

# ANNUAL REPORT

2022-23

*Thermal Solutions for Sustainable Mobility*



## *Cooling the Planet*



### VISION

We aim to provide comfort by adopting new & innovative technologies, while striving to make the planet a better place.



### CORE VALUES

#### *Respect & Humility*

- Respect for individual irrespective of level
- Respect for all stakeholders

#### *Passion & Commitment*

- Inspired minds
- Drive Excellence
- Keeping Promises

#### *Trust*

- Integrity - Personal & Professional
- Transparency

#### *Team work*

- Shared Purpose
- Collaborative Action
- Joy & Happiness at the Workplace

# WHAT'S INSIDE

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In this annual report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward looking statements that set out anticipated performance/results based on the management’s plan and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘project’, ‘intends’, ‘plans’, ‘believes’ and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and realization of assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.



## Corporate Information

### Chairman Emeritus

Mr. Ramesh Suri

### Board of Directors

1. Ms. Shradha Suri  
Chairperson & Managing Director
2. Dr. Jyotsna Suri
3. Mr. Naohisa Kuriyama  
(Representative of DENSO Corporation, Japan)  
Mr. Yasuhiro Iida  
(Alternate Director)
4. Mr. Hisashi Takeuchi  
(Representative of Suzuki Motor Corporation, Japan)
5. Mr. Tomoaki Yoshimori  
(Representative of DENSO Corporation, Japan)
6. Mr. G.N. Mehra  
I.A.S. (Retd.)
7. Mr. K.R. Ramamoorthy
8. Mr. M. A. Pathan
9. Mr. Shailendra Swarup
10. Mrs. Meena Sethi
11. Mr. Arvind Kapur
12. Mr. Parmod Kumar Duggal  
Whole-time Director & CEO

### CFO & VP Finance

Mr. Hemant Kumar Agarwal

### Company Secretary

Mr. Kamal Samtani

### Statutory Auditors

Price Waterhouse Chartered Accountants LLP  
Building No. 8, 8<sup>th</sup> Floor,  
Tower B, DLF Cyber City  
Gurugram-122002

### Cost Auditors

M/s. Chandra Wadhwa & Co.,  
Cost Accountants  
1305-1306, Vijaya Building  
17, Barakhamba Road,  
New Delhi-110001

### Secretarial Auditor

RSM & Co.,  
Company Secretaries  
2E/207, Caxton House  
Jhandewalan Extension  
New Delhi-110055

### Registrar & Transfer Agent

MCS Share Transfer Agent Ltd  
F 65, Okhla Industrial Estate, Phase-I,  
New Delhi - 110020  
Email: [admin@mcsregistrars.com](mailto:admin@mcsregistrars.com)

### Works

#### 1) Central Works

B-188, Phase-II, Noida P.O. N.E.P.Z.,  
Distt. Gautam Budh Nagar (U.P.)

#### 2) Subros Technical Centre

C-51, Phase-II, Noida, P.O. N.E.P.Z.,  
Distt. Gautam Budh Nagar (U.P.)

#### 3) Subros Tool Engineering Centre

A-16, Sector 68, Noida (U.P.)

#### 4) Die Casting Plant

B-216, Phase-II, Noida 201304  
Distt. Gautam Budh Nagar (U.P.)

#### 5) Manesar Plant

Plot No.395/396, Sec-8, IMT  
Manesar, Distt. Gurgaon (Haryana)

#### 6) Pune Plant

Plot No.B-8 & 9, MIDC Indl. Area,  
Chakan, Pune (Maharashtra)

#### 7) Chennai Plant

A-20/1, SIPCOT Industrial Growth Centre  
Oragadam, Chennai (Tamil Nadu)

#### 8) Karsanpura Plant

Plot No. 508, 509, 512, 514, 516, 517,  
Village-Karsanpura, Taluka-Mandal,  
Ahmedabad, Gujarat

#### 9) Nalagarh Plant

Village Theda, Tehsil Baddi,  
Distt. Solan, Himachal Pradesh

### Regd. & Corporate Office

#### Subros Limited

(CIN:- L74899DL1985PLC020134)  
LGF, World Trade Centre,  
Barakhamba Lane,  
New Delhi 110 001  
Phone No: 011-23414946 - 49  
Fax: 011-23414945  
Website: [www.subros.com](http://www.subros.com)



## From the desk of the Chairperson & Managing Director

The one theme that prevails today is of uncertainty and volatility. The entire fabric of predictable patterns has been deconstructed. This can be seen in every aspect of our environment, be it inflation, supply chain disruptions, geo political issues, increasing interest rates, and rupee depreciation, to name a few. The pandemic brought the fragility of life and it being finite to the forefront. As a result, the human race was forced to re-calibrate the way it operates, and the same is true for all organisations and institutions. Uncertainty and the subsequent deconstruction brought with it huge opportunities in the way we manufacture, design, as well as use, Artificial Intelligence (AI). We need to create the ability to move from one uncertain situation to another with resilience and also, with ease.

