



Suprajit

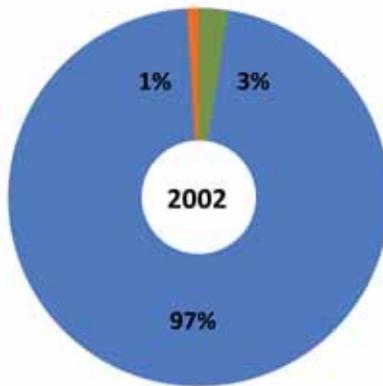


Twenty Eighth Annual Report 2012-2013

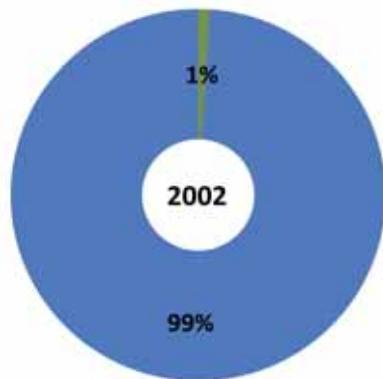
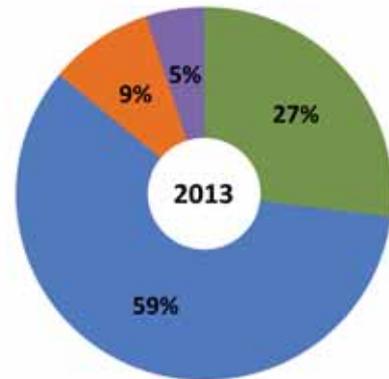


SOLID TRANSFORMATION CONSISTENT PERFORMANCE

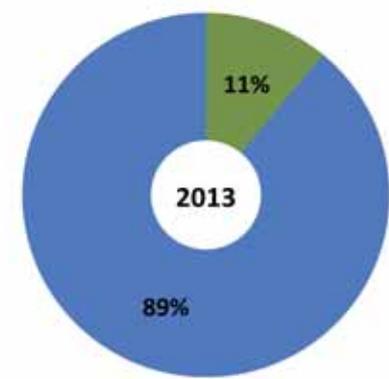
GROUP BUSINESS TRANSFORMATION



Segment Transformation



Geographic Transformation



STANDALONE HIGHLIGHTS

₹ in Million

Description	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Gross Income	826.17	1098.92	1378.12	1531.74	1594.11	1854.30	2268.94	3304.46	4149.83	4,740.90
Profit after tax (PAT)	84.85	97.88	128.00	124.80	48.83	116.27	218.10	304.95	392.21	474.51
Equity and Reserves	230.74	301.33	395.15	485.20	490.04	576.40	734.92	978.30	1279.85	1,649.37
Asset Turnover Ratio	2.61	3.01	3.43	3.40	2.35	2.37	2.66	3.05	3.22	3.09
Debt Equity Ratio	0.56	0.47	0.31	0.74	0.70	0.50	0.30	0.36	0.29	0.26
Current Ratio	1.38	1.46	1.51	1.78	1.41	1.28	1.22	1.43	1.30	1.48
EBIDTA %	17.70	16.59	16.53	15.90	11.49	15.19	18.63	16.28	16.55	17.07
Return on net worth - %	51.87	49.14	47.51	37.62	20.71	31.37	43.62	43.59	42.94	39.45
ROCE %	33.01	31.88	36.26	21.57	12.14	20.83	33.40	32.15	33.13	31.44
Book Value of shares (Rs.)*	1.91	2.51	3.29	4.04	4.08	4.80	6.12	8.15	10.26	13.74
EPS (Rs.)*	0.71	0.82	1.07	1.04	0.41	0.97	1.82	2.54	3.27	3.95
Pay out Ratio (%) to PAT	21.94	27.85	26.72	27.84	43.65	25.71	27.31	20.19	23.11	22.12

GROUP HIGHLIGHTS

₹ in Million

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

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 the Company's performance.

Suprajit 2.0, which was announced last year, started with your Company emerging as the largest 2-wheeler cable maker in the world, which I am sure all of you will concur, is a commendable and satisfying achievement. The year just ended saw your Company crossing another milestone of Rs. 500 crores of annual group sales with one of the best profit margins in the auto component sector.

As we further unfold Suprajit 2.0, I see a foundation being laid for three distinct divisions within the Company. The first is a focused domestic cable business; the second, a focused export business and the third, an emerging new products / JV / inorganic space. The last two divisions will evolve in the coming years. Suffice to say, the new products group has bagged letters of intent from customers for some of our new products. We continue to assess opportunities for JVs and inorganic growth. Export opportunities continue to be strong. I expect both automotive and non-automotive exports to gather strength in the coming years. Aftermarket plans will also see outsourced products introduced through our distribution channel to leverage "Brand Suprajit", apart from aggressive cable distribution on a Pan India basis.

Perhaps all of you are aware that the automotive industry scenario is bleak. The automotive growth in India has slowed down significantly in the second half of last year and in the end, the sector grew at 2%. The current year has started on an even bleaker note, with negative growth in the industry, so far. Added to this, India's economy grew by just 5% last year and is expected to grow at a similar pace this year. While inflation, interest rates and commodity prices seem to have peaked and have started coming down, continued weaknesses in the global economy and the weakening Indian Rupee are enormous challenges for the Indian Economy.

I expect this year to be more challenging than the year that has gone by. However, I have full confidence in Team Suprajit to continue to focus on customers, process optimization, productivity improvement, low cost automation and our evergreen motto of "Value for Money Supplier" to deliver another satisfactory year.

Over the years, your Company has relentlessly worked to de-risk its business model by closely monitoring the dynamic business environment. Your Company will focus on new applications for cables/customers, commercial breakthroughs in new product developments, introduce new outsourced products in the aftermarket, consolidate and grow with marquee global customers to tide over the current challenging market environment.

Your Company had aggressive and brisk paced capex programs all these years. It is now changed to a measured marathon race! The two plants, one in Pathredi, Rajasthan and one in Bangalore, were originally planned for full scale production in March 2013, will now be in full bloom by September 2013, at which time your Company's capacity will reach 150 million cables per year. Two planned plants for 2013-14 have now been pushed forward to 2014-15. This was decided after critical and careful assessment of our capacities and customer requirements. Capex for this year will be minimum and on a need only basis.

The major challenge for Team Suprajit is to pursue profitable growth, aggressively. Our strategies to have a diversified customer mix, new focus areas for our products, continued focus on cost effective manufacturing, focus on both automotive and non-automotive exports, desire to continue to grow aftermarket through multi products and plans for product diversification, all instill ample confidence in me that Team Suprajit will continue to perform well to deliver a strong performance during the year and add value to all our stakeholders.

As we continue to march ahead with confidence, I seek in abundance, the blessings of the Lord Almighty and your continued support and good wishes.

With warm personal regards,

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Ajith Rai', is written over a light blue background.

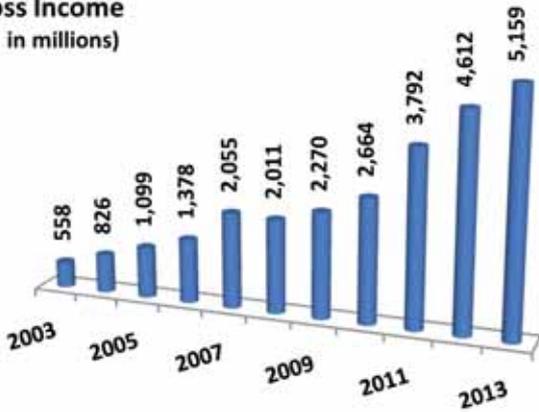
K. Ajith Kumar Rai
Chairman & Managing Director



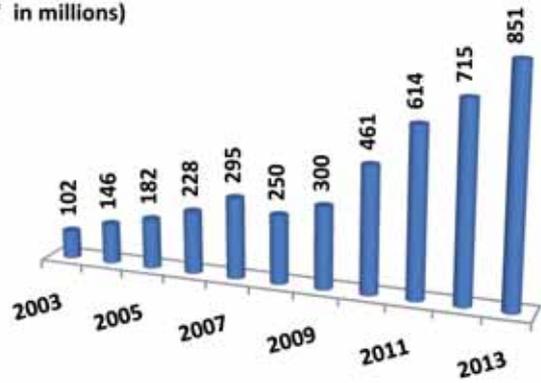


Key Financial Indicators

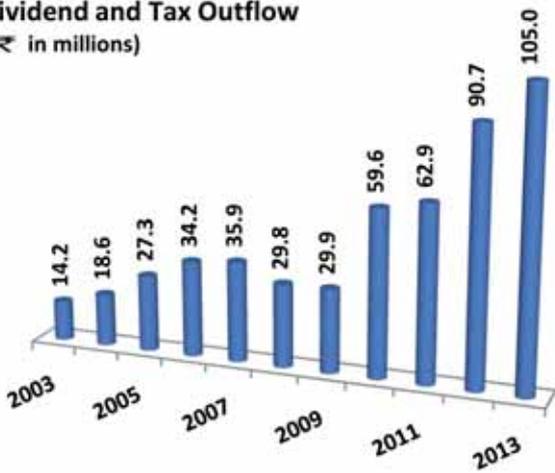
Gross Income
(₹ in millions)



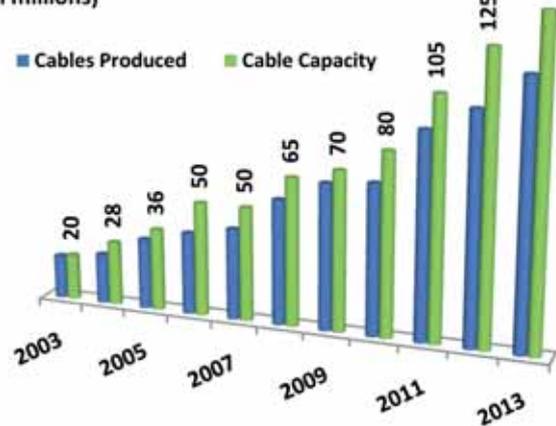
EBIDTA
(₹ in millions)



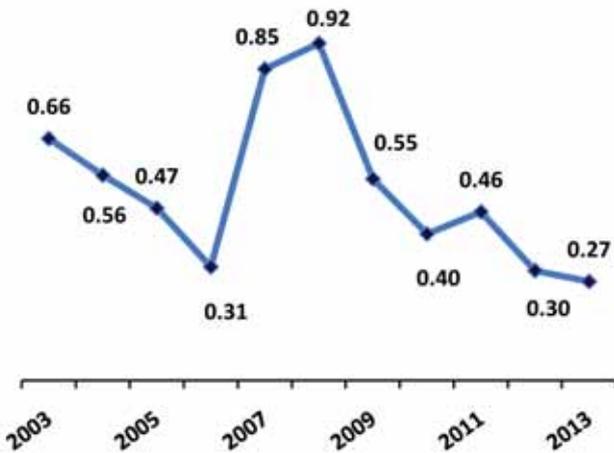
Dividend and Tax Outflow
(₹ in millions)



Cable Production
(in millions)



Long Term Debt Equity Ratio



Gross Fixed Assets
(₹ in millions)



Bharatiya Vidya Bhavan School supported by Suprajit Foundation



MOU with BVB

SUPPORT TO DIALYSIS

In support of District Signature Project
Rotary Bangalore Indiranagar

Suprajit Foundation
Extend hand to Rotary Clubs of RI Dist. 3190 in
supporting dialysis by way of consumables
support to needy and poor patients.
Pre-Approved Dialysis supported by any Rotary
Club of Dist. 3190, will be
matched by Rotary
Indiranagar and Suprajit

**DIALYSIS CONSUMABLE SUPPORT
PROGRAM- MATCHED BY ROTARY INDIRANAGAR
AND SUPRAJIT FOUNDATION**

Visit: www.rotary.org for more information in the standard
application

Get more from: www.rotary.org
Dialysis Consumables Project
PO, Ground Floor
4th Floor, 1st Floor
www.suprajit.com

Dialysis Support



Blood Donation Camps
at multiple
Suprajit plants



Classroom project at
Government Elementary school
in Kusuvanahally, Doddaballapur.



Inauguration of ITI and signing of MOU



Donation of desks to Government school in Hebbagodi, Bangalore



Girls' toilet project at elementary school



Scholarship program



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BOARD OF DIRECTORS

K Ajith Kumar Rai
Chairman & Managing Director

Dr. C Mohan
Executive Director

Diwakar S Shetty
Director

Ian Williamson
Director

B S Patil, IAS (Retd.)
Director

Surendra Kumar N Shah
Director

M Jayarama Shetty
Director

Suresh Shetty
Director

COMPANY SECRETARY
Medappa Gowda J

STATUTORY AUDITORS
Varma & Varma
Chartered Accountants

INTERNAL AUDITORS
K S Aiyar & Company
Chartered Accountants

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

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 : alfint@vsnl.com

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 - 2
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, Uttaranchal.

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

Unit - 10
Haridwar, Uttaranchal.

Unit - 11
Ahmadabad, Gujarat, (Acquired Land).

Unit - 12
Bommasandra Industrial 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 Eighth Annual General Meeting of **Suprajit Engineering Limited** will be held at Plot No. 101, Bommasandra Industrial Area, Bangalore - 560 099 on Wednesday, the 31st July, 2013 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, 2013 and the Profit and Loss Statement for the year ended as on that date together with the Reports of Directors and Auditors thereon.
2. To confirm the payment of Interim Dividend and to declare Final Dividend.
3. To appoint a Director in place of Mr. Ian Williamson, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Suresh Shetty, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors of the Company and authorize the Board to fix their remuneration.
4. Final Dividend of ₹ 0.40 (40%) per Equity Share as recommended by the Board, if approved at the Meeting, will be paid to those members whose names will appear on the Register of Members of the Company/ beneficial owners as per the records of depositories as on 31st July, 2013.
5. All correspondences relating to Change of Address, Transfer and Demat of Shares may be addressed to Integrated Enterprises (India) Limited, No. 30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003; Phone : 080 - 23460815 to 818, Fax: 080 - 23460819, E-mail: alfint@vsnl.com.
6. Members are requested to quote the Folio Numbers or Demat Account Numbers and Depository Participant ID (DPID) in all correspondence to the Registrar and Share Transfer Agents of the Company.
7. Pursuant to SEBI Notification No. MED/ DOP/ Circular/05/2009 dated 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.
8. The Equity Shares of the Company are available for trading in dematerialized form (electronic form) through depository participants. The Company has entered in to agreements with National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL). ISIN Code No. INE399CO1030. All Shareholders holding Shares in physical form are requested to make use of this facility. Members are requested to open De-mat account with any of the depository participants to enable transacting in the Stock Exchanges.
9. Members are requested to bring copy of the Annual Report along with them to the Annual General Meeting.
10. Un-claimed dividends up to the year 2005-2006 have been transferred to the General Revenue Account of the Central Government. Consequent upon the amendment to Section 205A read with Section 205C of the Companies Act, 1956, the Dividend declared for the year ended 31st March, 2006 and for any financial year ending thereafter which remain unclaimed for a period of seven years will be transferred to the Investor Education and Protection Fund established by the Central Government. Members are requested to note that no claims shall lie against the Company or the said Fund in respect of any amounts which are unclaimed and unpaid for a period of seven years from the dates that they first became due for payment and no payment shall be made in respect of any such claims.
11. As regards re-appointment of Mr. Ian Williamson referred to in item No. 3 of the notice, the following

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

Medappa Gowda J
Company Secretary

Place : Bangalore

Date : 25th May, 2013

NOTES

1. **A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself / herself and such proxy need not be a member of the Company. Proxies in order to be effective, must be received at the Registered Office of the Company at least 48 hours before the meeting.**
2. The Register of Members and the Share Transfer books of the Company will remain closed from 25th July, 2013 to 31st July, 2013 (both days inclusive).
3. An Interim Dividend of ₹ 0.35 (35%) as recommended at the Board Meeting held on 30th January, 2013 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 15th February, 2013. (Record Date).

necessary disclosures are made for the information of the Shareholders:

Mr. Ian Williamson, aged about 62 years, is the Retired Chief Executive of Carclo Plc, Public Company, listed on the London Stock Exchange, since 1995. Carclo has global operations located in UK, USA, China, India and Eastern Europe and manufactures technical plastic components for medical, automotive and electronics markets worldwide. Mr. Ian Williamson has a first class degree in Electrical Science from Cambridge University and has broad experience of managing engineering businesses in UK, Europe, USA, China and India. He brings to Suprajit his vast experience in Global acquisitions, mergers and best business practices.

