

SL/BSE/NSE/2020-21/

29<sup>th</sup> June, 2020

The Manager ,  
Listing Department,  
**National Stock Exchange of India Ltd.,**  
'Exchange Plaza' C-1, Block G,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai-400 051.  
Security ID: SUBROS

Dy. General Manager,  
Department of Corporate Services,  
**BSE Limited,**  
First Floor, P.J. Towers,  
Dalal Street, Fort,  
Mumbai – 400001.  
Security ID: 517168

Dear Sir/Madam,

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, 2020, duly approved by the Board of Directors in the Meeting held on 29<sup>th</sup> June, 2020 along with unmodified results declaration. (Annexure- A)
- (2) Auditors Report for audited financial results for the year ended 31<sup>st</sup> March, 2020. (Annexure- B)
- (3) The Board of Directors have recommended a final dividend of Rs. 0.80 per equity share (40% on the face value of equity share of Rs. 2 each) for the year ended 31<sup>st</sup> March, 2020. 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.(Annexure- C)
- (5) Register of Members will remain closed from 9<sup>th</sup> September, 2020 to 15<sup>th</sup> September, 2020 (both days inclusive) for the purpose of dividend payment. The ensuing annual general meeting of the Company is scheduled to be held on 15<sup>th</sup> September, 2020.
- (6) Presentation to be shared with the analysts/institutional investors in respect of the above said audited financial results for the quarter & year ended 31<sup>st</sup> March, 2020 (Annexure-D)

The Board meeting commenced at 11.30 a.m. and concluded at 2.15 p.m.

Kindly take the same on your record.

Thanking you,

Yours faithfully,  
For SUBROS LIMITED

X



Rakesh Arora  
Company Secretary

## SUBROS LIMITED

REGD. OFFICE : LGF, WORLD TRADE CLNTRE, BARAKHAMBHA 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 STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2020

(Rs. in lakhs)

S. No.	Particulars	Quarter ended			Year ended	
		31st March, 2020 (UNAUDITED) (Refer note 12)	31st December, 2019 (UNAUDITED)	31st March, 2019 (UNAUDITED) (Refer note 12)	31st March, 2020 (AUDITED)	31st March, 2019 (AUDITED)
I	Revenue from operations	45,847	46,561	51,807	1,99,280	2,12,448
II	Other Income	861	233	193	1,999	1,025
III	<b>Total Revenue (I + II)</b>	<b>46,708</b>	<b>46,794</b>	<b>52,000</b>	<b>2,01,279</b>	<b>2,13,473</b>
IV	Expenses					
	a) Cost of materials consumed	32,354	32,243	36,269	1,40,882	1,48,503
	b) Changes in inventories of finished goods and work-in progress	(287)	321	(33)	(92)	(98)
	c) Employee benefits expense	4,970	4,985	4,891	20,727	20,646
	d) Finance costs	518	751	682	3,634	4,219
	e) Depreciation and amortization expense	2,277	2,344	2,064	9,030	7,885
	f) Other expenses	4,648	4,188	5,183	18,859	20,587
	<b>Total expenses (IV)</b>	<b>44,480</b>	<b>44,832</b>	<b>49,056</b>	<b>1,93,040</b>	<b>2,01,742</b>
V	Profit/(Loss) before exceptional items and tax (III - IV)	2,228	1,962	2,944	8,239	11,731
VI	Exceptional Items (Refer Note 7)				4,129	(334)
VII	<b>Profit/(Loss) before tax (V + VI)</b>	<b>2,228</b>	<b>1,962</b>	<b>2,944</b>	<b>12,368</b>	<b>11,397</b>
VIII	Tax expense					
	(a) Current Tax	533	329	571	2,282	2,408
	(b) Deferred Tax	86	285	753	1,629	1,376
IX	<b>Profit/(Loss) for the period/year (VII - VIII)</b>	<b>1,609</b>	<b>1,348</b>	<b>1,620</b>	<b>8,457</b>	<b>7,613</b>
X	Other Comprehensive Income					
	<u>Items that will not be reclassified to profit or loss</u>					
	(a) Gain/(Loss) of defined benefit obligations	(154)	(60)	(306)	(333)	(312)
	(b) Income tax relating to above	54	20	106	116	109
	<b>Other Comprehensive Income for the period/year (net of tax) (a+b)</b>	<b>(100)</b>	<b>(40)</b>	<b>(200)</b>	<b>(217)</b>	<b>(203)</b>
XI	<b>Total Comprehensive Income for the period/year (IX + X)</b>	<b>1,509</b>	<b>1,308</b>	<b>1,420</b>	<b>8,240</b>	<b>7,410</b>
XII	Paid-up equity share capital	1,305	1,305	1,305	1,305	1,305
XIII	Face value of share (Rs.)	2	2	2	2	2
XIV	Earnings per share (of Rs. 2 each) (not annualized)					
	Basic	2.46	2.07	2.44	12.96	12.35
	Diluted	2.46	2.07	2.44	12.96	12.35

## Notes:

- The above financial results were reviewed by the Audit Committee at their meeting held on 27th June, 2020 and subsequently approved by the Board of Directors at their meeting held on 29th June, 2020.
- 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, 2019, the Company has adopted Ind AS 116 "Leases" and applied the same to all lease contracts existing on 1st April, 2019 retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application, with right-of-use asset recognized at an amount equal to the lease liability, adjusted by the prepaid lease rent. In the statement of profit and loss depreciation for the right-of-use assets and finance cost for interest accrued on lease liability is being accounted for as against operating lease rent included under Other Expenses earlier. This change did not have a material impact on the above standalone financial results for the quarter and year ended 31st March, 2020.

- 5 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 recognized the provision for diminution in the value of its investment in subsidiary amounting to Rs. 21.35 Lakhs during the year ended 31st March, 2019. The liquidation of the subsidiary has been completed on 1st August, 2019 vide Certificate issued by Department of Business Development, Ministry of Commerce, Thailand and the Company has recognized a gain of Rs. 0.42 Lakhs during the year ended 31st March, 2020 included in 'Other Income' on account of money realized over and above the carrying value of its investment in subsidiary.
- 6 The Company's operations comprise of only one segment i.e. Thermal products. Hence, no further information is required to be given in respect of segment.
- 7 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 was made with the Insurance Company. Special/urgent actions to restart supplies to the customer post fire incident had resulted into additional costs which were included under the head Exceptional Items in the Statement of Profit and Loss in the earlier years. An amount of Rs. 5,067 Lakhs has been assessed, settled and received during the quarter ended 30th June, 2019 and accordingly Rs. 4,129 Lakhs, over and above Rs. 938 Lakhs disclosed as recoverable under the head "Other Financial Assets" as on 31st March, 2019, has been disclosed as an income under the head Exceptional Items for the year ended 31st March, 2020.
- 8 Due to the spread of COVID-19, a global pandemic, the operations of the Company were impacted and all manufacturing plants and offices were shutdown following a nationwide lockdown imposed by the Government of India. The Company has resumed manufacturing operations in a phased manner in accordance with the directives of the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position & based on its review of current indicators and considering future economic conditions, there is no significant impact on its financial results for the quarter and year ended 31st March, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The Company will continue to monitor any material changes in the future economic conditions.
- 9 The Board of directors have recommended a final dividend of Rs.0.80/equity share (40% on face value of equity shares of Rs. 2 each) for the year ended 31st March, 2020. The dividend is subject to approval of shareholders at the ensuing Annual General Meeting of the Company.
- 10 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, 2019: "[ICRA] AA-Stable")
- 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, 2020. 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, 2020 (Rs. 6.96 Lakhs) and the same has been paid within the due date. Previous due date for repayment of principal amount was 30th April, 2019 (Rs. 2,000 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, 2020 (Rs. 7.22 Lakhs). The next due date for payment of principal of NCDs is 30th April, 2020 (Rs. 1,000 Lakhs).