### Dear Shareholders,

It is with great pleasure that I present to you the 38<sup>th</sup> Annual Report for the fiscal year 2022-23. I would like to begin by touching upon the auto-component sector and the impact that the new uncertain world has had on it. Interestingly, the sector experienced healthy growth despite the volatility. The growth has largely been driven by factors like, a robust domestic demand, India increasingly becoming a global hub for manufacturing and government policy further propelling the growth by, not only encouraging 'Make in India' for the domestic space, but 'Make in India' for the world. As a result of this impetus, there is huge investment in future technology, AI, along with front loaded localisation of products, processes, machines and designs.

FY 2022-23 saw a GDP growth of 7.2% in India and the estimated growth for FY 2023-24 is around 6.5%. India is poised to be the 3<sup>rd</sup> largest vehicle manufacturer by 2026. The auto industry sold approximately 4.5 million passenger vehicles in FY 2022-23, an increase of 26.7% over the previous year. There is also a clear shift in consumer behaviour and preferences with demand for SUV's surging. There is also an increase in demand for cleaner alternate fuel options covering CNG, Hybrid, and BEV vehicles. As strong domestic demand continues, there is a major emphasis on infrastructure development, clean and new technology, coupled with sustainability.

The OEMs are proposing comprehensive localised strategic solutions, creating an excellent opportunity for all auto component manufacturers to meet the integration possibilities. Given the technology disruptions that the sector



is witnessing, it is our belief that over the next decade, extensive front loaded localisation is vital for organisational success. To this, your Company is aggressively pursuing the agenda.

Despite the challenges faced by the automobile industry at the global level, Subros has not only sustained its position, but also demonstrated exceptional resilience and growth. Our commitment to innovation, quality, and customer satisfaction remains unwavering. By aligning our strategies with market demands and leveraging emerging technologies, your Company has successfully captured new opportunities and strengthened its position as a leading manufacturer of thermal solutions.

In terms of financial performance, revenue growth has been robust, reaching a record-breaking figure of INR 2,806 Crores in sales, which is 25 % higher than the previous financial year. This is a reflection of the combined efforts of our dedicated workforce and our ability to adapt to ever-evolving dynamics. Furthermore, our prudent financial management practices have allowed us to make strategic investments, fuelling growth and sustainability. The profitability has been a bit muted due to the impact of external factors, such as commodity inflation, logistic cost escalations, and currency volatility. There is now an extensive plan in place for enhancing the margins via an aggressive localisation strategy covering designs, processes, machines, tools and products, operational efficiency improvement via automation and deployment of Monozukuri, and finally, a product enhancement plan, backed by expansion of geographies.

Charting the roadmap to develop products for new mobility is helping the Company grow in newer areas and carve



opportunities to contribute to a safer world. Sustainability is being driven both, in terms of light weighting of material, as well as, in transportation, including logistics. Beyond operational improvements, successful de-carbonisation is a key strategic goal at Subros. We aim to reach carbon neutrality by 2040 by transforming our products and production methods, based on the maxim to use less, use better, and use longer.

Subros continues to enhance its Environment, Social, and Governance (ESG) initiatives. We recognise the importance of environmental stewardship and the social impact that it can create. Throughout the year, we have made significant strides in reducing our carbon footprint, optimising our energy consumption, switching to solar energy, and implementing responsible practices across our value chain. By embracing sustainable practices, we contribute to a greener future and create long-term value for all stakeholders.

Giving back to the world and eco system around is a big part of our ethos. Over the years, we have worked on various initiatives to make the world greener, more inclusive and equitable. Your Company has continuously been investing in schools (Project Prayas) for the less privileged by providing the children a safer and cleaner environment, equipped with academic and non-academic resources to make education accessible to all. There have been various initiatives on providing vocational courses to women and enabling them to be part of the workforce. And finally, we are working with technology institutes and colleges and also the SAE foundation on future technology and innovation.