[His other Directorships:](#)

Name of the Company	Nature of Interest
Nil	Nil

12. As regards re-appointment of Mr. Suresh Shetty, referred to in item No. 4 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Suresh Shetty aged 65 years is a Commerce Graduate and qualified Chartered Accountant, and underwent management education programme (M.E.P.) in IIM

AHMEDABAD. He had vast industrial experience in leading automobile companies, he was the first Chief Financial Officer of Hero Honda Motors Ltd. Suresh Shetty was a member of Delhi Stock Exchange Ltd and also a member of National Stock Exchange Ltd till 2004. At present he is a financial and management consultant, rendering services, in investment banking, mergers and amalgamations, and other corporate advisory services. He is also associated with Educational Institutions. He brings to Suprajit vast financial experience and corporate management.

[His other Directorships:](#)

Name of the Company	Nature of Interest
1. Emerging Securities Private Ltd	Director
2. Emerging Financial Services Ltd	Director

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

[Contact persons:](#)

- [Mr. K S Ranganath - Cellphone No. 9945108318](#)
- [Mr. S L Satish - Cellphone No. 9342135877](#)

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twenty Eighth Annual Report and the Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS:

₹ in Lakhs

Particulars	2012-13	2011-12
Gross Income	46891.63	41498.34
Profit before tax	6572.53	5495.69
Less: Provision for taxation	1817.36	1563.37
Profit after tax before prior period adjustment	4755.17	3932.32
Current Tax relation to prior year	10.00	10.18
Profit after tax	4745.17	3922.14
Add: Surplus from last year	2436.37	2220.92
Profit available for appropriation after adjustments of prior period taxes	7181.54	6143.06
APPROPRIATIONS:		
1 Interim Dividend 35% (last year Interim Dividend 30%)	420.07	360.06
Tax on Interim Dividend (Net)	68.14	58.41
2 Proposed Final Dividend 40% (last year 35%)	480.08	420.07
Provision for tax on Final Dividend	81.59	68.14
3 Transfer to General Reserve	3300.00	2800.00
4 Balance carried to Balance Sheet	2831.66	2436.38

DIVIDEND:

An Interim Dividend of ₹ 0.35/- per Share of ₹ 1/- each (35%) was declared and paid. In view of the good financial performance of your Company, your Directors have pleasure in recommending a Final Dividend of ₹ 0.40 per Share of ₹ 1/- each (40%). The total outgo, on account of overall Dividend of ₹ 0.75 (75%) including taxation stands at ₹ 1049.88 lakhs as against ₹ 906.68 lakhs during the last year.

OPERATIONS:

Indian economy slowed down significantly with the GDP growing at about 5% during the year. This has resulted in dismal performance by the automotive industry. The Indian auto industry grew by 2.04%, as compared to previous year's growth of 13.96%. The year has been one of the lowest growth years in the Indian automotive industry in the past decade. Against this, Suprajit has recorded a growth of 13%.

Your Company recorded an income of ₹ 46,891 lakhs during the year 2012-13 as against ₹ 41,498 lakhs during the year 2011-12, recording a growth of 13%. During the year 2012-13, the Profit After Tax was ₹ 4,745 lakhs against ₹ 3,922 lakhs during the year 2011-12, recording a growth of 20.98%. The consolidated income grew from ₹ 46,125 lakhs for the year 2011-12 to ₹ 51,575 lakhs for the year 2012-13, recording a growth of 11.81%. The consolidated Profit Before Tax grew from ₹ 5,479 lakhs to ₹ 6,683 lakhs during the same period, a growth of 21.95%. As one will note, your Company has surpassed the industry growth through its focused customer management and inroads into new customer segments for its products.

During the year, a new plant for cables at Bommasandra Industrial Area, was established which started its commercial production. Installation and trial production at its new cable plant at Pathredi Industrial Area, Bhiwadi, was started during March this year. Trial production was also started at a brand new automotive cable plant at its subsidiary, Suprajit Automotive Private Limited.

CURRENT YEAR:

Indian GDP is likely to grow at around 5% for a second year in a row, in the current year. This will have a significant effect on the growth of automotive industry. Initial indications point to a tepid first half, with a hope that during the second half of the year recovery and growth will pick up. This does not augur well for growth in business this year. However, commodity prices and interest rates seem to have peaked and oil prices are coming down. SIAM, the nodal agency for Indian automotive industry, has predicted low single digit growth for the automotive industry.

With full commercial production expected at the new cable plants in Bangalore and Pathredi, your Company's target of 150 million cables capacity per year will be achieved in the current year. Your Company has acquired 2 acres of land at Narsapura Industrial Area, near Bangalore for a proposed new plant for a marquee customer. The plant expansion for the new product division of your Company is expected to be completed during the course of this year.

Despite the headwinds, your Company continues to work closely with the customers and pursue aggressively new opportunities in business developments. Along with this, the focus on non-automotive and aftermarket business is expected to give a satisfactory outcome for the 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 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:

Global automotive scenario continues to be challenging, particularly in Europe with difficult market conditions. The performance of the subsidiaries has been stable. The outlook for the first half of the current year continues to be challenging. However, with new contracts expected to be productionised during the second half of this year, the outlook is better for the coming years. With installation of a new plant at the subsidiary, Suprajit Automotive, your Company is gearing up to meet

the increased business volumes and challenges of the global customers.

As the two subsidiaries work in tandem, the consolidated sales of the subsidiaries were ₹ 4,514 lakhs against ₹ 4,566 lakhs in the previous year. The EBIDTA was ₹ 461 lakhs against ₹ 359 lakhs in the previous year. The Profit Before Tax was ₹ 132 lakhs against ₹ 0.36 lakhs in the previous year. The performance of the subsidiaries is expected to further consolidate and improve during this year on a consolidated basis.

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.	K. Ajith Kumar Rai	55	B.E. M.A.Sc (Canada)	Chairman & Managing Director	2,97,75,637	28	24.05.85	Research & Teaching Assistant, Technical University of Novascotia, Canada

Notes:

1. Remuneration included Basic Salary, Allowances, Incentives, Commission, Company's contribution to PF, Superannuation Fund and taxable value of perquisites.
2. The appointment is contractual.
3. Mr. K Ajith Kumar Rai is related to Mr. M Jayarama Shetty, Director.
4. The Shareholding of Mr. K. Ajith Kumar Rai (along with his spouse) in the Company is 62,213,157 shares (51.84%). None of the other employees own more than 2% of the outstanding Shares of the Company as on 31st March, 2013.

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.

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, 2013 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 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, 2013 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. Ian Williamson and Mr. Suresh Shetty, Directors, retire by rotation and being eligible, offer themselves for re-appointment.

AUDIT COMMITTEE:

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

INSURANCE COVERAGE:

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

AUDITORS:

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

ACKNOWLEDGMENT:

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

For and on behalf of the Board

Place : Bangalore
Date : 25th May, 2013

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:

The Company, in order to ensure consistent efforts to conserve energy by all possible means, involves all its employees by facilitating them to come out with their suggestions. Knowledge campaigns have been conducted by senior management as well as unit level management periodically in order for the employees to understand the benefits of energy conservation which could accrue to the Company. The following are the major measures undertaken during the year.

- 1) Electrical systems have been converted with individual controls in place of bulk control so that they can be individually selected as needed. This includes lights, fans, machines etc..
- 2) Ventilation at all our Units have been improved in a manner that employees are encouraged to work using day- light rather than depending on electricity.
- 3) Metering has been initiated at major power consumption points and responsibility of limiting the consumption has been entrusted to supervisory level people.
- 4) Green initiatives continue with more and more saplings being planted in all our Units.
- 5) Usage of water is being monitored by HR Department in all the Units with a target to reduce its consumption every month.
- 6) Such of those Units not having STPs have been advised to go for STP with the mandate that they should use the treated water for watering the plants and in the toilets.
- 7) Rain water harvesting is implemented in most units.
- 8) Old gen-sets which were found to be less fuel- efficient have been discarded and replaced with latest gen-sets which are highly fuel- efficient.

2. TECHNOLOGY ABSORPTION:

a) Research and Development:

The Company has well developed R&D centers in Tamworth of UK and in Bangalore, Pune and Delhi in India. The R&D centers have been adequately staffed and well-funded. The following are the activities undertaken during the year:

- 1) Cable being safety product, upgrading the various parts is mandated by the customers periodically. Accordingly, company researches on the types of raw material and design of parts and adopts the suitable ones for the upgradation.
- 2) Customers keep increasing the warranty period as dictated by the competition and accordingly there is a need for improving the quality of the products by improving the manufacturing process. The R&D centers constantly upgrades quality of the products . This also includes upgradation of machines with latest technology.
- 3) Being the market leader with solid knowledge in cables, the Company is always in the fore- front to introduce technological improvements and innovation in its products namely cables and speedometers. Many a times these technological improvements are self-driven rather than by the customers. The new technology is developed and absorbed into the manufacturing process after validating them in the field.
- 4) The Company's R&D Center at Bangalore has developed various types of Fuel Sender Unit with latest technology, Parking Brake Lever meeting latest requirements of non-automotive customers and also Blinkers and Filters for 2-wheeler with latest in-house technology.
- 5) The Company has state of the art testing centers to establish products to meet global customer expectations.

b) Expenditure on Research and Development:

₹ in Lakhs

Particulars	2012-13	2011-12
Salaries & Wages	93.86	64.52
Material, Consumables & Stores	19.39	26.69
Other Direct Expenditures	6.61	2.32
Total	119.86	93.52

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 innovated a new type of Throttle Cable for non-automotive usage with new Shifter Mechanism.
- 3) It has developed Fuel Sender Unit with latest thick-film technology (TFR) with better accuracy of fuel consumption reporting through the fuel gauge in the speedometer for two wheelers.

3. FOREIGN EXCHANGE EARNINGS AND OUT FLOW:

₹ in Lakhs

Particulars	2012-13	2011-12
Earnings (FOB Value of Exports)	1905.53	1441.36
Out Flow (Raw materials & Foreign Travel Expenses, Commission etc.)	4720.26	4231.08

For and on behalf of the Board

Place : Bangalore
Date : 25th May, 2013

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 : 25th May, 2013

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 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 & Non Independent	4	Yes
Dr. C Mohan	Executive Director & Non Independent	4	Yes
Mr. M Jayarama Shetty	Director – Non Executive & Non Independent	3	Yes
Mr. B S Patil	Director – Non Executive & Independent	2	No
Mr. Surendra Kumar N Shah	Director – Non Executive & Independent	4	Yes
Mr. Diwakar S Shetty	Director – Non Executive & Independent	3	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 2012-13 and the gap between two meetings did not exceed four months. The dates are as follows:-

29th May 2012
31st July 2012
29th October 2012
30th January 2013

- 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, 2013:

Name of the Directors	In Listed Companies	In Unlisted Public Limited Companies	As Chairman / Member of Board Committees
Mr. K Ajith Kumar Rai	Nil	1	Nil
Dr. C Mohan	Nil	Nil	Nil
Mr. Surendra Kumar N Shah	Nil	Nil	Nil
Mr. M Jayarama Shetty	Nil	Nil	Nil
Mr. B S Patil	3	9	3
Mr. Diwakar S Shetty	1	Nil	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, Executive Vice President, Head of Finance, Internal Auditor and Statutory Auditors are invitees to the Meeting. The Company Secretary acts as the Secretary of the Committee.

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

Chairman of the Audit Committee, Mr. Diwakar S Shetty, was present at the Annual General Meeting held on 31st July, 2012.

The Audit Committee met on 25th May, 2013, to review the Annual Accounts for the year ended 31st March, 2013, before finalization and recommended for acceptance of the Annual Accounts by the Board of Directors of the Company.

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

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

5. CODE OF CONDUCT:

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

6. INVESTORS' AND SHAREHOLDERS' GRIEVANCE COMMITTEE:

The Company has constituted Investors' / Shareholders' Grievance Committee, comprising of Mr. M Jayarama Shetty, Mr. Diwakar S Shetty, Mr. K Ajith Kumar Rai and Mr. Medappa Gowda J, Secretary. This Committee monitors and addresses investors complaints, transfer of shares, transmission etc. Based on the information provided by the Company's Registrar and Share Transfer Agent, 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, 2013, no transfer of shares was pending.

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

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

8. COMPLIANCE OFFICER:

Name and Designation of the Compliance Officer:

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

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

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

9. GENERAL MEETINGS:

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

Annual General Meetings:

Year	Date	Day	Time	Meeting
2010	2 nd August	Monday	12.30 p.m	Twenty Fifth Annual General Meeting
2011	30 th July	Saturday	12.30 p.m	Twenty Sixth Annual General Meeting
2012	31 st July	Tuesday	12.30 p.m	Twenty Seventh 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 Board takes them on record, first by fax then 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 following non-mandatory requirements.

13. REMUNERATION COMMITTEE / REMUNERATION OF DIRECTORS:

The Board of Directors setup 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 2012-13

(in ₹)

Sl. No	Name of the Director	Sitting Fees	Salary & PF	Commission	Total
1	Mr. K Ajith Kumar Rai	-	59,76,000	2,37,99,637	2,97,75,637
2	Dr. C Mohan	-	45,51,600	-	45,51,600
3	Mr. M Jayarama Shetty	80,000	-	100,000	180,000
4	Mr. B S Patil	20,000	-	100,000	120,000
5	Mr. Surendra Kumar N Shah	40,000	-	100,000	140,000
6	Mr. Diwakar S Shetty	80,000	-	100,000	1,80,000
7	Mr. Suresh Shetty	80,000	-	100,000	1,80,000
8	Mr. Ian Williamson	Waived	-	Waived	-
	Total	3,00,000	1,05,27,600	2,42,99,637	3,51,27,237

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 Remuneration paid / payable to Dr. C Mohan approved by the Remuneration Committee and subsequently by the Board at their meeting held on 12th March, 2012 and also 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 is disclosed in the notes to the accounts.

14. SHARES HELD BY NON-EXECUTIVE DIRECTORS :

The Non-Executive Directors as on 31st March, 2013, who held shares in Suprajit Engineering Limited are as under:-

Name of Director	Number of Shares held as on 31 st March, 2013
Mr. M Jayarama Shetty	455,381
Mr. Suresh Shetty	719,883
Mr. Surendra Kumar N Shah	28,142
Mr. Diwakar S Shetty	10,000

15. AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE:

The Company has obtained the Certificate from a Practicing Company Secretary regarding compliance with the provisions relating to Corporate Governance

set down in clause 49 of the Listing Agreement with the Stock Exchanges.

16. GENERAL SHAREHOLDER INFORMATION:

a. Twenty-Eighth Annual General Meeting :

Date	Time	Venue
31 st July, 2013	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 31st March	-	By May, 2013
Book Closure Date	-	25 th July, 2013 to 31 st July, 2013 (Both days inclusive)
Proposed Final Dividend	-	40% (Interim 35%)
Dividend Payment date(s)	-	August, 2013
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 Registrar and Share Transfer Agent, 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 Registrar and Share Transfer Agent 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 Audit and Dematerialization related scrutiny are conducted quarterly by a Practicing Company Secretary.

d. Dematerialization of Shares and Liquidity:

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

e. Plant Locations:

The Company has fourteen Plants located at:

Bangalore - Karnataka	-	5 Plants
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

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

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

g. Shareholding Pattern as on 31st March, 2013:

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

SI No	Category	Number of Shares held	Percentage of Shareholding
(2)	Foreign		
	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-
	Bodies Corporate	-	-
	Institutions	-	-
	Any Other (specify)	-	-
	Sub-Total (A)(2)	-	-
	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	1,647,190	1.37
	Financial Institutions/ Banks	-	-
	Central Government/ State Government(s)	-	-
	Venture Capital Funds	-	-
	Insurance Companies	-	-
	Foreign Institutional Investors	684,804	0.57
	Foreign Venture Capital Investors	-	-
	Any Other (specify)	-	-
	Sub-Total (B)(1)	2,331,994	1.94
(2)	Non-institutions		
	Bodies Corporate	15,051,981	12.54
	Individuals -		
	i. Individual shareholders holding nominal share capital up to ₹ 1 lakh.	16,708,922	13.92
	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	20,289,174	16.90
	Any Other (specify)		
	NRI	3268364	2.72
	Clearing Member	156,408	0.13
	Trust	-	-
	Sub-Total (B)(2)	55,474,849	46.22
	Total Public Shareholding (B)= (B)(1)+(B)(2)	57,806,843	48.16
	TOTAL (A)+(B)	120,020,000	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued		
	Promoter and Promoter Group	-	-
	Public	-	-
	Sub-Total (C)	-	-
	GRAND TOTAL (A)+(B)+(C)	120,020,000	100.00

h. Distribution of shareholding according to size class as on 31st March, 2013:

Description	Holders	% of Holders	Holding	% of Holdings
1 – 500	4,218	57.62	875,003	0.73
501 – 1000	1,058	14.45	957,476	0.80
1001 – 2000	589	8.05	976,024	0.81
2001 – 3000	241	3.29	638,276	0.53
3001 – 4000	148	2.02	551,509	0.46
4001 – 5000	175	2.39	853,095	0.71
5001 – 10000	418	5.71	3,311,340	2.76
10001 & ABOVE	474	6.47	111,857,277	93.20
Total	7,321	100.00	120,020,000	100.00

i. Shares held in Physical and Electronic mode as on 31st March, 2013:

