

SL/BSE/NSE/19

May 21, 2019

The Manager, Listing Department, <b>National Stock Exchange of India Ltd.,</b> 'Exchange Plaza' C-1 , Block G, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051. <u>Security ID: SUBROS</u>	Dy. General Manager, Department of Corporate Services, <b>BSE LIMITED,</b> First Floor, P.J. Towers, Dalal Street, Fort, Mumbai – 400001. <u>Security ID: SUBROS</u>
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Dear Sir/Madam

**Sub: Outcome of Board Meeting**

Pursuant to the applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the following:

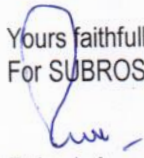
- (1) Audited Financial results for the quarter and year ended 31<sup>st</sup> March, 2019, duly approved by the Board of Directors in the Meeting held on 21<sup>st</sup> May, 2019 along with unmodified results declaration.
- (2) Auditors Report for audited financial results for the year ended 31<sup>st</sup> March, 2019.
- (3) The Board of Directors have recommended a final dividend of Rs. 1.30 per equity share (65% on the face value of equity share of Rs. 2 each) for the year ended 31<sup>st</sup> March, 2019. The dividend is subject to approval of shareholders at the ensuing annual general meeting of the Company.
- (4) Disclosure in respect of Regulation 52(5) of SEBI Regulations, 2015 is annexed. Further, the information pursuant to Regulations 52(4) and 54(2) and other application regulations of SEBI Regulations, 2015 are disclosed in the above said results.
- (5) Register of Members will remain closed from Friday, 2<sup>nd</sup> August, 2019 to Friday, 9<sup>th</sup> August, 2019 (both days inclusive) for the purpose of dividend payment. The ensuing annual general meeting of the Company is scheduled to be held on 9<sup>th</sup> August, 2019.
- (6) Ms. Shradha Suri has been re-appointed as Managing Director of the Company for a period of three years w.e.f 12<sup>th</sup> May, 2019. The brief profile is attached herewith.

The Board meeting commenced at 11.30 a.m. and concluded at 3.50 p.m.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,  
For SUBROS LIMITED

  
Rakesh Arora  
Company Secretary



## SUBROS LIMITED

REGD. OFFICE : LGF, WORLD TRADE CENTRE, BARAKHAMBA LANE, NEW DELHI-110001

CIN :- L74899DL1985PLC020134; Tel: 011-23414946 Fax: 011-23414945

website:www.subros.com ; email:rakesh.arora@subros.com

## STATEMENT OF UNAUDITED/AUDITED FINANCIAL RESULTS FOR THE QUARTER &amp; YEAR ENDED 31st MARCH, 2019

(Rs. In lakhs)