Particulars	Year Ended	
	31st March, 2020 (AUDITED)	31st March, 2019 (AUDITED)
e) Debt-equity ratio	0.19	0.36
f) Debt Service Coverage Ratio	1.34	0.95
g) Interest Service Coverage Ratio	12.34	7.58
h) Debenture Redemption Reserve (Rs. in Lakhs)	250	1,000
i) Net worth (Rs. in Lakhs)	75,230	68,013
j) Paid up Debt Capital (Rs. in Lakhs)	1,000	4,000

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)

- 11 The Company has elected not to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, there is no impact on current and deferred tax as at and for the year ended 31st March, 2020.
- 12 Figures for the quarters ended 31st March, 2020 and 2019 represent the difference between the audited figures in respect of full financial years and the published figures for the nine months ended 31st December, 2019 and 2018, respectively which were subject to limited review.

For and on behalf of the Board of Directors  
SUBROS LIMITED

Place : New Delhi  
Dated : 29th June, 2020

RAMESH SURI  
CHAIRMAN

## 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 STANDALONE ASSETS AND LIABILITIES

(Rs. in lakhs)

Particulars	As at 31st March, 2020 (AUDITED)	As at 31st March, 2019 (AUDITED)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	59,166	53,216
Right of use assets	2,194	-
Capital work-in-progress	3,970	6,326
Intangible assets	15,184	15,786
Intangible assets under development	2,626	2,275
Investments in Subsidiary and Joint Venture	177	229
<b>Financial assets</b>		
i) Loans	940	962
ii) Other financial assets	23	56
Non-current tax assets (net)	59	48
Other non-current assets	384	3,474
<b>Total non-current assets</b>	<b>84,723</b>	<b>82,372</b>
<b>Current assets</b>		
Inventories	23,423	24,921
<b>Financial assets</b>		
i) Trade receivables	18,929	16,732
ii) Cash and cash equivalents	437	653
iii) Bank balance other than (ii) above	8,654	8,338
iv) Loans	95	108
v) Other financial assets	993	2,691
Other current assets	1,599	2,244
<b>Total current assets</b>	<b>54,130</b>	<b>55,687</b>
<b>TOTAL ASSETS</b>	<b>1,38,853</b>	<b>1,38,059</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,305	1,305
Other equity	73,925	66,708
<b>Total equity</b>	<b>75,230</b>	<b>68,013</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
- Borrowings	2,276	5,744
- Lease Liabilities	877	-
Deferred tax liabilities (net)	1,638	125
Provisions	1,105	636
<b>Total non-current liabilities</b>	<b>5,896</b>	<b>6,505</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
i) Borrowings	8,982	13,031
ii) Lease Liabilities	135	-
iii) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	114	346
- Total outstanding dues of creditors other than micro enterprises and small enterprises	38,402	38,641
iv) Other financial liabilities	7,114	8,367
Contract liabilities	557	603
Other current liabilities	1,128	1,537
Provisions	958	773
Current tax liabilities	337	243
<b>Total current liabilities</b>	<b>57,727</b>	<b>63,541</b>
<b>TOTAL LIABILITIES</b>	<b>63,623</b>	<b>70,046</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,38,853</b>	<b>1,38,059</b>

**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 STANDALONE CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2020**

Particulars	(Rs. In Lakhs)	
	31st March, 2020 (AUDITED)	31st March, 2019 (AUDITED)
<b>Cash flow from operating activities</b>		
Profit before tax	12,368	11,397
Adjustments for:		
Depreciation and amortization expense	9,030	7,885
Net (profit)/ loss on disposal of property, plant and equipment	(2)	72
Provision for diminution in value of investment other than temporary difference		21
Profit on liquidation of subsidiary		
Interest income on financial assets at amortized cost and others	(683)	(277)
Finance costs	3,634	4,219
Provision for inventory obsolescence made / (written back)	354	(22)
Unrealized foreign currency (gain) / loss (net)	284	(600)
Fair value changes on derivatives	(1,045)	(372)
<b>Operating profit before working capital changes</b>	<b>23,940</b>	<b>22,323</b>
Adjustments for changes in working capital:		
(Increase)/ Decrease in loans (non-current)	22	(23)
(Increase)/ Decrease in other financial assets (non-current)	32	121
(Increase)/ Decrease in inventories	1,144	(936)
(Increase)/ Decrease in trade receivables	(2,197)	(592)
(Increase)/ Decrease in loans (current)	13	(70)
(Increase)/ Decrease in bank balances other than cash and cash equivalents	(317)	(7,852)
(Increase)/ Decrease in other financial assets (current)	2,492	1,119
(Increase)/ Decrease in other current assets	645	856
Increase/ (Decrease) in non-current provisions	135	83
Increase/ (Decrease) in trade payables	(755)	(1,406)
Increase/ (Decrease) in contract liabilities	(46)	(660)
Increase/ (Decrease) in other financial liabilities (current)	1,195	(626)
Increase/ (Decrease) in other current liabilities	(409)	27
Increase/ (Decrease) in current provisions	184	65
<b>Cash generated from operations</b>	<b>26,078</b>	<b>12,429</b>
Income tax paid (net)	(2,200)	(2,424)
<b>Net cash inflow from operating activities</b>	<b>23,878</b>	<b>10,005</b>
<b>Cash flow from investing activities</b>		
Payments for property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development	(9,812)	(12,748)
Proceeds from liquidation of investment in subsidiary	52	
Proceeds from sale of property, plant and equipment	28	57
Interest received	456	116
<b>Net cash (outflow) from investing activities</b>	<b>(9,276)</b>	<b>(12,575)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of preferential shares		20,922
Proceeds from long term borrowings		1,250
Repayment of long term borrowings	(5,958)	(12,402)
Principal element of lease payment	(82)	
Proceeds / (repayment) of short term borrowings	(4,049)	(3,254)
Interest paid	(3,707)	(3,995)
Dividend paid	(848)	(660)
Dividend distribution tax	(174)	(136)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(14,818)</b>	<b>1,725</b>
Net increase / (decrease) in cash and cash equivalents	(216)	(845)
Cash and cash equivalents at the beginning of the year	653	1,498
<b>Cash and cash equivalents at the end of the year</b>	<b>437</b>	<b>653</b>
<b>Cash and cash equivalents as per above comprise of the following:</b>		
Cash on hand	11	20
Balance with banks	426	633
	<b>437</b>	<b>653</b>

\* Below rounding off norms

Notes:

a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 "Statement of cash flows".

b) Figures in brackets indicate cash outflow.

# 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, 2020, 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, 2020, 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.

#### Emphasis of matter

4. We draw your attention to Note 41 to the financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

#### Key audit matters

5. 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 Bhawan, 11A Vishnu Digambar Marg, New Delhi - 110002

Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPINAAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

### **Appropriateness of capitalisation of internal development costs**

[Refer note 2 (significant accounting policies) and note 4 (intangible assets under development) to the standalone financial statements]

During the year ended March 31, 2020, the Company has capitalized significant costs incurred on internal development of Intangible assets amounting to Rs. 3,297.94 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.

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.

Significant judgement was made by the management in the determination of –

- i) costs incurred towards development or for research nature,
- ii) the costs, including payroll costs, were directly attributable to relevant projects, and
- iii) key assumptions such as future revenue, margins and the discount rate used to assess the future cash flows.