We embark on the new fiscal year with a sense of optimism and determination. With a customer-centric approach, a focus on innovation, and a relentless pursuit of excellence, we are well-positioned to continue our growth trajectory and

achieve new milestones. Your Company will continue to invest in the research, design and development, future technologies, automation and digitalisation to create high-end products. Our strength lies in utilising our disciplined approach and solid financial footing. Low-cost automation to drive productivity would serve as short-term goals to meet short-term fluctuation in demand.

On behalf of the Board and the team, I would like to thank our valued customers for their trust and partnership. We remain committed to exceeding your expectations and delivering the highest quality products and services. I am grateful to our partners Suzuki Motor Corporation, Japan and DENSO Corporation, Japan for their continuous support in both, product and process technology, and enabling joint work on a future technology roadmap. I humbly acknowledge our strong and resilient supplier base, who have worked with us during these disruptive times. I thank our dealers, bankers, and financial institutions for working along with us as we embark on this growth journey.

I am ever so grateful to our Board who have mentored and guided us through good times and bad. Our valued shareholders for believing in us and Team Subros, without your support and dedication, Subros would not be where it is. It is you who will ride Subros onward and upward in this dynamic mobility journey. Our journey would be incomplete without the vision of Our Founder-Chairman who took the plunge 38 years ago into something, and went beyond any imagination to evolve into an industry leader. We thank you for making Subros a reality.

Thank You.

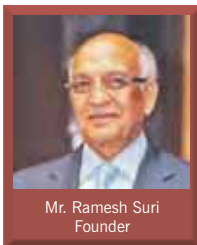


**Shradha Suri**

Chairperson & Managing Director.



## Chairman Emeritus



Mr. Ramesh Suri  
Founder

## Our Board



Ms. Shradha Suri  
Chairperson &  
Managing Director



Dr. Jyotsna Suri  
Director



Mr. Naohisa Kuriyama  
Representative of  
DENSO Corporation, Japan



Mr. Hisashi Takeuchi  
Representative of Suzuki  
Motor Corporation, Japan



Mr. Tomoaki Yoshimori  
Representative of  
DENSO Corporation, Japan



Mr. Yasuhiro Iida  
Alternate director



Mr. G.N. Mehra  
Independent Director



Mr. K.R. Ramamoorthy  
Independent Director



Mr. M. A. Pathan  
Independent Director



Mr. Shailendra Swarup  
Independent Director



Mrs. Meena Sethi  
Independent Director



Mr. Arvind Kapur  
Independent Director



Mr. P. K. Duggal  
Whole-time Director &  
Chief Executive Officer

## Top Management



Ms. Shradha Suri  
Chairperson &  
Managing Director



Mr. P. K. Duggal  
Whole-time Director &  
Chief Executive Officer



Mr. T. Murayama  
Advisor



Mr. Y P Negi  
EVP & COO-Supply Chain



Mr. A. Parashar  
EVP & COO-Operations & Services



Mr. D. Srin  
EVP Technical Centre & STEC



Mr. Hemant Kumar Agarwal  
CFO & VP Finance

## Subros at a Glance



Subros Limited, founded in 1985 as a joint venture public limited company. The current shareholding is 36.79% with the Suri Family of India, 20% with Denso Corporation, Japan & 11.96% with Suzuki Motor Corporation, Japan. It is the leading manufacturer of thermal products for automotive applications

in India, in technical collaboration with Denso Corporation, Japan.

Subros has manufacturing plants at Noida (2 nos.), Manesar, Pune, Karsanpura, Chennai and Nalagarh, beside a well-equipped R&D Centre and Tool Room at Noida.

