Nil) units of ₹ 10/ each | 70,000,000 | - |
| HDFC High Interest Fund-Short Term Plan- Growth- Nil (465,432.34) units of ₹ 10/- each | - | 10,000,000 |
| HDFC Monthly Income Plan - Nil (619,472.60) units of ₹ 10/- each | - | 14,500,000 |
| HDFC Prudence Fund - Growth - Nil (96,764.49) units of ₹ 10/- each | - | 20,111,073 |
| HSBC Flexi Debt Growth 3,020,019.66 (Nil) units of ₹ 10/- each | 50,000,000 | - |
| HSBC Income Fund STP Growth 3,433,773.94 (Nil) units of ₹ 10/- each | 70,000,000 | - |
| IDFC Dynamic Bond Fund - 1,501,670.60 (1,501,670.60) units of ₹ 10/- each | 20,000,000 | 20,000,000 |
| IDFC Dynamic Bond Fund Growth - 7,191,316.27 (2,227,216.62) units of ₹ 10/- each | 117,500,000 | 47,500,000 |
| IDFC Dynamic Bond Fund Plan B 2,108,042.17 (Nil) units of ₹ 10/- each | 29,812,565 | - |
| IDFC Dynamic Bond QDP - Nil (2,913,460.25) units of ₹ 10/- each | - | 29,672,427 |
| IDFC SSIF STP Regular - 793,603.56 (Nil) units of ₹ 10/- each | 20,000,000 | - |
| IDFC Super Saver Income Fund - Short Term Plan A Growth Nil (224,624.20) units of ₹ 10/- each | - | 5,000,000 |
| IDFC Super Saver Income Fund 1,993,419.99 (Nil) units of ₹ 10/- each | 50,000,000 | - |
| Kotak Bond QDP - Nil (2,800,123.52) units of ₹ 10/- each | - | 29,479,980 |
| Kotak Bond Regular Growth - Nil (1,489,020.07) units of ₹ 10/- each | - | 46,000,000 |
| Pru ICICI Short term Plan - Cumulative Option - Nil (442,883.53) units of ₹ 10/- each | - | 10,000,000 |
| Reliance Dynamic Bond Growth 3,808,213.18 (Nil) units of ₹ 10/- each | 60,000,000 | - |
| Reliance Dynamic Bond QDP- Nil (2,945,816.50) units of ₹ 10/- each | - | 30,000,000 |
| Reliance Monthly Income Plan - Nil (768,456.43) units of ₹ 10/- each | - | 17,000,000 |
| SBI Dynamic Bond Fund 2,023,637.75 (Nil) units of ₹ 10/-each | 30,000,000 | - |
| SBI Dynamic Bond Fund-Growth -2,937,530.09 (2,937,530.09) units of ₹ 10/- each | 40,000,000 | 40,000,000 |
| SBI Magnum Income Fund - 686,040.45 (Nil) units of ₹ 10/- each | 20,000,000 | - |
| Templeton India short term Income Retail growth plan - 14,415.83 (2,298.49) units of ₹ 10/- each | 35,000,000 | 5,000,000 |
| UTI Bond Fund growth - 1,708,364.46 (1,110,261.30) units of ₹ 10/- each | 56,000,000 | 35,000,000 |
| UTI Bond Fund Growth 560,887.07 (Nil) units of ₹ 10/- each | 20,000,000 | - |
| TOTAL | 743,312,565 | 449,256,123 |

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|--|----------------------|--------------------|
| 11 INVENTORIES | | |
| (Valued at Lower of Cost or Net Realisable value) | | |
| Raw materials (including components, packing materials and stores & spares) | 285,698,852 | 200,256,353 |
| Raw materials in transit (including at customs bonded warehouse) | 58,081,853 | 12,069,220 |
| Work-in-Progress | 52,083,135 | 34,420,860 |
| Finished Goods | 189,326,901 | 122,812,767 |
| TOTAL | 585,190,741 | 369,559,200 |
| 12 TRADE RECEIVABLES | | |
| 12.1 Outstanding for a period more than six months from the due date of payment | | |
| Unsecured, considered doubtful | 4,995,875 | 5,205,655 |
| Less: Provision for Doubtful receivables | 4,995,875 | 5,205,655 |
| | - | - |
| 12.2 Other Trade Receivables | | |
| Unsecured, considered good | 1,008,976,989 | 844,045,856 |
| Unsecured, considered doubtful | 3,504,497 | 2,268,523 |
| Less: Provision for Doubtful receivables | 3,504,497 | 2,268,523 |
| TOTAL | 1,008,976,989 | 844,045,856 |
| 12.3 Other Trade Receivables in Note no.12.2 above include debts due from: | | |
| Particulars | 31.03.2014 | 31.03.2013 |
| Private Company in which director is a member & director | Nil | 4,841,339 |
| Total | Nil | 4,841,339 |
| 13 CASH AND BANK BALANCES | | |
| 13.1 Cash and Cash Equivalents | | |
| Balances with Banks | | |
| - in Current Accounts | 24,926,031 | 54,907,411 |
| - in EEFC Accounts | 4,586,160 | 376,604 |
| - in Deposit Accounts | 64,151 | - |
| Cash on hand | 819,988 | 634,881 |
| Cheques, drafts on hand | 150,000 | 90,000 |
| | 30,546,330 | 56,008,896 |
| 13.2 Other Bank balances | | |
| Earmarked balances for Unclaimed Dividend accounts | 1,800,045 | 1,280,303 |
| Bank deposit held as margin money against bank guarantees [Refer Note 22.6.1] | 7,681,137 | 2,500,000 |
| | 9,481,182 | 3,780,303 |
| Total | 40,027,512 | 59,789,199 |
| 14 SHORT TERM LOANS AND ADVANCES | | |
| Others | | |
| (Unsecured, considered good) | | |
| Advance to Suppliers | 84,851,960 | 48,771,601 |
| Advances to Employees | 3,591,091 | 3,257,169 |
| Balance with Central excise, customs & other authorities | 17,315,559 | 14,348,978 |
| Prepaid Expenses | 4,624,514 | 7,869,140 |
| Others | 4,494,768 | 174,773 |
| TOTAL | 114,877,892 | 74,421,661 |
| 15 OTHER CURRENT ASSETS | | |
| (Unsecured, considered good) | | |
| Export benefit entitlements | 2,296,022 | 1,872,941 |
| Interest accrued on non-current investment in bonds | 300,000 | 170,959 |
| Interest accrued on current bank deposits | 124,598 | 96,428 |
| TOTAL | 2,720,620 | 2,140,328 |

NOTES FORMING PART OF PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|--|----------------------|----------------------|
| 16 REVENUE FROM OPERATIONS (GROSS) | | |
| Sale of Products (Refer Note 16.1 below) | 5,306,580,321 | 4,634,215,588 |
| Sale of Services (Refer Note 16.2 below) | 12,798,179 | 13,230,243 |
| Other operating revenue (Refer Note 16.3 below) | 12,862,724 | 10,285,898 |
| TOTAL | 5,332,241,224 | 4,657,731,729 |
| 16.1 Particulars of Revenue from Operations | | |
| Sale of Products (Gross) | | |
| Manufactured Goods | | |
| Domestic | | |
| Cables (Control & Speedo) | 4,723,125,975 | 4,264,156,213 |
| Speedo Meters | 173,480,828 | 127,803,916 |
| Others (including parts) | 65,739,520 | 35,167,560 |
| Sub-Total | 4,962,346,323 | 4,427,127,689 |
| Exports (Including deemed exports) | | |
| Cables (Control & Speedo) | 311,106,996 | 164,866,498 |
| Speedo Meters | 990,266 | 930,418 |
| Others (including parts) | 32,136,736 | 41,290,983 |
| Sub-Total | 344,233,998 | 207,087,899 |
| TOTAL | 5,306,580,321 | 4,634,215,588 |
| 16.2 Sale of Services | | |
| Processing Charges | 12,798,179 | 13,230,243 |
| 16.3 Other Operating Revenue | | |
| Scrap Sales | 12,207,347 | 10,340,708 |
| Export benefit entitlements (Net) | 655,377 | (54,810) |
| TOTAL | 12,862,724 | 10,285,898 |
| 17 OTHER INCOME | | |
| Interest Income | | |
| - On bank deposits | 777,299 | 747,745 |
| - On advances to suppliers | 532,918 | - |
| - On employee loans & advances | 15,272 | 19,840 |
| Dividend Income from Mutual funds | 2,439,176 | 4,721,604 |
| Net gain on sale of non-current investments | - | 1,069,930 |
| Withdrawal of provision relating to above investments | - | 7,164,070 |
| Net gain on sale of current investments | 12,799,826 | 13,613,267 |
| Withdrawal of provision for diminution of value of Current Investments | 854,949 | - |
| Rent Received | 17,263 | 262,230 |
| Discount Received | 1,253,497 | 750,534 |
| Net gain on foreign currency transactions and translations | 8,813,727 | 1,956,465 |
| Profit on sale of fixed assets [net of loss of ₹ 676,183/- (PY: ₹ 22,010/-)] | 21,991 | 225,906 |
| Other non-operating income | 814,106 | 900,000 |
| TOTAL | 28,340,024 | 31,431,591 |

NOTES FORMING PART OF PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|---|---------------------|---------------------|
| 18 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS | | |
| Opening Stock | | |
| Finished Goods | 122,812,767 | 94,198,437 |
| Work-in-Progress | 34,420,860 | 30,803,806 |
| | 157,233,627 | 125,002,243 |
| Less: | | |
| Finished Goods | 189,326,901 | 122,812,767 |
| Work-in-Progress | 52,083,135 | 34,420,860 |
| | 241,410,036 | 157,233,627 |
| TOTAL | (84,176,409) | (32,231,384) |
| 19 EMPLOYEE BENEFIT EXPENSE | | |
| Salaries, Wages and bonus (including managerial remuneration) | 520,033,475 | 427,918,798 |
| Contribution to Provident fund and other funds | 20,720,607 | 18,741,770 |
| Staff welfare expenses | 27,159,498 | 21,021,736 |
| TOTAL | 567,913,580 | 467,682,304 |
| 20 FINANCE COSTS | | |
| Interest expense: | | |
| - Borrowings | 114,399,099 | 101,769,501 |
| - Deposits | 638,174 | 641,041 |
| - Others | 1,641,930 | 539,052 |
| Loan processing charges | 1,487,725 | 1,396,262 |
| | 118,166,928 | 104,345,856 |
| Less: Expenditure incurred during the construction period | | |
| - Capitalised during the year | - | (3,623,146) |
| - Added to capital work-in-progress | - | (4,862,091) |
| TOTAL | 118,166,928 | 95,860,619 |

NOTES FORMING PART OF PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | | 2013 | |
|--|-----------|--------------------|-----------|--------------------|
| 21 OTHER EXPENSES | | | | |
| Increase/ (Decrease) of excise duty on Inventory | | 14,741,181 | | (3,396,111) |
| Power and fuel | | 78,433,352 | | 64,199,349 |
| Rent | | 1,980,635 | | 594,100 |
| Repairs & Maintenance: | | | | |
| - Buildings | | 8,619,402 | | 1,508,873 |
| - Machinery | | 26,255,844 | | 22,693,689 |
| - Others | | 15,225,830 | | 14,171,237 |
| Insurance | | 8,416,270 | | 9,061,879 |
| Rates and taxes | | 6,685,276 | | 4,577,332 |
| Bank Charges | | 4,134,857 | | 4,078,251 |
| Travelling and Conveyance | | 28,517,839 | | 24,531,898 |
| Professional Charges (Refer Note No. 21.1 below) | | 7,264,691 | | 6,478,551 |
| Freight Outward and C & F Charges | | 58,413,652 | | 51,966,973 |
| Advertisement and Sales Promotion | | 6,838,948 | | 11,610,214 |
| Discount | | 48,652,632 | | 48,079,179 |
| Commission: | | | | |
| - Sales Commission | | 7,461,904 | | 4,077,637 |
| - Others | | 250,000 | | - |
| Directors' Sitting Fees & Commission | | 850,000 | | 800,000 |
| Bad debts written off | 1,621,475 | | 3,305,405 | |
| Less: Withdrawal of earlier year provisions | 461,715 | 1,159,760 | 2,949,352 | 356,053 |
| Provision for Doubtful debts | | 1,487,908 | | 6,976,832 |
| Printing & Stationery | | 5,596,159 | | 4,297,933 |
| Security Expenses | | 13,418,222 | | 10,504,043 |
| Communication Expenses | | 5,194,724 | | 5,182,982 |
| Provision for diminution in value of Current Investments (net) | | - | | 853,788 |
| Provision for impairment of fixed assets [Refer Note No.6.4.(6)] | | - | | 1,435,254 |
| Donation [Refer Note No. 5.3.8] | | 13,914,805 | | 5,984,156 |
| General Expenses | | 6,024,941 | | 5,661,125 |
| TOTAL | | 369,538,832 | | 306,285,217 |
| 21.1 Auditors' Remuneration (excluding service tax) | | | | |
| a. As auditor (including limited review, consolidated accounts) | | 1,000,000 | | 865,000 |
| b. For certification | | 20,000 | | 30,500 |
| c. Reimbursement of expenses | | 90,783 | | 121,665 |
| | | 1,110,783 | | 1,017,165 |

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

22 OTHER NOTES ON FINANCIAL STATEMENTS

- 22.1** In the opinion of the Board, none of the assets other than fixed assets and non-current investments have a value lower on realisation in the ordinary course of business than the amount at which they are stated in the Balance Sheet.
- 22.2** Some of the trade receivables, trade payables, loans and advances are subject to confirmation/ reconciliation.
- 22.3** Suprajit Europe Limited (formerly Gills Cables Limited), a Wholly Owned Subsidiary (WOS) was established in 2006 and has accumulated losses of ₹191,982,094/- (PY: ₹ 157,903,679/-) as at the year ended March 31st, 2014. The WOS has earned profits before tax during the year and the management expects to have a sustained growth in revenue and profits 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 of GBP. 500,000 (PY: GBP.500,000) to the bankers of the WOS to fund its operations if required.
- 22.4** 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 summarised format. However, item wise particulars are maintained for major assets in manual form.
- 22.5** Exceptional item in the Profit & Loss Statement of the previous year represents Profit on sale of land and building situated at Doddaballapur, Karnataka.