We performed the following procedures, amongst others

- Understood and evaluated the financial controls for the capitalisation of internal development costs and tested such controls.
- 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.
- Tested the accuracy and allocation of capitalized payroll and other costs and assessed whether these are directly attributable to the development as against research.
- 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. We also involved the internal expert to evaluate the reasonability of Cost of Capital of the Company used to discount the future cash flows arising from the project.
- 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.

As a result of the above procedures, the capitalisation of internal development costs by the Company was considered to be appropriate.

### **Other Information**

6. 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.

**Responsibilities of management and those charged with governance for the financial statements**

7. 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.
8. 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**

9. 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.
  10. 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 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
- 

## INDEPENDENT AUDITOR'S REPORT

To the Members of Subros Limited  
Report on audit of the Standalone Financial Statements  
Page 4 of 5

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.
11. 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.
  12. 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.
  13. 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

14. 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.
15. 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
  - 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

INDEPENDENT AUDITOR'S REPORT

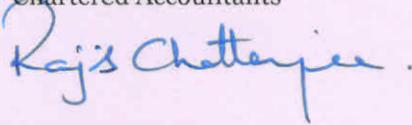
To the Members of Subros Limited  
Report on audit of the Standalone Financial Statements  
Page 5 of 5

financial statements – Refer Note 26 to the financial statements;

- ii) The Company has long-term contracts including derivative contracts as at March 31, 2020 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, 2020.

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration Number: 012754N/N5000016  
Chartered Accountants



Rajib Chatterjee  
Partner  
Membership Number 057134

UDIN: 20057134AAAAAH3278

Place of the Signature: Gurugram  
Date: June 29, 2020

## 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 CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2020

(Rs. in lakhs)

S. No.	Particulars	Quarter ended			Year Ended	
		31st March, 2020 (UNAUDITED) (Refer note 12)	31st December, 2019 (UNAUDITED)	31st March, 2019 (UNAUDITED) (Refer note 12)	31st March, 2020 (AUDITED)	31st March, 2019 (AUDITED)
I	Revenue from operations	45,847	46,561	51,807	1,99,280	2,12,448
II	Other Income	861	233	194	2,035	1,030
III	<b>Total Revenue (I + II)</b>	<b>46,708</b>	<b>46,794</b>	<b>52,001</b>	<b>2,01,315</b>	<b>2,13,478</b>
IV	Expenses					
	a) Cost of materials consumed	32,354	32,243	36,269	1,40,882	1,48,503
	b) Changes in inventories of finished goods and work-in progress	(287)	321	(33)	(92)	(98)
	c) Employee benefits expense	4,970	4,985	4,891	20,727	20,657
	d) Finance costs	518	751	682	3,634	4,219
	e) Depreciation and amortization expense	2,277	2,344	2,064	9,030	7,885
	f) Other expenses	4,648	4,188	5,175	18,859	20,569
	<b>Total expenses (IV)</b>	<b>44,480</b>	<b>44,832</b>	<b>49,048</b>	<b>1,93,040</b>	<b>2,01,735</b>
V	Share of profits/(losses) of Joint Venture accounted for using equity method	56	(13)	(13)	(8)	(1)
VI	Profit/(Loss) before exceptional items and tax (III - IV + V)	2,284	1,949	2,940	8,267	11,742
VII	Exceptional Items (Refer Note 7)	-	-	-	4,129	(334)
VIII	<b>Profit/(Loss) before tax (VI + VII)</b>	<b>2,284</b>	<b>1,949</b>	<b>2,940</b>	<b>12,396</b>	<b>11,408</b>
IX	Tax expense					
	(a) Current Tax	533	329	571	2,282	2,408
	(b) Deferred Tax	86	285	753	1,629	1,376
X	<b>Profit/(Loss) for the period/year (VIII - IX)</b>	<b>1,665</b>	<b>1,335</b>	<b>1,616</b>	<b>8,485</b>	<b>7,624</b>
XI	Other Comprehensive Income					
	<u>Items that will be reclassified to profit or loss</u>					
	(a) Exchange differences on translation of foreign operations	1	-	-	-	(3)
	(b) Income tax relating to above item	-	-	-	-	1
	<u>Items that will not be reclassified to profit or loss</u>					
	(c) Loss on remeasurements of post employment benefit obligations	(154)	(60)	(306)	(333)	(312)
	(d) Share of other comprehensive income of Joint Venture accounted for using equity method^	(3)	-	-	(3)	-
	(e) Income tax relating to above	55	20	108	117	109
	<b>Other Comprehensive Income for the period/year (net of tax) (a+b+c+d+e)</b>	<b>(101)</b>	<b>(40)</b>	<b>(198)</b>	<b>(219)</b>	<b>(205)</b>
XII	<b>Total Comprehensive Income for the period/year (X + XI)</b>	<b>1,564</b>	<b>1,295</b>	<b>1,418</b>	<b>8,266</b>	<b>7,419</b>
XIII	Paid-up equity share capital	1,305	1,305	1,305	1,305	1,305
XIV	Face value of share (Rs.)	2	2	2	2	2
XV	Earnings per share (of Rs. 2 each) (not annualized)					
	Basic	2.55	2.04	2.48	13.00	12.37
	Diluted	2.55	2.04	2.48	13.00	12.37

## Notes:

- The above financial results were reviewed by the Audit Committee at their meeting held on 27th June, 2020 and subsequently approved by the Board of Directors at their meeting held on 29th June, 2020.
- The consolidated 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.

- 3 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.
- 4 Effective 1st April, 2019, the group has adopted Ind AS 116 "Leases" and applied the same to all lease contracts existing on 1st April, 2019 retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application, with right-of-use asset recognized at an amount equal to the lease liability, adjusted by the prepaid lease rent. In the statement of profit and loss depreciation for the right-of-use assets and finance cost for interest accrued on lease liability is being accounted for as against operating lease rent included under Other Expenses earlier. This change did not have a material impact on the above consolidated financial results for the quarter and year ended 31st March, 2020.
- 5 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 liquidation of the subsidiary has been completed on 1st August, 2019 vide Certificate issued by Department of Business Development, Ministry of Commerce, Thailand and the Company has recognized a gain of Rs. 0.42 Lakhs during the year ended 31st March, 2020 included in 'Other Income' on account of money realized over and above the carrying value of its investment in subsidiary.
- 6 The Company's operations comprise of only one segment i.e. Thermal products. Hence, no further information is required to be given in respect of segment.
- 7 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 was made with the Insurance Company. Special/urgent actions to restart supplies to the customer post fire incident had resulted into additional costs which were included under the head Exceptional Items in the Statement of Profit and Loss in the earlier years. An amount of Rs. 5,067 Lakhs has been assessed, settled and received during the quarter ended 30th June, 2019 and accordingly Rs. 4,129 Lakhs, over and above Rs. 938 Lakhs disclosed as recoverable under the head "Other Financial Assets" as on 31st March, 2019, has been disclosed as an income under the head Exceptional Items for the year ended 31st March, 2020
- 8 The Board of directors have recommended a final dividend of Rs.0.80/equity share (40% on face value of equity shares of Rs. 2 each) for the year ended 31st March, 2020. The dividend is subject to approval of shareholders at the ensuing Annual General Meeting of the Company.
- 9 The consolidated financial results include the results of the following entities namely, Thai Subros Limited (Subsidiary) for the period upto 1st August, 2019 and Denso Subros Thermal Engineering Centre India Private Limited (Joint Venture).
- 10 Due to the spread of COVID-19, a global pandemic, the operations of the group and its joint venture were impacted and all manufacturing plants and offices were shutdown following a nationwide lockdown imposed by the Government of India. The group and its joint venture have resumed manufacturing operations in a phased manner in accordance with the directives of the Government of India. The group and its joint venture have evaluated impact of this pandemic on the business operations and financial position & based on the review of current indicators and considering future economic conditions, there is no significant impact on the financial results for the quarter and year ended 31st March, 2020. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results. The group and its joint venture will continue to monitor any material changes in the future economic conditions.
- 11 The Company has elected not to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019. Accordingly, there is no impact on current and deferred tax as at and for the year ended 31st March, 2020.