## Our Customers

### Passenger Car Segment (AC+ECM)

### Commercial Vehicle Segment (Bus, Truck, Tractor)




### Railways





### Residential & Commercial




### Refrigeration Trucks




### Tooling






## Awards & Recognitions

Year	Awards & Recognitions
2022-23	<ul style="list-style-type: none"> <li>– Award by Maruti Suzuki in recognition of Overall Excellence</li> <li>– Award by Maruti Suzuki in recognition of Inner Part Localisation</li> <li>– Award by Maruti Suzuki in recognition of Localisation of Design and Development (D&amp;D) Capability</li> <li>– Award by Maruti Suzuki in recognition of OEM Project Support</li> <li>– CII Awards: Inter-industry Kaizen Competition – Winner of the year 2023 “Par Excellence Team” category</li> <li>– CII Awards: Inter-industry Kaizen Competition – Winner in “HR Manpower Saving” category</li> <li>– CII Awards: Inter-industry Kaizen Competition – 1st runner-up in “CRM/Customer Satisfaction” category</li> <li>– CII Awards: POKA YOKA Competition – Platinum and Silver awards in Alarm Category; Silver Award in Shutdown category</li> <li>– Golden Peacock award in GPNQA</li> <li>– International Quality circle award from IQMA</li> <li>– Supplier Quality Circle Award by Tata Motors</li> </ul>
2021-22	<ul style="list-style-type: none"> <li>– Award from Maruti Suzuki in recognition of superior performance in the area of Advanced technology research and development.</li> <li>– Award from Maruti Suzuki in recognition of Overall performance during the year.</li> <li>– Award from Maruti Suzuki in recognition of superior performance in the area of Inner part localization during the year.</li> <li>– National Energy Conservation Award - 2021 ( BEE ) – Ministry of Power (2<sup>nd</sup> price in Plastic Sector)</li> <li>– ACMA Atmanirbhar Excellence Awards (Gold-Safety, HR, Localisation; Silver-Digitisation; Bronze – Manufacturing Excellence)</li> <li>– National award for Manufacturing competitiveness 2021 organised by IRIM</li> <li>– Golden Peacock award in Business Excellence</li> <li>– ACMA Appreciation Award for New Product Design and Development</li> </ul>
2020-21	<ul style="list-style-type: none"> <li>– ACMA Bronze Award for “Excellence in New Product Design &amp; Development”</li> <li>– Golden Peacock Award for “Excellence in Corporate Governance”</li> <li>– CII Awards - Special Jury Awards for “Best holdings the Gains”</li> <li>– CII Awards - “ 1<sup>st</sup> Runner Up “ and “ 2<sup>nd</sup> Runner Up” in 33<sup>rd</sup> CII Quality Circle Competition</li> <li>– CCQC Awards - Gold Award, Silver Award and Bronze Award</li> <li>– NCQC Awards -Par Excellence Award, Excellence Award and Distinguish Award</li> <li>– Award ACMA Award - 3<sup>rd</sup> Poke- Yoke &amp; 7<sup>th</sup> SMED Competition</li> <li>– QCFI- Delhi Chapter - Gold Award and Silver Award</li> </ul>