S. No.	Particulars	STANDALONE Quarter ended			STANDALONE Year ended		CONSOLIDATED Year ended	
		31st March, 2019 (UNAUDITED) (Refer note 13)	31st December, 2018 (UNAUDITED)	31st March, 2018 (UNAUDITED) (Refer note 13)	31st March, 2019 (AUDITED)	31st March, 2018 (AUDITED)	31st March, 2019 (AUDITED)	31st March, 2018 (AUDITED)
I	Revenue from operations (Refer Note 8 )	51,807	51,069	55,215	212,448	196,956	212,448	196,956
II	Other Income	193	(155)	(41)	1025	743	1030	738
III	<b>Total Revenue (I + II)</b>	<b>52,000</b>	<b>50,914</b>	<b>55,174</b>	<b>213,473</b>	<b>197,699</b>	<b>213,478</b>	<b>197,694</b>
IV	<b>Expenses</b>							
	a) Cost of materials consumed	36,269	34,481	37,387	148,503	133,450	148,503	133,450
	b) Changes in inventories of finished goods and work-in progress	(33)	705	768	(98)	45	(98)	45
	c) Excise Duty	-	-	-	-	5,667	-	5,667
	d) Employee benefits expense	4,891	5,136	5,427	20,646	18,812	20,657	18,822
	e) Finance costs	682	801	1,146	4,219	4,121	4,219	4,121
	f) Depreciation and amortization expense	2,064	1,954	2,419	7,885	9,200	7,885	9,200
	g) Other expenses	5,183	5,064	5,264	20,587	17,984	20,569	17,986
	<b>Total expenses (IV)</b>	<b>49,056 (IV)</b>	<b>48,141</b>	<b>52,411</b>	<b>201,742</b>	<b>189,279</b>	<b>201,735</b>	<b>189,291</b>
V	Share of profits/(losses) of Joint Venture accounted for using equity method	-	-	-	-	-	(1)	11
VI	Profit/(Loss) before exceptional items and tax (III - IV + V)	2,944	2,773	2,763	11,731	8,420	11,742	8,414
VII	Exceptional Items (Refer Note 7)	-	-	-	(334)	(182)	(334)	(182)
VIII	<b>Profit/(Loss) before tax (VI + VII)</b>	<b>2,944</b>	<b>2,773</b>	<b>2,763</b>	<b>11,397</b>	<b>8,238</b>	<b>11,408</b>	<b>8,232</b>
IX	Tax expense							
	(a) Current Tax	571	602	612	2408	1,787	2408	1,788
	(b) Deferred Tax	753	452	292	1376	389	1376	388
X	<b>Profit/(Loss) for the period/year (VIII - IX)</b>	<b>1,620</b>	<b>1,719</b>	<b>1,859</b>	<b>7,613</b>	<b>6,062</b>	<b>7,624</b>	<b>6,056</b>
XI	<b>Other Comprehensive Income</b>							
	<u>Items that will be reclassified to profit or loss</u>							
	(a) Exchange differences on translation of foreign operations	-	-	-	-	-	(3)	(3)
	(b) Income tax relating to above item	-	-	-	-	-	1	1
	<u>Items that will not be reclassified to profit or loss</u>							
	(c) Gain/(Loss) of defined benefit obligations	(306)	(2)	14	(312)	(7)	(312)	(7)
	(d) Share of other comprehensive income of Joint Venture accounted for using equity method	-	-	-	-	-	-	-
	(e) Income tax relating to above	106	1	(4)	109	2	109	1
	<b>Other Comprehensive Income for the period/year (net of tax) (a+b+c+d+e)</b>	<b>(200)</b>	<b>(1)</b>	<b>10</b>	<b>(203)</b>	<b>(5)</b>	<b>(205)</b>	<b>(8)</b>
XII	<b>Total Comprehensive Income for the period/year (X + XI)</b>	<b>1,420</b>	<b>1,718</b>	<b>1,869</b>	<b>7,410</b>	<b>6,057</b>	<b>7,419</b>	<b>6,048</b>
XIII	Paid-up equity share capital	1,305	1,305	1,200	1,305	1,200	1,305	1,200
XIV	Face value of share (Rs.)	2	2	2	2	2	2	2
XV	Earnings per share (of Rs. 2 each) (not annualized)							
	Basic	2.44	2.80	3.10	12.35	10.11	12.37	10.09
	Diluted	2.44	2.80	3.10	12.35	10.11	12.37	10.09

