



My Dear Shareholder,

I take this opportunity to share with you, with immense satisfaction, your Company's performance. The enclosed Annual Report provides you the detailed financials and relevant information highlighting the operations of the Company.

The consolidated sales grew to Rs. 37917.22 lakhs from Rs. 26578.78 lakhs, an increase of 42.66%. The profit after tax grew to Rs. 3330.11 lakhs from Rs. 2216.92 lakhs, an increase of 50.21%. This indeed is a robust performance, immediately following an eventful Silver Jubilee Year. On a consolidated basis, your Company sold over 100 million cables. The total length of cables sold is equivalent to embracing the Earth three times over! May I add, with all humility, that this is marching ahead with confidence!!

You would have noticed that your Company has had three years of significant growth and profitability, surpassing the auto industry's performance. However, I must caution you that boom years have a lifetime as well. I do expect the current year will be a good growth year albeit at a lower rate. With significant monetary tightening by the RBI, increased inflation and rising commodity prices, the growth in the Indian automotive industry is expected to be in line with the historic average. With a strong customer focus and rapid growth in non automotive exports and after market, your Company is poised to perform well during the current year.

Your Company is continuing its expansion plans at various locations as you would note from the Directors' Report. This will raise your Company's overall cable capacities to 150 million cables per year, making it one of the top 5 cable manufacturers in the world. Your Company has a strong customer loyalty and brand image with domestic customers making it a preferred supplier.

Your Company's effort to become a global brand is taking steady and measured steps forward. To serve the customers globally, a supply chain footprint is

a requirement, with presence in major automotive geographies. Your Company is assessing various avenues, including acquisition, to develop this footprint to serve these global customers.

I may recapitulate that initiatives were taken to de-risk the business with focus on two new areas i.e. non-automotive exports and aftermarket sales which have shown robust growth of 90% and 65% respectively. I expect this growth to continue. We have now started to develop new products in-house, which are in an advanced stage of introduction in the market.

Your Company's subsidiaries have performed well and have added to the consolidated growth and profitability. Gills Cables Ltd, our wholly owned UK subsidiary will be renamed as Suprajit Europe Limited, effective 1st June, 2011.

I am also happy to inform you that your Company is strengthening its CSR initiatives by forming Suprajit Foundation, a Charitable Trust. A portion of the profit of your Company will be channeled to Suprajit Foundation to undertake certain socially relevant projects for the needy, particularly in the areas of healthcare, education and rural development.

Mr. M R B Punja, who was Chairman of your Company since 14th April 1995, stepped down from the Board during the year, citing advancing age. Your Company has greatly benefited from his advice and wisdom. I am extremely thankful to him for his many years of association with your Company.

Our strategies to have a diversified customer mix, new focus areas for our products along with continued focus on cost effective manufacturing and customer satisfaction gives me the confidence that Team Suprajit will continue to perform well in the years ahead.

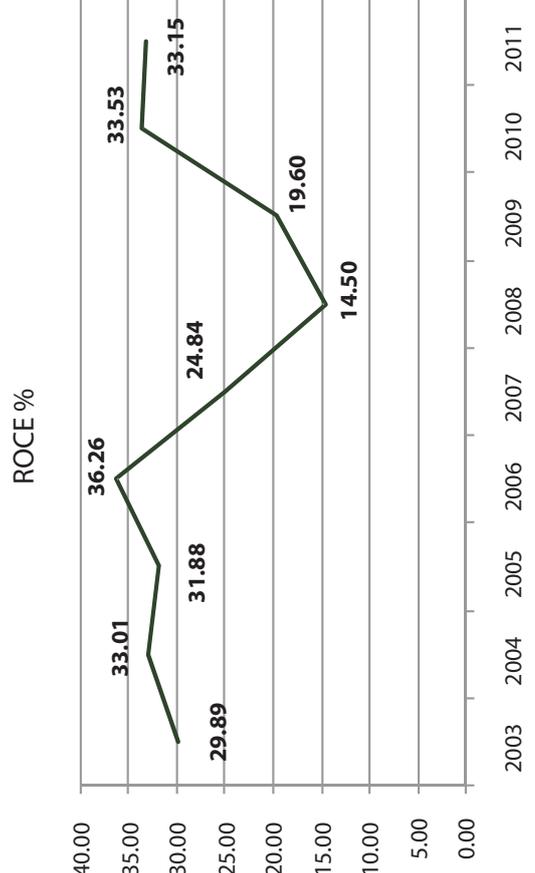
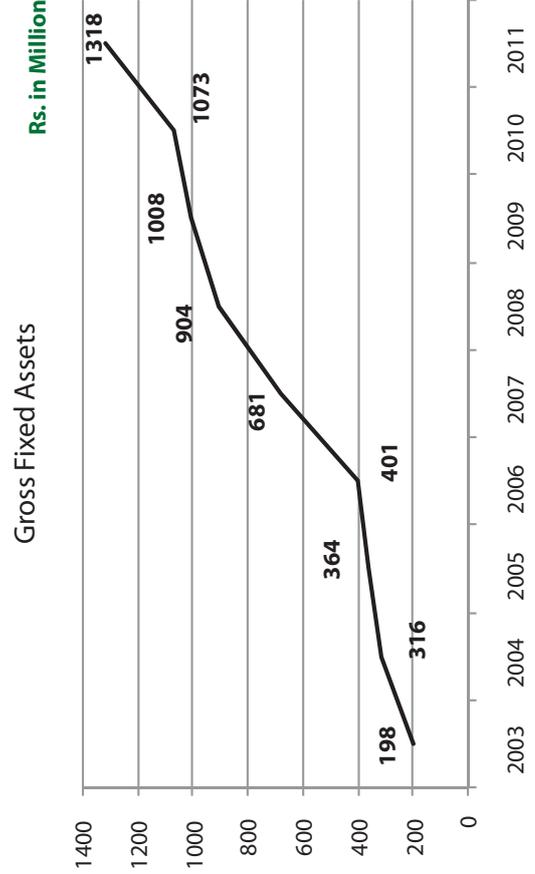
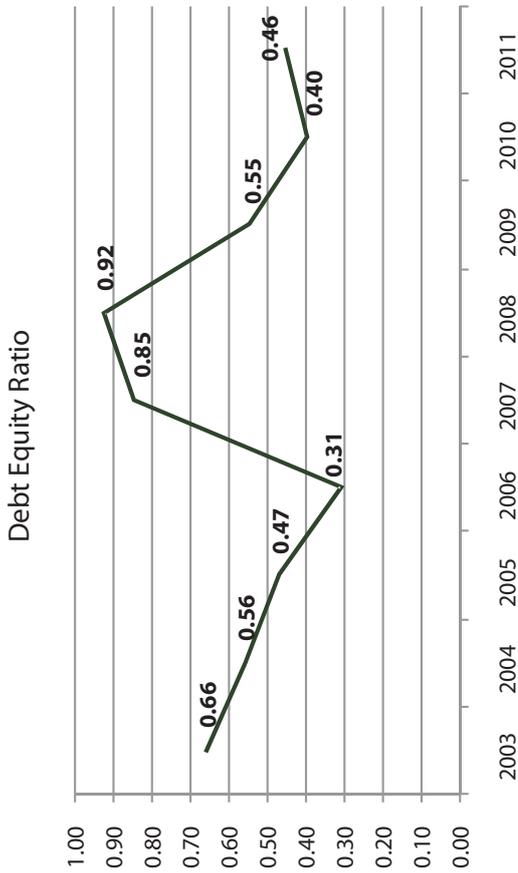
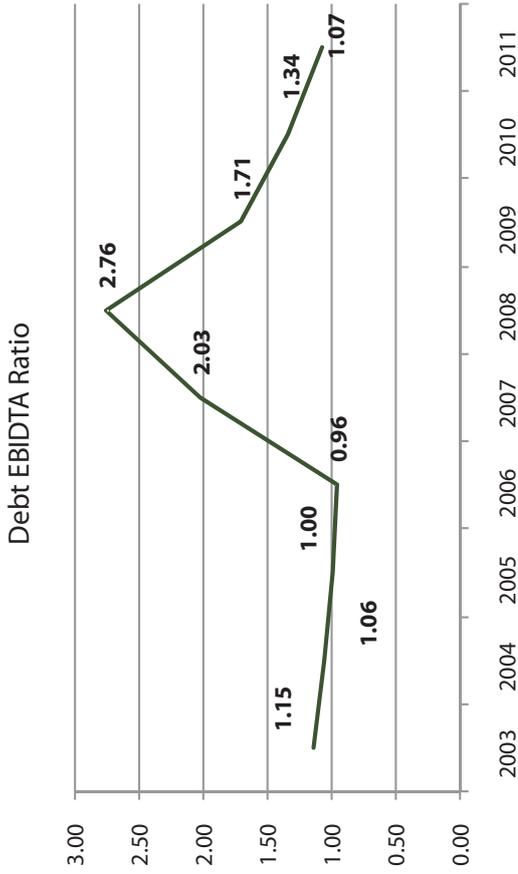
As we march ahead with confidence, I seek in abundance, the blessings of the Lord Almighty and your continued support and good wishes.

With warm personal regards,

Yours sincerely,

K. Ajith Kumar Rai
Chairman & Managing Director

Group Financials



contents

Notice _____	7
Directors' Report _____	9
Auditors' Report _____	23
Balance Sheet _____	26
Profit and Loss Account _____	27
Cash Flow Statement _____	28
Schedules _____	29
Notes forming part of Accounts _____	36
Balance Sheet Abstract _____	46
Statement pursuant to Section 212 of the Companies Act, 1956 _____	48
Statement on Financials of Subsidiary Companies _____	49
Auditors' Report on Consolidated Financial Statements _____	51
Consolidated Balance Sheet _____	52
Consolidated Profit and Loss Account _____	53
Consolidated Cash Flow Statement _____	54
Consolidated Schedules _____	55
Consolidated Notes forming part of Accounts _____	61

BOARD OF DIRECTORS**M R B Punja**

Chairman (Upto 31st January, 2011)

K Ajith Kumar Rai

Chairman & Managing Director

Diwakar S Shetty

Director

Ian Williamson

Director

B S Patil, IAS (Retd.)

Director

Surendra Kumar N Shah

Director

M Jayarama Shetty

Director

Suresh Shetty

Director

COMPANY SECRETARY

Medappa Gowda J

STATUTORY AUDITORS

Varma & Varma

Chartered Accountants

INTERNAL AUDITORS

K S Aiyar & Company

Chartered Accountants

STOCK EXCHANGES

The Stock Exchange Mumbai (BSE)

The National Stock Exchange (NSE)

REGISTRARS AND SHARE**TRANSFER AGENTS**

Integrated Enterprises (India) Limited

No. 30, Ramana Residency,

4th Cross, Sampige Road,

Malleswaram, Bangalore 560 003.

Phone: 080-23460815-18, Fax: 080-23460819,

E-mail : alfint@vsnl.com

BANKERS

State Bank of India

Syndicate Bank

Citi Bank N.A.

REGISTERED OFFICE

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

Phone: 080 - 43421 100 Fax: 080 - 27833279

E-mail: info@suprajit.com

Investors@suprajit.com

MANUFACTURING FACILITIES AT:**Unit - 1**

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

Unit - 2

Plot No. 132, Bommasandra Indl. Area,
Bangalore - 560 099.

Unit - 2A

No. 189/A, Bommasandra Indl. Area,
Bangalore - 560 099.
(Under implementation)

Unit - 3

No. 26 & 27A (Part), Doddaballapur Indl. Area,
Bangalore - 561 203.

Unit - 4

No. 164 & 165, Sector - 3,
IMT Manesar, Gurgaon District, Haryana - 122 001.

Unit - 5

Plot No. B-13, MIDC,
Chakan Industrial. Area,
Pune, Maharashtra - 410 501.

Unit - 6

A-1/5411, IV Phase, G.I.D.C., VAPI,
Gujarat - 396 195.

Unit - 7

Plot No. 14, Sector 10, IEE-SIDCUL, Pantnagar,
Rudrapur, Udham Singh Nagar Dist.
Uttarakhand - 263 153.

Unit - 9 (100% EOU)

Plot No. 101, Bommasandra Industrial Area,
Bangalore - 560 099.

Unit - 10

Plot No. 04, Industrial Park - IV,
Begumpur Village, Roorkee, Haridwar - 249403
Uttarakhand.

Unit - 11

Plot no: D-11, TATA Vendor Park, Sanand,
Viroch Nagar, Ahmedabad, Gujrat - 382170.
(Under implementation)

Unit - 12

No. 14-A, Bommasandra Industrial Area,
Hosur Road, Bangalore - 560 099.

Unit - 14

4 Wheeler Division, Plot No. B-13, MIDC,
Chakan Industrial. Area,
Pune, Maharashtra - 410 501.

Unit - 15

Plot No. SPA - 887, Pathredi Industrial Area,
Bhiwadi, Alwar (Dist) -301019, Rajasthan State
(Under implementation)

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 Limited, 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.

STANDALONE FINANCIAL HIGHLIGHTS AND KEY INDICATORS

Rs. in Million

Description	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gross Income	558.03	826.17	1098.92	1378.12	1531.74	1594.11	1854.30	2268.94	3304.46
Equity and Reserves	162.04	230.74	301.33	395.15	485.20	490.04	576.40	734.92	978.30
Net worth	159.81	229.60	301.36	395.15	485.20	490.04	576.40	734.92	978.30
Gross Fixed Assets	198.12	315.73	363.89	401.37	450.35	676.34	781.72	850.98	1083.13
Asset Turnover Ratio	2.81	2.61	3.01	3.43	3.40	2.35	2.37	2.66	3.05
Capital Employed	260.38	360.72	464.57	517.74	846.20	836.15	867.73	959.74	1326.44
Term Loan	108.33	129.98	149.52	122.59	361.00	346.11	291.92	224.82	348.14
Debt Equity Ratio	0.66	0.56	0.47	0.31	0.74	0.70	0.50	0.30	0.36
EBIDTA %	18.30	17.70	16.59	16.53	16.04	11.55	15.35	18.63	16.28
Debt EBIDTA Ratio	1.15	1.06	1.00	0.96	1.69	3.32	1.61	1.19	1.01
Current Ratio	1.59	1.38	1.46	1.51	1.78	1.41	1.28	1.22	1.43
Profit before tax (PBT)	77.81	119.09	148.11	187.74	182.53	101.51	180.83	320.63	426.48
Profit after tax (PAT)	49.98	84.85	97.88	128.00	124.80	48.83	116.27	218.10	304.95
Return on net worth - %	48.69	51.87	49.14	47.51	37.62	20.71	31.37	43.62	43.59
ROCE %	29.89	33.01	31.88	36.26	21.57	12.14	20.83	33.40	32.15
Book Value of shares(Rs.)*	1.38	1.91	2.51	3.29	4.04	4.08	4.80	6.12	8.15
EPS (Rs.)*	0.45	0.71	0.82	1.07	1.04	0.41	0.97	1.82	2.54
Dividend & Tax outflow (Rs)	14.16	18.61	27.26	34.21	34.74	28.08	29.89	59.58	61.57
Pay out Ratio (%) to PAT	28.35	21.94	27.85	26.72	27.84	43.65	25.71	27.31	20.19

* On expanded capital (post sub-division & bonus)

GROUP HIGHLIGHTS

Rs. in Million

	2010-11	2009-10
Turnover	3,791.72	2657.87
EBIDTA	613.86	460.54
Profit before tax	467.58	329.39
Profit after tax	327.45	221.69

NOTICE

NOTICE is hereby given that the Twenty-Sixth Annual General Meeting of Suprajit Engineering Limited will be held at the Factory Office at Plot No. 101, Bommasandra Industrial Area, Bangalore – 560 099 on Saturday, 30th July, 2011 at 12.30 p.m to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and the Profit and Loss Account 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. M. Jayarama Shetty, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Diwakar S 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.