National Energy Conservation Award - 2021 (BEE) – Ministry of Power



Noida Plant Winner of the Golden Peacock Business Excellence Award – 2021



National award for Manufacturing competitiveness



Gold-HSS



Gold-HR



Gold-Loc



Silver-Dig



Bronze Mfg



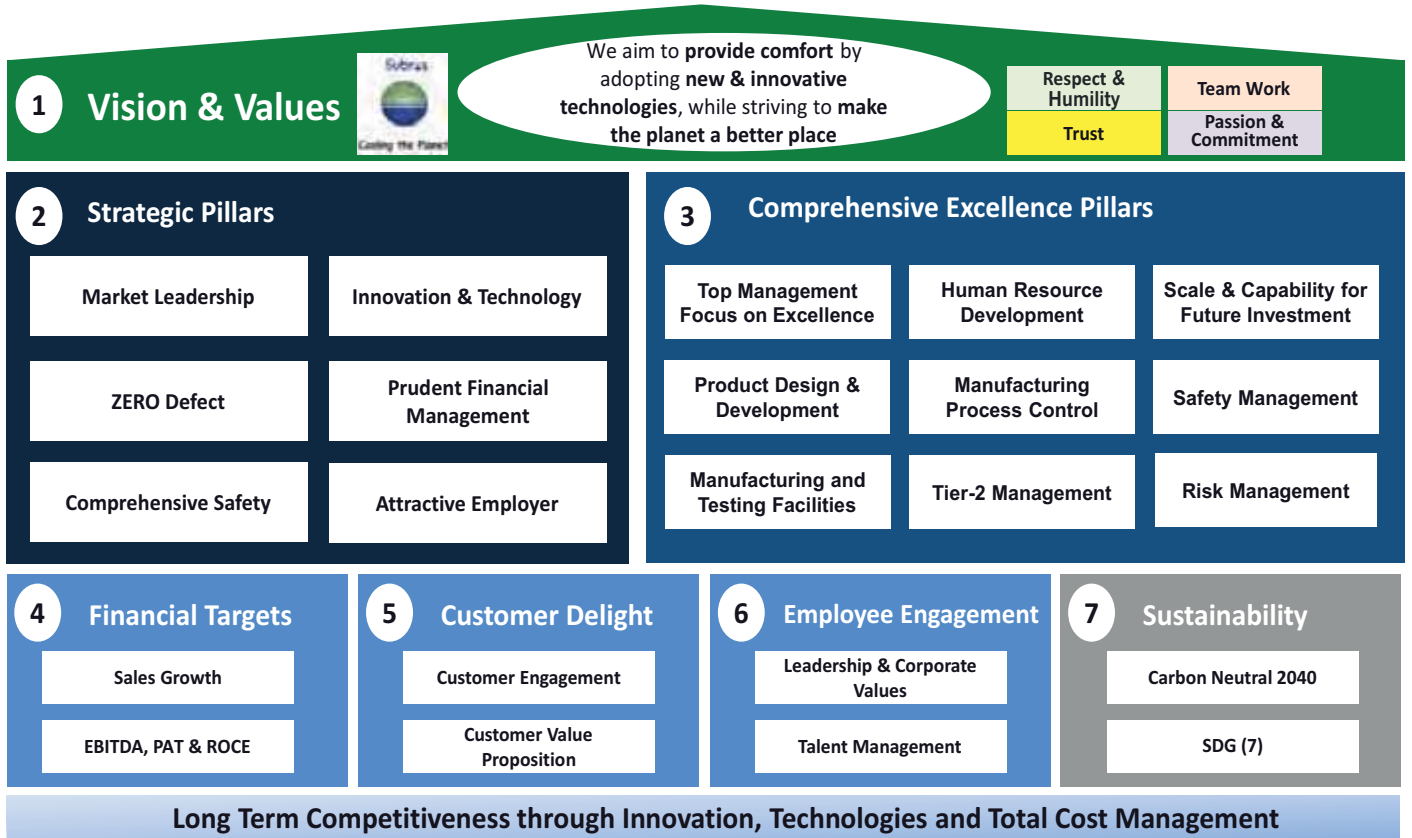
Major External Awards (Feb'22) - 5 nos ACMA Atmanirbhar Excellence Awards  
**GOLD:** Safety, HR, Localization, **SILVER :** Digitalization **BRONZE :** Manufacturing Excellence

Subros wins at Maruti Suzuki Supplier Vendor (MSVC) 2023 conference in four categories -- Overall Excellence, Localisation of Design and Development