Figures for the quarter ended 31st March, 2020 represent the difference between the audited figures in respect of full financial year and the published unaudited figures for the nine months ended 31st December, 2019, and the figures for the quarter ended 31st March, 2019 represent the difference between the audited figures in respect of full financial year and the published unaudited/unreviewed figures for the nine months ended 31st December, 2018.

- 12
- For and on behalf of the Board of Directors  
SUBROS LIMITED

Place : New Delhi  
Dated : 29th June, 2020

RAMESH SURI  
CHAIRMAN

**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 CONSOLIDATED ASSETS AND LIABILITIES**

(Rs. In lakhs)

Particulars	As at 31st March, 2020 (AUDITED)	As at 31st March, 2019 (AUDITED)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	59,166	53,216
Right of use assets	2,194	-
Capital work-in-progress	3,970	6,326
Intangible assets	15,184	15,786
Intangible assets under development	2,626	2,275
Investment accounted for using the equity method	146	157
<b>Financial assets</b>		
i) Loans	940	962
ii) Other financial assets	23	56
Non-current tax assets (net)	59	48
Other non-current assets	384	3,474
<b>Total non-current assets</b>	<b>84,692</b>	<b>82,300</b>
<b>Current assets</b>		
Inventories	23,423	24,921
<b>Financial assets</b>		
i) Trade receivables	18,929	16,732
ii) Cash and cash equivalents	437	706
iii) Bank balance other than (ii) above	8,654	8,338
iv) Loans	95	108
v) Other financial assets	993	2,691
Other current assets	1,599	2,244
<b>Total current assets</b>	<b>54,130</b>	<b>55,740</b>
<b>TOTAL ASSETS</b>	<b>1,38,822</b>	<b>1,38,040</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	1,305	1,305
Other equity	73,896	66,690
<b>Total equity</b>	<b>75,201</b>	<b>67,995</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
- Borrowings	2,276	5,744
- Lease Liabilities	877	-
Deferred tax liability (net)	1,636	124
Provisions	1,105	636
<b>Total non-current liabilities</b>	<b>5,894</b>	<b>6,504</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
i) Borrowings	8,982	13,031
ii) Lease Liabilities	135	-
iii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	114	346
- Total outstanding dues of creditors other than micro enterprises and small enterprises	38,402	38,641
iv) Other financial liabilities	7,114	8,367
Contract liabilities	557	603
Other current liabilities	1,128	1,537
Provisions	958	773
Current tax liabilities	337	243
<b>Total current liabilities</b>	<b>57,727</b>	<b>63,541</b>
<b>TOTAL LIABILITIES</b>	<b>63,621</b>	<b>70,045</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,38,822</b>	<b>1,38,040</b>

**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 CONSOLIDATED CASH FLOWS FOR THE YEAR ENDED 31st MARCH, 2020**

(Rs. In Lakhs)

Particulars	31st March, 2020 (AUDITED)	31st March, 2019 (AUDITED)
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>12,396</b>	<b>11,408</b>
Adjustments for:		
Depreciation and amortization expense	9,030	7,885
Net (profit)/loss on disposal of property, plant and equipment	(2)	73
Interest income on financial assets at amortized cost and others	(683)	(277)
Finance costs	3,634	4,219
Provision for inventory obsolescence written back	354	(22)
Unrealized foreign currency (gain) / loss (net)	284	(598)
Reclassification of foreign currency translation reserve on liquidation of subsidiary	(36)	-
Fair value changes on derivatives	(1,045)	(372)
Share of net (profit) / loss of joint venture accounted for using equity method	8	1
<b>Operating profit before working capital changes</b>	<b>23,940</b>	<b>22,317</b>
Adjustments for Changes in working capital:		
(Increase)/ Decrease in loans (non-current)	22	(23)
(Increase)/ Decrease in other financial assets (non-current)	32	121
(Increase)/ Decrease in inventories	1,144	(936)
(Increase)/ Decrease in Trade receivables	(2,197)	(592)
(Increase)/ Decrease in loans (current)	13	(70)
(Increase)/ Decrease in bank balances other than cash and cash equivalents	(317)	(7,852)
(Increase)/ Decrease in other financial assets (current)	2,492	1,119
(Increase)/ Decrease in other current assets	645	856
Increase/ (Decrease) in non-current provisions	135	83
Increase/ (Decrease) in Trade payables	(756)	(1,362)
Increase/ (Decrease) in contract liabilities	(46)	(660)
Increase/ (Decrease) in other financial liabilities (current)	1,195	(627)
Increase/ (Decrease) in other current liabilities	(409)	27
Increase/ (Decrease) in current provisions	184	65
<b>Cash generated from operations</b>	<b>26,077</b>	<b>12,466</b>
Income tax paid (net)	(2,200)	(2,424)
<b>Net cash inflow from operating activities</b>	<b>23,877</b>	<b>10,042</b>
<b>Cash flow from investing activities</b>		
Payments for property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development	(9,812)	(12,748)
Proceeds from sale of property, plant and equipment	28	57
Interest received	456	116
<b>Net cash (outflow) from investing activities</b>	<b>(9,328)</b>	<b>(12,575)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue of preferential shares	-	20,922
Proceeds from long term borrowings	-	1,250
Repayment of long term borrowings	(5,958)	(12,402)
Principal element of lease payment	(82)	-
Proceeds / (repayment) of short term borrowings	(4,049)	(3,254)
Interest paid	(3,707)	(3,995)
Dividend paid	(848)	(660)
Dividend distribution tax	(174)	(136)
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(14,818)</b>	<b>1,725</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(269)</b>	<b>(808)</b>
Cash and cash equivalents at the beginning of the year	706	1,514
<b>Cash and cash equivalents at the end of the year</b>	<b>437</b>	<b>706</b>
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	11	20
Balance with banks	426	686
	<b>437</b>	<b>706</b>

Note:

a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 "Statement of cash flows".

b) Figures in brackets indicate cash outflow

# 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, 2020, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flows 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, 2020, 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.

### 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 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 reports referred to in sub-paragraph 15 of the Other Matters paragraph below, other than the unaudited financial statements as certified by the management and referred to in sub-paragraph 16 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter

4. We draw your attention to Note 42 to the consolidated financial statements, which describes the management's assessment of the impact of the outbreak of Coronavirus (Covid-19) on the business operations of the group and its joint venture. The management believes that no adjustments are required in the financial statements as it does not impact the current financial year, however, in view of the various preventive measures taken (such as complete lock-down restrictions by the Government of India, travel

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 Digambar Marg, New Delhi - 110002

Price Waterhouse (a Partnership Firm) Converted into Price Waterhouse Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPINAAC-5001) with effect from July 25, 2014. Post its conversion to Price Waterhouse Chartered Accountants LLP, its ICAI registration number is 012754N/N500016 (ICAI registration number before conversion was 012754N)

restrictions etc.) and highly uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

**Key Audit Matters**

5. 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.