(Amounts in ₹)

| | | 31.03.2014 | 31.03.2013 |
|-------------|---|-------------------|--------------------|
| 22.6 | Contingent Liabilities and Commitments | | |
| | 22.6.1 Contingent Liabilities | | |
| | Corporate Guarantees issued on behalf of a subsidiary to their bankers [GBP 500,000 (PY: GBP 500,000)] | 50,425,000 | 41,160,000 |
| | B-17 Bond Executed in favour of customs | 15,000,000 | 15,000,000 |
| | Bank Guarantee furnished to Tax Authorities for availing concessions. | 750,000 | 750,000 |
| | Other Bank Guarantees | 7,181,137 | - |
| | Disputed Excise/ service tax dues pending in appeal * | 432,920 | 544,160 |
| | Demand raised by VAT authorities disputed with Joint Commissioner of Commercial Taxes - Appeals (JCCT - Appeals) * [Against this demand, a bank guarantee of amount of Nil (PY- ₹ 13,158,834/-) is furnished]. | - | 28,817,668 |
| | Other sums the Company is contingently liable * | 1,200,000 | - |
| | Total | 74,989,057 | 86,271,828 |
| | * No provision has been made in these accounts for these disputed duty, tax demands as the management is confident that the matter will be ultimately decided in favour of the Company. | | |
| | 22.6.2 Commitments | | |
| | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 14,902,726 | 16,558,382 |
| | Total Contingent Liabilities and Commitments | 89,891,783 | 102,830,210 |

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

(Amounts in ₹)

22.7 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 | 31.03.2014 | 31.03.2013 |
|--|------------|------------|
| Principal amount (including overdue amount) outstanding at the beginning of the year | 4,446,692 | 9,651,150 |
| Interest amount outstanding at the beginning of the year | 219,047 | 126,710 |
| Interest (out of the above) paid during the year | 219,047 | - |
| Amount paid after the due date during the year | 4,429,561 | 16,452,741 |
| Interest paid on the amount paid after due date during the year | - | - |
| Overdue amount outstanding at the end of the year | 47,838 | 1,137,643 |
| Principal amount (other than overdue amount) outstanding at the end of the year | 4,065,813 | 3,309,049 |
| Interest amount accrued and remaining unpaid at the end of the year | 27,040 | 219,047 |

22.8 Foreign Exchange exposure

The details of foreign currency exposure as at the year end is given below:

| Particulars | 31.03.2014 | | 31.03.2013 | |
|---|------------------|--------------|------------------|--------------|
| | Foreign currency | Equivalent ₹ | Foreign currency | Equivalent ₹ |
| Forward contract to hedge highly probable forecast receivables | | | | |
| Not hedged by derivative instruments | | | | |
| USD Receivable @ | 1,696,331 | 101,169,188 | 820,206 | 44,284,715 |
| Euro Receivable | 124,295 | 10,156,170 | 74,731 | 5,133,301 |
| GBP Receivable | 135,294 | 13,373,839 | 70,284 | 5,728,819 |
| USD Payable | 599,240 | 36,242,035 | 185,546 | 10,167,922 |

@ Above figures does not include advances paid against goods/ services as it is adjustable against future supplies/ services.

22.9 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 | 31.03.2014 | 31.03.2013 |
|---|------------|------------|
| Employers contribution to Provident Fund (incl. admin. charges) | 13,277,510 | 11,117,146 |
| Employers contribution to Employee State Insurance | 3,086,461 | 2,407,056 |

b. Defined Benefit Plans:

Gratuity - Funded & Unfunded

Compensated absences - Unfunded

Gratuity is a funded obligation except to the extent of liability not eligible to be covered by the Gratuity Scheme, which is unfunded. Compensated Absences is an unfunded obligation of the Company. The Company has provided for liability of gratuity and compensated absences based on an actuarial valuation under the projected unit credit method. Actuarial assumptions in determining such liability are given below:

| Particulars | Gratuity | | Compensated Absences | |
|--------------------------------|------------|------------|----------------------|------------|
| | 31.03.2014 | 31.03.2013 | 31.03.2014 | 31.03.2013 |
| Discount Rate (per annum)* | 9.12% | 8.00% | 9.12% | 8.00% |
| Expected return on plan assets | 6.75% | 9.00% | - | - |
| Salary escalation rate** | 10.00% | 7.00% | 10.00% | 7.00% |

* The discount rate is based on the prevailing market yields of Government of India services as at the Balance Sheet date for the estimated term of the obligations.

** 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.

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

(Amounts in ₹)

| Particulars | 2013-14 | | 2012-13 | |
|---|-------------------|----------------------|-------------------|----------------------|
| | Gratuity | Compensated Absences | Gratuity | Compensated Absences |
| I. Reconciliation of present value of obligation | | | | |
| Present value of obligation at beginning of the year | 24,755,468 | 6,752,511 | 16,654,773 | 5,075,640 |
| Current Service Cost | 6,452,507 | 2,564,038 | 7,435,061 | 1,810,864 |
| Interest Cost | 2,240,440 | 578,257 | 1,312,622 | 364,138 |
| Actuarial (gain)/loss | (597,951) | 417,629 | (152,978) | 549,703 |
| Benefits Paid | (378,479) | (823,941) | (494,010) | (1,047,834) |
| Present value of obligation at end of the year # | 32,471,985 | 9,488,494 | 24,755,468 | 6,752,511 |

Present Value of Obligation towards Gratuity as at 31.03.2014 includes liability not eligible to be covered by the clauses governing the Group Gratuity Scheme and is disclosed as an unfunded obligation in Note no. 4.4.1.

| Particulars | 2013-14 | | 2012-13 | |
|---|-------------------|----------------------|-------------------|----------------------|
| | Gratuity | Compensated Absences | Gratuity | Compensated Absences |
| II. Reconciliation of fair value of plan assets: | | | | |
| Fair value of plan assets at beginning of the year | 20,013,867 | - | 5,926,077 | - |
| Expected return on plan assets | 1,338,162 | - | 1,109,581 | - |
| Actuarial gain/(loss) | (2,042) | - | 172,997 | - |
| Contributions | - | - | 13,299,222 | - |
| Benefits paid | (378,479) | - | (494,010) | - |
| Fair value of plan assets at end of the year | 20,971,508 | - | 20,013,867 | - |

| Particulars | 2013-14 | 2012-13 |
|---|------------|------------|
| | Gratuity | Gratuity |
| III. Description of Plan Assets: | | |
| Insurer Managed Funds## | 20,971,508 | 20,013,867 |

##The fund is maintained with the Life Insurance Corporation of India under the Group Gratuity Scheme administered through trustees.

| Particulars | 2013-14 | | 2012-13 | |
|---|------------------|----------------------|------------------|----------------------|
| | Gratuity | Compensated Absences | Gratuity | Compensated Absences |
| IV. Expenses recognised in the Profit & Loss Statement | | | | |
| Current Service Cost | 6,452,507 | 2,564,038 | 7,435,061 | 1,810,864 |
| Interest Cost | 2,240,440 | 578,257 | 1,312,621 | 364,138 |
| Expected return on plan assets | (1,338,162) | - | (1,109,581) | - |
| Actuarial (gain)/loss | (595,909) | 417,629 | (325,975) | 549,703 |
| Net Expense recognised in the Profit & Loss Statement | 6,758,876 | 3,559,924 | 7,312,126 | 2,724,705 |

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

(Amounts in ₹)

| Particulars | 2013-14 | | 2012-13 | | |
|--|-------------------|----------------------|------------------|----------------------|-------------|
| | Gratuity | Compensated Absences | Gratuity | Compensated Absences | |
| V. Net (Asset)/ Liability recognised in the Balance Sheet as at year end | | | | | |
| Present value of obligation at end of the year | 32,471,985 | 9,488,494 | 24,755,467 | 6,752,511 | |
| Fair value of plan assets at end of the year | 20,971,508 | - | 20,013,866 | - | |
| Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet | 11,500,477 | 9,488,494 | 4,741,601 | 6,752,511 | |
| | | | | | |
| Particulars | 2014 | 2013 | 2012 | 2011 | 2010 |
| VI. Experience Adjustments Gratuity - Funded & Unfunded | | | | | |
| Present value of obligations | 32,471,985 | 24,755,467 | 16,654,773 | 14,683,405 | 8,773,677 |
| Fair value of plan assets | 20,971,508 | 20,013,866 | 5,926,077 | 6,254,303 | 4,396,313 |
| Funded Status [(Surplus)/Deficit] | 11,500,477 | 4,741,601 | 10,728,696 | 8,429,102 | 4,377,364 |
| Experience [Gain/(Loss)] adjustment on plan liabilities | (597,951) | (152,978) | (1,791,700) | (252,589) | (1,566,399) |
| Experience [Gain/(Loss)] adjustment on plan assets | 2,042 | (172,997) | 45,355 | 59,788 | (6,565) |
| Compensated Absences - Unfunded | | | | | |
| Present value of obligations | 9,488,494 | 6,752,511 | 5,075,640 | 3,404,097 | 3,020,761 |
| Experience [Gain/(Loss)] adjustment on plan liabilities | (417,629) | (549,703) | (59,273) | (167,501) | (223,246) |

22.10 Research & Development Expenditure

| Particulars | 2013-14 | 2012-13 |
|---------------------------------|-------------------|-------------------|
| Salaries & Wages | 12,441,768 | 9,386,404 |
| Materials, Consumables & Stores | 2,226,803 | 1,938,945 |
| Other Direct Expenditure | 1,484,535 | 660,602 |
| TOTAL | 16,153,106 | 11,985,951 |

The expenses such as Salaries & Wages, Materials, Consumables & Stores are included under Note no. 19 & 18 respectively and direct expenditure is disclosed under General expenses under Note no. 21 in the Profit and Loss Statement.