## Notes:

- The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 21st May, 2019.
- The financial results of the Company have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards ("IND AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.
- The format for unaudited quarterly/annual results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated 30th November, 2015 has been modified to comply with requirements of SEBI's circular dated 5th July, 2016 on IND AS and Schedule III to the Companies Act, 2013 applicable to companies that are required to comply with IND AS.
- Effective 1st April, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the modified retrospective method, which is applied to contracts as of 1st April, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was not material to the financial results for the quarter and year ended 31st March, 2019.
- Pursuant to the approval of Board of Directors in their meeting held on 28th May, 2018 for closure of Company's overseas subsidiary Thai Subros Ltd. and filing of liquidation application in Thailand on 9th January, 2019, the management has assessed the recoverability of their investment in subsidiary and recognised the provision for diminution in the value of its investment in subsidiary amounting to Rs. 7.35 Lakhs and Rs. 21.35 Lakhs during the quarter and year ended 31st March, 2019. Accordingly, the financial statements for the subsidiary for the year ended 31st March, 2019 have been prepared on liquidation basis.
- The Company's operations comprise of only one segment i.e. parts & components for Automotive Airconditioning Systems. Hence, no further information is required to be given in respect of segment.
- The Company has introduced a Voluntary Separation Scheme to provide an opportunity to the workmen of Pune Plant to opt for early separation to optimise on manpower cost and productivity improvement and incurred one time expenditure of Rs. 334 Lakhs during the quarter ended 30th June, 2018. This has been disclosed as Exceptional Item.
  - There was a fire accident in one of the plants of the Company situated at Manesar on 29th May, 2016. The fire had severely impacted the building, stocks, plant & machinery. These assets were adequately insured with reinstatement clause and a claim has been made with the insurance company. An amount of Rs.50.66 crores has been received from the insurance company on 25th April, 2019 against the claim lodged. Special/urgent actions to restart supplies to the customers post fire accident has temporarily resulted into additional costs incurred during the year ended 31st March, 2018 which have been disclosed as Exceptional Item.





- 8 Revenue from operations for periods upto 30th June, 2017 include excise duty, which is discontinued effective 1st July, 2017 upon implementation of Goods and Services Tax (GST) in India. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the year ended 31st March, 2018 is not strictly relatable to current period numbers. The following additional information is being provided to facilitate such understanding.

(Rs. In lakhs)

Particulars	Standalone Quarter ended			Standalone Year ended		Consolidated Year ended	
	31st March, 2019 (UNAUDITED)	31st December, 2018 (UNAUDITED)	31st March, 2018 (UNAUDITED)	31st March, 2019 (AUDITED)	31st March, 2018 (AUDITED)	31st March, 2019 (AUDITED)	31st March, 2018 (AUDITED)
Revenue from operations	51,807	51,069	55,215	212,448	196,956	212,448	196,956
Less : Excise Duty	-	-	-	-	5,667	-	5,667
Revenue from operations excluding Excise Duty	51,807	51,069	55,215	212,448	191,289	212,448	191,289

- 9 The Company has issued 5,247,150 equity shares at a price of Rs 400 per equity share (face value of Rs 2 each) on preferential basis to Denso Corporation, Japan on 7th December, 2018.
- 10 The Board of directors have recommended a final dividend of Rs.1.30/equity share (65% on face value of equity shares of Rs.2 each) for the year ended 31st March, 2019. The dividend is subject to approval of shareholders at the ensuing Annual General Meeting of the Company.

- 11 The Company has issued Listed Redeemable 8.50% Non-Convertible Debentures (NCDs) aggregating to Rs. 5,000 Lakhs on 22nd August, 2017.

Additional disclosures as per regulation 52(4) and other regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as follows:

- a) Credit rating and change in credit rating (if any): The Non Convertible Debentures issued by the Company are rated "[ICRA] AA-Stable" (31st March, 2018: "[ICRA] A+")
- b) Asset cover available, in case of non convertible debt securities: 1.25 times of the total liability for outstanding NCDs as on 31st March, 2019. The nature of security is first charge on specific movable fixed assets of the company.
- c) Previous due date for the payment of interest/repayment of principal of non convertible debt securities and whether the same has been paid or not: Previous due date for payment of interest was 30th March, 2019 (Rs. 27.95 lakhs) and the same has been paid within the due date. Previous due date for repayment of principal amount was 30th April, 2018 (Rs. 1,000 lakhs) and the same has been paid within the due date.
- d) Next due date for the payment of interest/principal of non-convertible debt securities payable and the redemption amount: The interest on NCDs is due on 30th April, 2019 (Rs. 28.88 lakhs). The next due date for payment of principal of NCDs is 30th April, 2019 (Rs. 2,000 lakhs)..