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, 2020, the Group has capitalized significant costs incurred on internal development of Intangible assets amounting to Rs. 3,297.94 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. We also involved the internal expert to evaluate the reasonability of Cost of Capital of the Company used to discount the future cash flows arising from the project.</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

6. 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.

Our opinion on the consolidated 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 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 reports of the other auditors as furnished to us (Refer paragraph 15 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

7. 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.
8. 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.
9. 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

10. 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.
- 

11. 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.

12. 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.
13. 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.
14. 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

15. The consolidated Ind AS financial statements include the Group's share of total comprehensive income (comprising loss and other comprehensive income) of Rs. (10.88) lakhs for the year ended March 31, 2020 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.
16. We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs. Nil and net assets of Rs. Nil as at March 31, 2020, total revenue of Rs. Nil, total comprehensive income (comprising of loss and other comprehensive income) of Rs 0.30 lakhs and net cash flows amounting to Rs (52.64) 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 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 reports of the other auditors and the financial statements certified by the Management.

#### Report on Other Legal and Regulatory Requirements

17. 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 reports 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 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, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory



INDEPENDENT AUDITOR'S REPORT

To the Members of Subros Limited

Report on the Consolidated Financial Statements

Page 6 of 6

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, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

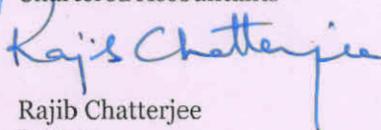
- (f) With respect to the adequacy of internal financial controls with reference to financial statements of the Holding Company and its joint venture and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in 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, 2020 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 March 31, 2020.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group and its joint venture for the year ended March 31, 2020.

18. The Group and its joint venture has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Further, from May 16, 2019 onward, the joint venture is a private limited company and accordingly, reporting under Section 197(16) of the Act is not applicable to the joint venture.

For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N5000016

Chartered Accountants



Rajib Chatterjee

Partner

Membership Number 057134

UDIN: 20057134AAAAAI3818

Place of the Signature: Gurugram

Date: June 29, 2020

SL/BSE/NSE/2020-21

June 29, 2020

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, 2020 (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, 2020 (Standalone & Consolidated)

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

Yours faithfully,

**For SUBROS LIMITED**

  
**Manoj Kumar Sethi**  
**EVP (Finance)**



No. CTL/DEB/20-21/Noting Certificate/587

June 29, 2020

To Whomsoever It May Concern,

## **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 Company**”) for the Half year ended March 31, 2020.

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**

For CATALYST TRUSTEESHIP LIMITED  
  
Authorised Signatory

**Authorised Signatory**

*Encl: Results submitted by Company*

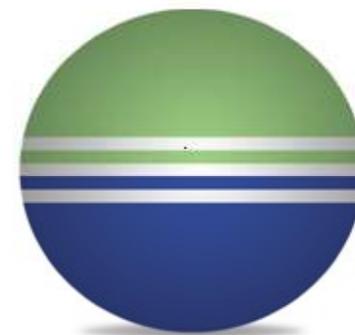


Subros

***Financial Results***  
***Quarter 4, FY 2019-20***

# **Investor Presentation**

Subros



*Cooling the Planet*

*This presentation might contain forward looking statements which involve a number of risks, uncertainties and other factors that could cause the actual results to differ materially from those in the forward looking statements. The Company undertakes no obligation to update these to reflect the events or circumstances thereof. Secondly, these statements should be understood in conjunction with the risks the company faces.*

**Financial Results & Highlights for the Quarter & Year**

**Results Analysis - FY 2019-20 v/s FY 2018-19**

**Results Analysis - Q4 FY 2019-20 v/s Q4 FY 2018-19**

**Results Analysis - Q4 FY 2019-20 v/s Q3 FY 2019-20**

**Way Forward**

- Overall Revenue de-growth by 6% in FY 2019-20 from previous FY 2018-19
- Home AC business generated Revenue of Rs. 93 crores in FY 2019-20
- Final Claim settlement from Insurance Company against Manesar fire incident received in FY 2019-20
- Sales and margins are impacted by appx Rs. 50 crs in Q4 FY 19-20 for 10 days w.e.f 22<sup>nd</sup> March, 20 due to lockdown imposed in the country due to Covid-19 pandemic

### Financial Highlights for Q4 FY 2019-20

Indicator	Amount (Rs. in Crs)	Growth*
Revenue from Operation	458.47	-12% ↓
EBIDTA	50.23	-12% ↓
PBT (before exceptional)	22.28	-24% ↓
PBT (after exceptional)	22.28	-24% ↓
PAT	16.09	-1% ↓

### Financial Highlights for FY 2019-20

Indicator	Amount (Rs. in Crs)	Growth*
Revenue from Operation	1992.80	-6% ↓
EBIDTA	209.03	-12% ↓
PBT (before exceptional)	82.39	-30% ↓
PBT (after exceptional)	123.68	+9% ↑
PAT	84.57	+11% ↑

\* The comparison is with the corresponding Quarter 4 FY 2018-19 and corresponding FY 2018-19, respectively

Amt in Lacs

PARTICULARS	Quarterly			Year Ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
Net Sales	45,798	46,532	52,463	1,99,122	2,12,098
Other Operating Income	49	29	(656)	158	350
<b>Revenue from Operations</b>	<b>45,847</b>	<b>46,561</b>	<b>51,807</b>	<b>1,99,280</b>	<b>2,12,448</b>
Other Income	861	233	193	1,999	1,025
<b>Total Income</b>	<b>46,708</b>	<b>46,794</b>	<b>52,000</b>	<b>2,01,279</b>	<b>2,13,473</b>
Raw Material Consumed	32,067	32,564	36,236	1,40,789	1,48,405
Total Material cost % to Net Sales	70.02%	69.98%	69.07%	70.71%	69.97%
Staff Cost	4,970	4,985	4,891	20,727	20,646
Staff cost % to Net Sales	10.85%	10.71%	9.32%	10.41%	9.73%
Other Exp.	4,648	4,188	5,183	18,859	20,587
Other Exps. % to Net Sales	10.15%	9.00%	9.88%	9.47%	9.71%
<b>EBIDTA</b>	<b>5,023</b>	<b>5,057</b>	<b>5,690</b>	<b>20,903</b>	<b>23,835</b>
<b>% to Net Sales</b>	<b>10.97%</b>	<b>10.87%</b>	<b>10.85%</b>	<b>10.50%</b>	<b>11.24%</b>
Depreciation and Amortisation exp	2,277	2,344	2,064	9,030	7,885
Depreciation % to Net Sales	4.97%	5.04%	3.93%	4.54%	3.72%
Interest	518	751	682	3,634	4,219
Interest cost % to Net Sales	1.13%	1.61%	1.30%	1.82%	1.99%
<b>Net Profit/(Loss)</b>	<b>2,228</b>	<b>1,962</b>	<b>2,944</b>	<b>8,239</b>	<b>11,731</b>
<b>% to Net Sales</b>	<b>4.87%</b>	<b>4.22%</b>	<b>5.61%</b>	<b>4.14%</b>	<b>5.53%</b>
Exceptional Items	-	-	-	4,129	(334)
<b>Profit from Ordinary Activities</b>	<b>2,228</b>	<b>1,962</b>	<b>2,944</b>	<b>12,368</b>	<b>11,397</b>
% to Net Sales	4.87%	4.22%	5.61%	6.21%	5.37%
(a) Current Tax	533	329	571	2,282	2,408
(b) Deferred Tax	86	285	753	1,629	1,376
<b>Total Tax</b>	<b>619</b>	<b>614</b>	<b>1,324</b>	<b>3,911</b>	<b>3,784</b>
Tax as % to PBT	27.80%	31.29%	44.97%	31.63%	33.20%
<b>Net Profit after Tax/(Loss)</b>	<b>1,609</b>	<b>1,348</b>	<b>1,620</b>	<b>8,457</b>	<b>7,613</b>
<b>% to Net Sales</b>	<b>3.51%</b>	<b>2.90%</b>	<b>3.09%</b>	<b>4.25%</b>	<b>3.59%</b>
Other Comprehensive Income (net of tax)	(100)	(40)	(200)	(217)	(203)
<b>Total Comprehensive Income</b>	<b>1,509</b>	<b>1,308</b>	<b>1,420</b>	<b>8,240</b>	<b>7,410</b>
% to Net Sales	3.29%	2.81%	2.71%	4.14%	3.49%
EPS	2.46	2.07	2.44	12.96	12.35