Categories	Position as on 31 st March, 2013	
	No. of Shares	% to total shareholding
Physical	7,808,960	6.51
Demat NSDL	108,090,739	90.06
Demat CDSL	4,120,301	3.43
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: alfint@vsnl.com

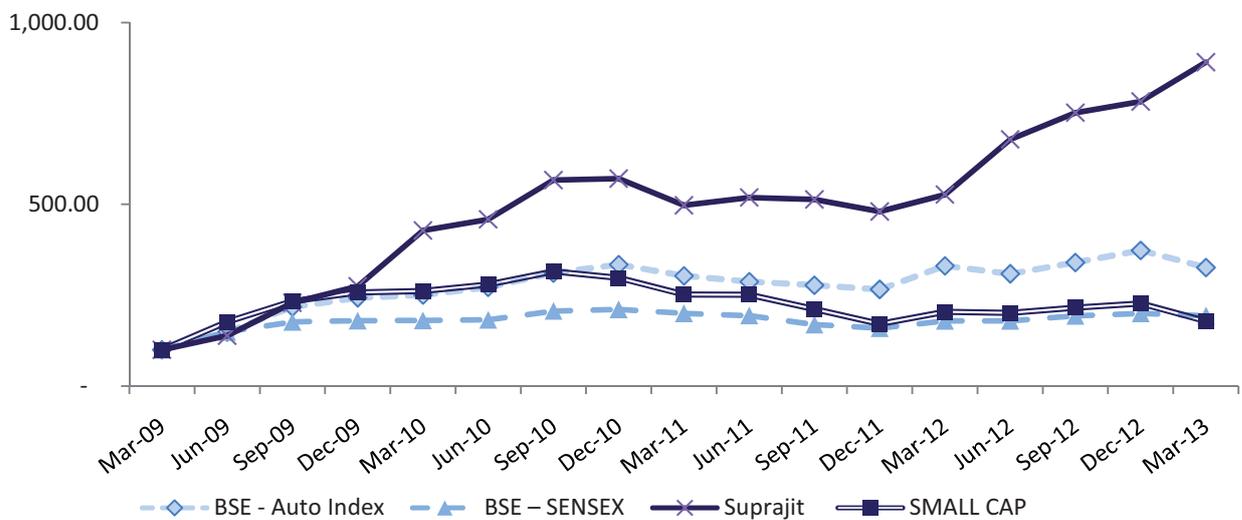
I.

SHARE PRICE MOVEMENTS MARCH 2009 – MARCH 2013

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	138.67
Sep - 09	6,664.25	217.67	7,590.04	233.78	17126.84	176.41	8.60	229.33
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

* 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 / Registrar & Share Transfer Agent.

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

n. Shareholders' Rights:

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

The second quarter and half-year results for the period ended 30th September 2012, were also sent to each Shareholder.

o. Postal Ballot:

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

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

World economy continues to struggle. Concerns at the Euro zone, Gulf region as well as slowing growth in China have negatively impacted world's economy. Indian economy grew at 5% during the past year and expected to grow at a similar pace this year. While commodity and oil prices seem to have peaked and are coming down, the effect of the same is not reflected at the grassroots levels. Inflation continues to be high despite marginal reduction in interest rates. Indian automotive industry grew slower at 2.04% against 14% last year (Passenger vehicle segment by 3.27%, MCV & HCV by -23.94%, LCV by -3.18%, 3-wheelers by -3.85%, 2-wheelers by 2.43%). This significant slowdown in the automotive industry has not augured well for the component suppliers. Most component suppliers have declared lower growth in sales and profitability. Your Company, with its "value for money" concept continues to enjoy confidence with its customers, as a competitive and reliable supplier of products. This has helped your Company to receive new

enquiries, not only from Indian manufacturers, but also from global majors who are exploring cost effective manufacturer of cables from India. These customers both from the automotive and non-automotive businesses will continue to add new opportunities to your Company along with aftermarket business. This will help your Company to navigate the current difficult market scenario better than its peers.

Any reversal in commodity prices, oil prices, weakening of Rupee, products recall and quality problems at customers are continuing threats for your Company's activities. With 150 million cables capacity per year, your Company's impeccable record with customers, global scale and focus on quality, delivery and good customer management will make your Company to grow satisfactorily during the year.

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 activities is education, healthcare and rural development. To this end, the Foundation has implemented certain relevant projects during the past years as elaborated hereunder:

EDUCATION:**1. School projects:**

- a. Vittal Suprajit Industrial Training Institute (<http://vittalsuprajititi.org>) : Setup in the rural village town of Vittla, D. K. District, this ITI is now 2 years old. The institute has 4 courses (Electrician, Fitter, Mechanics of Motor Vehicle and Mechanical Refrigeration and Air Conditioning) with a total current strength of 122 students. First batch is expected to graduate in July, 2013. This joint project with Vittala Vidya Sangha has given much needed training to economically needy in that area. Suprajit Foundation is also assisting the institute in placement of the students.
- b. Suprajit Foundation has joined hands with Bharatiya Vidya Bhavan and BBMP to assist a slum school in Srirampuram (<http://www.bhavanbbmppublicschool.com/>). This school is located in the poor and slum locality of Bangalore, wherein the children have no means for a decent education. The school has about 100 students,

currently up to 2nd standard. This eventually will have classes up to 10th Standard with lot more students. School provides education based on ICSE. 50% of students pay no fees and the balance students at an ultra low cost.

- c. Suprajit Foundation built two classrooms at Government elementary school, Kasuvana Hally, Doddaballapura Tq, Bangalore. The school had only one class room with classes up to 5th standard. Children now have a decent place to sit and study.
- d. Suprajit Foundation has also supported bench projects for the Government school near Bommasandra, Anganawadi school extension projects, rooms in needy school / college, school toilet projects for girls etc.

2. Scholarships:

Suprajit Foundation has initiated a scholarship scheme last year, for economically backward students who find it hard to continue their education after their 10th Standard. The scheme will support

bright students to continue their education until their graduation in their respective areas of interest, with a commitment to provide scholarship every year all through their college education. The pilot project was launched last year in the rural areas of Bantwala Taluq, D.K District, and has given scholarship to 61 students. This scheme will be expanded in the current year.

Healthcare :

On the healthcare, Suprajit Foundation has worked with Rotary Club of Bangalore, Indiranagar, to subsidize dialysis for the needy patients in designated hospitals. It has also jointly participated in the free eye care camps and subsequent cataract surgeries at free of cost to needy and elderly patients.

For and on behalf of the Board

Place : Bangalore

Date : 25th May, 2013

K. Ajith Kumar Rai
Chairman & Managing Director

CEO & CFO CERTIFICATION

- a.** We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2013 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 : 25th May, 2013

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, 2013 compliance with the code of conduct of the Company laid down for them.

Place : Bangalore

Date : 25th May, 2013

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 conditions of Corporate Governance by Suprajit Engineering Limited for the year ended 31st March, 2013 as stipulated in clause 49 of the Listing Agreements of the said Company with 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 the opinion on the financial statements of the Company.

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

I state that in respect of investor grievances received during the year ended 31st March, 2013, no investor grievances are pending against the Company as on 31st March, 2013, 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 : 25th May, 2013**

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, 2013, and the Profit and Loss Statement and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). 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. 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 financial statements 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, 2013;
- 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 comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Act;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, 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 : 25th May, 2013

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 2013

1. (a) As stated in Note No. 21.4, the full quantitative particulars giving item wise/location wise details of fixed assets are maintained in the ERP system in respect of additions made after 1.4.2008. The particulars of fixed assets acquired prior to this date have been updated in the ERP system in a summarized format. However, item wise particulars are available for major assets in manual form.
- (b) We are informed by the management that most of the fixed assets of the Company are being physically verified in accordance with a programme. According to the information and explanations given to us no material discrepancies were identified on such verification when compared with available records.
- (c) The Company has not disposed off substantial part of fixed assets during the year.
2. (a) We are informed that the inventory of raw materials, stores and spares in the custody of the Company are physically verified by the management on a continuing basis as per a programme of perpetual inventory and inventories of other items have been physically verified at the year-end, the frequency of which, in our opinion is reasonable, having regard to the size of the Company and the nature of its business;
- (b) In our opinion and according to the explanations given to us, the procedures of physical verification of inventory followed by the management are fairly reasonable and adequate in relation to the size of the Company and the nature of its business;
- (c) The Company is maintaining proper records of inventory and as informed to us, discrepancies of material nature noticed on physical verification, by the management, have been adequately adjusted in the books of account during the year.
3. According to the information and explanations given to us, the Company had not granted or taken loans, secured or unsecured, to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act 1956 except the fixed deposits accepted from relatives of directors in accordance with the fixed deposit scheme of the Company, the terms and conditions of which are prima facie not prejudicial to the interests of the Company and there are no arrears of principal or interest due. The payment of principal amount and interest in respect of such deposits are regular.
4. In our opinion and according to the information and explanations given to us, there are fairly adequate internal control 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.
5. According to the information and explanations given to us, all transactions which require to be entered in a register maintained pursuant to Section 301 of the Companies Act, 1956 have been so entered. Where each such transaction is in excess of ₹ 5 lakhs in respect of any party, they have been made at cost/ negotiated prices and they either compare favourably with market prices or there are no comparable prices.
6. The Company has accepted deposits from the public and the provisions of sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under have been complied with.
7. In our opinion, the Company has a fairly adequate internal audit system commensurate with the size of the Company and the nature of its business.
8. We have broadly reviewed the books of account and records maintained by the Company relating to the manufacture of auto components, pursuant to the order made by the Central Government for the maintenance of cost records under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
9. (a) According to the information and explanations given to us and as per our verification of the records of the Company, the Company has been fairly regular in depositing undisputed statutory dues including Provident fund, Employee's State Insurance, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess 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 2013:

Name of the Statute	Nature of the dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Karnataka Value Added Tax Act, 2003	Value Added Tax	131.59	FY 2010-11	Joint Commissioner of Commercial Taxes (Appeals)
Income Tax Act 1961	Income Tax	2.00	FY 2001-02 (AY 2002-03)	Hon'ble Karnataka High Court

10. There are no accumulated losses at the end of the financial year. The Company has also not incurred cash losses during the year and in the immediately preceding financial year.
11. According to the information and explanations given to us and as per our verification of the records of the Company, the Company has not defaulted in repayment of dues to the financial institutions and banks.
12. The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.
13. Since the Company is not a chit fund/nidhi/mutual benefit fund/society, the relative reporting requirements are not applicable.
14. Since the Company is not dealing or trading in shares, securities, debentures or other investments, the relative reporting requirements are not applicable.
15. According to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by the subsidiaries from bank, are not prima facie prejudicial to the interests of the Company.
16. According to the information and explanations given to us, in our opinion, term loans availed by the Company were, prima facie, applied by the Company during the year for the purposes for which the loans were obtained.
17. According to the information and explanations given to us and as per our verification of the records of the Company, on an overall basis, at the year end, the Company has not utilized funds raised on short-term basis for long term purposes.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Act.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issues during the year.
21. According to the information and explanations given to us and as per our verification of the records of the Company, no material fraud either on or by the Company has been noticed or reported during the year.

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

R KESAVADAS
Partner
M. No. 23862

Place : Bangalore
Date : 25th May, 2013

BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	Note No.	2013	2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	120,020,000	120,020,000
Reserves & Surplus	2	1,529,355,734	1,159,826,908
Non-Current Liabilities			
Long-term borrowings	3	357,962,854	311,226,164
Deferred tax liabilities (Net)		52,906,000	41,170,000
Other long term liabilities		6,860,815	5,398,486
Long term Provisions		6,063,407	4,393,605
Current Liabilities			
Short-term borrowings	4	518,356,090	359,885,282
Trade payables		450,260,543	426,483,629
Other current liabilities		180,190,783	150,224,052
Short-term provisions		66,380,011	64,771,235
TOTAL		3,288,356,237	2,643,399,361
ASSETS			
Non-Current Assets			
Fixed Assets	5		
(i) Tangible Assets		1,089,005,554	896,653,779
(ii) Intangible Assets		-	238,154
(iii) Capital Work-in-progress		115,890,633	120,451,186
Non-current Investments	6	210,897,286	207,897,286
Long-term Loans and Advances	7	72,730,147	43,811,821
Other Non-current Assets	8	620,250	573,243
Current Assets			
Current Investments	9	449,256,123	179,024,003
Inventories	10	369,559,200	323,871,286
Trade Receivables	11	844,045,856	755,604,517
Cash and bank balances	12	59,789,199	29,043,562
Short-term Loans and Advances	13	74,421,661	84,065,952
Other Current Assets	14	2,140,328	2,164,572
TOTAL		3,288,356,237	2,643,399,361

Significant Accounting Policies

20

Other Notes to Accounts

21

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director

Diwakar S Shetty
Director

Medappa Gowda J
Company Secretary

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 25th May, 2013

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

Particulars	Note No.	2013	2012
Revenue from operations			
Sale of products		4,634,215,588	4,107,370,792
Sale of services		13,230,243	10,571,299
Other operating revenues		10,285,898	10,067,564
Total		4,657,731,729	4,128,009,655
Less: Excise duty		447,914,818	340,824,822
Revenue from Operations		4,209,816,911	3,787,184,833
Other Income	15	31,431,591	21,825,575
TOTAL		4,241,248,502	3,809,010,408
Expenses			
Cost of materials consumed		2,739,631,321	2,530,458,960
Changes in inventories of Finished Goods and Work-in-progress	16	(35,627,495)	(47,020,637)
Employee Benefit Expense	17	467,682,304	401,808,553
Finance Costs	18	95,860,619	86,363,650
Depreciation and Amortization Expense	5	56,714,757	51,175,545
Other Expenses	19	309,681,328	236,654,883
TOTAL		3,633,942,834	3,259,440,954
Profit before prior period, exceptional items and tax for the year		607,305,668	549,569,454
Prior period expenses		(1,887,883)	-
Exceptional Item [Refer Note no. 21.5]		51,835,587	-
Profit Before Tax for the year		657,253,372	549,569,454
Tax Expense:			
(1) Current Tax		(170,000,000)	(150,000,000)
Tax Expense pertaining to earlier years		(1,000,000)	(903,430)
Fringe Benefit Tax relating to prior years		-	(115,920)
(2) Deferred tax		(11,736,000)	(6,336,000)
Profit after tax for the year		474,517,372	392,214,104
Earnings per equity share:			
Equity shares of par value ₹ 1/- each			
Basic & Diluted (excluding prior period and exceptional items)		3.54	3.27
Basic & Diluted (including prior period and exceptional items)		3.95	3.27
Number of shares used in computing earnings per share		120,020,000	120,020,000

Significant Accounting Policies

20

Notes to Accounts

21

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director

Diwakar S Shetty
Director

Medappa Gowda J
Company Secretary

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 25th May, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

Particulars	2013		2012	
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit before tax for the year		657,253,372		549,569,454
Adjustment for:				
Depreciation	56,714,757		51,175,545	
(Profit)/Loss on sale of fixed assets	(52,061,493)		443,486	
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	(13,613,267)		(7,904,937)	
Provision for diminution in value of investments	853,788		(4,767)	
Interest income	(767,585)		(866,594)	
Dividend received	(4,721,604)		(4,009,338)	
Interest expense	95,860,619	75,466,469	86,363,650	125,197,045
Operating profit before working capital changes (Increase)/ Decrease in		732,719,841		674,766,499
- Inventories	(45,687,914)		(75,005,901)	
- Trade Receivables	(88,441,339)		(156,247,438)	
- Loans and advances (Long term & Short term)	(19,867,679)		(30,016,727)	
- Other Non-Current Assets & Current Assets	(2,522,763)		(851,644)	
Increase/ (Decrease) in				
- Current Liabilities	54,129,279		(24,155,895)	
- Other Long term Liabilities	1,462,329		659,554	
- Provisions (long term and short term)	(5,025,195)	(105,953,282)	4,535,897	(281,082,154)
Cash generated from operations		626,766,559		393,684,345
Income taxes paid (net of refunds)		(169,447,957)		(157,237,420)
Net cash from operating activities		457,318,602		236,446,925
B. CASH FLOWS FROM INVESTING ACTIVITIES :				
Purchase of fixed assets/ Capital work in progress	(263,811,834)		(285,649,728)	
Sale of investments	212,324,539		212,920,677	
Purchase of investments	(464,563,180)		(305,019,005)	
Interest received	767,585		866,594	
Dividend received	4,721,604		4,009,338	
Proceeds from sale of fixed assets	70,170,248		860,265	
Net cash from investing activities		(440,391,038)		(372,011,859)
C. CASH FLOWS FROM FINANCING ACTIVITIES :				
Interest paid	(95,860,619)		(86,363,650)	
Proceeds/(repayments) from long term borrowings (net)	46,736,690		146,194,559	
Proceeds/(repayments) from short term borrowings (net)	158,470,808		161,065,750	
Dividend and dividend tax paid	(97,554,473)		(75,428,325)	
Net cash from financing activities		11,792,406		145,468,334
Net increase in cash and cash equivalents during the year		28,719,970		9,903,400
Cash and cash equivalents at beginning of the year		27,288,926		17,385,526
Cash and cash equivalents at end of the year		56,008,896		27,288,926

(Figures in brackets indicate outflows)

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 0045325

K Ajith Kumar Rai
Chairman & Managing Director

Diwakar S Shetty
Director

Medappa Gowda J
Company Secretary

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 25th May, 2013

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2013		2012	
	No. of Shares	Amount	No. of Shares	Amount
1 SHARE CAPITAL				
1.1 Equity Share Capital				
1.1.1 Authorised Equity Share Capital:- [Equity shares of ₹ 1/- each]	125,000,000	125,000,000	125,000,000	125,000,000
1.1.2 Issued, Subscribed and Fully Paid Up:- Equity Shares of ₹ 1/- each fully paid	120,020,000	120,020,000	120,020,000	120,020,000
TOTAL		120,020,000		120,020,000
1.1.3 There are no shares that have been issued, subscribed and not fully paid up				
1.1.4 There are no Forfeited Shares				
1.1.5 There are no shares reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment				
1.1.6 The reconciliation of the number of equity shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012:				
Shares outstanding as at the beginning of the year	120,020,000		120,020,000	
Shares issued during the year	-		-	
Shares outstanding as at the end of the year	120,020,000		120,020,000	
1.1.7 Details of shareholders holding more than 5% shares in the company:		%		%
Equity Shares of ₹ 1/- each fully paid				
K Ajith Kumar Rai	45,548,399	37.95%	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%
1.1.8 The Company has not issued any securities convertible into equity/ preference shares.				
1.1.9 Each holder of equity shares is entitled to one vote per share and there are no preferences or restrictions attaching to class of shares mentioned above.				
1.1.10 During the last five years ending from 31 Mar 2008 :-				
(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 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.				
1.1.11 In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.				