Particulars	31st March, 2019	31st March, 2018
e) Debt-equity ratio	0.36	0.95
f) Debt Service Coverage Ratio	0.95	1.07
g) Interest Service Coverage Ratio	7.58	5.36
h) Debenture Redemption Reserve (Rs. in Lakhs)	1,000	1,250
i) Net worth (Rs. in Lakhs)	68,013	40,477
j) Paid up Debt Capital (Rs. in Lakhs)	4,000	5,000

The Formulae for calculation of ratios are as follows:

A) Debt Equity Ratio = Total Debt/Equity

B) Debt Service Coverage Ratio = (Profit/loss) from ordinary activities before tax + Interest on Long term Loans)/(Interest on Long term Loans + Repayment of Long term Loans during the period)

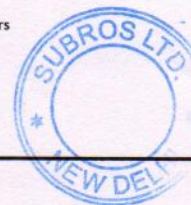
C) Interest Service Coverage Ratio = (Profit/loss) from ordinary activities before tax + Interest on Long term Loans)/Interest on Long term Loans

D) Networth = Share Capital + Reserves and Surplus (excluding Revaluation Reserve and Amalgamation Reserve)

- 12 Deferred tax is after adjusting Minimum Alternate Tax credit entitlement.
- 13 Figures for the quarters ended 31st March, 2019 and 2018 represent the difference between the audited figures in respect of full financial years and the published figures for the nine months ended 31st December, 2018 and 2017, respectively which were subject to limited review.
- 14 The previous period figures have been regrouped/rearranged/reclassified, wherever necessary.

For and on behalf of the Board of Directors  
SUBBROS LIMITED

RAMESH SURI  
CHAIRMAN



Place : New Delhi  
Dated : 21st May, 2019



**SUBROS LIMITED**

REGD. OFFICE : LGF, WORLD TRADE CENTRE, BARAKHAMBA LANE, NEW DELHI-110001  
CIN :- L74899DL1985PLC020134; Website:www.subros.com ; Email:rakesh.arora@subros.com  
Tel: 011-23414946 Fax: 011-23414945

**STATEMENT OF ASSETS AND LIABILITIES**

(Rs. In lakhs)

Particulars	STANDALONE		CONSOLIDATED	
	As at 31st March, 2019 (AUDITED)	As at 31st March, 2018 (AUDITED)	As at 31st March, 2019 (AUDITED)	As at 31st March, 2018 (AUDITED)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	53,216	52,892	53,216	52,892
Capital work-in-progress	6,326	4,685	6,326	4,685
Intangible assets	15,786	14,074	15,786	14,075
Intangible assets under development	2,275	4,298	2,275	4,298
Investments in Subsidiary and Joint Venture	229	250	-	-
Investment accounted for using the equity method	-	-	157	158
Financial assets				
i) Loans	962	938	962	938
ii) Other financial assets	56	175	56	175
Deferred tax assets (net)	-	1,141	-	1,141
Non-current tax assets (net)	48	210	48	210
Other non-current assets	3,474	2,618	3,474	2,618
<b>Total non-current assets</b>	<b>82,372</b>	<b>81,281</b>	<b>82,300</b>	<b>81,190</b>
<b>Current assets</b>				
Inventories	24,921	23,963	24,921	23,963
Financial assets				
i) Trade receivables	16,732	16,140	16,732	16,140
ii) Cash and cash equivalents	653	1,498	706	1,514
iii) Bank balance other than (ii) above	8,338	486	8,338	486
iv) Loans	108	38	108	38
v) Other financial assets	2,691	3,280	2,691	3,280
Other current assets	2,244	3,100	2,244	3,100
<b>Total current assets</b>	<b>55,687</b>	<b>48,505</b>	<b>55,740</b>	<b>48,521</b>
<b>TOTAL ASSETS</b>	<b>138,059</b>	<b>129,786</b>	<b>138,040</b>	<b>129,711</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	1,305	1,200	1,305	1,200
Other equity	66,708	39,277	66,690	39,245
<b>Total equity</b>	<b>68,013</b>	<b>40,477</b>	<b>67,995</b>	<b>40,445</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
- Borrowings	5,744	15,260	5,744	15,260
Deferred tax liabilities (net)	125	-	124	-
Provisions	636	241	636	241
<b>Total non-current liabilities</b>	<b>6,505</b>	<b>15,501</b>	<b>6,504</b>	<b>15,501</b>
<b>Current liabilities</b>				
Financial liabilities				
i) Borrowings	13,031	16,285	13,031	16,285
ii) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	346	-	346	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	38,641	40,992	38,641	40,948
iii) Other financial liabilities	8,367	12,629	8,367	12,630
Contract liabilities	603	1,263	603	1,263
Other current liabilities	1,537	1,510	1,537	1,510
Provisions	773	708	773	708
Current tax liabilities (net)	243	421	243	421
<b>Total current liabilities</b>	<b>63,541</b>	<b>73,808</b>	<b>63,541</b>	<b>73,765</b>
<b>TOTAL LIABILITIES</b>	<b>70,046</b>	<b>89,309</b>	<b>70,045</b>	<b>89,266</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>138,059</b>	<b>129,786</b>	<b>138,040</b>	<b>129,711</b>