**Financial Results & Highlights for the Quarter & Year**

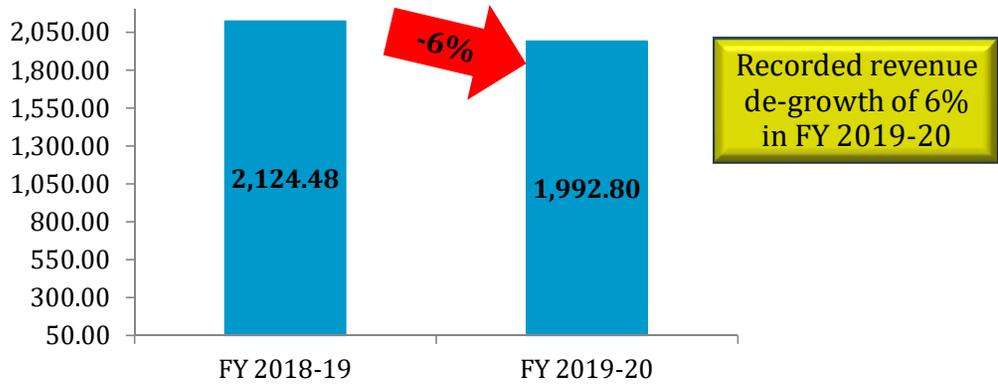
**Results Analysis - FY 2019-20 v/s FY 2018-19**

**Results Analysis - Q4 FY 2019-20 v/s Q4 FY 2018-19**

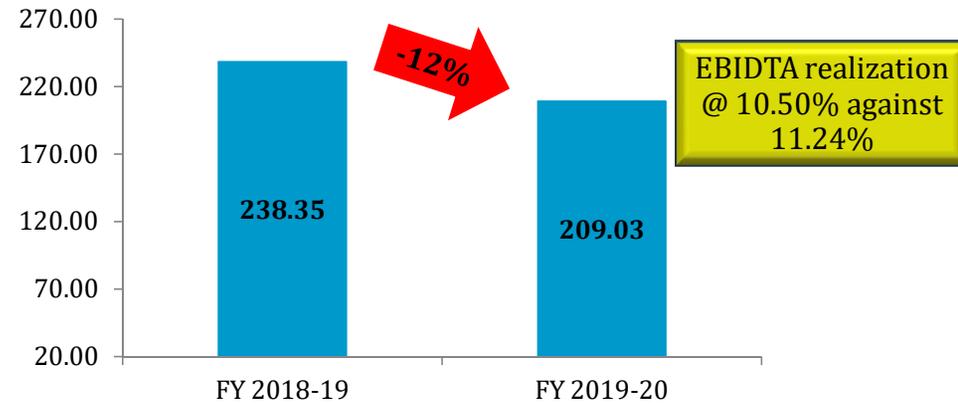
**Results Analysis - Q4 FY 2019-20 v/s Q3 FY 2019-20**

**Way Forward**

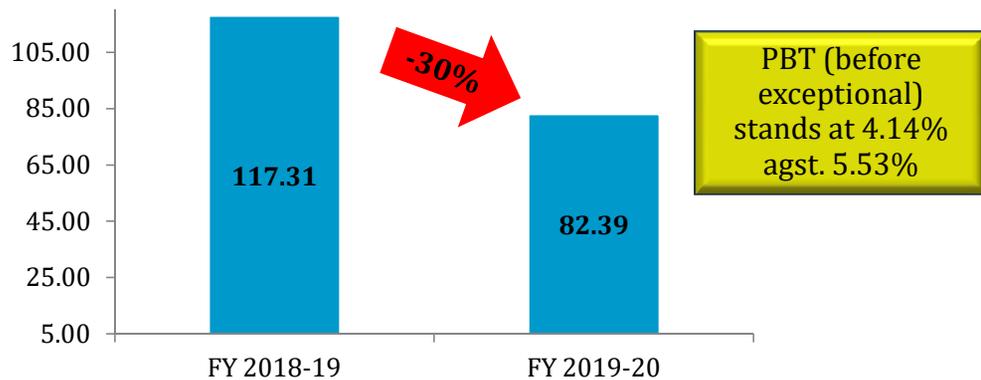
## Revenues



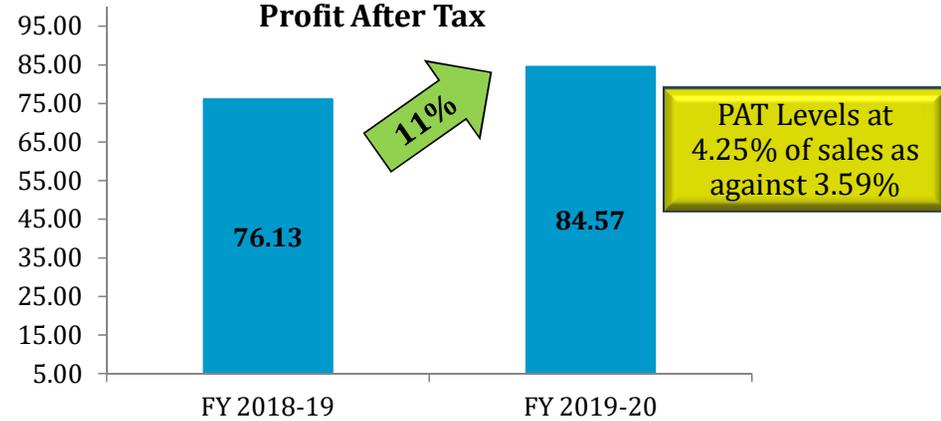
## EBIDTA



## PBT (before exceptional)



## Profit After Tax



Indicators	FY 2018-19	FY 2019-20	Change	Status
Net Sales	2,120.98	1,991.22	-129.76	●
Other Income	10.25	19.99	9.74	●
Material Cost	69.97%	70.71%	0.74	●
Employee Cost	9.73%	10.41%	0.68	●
Other Expenses	9.71%	9.47%	-0.24	●
Op. EBIDTA	11.24%	10.50%	-0.74	●
Finance Cost	1.99%	1.82%	-0.16	●
Depreciation	3.72%	4.54%	0.82	●
PBT (before exceptional)	5.53%	4.14%	-1.39	●
PBT (after exceptional)	5.37%	6.21%	0.84	●
PAT	3.59%	4.25%	0.66	●

### Key Aspects:

- Overall business de-growth by 6% driven by de-growth of business of all OEM customers in view of the Industry de growth
- In Comparison of Industry de-growth, Subros performance is better during this period due to model mix impact, increase in Aftermarket business and growth in Home AC segment.
- Material cost is higher due to change in product mix and product segment.
- Manpower cost is higher due to salary/wage revision and impact of geographical expansions and drop in sales.
- PAT is higher due to exceptional income of Rs. 41.29 crores accrued via settlement of Manesar fire claim on reinstatement basis
- Depreciation is higher due to commercialization of new plant at Karsanpura, Home AC Assets & drop in Sales.