22.11 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 | 2013-14 | 2012-13 |
|--------------------------------|---------------|---------------|
| Sales/ Operating income | | |
| - India | 4,505,909,491 | 4,019,263,232 |
| - Rest of the world | 317,048,123 | 190,553,679 |
| Segment Assets | | |
| - India | 3,974,106,048 | 3,233,876,454 |
| - Rest of the world | 124,699,197 | 54,479,783 |

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

(Amounts in ₹)

22.12 Related Party Disclosures

| Party | Relationship |
|--|--------------------------------------|
| Suprajit Automotive Private Limited | Wholly owned subsidiary |
| Suprajit Europe Limited, United Kingdom | Wholly owned subsidiary |
| K Ajith Kumar Rai (Chairman & Managing Director) | Key Management Personnel |
| Mohan Chelliah (Executive Director) | Key Management Personnel |
| Jayarama M Shetty (Director) | Relative of Key Management Personnel |
| Akhilesh Rai | 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 |
| Shobha Mani | Relative of Key Management Personnel |
| Lakshmi A Rai | Relative of Key Management Personnel |
| Suprajit Foundation | Controlled Trust |

| Nature of Transaction and Related Party | 2013-14 | 2012-13 |
|--|----------------|----------------|
| Remuneration/ Commission | | |
| K Ajith Kumar Rai | 34,320,646 | 29,775,637 |
| Jayarama M Shetty | 100,000 | 100,000 |
| Mohan Chelliah | 6,049,471 | 4,551,600 |
| Akhilesh Rai | 690,850 | 652,893 |
| Sale of Investments | | |
| K Ajith Kumar Rai - Shares in Suprajit Chemicals Private Limited | - | 10,180,000 |
| K Ajith Kumar Rai - Shares in Suprawin Technologies Limited | - | 54,000 |
| Sitting Fees | | |
| M Jayarama Shetty | 100,000 | 80,000 |
| Sale of Goods | | |
| Suprajit Automotive Private Limited | 19,165,069 | 14,214,309 |
| Processing charges (Income) | | |
| Suprajit Automotive Private Limited | 1,904,088 | 987,113 |
| Marketing Expenses | | |
| Suprajit Europe Limited | - | 8,220,000 |
| Purchase of Materials | | |
| Suprajit Automotive Private Limited | 3,296,844 | 4,541,514 |
| Interest Paid during the year | | |
| Manjunath Rai K | 94,792 | 23,750 |
| Hemavathi M Rai | 95,000 | 42,945 |
| Ashok Kumar Rai | 95,000 | 95,000 |
| Shobha Mani | 95,000 | 79,904 |
| Lakshmi A Rai | 125,458 | 90,895 |
| Interest accrued but not due on deposits and outstanding | | |
| Manjunath Rai K | 35,319 | 71,250 |
| Hemavathi M Rai | 32,378 | 52,055 |
| Lakshmi A Rai | 139,278 | 16,409 |
| Donation | | |
| Suprajit Foundation | 13,574,000 | 5,950,000 |
| Purchase of fixed assets | | |
| Suprajit Automotive Private Limited | - | 150,000 |

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

(Amounts in ₹)

| Nature of Transaction and Related Party | 2013-14 | 2012-13 |
|--|-------------------|-------------------|
| Reimbursements | | |
| K Ajith Kumar Rai | 1,343,593 | 2,294,011 |
| Mohan Chelliah | 722,349 | 550,073 |
| Akhilesh Rai | 60,977 | 46,636 |
| Fixed Deposits Accepted | | |
| Manjunath Rai K | 1,000,000 | 1,000,000 |
| Hemavathi M Rai | 1,000,000 | 1,000,000 |
| Ashok Kumar Rai | 1,000,000 | 1,000,000 |
| Shobha Mani | 800,000 | 1,000,000 |
| Lakshmi A Rai | 772,312 | 521,043 |
| Fixed Deposits Refunded on Closure | | |
| Manjunath Rai K | 500,000 | 1,000,000 |
| Hemavathi M Rai | 1,000,000 | 1,000,000 |
| Lakshmi A Rai | - | 444,866 |
| Shobha Mani | 800,000 | - |
| Ashok Kumar Rai | 1,000,000 | - |
| | | |
| Balances outstanding | 31.03.2014 | 31.03.2013 |
| Suprajit Automotive Private Limited (Dr.) (net) | - | 4,841,339 |
| Suprajit Europe Limited (Cr.) | - | 8,220,000 |
| 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 |
| Shobha Mani (Cr.) | 1,000,000 | 1,000,000 |
| Lakshmi A Rai (Cr.) | 1,293,355 | 1,180,443 |
| Suprajit Foundation (Cr.) | 13,574,000 | 5,950,000 |
| Interest accrued but not due on total outstanding deposits (Cr.) | 206,975 | 139,714 |
| Corporate Guarantee Furnished | | |
| Suprajit Europe Limited [GBP 500,000 (PY: GBP 500,000)] | 50,425,000 | 41,160,000 |

Notes:

Amounts shown as outstanding at the year end in relation to fixed deposits accepted represent only the principal amount and the accumulated amount of interest accrued but not due is disclosed above.

22.13 Additional information:

(i) Raw materials consumed:

| Particulars | 2013-14 | 2012-13 |
|-----------------------|----------------------|----------------------|
| Steel Wire | 455,033,315 | 385,629,658 |
| Inner | 476,738,758 | 419,191,631 |
| Bend Tube Assy. | 258,933,300 | 232,042,921 |
| PVC Compound | 131,159,299 | 110,969,113 |
| Component and Others* | 1,796,374,239 | 1,591,797,998 |
| Total | 3,118,238,911 | 2,739,631,321 |

* No single material amounts for 10% or more of total value of materials consumed.

OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2014

(Amounts in ₹)

| | Particulars | 2013-14 | 2012-13 |
|--------------|---|----------------------|----------------------|
| (ii) | Raw Materials Consumed - Imported & Indigenous | | |
| | Imported | 561,216,972 | 421,358,418 |
| | Imported % to total | 18.41% | 15.38% |
| | Indigenous | 2,557,021,939 | 2,318,272,903 |
| | Indigenous % to total | 81.59% | 84.62% |
| | Total | 3,118,238,911 | 2,739,631,321 |
| | Total % | 100% | 100% |
| (iii) | CIF Value of Imports: | | |
| | Raw materials (Including goods in transit) | 619,308,825 | 456,414,932 |
| | Capital goods | - | 921,780 |
| (iv) | Earnings in Foreign Currency: | | |
| | Export of goods on F.O.B. basis | 334,209,208 | 190,553,679 |
| (v) | Expenditure in Foreign Currency: | | |
| | Export commission | 7,461,904 | 4,077,637 |
| | Marketing expenses | - | 8,220,000 |
| | Travelling expenses | 2,452,167 | 2,392,053 |

- (vi)** There are no amounts remitted in foreign currency during the current year and the previous year on account of dividend to non-resident shareholders. Amount of dividends to non-resident shareholders have been deposited into their designated Indian rupee accounts maintained with the banks in India.

22.14 Previous period figures have been rearranged/ reclassified where required to conform to current year's classification.

(Signatures to Notes 1 to 22)

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 : 30th May, 2014

**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, 2014 | 31st March, 2014 |
| Suprajits' Interest | 100% | 100% |
| Shares held by Suprajit in the Subsidiary Company | 1,990,000 equity shares 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 | ₹ 40,678,059 | (₹ 436,499) |
| 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 : 30th May, 2014

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

| Name of the Company | Suprajit Automotive Private Limited | | Suprajit Europe Limited | |
|--|-------------------------------------|-------------|-------------------------|--------------------|
| | 2013-14 | 2012-13 | 2013-14 | 2012-13 |
| Reporting Currency | ₹ | ₹ | £ | £ |
| Exchange Rate | - | - | 99.85/96.23 | 82.32/86.04 |
| | | | ₹ | ₹ |
| Capital | 19,900,000 | 19,900,000 | 219,670,000 | 181,104,000 |
| Reserves Total | 224,060,212 | 183,382,153 | (191,982,102) | (157,903,679) |
| Total Assets | 576,857,226 | 392,020,536 | 260,262,819 | 108,126,819 |
| Total Liabilities | 332,897,014 | 188,738,383 | 232,574,914 | 84,926,498 |
| Investment other than investment in Subsidiary | Nil | Nil | Nil | Nil |
| Turnover | 535,471,938 | 333,688,090 | 387,013,195 | 259,573,732 |
| Profit before Taxation | 60,871,045 | 36,083,352 | (43,303) | (28,213,693) |
| Provision for Taxation | 20,192,986 | 12,265,872 | 479,803 | 2,042,159 |
| Profit after Taxation | 40,678,059 | 23,817,480 | (436,499) | (30,255,853) |
| 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 : 30th May, 2014

CONSOLIDATED FINANCIAL STATEMENTS
OF
SUPRAJIT ENGINEERING LIMITED

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors
Suprajit Engineering Limited
Bangalore

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of Suprajit Engineering Limited ('the Company') and its two wholly owned subsidiaries (collectively referred as 'the Group') which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow statement for the year then ended and a summary of significant accounting policies, notes on consolidated financial statements and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India including Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"), read with the general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's

preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of the two subsidiaries as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b. in the case of the Consolidated Profit and Loss Statement, of the profit of the Group for the year ended on that date; and
- c. in the case of Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

We did not audit the financial statements of the two subsidiaries whose financial statements reflect total assets of ₹ 83.71 crores as at March 31, 2014, total revenues of ₹ 92.02 crores and net cash inflows amounting to ₹ 1.89 crores for the year ended on that date. 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. One of these being a foreign subsidiary, the financial statements have not been prepared and audited under the applicable Indian laws and regulations.

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

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 30.05.2014

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

| Particulars | Note No | 2014 | 2013 |
|--------------------------------|---------|----------------------|----------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' Funds | | | |
| Share Capital | 2 | 120,020,000 | 120,020,000 |
| Reserves and Surplus | 3 | 1,927,007,085 | 1,547,388,083 |
| Non-Current Liabilities | | | |
| Long-term borrowings | 4 | 424,069,933 | 391,712,854 |
| Deferred tax liabilities (Net) | | 74,825,256 | 60,374,429 |
| Other Long term liabilities | | 7,821,961 | 6,860,815 |
| Long term Provisions | | 25,428,802 | 13,921,119 |
| Current Liabilities | | | |
| Short-term borrowings | 5 | 997,390,911 | 637,489,371 |
| Trade payables | | 587,951,321 | 460,927,115 |
| Other current liabilities | | 314,351,216 | 211,008,723 |
| Short-term provisions | | 82,200,918 | 69,051,237 |
| TOTAL | | 4,561,067,403 | 3,518,753,746 |
| ASSETS | | | |
| Non-Current Assets | | | |
| Fixed assets | 6 | | |
| (i) Tangible Assets | | 1,523,664,696 | 1,188,799,027 |
| (ii) Intangible Assets | | - | - |
| (iii) Capital Work-in-progress | | 7,287,269 | 175,760,208 |
| Non-current investments | 7 | 5,000,000 | 5,000,000 |
| Long term loans and advances | 8 | 63,737,843 | 104,298,173 |
| Other Non-current assets | 9 | 1,002,544 | 630,250 |
| Current Assets | | | |
| Current investments | 10 | 743,312,565 | 449,256,123 |
| Inventories | 11 | 773,673,097 | 486,027,233 |
| Trade receivables | 12 | 1,188,730,568 | 928,374,111 |
| Cash and Bank Balances | 13 | 75,568,407 | 76,357,643 |
| Short-term loans and advances | 14 | 176,262,995 | 102,056,283 |
| Other current assets | 15 | 2,827,419 | 2,194,695 |
| TOTAL | | 4,561,067,403 | 3,518,753,746 |

Significant Accounting Policies 1
Other Notes on Financial Statements 22

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 : 30th May, 2014

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

(Amounts in ₹)

| Particulars | Note No | 2014 | 2013 |
|--|-----------|----------------------|----------------------|
| Revenue from operations (Gross) | 16 | 5,969,758,854 | 5,079,862,090 |
| Less: Excise duty | | 517,393,058 | 454,501,359 |
| Revenue from Operations (Net) | | 5,452,365,796 | 4,625,360,731 |
| Other Income | 17 | 37,591,178 | 27,737,788 |
| TOTAL | | 5,489,956,974 | 4,653,098,519 |
| Expenses | | | |
| Cost of materials consumed | | 3,484,679,504 | 2,960,505,140 |
| Changes in inventories of finished goods and work-in-progress | 18 | (132,997,051) | (67,508,782) |
| Employee benefit expense | 19 | 700,987,288 | 569,965,492 |
| Finance costs | 20 | 134,022,437 | 101,723,844 |
| Depreciation and amortization expense | 6 | 83,562,633 | 81,467,336 |
| Other expenses | 21 | 475,321,390 | 388,605,741 |
| TOTAL | | 4,745,576,201 | 4,034,758,771 |
| Profit before prior period, exceptional items, share of profit from associates and tax for the year | | 744,380,773 | 618,339,748 |
| Prior period expenses | | - | (1,887,883) |
| Exceptional Items [Refer Note no. 22.4] | | - | 51,835,587 |
| Profit before tax for the year | | 744,380,773 | 668,287,452 |
| Tax expense: | | | |
| (1) Current tax | | (221,710,000) | (181,591,000) |
| Tax expense pertaining to earlier years | | (10,955) | (1,000,000) |
| (2) Deferred tax | | (14,561,834) | (14,453,031) |
| Profit after tax for the year | | 508,097,984 | 471,243,421 |
| Earnings per equity share: | | | |
| Equity shares of par value ₹ 1/- each | | | |
| Basic & Diluted (excluding prior period and exceptional items) | | 4.23 | 3.51 |
| Basic & Diluted (including prior period and exceptional items) | | 4.23 | 3.93 |
| Number of shares used in computing earnings per share | | 120,020,000 | 120,020,000 |
| Significant Accounting Policies | 1 | | |
| Other Notes on Financial Statements | 22 | | |