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2013	2012
2 RESERVES AND SURPLUS		
2.1 Reserves		
2.1.1 Capital Reserve (State Investment Subsidy and surplus on reissue of Forfeited Shares)		
Opening balance	1,127,150	1,127,150
Add: Additions during the year	-	-
Closing Balance	1,127,150	1,127,150
2.1.2 General Reserve		
Opening balance	915,062,311	635,062,311
Add: Transfer from the Profit & Loss Statement	330,000,000	280,000,000
Closing Balance	1,245,062,311	915,062,311
2.2 Surplus		
2.2.1 Surplus in the Profit & Loss Statement		
Opening Balance	243,637,447	222,092,003
Add:		
Profit for the year as per Profit and Loss Statement	474,517,372	392,214,104
Less:-		
Interim Dividend	42,007,000	36,006,000
Final Dividend	48,008,000	42,007,000
Tax on dividend	14,973,546	12,655,660
Transfer to General Reserve	330,000,000	280,000,000
Closing Balance	283,166,273	243,637,447
TOTAL	1,529,355,734	1,159,826,908
3 NON CURRENT LIABILITIES		
3.1 Long Term Borrowings:		
3.1.1 Secured:		
Term Loans from Banks (Refer Note 3.1.3 below)	343,702,641	288,135,150
Total	343,702,641	288,135,150
3.1.2 Unsecured:		
Deferred Payment Liabilities - lease obligations (Refer Note 3.1.6 below)	12,889,170	20,836,748
Deposits from		
- related parties	971,043	1,854,266
- other than related parties	400,000	400,000
	14,260,213	23,091,014
	357,962,854	311,226,164
Notes on Long Term Borrowings:		
3.1.3 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.		
3.1.4 Term loans from banks are repayable in quarterly instalments over the agreed repayment period, together with interest @ 11.85% p.a. (PY - 12.75% p.a.).		
3.1.5 There has been no continuing default as on Balance Sheet date in repayment of loans and interest.		
3.1.6 In respect of land referred in Note no. 5.4 (1), the balance consideration is payable in 19 quarterly installments out of which 12 (PY-16) installments are pending. Such amount relating to the lease payable after 12 months is disclosed in note no. 3.1.2 above and current maturities of this liability is disclosed under Note No. 4.3.		

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2013	2012
3.2 DEFERRED TAX LIABILITIES (NET)		
3.2.1 Liability:		
On timing differences of depreciation between Companies Act 1956 and Income Tax Act 1961	60,418,000	49,193,000
Gross deferred tax liability	60,418,000	49,193,000
3.2.2 Asset:		
On timing differences of expenditure allowed only on payment basis for Income tax	6,205,000	6,905,000
Provision for doubtful debts	1,307,000	1,118,000
Gross deferred tax asset	7,512,000	8,023,000
	52,906,000	41,170,000
3.3 OTHER LONG TERM LIABILITIES:		
3.3.1 Other Long Term Liabilities- Dealer Deposits	6,860,815	5,398,486
	6,860,815	5,398,486
3.4 LONG TERM PROVISIONS:		
3.4.1 Provision for employee benefits [Refer Note no. 21.9(b)]		
- Provision for leave encashment	6,063,407	4,393,605
	6,063,407	4,393,605
TOTAL	416,932,261	356,789,769
4 CURRENT LIABILITIES		
4.1 SHORT TERM BORROWINGS		
4.1.1 Secured:		
Working capital facilities from banks repayable on demand from banks (Refer Note 4.1.2 below)	518,356,090	359,885,282
	518,356,090	359,885,282
4.1.2 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.		
4.2 TRADE PAYABLES		
4.2.1 Due to Micro & Small Enterprises [Refer Note No.21.7]	4,446,692	9,651,150
4.2.2 Due to Others	445,813,851	416,832,479
	450,260,543	426,483,629
4.3 OTHER CURRENT LIABILITIES		
4.3.1 Current maturities of long term debt (Refer Note 3.1.3 and 3.1.6)	77,521,456	63,497,762
4.3.2 Current maturities of vehicle loan	-	48,126
4.3.3 Current maturities of deposits from		
- related parties	4,459,400	3,300,000
- other than related parties	750,000	750,000
4.3.4 Interest accrued but not due on borrowings/ deposits	550,769	268,984
4.3.5 Unclaimed dividend	1,280,303	1,665,938
4.3.6 Due to Investor Education & Protection Fund	-	88,698
4.3.7 Other Payables		
- Rent Deposit	-	585,900
- Creditors for purchase of fixed assets	10,607,458	12,551,322
- Statutory Liabilities	29,094,122	25,610,046
- Payable to Employees	31,427,638	18,075,713
- Payable to directors towards commission & sitting fees	24,499,637	23,781,564
	180,190,783	150,224,052

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2013	2012
4.4 SHORT TERM PROVISIONS		
4.4.1 Provision for employee benefits [Refer Note no. 21.9(b)]		
- Provision for Gratuity	4,741,601	10,728,696
- Provision for Leave Encashment	689,104	682,035
4.4.2 Dividend Payable (Proposed Dividend)	48,008,000	42,007,000
4.4.3 Provision for Corporate Dividend Tax	8,158,960	6,814,586
4.4.4 Provision for loss on forward contracts	-	806,841
4.4.5 Provision for Income Tax (Net of Advance Tax)	4,586,580	3,628,181
4.4.6 Provision for Wealth Tax	195,766	103,896
	66,380,011	64,771,235
TOTAL	1,215,187,427	1,001,364,198

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

5 FIXED ASSETS

Description	Gross Block at Cost				Depreciation/Amortisation				Accumulated Impairment		Net Block	
	As at 01.04.2012	Additions / Adjustments	Disposals / Adjustment	As at 31.03.2013	Upto 01.04.2012	For the year	Disposals/ Adjustment	As at 31.03.2013	For the year [Refer Note 5.4.(4) below]	As at 31.03.2013	As at 31.03.2012	
5.1 Tangible assets												
Land	167,991,729	-	2,032,761	165,958,968	-	-	-	-	-	165,958,968	167,991,729	
Land on lease	71,867,842	1,422,788	1,553,472	71,737,158	2,164,064	745,844	-	2,909,908	-	68,827,250	69,703,778	
Buildings	424,676,795	171,681,590	12,698,759	583,659,626	69,628,239	16,444,554	559,819	85,512,974	-	498,146,652	355,048,556	
Electrical Installations	63,055,567	20,968,102	2,651,405	81,372,264	16,526,434	3,437,341	290,463	19,673,312	-	61,698,952	46,529,133	
Plant and Machinery	407,267,194	54,249,125	-	461,516,319	202,631,245	25,988,264	-	228,619,509	1,432,423	231,464,387	204,635,949	
Dies & Moulds	29,180,830	1,724,267	-	30,905,097	17,139,832	1,564,311	-	18,704,143	-	12,200,954	12,040,998	
Furniture and Fixtures	25,515,366	2,661,535	-	28,176,901	9,977,857	1,918,769	-	11,896,626	-	16,280,275	15,537,509	
Vehicles	20,129,558	4,962,692	2,710,392	22,381,858	8,638,576	1,680,229	2,687,752	7,631,053	-	14,750,805	11,490,982	
Office equipment	10,425,091	4,401,528	-	14,826,619	5,598,329	1,077,336	-	6,675,665	2,831	8,148,123	4,826,762	
Containers	1,462,144	276,089	-	1,738,233	1,462,144	276,089	-	1,738,233	-	-	-	
Computers	33,927,228	6,024,671	-	39,951,899	25,078,845	3,343,866	-	28,422,711	-	11,529,188	8,848,383	
5.2 Intangible assets												
Goodwill	24,105,251	-	-	24,105,251	24,105,251	-	-	24,105,251	-	-	-	
Brands	5,100,000	-	-	5,100,000	4,861,846	238,154	-	5,100,000	-	-	238,154	
Technical Know-how	195,127	-	-	195,127	195,127	-	-	195,127	-	-	-	
Total	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	1,435,254	1,089,005,554	896,891,933	
Previous year	1,083,132,023	204,430,536	2,662,837	1,284,899,722	338,191,330	51,175,545	1,359,086	388,007,789	-	896,891,933	744,940,693	
5.3 Capital Work in Progress												
TOTAL										1,204,896,187	1,017,343,119	

5.4 Note:-

- Land on lease includes land at Bhiwadi, Rajasthan registered in the name of the company for a value of ₹ 45,462,101/- (PY - Nil), payment towards this land has been agreed upon to be made in instalments and outstanding liability is disclosed in Note no. 3.1.2 and Note no. 4.3.
- During the last five years ended 31st March, 2008, there was no write off of any of the tangible or intangible assets due to reduction of capital.
- During the last five years ended 31st March, 2008, there was no write off / reduction of any of the tangible or intangible assets due to revaluation.
- During the 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/- have been 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, 2013 is ₹ 2,241,554/-.
- Borrowing costs capitalised during the year is ₹ 8,485,237/- (₹ 4,746,315/-).

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2013		2012	
	No. of shares	Amount	No. of shares	Amount
6 NON CURRENT INVESTMENTS				
6.1 TRADE INVESTMENTS (AT COST)				
6.1.1 Subsidiary Companies				
Equity Instruments - Fully Paid - Unquoted				
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
Suprajit Europe Limited 100% Holding (PY - 100% Holding) [Ordinary Shares of GBP 1/- each] (Refer Note 21.3)	2,200,000	185,997,286	2,200,000	185,997,286
		205,897,286		205,897,286
6.1.2 Associate Companies				
Equity Instruments - Fully Paid - Unquoted				
Suprajit Chemicals Private Limited Nil (PY - 27.32%) Holding [Equity Shares of ₹ 100/- each]	-	-	20,000	2,000,000
				2,000,000
6.1.3 Others (In Limited Companies)				
Equity Instruments - Fully Paid - Unquoted				
Suprawin Technologies Limited - Nil (PY - 12.89%) Holding [Equity Shares of ₹ 10/- each] Less: Provision for diminution in value of Investment	-	-	540,000	7,164,070
				7,164,070
				-
6.2 OTHER INVESTMENTS (NON-TRADE) (AT COST)				
Investments in debentures or bonds				
Investments in National Highways 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 - 30 th September 2015)		5,000,000		-
		5,000,000		-
TOTAL		210,897,286		207,897,286
6.3 General Information				
Aggregate value of Investments:				
Unquoted - At Cost		210,897,286		215,061,356
Provision for diminution in value of investments		-		7,164,070
6.4 During the year, the Company has sold the investment in shares as given below to Mr. K. Ajith Kumar Rai, Managing Director after obtaining approval from the Central Government under Section 297 of the Companies Act, 1956 at a fair value based on the share valuation report from an independent valuer:				
(i) Shares in Suprajit Chemicals Private Limited have been sold at a fair value of ₹ 509/- per share and the Company has made a profit of ₹ 8,180,000/- which is included in the Profit & Loss Statement [Refer Note no.15].				
(ii) Shares in Suprawin Technologies Private Limited have been sold at a fair value of ₹ 0.10/- per share and the Company has incurred a loss of ₹ 7,110,070/-. Since the investment had eroded, the Company had already fully provided for this investment in the earlier year and there is no further loss to be recognised in the Profit and Loss Statement of the year. In view of this transaction, since the provision for diminution in the value of this investment is no longer required, such provision is reversed to the credit of the Profit & Loss Statement [Refer Note no. 15].				

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2013	2012
7 LONG TERM LOANS AND ADVANCES		
7.1 Capital Advances (Unsecured, considered good)		
Advance paid for leasehold land	17,042,120	3,430,000
Capital advances towards other fixed assets	32,769,678	32,018,448
	49,811,798	35,448,448
7.2 Security Deposits (Unsecured, considered good)		
Electricity Deposits	5,082,753	3,165,117
Other Deposits	1,273,332	1,201,182
	6,356,085	4,366,299
7.3 Others (Unsecured, considered good)		
Advance tax [including tax deducted at source (Net of Provisions)]	-	1,045,359
Income tax paid under protest	903,430	451,715
Value Added Tax paid under protest [Refer Note no. 21.6.1]	15,658,834	2,500,000
	16,562,264	3,997,074
TOTAL	72,730,147	43,811,821
8 OTHER NON CURRENT ASSETS (Unsecured, considered good)		
Non-current bank deposit (held against public deposits)	564,151	534,226
Interest accrued on the above non-current bank deposit	56,099	39,017
TOTAL	620,250	573,243

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2013	2012
9 CURRENT INVESTMENTS		
9.1 Other Investments (Non-trade)		
Investments in Mutual Funds (at lower of cost or fair value)	449,256,123	179,024,003
TOTAL	449,256,123	179,024,003
9.2 Details of Other Investments (Non-trade)		
9.2.1 General Information		
Aggregate value of Investments:		
Quoted		
At Market Value	481,484,021	185,358,056
9.2.2 Details of Mutual Funds held at the end of the year		
Particulars	31.03.2013	31.03.2012
HDFC Monthly Income Plan - 619,472.60 (510,907.92) units of ₹ 10/- each	14,500,000	11,842,601
HDFC MIP -Saving Plan - Nil (204,304.71) units of ₹10/- each	-	2,612,465
Reliance Monthly Income Plan - 768,456.43 (510,911.62) units of ₹10/- each	17,000,000	11,000,000
Birla MIP II Wealth 25 Plan - Nil (606,193.00) units of ₹10/- each	-	11,000,000
HDFC Prudence Fund - Growth - 96,764.49 (60,708.12) units of ₹10/- each	20,111,073	12,568,937
Kotak Bond Regular Growth - 1,489,020.07 (248,249.63) units of ₹10/- each	46,000,000	7,500,000
IDFC Super Saver Income Fund - Short Term Plan A- Growth - 224,624.20(1,414,697.23) units of ₹10/- each	5,000,000	30,000,000
IDFC Dynamic Bond Fund Growth - 2,227,216.62 (477,293.84)units of ₹10/- each	47,500,000	10,000,000
DSP BlackRock STP Growth - 269,990.06 (1,715,100.87)units of ₹10/- each	5,000,000	30,000,000
Birla Dynamic Bond Fund Retail Plan-Growth - 1,939,435.01 (421,963.91) units of ₹10/- each	35,000,000	7,500,000
Templeton India Short Term Income Retail Growth Plan- 2,298.49 (14,671.39) units of ₹10/- each	5,000,000	30,000,000
UTI Bond Fund Growth - 1,110,261.30 (241,120.58) units of ₹10/- each	35,000,000	7,500,000
Birla Sunlife 95 Fund Growth - Nil (25,160.12) units of ₹10/- each	-	7,500,000
Birla Sun Life Short Term Fund - 476,536.53(Nil) units of ₹10/- each	20,000,000	-
Brila Sun Life Dynamic Bond Fund- Retail -Growth-1,079,445.67(Nil) units of ₹10/- each	20,000,000	-
Brila Sun Life Dynamic Bond Fund - Retail -Quarterly Dividend- 875,679.75(Nil) units of ₹10/- each	9,992,644	-
HDFC High Interest Fund-Short Term Plan- Growth - 465,432.34 (Nil) units of ₹ 10/- each	10,000,000	-
IDFC Dynamic Bond Fund - 1,501,670.60(Nil) units of ₹10/- each	20,000,000	-
IDFC Dynamic Bond QDP - 2,913,460.25(Nil) units of ₹10/- each	29,672,427	-
Kotak Bond QDP - 2,800,123.52(Nil) units of ₹10/- each	29,479,980	-
Pru ICICI Short Term Plan - Cumulative Option - 442,883.53(Nil) units of ₹10/- each	10,000,000	-
Reliance Dynamic Bond QDP - 2,945,816.50(Nil) units of ₹10/- each	30,000,000	-
SBI Dynamic Bond Fund-Growth - 2,937,530.09(Nil) units of ₹10/- each	40,000,000	-
TOTAL	449,256,123	179,024,003