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

Place: Bangalore
Date: 30th May, 2011

Medappa Gowda J
Company Secretary

NOTES

1. **A Member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of himself / herself and such proxy need not be a member of the Company. Proxies in order to be effective, must be received at the Registered Office of the Company at least 48 hours before the meeting.**
2. The Register of Members and the Share Transfer books of the Company will remain closed from 27th July, 2011 to 30th July, 2011 (both days inclusive).
3. An Interim Dividend of (20%) Re. 0.20 as recommended at the Board Meeting held on 31st January, 2011 was paid to those members, whose names appeared on the Company's Register of Members / beneficial owners as per the records of the depositories as on 17th February, 2011 (Record Date).
4. Final Dividend of (25%) Re. 0.25 per Equity Share as recommended by the Board, if approved at the Meeting, will be paid to those members whose names appear on the Register of Members of the Company / beneficial owners as per the records of depositories as on 30th July, 2011.
5. All correspondences relating to Change of Address, Transfer and Demat of Shares may be addressed to Integrated Enterprises (India) Limited, No.30, Ramana Residency, 4th Cross, Sampige Road, Malleswaram, Bangalore - 560 003, Phone : 080-23460815 to 818, Fax: 080-23460819, E-mail: alfint@vsnl.com.
6. Members are requested to quote the Folio Numbers or Demat Account Numbers and Depository Participant ID (DPID) in all correspondence to the Registrar and Share Transfer Agents of the Company.
7. Pursuant to SEBI notification no. MED/ DOP/ Circular/05/2009 dated 20th May, 2009 it has become mandatory for the transferee(s) to furnish copy of PAN Card to the Company/ RTA to enable/effect transfer of Shares in physical form.
8. The Equity Shares of the Company are available for trading in dematerialized form (electronic form) through depository participants. The Company has entered 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 Demat 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 2003-2004 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, 2004 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. M. Jayarama Shetty, referred to in item No. 3 of the notice, the following necessary disclosures are made for the information of the Shareholders:

Mr. M. Jayarama Shetty, aged 57 years, is a Graduate in Commerce and a Graduate in Law. He is also a Fellow Member of The Institute of Chartered Accountants of India. He worked for 15 years with HMT Limited in various capacities and took voluntary retirement as Asst. General Manager in 1995. Presently he is practicing as a Chartered Accountant.

His other Directorships:

Name of the Company	Nature of Interest
Nil	Nil

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

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

His other Directorships:

Name of the Company	Nature of Interest
Shetron Limited	Executive Chairman
Fibre Foils Limited	Executive Chairman
Shetron Metropack Pvt Ltd	Director
Fibre Shells Limited	Director
Shetron Enterprises Pvt Ltd	Director
Bunts Properties Pvt Ltd	Director
Konjal Machines Pvt Ltd	Director
Fibre Boards Limited	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 9.30 A.M. on 30th July, 2011 near Bangalore Stock Exchange, No.51, 1st Cross, J.C. Road, Bangalore - 560 002.

Contact Persons:

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

DIRECTORS' REPORT

Your Directors have pleasure in presenting their Twenty-Sixth Annual Report and the Audited Accounts of the Company for the Year ended 31st March, 2011.

FINANCIAL RESULTS:

Rs. in Lakhs

Particulars	2010-11	2009-10
Gross Income	33,044.62	22,689.49
Profit before tax	4,264.84	3,206.36
Less: Provision for taxation	1,215.33	1,025.32
Profit after tax before prior period adjustment	-	-
Current Tax relation to prior year	-	-
Profit after tax	3,049.51	2,181.04
Add: Surplus from last year	2,087.13	1,701.93
Profit available for appropriation after adjustments prior period taxes	5,136.64	3,882.97
APPROPRIATIONS:		
1 Interim Dividend 20% (last year interim 20% & Silver Jubilee dividend 25%)	240.04	270.04
Tax on interim Dividend (Net)	39.86	45.89
2 Proposed final Dividend 25% (last year 20%)	300.05	240.04
Provision for tax on Final Dividend	35.77	39.87
3 Transfer to General Reserve	2,300.00	1,200.00
4 Balance carried to Balance Sheet	2,220.92	2,087.13

DIVIDEND:

An Interim Dividend of Re. 0.20/- per Share of Re. 1/- each (20%) was declared and paid. In view of the good financial performance of your Company, your Directors have pleasure in recommending a Final Dividend of Re. 0.25 per Share of Re. 1/- each (25%). The total outgo, considering the interim dividend including taxation stands at Rs. 615.72 lakhs as against Rs. 595.84 lakhs (includes a Silver Jubilee onetime payment of Rs.150.02 lakhs) during the last year.

OPERATIONS:

The year gone by was a robust year for your Company both in sales and profitability. While the global automotive market continues to be sluggish, Indian auto industry probably had one of its best years, clocking a growth of 27%. This has augured well for Suprajit which grew faster than the industry at 46%. Your Company recorded a net income of Rs. 33,044.62 lakhs during the year 2010 -11 as against Rs. 22,689.49 lakhs during the year 2009-10, recording a growth of 45.64%. During the year 2010 – 11, the Profit After Tax was Rs. 3,049.51 lakhs against Rs. 2,181.04 lakhs during the year 2009-10, recording a growth of 39.82%. The consolidated sales grew from Rs. 26,578.77 lakhs for the year 2009 – 10 to Rs. 37,917.32 lakhs for the year 2010-11, recording a growth of 42.66 %. The consolidated Profit After Tax grew from Rs. 2,216.92 lakhs to Rs. 3,330.11 lakhs during the same period, a growth of 50.21 %. You

will note that your Company's growth has surpassed that of the automotive industry by a significant margin. This is largely due to improved market share with customers, significant growth in the non-automotive as well as aftermarket business.

During the year, the unit purchased at Bommasandra Industrial Area was operationalized to expand the activities of aftermarket business. Expansion of 100% EOU at Bommasandra and a 4 wheeler cable plant at Chakan have made good progress during the year, which will be operationalized in the current year. Another unit has been purchased in the Bommasandra Industrial area for further expansion of your Company's activities.

CURRENT YEAR:

The outlook for the current year looks promising. Although interest rates have risen, high inflation is a concern and commodity prices are hardening, auto industry is one of the key drivers of the economy. In a growing economy, the auto sector to which your Company belongs to, plays a significant role. Your Company expects to continue to surpass the industry growth in the days to come, barring unforeseen circumstances.

The capacities at most of the plants are fully utilized, giving little room for further growth. With Indian economy continuing to grow well, your Company now plans to expand its capacity from the planned 110 mn cables / year to 150 mn cables / year

by next year. These expansion activities will be carried out in the existing units as well as recently acquired new units. Your Company has also acquired an additional land of 4.2 acres at Bhiwadi to setup its 4th plant in the North region.

Your Company has taken initial steps in expanding its product range and has launched a few products in the aftermarket. These products are expected to add to the overall business growth of the Company in the years to come.

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 dematerialisation of Shares.

LISTING OF EQUITY SHARES:

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

WHOLLY OWNED SUBSIDIARIES:

While domestic scenario looks robust, global automotive scenario continues to be challenging. The automotive market

in the Western world is yet to recover from the melt down and is stabilizing at a much lower levels of sales. With this in the background, the performance of subsidiaries has been satisfactory, both of which operate in this environment. The combined sales of the subsidiaries has increased from Rs.4103.31 lakhs for the year 2009-10 to Rs. 5059.39 lakhs during the year 2010-11, recording a growth of 23.30 %. The Profit After Tax grew from Rs. (6.40) lakhs to Rs. 273.46 lakhs. The EBIDTA grew from Rs. 398.19 lakhs to Rs.752.47 lakhs, an increase of 88.97 %. It must be noted that Gills Cables is acting as a technical and commercial centre for the group and has a minimal manufacturing in line with the Group's plans. The current year for the subsidiaries appears to be satisfactory in line with the global automotive scenario.

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 pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 as amended:

Sl No	Name	Age (Years)	Qualification	Designation & Nature of Duties	Remuneration (Rs.)	Experience (Years)	Date of Joining	Previous Employment
1.	K. Ajith Kumar Rai	53	B.E. M.A.Sc (Canada)	Chairman & Managing Director	22,714,738	26	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. The Shareholding of Mr. K. Ajith Kumar Rai (along with his spouse) in the Company is 60,402,544 Shares (50.33%). None of the other employees own more than 2% of Shares in the Capital of the Company as on 31st March, 2011.

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, 2011 and of the profit of the Company for that year.

III. that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities,

IV. that the Directors have prepared the Annual Accounts on a going concern basis.

STATUTORY DISCLOSURES:

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

ADDITIONAL DISCLOSURES:

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

SEGMENT REPORTING:

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

DIRECTORS:

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

During the year under review, your Board of Directors reluctantly accepted the resignation of Mr. M.R.B Punja, Chairman, who resigned due to advancing age. Mr. Punja, former Chairman of IDBI and Chairman and Director on many large listed and unlisted corporates, has been heading the Board of Suprajit from 14th April 1995 and has been guiding and advising the Company in innumerable ways. His advice and guidance to the Company, all these years has helped the Company in taking many critical decisions. The Directors place on record their deep appreciation and gratitude for the yeoman services rendered by Mr. Punja.

The Board considered the extensive experience and services of Mr. K Ajith Kumar Rai, Chief Promoter, and approved his elevation to the office of "Chairman" and appointed Mr. K. Ajith Kumar Rai, Vice Chairman as Chairman in place of Mr. M R B Punja.

Your Directors have inducted Mr. Suresh Shetty as Director of the Company in the casual vacancy created by cessation of Office of Director by Mr. M.R.B. Punja. Mr. Shetty is a well-known Management Consultant and a Chartered Accountant by qualification and is an advisor to many Auto Ancillaries. He brings to the Board his rich experience in Financial Management and Investment banking.

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

For and on behalf of the Board

Place: Bangalore
Date: 30th May, 2011

K. Ajith Kumar Rai
Chairman & Managing Director

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

1. CONSERVATION OF ENERGY:

Several energy conservation measures in all plants, such as reduction in night shifts, lighting loads, running of non critical equipments along with changes in shift timing, special notices on power consumption and improvement of power factor etc., have been implemented to conserve energy. This has resulted in considerable savings as well as awareness among the employees.

2. TECHNOLOGY ABSORPTION:

a) Research and Development:

The Company has established full-fledged R & D Centre with good team of development staff for both Cables and Speedometers. The Company has developed many new cables and speedometers for its customers both local and exports, which has been responsible for the growth in business during the year.

b) Expenditure on Research and Development:

Particulars	Rs. in Lakhs	
	2010-11	2009-10
Salaries & Wages	53.30	52.65
Material, Consumables & Stores	6.35	2.32
Other Direct Expenditures	20.79	21.86
Total	80.44	76.83

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

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

3. FOREIGN EXCHANGE EARNINGS AND OUT FLOW:

Particulars	Rs. in Lakhs	
	2010-11	2009-10
Earnings (FOB Value of Exports)	1,270.26	793.80
Out Flow (Raw materials & Foreign Travel Expenses, Commission etc.)	2,319.92	1,077.25

For and on behalf of the Board

Place: Bangalore
Date: 30th May, 2011

K. Ajith Kumar Rai
Chairman & Managing Director

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

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

For and on behalf of the Board

Place: Bangalore
Date: 30th May, 2011

K. Ajith Kumar Rai
Chairman & Managing Director

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

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

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

are listed. The Company has complied with all the provisions of the 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. M R B Punja	Chairman (stepped down on 31st January 2011) Non-Executive & Independent	4	Yes
Mr. K. Ajith Kumar Rai	Chairman & Managing Director Director – Executive	4	Yes
Mr. M. Jayarama Shetty	Director – Non Executive & Independent	4	Yes
Mr. B.S. Patil	Director – Non Executive & Independent	3	No
Mr. Surendra Kumar N Shah	Director – Non Executive & Independent	4	Yes
Mr. Diwakar Shetty	Director – Non Executive & Independent	3	No
Mr. Ian Williamson	Director – Non Executive & Independent	3	No
Mr. Suresh Shetty	Director – Non Executive & Independent	-	-

Mr. K Ajith Kumar Rai is a Wholetime Director i.e. Chairman & Managing Director and the others are Non-Executive Directors.

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

i) Four Board Meetings were held during the year 2010-11 and the gap between two meetings did not exceed four months. The dates are as follows:-

29th May 2010
2nd August 2010
28th October 2010
31st January 2011

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 2011:

Name of the Directors	In Listed Companies	In Unlisted Public Limited Companies	As Chairman / Member of Board Committees
Mr. M.R.B. Punja	7	1	4
Mr. K. Ajith Kumar Rai	Nil	2	1
Mr. Surendra Kumar N Shah	Nil	Nil	Nil
Mr. M. Jayarama Shetty	Nil	Nil	Nil
Mr. B.S. Patil	3	7	Nil
Mr. Diwakar S Shetty	1	7	Nil
Mr. Ian Williamson	Nil	Nil	Nil
Mr. Suresh Shetty	Nil	2	Nil

NOTES:

1. Private Limited Companies, Foreign Companies and companies under Section 25 of the Companies Act, 1956 are excluded for the above purpose.

2. Only Audit Committee and Shareholders' Grievance Committee are considered for the purpose of Committee positions as per the Listing Agreement. None of the Directors is a member in more than 10 committees, nor a Chairman in more than 5 committees across all companies in which he is a Director.

4. AUDIT COMMITTEE:

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

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

The then Chairman of the Audit Committee, Mr. M R B Punja, was present at the Annual General Meeting held on 2nd August, 2010.

The Audit Committee met on 30th May, 2011 to review the Annual Accounts for the year ended 31st March, 2011 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:

- 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.
- Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- 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. Jayarama Shetty, Mr. Diwakar S Shetty, Mr. K Ajith Kumar Rai and Mr. Medappa Gowda J, Secretary. This Committee monitors and addresses investors complaints, transfer of shares, transmission etc. Based on the information provided by the Company's Registrars and Share Transfer Agents, no queries / complaints were received from the Shareholders during the period except change of address and non-receipt of dividend warrants. All of them have been addressed to the satisfaction of the Shareholders. As of 31st March, 2011, 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 was held at the Factory Office at Bommasandra as detailed below:

Annual General Meetings:

Year	Date	Day	Time	Meeting
2008	13 th September	Saturday	11.00 a.m	Twenty Third Annual General Meeting
2009	29 th August	Saturday	11.00 a.m	Twenty Fourth Annual General Meeting
2010	2 nd August	Monday	12.30 p.m	Twenty Fifth Annual General Meeting

10. DISCLOSURES:

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

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

11. MEANS OF COMMUNICATION:

The quarterly and annual financial results of the Company are generally published in leading newspapers. These results are sent to the Stock Exchanges immediately after the Board 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 2010-11 (in Rs.)