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 : 30th May, 2014

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|--|----------------------|----------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Profit before tax for the year | 744,380,773 | 668,287,452 |
| Adjustment for: | | |
| Depreciation and amortisation | 83,562,633 | 81,467,336 |
| (Profit)/Loss on sale of fixed assets | (366,783) | (52,062,236) |
| Provision for impairment of fixed assets | - | 1,435,254 |
| (Profit)/Loss on sale of Mutual funds | (12,799,826) | (13,653,240) |
| (Profit)/Loss on sale of shares | - | (6,036,277) |
| Provision for diminution in value of investments | - | 853,788 |
| Withdrawal of provision for diminution in value of investments | (854,949) | - |
| Interest income | (1,419,697) | (857,925) |
| Dividend received | (2,439,176) | (5,049,428) |
| Interest expense | 134,022,437 | 101,723,843 |
| Operating profit before working capital changes | 944,085,412 | 776,108,567 |
| (Increase)/ Decrease in | | |
| - Inventories | (287,645,864) | (93,126,490) |
| - Trade Receivables | (260,356,457) | (35,387,640) |
| - Loans and advances (Long term and short term) | (31,534,954) | (24,759,917) |
| - Other Non Current Assets & Current Assets | (6,374,761) | (1,660,933) |
| Increase/ (Decrease) in | | |
| - Current Liabilities | 229,297,689 | 19,849,695 |
| - Long term Liabilities | 961,146 | 1,462,329 |
| - Provisions (long term and short term) | 11,494,621 | (5,092,634) |
| Cash generated from operations | 599,926,832 | 637,392,977 |
| Income taxes paid (net of refunds) | (224,711,380) | (180,217,975) |
| Net cash from operating activities | 375,215,452 | 457,175,002 |
| B. CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of fixed assets/ Capital work-in-progress | (252,963,970) | (331,170,495) |
| Sale of investments | 310,299,826 | 217,364,512 |
| Purchase of investments | (590,701,493) | (469,563,180) |
| Interest received | 1,575,785 | 857,925 |
| Dividend received | 2,439,176 | 5,049,428 |
| Proceeds from sale of fixed assets | 3,399,954 | 70,281,018 |
| Net cash from investing activities | (525,950,722) | (507,180,792) |

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|--|--------------------|-------------------|
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Interest paid | (133,473,169) | (101,723,843) |
| Proceeds/(repayments) from long term borrowings (net) | 32,357,079 | 80,486,690 |
| Proceeds/(repayments) from short term borrowings (net) | 359,901,540 | 204,338,820 |
| Dividend and dividend tax paid | (119,354,790) | (97,554,474) |
| Exchange fluctuation reserve - foreign subsidiary (net) | 4,781,977 | 8,411,116 |
| Net cash from financing activities | 144,212,637 | 93,958,309 |
| Net increase in cash and cash equivalents during the year | (6,522,633) | 43,952,519 |
| Cash and cash equivalents at beginning of the year | 71,874,504 | 27,921,985 |
| Cash and cash equivalents at end of the year | 65,351,871 | 71,874,504 |
| Reconciliation of cash and cash equivalents with the Balance Sheet: | | |
| Cash and bank balances as per the Balance Sheet (Refer Note No. 13) | 75,568,407 | 76,357,643 |
| Less: Bank balances not considered as cash and cash equivalents as defined in AS 3 Cash Flow Statements (Refer 'Other bank balances' in Note No. 13) | 10,216,536 | 4,483,139 |
| Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 13 * | 65,351,871 | 71,874,504 |
| * Comprises: | | |
| - Cash on hand | 953,166 | 710,526 |
| - Cheques, drafts on hand | 150,000 | 90,000 |
| - Balances with banks | | |
| - In current accounts | 59,313,149 | 64,710,883 |
| - In EEFC accounts | 343,332 | 394,566 |
| - In deposit accounts | 4,592,224 | 5,968,529 |
| | 65,351,871 | 71,874,504 |

(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 : 30th May, 2014

Significant Accounting Policies forming part of the consolidated financial statements for the year ended 31st March 2014

GROUP INFORMATION

Suprajit Engineering Limited ('the Company') is a public limited company and is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company and its subsidiaries (jointly referred to as the 'Group' hereunder) are engaged inter alia, in the business of manufacturing of auto components consisting mainly control cables, speedo cables and other components for automobiles.

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 Basis of preparation of Financial Statements

The Consolidated financial statements have been prepared and presented under the historical cost convention and in accordance with the provisions of the Companies Act, 1956, Companies Act, 2013 (to the extent applicable) and the Companies (Accounting Standards) Rules, 2006 (Indian GAAP) as adopted consistently by the Company.

1.2 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 recognised in the period in which the results are crystallised.

1.3 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) Contingent liabilities in foreign currency are translated at the closing rate.

1.4 The subsidiaries considered in the consolidated financial statements are:

| NAME OF THE COMPANY | COUNTRY OF INCORPORATION | % VOTING POWER | |
|-------------------------------------|--------------------------|------------------|------------------|
| | | AS AT 31.03.2014 | AS AT 31.03.2013 |
| SUPRAJIT AUTOMOTIVE PRIVATE LIMITED | INDIA | 100 | 100 |
| SUPRAJIT EUROPE LIMITED | UNITED KINGDOM | 100 | 100 |

1.5 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.

1.6 Revenue Recognition

Sale of goods as well as revenue from processing of goods (services) is recognised 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 recognised when declared and interest income is recognised on time proportion basis taking into account the amount outstanding and the applicable rate.

1.7 Tangible/ Intangible Assets

Fixed Assets are stated at cost less accumulated depreciation and provision for impairment. 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. Until the fixed assets are ready for its commercial use these costs are aggregated and classified and carried forward as 'Capital Work-In-Progress'. 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 amortisation where it is probable that future economic benefits expected from it is not less than the carrying value.

1.8 Depreciation/ amortisation

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 amortised on a straight line basis over their estimated useful life of 10 years. Goodwill arising on acquisition / amalgamation is amortised over the estimate of useful life.

Leasehold land is amortised over the period of lease.

1.9 Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in

Significant Accounting Policies forming part of the consolidated financial statements for the year ended 31st March 2014

use. In assessing value in use, the estimated future cash flows are discounted to their present value at appropriate rate. After impairment, depreciation is provided on revised carrying amount of the assets over its remaining useful life. Previously recognised impairment loss is further provided or reversed depending on changes in circumstances.

1.10 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 recognise a decline other than temporary in the value of the investments. Current investments are carried at lower of cost or fair value.

1.11 Inventories

Inventories are valued at lower of cost or net realisable 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.

1.12 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 recognised in the Profit and Loss Statement over the period of the contracts. The exchange differences on the contracts are recognised 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.

1.13 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:

a) 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 unrecognised 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.

b) 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.

1.14 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 along with the cost of respective asset.

1.15 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 recognised 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 capitalised as part of fixed assets and corresponding liability is recognised as term loans.

1.16 Taxation

Tax Expense comprising current 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.

Significant Accounting Policies forming part of the consolidated financial statements for the year ended 31st March 2014

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.

Minimum alternative tax (MAT) credit is recognised as an asset to the extent there is convincing evidence that the Company will pay normal income tax during/ within the specified period. Such asset is reviewed at each Balance Sheet date for availing the set off with in specified period and is written down when there is no longer a scope for the Company to avail such set off during the specified period.

1.17 Government Grants and Subsidies

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants/ subsidies will be received. Government grants and subsidies where no repayment is ordinarily expected in respect thereof and in the nature of promoter's contribution are credited to capital reserve and treated as a part of shareholders' funds.

1.18 Research and Development Expenditure

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

1.19 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 on financial statements.

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

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|---|--------------------|--------------------|
| 2 SHARE CAPITAL | | |
| 2.1 Equity Share Capital | | |
| 2.1.1 Authorised Equity Share Capital [Equity shares of ₹ 1/- each] 125,000,000 (PY - 125,000,000) equity shares | 125,000,000 | 125,000,000 |
| 2.1.2 Issued, Subscribed and Fully Paid Up Equity Shares of ₹ 1/- each fully paid 120,020,000 (PY - 120,020,000) equity shares | 120,020,000 | 120,020,000 |
| TOTAL | 120,020,000 | 120,020,000 |

Notes on Share Capital

2.1.3 The reconciliation of the number of equity shares outstanding and the amount of share capital as at March 31, 2014 and March 31, 2013:

| Equity Shares of ₹ 1/- each fully paid | No. of shares | No. of shares |
|--|---------------|---------------|
| 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 |

2.1.4 Details of shareholders holding more than 5% shares in the Company:

| Equity Shares of ₹ 1/- each fully paid | No. of shares | %age | No. of shares | %age |
|--|-------------------|---------------|-------------------|---------------|
| K Ajith Kumar Rai | 45,548,399 | 37.95% | 45,548,399 | 37.95% |
| Supriya A Rai | 15,627,958 | 13.02% | 15,627,958 | 13.02% |
| | 61,176,357 | 50.97% | 61,176,357 | 50.97% |

2.1.5 There are no shares that have been issued, subscribed and not fully paid up.

2.1.6 There are no forfeited shares.

2.1.7 There are no shares reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment.

2.1.8 The Company has not issued any securities convertible into equity/ preference shares.

2.1.9 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.

2.1.10 The Company declares and pays dividend in Indian Rupees. The dividend proposed/declared by the Board of Directors is subject to approval/regularisation of the shareholders in the ensuing Annual General Meeting.

2.1.11 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.

2.1.12 During the last five years ending from 31 Mar 2009 :-

- 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 Re.1 each as fully paid up bonus shares by way of capitalisation of Securities Premium and General Reserve.
- No shares were bought back.

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

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|---|----------------------|----------------------|
| 3 RESERVES & SURPLUS | | |
| 3.1 Reserves | | |
| 3.1.1 Capital Reserve (State Investment Subsidy and surplus on reissue of forfeited shares) [Refer Note 3.3. below] | | |
| Opening balance | 1,127,150 | 1,127,150 |
| Add: Additions during the year | - | - |
| Closing Balance | 1,127,150 | 1,127,150 |
| 3.1.2 General Reserve | | |
| Opening balance | 1,352,225,831 | 1,019,725,831 |
| Add: Transferred from the Profit & Loss Statement | 342,500,000 | 332,500,000 |
| Closing Balance | 1,694,725,831 | 1,352,225,831 |
| 3.2 Surplus | | |
| 3.2.1 Surplus in the Profit & Loss Statement | | |
| Opening balance | 192,609,999 | 158,855,124 |
| Add: | | |
| Profit for the year as per Profit and Loss Statement | 508,097,984 | 471,243,421 |
| Less: | | |
| Interim Dividend | 54,009,000 | 42,007,000 |
| Proposed Final Dividend | 60,010,000 | 48,008,000 |
| Tax on dividend | 19,377,530 | 14,973,546 |
| Transfer to General Reserve | 342,500,000 | 332,500,000 |
| Closing Balance | 224,811,453 | 192,609,999 |
| Foreign Exchange Fluctuation Reserve | 6,342,651 | 1,425,103 |
| TOTAL | 1,927,007,085 | 1,547,388,083 |
| Notes on Reserves & Surplus | | |
| 3.3 Includes ₹ 581,650/- (PY - ₹ 581,650/-) State Investment Subsidy credited to capital reserve. | | |
| 3.4 During the year, the Board of Directors have declared interim dividend of ₹ 0.45/- (PY: ₹ 0.35/-) per share, which is subject to regularisation of the shareholders in the ensuing Annual General Meeting. | | |
| 3.5 Final dividend of ₹ 0.50/- (PY: ₹ 0.40/-) per share proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. | | |
| 4 NON CURRENT LIABILITIES | | |
| 4.1 LONG TERM BORROWINGS | | |
| 4.1.1 Secured | | |
| Term Loans from Banks (Refer Note 4.1.3 below) | 419,819,933 | 377,452,641 |
| | 419,819,933 | 377,452,641 |
| 4.1.2 Unsecured | | |
| Deferred Payment Liabilities - lease obligations (Refer Note 4.1.6 below) | - | 12,889,170 |
| Deposits | | |
| - related parties | 3,500,000 | 971,043 |
| - other than related parties | 750,000 | 400,000 |
| | 4,250,000 | 14,260,213 |
| TOTAL | 424,069,933 | 391,712,854 |