# Price Waterhouse Chartered Accountants LLP

## Independent auditor's report

### To the Members of Subros Limited

### Report on the audit of the Standalone financial statements

#### Opinion

1. We have audited the accompanying standalone financial statements of Subros Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

#### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Price Waterhouse Chartered Accountants LLP, Building No. 8, 7th & 8th Floor, Tower - B, DLF Cyber City  
Gurgaon - 122 002

T: +91 (124) 4620000, 3060000, F: +91 (124) 4620620

Registered office and Head office: Sucheta Bhowan, 11A Vishnu Digambar Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/4500016 (ICAI) registration number before conversion was 012754N.



## INDEPENDENT AUDITOR'S REPORT

To the Members of Subros Limited  
Report on audit of the Financial Statements  
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Key audit matter	How our audit addressed the key audit matter
<p><b>Appropriateness of capitalisation of internal development costs</b> [Refer note 2 (significant accounting policies) and note 4 (intangible assets under development) to the standalone financial statements]</p> <p>During the year ended March 31, 2019, the Company has capitalized significant costs incurred on internal development of Intangible assets amounting to Rs. 2,885.56 Lakhs under the head 'Intangible assets under development'. These intangible assets were predominantly in relation to the projects awarded by original equipment manufacturers. The costs mainly comprised employees' payroll and other costs.</p> <p>The capitalization of internal development costs was a key audit matter due to the amount of the internal development costs capitalized and judgement involved in assessing whether the criteria set out in the Indian Accounting Standard (Ind AS) 38 "Intangible Assets" had been met.</p> <p>Significant judgement was made by the management in the determination of –</p> <p>i) costs incurred towards development or for research nature,</p> <p>ii) the costs, including payroll costs, were directly attributable to relevant projects, and</p> <p>iii) key assumptions such as future revenue, margins and the discount rate used to assess the future cash flows.</p>	<p>We performed the following procedures, amongst others</p> <ul style="list-style-type: none"><li>- Understood and evaluated the financial controls for the capitalisation of internal development costs and tested such controls.</li><li>- Assessed the appropriateness of capitalization of product development costs with the criteria to capitalize product development costs and challenged the management through discussions and assessing the products' commercial feasibility.</li><li>- Tested the accuracy and allocation of capitalized payroll and other costs and assessed whether these are directly attributable to the development as against research.</li><li>- Assessed underlying cash flow forecasts including the future revenue, expected margins to be achieved with reference to historical data and management approved margins in the AOP (Annual Operating Plan), inputs used by the Management to calculate the discount rate applied by comparing this to the cost of capital for the Company.</li><li>- Performed a sensitivity analysis over the key assumptions which included assessing the impact of change in those assumptions that would be required for future economic benefits falling short of the carrying value of capitalized internal development costs.</li></ul> <p>As a result of the above procedures, the capitalisation of internal development costs by the Company was considered to be appropriate.</p>

### Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.





## INDEPENDENT AUDITOR'S REPORT

To the Members of Subros Limited  
Report on audit of the Financial Statements  
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### **Responsibilities of management and those charged with governance for the financial statements**

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's





## INDEPENDENT AUDITOR'S REPORT

To the Members of Subros Limited  
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ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  12. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
14. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.