Sl No	Name of the Director	Sitting Fees	Salary & PF	Commission	Total
1	Mr. M R B Punja	80,000	-	1,00,000	180,000
2	Mr. K. Ajith Kumar Rai	-	4,497,600	18,217,138	22,714,738
3	Mr. M. Jayarama Shetty	80,000	-	100,000	180,000
4	Mr. B.S. Patil	30,000	-	100,000	130,000
5	Mr. Surendra Kumar N Shah	40,000	-	100,000	140,000
6	Mr. Diwakar S Shetty	60,000	-	100,000	160,000
7	Mr. Ian Williamson	Waived	-	100,000	100,000
	Total	290,000	4,497,600	18,817,138	23,604,738

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

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

14. SHARES HELD BY NON-EXECUTIVE DIRECTORS:

The Non-Executive Directors as on 31st March 2011, who held shares in Suprajit Engineering Limited are as under:

Name of Director	Number of Shares held as on 31st March 2011
Mr. M. Jayarama Shetty	461,000
Mr. Suresh Shetty	690,000
Mr. Surendhra 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-Sixth Annual General Meeting :

Date	Time	Venue
30th July, 2011	12.30 p.m.	Factory Office at Plot No. 101, Bommasandra Industrial area, Bangalore – 560 099.

b. Financial Calendar:

Financial Year	-	April to March
First Quarter Results	-	In July / August
Half Yearly Results	-	In October / November
Third Quarter Results	-	In January / February
Results for the year ended 31st March	-	May
Book Closure Date	-	27th July, 2011 to 30th July, 2011(Both days inclusive)
Proposed Final Dividend	-	25%
Dividend Payment date(s)	-	3rd week of August 2011
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 Depositor Services (India) Limited (CDSL): **INE-399C01030**.

c. Share Transfer System:

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

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

d. Dematerialisation of shares and liquidity:

63,994,640 Equity Shares of the total equity capital are held in dematerialized form with NSDL and CDSL.

e. Plant Locations:

The Company has fourteen Plants located at:

Bangalore - Karnataka	-	5 plants (1 plant under implementation)
Bangalore - Karnataka - 100% E.O.U	-	1 Plant
Manesar - Haryana	-	1 Plant
Chakan - Maharashtra	-	2 Plants (1 plant under implementation)
Vapi - Gujarat	-	1 Plant
Pantnagar - Uttarakhand	-	1 Plant
Haridwar - Uttarakhand	-	1 Plant
Sanand - Gujarat	-	1 Plant (under implementation)
Bhiwadi - Rajasthan	-	1 Plant (under implementation)

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 2011:

Sl. No.	Category	Number of Shares held	Percentage of Shareholding
1.	Promoters Holding		
a.	Indian Promoters	61,439,344	51.19
b.	Foreign Promoters	Nil	Nil
c.	Persons acting in concert	Nil	Nil
	Sub Total	61,439,344	51.19
2.	Non-Promoters Holding		
a.	Institutional Investors	Nil	Nil
b.	Mutual Funds and UTI	4,145,438	3.45
c.	Banks, Financial Institutions Insurance Companies (Central / State Government Institutions / Non-Government Institutions)	Nil	Nil
	Sub – Total	4,145,438	3.45
	Sub – Total (1+2)	65,584,782	54.64
3.	Others		
a.	Private Corporate Bodies	13,096,651	10.91
b.	Indian Public	38,177,732	31.81
c.	Foreign Institutional investors	3,160,835	2.64
d.	Any other	Nil	Nil
	Sub – Total	54,435,218	45.36
	Grand Total	120,020,000	100.00

h. Distribution of shareholding according to size class as on 31st March 2011:

Description	Holders	% of Holders	Holding	% of Holdings
1 – 500	4,118	53.27	965,520	0.80
501 – 1000	1,329	17.19	1,225,091	1.02
1001 – 2000	691	8.94	1,161,974	0.97
2001 – 3000	294	3.80	785,166	0.65
3001 – 4000	137	1.77	513,608	0.43
4001 – 5000	200	2.59	978,139	0.81
5001 – 10000	437	5.65	3,512,896	2.93
10000 & ABOVE	524	6.78	10,877,606	92.38
Total	7,730	100.00	120,020,000	100.00

i. Shares held in Physical and Electronic mode as on 31st March 2011:

Categories	Position as on 31 st March 2011	
	No. of Shares	% to total shareholding
Physical	56,025,360	46.68
Demat NSDL	58,853,186	49.04
Demat CDSL	5,141,454	4.28
Total	120,020,000	100.00

j. Listings of Shares:

The Company's shares are listed at:

The Stock Exchange Mumbai (BSE)

Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001.

National Stock Exchange of India Ltd (NSE)

Exchange Plaza,
Bandra Kurla Complex,
Bandra (East), Mumbai 400 051.

k. Registrars and Share Transfer Agent:

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

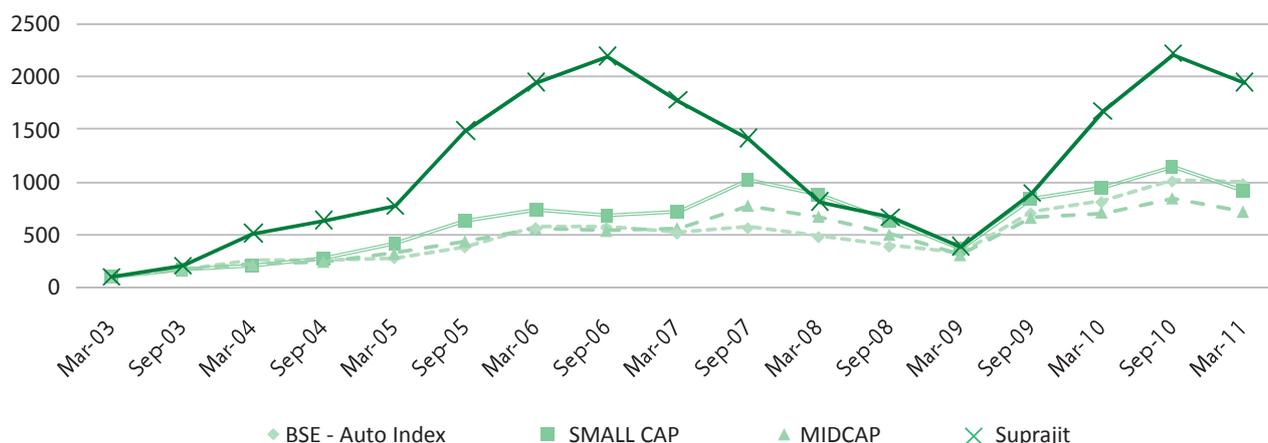
l.**SHARE PRICE MOVEMENTS
NOVEMBER 2003 – MARCH 2011**

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

* Price indexed for:

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

Share Price Movement



m. Nomination Facility:

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

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

However, if the Shares are held in dematerialised 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, 2010 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

Indian automotive industry grew by 27% (Passenger Vehicle segment by 24%, MCV & HCV by 33%, LCV by 28%, 3-wheelers by 30%, 2-wheelers by 27%). India is emerging as small car hub not only for domestic requirement, but also for the export market. Significant numbers of new introductions were made not only in the small car segment, but also in the other segments as well. New global majors have started manufacturing plants in India. India has overtaken Brazil as 6th largest car maker after South Korea by producing 3 mn cars in

2010-11. With 13.5 million 2-wheelers produced last year, India is now the second largest manufacturer of motorcycles in the world. This has augured well for the competent component suppliers for the requirement of domestic customers as well as overseas customers.

India's GDP expected to grow at around 8% this year, despite tightening of monetary policy by RBI, increased inflation and commodity prices. This will be good for an overall robust growth for the Indian auto component industry.

Your Company will benefit from all these developments. While local outlook continues to be promising, the global automotive industry continue to struggle. The Western Automotive growth is not expected to go back to its peak of 2006-07 in the foreseeable future. However, growth in developing economies like China, Brazil, Russia, India and other far eastern countries are expected to be good. With continued strong focus on automotive segment and new focus on non automotive exports and aftermarket business, the overall outlook for the Company as well as its subsidiaries is expected to be satisfactory for the current year.

Line stoppage and product recall at customers, increased interest rates and commodity prices are continuing threats for the Company's activities.

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

b. Human Resource Development:

Improved economy and business outlook has led to shortage of manpower. Availability of skilled labour has diminished with growth in most business sectors. Mobility at staff level has also increased leading to staff turnover. However, your Company has satisfactory recruitment system in place to address the increased needs of the Company.

For and on behalf of the Board

Place: Bangalore
Date: 30th May, 2011

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 2011 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 the 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**

K Ajith Kumar Rai
Chairman & Managing Director

Medappa Gowda J
Company Secretary & Vice President-Finance

Place: Bangalore
Date : 30th May, 2011

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 2011 compliance with the code of conduct of the Company laid down for them.

Place: Bangalore
Date : 30th May, 2011

K Ajith Kumar Rai
Chairman & Managing Director

CERTIFICATE

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

To
The Members of
Suprajit Engineering Limited

I have examined the Compliance of conditions of Corporate Governance by Suprajit Engineering Limited for the year ended 31st March, 2011 as stipulated in Clause 49 of the Listing Agreements of the said Company with Stock Exchanges in India.

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

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

I state that in respect of investor grievances received during the year ended 31st March 2011, no investor grievances are pending against the Company as on 31st March 2011, as per the records maintained by the Company and presented to the Transfer/Shareholders' Grievances Committee.

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

Place: Bangalore
Date: 30th May, 2011

Vijayakrishna KT
Practicing Company Secretary
FCS 1788
CP-980

AUDITORS' REPORT

The Members,
SUPRAJIT ENGINEERING LIMITED,
Bangalore.

We have audited the attached Balance Sheet of SUPRAJIT ENGINEERING LIMITED as at 31st March 2011, the Profit and Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these Financial Statements based on our audit.

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

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said Order;

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- v. On the basis of written representations received from the directors and taken on record by the Board of Directors, we report that none of the director of the company is disqualified as on 31st March 2011, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes on accounts attached thereto, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2011;
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (c) in the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.

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

Place: Bangalore
Date : 30th May 2011

CHERIAN K BABY
Partner
M. No. 16043

ANNEXURE REFERRED TO IN PARAGRAPH I OF OUR AUDIT REPORT OF EVEN DATE ON THE ACCOUNTS OF SUPRAJIT ENGINEERING LIMITED FOR THE YEAR ENDED 31ST MARCH 2011

1. (a) As stated in Note No. II(8) of Schedule 20, 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 as under:

(a) The Company had granted loan to one such party in the previous year. At the year-end, the outstanding balances of such loans granted was Rs.Nil/- and the maximum amount involved during the year was Rs. 5,176,686/-, being the interest receivable on such loan.

(b) The rate of interest and other terms and conditions of such loans are, in our opinion, prima facie not prejudicial to the interests of the Company.

(c) In respect of this loan, there was no fixed repayment schedule.
- (d) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956 except for fixed deposits accepted from relatives of directors in accordance with the fixed deposit scheme of the company, the terms and conditions of which are prima facie not prejudicial to the interests of the company and there are no arrears of principal or interest due. The payment of principal amount and interest in respect of such deposits are regular.
4. In our opinion and according to the information and explanations given to us, there are fairly adequate internal control system commensurate with the size of the company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. We have not noted any continuing failure to correct major weaknesses in internal control systems.
5. According to the information and explanations given to us, all transactions which require to be entered in a register maintained pursuant to Section 301 of the Companies Act, 1956 have been so entered. Where each such transaction is in excess of Rs.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, Investor Education and Protection Fund and other statutory dues with the appropriate authorities during the year to the extent applicable. There are no arrears of undisputed statutory dues of a material nature outstanding for a period of more than six months from the date on which they became payable.

(b) According to the information and explanations given to us and as per our verification of the records of the company, the following disputed amounts of tax/duty

have not been deposited with appropriate authorities as at 31st March 2011:

Name of the statute	Nature of the dues	Amount (Rs. in thousands)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Cenvat	1,434.04	2004-05	Additional Commissioner, LTU Bangalore

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

CHERIAN K BABY
Partner
M. No. 16043

Place: Bangalore
Date : 30th May 2011

BALANCE SHEET AS AT 31ST MARCH

(Amounts in INR)

	Sch.	2011	2010
SOURCES OF FUNDS :			
Shareholders' Funds			
Share Capital	1	120,020,000	120,020,000
Reserves & Surplus	2	858,281,463	614,902,975
Loan Funds			
Secured Loans	3	539,275,721	501,223,961
Unsecured Loans	4	7,489,688	4,803,912
Deferred Tax Liability (Net) [Refer Schedule 20(II)(12)]		34,834,000	36,442,000
TOTAL		1,559,900,872	1,277,392,848
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block at cost	5	1,083,132,023	850,986,781
Less: Depreciation		338,191,330	289,651,960
Net Block		744,940,693	561,334,821
Capital Work in Progress at cost		41,998,745	19,145,814
Expenditure during construction period pending allocation		663,249	-
Investments	6	286,923,257	292,459,722
Current Assets, Loans and Advances			
Inventories	7	248,865,385	156,330,233
Sundry Debtors	8	599,357,079	430,339,713
Cash & Bank Balances	9	19,661,593	10,350,852
Other Current Assets	10	6,837,038	11,181,814
Loans and Advances	11	82,484,100	51,031,343
		957,205,195	659,233,955
Less: Current Liabilities & Provisions			
Current Liabilities	12	424,784,512	213,338,095
Provisions	13	47,045,755	41,443,369
		471,830,267	254,781,464
Net Current Assets		485,374,928	404,452,491
TOTAL		1,559,900,872	1,277,392,848

Significant Accounting Policies and Notes to Accounts

20

Schedules 1 to 13 and 20 form an integral part of this Balance Sheet

As per our report of even date attached

For Varma & Varma

Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director

M Jayarama Shetty
Director

Medappa Gowda J
Company Secretary

Cherian K Baby
Partner
M.No. 16043

Place : Bangalore
Date : 30th May, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH

(Amounts in INR)