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

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|---|---|---|
| <p>4.1.3 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.</p> <p>4.1.4 None of the above borrowings have been guaranteed by any Directors or others.</p> <p>4.1.5 In respect of land referred in Note no. 6.4 (2), the balance consideration was payable in 19 quarterly installments which was fully paid during the year. Such amount as at 31st March 2013 relating to the lease payable after 12 months is disclosed in note no. 4.1.2 above and current maturities of this liability is disclosed under note no. 5.3.</p> <p>4.1.6 There has been no continuing default as on Balance Sheet date in repayment of loans and interest.</p> | | |
| <p>4.2 DEFERRED TAX LIABILITIES (NET)</p> <p>4.2.1 Liability On timing differences of depreciation Gross deferred tax liability</p> | <p>91,946,727</p> <p>91,946,727</p> | <p>69,757,004</p> <p>69,757,004</p> |
| <p>4.2.2 Asset On timing differences of expenditure allowable for tax purposes when paid Accelerated Capital Allowance Provision for doubtful debts Gross deferred tax asset Net deferred tax asset</p> | <p>13,285,777</p> <p>237,244</p> <p>3,598,450</p> <p>17,121,471</p> <p>74,825,256</p> | <p>6,760,085</p> <p>606,040</p> <p>2,016,450</p> <p>9,382,575</p> <p>60,374,429</p> |
| <p>4.3 OTHER LONG TERM LIABILITIES</p> <p>4.3.1 Dealer Deposits</p> | <p>7,821,961</p> <p>7,821,961</p> | <p>6,860,815</p> <p>6,860,815</p> |
| <p>4.4 LONG TERM PROVISIONS</p> <p>4.4.1 Provision for employee benefits [Refer Note no. 22.7(b)] - Provision for Gratuity (Unfunded) - Provision for Compensated Absences</p> <p>4.4.2 Provision for Rework charges *</p> | <p>8,291,600</p> <p>10,366,196</p> <p>6,771,000</p> <p>25,428,796</p> | <p>156,774</p> <p>6,993,345</p> <p>6,771,000</p> <p>13,921,119</p> |
| TOTAL | 532,145,946 | 472,869,217 |
| <p>* There are no movements in the provision for rework charges for the year ended 31.03.2014 and 31.03.2013.</p> | | |

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

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|---|----------------------|----------------------|
| 5 CURRENT LIABILITIES | | |
| 5.1 SHORT TERM BORROWINGS | | |
| 5.1.1 Secured | | |
| Working capital facilities from banks repayable on demand from banks (Refer Note 5.1.2 below) | 997,390,911 | 637,489,371 |
| | 997,390,911 | 637,489,371 |
| Notes on Short Term Borrowings | | |
| 5.1.2 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. | | |
| 5.1.3 None of the above loans have been guaranteed by any Directors or others | | |
| 5.2 TRADE PAYABLES | | |
| 5.2.1 Due to Micro & Small Enterprises | 5,307,852 | 5,965,019 |
| 5.2.2 Due to Others | 582,643,469 | 454,962,096 |
| | 587,951,321 | 460,927,115 |
| 5.3 OTHER CURRENT LIABILITIES | | |
| 5.3.1 Current maturities of long term debt (Refer Note 4.1.3 and 4.1.6) | 138,430,070 | 83,771,456 |
| 5.3.2 Current maturities of deposits from | | |
| - related parties | 1,793,355 | 4,209,400 |
| - other than related parties | 650,000 | 1,000,000 |
| 5.3.3 Interest accrued but not due | | |
| - on borrowings | 2,337,754 | 1,607,586 |
| - on deposits | 369,869 | 550,769 |
| 5.3.4 Advance from Customers | 6,516,395 | 4,366,512 |
| 5.3.5 Unclaimed dividend* | 1,800,045 | 1,280,303 |
| 5.3.6 Other Payables | | |
| - Payable towards cost of land [Refer Note. No. 6.4 (3) & (4)] | 22,147,265 | - |
| - Creditors for purchase of fixed assets | 14,526,083 | 14,669,966 |
| - Statutory liabilities | 53,212,227 | 33,584,175 |
| - Payable to Employees | 30,690,754 | 35,518,919 |
| - Payable to directors towards commission & sitting fees | 28,303,399 | 24,499,637 |
| - Others [Refer Note. No. 5.3.8] | 13,574,000 | 5,950,000 |
| | 314,351,216 | 211,008,723 |
| 5.3.7 There are no amounts outstanding for more than 7 years to be deposited in the Investor Education and Protection Fund. | | |
| 5.3.8 As decided by the Board of Directors, a provision of ₹ 13,574,000/- (PY- ₹ 5,950,000/-) being 2% (PY - 1%) of the net profits, is made towards Suprajit Foundation, a trust set up for charitable purposes. | | |
| 5.4 SHORT TERM PROVISIONS | | |
| 5.4.1 Provision for employee benefits [Refer Note no. 22.7(b)] | | |
| - Provision for Gratuity (Funded) | 4,864,158 | 4,928,306 |
| - Provision for Compensated Absences | 943,411 | 791,535 |
| 5.4.2 Provision for Proposed Dividend | 60,010,000 | 48,008,000 |
| 5.4.3 Provision for Corporate Dividend Tax | 10,198,700 | 8,158,960 |
| 5.4.4 Provision for Income Tax (Net of Advance Tax and Tax Deducted at Source) | 6,089,673 | 6,968,670 |
| 5.4.5 Provision for Wealth Tax | 94,976 | 195,766 |
| | 82,200,918 | 69,051,237 |
| TOTAL | 1,981,894,366 | 1,378,476,446 |

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

(Amounts in ₹)

6 FIXED ASSETS

| Description | Gross Block | | | | Depreciation/Amortisation | | | | Accumulated Impairment | | | | Net Block | | |
|-----------------------------------|----------------------|--------------------|---------------------------|---|---------------------------|--------------------|-------------------|--------------------------|--|---------------------|---------------------|---------------------|----------------------|----------------------|---------------------|
| | As at 01.04.2013 | Additions | Disposals / Adjustment | Currency Fluctuation arising on consolidation [Refer Note no. 1.3] | As at 31.03.2014 | Upto 01.04.2013 | For the year | Disposals/ Adjustment | Currency Fluctuation arising on consolidation [Refer Note no.1.3] | As at 31.03.2014 | As at 31.03.2013 | As at 31.03.2014 | As at 31.03.2014 | As at 31.03.2014 | As at 31.03.2013 |
| 6.1 | | | | | | | | | | | | | | | |
| Tangible assets | | | | | | | | | | | | | | | |
| Land | 175,197,853 | 20,693,190 | - | - | 195,891,043 | - | - | - | - | - | - | - | - | 195,891,043 | 175,197,853 |
| Land on lease | 75,415,994 | 26,773,471 | - | 783,398 | 102,972,863 | 6,532,359 | 781,229 | - | 772,233 | 8,085,862 | - | - | - | 94,887,001 | 68,883,635 |
| Buildings | 623,139,980 | 229,597,651 | - | - | 852,737,631 | 94,103,981 | 25,155,296 | - | - | 119,259,277 | - | - | - | 733,478,354 | 529,035,999 |
| Electrical installations | 88,282,795 | 21,114,799 | - | - | 109,397,594 | 22,379,456 | 4,649,246 | - | - | 27,028,702 | - | - | - | 82,368,892 | 65,903,339 |
| Plant and Machinery | 542,177,669 | 90,075,562 | 6,275,883 | 1,234,051 | 630,869,221 | 272,828,340 | 37,397,066 | 3,836,297 | 2,798,833 | 307,755,435 | 1,432,423 | 1,432,423 | 321,680,363 | 269,349,329 | |
| Dies & Moulds | 51,591,132 | 9,141,108 | - | - | 60,732,240 | 27,669,774 | 3,768,391 | - | - | 31,438,165 | - | - | 29,294,061 | 23,921,358 | |
| Furniture and Fixtures | 35,435,230 | 5,626,190 | - | 948,846 | 42,010,266 | 16,454,388 | 2,824,034 | - | 770,816 | 20,049,238 | - | - | 21,961,028 | 18,980,842 | |
| Vehicles | 24,008,723 | 2,467,012 | 1,065,113 | (850,418) | 25,522,503 | 8,300,373 | 2,212,364 | 471,528 | (284,389) | 9,756,847 | - | - | 15,765,656 | 15,708,350 | |
| Office equipment | 16,827,515 | 6,338,237 | - | 55,701 | 23,221,453 | 7,433,334 | 1,862,360 | - | 33,079 | 9,325,942 | 2,831 | 2,831 | 13,892,680 | 9,394,181 | |
| Containers | 1,738,233 | 1,008,063 | - | - | 2,746,296 | 1,738,233 | 1,008,063 | - | - | 2,746,296 | - | - | - | - | - |
| Computers (including Software) | 42,578,634 | 5,926,061 | - | - | 48,504,695 | 30,154,493 | 3,904,584 | - | - | 34,059,077 | - | - | 14,445,618 | 12,424,141 | |
| Intangible assets | | | | | | | | | | | | | | | |
| Goodwill | 123,341,164 | - | - | 21,132,240 | 144,473,404 | 123,341,164 | - | - | 21,132,240 | 144,473,404 | - | - | - | - | - |
| Brands | 5,100,000 | - | - | - | 5,100,000 | 5,100,000 | - | - | - | 5,100,000 | - | - | - | - | - |
| Technical Knowhow | 195,127 | - | - | - | 195,127 | 195,127 | - | - | - | 195,127 | - | - | - | - | - |
| Total | 1,805,030,049 | 418,761,344 | 7,340,996 | 23,303,818 | 2,244,373,336 | 616,231,022 | 83,562,633 | 4,307,825 | 25,222,812 | 719,273,372 | 1,435,254 | 1,435,254 | 1,523,664,696 | 1,188,799,027 | |
| Previous year | 1,543,384,545 | 282,691,753 | 21,814,449 | 768,200 | 1,805,030,049 | 536,912,470 | 81,467,336 | 3,595,667 | 11,629 | 616,231,022 | - | 1,435,254 | 1,187,363,773 | 1,006,472,075 | |
| Capital Work-in-Progress | | | | | | | | | | | | | 7,287,269 | 175,760,208 | |
| TOTAL | | | | | | | | | | | | | 1,530,951,965 | 1,364,559,235 | |

6.4 Notes on Fixed Assets

- All the fixed assets except the land on lease are owned by the Company.
- Land on lease includes land at Bhiwadi, Rajasthan registered in the name of the Company for a value of ₹ 45,462,101/- (PY - ₹ 45,462,101/-), payment towards this land, which was agreed upon to be made in instalments during the previous year, has been repaid in entirety during the year.
- Additions to land ₹ 20,693,190/- (PY - Nil) represents additional consideration paid to Haryana State Industrial Development Corporation Limited (HSIDC) in respect of Company's land at Manesar, Haryana. The unpaid balance consideration of ₹ 12,415,914/- (PY - Nil) has been disclosed under Note 5.3.6.
- Additions to land on lease, ₹ 26,773,471/- (PY - Nil) represents land allotted at Narasapura, Kolar Dist., Karnataka by the Karnataka Industrial Area Development Board (KIADB) under a lease cum sale arrangement with a right to purchase on fulfilment of certain conditions after the period of 10 years and the consideration towards such land and hence has not been amortised over the lease period. The Company has obtained possession of the land in May 2013. The lease deed is pending execution and the unpaid balance consideration of ₹ 9,731,351/- (PY - Nil) has been disclosed under Note 5.3.6.
- Land on lease at various locations except as mentioned in Note No. 4 above are held on long term lease without right to acquire at the end of the lease period and the cost of such land is amortised over the period of the lease.
- During the previous year, the management has identified certain individual assets to be impaired based on their condition and usage. The provision for impairment in respect of these assets amounting to ₹ 1,435,254/- made after considering an amount of ₹ 806,300/- towards the net realisable value of these assets. Estimated Net Book value of these assets as on 31st March, 2014 is ₹ 2,241,554/-.
- Borrowing costs capitalised during the year is Nil (PY: ₹ 8,485,237/-).