NOTES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	2013	2012
10 INVENTORIES		
Valued at Lower of Cost or Net Realisable value		
Raw materials (including components, packing materials and stores & spares)	200,256,353	191,996,513
Raw materials in-transit	12,069,220	6,872,530
Work-in-Progress	34,420,860	30,803,806
Finished Goods	122,812,767	94,198,437
TOTAL	369,559,200	323,871,286
11 TRADE RECEIVABLES		
11.1 Outstanding for a period more than six months from the due date of payment		
Unsecured, considered doubtful	5,205,655	2,691,828
Less:- Provision for Doubtful receivables	5,205,655	2,691,828
	-	-
11.2 Other Trade Receivables		
Unsecured, considered good	844,045,856	755,604,517
Unsecured, considered doubtful	2,268,523	754,871
Less:- Provision for Doubtful receivables	2,268,523	754,871
TOTAL	844,045,856	755,604,517
11.3 Other Trade Receivables stated in Note No. 11.2 above include debts due from:		
Particulars	31.03.2013	31.03.2012
Private Company in which director is a member & director	4,841,339	983,511
Total	4,841,339	983,511
12 CASH AND BANK BALANCES		
12.1 Cash and Cash Equivalents		
Balances with Banks	55,284,015	26,294,811
Cash on hand	634,881	613,840
Cheques, drafts on hand	90,000	380,275
	56,008,896	27,288,926
12.2 Other Bank balances		
Earmarked balances for Unclaimed Dividend accounts	1,280,303	1,754,636
Bank deposit held as margin money against bank guarantees [Refer Note 21.6.1]	2,500,000	-
	3,780,303	1,754,636
	59,789,199	29,043,562
13 SHORT TERM LOANS AND ADVANCES		
Others		
(Unsecured, considered good)		
Advance to Suppliers	48,771,601	69,038,247
Advances to Employees	3,257,169	4,040,086
Balance with Central Excise Customs & other authorities	14,348,978	3,585,706
Prepaid Expenses	7,869,140	4,004,115
Others	174,773	3,397,798
TOTAL	74,421,661	84,065,952
14 OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Export benefit entitlements	1,872,941	2,154,572
Matured National Savings Certificates	-	10,000
Interest accrued on non-current investment in bonds	170,959	-
Interest accrued on current bank deposits	96,428	-
TOTAL	2,140,328	2,164,572

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

(Amounts in ₹)

Particulars		2013	2012
15 OTHER INCOME			
Interest Income		767,585	866,594
Dividend Income from Mutual funds		4,721,604	4,009,338
Net gain on foreign currency transactions and translations		1,956,465	4,521,213
Net gain on sale of non-current investments [Refer Note No. 6.4]	1,069,930		
Reversal of provision relating to above investments	7,164,070	8,234,000	-
Net gain on sale of current investments		13,613,267	7,904,937
Rent Received		262,230	3,665,870
Discount Received		750,534	857,623
Profit on sale of fixed assets (net)		225,906	-
Other non-operating income		900,000	-
TOTAL		31,431,591	21,825,575
16 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS			
Opening Stock			
Finished Goods		94,198,437	62,860,334
Work-in-Progress		30,803,806	18,801,121
		125,002,243	81,661,455
Excise Duty on stocks		(3,396,111)	(3,679,849)
		121,606,132	77,981,606
Less: Closing Stock			
Finished Goods		122,812,767	94,198,437
Work-in-progress		34,420,860	30,803,806
		157,233,627	125,002,243
TOTAL		(35,627,495)	(47,020,637)
17 EMPLOYEE BENEFIT EXPENSE			
Salaries and Wages (including managerial remuneration)		428,558,387	374,260,882
Contribution to Provident fund and other funds		20,537,107	13,491,458
Staff welfare expenses		18,586,810	14,056,213
TOTAL		467,682,304	401,808,553
18 FINANCE COSTS			
Interest expense		102,949,594	89,296,150
Loan processing charges		1,396,262	1,813,815
		104,345,856	91,109,965
Less: Expenditure incurred during the construction period			
- Capitalised during the year		(3,623,146)	(774,779)
- Added to Capital Work-in-progress		(4,862,091)	(3,971,536)
TOTAL		95,860,619	86,363,650

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

(Amounts in ₹)

Particulars	2013	2012
19 OTHER EXPENSES		
Power and fuel	64,199,349	57,279,366
Rent	594,100	556,770
Repairs & Maintenance:		
Buildings	1,508,873	3,951,484
Machinery	22,693,689	24,050,481
Others	14,171,237	11,637,139
Insurance	9,061,879	7,391,774
Rates and taxes	4,577,332	3,798,254
Bank Charges	4,078,251	3,048,659
Travelling and Conveyance	24,531,898	23,718,531
Professional Charges (Refer Note 19.1 below)	6,478,551	4,148,879
Freight Outward and C & F Charges	51,966,973	36,875,105
Advertisement and Sales Promotion	11,610,214	2,777,412
Discount	48,079,179	28,126,020
Sales Commission	4,077,637	2,520,932
Directors' Sitting Fees & Commission	800,000	820,000
Bad debts written off	3,305,405	2,201,653
Reversal of earlier year provisions	2,949,352	1,956,758
Provision for Doubtful debts	6,976,832	(1,451,505)
Printing & Stationery	4,297,933	4,256,039
Security Expenses	10,504,043	7,013,558
Communication Expenses	5,182,982	5,077,331
Research & Development expenses (Refer Note 21.12)	1,767,577	1,590,359
Loss on Sale of fixed assets (net)	-	443,486
Provision for diminution in value of Investments (net)	853,788	(4,767)
Provision for impairment of fixed assets [Refer Note no. 5.4.(4)]	1,435,254	-
General Expenses	9,877,704	8,784,681
TOTAL	309,681,328	236,654,883
19.1 Auditors' Remuneration		
a. As Auditor (including limited review, consolidated accounts)	865,000	865,000
b. For Certification	30,500	15,000
c. Service Tax and reimbursement of expenses	313,138	206,891
	1,208,638	1,086,891

Significant Accounting Policies and Notes to Accounts forming part of the accounts for the year ended 31st March 2013

20 SIGNIFICANT ACCOUNTING POLICIES

20.1 Basis of preparation of Financial Statements

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

20.2 Use of Estimates

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

20.3 Cash Flow Statement

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

20.4 Revenue Recognition

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

20.5 Tangible/Intangible Assets

Fixed Assets are stated at cost less accumulated depreciation 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 up to the date of commissioning of assets is added to the cost of assets.

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

20.6 Depreciation/amortization

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

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

20.7 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.

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

20.9 Inventories

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

20.10 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 recognized in the Profit and Loss Statement over the period of the contracts. The exchange differences on the contracts are recognized in the year in which the exchange rates change.

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

Significant Accounting Policies and Notes to Accounts forming part of the accounts for the year ended 31st March 2013

20.11 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 unrecognized past services cost if any and as reduced by the fair value of plan assets, is recognised in the accounts. Actuarial gains and losses are recognised in full in the Profit and Loss Statement for the period in which they occur.

b. Compensated Absences (Earned Leave Encashment)

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

20.12 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 under relevant asset class.

20.13 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 recognized as an expense in the Profit and Loss Statement on a systematic basis.

Finance Lease:

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

20.14 Taxation

Tax Expense comprising current tax, Fringe Benefit Tax and Deferred Tax are recognised in the Profit and Loss Statement for the year. Current tax is the amount of income tax determined to be payable in respect of

taxable income as computed under the tax laws. Fringe Benefit Tax is a presumptive tax on the deemed fringe benefit to employees payable by the company, presently stands withdrawn.

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

20.15 Research and Development Expenditure

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

20.16 Provisions and Contingencies

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

21 OTHER NOTES ON ACCOUNTS

- 21.1** In the opinion of the Board, none of the assets have a value lower on realization in the ordinary course of business than the amount at which they are stated in the Balance Sheet.
- 21.2** Some of the trade receivables, trade payables, loans and advances are subject to confirmation/ reconciliation.
- 21.3** Suprajit Europe Limited (formerly Gills Cables Limited), a wholly owned Subsidiary (WOS) was established in 2006 and has accumulated losses of ₹ 157,903,679/- (PY: ₹ 135,775,985/-) as at the year ended March 31st, 2013. The WOS is near the cash break even level if exceptional items are excluded and the management expects the operations to be cash positive in the foreseeable future. Hence in the opinion of the management there is no permanent diminution in the value of the investment. The Company has provided a Corporate guarantee to the bankers of the WOS to fund its operations if required.
- 21.4** Full quantitative particulars giving item wise and location wise details of fixed assets are maintained in the ERP system in respect of additions made after 1.4.2008. The particulars of fixed assets acquired prior to this date have been updated in the ERP system in a summarized format. However, item wise particulars are maintained for major assets in manual form.
- 21.5** Exceptional item in the Profit & Loss Statement represents profit on sale of land and building situated at Doddaballapur.

Significant Accounting Policies and Notes to Accounts forming part of the accounts for the year ended 31st March 2013

(Amounts in ₹)

		31.03.2013	31.03.2012
21.6	Contingent Liabilities and Commitments		
	21.6.1 Contingent Liabilities		
	Corporate Guarantees issued on behalf of a subsidiary to their bankers [GBP 500,000 (PY: GBP 500,000)].	41,160,000	41,290,000
	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
	Disputed Excise/ service tax dues pending in appeal *	544,160	1,434,040
	Demand raised by VAT authorities disputed with Joint Commissioner of Commercial Taxes - Appeals (JCCT - Appeals)* [Against this a bank guarantee amount of ₹13,158,834/- (PY- Nil) is furnished	28,817,668	-
	Other sums for which the Company is contingently liable	NIL	3,921,851
	Total	86,271,828	62,395,891
	* 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.		
	21.6.2 Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	16,558,382	95,051,147
	Total Contingent Liabilities and Commitments	102,830,210	157,447,038

21.7 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	31.03.2013	31.03.2012
Principal amount (including overdue amount) outstanding at the beginning of the year	9,651,150	23,960,782
Interest amount outstanding at the beginning of the year	126,710	268,950
Interest (out of the above) paid during the year	-	268,950
Amount paid after the due date during the year	16,452,741	36,664,512
Interest paid on the amount paid after due date during the year	-	-
Overdue amount outstanding at the end of the year	1,137,643	7,134,082
Principal amount (other than overdue amount) outstanding at the end of the year	3,309,049	2,517,068
Interest amount accrued and remaining unpaid at the end of the year	219,047	126,710

21.8 Foreign Exchange exposure

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

Particulars	31.03.2013		31.03.2012	
	Foreign currency	Equivalent ₹	Foreign currency	Equivalent ₹
Forward contract to hedge highly probable forecast receivables				
Euro	-	-	175,000	11,885,750
GBP	-	-	175,000	13,661,500
Not hedged by derivative instruments (net)				
USD Receivable	634,660	34,116,793	482,725	24,467,373
Euro Receivable	74,731	5,133,301	73,282	4,941,179
GBP Receivable	70,284	5,728,819	74,401	6,008,238

Significant Accounting Policies and Notes to Accounts forming part of the accounts for the year ended 31st March 2013

(Amounts in ₹)

21.9 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	31.03.2013	31.03.2012
Employers contribution to Provident Fund (incl. admin. charges)	11,117,146	8,563,886
Employers contribution to Employee State Insurance	2,407,056	2,127,977

b. Defined Benefit Plans:

Gratuity - Funded

Compensated absences - Unfunded

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

Particulars	Gratuity		Compensated Absences	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Discount Rate (per annum)	8.0%	8.5%	8.0%	8.5%
Expected return on plan assets	9.0%	8.5%	-	-
Salary escalation rate*	7.0%	7.0%	7.0%	7.0%

* 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	2012-13		2011-12	
	Funded Scheme	Unfunded Scheme	Funded Scheme	Unfunded Scheme
I. Reconciliation of present value of obligation:				
Present value of obligation at beginning of the year	16,654,773	5,075,640	14,683,405	3,404,097
Current Service Cost	7,435,061	1,810,864	3,420,175	2,406,425
Interest Cost	1,312,621	364,138	1,211,187	250,009
Actuarial (gain)/loss	(152,978)	549,703	(1,791,700)	(59,273)
Benefits Paid	(494,010)	(1,047,834)	(868,294)	(925,618)
Present value of obligation at end of the year	24,755,467	6,752,511	16,654,773	5,075,640

Particulars	2012-13	2011-12
	Funded Scheme	Funded Scheme
II. Reconciliation of fair value of plan assets:		
Fair value of plan assets beginning of the year	5,926,077	6,254,303
Expected return on plan assets	1,109,581	494,713
Actuarial gain/(loss)	172,997	45,355
Contributions	13,299,221	-
Benefits paid	(494,010)	(868,294)
Fair value of plan assets at end of the year	20,013,866	5,926,077

Particulars	2012-13	2011-12
	Funded Scheme	Funded Scheme
III. Description of Plan Assets:		
Insurer Managed Funds	20,013,866	5,926,077

Significant Accounting Policies and Notes to Accounts forming part of the accounts for the year ended 31st March 2013

(Amounts in ₹)

Particulars	2012-13		2011-12	
	Funded Scheme	Unfunded Scheme	Funded Scheme	Unfunded Scheme
IV. Net (Asset)/Liability recognized in the Balance Sheet as at year end:				
Present value of obligation at end of the year	24,755,467	6,752,511	16,654,773	5,075,640
Fair value of plan assets at end of the year	20,013,866	-	5,926,077	-
Net present value of unfunded obligation recognized as (asset)/liability in the Balance Sheet	4,741,601	6,752,511	10,728,696	5,075,640

21.10 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	2012-13	2011-12
Sales/Operating income		
- India	4,019,263,232	3,643,048,657
- Rest of the world	190,553,679	144,136,176
Segment Assets		
- India	3,233,876,454	2,605,703,008
- Rest of the world	54,479,783	37,696,353

21.11 Related Party Disclosures

Party	Relationship
Suprajit Automotive Private Limited	Wholly owned subsidiary
Suprajit Europe Limited, U.K.	Wholly owned subsidiary
Suprajit Chemicals Private Limited	Associate
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
Arathi Shetty	Relative of Key Management Personnel
Shobha Mani	Relative of Key Management Personnel
Lakshmi A Rai	Relative of Key Management Personnel
Greeshma Shetty	Relative of Key Management Personnel
Suprajit Foundation	Trust Setup with effect from 31.03.2011

Nature of Transaction and Related Party	2012-13	2011-12
Remuneration/Commission		
K Ajith Kumar Rai	29,775,637	28,385,564
Jayarama M Shetty	100,000	100,000
Mohan Chelliah	4,551,600	244,709
Akhilesh Rai	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 Fee:		
M Jayarama Shetty	80,000	80,000
Sales		
Suprajit Automotive Private Limited	14,214,309	7,758,490

Significant Accounting Policies and Notes to Accounts forming part of the accounts for the year ended 31st March 2013

(Amounts in ₹)

Nature of Transaction and Related Party	2012-13	2011-12
Conversion charges		
Suprajit Automotive Private Limited	987,113	674,308
Marketing Expenses		
Suprajit Europe Limited	8,220,000	-
Purchase of Materials		
Suprajit Automotive Private Limited	4,541,514	1,319,365
Suprajit Europe Limited	-	15,727
Interest Paid:		
Suprajit Automotive Private Limited	-	59,606
M Jayarama Shetty	-	10,383
Manjunath Rai K	23,750	78,173
Hemavathi M Rai	42,945	75,479
Ashok Kumar Rai	95,000	95,260
Arathi Shetty	-	10,383
Shobha Mani	79,904	-
Lakshmi A Rai	90,895	-
Greeshma Shetty	9,664	-
Donation:		
Suprajit Foundation	5,950,000	5,475,000
Purchase of fixed assets		
Suprajit Automotive Private Limited	150,000	-
Reimbursements		
K Ajith Kumar Rai	2,294,011	1,886,130
Mohan Chelliah	550,073	-
Akhilesh Rai	46,636	-
Advances Received		
Suprajit Automotive Private Limited	-	7,500,000
Repayments of Advance		
Suprajit Automotive Private Limited	-	7,500,000
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	-
Shobha Mani	1,000,000	-
Lakshmi A Rai	521,043	-
Greeshma Shetty	250,000	-
Fixed Deposits Refunded on Closure		
Manjunath Rai K	1,000,000	1,000,000
Hemavathi M Rai	1,000,000	1,000,000
Arathi Shetty	-	200,000
M Jayarama Shetty	-	200,000
Lakshmi A Rai	444,866	-
Greeshma Shetty	250,000	-

Significant Accounting Policies and Notes to Accounts forming part of the accounts for the year ended 31st March 2013

(Amounts in ₹)

Balances outstanding (net)	31.03.2013	31.03.2012
Suprajit Automotive Private Limited (Dr.) (net)	4,841,339	890,198
Suprajit Europe Limited (Cr.)	8,220,000	14,982
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	-
Lakshmi A Rai (Cr.)	1,180,443	-
Greeshma Shetty (Cr.)	250,000	-
Suprajit Foundation (Cr)	5,950,000	5,475,000
Corporate Guarantee Furnished		
Suprajit Europe Limited [GBP 500,000 (PY: GBP 500,000)]	41,160,000	41,290,000

Notes:

- Dr. Mohan Chelliah has been appointed by the Board of Directors as an Additional Director in the capacity of an Executive Director with effect from 12th March, 2012 and related party figures are post this date. Further he was appointed as an Executive Director at the Annual General Meeting held on 31st July, 2012.
- Amounts shown as outstanding at the year end in relation to fixed deposits accepted represent only the principal amount as there is no interest due but not paid at the year end.