	Sch.	2011	2010
INCOME			
Sales/ Operating Income	14	3,278,320,788	2,254,731,467
Less: Excise Duty		273,311,239	167,943,849
		3,005,009,549	2,086,787,618
Other Income	15	26,142,821	14,218,625
TOTAL		3,031,152,370	2,101,006,243
EXPENDITURE			
Material cost of goods sold	16	1,958,886,394	1,325,247,148
Employee Costs	17	326,696,874	214,814,827
Administrative & Other Expenses	18	207,358,604	138,091,877
Finance Expenses	19	63,187,313	57,350,943
Depreciation/Amortisation	5	48,539,370	44,864,955
TOTAL		2,604,668,555	1,780,369,750
Profit before tax		426,483,815	320,636,493
Current tax		122,000,000	99,600,000
Deferred Tax [Refer Schedule 20(II)(12)]		(1,608,000)	2,932,070
Profit after tax before adjustment of prior period taxes		306,091,815	218,104,423
Current tax relating to prior years		943,440	-
Fringe benefit tax relating to prior years		197,872	-
Profit after Tax		304,950,503	218,104,423
Profit Brought forward from the previous year		208,713,514	170,193,770
Profit available for appropriation		513,664,017	388,298,193
Appropriations			
Interim dividend		24,004,000	27,004,500
Proposed Dividend		30,005,000	24,004,000
Corporate Dividend Tax		7,563,015	8,576,179
Transfer to General reserve		230,000,000	120,000,000
Balance carried to Balance sheet		222,092,002	208,713,514
Earnings Per Share - Basic & Diluted		2.54	1.82
No of Equity shares of Re.1/- each		120,020,000	120,020,000

Significant Accounting Policies and Notes to Accounts 20

Schedules 14 to 20 and 5 form an integral part of this Profit & Loss Account

As per our report of even date attached

For Varma & Varma

Chartered Accountants
FRN 0045325

K Ajith Kumar Rai
Chairman & Managing Director

M Jayarama Shetty
Director

Medappa Gowda J
Company Secretary

Cherian K Baby
Partner
M.No. 16043

Place : Bangalore
Date : 30th May, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in INR)

	2011		2010	
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Net profit before taxation and extraordinary items		426,483,815		320,636,493
Adjustment for:				
Depreciation	48,539,370		44,864,955	
Profit on sale of fixed assets	-		(32,841)	
(Profit)/Loss on sale of Mutual funds	(5,109,416)		64,591	
Reversal of diminution in mutual funds of earlier years				
Provision for diminution in value of investments	7,169,998			
Interest income	(1,474,030)		(8,142,870)	
Dividend received	(10,560,000)		(3,125,270)	
Interest expense	63,187,313	101,753,235	57,350,943	90,979,508
Operating profit before working capital changes		528,237,050		411,616,001
(Increase)/ Decrease in inventories	(92,535,152)		(40,493,736)	
(Increase)/ Decrease in sundry debtors	(169,017,366)		(103,418,638)	
(Increase)/ Decrease in other current assets	(1,153,078)		2,454,020	
(Increase)/ Decrease in loans and advances	(35,255,243)		44,672,775	
Increase/ (Decrease) in current liabilities	211,425,908		24,300,827	
Increase/ (Decrease) in provisions	5,854,808	(80,680,122)	(670,575)	(73,155,326)
Cash generated from operations		447,556,928		338,460,675
Income taxes paid		(125,390,441)		(103,768,611)
Net cash from operating activities		322,166,487		234,692,064
B. CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of fixed assets/ Capital work in progress	(255,661,421)		(85,750,998)	
Sale of investments	145,465,757		176,767,526	
Purchase of investments	(141,781,170)		(233,353,738)	
Interest received	6,971,884		2,601,877	
Dividend received	10,560,000		3,125,270	
Proceeds from sale of fixed assets	-		271,845	
Net cash used in investing activities		(234,444,950)		(136,338,218)
C. CASH FLOWS FROM FINANCING ACTIVITIES				
Interest paid	(63,166,804)		(59,656,542)	
Proceeds/(repayments) from long term borrowings(net)	123,311,019		(67,097,462)	
Proceeds/(repayments) from short term borrowings(net)	(82,573,483)		78,924,491	
Dividend and dividend tax paid	(55,981,528)		(49,146,090)	
Net cash used in financing activities		(78,410,796)		(96,975,603)
Net increase in cash and cash equivalents during the year		9,310,741		1,378,242
Cash and cash equivalents at beginning of the year		10,350,852		8,972,610
Cash and cash equivalents at end of the year		19,661,593		10,350,852

(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

M Jayarama Shetty
Director

Medappa Gowda J
Company Secretary

Cherian K Baby
Partner
M.No. 16043

Place : Bangalore
Date : 30th May, 2011

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH

(Amounts in INR)

	2011	2010
SCHEDULE 1		
SHARE CAPITAL		
Authorised (125,000,000 Equity shares of Re.1/- each)	125,000,000	125,000,000
Issued, Subscribed & Paid up 120,020,000 Equity shares of Re.1/- each fully paid up [Out of the above 90,015,000 (6,001,000) Equity shares of Re 1/- (Rs. 5/-) each were allotted as fully paid up bonus shares by way of capitalisation of Securities Premium and General Reserve]	120,020,000	120,020,000
TOTAL	120,020,000	120,020,000
SCHEDULE 2		
RESERVES & SURPLUS		
Capital Reserve (on reclassification of State Subsidy and Profit on sale of forfeited shares from General Reserve and Securities Premium respectively)	1,127,150	1,127,150
Securities Premium as per last balance sheet	-	5,144,500
Less: Utilised for allotment of fully paid up bonus Shares	-	5,144,500
	-	-
General Reserve as per last balance sheet	405,062,311	339,927,811
Add: Transferred from Profit & Loss account	230,000,000	120,000,000
Less: Utilised for allotment of fully paid up bonus Shares	-	54,865,500
	635,062,311	405,062,311
Surplus in Profit & Loss Account	222,092,002	208,713,514
TOTAL	858,281,463	614,902,975
SCHEDULE 3		
SECURED LOANS		
Loans & Advances from Banks		
Rupee Loans		
Term Loans [Due within one year Rs 76,180,640/- (PY.Rs.88,800,000/-)]	237,919,253	219,296,223
Cash Credit	179,334,113	202,391,795
Vehicle Loan [Due within one year Rs. 352,298/- (PY Rs.214,769)]	400,426	729,545
Foreign Currency Loans		
Term Loans (FCNB)	102,331,332	-
Working Capital	19,290,597	78,806,398
TOTAL	539,275,721	501,223,961
<p>Term Loans availed from various Banks for capacity expansions are secured by Equitable Mortgage of land and buildings and hypothecation of other present and future fixed assets of the company on pari-passu first charge basis. Some of these loans are further secured by pari-passu second charge on the current assets of the Company.</p> <p>Cash Credit 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.</p> <p>Vehicle loan availed is secured by hypothecation of vehicle for which charge is pending registration.</p>		
SCHEDULE 4		
UNSECURED LOANS		
Fixed Deposits [Due within one year Rs.4,244,822/- (PY Rs.1,870,000/-)]	7,489,688	4,803,912
TOTAL	7,489,688	4,803,912

**SCHEDULE 5
FIXED ASSETS**

(Amounts in INR)

Description of the Assets	Gross Block at Cost			Depreciation/Amortisation			Net Block	
	As at 01.04.10	Additions/ Adjustments During the Year	Deductions/ Adjustments during the year	As at 31.03.11	For the year	On deductions during the year	As at 31.03.11	WDV as at 31.03.10
Tangible:								
Freehold Land	60,006,487	107,758,782	-	167,765,269	-	-	-	60,006,487
Leasehold Land	26,275,057	-	-	26,275,057	284,088	-	1,496,198	25,062,947
Buildings	300,504,013	49,297,254	-	349,801,267	13,531,464	-	54,734,211	259,301,266
Plant & Machinery	301,970,351	47,105,230	-	349,075,581	22,582,095	-	179,412,925	145,139,521
Dies & Moulds	20,310,041	2,499,112	-	22,809,153	1,212,369	-	15,668,450	5,853,960
Electrical Installations	42,076,710	11,687,993	-	53,764,703	2,267,316	-	13,821,860	30,522,166
Furniture & Fixtures	16,192,160	4,045,677	-	20,237,837	2,026,995	-	8,212,166	10,006,989
Office Equipments	8,149,589	1,401,761	-	9,551,350	699,809	-	4,811,310	4,038,088
Computers (incl software)	27,520,597	3,648,879	-	31,169,476	3,567,855	-	21,782,209	9,306,243
Motor Vehicles	17,529,207	4,509,319	-	22,038,526	1,678,202	-	8,280,394	10,927,015
Cycles	32,942	-	-	32,942	-	-	32,942	-
Container	1,019,250	191,234	-	1,210,484	255,134	-	1,210,484	63,900
Sub total	821,586,404	232,145,241	-	1,053,731,645	48,105,327	-	309,463,149	560,228,582
	(752,322,925)	(70,948,136)	(1,684,658)	(821,586,402)	(44,437,837)	(1,445,654)	(261,357,822)	(533,957,285)
Intangible:								
Technical Knowhow	195,127	-	-	195,127	-	-	195,127	-
Goodwill	24,105,251	-	-	24,105,251	-	-	24,105,251	-
Brands	5,100,000	-	-	5,100,000	434,043	-	4,427,803	1,106,240
Sub total	29,400,378	-	-	29,400,378	434,043	-	28,728,181	1,106,240
	(29,400,378)	-	-	(29,400,378)	(427,118)	-	(28,294,138)	(1,533,358)
TOTAL	850,986,782	232,145,241	-	1,083,132,023	48,539,370	-	338,191,330	561,334,822
Previous Year	(781,723,303)	(70,948,136)	(1,684,658)	(850,986,779)	(44,864,955)	(1,445,654)	(289,651,960)	(535,490,643)

Note :

1. Additions during the year includes borrowing costs capitalised Rs. Nil- (PV - Rs. 980,944/-)

(Amounts in INR)

	2011	2010
SCHEDULE 6		
INVESTMENTS		
Long term, Unquoted (At Cost)		
Non-trade		
Investment in National Savings Certificate	10,000	10,000
Trade		
In Equity Shares, Fully paid up:		
1. Wholly-Owned Subsidiaries		
Suprajit Automotive Private Limited (1,990,000 Equity Shares of Rs.10/- each including beneficial holding of 1 equity share)	19,900,000	19,900,000
Gills Cables Limited, UK (2,200,000 Ordinary Shares of GBP 1/- each)	185,997,286	185,997,286
2. Associates		
Suprajit Chemicals Private Limited (20,000 Equity Shares of Rs.100/- each)	2,000,000	2,000,000
3. Others		
Suprawin Technologies Limited (540,000 Equity Shares of Rs.10/- each)	7,164,070	7,164,070
Less: Provision for Diminution in value of investment	7,164,070	-
	207,897,286	215,061,356
Current, Non trade (At lower of fair value or cost)		
Mutual Funds [Refer Schedule 20(II)(5)]	79,015,971	77,388,366
TOTAL	286,923,257	292,459,722
Aggregate fair value of quoted investments (NAV)	84,914,071	86,621,459
SCHEDULE 7		
INVENTORIES		
(As taken, valued and certified by the Managing Director)		
Finished goods	62,860,334	26,243,762
Work in progress	18,801,121	6,589,652
Raw materials (including components, packing materials and stores & spares)	167,203,930	123,496,819
TOTAL	248,865,385	156,330,233
SCHEDULE 8		
SUNDRY DEBTORS (Unsecured)		
Debts outstanding for a period exceeding six months	6,854,962	4,709,338
Other debts	599,357,079	430,339,713
Less: Provision for doubtful debts	6,854,962	4,709,338
TOTAL	599,357,079	430,339,713

	2011	2010
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash in Hand & in transit	454,106	318,110
Balances with Scheduled Banks:		
- in Current Accounts	16,498,455	6,486,958
- in Deposit Accounts	432,965	2,371,034
- in Unclaimed Dividend Accounts	2,276,067	1,174,750
TOTAL	19,661,593	10,350,852
SCHEDULE 10		
OTHER CURRENT ASSETS		
Prepaid Expenses	4,960,867	4,222,275
Export Benefit Entitlements	1,775,256	1,360,770
Interest accrued on deposits/Advance	100,915	5,598,769
TOTAL	6,837,038	11,181,814
SCHEDULE 11		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	6,046,377	2,248,690
Deposits	2,326,307	4,131,055
Advance to Suppliers	59,043,662	34,009,604
Advance Tax [including Advance Fringe Benefit Tax and Tax Deducted at Source (Net of provisions)]	1,874,991	5,677,477
Balance with Central excise, customs & other authorities	13,192,763	4,964,517
TOTAL	82,484,100	51,031,343
SCHEDULE 12		
CURRENT LIABILITIES		
Sundry Creditors		
- Dues to Micro & Small Enterprises [Refer Schedule 20(II)(4)]	24,229,733	14,652,366
- Due to others	342,885,060	143,297,060
Due to Investor Education Protection Fund	56,412	59,607
Other Liabilities	50,293,933	49,712,220
Dealer Deposits [including interest accrued and due Rs.295,638/- (PY Rs. 233,921/-)]	4,738,932	4,161,421
Unclaimed Dividends	2,219,655	1,115,143
Interest accrued but not due on fixed deposits	332,899	183,086
Interest accrued but not due on Loans	27,888	157,192
TOTAL	424,784,512	213,338,095

(Amounts in INR)

	2011	2010
SCHEDULE 13		
PROVISIONS		
Provision for Gratuity	8,429,102	2,968,057
Provision for Leave encashment	3,404,097	3,020,761
Proposed Dividend	30,005,000	24,004,000
Provision for Corporate Dividend Tax	3,576,251	3,986,764
Provision for Income tax (including Provision for Fringe Benefit tax) (Net of advance taxes)	1,549,393	7,392,302
Provision for Wealth Tax	81,912	71,485
TOTAL	47,045,755	41,443,369

SCHEDULES FORMING PART OF THE PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH

(Amounts in INR)

	2011	2010
SCHEDULE 14		
SALES/OPERATING INCOME		
Domestic Sales	3,126,491,403	2,157,174,454
Export Sales	136,722,388	81,417,464
Conversion Charges received	6,352,447	11,540,504
Scrap Sales	7,706,278	4,411,148
Export Incentives	1,048,272	187,897
TOTAL	3,278,320,788	2,254,731,467
SCHEDULE 15		
OTHER INCOME		
Profit on Sale of Fixed Assets	-	32,841
Income on sale of Mutual funds	5,109,416	-
Dividend from subsidiaries/ Investment [includes Rs. Nil (PY Rs. 3,125,270/-) from current investment]	10,560,000	3,125,270
Interest received [TDS Rs.157,630/- (PY Rs.933,781/-)]	1,474,030	8,142,870
Foreign exchange difference (Net)	3,789,782	-
Rent	3,275,358	1,496,520
Others	1,934,235	1,421,124
TOTAL	26,142,821	14,218,625
SCHEDULE 16		
MATERIAL COST OF GOODS SOLD		
Opening Stock		
Finished Goods	26,243,762	29,802,866
Work in progress	6,589,652	15,795,762
	32,833,414	45,598,628
Excise duty on stocks	(5,537,826)	(1,846,805)
	27,295,588	43,751,823
Less: Closing Stock		
Finished Goods	62,860,334	26,243,762
Work in progress	18,801,121	6,589,652
	81,661,455	32,833,414
Stock Differential	(54,365,867)	10,918,409
Raw Materials consumed (including components, Stores & Packing materials)	2,013,252,261	1,314,328,739
TOTAL	1,958,886,394	1,325,247,148
SCHEDULE 17		
EMPLOYEE COSTS		
Salaries, wages and bonus	303,453,086	198,820,486
Contribution to provident and other funds	8,808,911	6,409,661
Staff Welfare Expenses	14,434,877	9,629,674
	326,696,874	214,859,821
Less: Expenditure incurred during the construction period - Capitalised during the year	-	(44,994)
TOTAL	326,696,874	214,814,827

