Suprajit Engineering Limited

Registered & Corporate Office :
#100, Bommasandra Industrial Area, Bangalore - 560 099.
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E-mail: info@suprajit.com Web : http://www.suprajit.com

DNV
ISO / TS 16949
REGISTERED FIRM

December 13, 2013

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

Dear Sir/Madam

Sub : Mid Year Review

Enclosed please find a draft letter to be sent to all the shareholders of the Company as a mid-year review.

We request you to treat this as compliance pursuant to the provisions of Listing Agreement.

Thanking you,

Yours faithfully,
for **Suprajit Engineering Limited**

Medappa Gowda J
Company Secretary

Encl : as above

K. Ajith Kumar Rai
Chairman & Managing Director

Suprajit

Dear Shareholder,

16th December 2013

Mid Year Review

With the New Year round the corner, I take this opportunity to brief you on the performance of your Company during the first eight months of this year. I have pleasure in enclosing the half -yearly results.

You will note that, on a consolidated basis, sales for the half year ended 30th September 2013 was Rs.259.19 crores as against Rs.242.88 crores for the same period last year; this is a growth of 7%. The pre-tax profit was Rs. 31.37 crores against Rs.28.69 crores for the same period last year, an increase of about 9%, excluding exceptional items. I am delighted that your Company's growth has exceeded the auto sector's growth of 1.66%. Your Company's half year performance has been good, considering the tough market conditions.

The highlights of Suprajit this year so far have been :

- Continued outperformance both in terms of sales and profitability as compared to the industry.
- The month of October 2013 saw Suprajit Group crossing monthly sales of Rs. 60 crores and, on a standalone basis, the sales of Rs.53 crores. This is an all time monthly record.
- Again, the first two months of Q3 i.e. October and November have seen the highest sales in every segment of domestic, exports and aftermarket.
- A robust December 2013 is anticipated which is likely to make the Q3 sales an all-time record in the history of the Company, with matching profitability.

I am sure that you will appreciate that the Indian economy is in the doldrums and, as of now, the automotive industry has hardly grown this year. While the interest rates remained high and inflation refuses to come down, the policy paralysis due to political uncertainty continues to put pressure on Indian economic growth. Your Company's performance so far has been commendable under these circumstances. This was possible with Team Suprajit de-risking customer and product segments, focusing on customer needs, cost control through improved quality and productivity levels. With the focus on aftermarket, automotive and non-automotive exports, your Company continues to surpass the automotive industry growth by 5-10%, our stated objective.

The capital expenditure this year has been kept to a minimum in view of lower demand. However, we are now reviewing our capex plans for the next year, as we feel that the outlook for your Company has now further improved, based on various de-risking measures. Your Company will undertake its capacity augmentation in the existing plants, and new plants will also be set up during the course of the coming years.

I am happy to inform you that to strengthen Team Suprajit, to focus on international business, inorganic growth and new product developments, Mr. N. S. Mohan, an industry veteran with outstanding credentials, has joined the top management team recently as President.

Team Suprajit's ability to continue to garner significant domestic market share through close customer interaction along with a robust growth in exports and aftermarket gives me confidence that your Company will clock another year of good growth and profitability.

You have been a valued shareholder and I seek your continued support and good wishes. I take this opportunity to wish you and every member of your family a Happy, Healthy and Prosperous New Year.

With warm regards,

Yours sincerely,



K. Ajith Kumar Rai,
Chairman & Managing Director.