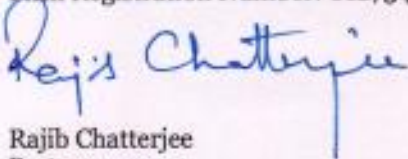


INDEPENDENT AUDITOR'S REPORT

To the Members of Subros Limited  
Report on audit of the Financial Statements  
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- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements;
  - ii. The Company has long-term contracts including derivative contracts as at March 31, 2019 for which there were no material foreseeable losses.;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016



Rajib Chatterjee  
Partner  
Membership Number 057134

Place of the Signature: New Delhi  
Date: May 21, 2019



# Price Waterhouse Chartered Accountants LLP

## INDEPENDENT AUDITOR'S REPORT

To the Members of Subros Limited

Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of Subros Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") and its joint venture (refer Note 35 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint venture as at March 31, 2019, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.
3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in sub-paragraph 16 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 17 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Price Waterhouse Chartered Accountants LLP, Building No. 8, 7th & 8th Floor, Tower - B, DLF Cyber City Gurgaon - 122 002

T: +91 (124) 4620000, 3060000, F: +91 (124) 4620620

Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digamber Marg, New Delhi 110 002

Price Waterhouse (a Partnership Firm) converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754NN500016 (ICAI registration number before conversion was 012754N)



## INDEPENDENT AUDITORS' REPORT

To the Members of Subros Limited  
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Key audit matter	How our audit addressed the key audit matter
<p><b>Appropriateness of capitalisation of internal development costs</b></p> <p>[Refer note 2 (significant accounting policies) and note 4 (intangible assets under development) to the consolidated financial statements]</p> <p>During the year ended March 31, 2019, the Group has capitalized significant costs incurred on internal development of Intangible assets amounting to Rs. 2,885.56 Lakhs under the head 'Intangible assets under development'. These intangible assets were predominantly in relation to the projects awarded by original equipment manufacturers. The costs mainly comprised employees' payroll and other costs.</p> <p>The capitalization of internal development costs was a key audit matter due to the amount of the internal development costs capitalized and judgement involved in assessing whether the criteria set out in the Indian Accounting Standard (Ind AS) 38 "Intangible Assets" had been met.</p> <p>Significant judgement was made by the management in the determination of –</p> <p>i) costs incurred towards development or for research nature,</p> <p>ii) the costs, including payroll costs, were directly attributable to relevant projects, and</p> <p>iii) key assumptions such as future revenue, margins and the discount rate used to assess the future cash flows.</p>	<p>We performed the following procedures, amongst others</p> <ul style="list-style-type: none"><li>- Understood and evaluated the financial controls for the capitalisation of internal development costs and tested such controls.</li><li>- Assessed the appropriateness of capitalization of product development costs with the criteria to capitalize product development costs and challenged the management through discussions and assessing the products' commercial feasibility.</li><li>- Tested the accuracy and allocation of capitalized payroll and other costs and assessed whether these are directly attributable to the development as against research.</li><li>- Assessed underlying cash flow forecasts including the future revenue, expected margins to be achieved with reference to historical data and management approved margins in the AOP (Annual Operating Plan), inputs used by the Management to calculate the discount rate applied by comparing this to the cost of capital for the Company.</li><li>- Performed a sensitivity analysis over the key assumptions which included assessing the impact of change in those assumptions that would be required for future economic benefits falling short of the carrying value of capitalized internal development costs.</li></ul> <p>As a result of the above procedures, the capitalisation of internal development costs by the Company was considered to be appropriate.</p>

### Other Information

5. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the consolidated financial statements and our auditor's report thereon.
6. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.





## INDEPENDENT AUDITORS' REPORT

To the Members of Subros Limited  
Report on the Consolidated Financial Statements  
Page 3 of 6

7. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the report of the other auditors as furnished to us (Refer paragraph 16 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint venture are responsible for assessing the ability of the Group and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for overseeing the financial reporting process of the Group and of its joint venture.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.





## INDEPENDENT AUDITORS' REPORT

To the Members of Subros Limited  
Report on the Consolidated Financial Statements  
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12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.