●	<i>Positive</i>	●	<i>Moderate - variation upto 5%</i>	●	<i>Negative - variation exceeding 5%</i>
---	-----------------	---	-------------------------------------	---	--

**Financial Results & Highlights for the Quarter & Year**

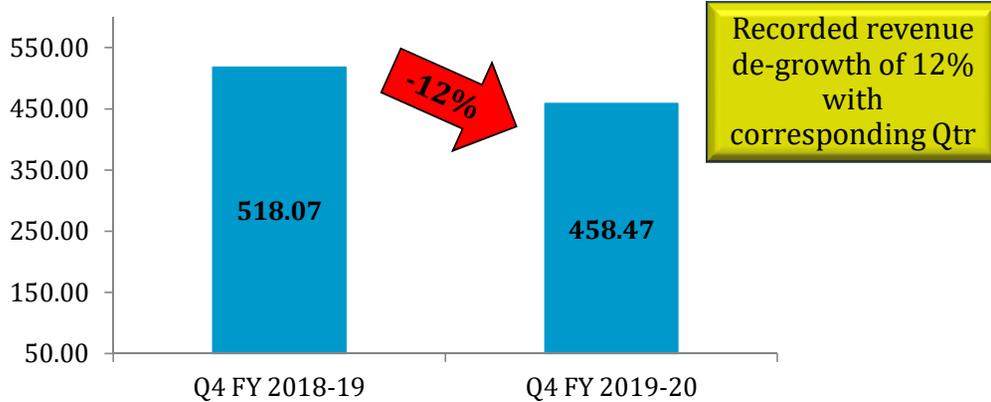
**Results Analysis - FY 2019-20 v/s FY 2018-19**

**Results Analysis - Q4 FY 2019-20 v/s Q4 FY 2018-19**

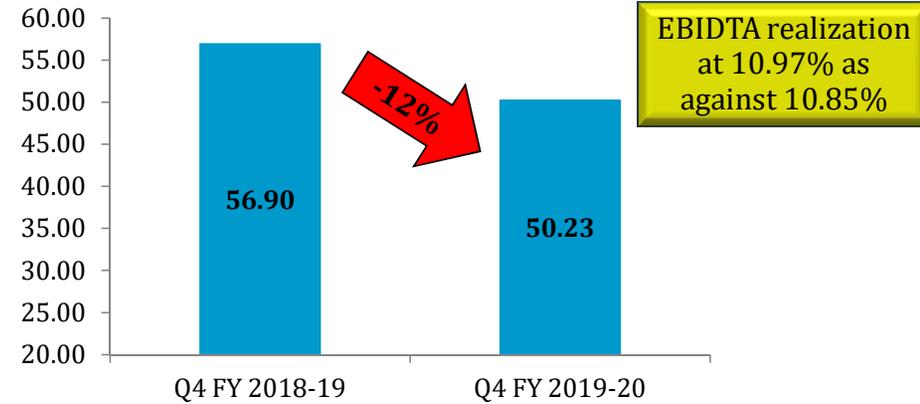
**Results Analysis - Q4 FY 2019-20 v/s Q3 FY 2019-20**

**Way Forward**

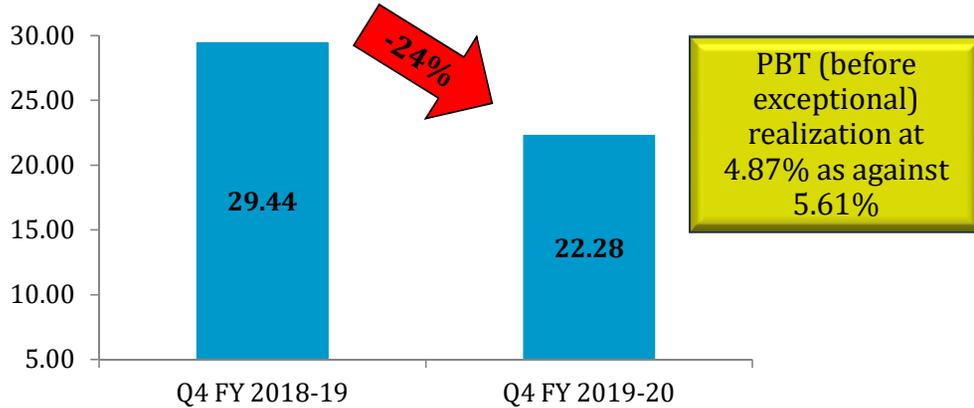
## Revenues



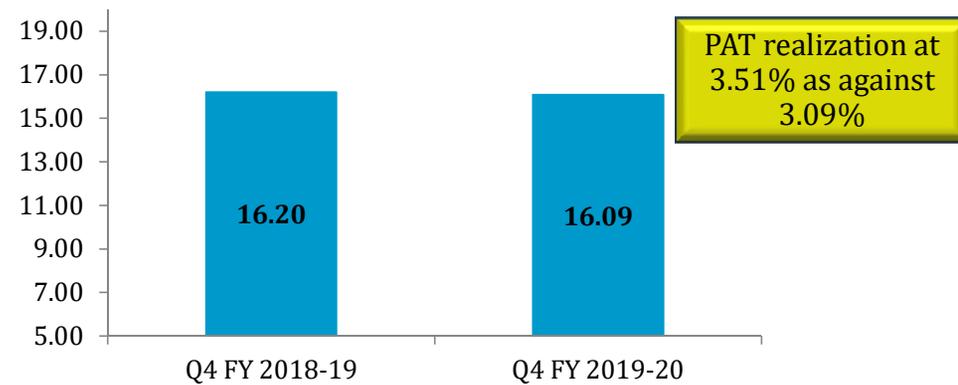
## EBIDTA



## PBT (before exceptional)



## Profit After Tax



Indicators	Q4 FY 2018-19	Q4 FY 2019-20	Change	Status
Net Sales	524.63	457.98	-66.65	●
Other Income	1.93	8.61	6.68	●
Material Cost	69.07%	70.02%	0.95	●
Employee Cost	9.32%	10.85%	1.53	●
Other Expenses	9.88%	10.15%	0.27	●
Op. EBIDTA	10.85%	10.97%	0.12	●
Finance Cost	1.30%	1.13%	-0.17	●
Depreciation	3.93%	4.97%	1.04	●
PBT (before exceptional)	5.61%	4.87%	-0.75	●
PBT (after exceptional)	5.61%	4.87%	-0.75	●
PAT	3.09%	3.51%	0.43	●

### Key Aspects:

- Sales de-growth with decline in OEM customer business and industry de growth as well loss of sales due to closure of operation for last 10 days of Mar-20 on account of lockdown due to Covid-19 pandemic
- Material cost change is contributed due to change in product mix, air freight due to sudden increase in demand at the beginning of quarter.
- Manpower cost is higher due to salary/wage revision and impact of geographical expansions and lower sales, however it has positive impact of cost reduction measures taken such as consolidation, shift rationalization etc.
- Depreciation is higher due to impact of lower sales and depreciation charged on new plant.