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

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|---|-------------------|--------------------|
| 7 NON CURRENT INVESTMENTS | | |
| 7.1 TRADE INVESTMENTS | - | - |
| 7.2 OTHER INVESTMENTS (NON-TRADE) (AT COST) Investments in National Highway Authority of India Bonds. (500 Non-convertible Redeemable bonds of face value ₹ 10,000/- each carrying interest @ 6% p.a. payable annually. Date of maturity - 30th September 2015) | 5,000,000 | 5,000,000 |
| TOTAL | 5,000,000 | 5,000,000 |
| 7.3 General Information Aggregate value of Investments: Unquoted - At Cost | 5,000,000 | 5,000,000 |
| 8 LONG TERM LOANS AND ADVANCES | | |
| 8.1 Capital Advances (Unsecured, considered good) | | |
| Advance paid for leasehold land | - | 17,042,120 |
| Capital advances towards fixed assets | 21,053,026 | 50,425,210 |
| | 21,053,026 | 67,467,330 |
| 8.2 Deposits (Unsecured, considered good) | | |
| Electricity Deposits | 6,978,009 | 5,653,958 |
| Rental Deposits | 3,500,000 | - |
| Other Deposits | 4,094,035 | 1,644,982 |
| | 14,572,044 | 7,298,940 |
| 8.3 Others (Unsecured, considered good) | | |
| Advance tax [including Tax deducted at source (Net of Provisions)] | 2,111,428 | - |
| Income tax paid under protest | 903,430 | 903,430 |
| MAT credit entitlement | 6,939,081 | 12,969,639 |
| Value Added Tax paid under protest [Refer Note no. 22.5.1] | - | 15,658,834 |
| Value added tax refundable | 18,158,834 | - |
| | 28,112,773 | 29,531,903 |
| TOTAL | 63,737,843 | 104,298,173 |
| 9 OTHER NON-CURRENT ASSETS (Unsecured, considered good) | | |
| Non-current bank deposits * | 1,000,000 | 564,151 |
| Interest accrued on the above non-current bank deposit | 2,544 | 56,099 |
| Advance to gratuity trust | - | 10,000 |
| TOTAL | 1,002,544 | 630,250 |
| * Held against public deposits in pursuance of the requirements of applicable Rules. | | |

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

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|--|--------------------|--------------------|
| 10 CURRENT INVESTMENTS | | |
| 10.1 Other Investments (Non-trade) | | |
| Investments in Mutual Funds (at lower of cost or fair value) | 743,312,565 | 449,256,123 |
| TOTAL | 743,312,565 | 449,256,123 |
| 10.2 Details of Other Investments (Non-trade) | | |
| 10.2.1 General Information | | |
| Aggregate market value (Net Asset Value) of quoted Investments | 788,695,414 | 481,484,021 |
| Aggregate provision for diminution in the value of above investments | - | 854,949 |
| 10.2.2 Details of Mutual Funds held at the end of the year: | | |
| Particulars | 31.03.2014 | 31.03.2013 |
| Birla Dynamic Bond fund retail plan growth - 1,939,435.01(1,939,435.01) units of ₹ 10/- each | 35,000,000 | 35,000,000 |
| Birla Sun Life Short Term Fund - Nil (476,536.53) units of ₹10/- each | - | 20,000,000 |
| Brila Sun Life Dynamic Bond Fund- Retail - Growth 1,079,445.67(1,079,445.67) units of ₹10/- each | 20,000,000 | 20,000,000 |
| Birla Sun Life Dynamic Bond Fund - Retail - Nil (875,679.75) units of ₹10/- each | - | 9,992,644 |
| DSP BlackRock STP Growth - Nil (269,990.06) units of ₹10/- each | - | 5,000,000 |
| HDFC High Interest Fund-Growth - 17,71,778.05 (Nil) units of ₹10/ each | 70,000,000 | - |
| HDFC High Interest Fund-Short Term Plan- Growth - Nil (465,432.34) units of ₹10/- each | - | 10,000,000 |
| HDFC Monthly Income Plan - Nil (619,472.60) units of ₹ 10/- each | - | 14,500,000 |
| HDFC Prudence Fund - Growth - Nil (96,764.49) units of ₹ 10/- each | - | 20,111,073 |
| HSBC Flexi Debt Growth 3,020,019.66 (Nil) units of ₹ 10/- each | 50,000,000 | - |
| HSBC Income Fund STP Growth 3,433,773.94 (Nil) units of ₹ 10/- each | 70,000,000 | - |
| IDFC Dynamic Bond Fund - 1,501,670.60 (1,501,670.60) units of ₹ 10/- each | 20,000,000 | 20,000,000 |
| IDFC Dynamic Bond Fund Growth - 7,191,316.27 (2,227,216.62) units of ₹ 10/- each | 117,500,000 | 47,500,000 |
| IDFC Dynamic Bond Fund Plan B 2,108,042.17 (Nil) units of ₹ 10/- each | 29,812,565 | - |
| IDFC Dynamic Bond QDP - Nil (2,913,460.25) units of ₹ 10/- each | - | 29,672,427 |
| IDFC SSIF STP Regular - 793,603.56 (Nil) units of ₹ 10/- each | 20,000,000 | - |
| IDFC Super Saver Income Fund - Short Term Plan A Growth Nil (224,624.20) units of ₹ 10/- each | - | 5,000,000 |
| IDFC Super Saver Income Fund 1,993,419.99 (Nil) units of ₹ 10/- each | 50,000,000 | - |
| Kotak Bond QDP - Nil (2,800,123.52) units of ₹ 10/- each | - | 29,479,980 |
| Kotak Bond Regular Growth -Nil (1,489,020.07) units of ₹ 10/- each | - | 46,000,000 |
| Pru ICICI Short term Plan - Cumulative Option - Nil (442,883.53) units of ₹10/- each | - | 10,000,000 |
| Reliance Dynamic Bond Growth 3,808,213.18 (Nil) units of ₹ 10/- each | 60,000,000 | - |
| Reliance Dynamic Bond QDP - Nil (2,945,816.50) units of ₹ 10/- each | - | 30,000,000 |
| Reliance Monthly Income Plan - Nil (768,456.43) units of ₹ 10/- each | - | 17,000,000 |
| SBI Dynamic Bond Fund 2,023,637.75 (Nil) units of ₹ 10/-each | 30,000,000 | - |
| SBI Dynamic Bond Fund-Growth - 2,937,530.09 (2,937,530.09) units of ₹ 10/- each | 40,000,000 | 40,000,000 |
| SBI Magnum Income Fund - 686,040.45 (Nil) units of ₹ 10/- each | 20,000,000 | - |
| Templeton India short term Income Retail growth plan - 14,415.83 (2,298.49) units of ₹ 10/- each | 35,000,000 | 5,000,000 |
| UTI Bond Fund growth - 1,708,364.46 (1,110,261.30) units of ₹ 10/- each | 56,000,000 | 35,000,000 |
| UTI Bond Fund Growth 560,887.07 (Nil) units of ₹ 10/- each | 20,000,000 | - |
| TOTAL | 743,312,565 | 449,256,123 |

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

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|--|----------------------|--------------------|
| 11 INVENTORIES | | |
| (Valued at Lower of Cost or Net Realisable value) | | |
| Raw materials (including components, packing materials and stores & spares) | 329,304,512 | 232,599,591 |
| Raw materials in transit (including in custom bonded warehouse) | 60,541,205 | 12,069,220 |
| Work-in-Progress | 52,954,200 | 35,137,945 |
| Finished Goods | 290,785,405 | 190,600,120 |
| Finished Goods-in-Transit | 37,802,611 | 10,346,225 |
| Tools | 2,285,164 | 5,274,132 |
| TOTAL | 773,673,097 | 486,027,233 |
| 12 TRADE RECEIVABLES | | |
| 12.1 Outstanding for a period more than six months from the due date of payment | | |
| Unsecured, considered good | 3,245,172 | 4,681,338 |
| Unsecured, considered doubtful | 7,182,500 | 7,392,280 |
| Less:- Provision for Doubtful receivables | 7,182,500 | 7,392,280 |
| | 3,245,172 | 4,681,338 |
| 12.2 Other Trade Receivables | | |
| Unsecured, considered good | 1,185,485,396 | 923,692,773 |
| Unsecured, considered doubtful | 3,504,497 | 2,268,523 |
| Less:- Provision for Doubtful receivables | 3,504,497 | 2,268,523 |
| | 1,185,485,396 | 923,692,773 |
| TOTAL | 1,188,730,568 | 928,374,111 |
| 13 CASH AND BANK BALANCES | | |
| 13.1 Cash and Cash Equivalents | | |
| Balances with Banks | | |
| - in Current Accounts | 59,313,149 | 64,710,883 |
| - in EEFC Accounts | 4,592,224 | 394,566 |
| - in Deposit Accounts | 343,332 | 5,968,529 |
| Cash on hand | 953,166 | 710,526 |
| Cheques, drafts on hand | 150,000 | 90,000 |
| | 65,351,871 | 71,874,504 |
| 13.2 Other Bank balances | | |
| Earmarked balances for Unclaimed Dividend accounts | 1,800,045 | 1,280,303 |
| Bank deposit held as margin money against bank guarantees [Refer Note 22.6.1] | 8,416,491 | 3,202,836 |
| | 10,216,536 | 4,483,139 |
| TOTAL | 75,568,407 | 76,357,643 |
| 14 SHORT TERM LOANS AND ADVANCES | | |
| Others | | |
| (Unsecured, considered good) | | |
| Advance to Suppliers | 96,883,939 | 51,955,819 |
| Advance to Employees | 3,859,191 | 3,422,269 |
| Balance with Central excise customs & other authorities | 51,502,030 | 33,336,009 |
| Prepaid Expenses | 19,523,067 | 13,167,412 |
| Others | 4,494,768 | 174,774 |
| TOTAL | 176,262,995 | 102,056,283 |
| 15 OTHER CURRENT ASSETS | | |
| (Unsecured, considered good) | | |
| Export benefit entitlements | 2,296,022 | 1,872,941 |
| Interest accrued on non-current investment in bonds | 300,000 | 170,959 |
| Interest accrued on bank deposits | 231,397 | 150,795 |
| TOTAL | 2,827,419 | 2,194,695 |

NOTES FORMING PART OF CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | 2013 | |
|--|----------------------|-------------|----------------------|
| 16 REVENUE FROM OPERATIONS (GROSS) | | | |
| Sale of Products (Refer Note 16.1 below) | 5,944,341,617 | | 5,047,825,717 |
| Sale of Services (Refer Note 16.2 below) | 10,894,091 | | 20,847,130 |
| Other operating revenue (Refer Note 16.3 below) | 14,523,146 | | 11,189,243 |
| TOTAL | 5,969,758,854 | | 5,079,862,090 |
| Particulars of Revenue from Operations | | | |
| 16.1 Sale of Products (Gross) | | | |
| Manufactured Goods | | | |
| Domestic | | | |
| Cables (Control & Speedo) | 4,792,514,193 | | 4,322,560,976 |
| Speedo Meters | 173,480,828 | | 127,803,916 |
| Others (including parts) | 65,739,521 | | 35,167,559 |
| Sub-Total | 5,031,734,542 | | 4,485,532,451 |
| Exports (Including deemed exports) | | | |
| Cables (Control & Speedo) | 879,480,073 | | 520,071,865 |
| Speedo Meters | 990,266 | | 930,418 |
| Others (including parts) | 32,136,736 | | 41,290,983 |
| Sub-Total | 912,607,075 | | 562,293,266 |
| TOTAL | 5,944,341,617 | | 5,047,825,717 |
| 16.2 Sale of Services | | | |
| Processing Charges | 10,894,091 | | 20,847,130 |
| 16.3 Other Operating Revenue | | | |
| Scrap Sales | 13,867,769 | | 11,244,053 |
| Export benefit entitlements (Net) | 655,377 | | (54,810) |
| TOTAL | 14,523,146 | | 11,189,243 |
| 17 OTHER INCOME | | | |
| Interest Income | | | |
| - On bank deposits | 871,507 | | 857,925 |
| - On advance to suppliers | 532,918 | | - |
| - On employee loans & advances | 15,272 | | - |
| Dividend Income from Mutual funds | 2,439,176 | | 5,049,428 |
| Gain on sale of investment in Associate Company | - | | 5,982,277 |
| Withdrawal of provision relating to sale of other Non-Current Investment | - | 7,164,070 | |
| Loss on sale of above non-current investment | - | (7,110,070) | 54,000 |
| Net gain on sale of current investments | 12,799,826 | | 13,653,240 |
| Withdrawal of provision for diminution of value of Current Investments | 854,949 | | - |
| Rent Received | 17,263 | | 262,230 |
| Discount Received | 1,253,497 | | 750,534 |
| Net gain on foreign currency transactions and translations | 17,424,660 | | - |
| Profit on sale of fixed assets [net of loss] | 366,783 | | 226,649 |
| Other non-operating income | 1,015,327 | | 901,505 |
| TOTAL | 37,591,178 | | 27,737,788 |