21.12 Research & Development Expenditure:

Particulars	2012-13	2011-12
Salaries & Wages	9,386,404	6,451,642
Materials, Consumables & Stores	1,938,945	2,668,519
Other Direct Expenditure	660,602	232,022
TOTAL	11,985,951	9,352,183

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

21.13 Additional information:

21.13.1 Turnover of Goods (Major Products)

Particulars	2012-13	2011-12
Control cables	2,921,460,189	2,846,002,135
Speedo Cables	578,812,863	546,149,166
Speedometers	128,734,334	180,281,101
Others	557,293,384	194,113,568
Total	4,186,300,770	3,766,545,970

21.13.2 Raw materials consumed/sold:

Particulars	2012-13	2011-12
Steel Wire	385,629,658	382,419,582
Inner Meter	419,191,631	402,547,305
Bend Tube Assy	232,042,921	221,439,643
PVC Compound	110,969,113	104,217,873
Component and Others	1,591,797,998	1,425,372,383
Total	2,739,631,321	2,535,996,786

Significant Accounting Policies and Notes to Accounts forming part of the accounts for the year ended 31st March 2013

(Amounts in ₹)

Particulars	2012-13	2011-12
21.13.3 CIF Value of Imports:		
I. Raw materials;	456,414,932	417,113,681
II. Capital goods;	921,780	908,978

Particulars	2012-13	2011-12
21.13.4 Earnings in Foreign Currency:		
Export of goods calculated on F.O.B. basis;	190,553,679	144,136,176

Particulars	2012-13	2011-12
21.13.5 Expenditure in Foreign Currency:		
Export commission	4,077,637	2,520,932
Marketing expenses	8,220,000	-
Travelling expenses	2,392,053	3,475,175

Particulars	2012-13	2011-12
21.13.6 Raw Materials Consumed:		
Imported	421,358,418	417,113,681
Imported % to total	15.38%	16.45%
Indigenous	2,318,272,903	2,118,883,105
Indigenous % to total	84.62%	83.55%
Total	2,739,631,321	2,535,996,786
Total %	100%	100%

21.14 Previous period figures have been re-arranged / re-classified where required to confirm to current years' classification.

(Signatures to Notes 1 to 21)

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director

Diwakar S Shetty
Director

Medappa Gowda J
Company Secretary

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 25th May, 2013

**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, 2013	31st March, 2013
Suprajits' Interest	100%	100%
Shares held by Suprajit in the Subsidiary Company	1,990,000 equity 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	₹ 23,817,480	(₹ 30,255,853)
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 : 25th May, 2013

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

Name of the Company	Suprajit Automotive Private Limited		Suprajit Europe Limited	
	2012-13	2011-12	2012-13	2011-12
Reporting Currency	₹	₹	£	£
Exchange Rate	-	-	82.32/86.04	76.40/81.80
			₹	₹
Capital	19,900,000	19,900,000	181,104,000	179,960,000
Reserves Total	183,382,153	159,564,673	157,903,679	(135,775,985)
Total Assets	392,020,536	305,896,239	108,126,819	118,996,495
Total Liabilities	188,738,383	126,431,566	84,926,498	74,812,480
Investment other than investment in Subsidiary	Nil	Nil	Nil	Nil
Turnover	333,688,090	329,403,995	259,573,732	218,320,411
Profit before Taxation	36,083,352	31,038,701	(28,213,693)	(24,808,226)
Provision for Taxation	12,265,872	(9,612,301)	2,042,159	2,006,035
Profit after Taxation	23,817,480	40,651,002	(30,255,853)	(26,814,261)
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 : 25th May, 2013

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

1. 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, 2013, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. 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 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"). 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

3. 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.
4. 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. 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

5. 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, 2013;
 - 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

6. We did not audit the financial statements of the two subsidiaries whose financial statements reflect total assets of ₹ 50.01 crores as at March 31, 2013, total revenues of ₹ 59.94 crores and net cash inflows amounting to ₹ 0.93 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 : 25th May, 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(Amounts in ₹)

Particulars	Note No	2013	2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	120,020,000	120,020,000
Reserves and Surplus	2	1,547,388,083	1,171,861,057
Non-Current Liabilities			
Long-term borrowings	3	391,712,854	311,226,164
Deferred tax liabilities (Net)		60,374,429	46,025,862
Other Long term liabilities		6,860,815	5,398,486
Long term Provisions		13,921,119	12,366,881
Current Liabilities			
Short-term borrowings	4	637,489,371	433,150,551
Trade payables		467,910,294	481,667,711
Other current liabilities		204,025,544	170,804,066
Short-term provisions		69,051,237	65,012,246
TOTAL		3,518,753,746	2,817,533,024
ASSETS			
Non-Current Assets			
Fixed assets	5		
(i) Tangible Assets		1,188,799,027	992,194,938
(ii) Intangible Assets		-	14,277,137
(iii) Capital Work-in-progress		175,760,208	127,281,466
Non-current investments	6	5,000,000	4,197,723
Long term loans and advances	7	104,298,173	69,376,551
Other Non-current assets	8	630,250	583,243
Current Assets			
Current investments	9	449,256,123	179,024,003
Inventories	10	486,027,232	392,900,742
Trade receivables	11	928,374,111	892,986,471
Cash and Bank Balances	12	76,357,644	31,230,251
Short-term loans and advances	13	102,056,283	111,250,524
Other current assets	14	2,194,695	2,229,975
TOTAL		3,518,753,746	2,817,533,024

Significant Accounting Policies 20

Other Notes to Accounts 21

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director

Diwakar S Shetty
Director

Medappa Gowda J
Company Secretary

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 25th May, 2013

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

(Amounts in ₹)

Particulars	Note No	2013	2012
Revenue from operations			
Sale of products		5,047,825,717	4,561,925,464
Sale of services		20,847,130	9,902,293
Other operating revenues		11,189,243	11,309,661
Total		5,079,862,090	4,583,137,418
Less: Excise duty		454,501,359	345,613,423
Revenue from Operations		4,625,360,731	4,237,523,995
Other Income	15	27,737,788	29,406,956
TOTAL		4,653,098,519	4,266,930,951
Expenses			
Cost of materials consumed		2,960,505,140	2,784,706,806
Changes in inventories of finished goods and work-in-progress	16	(70,904,893)	(25,733,509)
Employee benefit expense	17	569,965,492	487,139,125
Finance costs	18	101,723,843	93,098,780
Depreciation and amortization expense	5	81,467,336	74,741,646
Other expenses	19	392,001,853	305,093,160
TOTAL		4,034,758,771	3,719,046,008
Profit before prior period, exceptional items, share of profit from associate and tax for the year		618,339,748	547,884,943
Prior period expenses		(1,887,883)	-
Exceptional Items [Refer Note no. 21.4]		51,835,587	-
Share of Profit/(Loss) from Associate [Refer Note 20.3 & 6.5]		-	22,160
Profit before tax for the year		668,287,452	547,907,103
Tax expense:			
(1) Current tax		(181,591,000)	(159,600,000)
Tax expense pertaining to earlier years		(1,000,000)	(1,003,017)
MAT credit entitlement		-	19,641,551
Fringe Benefit Tax relating to earlier years		-	(115,920)
(2) Deferred tax		(14,453,031)	(8,671,698)
Profit after tax for the year		471,243,421	398,158,019
Earnings per equity share:			
Equity shares of par value ₹ 1/- each			
Basic & Diluted (excluding prior period and exceptional items)		3.51	3.32
Basic & Diluted (including prior period and exceptional items)		3.93	3.32
Number of shares used in computing earnings per share		120,020,000	120,020,000

Significant Accounting Policies

20

Other Notes to Accounts

21

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 0045325

K Ajith Kumar Rai
Chairman & Managing Director

Diwakar S Shetty
Director

Medappa Gowda J
Company Secretary

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 25th May, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in ₹)

Particulars	2013		2012	
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Profit before tax for the year		668,287,452		547,884,943
Adjustment for:				
Depreciation	81,467,336		74,741,646	
(Profit)/Loss on sale of fixed assets	(52,062,236)		141,079	
Provision for impairment of fixed assets	1,435,254		-	
(Profit)/Loss on sale of shares	(13,653,240)		(7,904,937)	
(Profit)/Loss on sale of Mutual funds	(6,036,277)		-	
Provision for diminution in value of investments	853,788		(4,767)	
Interest income	(857,925)		(952,609)	
Dividend received	(5,049,428)		(4,009,338)	
Interest expense	101,723,843	107,821,115	93,098,780	155,109,854
Operating profit before working capital changes (Increase)/ Decrease in		776,108,567		702,994,797
- Inventories	(93,126,490)		(67,211,280)	
- Trade Receivables	(35,387,640)		(159,347,518)	
- Loans and advances (Long term & Short term)	(24,759,917)		(56,661,808)	
- Other Non-Current Assets & Current Assets	(7,629,462)		(519,958)	
Increase/ (Decrease) in				
- Current Liabilities	19,849,695		(18,534,367)	
- Other Long term Liabilities	1,462,329		659,554	
- Provisions (long term and short term)	(5,092,634)	(144,684,119)	2,659,291	(298,956,086)
Cash generated from operations		631,424,448		404,038,711
Income taxes paid (net of refunds)		(180,217,975)		(141,077,386)
Net cash from operating activities		451,206,473		262,961,325
B. CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of fixed assets/ Capital work in progress	(331,170,495)		(299,904,272)	
Sale of investments	217,364,512		212,920,677	
Purchase of investments	(469,563,180)		(305,019,005)	
Interest received	857,925		952,609	
Dividend received	5,049,428		4,009,338	
Proceeds from sale of fixed assets	70,281,018		1,210,745	
Net cash from investing activities		(507,180,792)		(385,829,908)
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	(101,723,843)		(93,098,780)	
Proceeds/(repayments) from long term borrowings (net)	80,486,690		129,527,892	
Proceeds/(repayments) from short term borrowings (net)	204,338,820		155,965,982	
Dividend and dividend tax paid	(97,554,474)		(75,428,325)	
Exchange fluctuation reserve - foreign subsidiary (net)	8,411,116		11,004,117	
Net cash from financing activities		93,958,309		127,970,886
Net increase in cash and cash equivalents during the year		37,983,990		5,102,303
Cash and cash equivalents at beginning of the year		27,921,985		22,819,682
Cash and cash equivalents at end of the year		65,905,975		27,921,985

(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 : 25th May, 2013

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

(Amounts in ₹)

Particulars	2013		2012	
	No. of Shares	Amount	No. of Shares	Amount
1 SHARE CAPITAL				
1.1 Equity Share Capital				
1.1.1 Authorised Equity Share Capital Equity Shares of ₹ 1/- each	125,000,000	125,000,000	125,000,000	125,000,000
1.1.2 Issued, Subscribed and Fully Paid Up Equity Shares of ₹ 1/- each fully paid	120,020,000	120,020,000	120,020,000	120,020,000
TOTAL		120,020,000		120,020,000
1.1.3 There are no shares that have been issued, subscribed and not fully paid up				
1.1.4 There are no forfeited shares				
1.1.5 There are no shares reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment.				
1.1.6 The reconciliation of the number of equity shares outstanding and the amount of share capital as at March 31, 2013 and March 31, 2012:				
Shares outstanding as at the beginning of the year	120,020,000		120,020,000	
Shares issued during the year	-		-	
Shares outstanding as at the end of the year	120,020,000		120,020,000	
1.1.7 Details of shareholders holding more than 5% shares in the company:				
Equity Shares of ₹ 1/- each fully paid				
K Ajith Kumar Rai	45,548,399	37.95%	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%
1.1.8 The Company has not issued any securities convertible into equity/ preference shares.				
1.1.9 Each holder of equity shares is entitled to one vote per share and there are no preferences or restrictions attaching to class of shares mentioned above.				
1.1.10 During the last five years ending from 31 Mar 2008 :-				
(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 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.				
1.1.11 In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company after payment of all liabilities. The distribution will be in proportion to the number of equity shares held by the shareholders.				

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

(Amounts in ₹)

Particulars	2013	2012
2 RESERVES & SURPLUS		
2.1 Reserves		
2.1.1 Capital Reserve (State Investment Subsidy and surplus on reissue of forfeited shares)		
Opening balance	1,127,150	1,127,150
Add: Additions during the year	-	-
Closing Balance	1,127,150	1,127,150
2.1.2 General Reserve		
Opening balance	1,019,725,831	737,225,831
Add: Transferred from the Profit & Loss Statement	332,500,000	282,500,000
Closing Balance	1,352,225,831	1,019,725,831
2.2 Surplus		
2.2.1 Surplus in the Profit & Loss Statement		
Opening balance	158,855,124	133,865,765
Add:		
Profit for the year as per Profit and Loss Statement	471,243,421	398,158,019
Less:		
Interim Dividend	42,007,000	36,006,000
Final Dividend	48,008,000	42,007,000
Tax on dividend	14,973,546	12,655,660
Transfer to General Reserve	332,500,000	282,500,000
Closing Balance	192,609,999	158,855,124
Foreign Exchange Fluctuation Reserve	1,425,103	(7,847,048)
TOTAL	1,547,388,083	1,171,861,057
3 NON CURRENT LIABILITIES		
3.1 LONG TERM BORROWINGS		
3.1.1 Secured		
Term Loans from Banks (Refer Note 3.1.3 below)	377,452,641	288,135,150
	377,452,641	288,135,150
3.1.2 Unsecured		
Deferred Payment Liabilities - lease obligations (Refer Note 3.1.6 below)	12,889,170	20,836,748
Deposits from		
- related parties	971,043	1,854,266
- other than related parties	400,000	400,000
	14,260,213	23,091,014
TOTAL	391,712,854	311,226,164
3.1.3 Notes on Long Term Borrowings		
Term Loans availed from various Banks for capacity expansions are secured by Equitable Mortgage of land and buildings and hypothecation of other present and future fixed assets of the company on pari-passu first charge basis. Some of these loans are further secured by pari-passu second charge on the current assets of the company.		
3.1.4 Term loan from banks are repayable in quarterly instalments over the agreed repayment period, together with interest @11.85% (PY-12.75%) p.a.		
3.1.5 There has been no continuing default as on Balance Sheet date in repayment of loans and interest.		
3.1.6 In respect of land referred in Note no. 5.4 (1), the balance consideration is payable in 19 quarterly installments out of which 12 (PY-16) installments are pending. Such amount relating to the lease payable after 12 months is disclosed in note no. 3.1.2 above and current maturities of this liability is disclosed under note no. 4.3.		