●	Positive	●	Moderate - variation upto 5%	●	Negative - variation exceeding 5%
---	----------	---	------------------------------	---	-----------------------------------

**Financial Results & Highlights for the Quarter & Year**

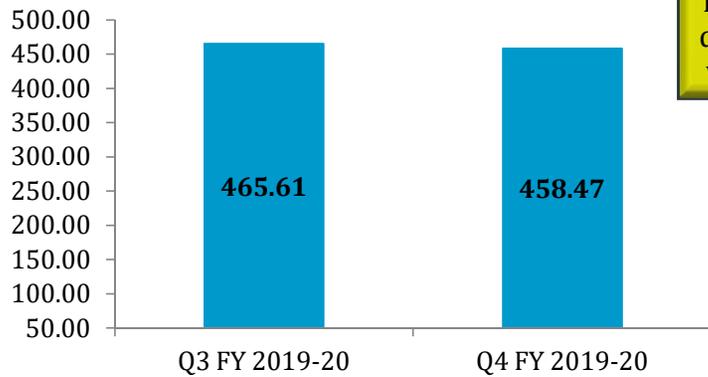
**Results Analysis - FY 2019-20 v/s FY 2018-19**

**Results Analysis - Q4 FY 2019-20 v/s Q4 FY 2018-19**

**Results Analysis - Q4 FY 2019-20 v/s Q3 FY 2019-20**

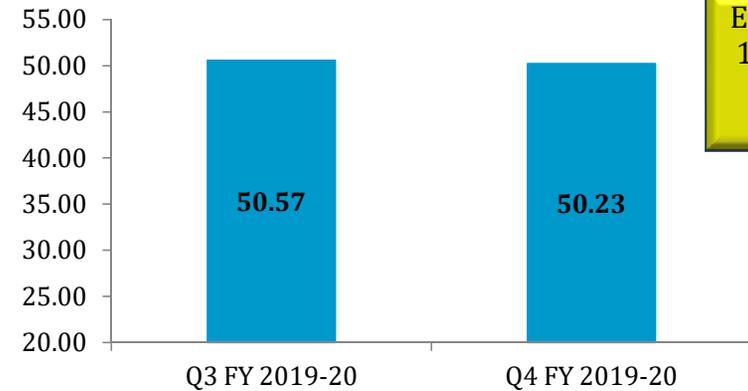
**Way Forward**

## Revenues



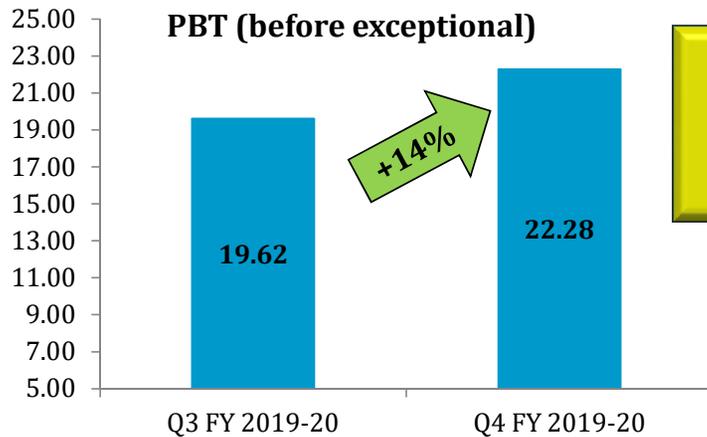
Recorded revenue de-growth of 1.5% with previous Qtr

## EBIDTA



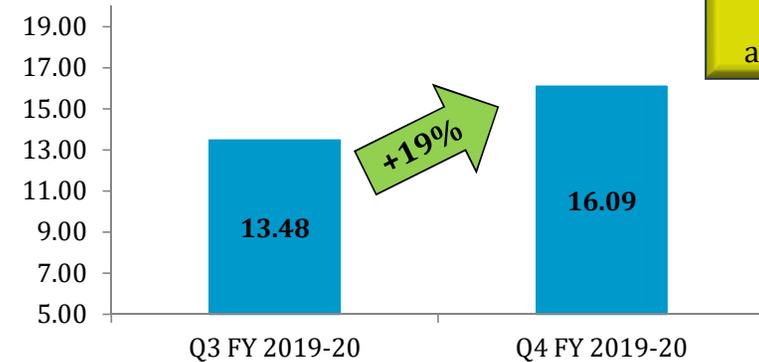
EBIDTA levels at 10.97% against 10.87% in previous Qtr

## PBT (before exceptional)



PBT (before exceptional) realization at 4.87% against 4.22%

## Profit After Tax



PAT realization at 3.51% as against 2.90%

Indicators	Q3 FY 2019-20	Q4 FY 2019-20	Change	Status
Net Sales	465.32	457.98	-7.34	●
Other Income	2.33	8.61	6.28	●
Material Cost	69.98%	70.02%	0.03	●
Employee Cost	10.71%	10.85%	0.14	●
Other Expenses	9.00%	10.15%	1.15	●
Op. EBIDTA	10.87%	10.97%	0.10	●
Finance Cost	1.61%	1.13%	-0.48	●
Depreciation	5.04%	4.97%	-0.06	●
PBT (before exceptional)	4.22%	4.87%	0.65	●
PBT (after exceptional)	4.22%	4.87%	0.65	●
PAT	2.90%	3.51%	0.62	●

### Key Aspects:

- Sales remained stagnant with marginal decline due to closure of operation for last 10 days in the M/o Mar'20 on account of lockdown due to Covid-19 pandemic
- Other expenses are higher due to increase in CSR, Insurance and other admin expenses. Although some cost controlling measures taken in the areas of Travelling, Repair & Maintenance, Power & Fuel etc.

●	<b>Positive</b>	●	<b>Moderate - variation upto 5%</b>	●	<b>Negative - variation exceeding 5%</b>
---	-----------------	---	-------------------------------------	---	--

**Financial Results & Highlights for the Quarter & Year**

**Results Analysis - FY 2019-20 v/s FY 2018-19**

**Results Analysis - Q4 FY 2019-20 v/s Q4 FY 2018-19**

**Results Analysis - Q4 FY 2019-20 v/s Q3 FY 2019-20**

**Way Forward**

**Market and Revenue Potential**

**Growth in Line with Indian Car, CV Segment and Home AC Segment** ■

**Business Expansion in Bus, Railways, Truck AC and Refrigeration Trucks (Growth >10% over last year)** ●

**Preparation to meet all regulatory changes including BSVI, CAFÉ and EV** ●

**Operational Aspects**

**Mitigating Impact of Foreign Exchange Fluctuations (Consistent Hedging Policy)** ■

**Material Cost Down thru VA/VE, Alternate sourcing (Focus on Localisation for De-risking FE Impact)** ●

**Cost Optimization by Consolidation of Plants/Shift Optimization/Working days (Improvement in EBIDTA & ROCE)** ■

**Control over Capital Expenditure** ■

*Due to the spread of COVID-19, a global pandemic, the operations of the Company were impacted and all manufacturing plants and offices were shutdown following a nationwide lockdown imposed by the Government of India. The Company has resumed manufacturing operations in a phased manner in accordance with the directives of the Government of India.*

*The Company has evaluated impact of this pandemic on its business operations and financial position & based on its review of current indicators and considering future economic conditions, there is no significant impact on its financial results for the quarter and year ended 31st March, 2020.*

*However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration and accordingly the impact may be different from that estimated as at the date of approval of these financial results.*

*The Company will continue to monitor any material changes in the future economic conditions.*

Thank You



*Cooling the Planet*

[www.subros.com](http://www.subros.com)