NOTES FORMING PART OF CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | 2013 |
|---|----------------------|---------------------|
| 18 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS | | |
| Opening Stock | | |
| Finished Goods | 200,946,345 | 129,205,669 |
| Work-in-Progress | 35,137,945 | 31,497,289 |
| | 236,084,290 | 160,702,958 |
| Less: Closing Stock | | |
| Finished Goods | 328,588,016 | 200,946,345 |
| Work-in-Progress | 52,954,200 | 35,137,945 |
| | 381,542,216 | 236,084,290 |
| Add: Currency Fluctuation arising on consolidation [Refer Note no. 1.3] | 12,460,875 | 7,872,550 |
| TOTAL | (132,997,051) | (67,508,782) |
| 19 EMPLOYEE BENEFIT EXPENSE | | |
| Salaries, Wages and bonus (including managerial remuneration) | 646,483,280 | 526,645,020 |
| Contribution to Provident fund and other funds | 24,101,435 | 22,683,458 |
| Staff welfare expenses | 30,402,573 | 20,637,014 |
| TOTAL | 700,987,288 | 569,965,492 |
| 20 FINANCE COSTS | | |
| Interest expense | | |
| - Borrowings | 130,112,608 | 107,618,364 |
| - Deposits | 638,174 | 641,041 |
| - Others | 1,641,930 | 551,414 |
| Loan processing charges | 1,629,725 | 1,398,262 |
| | 134,022,437 | 110,209,081 |
| Less: Expenditure incurred during the construction period | | |
| - Capitalised during the year | - | (3,623,146) |
| - Added to capital work-in-progress | - | (4,862,091) |
| TOTAL | 134,022,437 | 101,723,844 |

NOTES FORMING PART OF CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

| Particulars | 2014 | | 2013 | |
|--|-----------|--------------------|-----------|--------------------|
| | | | | |
| 21 OTHER EXPENSES | | | | |
| Increase/(Decrease) of excise duty on Inventory | | 14,741,181 | | (3,396,111) |
| Power and fuel | | 87,971,893 | | 71,149,513 |
| Testing charges | | 752,503 | | 6,687,221 |
| Labour charges | | 11,534,915 | | 614,435 |
| Rent | | 8,775,435 | | 6,616,900 |
| Repairs & Maintenance: | | | | |
| Buildings | | 8,865,773 | | 1,716,624 |
| Machinery | | 29,105,326 | | 24,859,823 |
| Others | | 20,659,991 | | 17,370,364 |
| Insurance | | 12,568,828 | | 12,643,524 |
| Rates and taxes | | 11,322,923 | | 7,952,599 |
| Bank Charges | | 6,470,700 | | 6,339,517 |
| Travelling and Conveyance | | 38,022,153 | | 31,456,246 |
| Professional Charges | | 10,115,781 | | 10,416,435 |
| Auditors' Remuneration | | 2,311,799 | | 3,136,353 |
| Freight Outward and C & F Charges | | 92,525,450 | | 68,728,134 |
| Advertisement and Sales Promotion | | 6,838,948 | | 11,613,914 |
| Discount | | 48,652,632 | | 48,079,179 |
| Commission | | | | |
| - Sales Commission | | 9,260,539 | | 7,796,974 |
| - Others | | 250,000 | | - |
| Directors' Sitting Fees & Commission | | 850,000 | | 800,000 |
| Bad debts written off | 1,621,475 | | 5,350,381 | |
| Withdrawal of earlier year provisions | 461,715 | 1,159,760 | 2,949,352 | 2,401,029 |
| Provision for Doubtful debts | | 2,249,376 | | 9,343,711 |
| Printing & Stationery | | 7,048,588 | | 5,331,224 |
| Security Expenses | | 14,689,612 | | 11,577,313 |
| Communication Expenses | | 6,571,489 | | 6,941,751 |
| Foreign Exchange Loss (net) | | - | | 3,500,360 |
| Provision for diminution in value of Current Investments (net) | | - | | 853,788 |
| Provision for impairment of fixed assets [Refer Note no.6.4.(6)] | | - | | 1,435,254 |
| Donation [Refer Note No. 5.3.8] | | 13,914,805 | | 5,984,156 |
| General Expenses | | 8,090,990 | | 6,655,511 |
| TOTAL | | 475,321,390 | | 388,605,741 |

**OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014**

(Amounts in ₹)

22 OTHER NOTES ON FINANCIAL STATEMENTS

- 22.1** In the opinion of the Board, none of the assets other than fixed assets and non-current investments have a value lower on realisation in the ordinary course of business than the amount at which they are stated in the Balance Sheet.
- 22.2** Some of the trade receivables, trade payables, loans and advances are subject to confirmation/ reconciliation.
- 22.3** 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 summarised format. However, item wise particulars are maintained for major assets in manual form.
- 22.4** Exceptional item in the Profit & Loss Statement of the previous year represents profit on sale of land and building situated at Doddaballapur, Karnataka.

| Particulars | 31.03.2014 | 31.03.2013 |
|---|-------------------|--------------------|
| 22.5 Contingent Liabilities and Commitments | | |
| 22.5.1 Contingent Liabilities | | |
| Corporate Guarantees issued on behalf of subsidiaries to their bankers [GBP 500,000 (PY: GBP 500,000)]. | 50,425,000 | 41,160,000 |
| Letter of credit outstanding | 105,598 | - |
| Bond Executed in favour of customs | 19,000,000 | 20,000,000 |
| Bank Guarantee furnished to Tax Authorities for availing concessions | 750,000 | 750,000 |
| Other Bank Guarantees | 7,181,137 | - |
| Disputed Excise/ Service Tax dues pending in appeal * | 432,920 | 544,160 |
| Demand raised by VAT authorities disputed with Joint Commissioner of Commercial Taxes - Appeals (JCCT - Appeals) * [Against this demand, a bank guarantee of amount of Nil (PY- ₹ 13,158,834/-) is furnished]. | - | 28,817,668 |
| Other sums the Company is contingently liable* | 1,200,000 | - |
| Total | 79,094,655 | 91,271,828 |
| * No provision has been made in these accounts for these disputed duty, tax demands as the management is confident that the matter will be ultimately decided in favour of the Company. | | |
| 22.5.2 Commitments | | |
| Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 17,220,823 | 33,560,183 |
| Total Contingent Liabilities and Commitments | 96,315,478 | 124,832,011 |

22.6 Foreign Exchange exposure

The detail of foreign currency exposure as at the year end is given below:

| Particulars | 31.03.2014 | | 31.03.2013 | |
|---|------------------|--------------|------------------|--------------|
| | Foreign currency | Equivalent ₹ | Foreign currency | Equivalent ₹ |
| Hedged by derivative instruments (Converted at committed exchange rates) | | | | |
| USD Receivable | - | - | 225,000 | 12,961,750 |
| Euro Receivable | 375,000 | 30,641,250 | 454,000 | 33,751,730 |
| Not hedged by derivative instruments | | | | |
| USD Receivable | 3,210,216 | 191,555,121 | 1,036,072 | 56,802,362 |
| USD Payable | 735,831 | 43,990,188 | 185,546 | 10,167,922 |
| Euro Receivable | 385,306 | 31,520,991 | 388,381 | 26,650,611 |
| Euro Payable | 23,150 | 1,932,135 | - | - |
| GBP Receivable | 935,919 | 93,297,894 | 387,236 | 31,827,372 |
| GBP Payable | 253,942 | 25,356,208 | 182,529 | 15,025,787 |

**OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014**

(Amounts in ₹)

22.7 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 | 31.03.2014 | 31.03.2013 |
|---|------------|------------|
| Employers contribution to Provident Fund (incl. admin. charges) | 15,674,399 | 12,624,704 |
| Employers contribution to Employee State Insurance | 4,070,400 | 3,045,849 |
| Employers contribution to other Social Security Schemes | 13,054,504 | 10,410,840 |

b. Defined Benefit Plans:

Gratuity - Funded & Unfunded

Compensated absences - Unfunded

Gratuity is a funded obligation of the Company and the Indian subsidiary except to the extent of liability of the Parent not eligible to be covered by the Gratuity Scheme, which is unfunded. Compensated Absences is an unfunded obligation of the Company. The Parent and the Indian subsidiary has provided for liability of gratuity and compensated absences based on an actuarial valuation under the projected unit credit method. Actuarial assumptions in determining such liability are given below:

| Particulars | Gratuity | | Compensated Absences | |
|--------------------------------|------------|------------|----------------------|------------|
| | 31.03.2014 | 31.03.2013 | 31.03.2014 | 31.03.2013 |
| Discount Rate (per annum)* | 9.12% | 8.00% | 9.12% | 8.00% |
| Expected return on plan assets | 6.75% | 9.00% | - | - |
| Salary escalation rate** | 10.00% | 7.00% | 10.00% | 7.00% |

* The discount rate is based on the prevailing market yields of Government of India services as at the Balance Sheet date for the estimated term of the obligations.

** 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 | 2013-14 | | 2012-13 | |
|---|-------------------|----------------------|-------------------|----------------------|
| | Gratuity | Compensated Absences | Gratuity | Compensated Absences |
| I. Reconciliation of present value of obligation | | | | |
| Present value of obligation at beginning of the year | 27,307,079 | 7,784,880 | 18,464,045 | 5,796,212 |
| Current Service Cost | 8,016,544 | 3,398,643 | 8,100,468 | 2,147,323 |
| Interest Cost | 2,473,147 | 658,999 | 1,456,779 | 417,038 |
| Actuarial (gain)/loss | (655,499) | 585,097 | (205,608) | 590,779 |
| Benefits Paid | (378,479) | (1,118,012) | (508,606) | (1,166,472) |
| Present value of obligation at end of the year# | 36,762,792 | 11,309,607 | 27,307,078 | 7,784,880 |

Present Value of Obligation towards Gratuity as at 31.03.2014 includes liability not eligible to be covered by the clauses governing the Group Gratuity Scheme and is disclosed as an unfunded obligation in Note no. 4.4.1.

| Particulars | 2013-14 | | 2012-13 | |
|--|-------------------|----------------------|-------------------|----------------------|
| | Gratuity | Compensated Absences | Gratuity | Compensated Absences |
| II. Reconciliation of fair value of plan assets | | | | |
| Fair value of plan assets at beginning of the year | 22,221,999 | - | 7,012,634 | - |
| Expected return on plan assets | 1,540,747 | - | 1,250,504 | - |
| Actuarial gain/(loss) | 8,513 | 294,071 | 195,133 | (118,638) |
| Contributions | 214,254 | (294,071) | 14,272,333 | 118,638 |
| Benefits paid | (378,479) | - | (508,606) | - |
| Fair value of plan assets at end of the year | 23,607,034 | - | 22,221,998 | - |

**OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014**

(Amounts in ₹)

| Particulars | 2013-14 | 2012-13 |
|--|------------|------------|
| | Gratuity | Gratuity |
| III. Description of Plan Assets | | |
| Insurer Managed Funds## | 23,607,034 | 22,221,998 |