	(Amounts in INR)	
	2011	2010
SCHEDULE 18		
ADMINISTRATIVE & OTHER EXPENSES		
Power & Fuel	53,625,120	35,225,544
Rent	477,128	297,690
Rates & Taxes	2,774,500	2,376,326
Repairs & Maintenance		
- Building	2,362,105	783,532
- Machinery	18,438,543	9,168,110
- Others	11,394,885	6,542,207
Insurance	6,200,471	5,286,037
Security Expenses	5,595,058	3,625,261
Printing & Stationery	4,032,668	2,907,213
Directors Sitting fees & Commission	890,000	940,000
Professional charges [Refer Schedule 20(II)(15)]	3,426,277	3,240,657
Communication Expenses	5,813,308	5,452,399
Travel & Conveyance	19,623,846	15,537,750
Advertisement & Sales Promotion	1,675,220	2,445,014
Freight Outwards	30,012,316	22,140,369
Commission	2,631,235	908,507
Discount	17,883,370	7,568,782
Provision for doubtful debts	2,145,624	-
Project Expenses Written off	-	6,418,789
Bad debts/Advance written off	2,314,299	3,070,596
Research & Development Expenses[Refer Schedule 20(II)(13)]	2,079,291	2,186,621
Provision for diminution in value of investments	7,169,998	-
Loss on sale of Mutual funds	-	64,591
Miscellaneous Expenses	6,909,698	1,906,220
Foreign exchange difference (Net)	-	892,376
	207,474,960	138,984,591
Less: Expenditure incurred during the construction period		
- Capitalised during the year	-	(892,714)
- Pending allocation	(116,356)	-
TOTAL	207,358,604	138,091,877
SCHEDULE 19		
FINANCE EXPENSES		
Interest		
- On term loans	28,100,560	26,434,375
- On cash credit	29,362,958	26,127,058
- Others	1,083,740	1,164,454
Bank charges	2,127,740	1,498,334
Finance charges	3,059,208	3,107,666
	63,734,206	58,331,887
Less: Expenditure incurred during the construction period		
- Capitalised during the year	-	(980,944)
- Pending allocation	(546,893)	-
TOTAL	63,187,313	57,350,943

SCHEDULES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED MARCH 31ST 2011

SCHEDULE 20 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

a. 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.

b. 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 recognized in the period in which the results are ascertained.

c. 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.

d. Tangible/Intangible Assets

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

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

e. 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.

f. 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.

g. Revenue Recognition

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

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

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

h. 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 account 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 Account 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 account for the period in which they occur.

(b) Compensated absences

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

i. 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 account.

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 account over the period of the contracts. The exchange differences on the contracts are recognized in the year in which the exchange rates change.

j. Leases

Operating lease payments are recognised as an expense in the Profit & Loss account.

k. Research and Development Expenditure

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

l. Borrowing Cost

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

m. 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 costing less than Rs.5,000/- are fully depreciated in the year of acquisition itself.

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.

n. Income Tax

Tax Expense comprising current tax, fringe benefit tax and deferred tax are recognised in the Profit and Loss Account 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.

o. 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.

II. NOTES TO ACCOUNTS

1. Contingent Liabilities

(Amounts in INR)

Sl. No.	Particulars	Amount as on March 31, 2011	Amount as on March 31, 2010
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	102,014,428	24,543,796
2	Corporate Guarantees issued on behalf of subsidiaries to their bankers	3,645,000	34,470,000
3	Bank Guarantee furnished to Tax Authorities for availing concessions.	2,276,168	4,264,893
4	Disputed Excise/Entry tax dues pending in appeal	1,434,040	1,434,040
5	B-17 Bond Executed in favour of customs	10,000,000	10,000,000
6	Other sums for which the Company is contingently liable	3,921,851	3,921,851

2. Some of the sundry debtors, loans and advances and creditors are subject to confirmation.

3. In the opinion of the management, current assets, loans and advances have a value not less than what is stated in the accounts if realised in the ordinary course of business.

4. 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:

(Amounts in INR)

Particulars	2010-11	2009-10
Principal amount outstanding at the beginning of the year	13,626,231	10,061,219
Interest amount outstanding at the beginning of the year	85,461	26,960
Interest (out of the above) paid during the year	-	-
Amount paid after the due date during the year	31,426,274	-
Interest paid on the amount paid after due date during the year	-	-
Overdue amount outstanding at the end of the year	6,297,461	940,674
Principal amount (other than overdue amount) outstanding at the end of the year	17,663,321	13,626,231
Interest amount accrued and remaining unpaid at the end of the year	268,950	85,461

5.

(a) Breakup of Investments in Mutual Funds

(Amounts in INR)

Particulars	As at 31 st March 2011	As at 31 st March 2010
ICICI Prudential Discovery Fund - Nil (98,076.09) units of Rs.10/- each	-	4,000,000
Principal Emerging Bluechip Fund - Nil (144,470.43) units of Rs.10/- each	-	4,000,000
Reliance RSF - Equity - Nil (146,593.92) units of Rs.10/- each	-	4,000,000
FT India Monthly Income Plan - Nil (351,639) units of Rs.10/- each	-	9,366,467
HDFC Prudence Fund - Nil (36,454.828) units of Rs.10/- each	-	6,000,000
Sundaram BNP Paribas - Nil (48,424.45) units of Rs.10/- each	-	6,000,000
HDFC Top 200 - Growth - Nil (34,960.92) units of Rs.10/- each	-	6,000,000
HDFC Monthly Income Plan - 832,308.958 (505,052.04) units of Rs.10/- each	17,000,000	10,000,000
Reliance Monthly Income Plan - 822,259.42 (528,873.09) units of Rs.10/- each	16,000,000	10,000,000
Birla MIP II Savings 5 Plan - 669,393.62 (550,442.50) units of Rs.10/- each	11,021,899	9,021,899
Birla MIP II Wealth 25 Plan - 61,737.92 (61,737.92) units of Rs.10/- each	1,000,000	1,000,000
HSBC MIP-Regular Plan - 503,649.883 (503,469.88) units of Rs.10/- each	8,000,000	8,000,000
HSBC MIP-Saving Plan - 216,859.113 (Nil) units of Rs.10/- each	4,000,000	-
Birla MIP II Wealth 25 Plan - 56,350.727 (Nil) units of Rs.10/- each	1,000,000	-
HDFC Monthly Income Plan - 43,925.537 (Nil) units of Rs.10/- each	1,000,000	-
HSBC MIP -Saving Plan - 51,822.332 (Nil) units of Rs.10/- each	995,243	-
Reliance Monthly Income Plan - 46,593.546 (Nil) units of Rs.10/- each	1,000,000	-
Birla MIP II Wealth 25 Plan - 56,245.5 (Nil) units of Rs.10/- each	1,000,000	-
HDFC Monthly Income Plan - 43,778.429 (Nil) units of Rs.10/- each	1,000,000	-
Reliance Monthly Income Plan - 46,474.232 (Nil) units of Rs.10/- each	1,000,000	-
Birla MIP II Wealth 25 Plan - 56,019.584 (Nil) units of Rs.10/- each	998,829	-
HDFC Monthly Income Plan - 43,571.656 (Nil) units of Rs.10/- each	1,000,000	-
Reliance Monthly Income Plan - 46,256.678 (Nil) units of Rs.10/- each	1,000,000	-
Birla MIP II Wealth 25 Plan - 224,942.78 (Nil) units of Rs.10/- each	4,000,000	-
HDFC Monthly Income Plan - 176,724.5 (Nil) units of Rs.10/- each	4,000,000	-
Reliance Monthly Income Plan - 187,414.199 (Nil) units of Rs.10/- each	4,000,000	-
Total	79,015,971	77,388,366

Investments purchased and sold during the year

Description	Units Sold	Sale price
DSP BlackRock Savings Manager Fund	489,177	8,948,927
FT India Monthly Income Plan	351,639	9,716,517
HDFC Prudence Fund	117,220	26,175,165
HDFC Top 200	119,886	22,970,006
ICICI Prudential Discovery Fund	211,134	10,624,257
Principal Emerging Bluechip Fund	347,371	10,863,693
Reliance Regular Saving Plan	1,395,711	33,146,187
Sundaram BNP Paribas Select Midcap	70,244	10,786,730
Sundaram Select Midcap	89,228	12,234,276
Total	3,191,611	145,465,757

6. Gills Cables Limited, a wholly owned Subsidiary (WOS) was established in 2006 and has accumulated losses of Rs. 95,417,789/- (PY Rs.78,308,040/-) as at the year ended March 31st, 2011. However the WOS has been making cash profits till the previous year and hence in the opinion of the management there is no permanent diminution in the value of the investment. The Company has provided a letter of support to the WOS to fund its operations if required.
7. The Company was in the process of updating the fixed asset records/register in its ERP system which has been since completed. 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 maintained for major assets in manual form.
8. Foreign Currency Exposure:

The details of foreign currency exposure as at March 31st, 2011 is given below:

(Amounts in INR)

Particulars	Amount as on 31 st March 2011	Amount as on 31 st March 2010
a) Hedged by Forward contracts (Net)		
JPY Payable	-	140,082,182
USD Payable	1,687,236	-
Equivalent Rupees (at forward rates)	78,589,624	80,323,123
b) Not hedged (net)		
USD Receivable/(Payable)	33,243	138,719
Equivalent Rupees	1,066,716	6,083,126
GBP Receivable	137,523	75,365
Equivalent Rupees	9,762,739	5,057,239
Euro Receivable	80,900	64,737
Equivalent Rupees	5,044,911	3,860,276

9. Employee benefits:

i) Defined Contribution Plan:

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

Particulars	2010-11	2009-10
Employers contribution to Provident Fund	6,889,616	5,286,903
Employers contribution to Employee's State Insurance	1,919,294	1,122,758

ii) Defined Benefit Plans:

- a. Gratuity- Funded
- b. Compensated absences-Unfunded

	2010-11		2009-10	
	Gratuity	Compensated absences	Gratuity	Compensated absences
I. Actuarial Assumptions				
Discount Rate (per annum)	8%	8%	8%	8%
Expected return on plan assets	8%	0%	8%	NA
Salary escalation rate*	7%	7%	7%	7%

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

	2010-11		2009-10	
	Funded Scheme	Unfunded Scheme	Funded Scheme	Unfunded Scheme
II. Reconciliation of present value of obligation				
Present value of obligation at beginning of the year	8,773,677	3,020,761	8,025,548	3,088,643
Current Service Cost	5,704,316	1,502,365	2,064,317	1,023,625
Interest Cost	692,514	195,769	626,973	204,193
Actuarial (gain)/loss	(252,589)	(167,501)	(1,566,399)	(223,246)
Benefits Paid	(234,513)	(1,147,297)	(376,762)	(1,072,454)
Present value of obligation at end of the year	14,683,405	3,404,097	8,773,677	3,020,761

	2010-11	2009-10
	Funded Scheme	Funded Scheme
III. Reconciliation of fair value of plan assets		
Fair value of plan assets beginning of the year	5,805,621	4,396,313
Expected return on plan assets	461,544	392,635
Actuarial gain/(loss)	59,788	(6,565)
Contributions	161,863	1,400,000
Benefits paid	(234,513)	(376,762)
Fair value of plan assets at end of the year	6,254,303	5,805,621

	2010-11	2009-10
	Funded Scheme	Funded Scheme
IV. Description of Plan Assets		
Insurer Managed Funds	6,254,303	5,805,621

	2010-11		2009-10	
	Funded Scheme	Unfunded Scheme	Funded Scheme	Unfunded Scheme
V. Net (Asset)/Liability recognised in the balance Sheet as at year end				
Present value of obligation at end of the year	14,683,405	3,404,097	8,773,677	3,020,761
Fair value of plan assets at end of the year	6,254,303	-	5,805,621	-
Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	8,429,102	3,404,097	2,968,057	3,020,761

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.

Sales/Operating income	2010-11	2009-10
- India	2,877,982,939	2,007,407,591
- Rest of the world	127,026,610	79,380,027
Segment Assets		
- India	1,999,738,765	1,511,443,454
- Rest of the world	31,992,375	20,730,857

11. Related Party Disclosures

Party	Relationship
K Ajith Kumar Rai (Chairman & Managing Director)	Key Management Personnel
M Jayarama Shetty (Director)	Relative of Key Management Personnel
Suprajit Automotive Private Limited	Wholly owned subsidiary
Gills Cables Limited, U.K	Wholly owned subsidiary
Suprajit Chemical Private Limited	Associate

Nature of Transaction and Related Party	2010-11	2009-10
Remuneration/Commission		
K Ajith Kumar Rai	22,714,738	16,925,079
Jayarama Shetty	100,000	100,000
Sitting Fee		
Jayarama Shetty	80,000	110,000
Sales/Conversion charges		
Suprajit Automotive Private Limited	8,628,479	5,070,047
Gills Cables Ltd	16,971	14,474
Purchase of Land/Buildings		
Suprajit Chemicals Private Limited	36,313,060	-
Dividend Received		
Suprajit Automotive Private Limited	7,960,000	-
Suprajit Chemicals Private Limited	2,600,000	-
Interest Received		
Suprajit Automotive Private Limited	-	6,037,970
Suprajit Chemicals Private Limited	-	7,178
Reimbursements		
K Ajith Kumar Rai	728,800	564,682
Suprajit Automotive Private Limited	128,772	-
Suprajit Chemicals Private Limited	7,178	-
Loans/Advance given		
Suprajit Automotive Private Limited	-	8,431,920
Suprajit Chemicals Private Limited	-	1,000,000
Repayments of Loan		
Suprajit Automotive Private Limited	-	77,171,607
Suprajit Chemicals Private Limited	-	1,000,000
Receipt of Interest on Loan		
Suprajit Automotive Private Limited	5,176,686	-
Loans/Interest outstanding at the year end		
Suprajit Automotive Private Limited	-	5,176,686
Purchase of Materials		
Suprajit Automotive Private Limited	2,075,498	4,468,938
Balances outstanding (net)		
Suprajit Automotive Private Limited (Dr.)	-	1,775,472
Gills Cables Limited (Dr.)	16,971	46,557
Corporate Guarantee Furnished		
Gills Cables Ltd	36,450,000	34,470,000

Loans given to Suprajit Automotive Private Limited did not have fixed repayment schedule and interest charged is not below the rate prescribed under section 372A of the Companies Act, 1956.

12. Deferred Tax

The breakup of the Deferred tax liability as at March 31st, 2011 is given below:

Timing Differences	Amount as on 31 st March 2011	Amount as on 31 st March 2010
Depreciation	41,633,000	39,996,000
Expenses	(6,799,000)	(3,554,000)
Net Liability/(Asset)	34,834,000	36,442,000

13. Research & Development Expenditure

Particulars	2010-11	2009-10
Salaries & Wages	5,330,017	5,265,020
Materials, Consumables & Stores	635,171	232,226
Other Direct Expenditures	2,079,291	2,186,621
TOTAL	8,044,479	7,683,867

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 Account.