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

(Amounts in ₹)

Particulars	2013	2012
3.2 DEFERRED TAX LIABILITIES (NET)		
3.2.1 Liability		
On timing differences of depreciation between Companies Act 1956 and Income Tax Act 1961	69,757,004	58,073,232
Gross deferred tax liability	69,757,004	58,073,232
3.2.2 Asset		
On timing differences of expenditure allowed only on payment basis for Income tax	6,760,085	8,385,635
Accelerated Capital Allowance	606,040	842,704
Timing difference on purchase of goodwill	-	1,701,031
Provision for doubtful debts	2,016,450	1,118,000
Gross deferred tax asset	9,382,575	12,047,370
	60,374,429	46,025,862
3.3 OTHER LONG TERM LIABILITIES		
3.3.1 Other Long Term Liabilities - Dealer Deposits	6,860,815	5,398,486
	6,860,815	5,398,486
3.4 LONG TERM PROVISIONS		
3.4.1 Provision for employee benefits [Refer Note no. 21.7(b)]		
- Provision for Gratuity	156,774	571,972
- Provision for Leave Encashment	6,993,345	5,023,909
3.4.2 Provision for Rework charges	6,771,000	6,771,000
	13,921,119	12,366,881
TOTAL	466,008,402	369,618,907

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

(Amounts in ₹)

Particulars	2013	2012
4 CURRENT LIABILITIES		
4.1 SHORT TERM BORROWINGS		
4.1.1 Secured		
Working capital facilities from banks repayable on demand from banks (Refer Note 4.1.2 below)	637,489,371	433,150,551
	637,489,371	433,150,551
4.1.2 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.		
4.2 TRADE PAYABLES		
4.2.1 Due to Micro & Small Enterprises	5,965,019	9,651,150
4.2.2 Due to Others	461,945,275	472,016,561
	467,910,294	481,667,711
4.3 OTHER CURRENT LIABILITIES		
4.3.1 Current maturities of long term debt (Refer Note 3.1.3 and 3.1.6)	83,771,456	80,164,429
4.3.2 Current maturities of vehicle loan	-	48,126
4.3.3 Current maturities of deposits from		
- related parties	4,459,400	3,300,000
- other than related parties	750,000	750,000
4.3.4 Interest accrued but not due on borrowings/deposits	1,125,176	435,972
4.3.5 Advance from Customers	4,366,512	-
4.3.6 Unclaimed dividend	1,280,303	1,665,938
4.3.7 Due to Investor Education & Protection Fund	-	88,698
4.3.8 Other Payables		
- Rent Deposit	-	585,900
- For purchase of Fixed Assets	14,669,966	12,594,493
- Statutory liabilities	33,584,175	26,909,958
- To Employees	35,518,919	20,478,988
- To directors towards commission & sitting fees	24,499,637	23,781,564
	204,025,544	170,804,066
4.4 SHORT TERM PROVISIONS		
4.4.1 Provision for employee benefits [Refer Note no. 21.7(b)]		
- Provision for Gratuity	4,928,306	10,879,439
- Provision for Leave Encashment	791,535	772,303
4.4.2 Dividend Payable (Proposed Dividend)	48,008,000	42,007,000
4.4.3 Provision for Corporate Dividend Tax	8,158,960	6,814,586
4.4.4 Provision for loss on forward contracts	-	806,841
4.4.5 Provision for Income Tax (Net of Advance Tax)	6,968,670	3,628,181
4.4.6 Provision for Wealth Tax	195,766	103,896
	69,051,237	65,012,246
TOTAL	1,378,476,446	1,150,634,574

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

5 FIXED ASSETS

(Amounts in ₹)

Description	Gross Block					Depreciation/Amortisation					Accumulated Impairment		Net Block	
	As at 01.04.2012	Additions	Disposals / Adjustment	Currency Fluctuation arising on consolidation [Refer Note no. 20.3]	As at 31.03.2013	Upto 01.04.2012	For the year	Disposals/ Adjustment	Currency Fluctuation arising on consolidation [Refer Note no.20.3]	As at 31.03.2013	For the year [Refer Note No 5.4.(4) below]	As at 31.03.2013	As at 31.03.2012	
5.1 Tangible assets														
Freehold Land	177,230,614	-	2,032,761	-	175,197,853	-	-	-	-	-	-	175,197,853	177,230,614	
Leasehold Land	75,523,440	1,422,788	1,553,472	23,238	75,415,994	5,727,805	783,529	-	21,025	6,532,359	-	68,883,635	69,795,635	
Buildings	464,157,149	171,681,590	12,698,759	-	623,139,980	76,892,175	17,771,625	559,819	-	94,103,981	-	529,035,999	387,264,974	
Electrical Installations	69,966,098	20,968,102	2,651,405	-	88,282,795	18,903,542	3,766,377	290,463	-	22,379,456	-	65,903,339	51,062,556	
Plant and Machinery	478,288,891	63,933,783	167,660	122,655	542,177,669	240,258,819	31,094,450	57,633	100,281	272,828,340	1,432,423	267,916,906	238,030,073	
Dies & Moulds	46,508,450	5,082,682	-	-	51,591,132	24,338,539	3,331,235	-	-	27,669,774	-	23,921,358	22,169,911	
Furniture and Fixtures	32,344,409	3,079,774	-	11,046	35,435,230	13,986,203	2,463,936	-	4,250	16,454,388	-	18,980,842	18,358,206	
Vehicles	21,575,435	5,149,141	2,710,392	(5,461)	24,008,723	9,010,826	1,985,320	2,687,752	(8,020)	8,300,373	-	15,708,350	12,564,609	
Office equipment	12,027,350	4,810,299	-	(10,133)	16,827,515	6,111,320	1,324,313	-	(5,130)	7,433,334	2,831	9,391,350	5,916,030	
Containers	1,462,144	276,089	-	-	1,738,233	1,462,144	276,089	-	-	1,738,233	-	-	-	
Computers (including Software)	36,291,128	6,287,506	-	-	42,578,634	26,488,799	3,665,694	-	-	30,154,493	-	12,424,141	9,802,329	
5.2 Intangible assets														
Goodwill	122,714,309	-	-	626,855	123,341,164	108,675,326	14,766,615	-	(100,777)	123,341,164	-	-	14,038,983	
Brands	5,100,000	-	-	-	5,100,000	4,861,846	238,154	-	-	5,100,000	-	-	238,154	
Technical Knowhow	195,127	-	-	-	195,127	195,127	-	-	-	195,127	-	-	-	
Total	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	
Previous year	1,319,776,706	211,854,799	3,558,737	15,311,776	1,543,384,545	451,736,266	74,741,646	2,206,913	12,641,470	536,912,470	-	1,006,472,075	866,938,114	
Capital Work in Progress												175,760,208	127,281,466	
TOTAL												1,363,123,981	1,133,753,541	

5.4 Note:

- Land on lease includes land at Bhiwadi, Rajasthan registered in the name of the company for a value of ₹ 45,462,101/- (PY - Nil), payment towards this land has been agreed upon to be made in instalments and outstanding liability is disclosed in Note no. 3.1.2 and Note no. 4.3.
- During the last five years ended 31st March, 2008, there was no write off of any of the tangible or intangible assets due to reduction of capital.
- During the last five years ended 31st March, 2008, there was no write off / reduction of any of the tangible or intangible assets due to revaluation.
- During the 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/- have been 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, 2013 is ₹ 2,241,554/-.
- Borrowing costs capitalised during the year is ₹ 8,485,237/- (₹ 4,746,315/-).

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

(Amounts in ₹)

Particulars	2013		2012	
	No. of shares	Amount	No. of shares	Amount
6 NON CURRENT INVESTMENTS				
6.1 TRADE INVESTMENTS (AT COST)				
6.1.1 Associate Companies				
Equity Instruments - Fully Paid - Unquoted				
Suprajit Chemicals Private Limited Nil (PY - 27.32%) Holding [Equity Shares of ₹ 100/- each]	-	-	20,000	4,197,723
		-		4,197,723
6.1.2 Others (In Limited Companies)				
Equity Instruments - Fully Paid - Unquoted				
Suprawin Technologies Limited - Nil (PY - 12.89%) Holding [Equity Shares of ₹ 10/- each]	-	-	540,000	7,164,070
Less: Provision for diminution in value of Investment		-		7,164,070
		-		-
6.2 OTHER INVESTMENTS (NON-TRADE) - (AT COST)				
Investments in National Highways 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		4,197,723
6.3 General Information				
Aggregate value of Investments:				
Unquoted		5,000,000		11,361,793
Provision for diminution in value of investments		-		7,164,070
6.4 During the year, the Parent has sold the investment in shares as given below to Mr. K. Ajith Kumar Rai, Managing Director after obtaining approval from the Central Government under Section 297 of the Companies Act, 1956 at a fair value based on the share valuation report from an independent valuer:				
(i) Shares in M/s. Suprajit Chemicals Private Limited has been sold at a fair value of ₹ 509/- per share and the excess of the sale proceeds over the carrying value of investments ₹ 5,982,277/- has been credited to the Consolidated Profit & Loss Statement [Refer Note no.15].				
(ii) Shares in M/s. Suprawin Technologies Private Limited has been sold at a fair value of ₹ 0.10/- per share and has incurred a loss of ₹ 7,110,070/-. Since the investment had eroded, the Parent had already fully provided for this investment in the earlier year and there is no further loss to be recognised in the Consolidated Profit and Loss Statement of the year. In view of this transaction, since the provision for diminution in the value of this investment is no longer required, such provision is reversed to the credit of the Consolidated Profit & Loss Statement [Refer Note no.15].				
6.5 Since the investment in the Associate company has been sold during the year, income, if any for the year has not been considered for the purpose of consolidation.				

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

(Amounts in ₹)

Particulars	2013	2012
7 LONG TERM LOANS AND ADVANCES		
7.1 Capital Advances (Unsecured, considered good)		
Advance paid for leasehold land	17,042,120	3,430,000
Capital advances towards other fixed assets	50,425,210	40,284,805
	67,467,330	43,714,805
7.2 Security Deposits (Unsecured, considered good)		
Electricity Deposits	5,653,958	3,680,670
Other Deposits	1,644,982	1,317,832
	7,298,940	4,998,502
7.3 Others (Unsecured, considered good)		
Advance tax [including Tax deducted at source (Net of Provisions)]	-	1,419,179
Income tax paid under protest	903,430	451,715
MAT credit entitlement	12,969,639	16,292,350
Value Added Tax paid under protest [Refer Note no. 21.5.1]	15,658,834	2,500,000
	29,531,903	20,663,244
TOTAL	104,298,173	69,376,551
8 OTHER NON-CURRENT ASSETS (Unsecured, considered good)		
Non-current bank deposit (held against public deposits)	564,151	534,226
Interest accrued on the above non-current bank deposit	56,099	39,017
Advance to gratuity trust	10,000	10,000
TOTAL	630,250	583,243

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

(Amounts in ₹)

Particulars		2013	2012
9 CURRENT INVESTMENTS			
9.1 Other Investments (Non-trade, Quoted)			
Investments in Mutual Funds (at lower of cost or fair value)		449,256,123	179,024,003
TOTAL		449,256,123	179,024,003
9.2 Details of Other Investments (Non-trade, Quoted)			
9.2.1 General Information			
Aggregate market value of quoted investments:			
Market Value		481,484,021	185,358,056
9.2.2 Details of Mutual Funds held at the end of the year:			
Particulars		31.03.2013	31.03.2012
HDFC Monthly Income Plan - 619,472.60 (510,907.92) units of ₹10/- each		14,500,000	11,842,601
HDFC MIP -Saving Plan - Nil (204,304.71) units of ₹10/- each		-	2,612,465
Reliance Monthly Income Plan - 768,456.43 (510,911.62) units of ₹ 10/- each		17,000,000	11,000,000
Birla MIP II Wealth 25 Plan - Nil (606,193.00) units of ₹ 10/- each		-	11,000,000
HDFC Prudence Fund - Growth - 96,764.49 (60,708.12) units of ₹10/- each		20,111,073	12,568,937
Kotak Bond Regular Growth - 1,489,020.07 (248,249.63) units of ₹ 10/- each		46,000,000	7,500,000
IDFC Super Saver Income Fund - Short Term Plan A- Growth - 224,624.20(1,414,697.23) units of ₹10/- each		5,000,000	30,000,000
IDFC Dynamic Bond Fund Growth - 2,227,216.62 (477,293.84) units of ₹10/- each		47,500,000	10,000,000
DSP BlackRock STP Growth - 269,990.06 (1,715,100.87)units of ₹10/- each		5,000,000	30,000,000
Birla Dynamic Bond Fund Retail Plan - Growth -1,939,435.01 (421,963.91) units of ₹ 10/- each		35,000,000	7,500,000
Templeton India Short Term Income Retail Growth Plan- 2,298.49(14,671.39) units of ₹10/- each		5,000,000	30,000,000
UTI Bond Fund Growth - 1,110,261.30 (241,120.58) units of ₹ 10/- each		35,000,000	7,500,000
Birla Sunlife 95 Fund growth - Nil (25,160.12) units of ₹ 10/- each.		-	7,500,000
Birla Sun Life Short Term Fund - 476,536.53(Nil) units of ₹10/- each		20,000,000	-
Brila Sun Life Dynamic Bond Fund- Retail -Growth- 1,079,445.67(Nil) units of ₹10/- each		20,000,000	-
Brila Sun Life Dynamic Bond Fund-Retail -Quarterly Dividend- 875,679.75(Nil) units of ₹ 10/- each		9,992,644	-
HDFC High Interest Fund-Short Term Plan- Growth- 465,432.34 (Nil) units of ₹10/- each		10,000,000	-
IDFC Dynamic Bond Fund - 1,501,670.60 (Nil) units of ₹10/- each		20,000,000	-
IDFC Dynamic Bond QDP- 2,913,460.25 (Nil) units of ₹ 10/- each		29,672,427	-
Kotak Bond QDP - 2,800,123.52 (Nil) units of ₹ 10/- each		29,479,980	-
Pru ICICI Short Term Plan - Cumulative Option- 442,883.53 (Nil) units of ₹10/- each		10,000,000	-
Reliance Dynamic Bond QDP - 2,945,816.50 (Nil) units of ₹ 10/- each		30,000,000	-
SBI Dynamic Bond Fund-Growth - 2,937,530.09 (Nil) units of ₹ 10/- each		40,000,000	-
TOTAL		449,256,123	179,024,003

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

(Amounts in ₹)

Particulars	2013	2012
10 INVENTORIES		
(Valued at Lower of Cost or Net Realisable Value)		
Raw materials (including components, packing materials and stores & spares)	232,599,591	224,072,720
Raw materials in transit	12,069,220	7,056,070
Work in Progress	35,137,945	31,497,289
Finished Goods	190,600,120	121,253,891
Finished Goods in Transit	10,346,224	7,951,778
Tools	5,274,132	1,068,994
TOTAL	486,027,232	392,900,742
11 TRADE RECEIVABLES		
11.1 Outstanding for a period more than six months from the due date of payment		
Unsecured, considered good	4,681,338	-
Unsecured, considered doubtful	5,205,655	2,691,828
Less:- Provision for Doubtful receivables	5,205,655	2,691,828
	4,681,338	-
11.2 Other Trade Receivables		
Unsecured, considered good	923,692,773	892,986,471
Unsecured, considered doubtful	4,455,148	754,871
Less:- Provision for Doubtful receivables	4,455,148	754,871
	923,692,773	892,986,471
TOTAL	928,374,111	892,986,471
12 CASH AND BANK BALANCES		
12.1 Cash and Cash Equivalents		
Balances with Banks	65,105,449	26,733,072
Cash on hand	710,526	808,638
Cheques, drafts on hand	90,000	380,275
	65,905,975	27,921,985
12.2 Other Bank balances		
Earmarked balances for Unclaimed Dividend accounts	1,280,303	1,754,636
Bank deposit held as margin money against bank guarantees [Refer Note 21.5.1]	3,202,836	653,012
Other Bank Deposits	5,968,529	900,618
	10,451,669	3,308,266
TOTAL	76,357,644	31,230,251
13 SHORT TERM LOANS AND ADVANCES		
Others		
(Unsecured, considered good)		
Advance to Suppliers	51,955,819	70,626,025
Advances to Employees	3,422,269	4,182,236
Balance with Central Excise Customs & other authorities	33,336,009	19,692,719
Prepaid Expenses	13,167,412	13,351,747
Others	174,774	3,397,797
TOTAL	102,056,283	111,250,524
14 OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Export benefit entitlements	1,872,941	2,154,572
Matured National Savings Certificates	-	10,000
Interest accrued on non-current investment in bonds	170,959	-
Interest accrued on bank deposits	150,795	65,403
TOTAL	2,194,695	2,229,975

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

(Amounts in ₹)