The fund is maintained with the Life Insurance Corporation of India under the Group Gratuity Scheme administered through trustees

| Particulars | 2013-14 | | 2012-13 | |
|---|------------------|----------------------|------------------|----------------------|
| | Gratuity | Compensated Absences | Gratuity | Compensated Absences |
| IV. Expenses recognised in the Profit & Loss Statement | | | | |
| Current Service Cost | 8,016,544 | 3,398,643 | 8,100,468 | 2,147,323 |
| Interest Cost | 2,473,147 | 658,999 | 1,456,779 | 417,038 |
| Expected Return on Plan Assets | (1,135,577) | - | (1,250,504) | - |
| Actuarial gain/(loss) | (1,069,182) | 585,097 | (400,741) | 590,779 |
| Net Expense recognised in the Profit & Loss Statement | 8,284,932 | 4,642,739 | 7,906,002 | 3,155,140 |

| Particulars | 2013-14 | | 2012-13 | |
|---|-------------------|----------------------|------------------|----------------------|
| | Gratuity | Compensated Absences | Gratuity | Compensated Absences |
| V. Net (Asset)/ Liability recognised in the Balance Sheet as at year end | | | | |
| Present value of obligation at end of the year | 36,762,792 | 11,309,607 | 27,307,078 | 7,784,880 |
| Fair value of plan assets at end of the year | 22,221,998 | - | 22,221,998 | - |
| Net present value of unfunded obligation recognised as (asset)/ liability in the Balance Sheet | 14,540,794 | 11,309,607 | 5,085,080 | 7,784,880 |

| Particulars | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|------------|------------|-------------|------------|-------------|
| VI. Experience Adjustments | | | | | |
| Gratuity - Funded & Unfunded | | | | | |
| Present value of obligations | 36,762,791 | 27,307,078 | 18,464,045 | 16,264,586 | 9,854,472 |
| Fair value of plan assets | 23,607,033 | 22,221,998 | 7,012,634 | 6,992,965 | 5,080,259 |
| Funded Status [(Surplus)/Deficit] | 13,155,758 | 5,085,080 | 11,451,411 | 9,271,621 | 4,774,213 |
| Experience [Gain/(Loss)] adjustment on plan liabilities | (597,951) | (152,978) | (1,791,700) | (252,589) | (1,566,399) |
| Experience [Gain/(Loss)] adjustment on plan assets | (471,231) | (247,763) | (151,545) | 38,103 | (104,805) |
| Compensated Absences - Unfunded | | | | | |
| Present value of obligations | 11,309,607 | 7,784,880 | 5,796,212 | 4,087,648 | 3,574,007 |
| Experience [Gain/(Loss)] adjustment on plan liabilities | (250,161) | (508,627) | (126,735) | (183,671) | (268,728) |

22.8 Research & Development Expenditure

| Particulars | 2013-14 | 2012-13 |
|---------------------------------|-------------------|-------------------|
| Salaries & Wages | 29,827,627 | 24,003,701 |
| Materials, Consumables & Stores | 2,226,803 | 1,938,945 |
| Other Direct Expenditure | 1,908,150 | 943,377 |
| TOTAL | 33,962,579 | 26,886,023 |

The expenses such as Salaries & Wages, Materials, Consumables & Stores are included under Note no. 19 & 18 respectively and direct expenditure is disclosed under General expenses under Note no. 21 in the Profit and Loss Statement.

**OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014**

(Amounts in ₹)

22.9 Segment Reporting

The Group 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 Group's sale by geographical markets and segment assets which can be attributed to customers in such markets.

| Particulars | 2013-14 | 2012-13 |
|-------------------------------|---------------|---------------|
| Sales/Operating income | | |
| - India | 4,485,939,233 | 4,053,020,964 |
| - Rest of the world | 966,426,561 | 572,339,766 |
| Segment Assets | | |
| - India | 4,303,627,832 | 3,486,465,989 |
| - Rest of the world | 257,439,571 | 32,287,757 |

22.10 Related Party Disclosures

| Party | Relationship |
|--|--------------------------------------|
| K Ajith Kumar Rai (Chairman & Managing Director) | Key Management Personnel |
| Mohan Chelliah (Executive Director) | Key Management Personnel |
| Peter Greensmith | Key Management Personnel |
| Akhilesh Rai | Relative of 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 |
| Shobha Mani | Relative of Key Management Personnel |
| Lakshmi A Rai | Relative of Key Management Personnel |
| Suprajit Foundation | Controlled Trust |

| Nature of Transaction and Related Party | 2013-14 | 2012-13 |
|---|-------------------|-------------------|
| Remuneration/ Commission | | |
| Key Management Personnel | 47,421,755 | 41,198,736 |
| Relative of Key Management Personnel | 790,850 | 821,943 |
| Sitting Fees | | |
| Relative of Key Management Personnel | 100,000 | 80,000 |
| Interest Paid | | |
| Relative of Key Management Personnel | 505,250 | 332,494 |
| Interest accrued but not due on deposits and outstanding | | |
| Relative of Key Management Personnel | 206,975 | 139,714 |
| Donation | | |
| Controlled Trust | 13,574,000 | 5,950,000 |
| Reimbursements | | |
| Key Management Personnel | 2,065,942 | 2,844,084 |
| Relative of Key Management Personnel | 60,977 | 46,636 |
| Fixed Deposits Accepted | | |
| Relative of Key Management Personnel | 4,572,312 | 4,771,043 |
| Fixed Deposits Refunded on Closure | | |
| Relative of Key Management Personnel | 3,300,000 | 2,444,866 |
| Balances outstanding | 31.03.2014 | 31.03.2013 |
| Relative of Key Management Personnel (Cr.) | 5,293,355 | 5,180,443 |
| Interest accrued but not yet due on total outstanding deposits* | 206,975 | 139,714 |
| Controlled Trust (Cr.) | 13,574,000 | 5,950,000 |

Notes:

Amounts shown as outstanding at the year end in relation to fixed deposits accepted represent only the principal amount and the accumulated amount of interest accrued but not due is disclosed above.

**OTHER NOTES ON FINANCIAL STATEMENTS FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2014**

(Amounts in ₹)

22.11 Operating Lease commitments:

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

| Particulars | 31.03.2014 | 31.03.2013 |
|-------------------------------|------------|------------|
| Due within one year | 623,763 | 266,470 |
| Due between two to five years | 7,935,479 | 6,773,784 |

22.12 Previous period figures have been rearranged/ reclassified where required to confirm to current year's classification.

(Signatures to Notes 1 to 22)

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 : 30th May, 2014

SUPRAJIT ENGINEERING LIMITED

CIN: L29199KA1985PLC006934

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

Telephone: 080-43421100

Email: investors@suprajit.comWeb: www.suprajit.com30th, May 2014

Dear Shareholder,

The Ministry of Corporate Affairs, Government of India (MCA) has, by its circular dated 21st April, 2011 announced a "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, 2013, 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,**No. 30, Ramana Residency,****4th Cross, Sampige Road,****Malleswaram, Bangalore – 560 003.**Phone : **080-23460815-18**, Fax : **080-23460819**E-mail : irg@integratedindia.in

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

CIN: L29199KA1985PLC006934

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

Telephone: 080-43421100

Email: investors@suprajit.com

Web: www.suprajit.com

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 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 signatory with the Company

Name:

Address:

Date:

.....

.....

SUPRAJIT ENGINEERING LIMITED

CIN: L29199KA1985PLC006934

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

Telephone: 080-43421100

Email: investors@suprajit.com

Web: www.suprajit.com

FORM NO. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L29199KA1985PLC006934

NAME OF THE COMPANY : **Suprajit Engineering Limited**

REGISTERED OFFICE : **No. 100, Bommasandra Industrial Area, Bangalore – 560 099**

Name of the member (s) :

Registered address :

E-mail Id:

Folio No/ Client Id :

DP ID :

I/We, being the member (s) of shares of the above named company, hereby appoint.

1. Name :
Address :
E-mail Id :
Signature :....., or failing him
2. Name :
Address :
E-mail Id :
Signature :....., or failing him
3. Name :
Address :
E-mail Id :
Signature :.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Twenty Ninth Annual general meeting of the company, to be held on Thursday, the 31st July 2014 at 12.00 noon. at Plot No. 101, Bommasandra Industrial Area, Bangalore - 560 099 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.

ORDINARY BUSINESS

1. Adoption of Financial Statements for the year ended March 31, 2014.
2. To confirm the payment of Interim Dividend and declare Final Dividend.
3. Appointment of Dr. C Mohan, Executive Director who retires by rotation.
4. Appointment of Auditors of the Company.
5. Appointment of Cost Auditors.

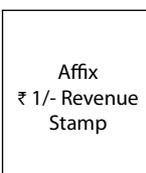
SPECIAL BUSINESS

6. Approval of the terms of re-appointment of Mr. K Ajith Kumar Rai as Chairman and Managing Director of the Company.
7. Appointment of Mr. M Jayarama Shetty as an Independent Director.
8. Appointment of Mr. Diwakar S Shetty as an Independent Director.

Signed this..... day of..... 2014

Signature of shareholder

Signature of Proxy holder(s)



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

SUPRAJIT ENGINEERING LIMITED

CIN: L29199KA1985PLC006934

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

Telephone: 080-43421100

Email: investors@suprajit.com

Web: www.suprajit.com

Form No. MGT-12 Polling Paper

[Pursuant to Section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies
(Management and Administration) Rules, 2014]

| Name of the Company: Suprajit Engineering Limited Registered office: No. 100, Bommasandra Industrial Area, Bangalore – 560 099 | | | | |
|---|--|--------------------------|----------------------------|-------------------------------|
| BALLOT PAPER | | | | |
| Sl. No | Particulars | Details | | |
| 1. | Name of the First Named Shareholder (In block letters) | | | |
| 2. | Postal address | | | |
| 3. | Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form) | | | |
| 4. | Class of Share | | | |
| I hereby exercise my vote in respect of Ordinary/ Special resolutions enumerated below by recording my assent or dissent to the said resolutions in the following manner: | | | | |
| Sl. No | Item | No. of shares held by me | I assent to the resolution | I dissent from the resolution |
| ORDINARY BUSINESS | | | | |
| 1. | Adoption of Financial Statements for the year ended March 31, 2014. | | | |
| 2. | To confirm the payment of Interim Dividend and declare Final Dividend. | | | |
| 3. | Appointment of Dr. C Mohan, Executive Director who retires by rotation. | | | |
| 4. | Appointment of Auditors of the Company. | | | |
| 5. | Appointment of Cost Auditors. | | | |
| SPECIAL BUSINESS | | | | |
| 6. | Approval of the terms of re-appointment of Mr. K Ajith Kumar Rai as Chairman and Managing Director of the Company. | | | |
| 7. | Appointment of Mr. M Jayarama Shetty as an Independent Director. | | | |
| 8. | Appointment of Mr. Diwakar S Shetty as an Independent Director. | | | |

Place:

Date:

(Signature of the shareholder)

SUPRAJIT ENGINEERING LIMITED

CIN: L29199KA1985PLC006934

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

Telephone: 080-43421100

Email: investors@suprajit.com

Web: www.suprajit.com

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 the 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 Ninth Annual General Meeting of the Company held on Thursday the 31st July, 2014, at 12.00 noon at Factory Office No. 101, Bommasandra Industrial Area, Bangalore – 560 099.

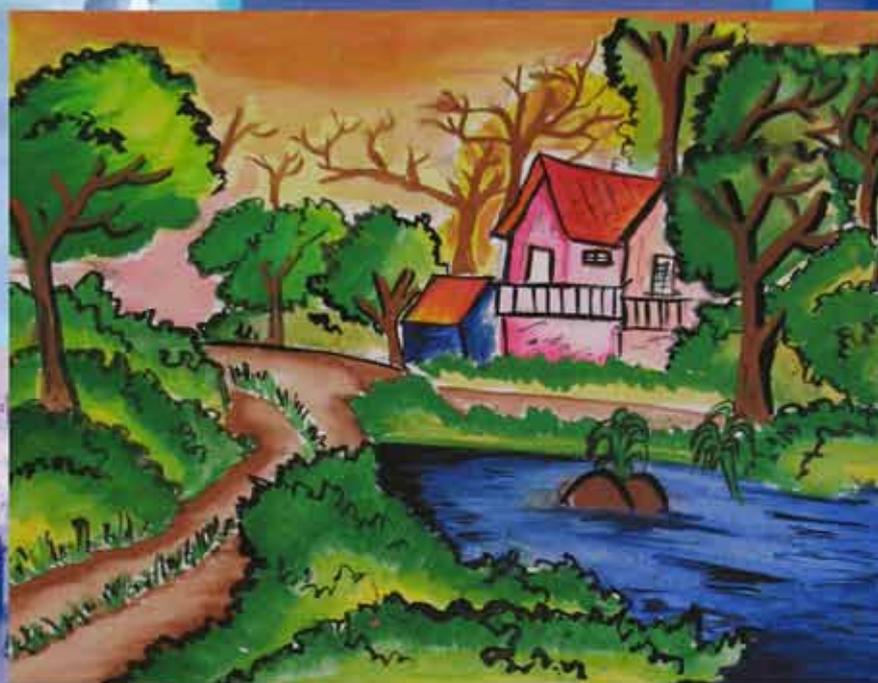
To be signed at the time of handing

Signature of Member / Proxy



Corporate Social Responsibility

DONATED BY:
SUPRAJIT FOUNDATION



SUKRUPA
THANKS SUPRAJIT
FOUNDATION FOR
MID-DAY MEALS



SOME OF OUR ESTEEMED CUSTOMERS



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Suprajit Engineering Limited

Registered & Corporate Office:

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

Phone: 080 4342 1100 Fax: 080 27833279

Email: info@suprajit.com Web: www.suprajit.com