14. Managerial Remuneration U/s 309 & 198(4) of The Companies Act

a) Chairman & Managing Director(included in employee cost)

Particulars	2010-11	2009-10
Salary	3,480,000	3,000,000
House rent allowance	600,000	600,000
Contribution to Provident fund	417,600	360,000
Commission to Managing Director	18,217,138	12,965,079
Total	22,714,738	*16,925,079

*Excluding provision for leave salary & gratuity.

b)

Particulars	2010-11	2009-10
Commission to Other Directors	600,000	600,000

c)

Particulars	2010-11	2009-10
Directors Sitting Fees	290,000	340,000

Computation of net profit in accordance with Section 349 of the Companies Act, 1956 for calculation of Commission payable to the Chairman & Managing Director.

Particulars	2010-11	2009-10
Profit for the year before taxation	426,483,816	320,636,493
Add: Chairman & Managing Director's remuneration	22,714,738	16,925,079
Directors Sitting Fees	290,000	340,000
Provision for diminution in Investments	7,169,998	-
Provision for Doubtful debts	2,145,624	-
Commission to Other Directors	600,000	600,000
Less: Profit on sale of Mutual funds	5,109,416	-
Net Profit as per Section 198 of the Companies Act, 1956	454,294,760	338,501,572
Remuneration to the Chairman & Managing Director @ 5% of the Net Profit	22,714,738	16,925,079
Commission restricted to	18,217,138	12,965,079

Chairman & Managing Director's Remuneration includes salary, perquisites and commission on Pre-tax profit under Section 198 of the Companies Act, 1956.

The overall remuneration of the Chairman & Managing Director is computed at 5% of the Net Profit of the Company under Section 198,309 and Schedule XIII to the Companies Act, 1956.

15. Professional Charges includes Payments to Auditors as under

Particulars	2010-11	2009-10
Audit Fees (including for quarterly Limited Review)	725,000	550,000
Service Tax and reimbursement of expenses	146,703	94,635
Total	871,703	644,635

16. Details Relating to Capacity and Production and Closing stock

Particulars	2010-11	2009-10
Licensed Capacity	NA	NA
Installed Capacity:		
Cables (Nos.)	1000 lakhs	750 lakhs
Speedometers (Nos.)	6 lakhs	6 lakhs

Particulars	Opening Stock		Production	Sales		Closing Stock	
	Qty.	Value	Qty.	Qty.	Value	Qty.	Value
Control cables	579,684 (690,710)	22,326,069 (22,002,679)	84,143,204 (50,688,794)	81,360,578 (50,799,820)	2,259,076,637 (1,370,913,321)	3,362,310 (579,684)	55,590,180 (22,326,069)
Speedo Cables	124,708 (290,572)	3,485,280 (7,794,918)	14,355,389 (13,334,336)	14,080,669 (13,500,200)	403,940,597 (368,500,497)	399,428 (124,708)	6,021,853 (3,485,280)
Speedometers	1,797 (20)	432,413 (5,269)	570,641 (495,315)	569,536 (493,538)	162,596,085 (139,288,208)	2,902 (1,797)	1,248,301 (432,413)
Others	(-)	(-)			164,289,233 (191,946,043)		
Total	706,189	26,243,762	99,069,234	96,010,783	2,989,902,552	3,764,640	62,860,334
Total previous year	(981,302)	(29,802,866)	(64,518,445)	(64,793,558)	(2,070,648,069)	(706,189)	(26,243,762)

17. Raw materials consumed/sold

Class of Goods	Unit	2010-11		2009-10	
		Qty.	Value	Qty.	Value
Steel Wire	KG	6,743,348	341,831,100	4,383,357	204,636,138
Inner	Meter	107,140,472	306,401,610	37,602,604	106,458,613
Bend Tube Assy.	No's	32,903,910	179,988,812	3,181,306	19,880,203
PVC Compound	KG	1,502,604	94,506,465	754,050	34,446,350
Component and Others			1,090,524,274		948,907,435
Total			2,013,252,261		1,314,328,739

Raw Materials consumed	2010-11		2009-10	
	%	Value	%	Value
Indigenous	89.43	1,800,517,199	91.50	1,202,610,796
Imported	10.57	212,735,062	8.50	111,717,943
Total	100.00	2,013,252,261	100.00	1,314,328,739

18. Additional Matters requiring disclosure under para 4D of Part II to Schedule VI

Particulars	2010-11	2009-10
C.I.F. Value of Imports(on payment basis)		
Raw materials	227,907,837	106,710,380
Expenditure in Foreign Currency (Accrual)		
Export commission	2,631,235	908,507
Travelling and conveyance	1,452,491	107,181
Earnings in Foreign Currency (Accrual)		
FOB value of exports	127,026,610	79,380,027

19. Some of the previous year's figures have been re-grouped to suit current years grouping.

Signatures to Schedules – 1 to 20

As per our report of even date attached

For Varma & VarmaChartered Accountants
FRN 004532S**K Ajith Kumar Rai**
Chairman & Managing Director**M Jayarama Shetty**
Director**Medappa Gowda J**
Company Secretary**Cherian K Baby**
Partner
M.No. 16043**Place : Bangalore**
Date : 30th May, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Rupees in 000's)

I. Registration details

Registration no. (CIN)	L29199KA1985PLC006934	State code	0	8		
Balance Sheet Date .	3	1	0	3	1	1

II. Capital raised during the year

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Private Placements	NIL

III. Position, mobilisation and deployment of funds

Total Liabilities	1,559,901	Total Assets	1,559,901
-------------------	-----------	--------------	-----------

A Sources of Funds

Paid -up-Capital	120,020	Reserves and Surplus	858,281
Secured Loans	539,276	Unsecured Loans	7,490
Deferred tax Liability	34,834		

B Application of funds

Net Fixed Assets	744,941	Capital Work In Progress	42,662
Investments	286,923	Net Current Assets	485,375
Miscellaneous Expenditure	NIL	Accumulated Losses	NIL

(Rupees in 000's)

IV. Performances of Company

Turnover

3,031,152

Profit/Loss before Tax

+	-
<input checked="" type="checkbox"/>	<input type="checkbox"/>

426,484

(Please tick appropriate box + for profit - for loss)

EPS in Rs. (Basic & Diluted)

2.54

Total Expenditure

2,604,669

Profit/Loss after Tax

+	-
<input checked="" type="checkbox"/>	<input type="checkbox"/>

304,951

Dividend Rate %

45

V. Generic name of three principal products/services of the company (as per monetary terms)

Item Code No. (ITC Code)

8714

Product Description

Control Cables

Item Code No. (ITC Code)

8483

Product Description

Speedo Cables

Item Code No. (ITC Code)

8708

Product Description

3 Wheeler cables

Item Code No. (ITC Code)

9029

Product Description

Speedometers

K Ajith Kumar Rai
Chairman & Managing Director

M Jayarama Shetty
Director

Medappa Gowda J
Company Secretary

Place : Bangalore
Date : 30th May, 2011

**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	Gills Cables Limited, U.K.
Financial Period ended	31st March 2011	31st March 2011
Interest of Suprajit Engineering Limited	100%	100%
Shares held by Suprajit in the Subsidiary Company	1,990,000 equity shares of Rs. 10/- 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	Rs. 44,278,992	(Rs. 9,286,061)
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

M. Jayarama Shetty
Director

K. Ajith Kumar Rai
Chairman & Managing Director

Place: Bangalore
Date: 30th May, 2011

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

Name of the Company	Suprajit Automotive Private Limited		Gills Cables Limited	
	2010-11	2009-10	2010-11	2009-10
Reporting Currency	INR	INR	GBP	GBP
Exchange Rate	-	-	70.88/72.00	68.03/70.03
Capital	19,900,000	19,900,000	158,400,000	149,666,000
Reserves	118,913,671	83,916,736	(94,239,576)	(78,308,039)
Total Assets	312,674,776	292,071,278	134,396,784	164,894,335
Total Liabilities	173,861,105	188,254,542	70,236,360	92,333,657
Investment other than investment in Subsidiary	Nil	Nil	Nil	Nil
Turnover	357,573,722	267,486,772	243,016,405	244,788,918
Profit before Taxation	56,502,253	25,243,110	(8,470,090)	(12,736,976)
Provision for Taxation	12,223,261	4,602,794	(815,971)	(570,203)
Profit after taxation	44,278,992	20,640,316	(9,286,061)	(13,307,180)
Proposed dividend	Nil	Nil	Nil	Nil
Country	India	India	UK	UK

For and on behalf of the Board

Medappa Gowda. J
Company Secretary

M. Jayarama Shetty
Director

K. Ajith Kumar Rai
Chairman & Managing Director

Place: Bangalore
Date: 30th May, 2011

CONSOLIDATED FINANCIAL STATEMENTS
OF
SUPRAJIT ENGINEERING LIMITED

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To
The Board of Directors
Suprajit Engineering Limited
Bangalore

1. We have audited the attached Consolidated Balance Sheet of **Suprajit Engineering Limited** ('the Company'), its two wholly owned subsidiaries (collectively referred as 'the Group') as at March 31, 2011, the Consolidated Profit and Loss account and the Consolidated Cash Flow statement for the year ended on that date annexed thereto. This also includes Company's share of profit in an associate enterprise M/s Suprajit Chemicals Private Limited. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the two subsidiaries whose financial statements reflect total assets of Rs.32.18 crores as at March 31, 2011, total revenues of Rs.57.13 crores and net cash inflows amounting to Rs.0.386 crores for the year ended on that date. We also did not audit accounts of the associate Suprajit Chemicals Private Limited, share of loss from which has been included in the consolidated profit and loss account to the extent of Rs.55.57 lakhs, being the net reversal of profits recognized in earlier years, consequent to dilution in holding. The financial statements and other financial information of the subsidiaries have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of other auditors. Accounts of the associate company is unaudited. One of these being a foreign subsidiary, the Financial Statements have not been prepared and audited under the applicable Indian laws and regulations.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard (AS) 21, Consolidated Financial Statements and AS- 23 Accounting for Investments in Associate Enterprises in Consolidated Financial Statements of the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of reports of other auditors on their separate financial statements, unaudited financial statement of the associate and on the basis of the other financial information of these companies, and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2011;
 - ii. in the case of the Consolidated Profit and Loss Account, of the profit for the year ended on that date; and
 - iii. in the case of Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

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

Place : Bangalore
Date : 30th May, 2011

CHERIAN K BABY
Partner
M. No. 16043

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH

(Amounts in INR)

	Sch.	2011	2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	120,020,000	120,020,000
Reserves & Surplus	2	849,174,666	582,526,795
Loan Funds			
Secured Loans	3	651,072,973	611,932,084
Unsecured Loans	4	7,489,688	4,803,912
Deferred Tax Liability [Refer schedule 20 II (12)]		41,903,935	43,131,296
TOTAL		1,669,661,262	1,362,414,087
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block at cost	5	1,318,053,726	1,072,724,768
Less: Depreciation		451,115,613	374,841,280
Net Block		866,938,113	697,883,488
Capital Work in Progress at cost		41,998,745	19,145,814
Expenditure during construction period pending allocation		663,249	-
Investments	6	83,201,534	94,295,460
Deferred Tax Asset (net) [Refer schedule 20 II (12)]		4,129,488	4,684,954
Current Assets, Loans and Advances			
Inventories	7	325,689,459	222,956,538
Sundry Debtors	8	733,638,953	577,557,651
Cash & Bank Balances	9	27,022,888	12,281,235
Other Current Assets	10	15,783,398	8,572,954
Loans and Advances	11	123,252,719	78,551,305
		1,225,387,417	899,919,683
Less: Current Liabilities & Provisions			
Current Liabilities	12	484,925,459	297,901,848
Provisions	13	67,731,825	55,613,464
		552,657,284	353,515,312
Net Current Assets		672,730,133	546,404,371
TOTAL		1,669,661,262	1,362,414,087

Significant Accounting Policies and Notes to Accounts

20

Schedules 1 to 13 and 20 form an integral part of this Balance Sheet

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director

M Jayarama Shetty
Director

Medappa Gowda J
Company Secretary

Cherian K Baby
Partner
M No. 16043

Place : Bangalore
Date : 30th May, 2011

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

(Amounts in INR)

	Sch.	2011	2010
INCOME			
Sales/ Operating Income	14	3,744,189,620	2,655,276,164
Less: Excise Duty		277,000,913	170,157,682
		3,467,188,707	2,485,118,482
Other Income	15	47,531,873	2,601,431
TOTAL		3,514,720,580	2,487,719,913
EXPENDITURE			
Material cost of goods sold	16	2,203,403,822	1,544,286,138
Employee Costs	17	414,913,215	290,431,381
Administrative & Other Expenses	18	282,542,270	192,460,842
Finance Expenses	19	73,965,739	62,367,911
Depreciation/Amortisation	5	72,311,918	68,776,315
TOTAL		3,047,136,964	2,158,322,587
Profit before tax		467,583,616	329,397,326
Current tax		133,260,000	103,900,000
Deferred Tax [Refer schedule 20 II (12)]		(411,390)	3,796,134
Profit after tax before adjustment of prior period taxes		334,735,006	221,701,192
Current tax relating to prior years		1,526,063	8,933
Fringe Benefit Tax relating to prior years		197,872	-
Profit after Tax		333,011,071	221,692,259
Share of Profit/(Loss) from associate [Refer schedule 20 II (2)]		(5,557,461)	-
Profit for the year		327,453,610	221,692,259
Profit Brought forward from the Previous year		129,306,224	102,198,645
Profit available for appropriation		456,759,834	323,890,904
Appropriations			
Interim dividend		24,004,000	27,004,500
Proposed Dividend		30,005,000	24,004,000
Corporate Dividend Tax		8,885,072	8,576,179
Transfer to General reserve		260,000,000	135,000,000
Balance carried to Balance sheet		133,865,762	129,306,224
Earnings Per Share - Basic & Diluted		2.73	1.85
No of Equity shares of Re. 1/- each		120,020,000	120,020,000

Significant Accounting Policies and Notes to Accounts

20

Schedules 14 to 20 and 5 form an integral part of this Profit & Loss account

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 0045325

K Ajith Kumar Rai
Chairman & Managing Director

M Jayarama Shetty
Director

Medappa Gowda J
Company Secretary

Cherian K Baby
Partner
M No. 16043

Place : Bangalore
Date : 30th May, 2011

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH

(Amounts in INR)