Particulars	2013		2012	
15 OTHER INCOME				
Interest Income		857,925		952,609
Dividend Income from Mutual funds		5,049,428		4,009,338
Net gain on foreign currency transactions and translations		-		10,580,341
Gain on sale of investments in associate company [Refer note no. 6.4]		5,982,277		-
Reversal of provision relating to sale of other non-current investment [Refer note no. 6.4]	7,164,070			
Loss on sale of above non current investment	(7,110,070)	54,000		-
Net gain on sale of current investments		13,653,240		7,904,937
Rent Received		262,230		3,665,870
Discount Received		750,534		857,623
Profit on sale of fixed assets (net)		226,649		-
Other non-operating income		901,505		318,776
Excess provisions written back		-		1,117,462
TOTAL		27,737,788		29,406,956
16 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS				
Opening Stock				
Finished Goods		129,205,669		101,022,131
Work in Progress		31,497,289		24,095,045
		160,702,958		125,117,176
Excise Duty on stocks		(3,396,111)		(3,686,919)
		157,306,847		121,430,257
Less: Closing Stock				
Finished Goods		200,946,345		129,205,669
Work in Progress		35,137,945		31,497,289
		236,084,290		160,702,958
Add: Currency Fluctuation arising on consolidation [Refer Note no. 20.3]		7,872,550		13,539,192
TOTAL		(70,904,893)		(25,733,509)
17 EMPLOYEE BENEFIT EXPENSE				
Salaries and Wages (including managerial remuneration)		526,645,020		456,187,310
Contribution to Provident Fund and other funds		22,683,458		15,350,739
Staff welfare expenses		20,637,014		15,601,076
TOTAL		569,965,492		487,139,125
18 FINANCE COSTS				
Interest expense		108,810,818		94,966,657
Loan processing charges		1,398,262		2,878,438
		110,209,080		97,845,095
Less: Expenditure incurred during the construction period				
- Capitalised during the year		(3,623,146)		(774,779)
- Added to capital work in progress		(4,862,091)		(3,971,536)
TOTAL		101,723,843		93,098,780

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

(Amounts in ₹)

Particulars	2013		2012	
19 OTHER EXPENSES				
Power and fuel		71,149,513		63,131,799
Testing charges		6,687,221		2,745,979
Labour charges		614,435		534,942
Rent		6,616,900		4,871,842
Repairs & Maintenance:				
Buildings		1,716,624		4,636,552
Machinery		24,859,823		25,395,750
Others		17,370,364		14,771,183
Insurance		12,643,524		11,194,541
Rates and taxes		7,952,599		6,714,948
Bank Charges		6,339,517		5,004,139
Travelling and Conveyance		31,456,246		31,055,125
Professional Charges		10,224,962		8,594,674
Auditors Remuneration		3,327,826		2,381,503
Freight Outward and C & F Charges		68,728,134		54,997,978
Advertisement and Sales Promotion		11,613,914		2,799,785
Discount		48,079,179		28,126,020
Sales Commission		7,796,974		7,051,834
Directors' Sitting Fees & Commission		800,000		820,000
Bad debts written off	5,350,381		2,201,653	
Reversal of earlier year provisions	2,949,352	2,401,029	1,956,758	244,895
Provision for Doubtful debts		9,343,711		(1,043,453)
Printing & Stationery		5,331,224		5,360,579
Security Expenses		11,577,313		7,777,136
Communication Expenses		6,941,751		6,544,900
Research & Development expenses (Refer Note No. 21.11)		1,792,232		1,693,266
Loss on Sale of fixed assets (net)		-		141,079
Foreign Exchange Loss (net)		3,500,360		-
Provision for diminution in value of Investments (net)		853,788		(4,767)
Provision for impairment of fixed assets [Refer Note no.5.4.(4)]		1,435,254		-
General Expenses		10,847,437		9,550,930
TOTAL		392,001,853		305,093,160

Significant Accounting Policies and Notes to Accounts forming part of the consolidated accounts for the year ended 31st March 2013

20 SIGNIFICANT ACCOUNTING POLICIES

20.1 Basis of preparation of Financial Statements

The consolidated financial statements have been prepared on accrual basis of accounting under the historical cost convention in accordance with generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956 including accounting standards notified there under.

20.2 Use of Estimates

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

20.3 The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Parent.

The consolidated financial statements have been prepared on the following basis:

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

20.4 The two wholly owned subsidiaries i.e. Suprajit Automotive Private Limited, India and Suprajit Europe Limited, UK have been considered for consolidation.

20.5 Cash Flow Statement

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

20.6 Revenue Recognition

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

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

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

20.7 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 amortization where it is probable that future economic benefits expected from it is not less than the carrying value.

20.8 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:

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

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

20.9 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.

Significant Accounting Policies and Notes to Accounts forming part of the consolidated accounts for the year ended 31st March 2013

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

20.11 Inventories

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

20.12 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 recognized in the Profit and Loss Statement over the period of the contracts. The exchange differences on the contracts are recognized in the year in which the exchange rates change.

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

20.13 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:

Gratuity

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

Compensated Absences

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

20.14 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 under relevant asset class.

20.15 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 recognized as an expense in the Profit and Loss Statement on a systematic basis.

Finance Lease

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

20.16 Taxation

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

Significant Accounting Policies and Notes to Accounts forming part of the consolidated accounts for the year ended 31st March 2013

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.

20.17 Research and Development Expenditure

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

20.18 Provisions and Contingencies

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

21 OTHER NOTES ON ACCOUNTS

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

Significant Accounting Policies and Notes to Accounts forming part of the consolidated accounts for the year ended 31st March 2013

(Amounts in ₹)

Particulars	31.03.2013	31.03.2012
21.5 Contingent Liabilities and Commitments		
21.5.1 Contingent Liabilities		
Corporate Guarantees issued on behalf of subsidiaries to their bankers [GBP 500,000 (PY: GBP 500,000)]	41,160,000	41,290,000
Letter of credit outstanding	-	727,513
Bond executed in favour of Customs	20,000,000	20,000,000
Bank Guarantee furnished to Tax Authorities for availing concessions	750,000	750,000
Disputed Excise/ Service Tax dues pending in appeal *	544,160	1,434,040
Demand raised by VAT authorities disputed with Joint Commissioner of Commercial Taxes - Appeals (JCCT - Appeals). * [Against this a bank guarantee amount of ₹13,158,834/- (PY- Nil) is furnished].	28,817,668	-
Other sums for which the Company is contingently liable	-	3,921,851
Total	91,271,828	68,123,404
* 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.		
21.5.2 Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	33,560,183	126,534,919
Total Contingent Liabilities and Commitments	124,832,011	194,658,323

21.6 Foreign Exchange exposure

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

Particulars	31.03.2013		31.03.2012	
	Foreign currency	Equivalent ₹	Foreign currency	Equivalent ₹
Hedged by derivative instruments (Converted at committed exchange rates)				
USD Receivable	225,000	12,961,750	1,303,866	66,087,680
Euro Receivable	454,000	33,751,730	1,127,000	76,544,230
GBP Receivable	-	-	50,000	3,903,286
Forward contract to hedge highly probable forecast receivable				
Euro	-	-	175,000	11,885,750
GBP	-	-	175,000	13,661,500
Not hedged by derivative instruments (net)				
USD Receivable	877,797	46,634,440	925,967	46,933,512
Euro Receivable	388,381	26,650,611	474,194	31,973,622
Euro Payable	-	-	179,000	12,069,500
GBP Receivable	63,719	5,195,453	133,756	10,801,440

21.7 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	31.03.2013	31.03.2012
Employer's contribution to Provident Fund (incl. admin charges)	12,624,704	9,782,630
Employer's contribution to Employee State Insurance	3,045,849	2,768,514
Employer's contribution to other Social Security Schemes	10,460,829	7,869,200

Significant Accounting Policies and Notes to Accounts forming part of the consolidated accounts for the year ended 31st March 2013

(Amounts in ₹)

b. Defined Benefit Plans:

Gratuity - Funded

Compensated absences - Unfunded

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

Particulars	Gratuity		Compensated Absences	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
Discount Rate (per annum)	8.0%	8.5%	8.0%	8.5%
Expected return on plan assets	9.0%	8.5%	0.0%	0.0%
Salary escalation rate*	7.0%	7.0%	7.0%	7.0%

* 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	2012-13		2011-12	
	Funded Scheme	Unfunded Scheme	Funded Scheme	Unfunded Scheme
I. Reconciliation of present value of obligation				
Present value of obligation at beginning of the year	18,464,045	5,796,212	16,264,586	4,087,648
Current Service Cost	8,100,468	2,147,323	3,740,820	2,578,488
Interest Cost	1,456,779	417,038	1,344,609	302,987
Actuarial (gain)/loss	(205,608)	590,779	(1,994,657)	(126,735)
Benefits Paid	(508,606)	(1,166,472)	(891,313)	(1,046,176)
Present value of obligation at end of the year	27,307,078	7,784,880	18,464,045	5,796,212

Particulars	2012-13	2011-12
	Funded Scheme	Funded Scheme
II. Reconciliation of fair value of plan assets		
Fair value of plan assets at beginning of the year	7,012,634	6,992,965
Expected return on plan assets	1,250,504	569,369
Actuarial gain/(loss)	195,133	39,298
Contributions	14,272,333	302,315
Benefits paid	(508,606)	(891,313)
Fair value of plan assets at end of the year	22,221,998	7,012,634

Particulars	2012-13	2011-12
	Funded Scheme	Funded Scheme
III. Description of Plan Assets		
Insurer Managed Funds	22,221,998	7,012,634

Particulars	2012-13		2011-12	
	Funded Scheme	Unfunded Scheme	Funded Scheme	Unfunded Scheme
IV. Net (Asset)/Liability recognized in the Balance Sheet as at year end				
Present value of obligation at the end of the year	27,307,078	7,784,880	18,464,045	5,796,212
Fair value of plan assets at the end of the year	22,221,998	-	7,012,634	-
Net present value of unfunded obligation recognized as (asset)/liability in the Balance Sheet	5,085,080	7,784,880	9,342,422	5,796,212

Significant Accounting Policies and Notes to Accounts forming part of the consolidated accounts for the year ended 31st March 2013

(Amounts in ₹)

21.8 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	2012-13	2011-12
Sales/Operating income		
- India	3,972,292,067	3,694,605,530
- Rest of the world	653,068,664	542,918,465
Segment Assets		
- India	3,379,226,756	2,649,828,410
- Rest of the world	139,526,990	167,704,614

21.9 Related Party Disclosures

Party	Relationship
K Ajith Kumar Rai (Chairman & Managing Director)	Key Management Personnel
Peter Greensmith	Key Management Personnel
Mohan Chelliah (Executive Director)	Key Management Personnel
Suprajit Chemicals Private Limited	Associate
Akhilesh Rai	Relative of Key Management Personnel
Jayarama M Shetty	Relative of Key Management Personnel
Manjunath Rai K	Relative of Key Management Personnel
Hemavathi M Rai	Relative of Key Management Personnel
Ashok Kumar Rai	Relative of Key Management Personnel
Arathi Shetty	Relative of Key Management Personnel
Shobha Mani	Relative of Key Management Personnel
Lakshmi A Rai	Relative of Key Management Personnel
Greeshma Shetty	Relative of Key Management Personnel
Suprajit Foundation	Trust Setup with effect from 31.03.2011

Nature of Transaction and Related Party	2012-13	2011-12
Remuneration/ Commission		
Key Management Personnel	41,198,736	34,441,639
Relative of Key Management Personnel	821,943	364,000
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		
Relative of Key Management Personnel	80,000	80,000
Interest Paid		
Relative of Key Management Personnel	342,158	269,677
Donation		
Trust	5,950,000	5,475,000
Reimbursements		
Key Management Personnel	2,844,084	1,886,130
Relative of Key Management Personnel	46,636	-
Fixed Deposits Accepted		
Relative of Key Management Personnel	4,771,043	2,000,000
Fixed Deposits Refunded on Closure		
Relative of Key Management Personnel	2,694,866	2,400,000
Balances outstanding (net)	31.03.2013	31.03.2012
Relative of Key Management Personnel (Cr.)	5,430,443	3,000,000
Trust (Cr.)	5,950,000	5,475,000

Notes:

- Dr. Mohan Chelliah has been appointed by the Board of Directors as an Additional Director in the capacity of an Executive Director with effect from 12th March, 2012 and related party figures are post this date. Further he was appointed as an Executive Director at the Annual General Meeting held on 31st July, 2012.
- Amounts shown as outstanding at the year end in relation to fixed deposits accepted represent only the principal amount as there is no interest due but not paid at the year end.

Significant Accounting Policies and Notes to Accounts forming part of the consolidated accounts for the year ended 31st March 2013

(Amounts in ₹)

21.10 Operating Lease commitments:

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

Particulars	Amount as on 31.03.2013	Amount as on 31.03.2012
Due within one year	266,470	-
Due between two to five years	6,773,784	6,501,791

21.11 Research & Development Expenditure

Particulars	2012-13	2011-12
Salaries & Wages	24,003,701	18,981,463
Materials, Consumables & Stores	1,938,945	2,668,519
Other Direct Expenditure	943,377	640,528
Total	26,886,023	22,290,510

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

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

(Signatures to Notes 1 to 21)

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 0045325

K Ajith Kumar Rai
Chairman & Managing Director

Diwakar S Shetty
Director

Medappa Gowda J
Company Secretary

R Kesavadas
Partner
M. No. 23862

Place : Bangalore
Date : 25th May, 2013

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

ECS MANDATE FORM

Members holding Shares in Physical Mode

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

Members holding Shares in Physical Mode

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

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

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

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

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

Name:

Address:

Date:

.....

.....

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

25th May, 2013

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, 1956, can be made through the electronic mode.

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

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

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

Thanking You,

Yours faithfully,

For **Suprajit Engineering Limited**

Medappa Gowda J
Company Secretary

SUPRAJIT ENGINEERING LIMITED

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

ATTENDANCE SLIP

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

Name of the attending Member (in block letters) :

Members' Folio Number :

Client I.D. No:

D.P.I.D. No:

Name of 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 Eighth Annual General Meeting of the Company held on Wednesday, the 31st July 2013,
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

.....

SUPRAJIT ENGINEERING LIMITED

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

PROXY

I/Weof.....in the district of.....being a Member / Members
of Suprajit Engineering Limited, hereby appoint ofof failing him of
.....in the district of of failing him in the district of
as my/our proxy to vote me/us on my/our behalf at the Twenty Eighth Annual General Meeting of the Company to be held on
Wednesday , the 31st July 2013, at 12.00 noon at Factory Office No. 101, Bommasandra Industrial Area, Bangalore – 560 099 – and
at any adjournments thereof.

Signed thisday of2013

Client ID No

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

Regd. Folio No

No of Shares held



Signature

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



Suprajit Milestones

- 1985 - Incorporated as a Private Limited Company.
- 1987 - Commercial Production at Unit -1.
- 1994 - Commercial Production at Unit – 2.
- 1996 - Public issue of Equity Shares at premium.
- 1997 - “Enterprise of the State” award by KSFC.
- 1998 - Commercial Production at Unit – 3.
- 2002 - State of the Art cable plant – Unit -4, Manesar.
- 2002 - Acquisition of Shah Concabs Pvt Ltd, a Cable Manufacturer at Vapi – Unit -6.
- 2002 - India’s largest cable Manufacturer.
- 2003 - Implementation of TS- 16949 at all units.
- 2003 - State of the Art cable plant at Chakan, Pune –Unit-5.
- 2003 - Listing of Shares at the Stock Exchange, Mumbai (BSE).
- 2004 - Launch of CTP Suprajit Automotive Private Limited.
- 2004 - ISO 14000 & 18000 Certification for Manesar Unit.
- 2005 - Listing of Shares at the National Stock Exchange of India Ltd, Mumbai (NSE).
- 2006 - Successfully implemented Oracle ERP across all units.
- 2006 - Acquisition of business and assets of CTP Gills Cables, U.K. through 100% Owned Subsidiary, Gills Cables, U.K.
- 2006 - Acquisition of the balance 50% stake held by Carclo plc., U.K in the Joint Venture – Suprajit Automotive Private Limited (100% EOU).
- 2006 - Twin Awards by CNBC / ICICI Bank / CRISIL :
 1. SME of the Year.
 2. Auto Ancillary of the Year.
- 2007 - Commercial production at Pantnagar plant – Unit – 7.
- 2007 - Commercial production at the second plant in Manesar – Unit-4.
- 2007 - Best IT User Award – 2006 in Automotive Sector by NASSCOM.
- 2009 - Commercial Production at 100% EOU in Bangalore – Unit 9.
- 2010 - Awarded by KSFC as “Best Enterprise of the State”.
- 2010 - Commercial Production at Haridwar – Unit 10.
- 2011 - Commercial Production at Bangalore – Unit 12.
- 2011 - Gills Cables Limited renamed as Suprajit Europe Ltd.
- 2011 - Formation of Suprajit Foundation, a Trust for CSR activities.
- 2012 - Commercial production at Chakan – Unit 14.
- 2012 - Largest Exporter of Cables from India.
- 2012 - Worlds’ largest 2-Wheeler cable maker.
- 2013 - Group sales exceed ₹500 Crore.

SOME OF OUR ESTEEMED CUSTOMERS



*All names, images and logos are copyright of their respective owners.



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