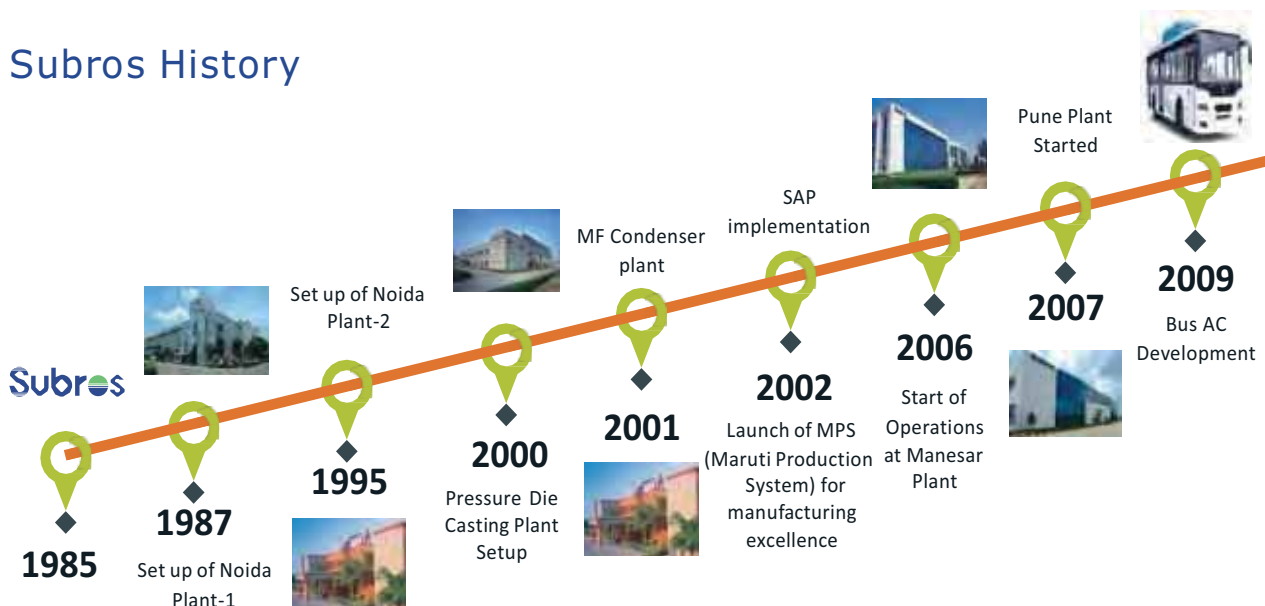
## Our Strategy

Company aims acceleration of value creation through management strategies that reflect our corporate philosophy. Our corporate philosophy is aligned with our strategic pillars and comprehensive excellence pillars which are aligned with

company vision and values. Realization of strategy is tracked by financial, customer satisfaction, employee engagement and sustainability targets.



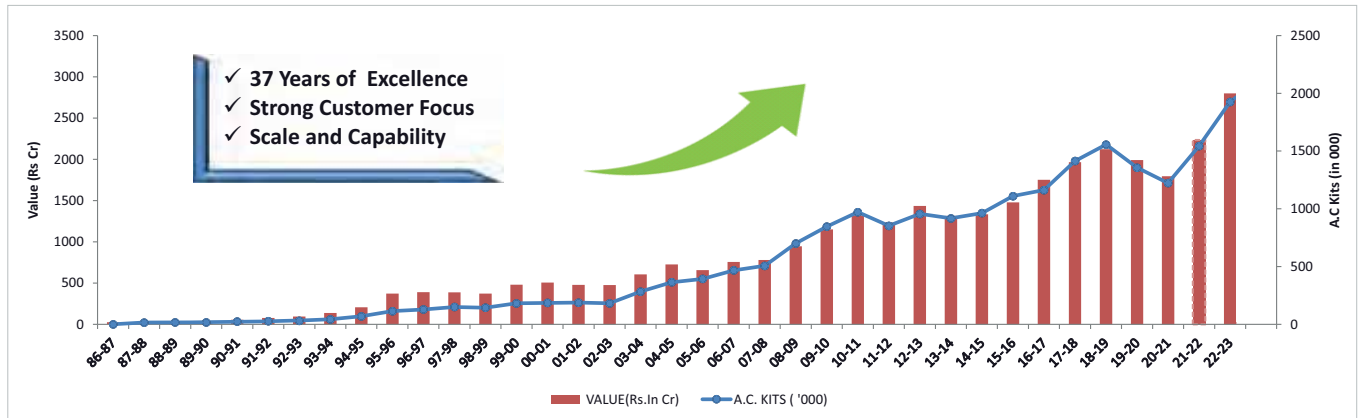
## Subros History



## Our Presence

At present, the Company is operating at a capacity of 2.0 million units per year and is one of the largest and only integrated

manufacturing units for auto air conditioning systems. The Company has grown by 25% in FY 22-23 with CAGR of 10% during 2015-23.



- 2010**: Start of Denso Subros Engineering Centre
- 2012**: Inauguration of Chennai Plant
- 2013**: Launch of Rail CABAC System
- 2014**: Inauguration of STEC (Subros Tool Engineering Centre)
- 2015**: Radiator entrustment production started for Denso; Chennai Plant becomes operational; Launch of Home AC Condenser; New customer Renault added with new product 10SL09 compressor
- 2017**: New customers Bombardier and Medha added
- 2019**: Start of Manufacturing Residential and Commercial Cooling Products
- 2020**: Introduction of Vane Rotary Compressor
- 2022**: Introduction of new Compressor

Other milestones shown in the timeline:

- Completion of 25 years, 1 Million AC kits production completed
- Capacity 1.5 Million AC kits
- Launch of transport Refrigeration System
- Subros celebrated 30 Years of partnership
- 10 million HVAC production completed
- Entry into Metro Segment
- Inauguration of Karsanpura Plant
- Start of operation at Nalagarh plant
- Start of Heat Exchanger production at Karsanpura Plant