	2011		2010	
A. CASH FLOWS FROM OPERATING ACTIVITIES:				
Net profit before taxation and extraordinary items		467,583,616		329,397,326
Adjustment for:				
Depreciation	72,311,918		68,776,316	
Provision for diminution in value of investment	7,164,070		64,591	
Reduction due to dilution in share in net assets	3,836,656		-	
Share of Profit/(Loss) from associate	1,720,805		-	
Income from sale of mutual funds	(5,109,416)		-	
Profit on sale of fixed assets	-		(32,841)	
Interest income	(1,527,552)		(2,142,041)	
Dividend received	(2,600,000)		(3,125,270)	
Interest expense	73,965,739	149,762,220	62,367,911	125,908,666
Operating profit before working capital changes		617,345,836		455,305,992
(Increase)/ Decrease in inventories	(102,732,921)		(31,335,167)	
(Increase)/ Decrease in sundry debtors	(156,081,302)		(142,774,845)	
(Increase)/ Decrease in other current assets	(7,531,612)		3,076,287	
(Increase)/ Decrease in loans and advances	(42,245,625)		(28,154,555)	
Increase/ (Decrease) in current liabilities	187,961,053		43,329,523	
Increase/ (Decrease) in provisions	6,430,783	(114,199,624)	(828,156)	(156,686,913)
Cash generated from operations		503,146,212		298,619,079
Income taxes paid		(137,342,633)		(108,779,791)
Net cash from operating activities		365,803,579		189,839,288
B. CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of fixed assets/ Capital work in progress	(262,689,946)		(88,103,224)	
(Purchase)/Sale of investments	(2,075,650)		(56,586,213)	
Interest received/(Paid)	1,848,720		1,777,734	
Dividend received	2,600,000		3,125,270	
Proceeds from sale of fixed assets	-		271,845	
Net cash used in investing activities		(260,316,876)		(139,514,587)
C. CASH FLOWS FROM FINANCING ACTIVITIES:				
Interest paid	(74,903,181)		(64,673,510)	
Proceeds/(repayments) from long term borrowings(net)	(605,970)		(17,915,608)	
Proceeds/(repayments) from short term borrowings(net)	42,432,635		84,423,030	
Dividend and dividend tax paid	(57,303,585)		(49,146,089)	
Exchange fluctuation reserve - foreign subsidiary(net)	(364,949)		(1,558,354)	
Net cash used in financing activities		(90,745,050)		(48,870,531)
Net increase in cash and cash equivalents during the year		14,741,653		1,454,170
Cash and cash equivalents at beginning of the year		12,281,235		10,827,065
Cash and cash equivalents at end of the year		27,022,888		12,281,235

(Figures in brackets indicate outflows)

As per our report of even date attached

For Varma & Varma
Chartered Accountants
FRN 0045325
Cherian K Baby
Partner
M No. 16043

K Ajith Kumar Rai
Chairman & Managing Director

M Jayarama Shetty
Director

Medappa Gowda J
Company Secretary

Place : Bangalore
Date : 30th May, 2011

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

(Amounts in INR)

	2011	2010
SCHEDULE 1		
SHARE CAPITAL		
Authorised [125,000,000 Equity shares of Re.1/-each]	125,000,000	125,000,000
Issued, Subscribed & Paid up 120,020,000 (120,020,000) Equity shares of Re.1/- each fully paid up (Out of the above 90,015,000 Equity Shares of Re.1/- each were allotted as fully paid up bonus shares by way of capitalisation of Securities Premium and General Reserve)	120,020,000	120,020,000
TOTAL	120,020,000	120,020,000
SCHEDULE 2		
RESERVES & SURPLUS		
Capital Reserve (on reclassification of State Subsidy and Profit on sale of forfeited shares from General Reserve and Securities Premium respectively)	1,127,150	1,127,150
Securities Premium as per last balance sheet	-	5,144,500
Less: Utilised for allotment of fully paid up bonus Shares	-	5,144,500
	-	-
General Reserve as per last balance sheet	477,225,831	397,091,331
Add: Transferred from Profit & Loss account	260,000,000	135,000,000
Less: Utilised for allotment of fully paid up bonus Shares	-	54,865,500
	737,225,831	477,225,831
Surplus in Profit & Loss Account	133,865,762	129,306,225
Foreign Exchange Fluctuation Reserve [Refer Schedule 20(l)(c)(ii)]	(23,044,077)	(25,132,411)
TOTAL	849,174,666	582,526,795
SCHEDULE 3		
SECURED LOANS		
Loans & Advances from Banks		
Rupee Loans		
Term Loans	271,252,586	274,119,005
Cash Credit	197,944,630	228,255,749
Vehicle Loan	499,308	924,635
Foreign Currency Loans		
Term loans (FCNB)	162,085,852	108,632,695
Working Capital	19,290,597	-
TOTAL	651,072,973	611,932,084

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.

Cash Credit facilities availed from various Bank 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.

Vehicle loan availed is secured by hypothecation of vehicle for which charge is pending registration

SCHEDULE 4		
UNSECURED LOANS		
Fixed Deposits	7,489,688	4,803,912
TOTAL	7,489,688	4,803,912

**SCHEDULE 5
FIXED ASSETS**

(Amounts in INR)

Description of the Assets	Gross Block at Cost				Depreciation/Amortisation				Net Block		
	As at 01.04.10	Additions/ Adjustments During the Year	Deductions/ Adjustments during the year	Currency Fluctuation arising on consolidation	As at 31.03.11	For the Year 01.04.10	On deductions during the year	Currency Fluctuation arising on consolidation	Elimination of depreciation on profit element on sale	As at 31.03.11	WDV as at 31.03.10
Tangible:											
Freehold Land	60,006,487	107,758,782	-	-	167,765,269	-	-	-	-	167,765,269	60,006,487
Leasehold Land	38,476,580	-	-	(172,891)	38,649,471	901,453	-	(114,384)	-	34,632,103	35,475,049
Buildings	338,574,620	49,342,254	-	-	387,916,874	14,811,526	-	-	-	327,560,541	293,029,813
Plant & Machinery	360,237,472	52,727,587	-	(1,196,506)	414,161,555	30,420,937	-	(914,147)	310,307	204,039,428	181,140,111
Dies & Moulds	36,207,982	2,855,782	-	-	39,063,764	2,421,886	-	-	-	17,502,735	17,068,839
Electrical Installations	48,781,808	11,893,426	-	-	60,675,234	2,591,608	-	-	-	44,817,827	35,516,009
Furniture & Fixtures	21,077,470	4,180,087	-	-	25,257,556	2,187,965	-	-	-	14,950,757	12,958,636
Office Equipments	9,571,121	1,451,124	-	-	11,022,245	803,617	-	-	-	5,236,830	5,137,908
Computers (incl software)	29,327,309	3,755,973	-	-	33,083,282	3,872,392	-	-	-	9,895,734	10,012,153
Motor Vehicles	18,001,886	5,017,516	-	-	23,019,403	1,756,104	-	-	-	14,601,288	11,339,875
Cycles	32,942	-	-	-	32,942	-	-	-	-	-	-
Container	1,019,250	191,234	-	-	1,210,484	255,134	-	-	-	-	63,899
Sub total	961,314,925	239,173,766	-	(1,369,397)	1,201,858,089	60,022,622	-	(1,028,531)	310,307	841,551,096	661,748,779
Intangible:											
Technical Knowhow	195,127	-	-	-	195,127	-	-	-	-	-	-
Goodwill	106,114,716	-	-	(4,785,794)	110,900,510	12,165,560	-	(2,933,883)	-	24,714,820	35,028,469
Brands	5,100,000	-	-	-	3,993,760	434,043	-	-	-	672,197	1,106,240
Sub total	111,409,843	-	-	(4,785,794)	116,195,637	12,599,603	-	(2,933,883)	-	25,387,017	36,134,709
TOTAL	1,072,724,768	239,173,766	-	(6,155,191)	1,318,053,726	72,622,225	-	(3,962,413)	310,307	866,938,113	697,883,488
Previous Year	1008,473,522	73,300,361	1,684,658	7,364,457	1,072,724,768	68,776,316	1,445,654	3,818,257	-	697,883,488	697,144,648

(Amounts in INR)

	2011	2010
SCHEDULE 6		
INVESTMENTS		
Long term, Unquoted (At Cost)		
Non-trade		
Investment in National Savings Certificate	10,000	10,000
Trade		
In Equity Shares, Fully paid up:		
1. Wholly-Owned Subsidiaries		
Suprajit Chemicals Private Limited (20,000 Equity Shares of Rs.100/- each)	-	9,733,024
Reduction due to dilution in share in net assets [Refer schedule 20 II (2)]		
Less: Share of loss for the year post dilution	4,175,563	-
2. Others		
Suprawin Technologies Limited (540,000 Equity Shares of Rs.10/- each)	7,164,070	7,164,070
Less: Provisions for diminution in value of investment	7,164,070	-
	4,175,563	16,897,094
Current, Quoted, Non trade (At lower of fair value or cost)		
Mutual funds:[Refer Schedule 20(II)(5)]	79,015,971	-
TOTAL	83,201,534	94,295,460
Aggregate fair value of quoted investments (NAV)	84,914,071	86,621,459
SCHEDULE 7		
INVENTORIES		
Finished goods	101,721,014	63,786,036
Work in progress	24,095,045	9,408,190
Raw materials (including packing materials, components, tools and stores & spares)	199,873,400	149,762,312
TOTAL	325,689,459	222,956,538
SCHEDULE 8		
SUNDRY DEBTORS (Unsecured)		
Considered Good Debts outstanding	732,928,241	582,266,989
Considered Doubtful Debts outstanding	8,683,136	1,117,462
Less:Provision for doubtful debts	7,972,424	5,826,800
TOTAL	733,638,953	577,557,651
SCHEDULE 9		
CASH AND BANK BALANCES		
Cash in Hand & in Transit	564,493	364,884
Balances with Scheduled Banks:		
- in Current Accounts - Indian Rupees	18,679,659	7,825,769
- in Current Accounts - Foreign Currency	3,575,530	-
- in Deposit Accounts	1,927,141	2,915,832
- in Unclaimed Dividend Accounts	2,276,065	1,174,750
TOTAL	27,022,888	12,281,235

	2011	2010
SCHEDULE 10		
OTHER CURRENT ASSETS		
Prepaid Expenses	13,907,227	6,790,101
Export Benefit Entitlements	1,775,256	1,360,770
Interest accrued on deposits	100,915	422,083
TOTAL	15,783,398	8,572,954
SCHEDULE 11		
LOANS AND ADVANCES		
(Unsecured, Considered Good)		
Advances recoverable in cash or in kind or for value to be received	7,186,542	4,961,458
Deposits	2,822,330	4,617,078
Advance to Suppliers	61,527,845	37,458,025
Advance Tax [including Advance Fringe Benefit Tax and Tax Deducted at Source (Net of provisions)]	22,644,508	20,188,719
Sales tax receivable	-	6,361,508
Balance with Central excise, customs & other authorities	29,071,494	4,964,517
TOTAL	123,252,719	78,551,305
SCHEDULE 12		
CURRENT LIABILITIES		
Sundry Creditors	371,330,289	224,307,359
Due to Investor Education Protection Fund	56,412	59,607
Other Liabilities	106,219,384	67,918,041
Dealer Deposits	4,738,932	4,161,421
Unclaimed Dividends	2,219,655	1,115,143
Interest accrued but not due on fixed deposits	332,899	183,086
Interest accrued but not due on Loans	27,888	157,192
TOTAL	484,925,459	297,901,848
SCHEDULE 13		
PROVISIONS		
Provision for Gratuity	9,271,621	3,364,906
Provision for Leave encashment	4,087,648	3,574,007
Proposed Dividend	30,005,000	24,004,000
Provision for Corporate Dividend Tax	3,576,251	3,986,764
Provision for Income tax (including Provision for Fringe Benefit tax) (Net of advance taxes)	20,709,393	20,612,302
Provision for Wealth Tax	81,912	71,485
TOTAL	67,731,825	55,613,464

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH

(Amounts in INR)

	2011	2010
SCHEDULE 14		
SALES/OPERATING INCOME		
Domestic Sales	3,154,930,120	2,393,862,254
Export Sales	574,833,773	242,458,308
Conversion Charges received	4,673,498	13,783,956
Scrap Sales	8,703,957	4,983,749
Export Incentives	1,048,272	187,897
TOTAL	3,744,189,620	2,655,276,164
SCHEDULE 15		
OTHER INCOME		
Profit on Sale of Fixed Assets	-	32,841
Income on sale of Mutual funds	5,109,416	-
Dividend from Investment	2,600,000	3,125,270
Interest received	1,527,552	2,142,041
Rent	3,275,358	1,496,520
Foreign exchange difference (Net)	15,515,339	(5,620,348)
Excess provision withdrawn on settlement of claims (Net)	17,546,982	-
Others	1,957,226	1,425,107
TOTAL	47,531,873	2,601,431
SCHEDULE 16		
MATERIAL COST OF GOODS SOLD		
Opening Stock		
Finished Goods	63,786,037	82,667,303
Work in progress	9,408,190	17,301,080
	73,194,227	99,968,383
Excise duty on stocks	(5,537,826)	(1,846,805)
	67,656,401	98,121,578
Less: Closing Stock		
Finished Goods	101,022,131	63,786,036
Work in progress	24,095,045	9,408,190
	125,117,176	73,194,226
Stock Differential	(57,460,775)	24,927,352
Raw Materials consumed (including Stores & Packing materials consumed)	2,260,864,597	1,519,358,786
TOTAL	2,203,403,822	1,544,286,138
SCHEDULE 17		
EMPLOYEE COSTS		
Salaries, wages and bonus	387,683,267	270,290,166
Contribution to provident and other funds	10,743,423	8,474,929
Staff Welfare Expenses	16,486,525	11,711,281
	414,913,215	290,476,375
Less: Expenditure incurred during the construction period		
- Capitalised during the year	-	(44,994)
- Pending allocation	-	-
TOTAL	414,913,215	290,431,381

	2011	2010
SCHEDULE 18		
ADMINISTRATIVE & OTHER EXPENSES		
Power & Fuel	61,069,446	41,536,337
Rent	2,506,495	7,668,148
Rates & Taxes	5,520,894	4,064,712
Repairs & Maintenance		
- Building	2,738,224	1,071,606
- Machinery	20,842,422	11,277,398
- Others	14,437,632	9,210,432
Insurance	9,338,571	8,935,340
Security Expenses	6,166,578	4,140,454
Printing & Stationery	4,947,196	3,690,284
Directors Sitting fees & Commission	890,000	940,000
Professional charges	10,236,356	5,639,808
Communication Expenses	7,544,416	7,524,340
Travel & Conveyance	27,389,329	19,409,969
Advertisement & Sales Promotion	1,675,220	2,445,707
Freight Outwards	55,652,351	39,772,802
Commission	6,994,394	908,507
Discount	17,883,370	7,568,782
Provision for doubtful debts	2,145,624	1,117,462
Project Expenses Written off	-	6,418,789
Bad debts/Advance written off	7,633,483	3,070,596
Research & Development Expenses[Refer Schedule 20(II)(13)]	2,774,728	2,346,378
Provision for dimunition in value of current investments	7,169,998	-
Loss on sale of Mutual funds	-	64,591
Miscellaneous Expenses	7,101,899	4,531,112
	282,658,626	193,353,555
Less: Expenditure incurred during the construction period		
- Capitalised during the year	-	-
- Pending allocation	(116,356)	(892,713)
TOTAL	282,542,270	192,460,842
SCHEDULE 19		
FINANCE EXPENSES		
Interest		
- On term loans	33,499,466	23,338,071
- On cash credit	31,904,468	26,127,058
- Others	1,150,584	7,252,551
Bank charges	4,560,856	3,523,510
Finance charges	3,397,258	3,107,666
	74,512,632	63,348,855
Less: Expenditure incurred during the construction period		
- Capitalised during the year	-	(980,944)
- Pending allocation	(546,893)	-
TOTAL	73,965,739	62,367,911

SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2011

SCHEDULE 20 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

a. 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.

b. 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.

c. Principles of consolidation

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 account 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.

d. Investments other than in subsidiaries and associates have been accounted as per Accounting Standard (AS)13 on "Accounting for Investments". The two wholly owned subsidiaries i.e. Suprajit Automotive Private Limited, India

and Gills Cables Limited, UK and interest in associate company Suprajit Chemicals Private Limited have been considered for consolidation.

e. 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.

f. Tangible/Intangible Assets

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

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

g. Investments

Investments that are readily realizable 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.

h. 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.

i. Revenue Recognition

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

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

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

j. 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 account for the year.