## INDEPENDENT AUDITORS' REPORT

To the Members of Subros Limited  
Report on the Consolidated Financial Statements  
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15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

16. The consolidated Ind AS financial statements include the Group's share of total comprehensive income (comprising loss and other comprehensive income) of Rs. (1.11) Lakhs for the year ended March 31, 2019 as considered in the consolidated Ind AS financial statements, in respect of joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of the joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid joint venture, is based solely on the report of the other auditors.
17. We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs. 52.64 Lakhs and net assets of Rs.52.03 Lakhs as at March 31, 2019, total revenue of Rs. 5.49 Lakhs, total comprehensive income (comprising loss and other comprehensive income) of Rs. (9.31) Lakhs and net cash flows amounting to Rs. 34.65 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements are unaudited and have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements insofar as it relates to the amounts and disclosures included in respect of the subsidiary and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors and the financial statements certified by the Management.

### Report on Other Legal and Regulatory Requirements

18. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the





INDEPENDENT AUDITORS' REPORT

To the Members of Subros Limited  
Report on the Consolidated Financial Statements  
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relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its joint venture incorporated in India, none of the directors of the Holding Company and its joint venture incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Holding company and its joint venture and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its joint venture— Refer Note 26 to the consolidated financial statements.
  - ii. The Group and its joint venture had long-term contracts including derivative contracts as at March 31, 2019 for which there were no material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the joint venture incorporated in India during the year ended March 31, 2019.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N500016

  
Rajib Chatterjee  
Partner  
Membership Number 057134

Place of the Signature: New Delhi  
Date: May 21, 2019



SL/BSE/NSE/19/

May 21, 2019

To,  
The All Stock Exchange

**Sub: Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015- Declaration for Audit Report with Unmodified Opinion for the financial year ended on 31<sup>st</sup> March, 2019(Standalone and Consolidated)**


Dear Sir,

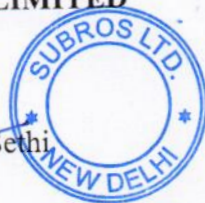
Pursuant to Regulation 33(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, this is to confirm and declare that the auditors of the Company M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants LLP, Chartered Accountants have issued the Audit Report(s) with Unmodified Opinion in respect of the Financial Statements/Financial Results for the financial year ended 31<sup>st</sup> March, 2019 (Standalone & Consolidated)

We request you to kindly take this declaration on your record.

Yours faithfully,

**For SUBROS LIMITED**

  
Mandoj Kumar Sethi  
EVP (Finance)





No.CTL/DEB/19-20/Noting Certificate  
21<sup>st</sup> May,2019

To  
Subros Limited (Issuer)  
LGF, World Trade Centre, Barakhamba Lane,  
New Delhi - 110 001


**CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION**

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited (“**Debenture Trustee**”) hereby confirm that we have received and noted the information, as specified under Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“**Regulations**”), provided to us by **Subros Limited (“the Issuer”)** for the half year ended 31<sup>st</sup> March,2019.

This Certificate is being issued pursuant to the requirements of Regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For Catalyst Trusteeship Limited

  
Authorised Signatory

*Encl: Results submitted by Company*





### **Brief Profile of Ms. Shradha Suri**

Ms. Shradha Suri is Master of Science in International Marketing Management, London (U.K) and Master of Science in Information Systems from LSE (U.K). Ms. Shradha Suri has been an active player in the Automotive Industry. She has experience of over 21 years in the Air-conditioning, Automotive Components Manufacturing, Process Control, Design, Quality Assurance, Marketing and Research & Development. Ms. Shradha Suri functional expertise lies in area of technology, Marketing, Corporate Planning, Strategy formulation and their implementation. During her tenure as Managing Director, the Company has made significant all round progress including planning, production process, operations, turnover and profitability. Ms. Shradha Suri has been pursuing the goal of building a world-class Auto Component Manufacturing Company and the Company has achieved substantially under her able leadership. Ms. Shradha Suri possesses high business acumen and the Company has achieved a phenomenal growth under her leadership.

A handwritten signature in blue ink, appearing to be "Shradha Suri".