Defined Contribution Plans

The Parent and its Indian Subsidiary 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 Account for the year. There is no other obligation in this regard.

Defined Benefit Plans

(i) 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 account for the period in which they occur.

(ii) 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 account for the period in which they occur.

k. Foreign Currency Transactions

The foreign currency transactions are recorded at the exchange rates 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 account.

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 account over the period of the contracts. The exchange differences on the contracts are recognized in the year in which the exchange rates change.

l. Leases

Operating lease payments are recognised as an expense in the Profit & Loss account.

m. Research And Development Expenditure

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

n. Borrowing Cost

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

o. 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 costing less than Rs.5,000/- are fully depreciated in the year of acquisition itself. The fixed assets of the foreign subsidiary are depreciated over the estimated useful economic life of the asset, as follows:

Leasehold improvements : 5 years or lease period if shorter

Plant & Machinery : 5-10 years

Fixtures & Fittings : 3-5 years

Intangible assets like brands and knowhow 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.

p. Income Tax

Tax Expense comprising current tax, fringe benefit tax and deferred tax are recognised in the Profit and Loss Account 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.

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.

q. 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.

II. NOTES TO ACCOUNTS

1. Contingent Liabilities and commitments:

(Amounts in INR)

Sl. No.	Particulars	Amount as at March 31 st 2011	Amount as at March 31 st 2010
1	Estimated amount of contracts remaining to be executed on capital account and not provided for(net of advances)	102,014,428	24,543,796
2	Corporate Guarantees issued on behalf of subsidiaries to their bankers	36,450,000	34,470,000
3	Letter of credit	NIL	1,194,430
4	Bank Guarantees furnished to tax authorities for availing concessions	4,776,168	5,764,893
5	Disputed Excise dues pending in appeal	1,434,040	1,434,040
6	Bond Executed in favour of customs	10,000,000	10,000,000
7	Others sums for which the Group is contingently liable	3,921,851	4,905,080

2. The parent company's interest in Suprajit Chemicals Private Limited has been reduced to 27.32% from 46.30% of the Equity outstanding as on March 31st, 2011. The manufacturing operations of that company have been discontinued and other options are under consideration. Accordingly the share of profit recognized in the consolidated accounts till earlier years stands reduced by Rs.55.57 Lakhs and the investment is carried at the reduced share of parent company's interest in accordance with Equity method of Consolidation as per applicable Accounting Standard.

3. Some of the sundry debtors, loans and advances and creditors are subject to confirmation.

4. In the opinion of the management, current assets, loans and advances have a value not less than what is stated in the accounts if realized in the ordinary course of business.

5. Breakup of Investments in Mutual Funds:

Particulars	As at 31 st March 2011	As at 31 st March 2010
ICICI Prudential Discovery Fund - Nil (98,076.09) units of Rs.10/- each	-	4,000,000
Principal Emerging Bluechip Fund - Nil (144,470.43) units of Rs.10/- each	-	4,000,000
Reliance RSF - Equity - Nil (146,593.92) units of Rs.10/- each	-	4,000,000
FT India Monthly Income Plan - Nil (351,639) units of Rs.10/- each	-	9,366,467
HDFC Prudence Fund - Nil (36,454.828) units of Rs.10/- each	-	6,000,000
Sundaram BNP Paribas - Nil (48,424.45) units of Rs.10/- each	-	6,000,000
HDFC Top 200 - Growth - Nil (34,960.92) units of Rs.10/- each	-	6,000,000
HDFC Monthly Income Plan - 832,308.958 (505,052.04) units of Rs.10/- each	17,000,000	10,000,000
Reliance Monthly Income Plan - 822,259.42 (528,873.09) units of Rs.10/- each	16,000,000	10,000,000
Birla MIP II Savings 5 Plan - 669,393.62 (550,442.50) units of Rs.10/- each	11,021,899	9,021,899
Birla MIP II Wealth 25 Plan - 61,737.92 (61,737.92) units of Rs.10/- each	1,000,000	1,000,000
HSBC MIP-Regular Plan - 503,649,883 (503,469.88) units of Rs.10/- each	8,000,000	8,000,000
HSBC MIP-Saving Plan - 216,859.113 (Nil) units of Rs.10/- each	4,000,000	-
Birla MIP II Wealth 25 Plan - 56,350.727 (Nil) units of Rs.10/- each	1,000,000	-
HDFC Monthly Income Plan - 43,925.537 (Nil) units of Rs.10/- each	1,000,000	-
HSBC MIP -Saving Plan - 51,822.332 (Nil) units of Rs.10/- each	995,243	-
Reliance Monthly Income Plan - 46,593.546 (Nil) units of Rs.10/- each	1,000,000	-
Birla MIP II Wealth 25 Plan - 56,245.5 (Nil) units of Rs.10/- each	1,000,000	-
HDFC Monthly Income Plan - 43,778.429 (Nil) units of Rs.10/- each	1,000,000	-
Reliance Monthly Income Plan - 46,474.232 (Nil) units of Rs.10/- each	1,000,000	-
Birla MIP II Wealth 25 Plan - 56,019.584 (Nil) units of Rs.10/- each	998,829	-
HDFC Monthly Income Plan - 43,571.656 (Nil) units of Rs.10/- each	1,000,000	-
Reliance Monthly Income Plan - 46,256.678 (Nil) units of Rs.10/- each	1,000,000	-

Particulars	As at 31 st March 2011	As at 31 st March 2010
Birla MIP II Wealth 25 Plan - 224,942.78 (Nil) units of Rs.10/- each	4,000,000	-
HDFC Monthly Income Plan - 176,724.5 (Nil) units of Rs.10/- each	4,000,000	-
Reliance Monthly Income Plan - 187,414.199 (Nil) units of Rs.10/- each	4,000,000	-
TOTAL	79,015,971	77,388,366

6. The Company was in the process of updating the fixed asset records/register in its ERP system which has been since completed. 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 maintained for major assets in manual form.

7. Foreign Currency Exposure

Particulars	Amount as on 31 st March 2011	Amount as on 31 st March 2010
a) Hedged by Forward contracts		
JPY Payable	-	140,082,182
Equivalent Rupees (at forward rate)	-	80,323,123
USD Payable	1,687,236	-
Equivalent Rupees (at forward rate)	78,589,623	-
USD Receivable	2,800,000	900,000
Equivalent Rupees (at forward rate)	132,495,250	42,932,000
Euro Receivable	1,675,000	-
Equivalent Rupees (at forward rate)	108,710,830	-
GBP Receivable	75,000	-
Equivalent Rupees (at forward rate)	5,757,750	-
b) Not hedged (net)		
i) Related to Debtors & Creditors		
USD Receivable/(Payable)	1,361,690	562,993
Equivalent Rupees	60,045,053	24,977,448
GBP Receivable (Payable)	91,580	362,914
Equivalent Rupees	5,566,415	24,269,374
Euro Receivable/ (Payable)	823,067	333,878
Equivalent Rupees	51,308,959	18,783,548
ii) Bank Balance USD		
USD	365,553	17,112
Equivalent Rupees	16,168,839	777,051
Euro	35,415	-
Equivalent Rupees	2,395,537	-
iii) Secured Loan		
USD	932,380	389,757
Equivalent Rupees	42,087,658	17,815,792
Euro	276,087	195,706
Equivalent Rupees	17,666,862	12,010,502
GBP	258,012	-
Equivalent Rupees	18,809,075	-

8. Employee benefits:

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

ii. Defined Contribution Plans

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

Particulars	2010-11	2009-10
Employers contribution to Provident Fund	7,996,394	6,205,279
Employers contribution to Employee's State Insurance	2,574,311	1,536,066
Employers contribution to other Social Security Schemes	6,996,926	6,641,780

iii. Defined Benefit Plans

- a) Gratuity- Funded
b) Compensated absences-Unfunded Obligation

I. Actuarial Assumptions	2010-11		2009-10	
	Gratuity absences	Compensated absences	Gratuity absences	Compensated absences
Discount Rate (per annum)	8%	8%	8%	8%
Expected return on plan assets	8%	0%	8%	0%
Salary escalation rate*	7%	7%	7%	7%

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

	2010-11		2009-10	
	Funded Scheme	Unfunded Scheme	Funded Scheme	Unfunded Scheme
II. Reconciliation of present value of obligation				
Present value of obligation at beginning of the year	9,854,472	3,574,007	8,695,619	3,526,248
Current Service Cost	6,139,923	1,737,411	2,489,930	1,188,952
Interest Cost	778,977	234,920	680,579	237,693
Actuarial (gain)/loss	(274,274)	(183,671)	(1,634,894)	(268,728)
Benefits paid	(234,513)	(1,275,019)	(376,762)	(1,110,158)
Past service Cost	-	-	-	-
Present value of obligation at end of the year	16,264,586	4,087,648	9,854,472	3,574,007

	2010-11	2009-10
	Funded Scheme	Funded Scheme
III. Reconciliation of fair value of plan assets		
Fair value of plan assets beginning of the year	6,489,567	4,396,313
Expected return on plan assets	516,260	417,797
Actuarial gain/(loss)	59,788	23,180
Contributions	161,863	2,029,039
Benefits paid	(234,513)	(376,762)
Assets distributed on settlement (if applicable)	-	-
Fair value of plan assets at end of the year	6,992,964	6,489,567

	2010-11	2009-10
	Funded Scheme	Funded Scheme
IV. Description of Plan Assets		
Insurer Managed Funds - Life Insurance Corporation of India	6,992,964	6,489,567

	2010-11		2009-10	
	Funded Scheme	Unfunded Scheme	Funded Scheme	Unfunded Scheme
V. Net (Asset)/Liability recognised in the Balance Sheet as at year end				
Scheme				
Present value of obligation at end of the year	16,264,586	4,087,648	9,854,472	3,574,007
Fair value of plan assets at end of the year	6,992,964	-	6,489,567	-
Net present value of unfunded obligation recognised as (asset)/liability in the Balance Sheet	9,271,622	4,087,648	3,364,906	3,574,007

9. Segment Reporting:

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

Particulars	2010-11	2009-10
Sales/Operating income		
- India	2,904,146,482	1,999,908,693
- Rest of the world	563,042,225	485,209,789
Segment Assets		
- India	1,984,542,332	1,451,643,672
- Rest of the world	237,776,212	264,285,726
Additions to Fixed Assets		
- India	238,309,767	73,300,360
- Rest of the world	864,000	-

10. Related Party Disclosures

Party	Relationship
K Ajith Kumar Rai (Chairman & Managing Director)	Key Management Personnel
Peter Greensmith	Key Management Personnel
R Crozier (resigned on 1.3.2010)	Key Management Personnel
M Jayarama Shetty	Relative of Key Management Personnel
Suprajit Chemical Private Limited	Associate

Transactions

Nature of Transactions	2010-11	2009-10
Remuneration:		
Key Management Personnel	28,106,225	26,506,547
Relative of KMP	100,000	-
Sitting fees		
Relative of KMP	80,000	110,000
Interest received	-	-
Land and Building Purchase		
Associate	36,313,060	-

Nature of Transactions	2010-11	2009-10
Reimbursements		
Key Management Personnel	728,800	564,682
Associate	7,178	-
Loans / advance given		
Associate	-	1,000,000
Repayment of Loans		
Associate	-	1,000,000

11. 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 March 31, 2011	Amount as on March 31, 2010
Due within one year	2,799,360	-
Due between two to five years	-	3,644,352
TOTAL	2,799,360	3,644,352

12. Deferred Tax

The breakup of the Deferred tax liability as at March 31st, 2011 is given below:

Timing Differences	Amount as on March 31, 2011	Amount as on March 31, 2010
Accelerated Capital Allowances	775,728	88,303
Timing Difference on purchase of Goodwill	3,353,760	(4,753,324)
Depreciation	50,243,100	47,849,079
Expenses	(8,339,166)	(4,737,716)
Net Liability/(Asset)	37,774,446	38,446,342

Deferred tax assets of Rs. 41,29,488 (GBP 57,364) have not been recognised due to the short term uncertainty of estimating future sustainable tax profit of the UK subsidiary.

13. Research & Development Expenditure:

Particulars	2010-11	2009-10
Salaries & Wages	6,126,847	6,061,014
Materials, Consumables & Stores	635,171	232,226
Other Direct Expenditure	2,491,208	2,346,378
Total	9,253,226	8,639,618

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

14. Some of the previous year figures have been re-grouped to suit current years grouping.

Signatures to Schedules – 1 to 20

As per our report of even date attached

For Varma & Varma

Chartered Accountants
FRN 004532S

K Ajith Kumar Rai
Chairman & Managing Director

M Jayarama Shetty
Director

Medappa Gowda J
Company Secretary

Cherian K Baby
Partner
M No. 16043

Place : Bangalore
Date : 30th May, 2011

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

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, Auditor’s Report, postal ballots etc., henceforth to all its esteemed shareholders, including your good self, in electronic form, through e-mail. To facilitate the same, we request you to furnish your e-mail id, quoting your folio number/Dpid/Client id to our Registrar and share Transfer Agent at the following address:

Integrated Enterprises (India) Limited,
30, Ramana Residency, 4th Cross,
Sampige Road,
Malleswaram,
Bangalore - 560 003,
Phone No: **080-23460815 to 818,**
E-mail id: **alfint@vsnl.com**

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

Thanking You,

Yours faithfully,

For **Suprajit Engineering Limited**

Medappa Gowda. J
Company Secretary

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

ATTENDANCE SLIP

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

Name of the attending Member (in block letters) :

Members' Folio Number:

Client I.D. No:

D.P.I.D. No:

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

.....

No. of Shares held:

I hereby record my presence at the Twenty Sixth Annual General Meeting of the Company held on Saturday, the 30th July, 2011 at 12.30 p.m at Factory Office, at Plot 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 appointofof failing him ofin 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 Sixth Annual General Meeting of the Company to be held on Saturday, the 30th July, 2011 at 12.30 p.m at Factory Office at Plot no. 101, Bommasandra Industrial Area, Bangalore – 560 099 - and at any adjournments thereof.

Signed thisday of2011

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.