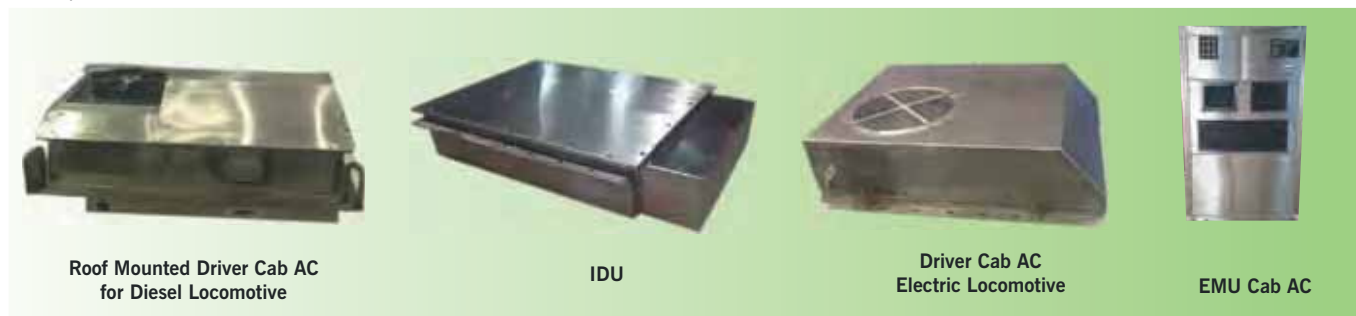
## Product Range - Passenger Vehicle AC

The Company manufactures range of compressors, HVACs, pipings and heat exchangers to suit various vehicle configurations. Our products are reinforced by the technological expertise of our JV partner Denso who are the world leaders in their domain.



## Railway AC

Subros provides tailored system solutions for driver cabin AC of railway engines featuring compactness, flexibility and easiness to install, regardless of whether diesel or electricity-driven engine. Research Designs & Standards Organisation “RDSO” has approved the Subros facility for roof-mounted package AC unit manufacturing for LHB coaches; the product approval is in process with RDSO. We are also working on the development of units for Coach AC.





## Transport Refrigeration System

Our complete range of transport refrigeration solutions is suitable for storage volume upto 50 cu.m. Subros is the only company offering integrated solution consisting of Refrigeration Kit and the insulated container. New Range of Reefer systems with Phase change material based plates and electrical compressor systems has been added in product range.



## Residential and Commercial Cooling Products

Subros has a complete range of Residential Air Conditioners i.e. Window AC & Split AC system (Inverter & fixed speed range) & supplying these products as OEM/ODM to all the leading brands in the market. Subros caters to the demands of both Residential &

Commercial Air-conditioner market by providing a comprehensive product range of Light Commercial AC (1.5 TR ~4.0TR) & Ductable AC ranges (5.5TR~17.0TR) to the customer.

## Commercial Vehicle - Bus AC

Subros provides a complete range of Bus Air conditioners & Transport Refrigeration Solutions. The complete range of Subros Air conditioners ranging from 4 KW to 36 KW capacities is suitable for ambulances and buses (4m to 12m). High cooling performance and air flow volume have been achieved by the introduction of highly efficient

evaporator and condenser, and lowering air flow resistance. Fuel saving has been achieved by increased refrigeration cycle efficiency with the introduction of new multi-flow condensers. All Subros ACs use environment friendly R-134a refrigerant.



## Electric Bus Air conditioning and Battery Thermal Management Kit Development

Inline with Government of India's vision for sustainable mobility and support for Electric Buses for public transport, there is urgent need to develop Electric Vehicle AC System and Battery thermal management systems suitable for Indian market.

The HVAC & the thermal management kit cover the thermal capacity requirement for mid-range electric vehicle segment & currently we

are offering this technology to Indian OEM's customers. Products suitable for up to 7m-12m length electrical Bus are designed and developed to meet requirement of Indian market.

Subros also developed the battery thermal management & traction motor cooling system to cover complete range of electric vehicles Thermal Management systems requirement.



**Integrated Battery Thermal Management & Traction Cooling System Kit**



## Our Presence

### MANESAR PLANT

Plant in Manesar in vicinity of the MSIL factory on a land area of 38,000 sq. mtrs. The plant is equipped with latest state of the art manufacturing and testing facilities. Manesar plant produces REC condensers, HVAC assembly, kitting parts, radiator and ECM assembly. Subros also has another plant in the vicinity of the main plant having HVAC assembly operation.



### NOIDA PLANT

#### Compressor and Heat Exchanger Plant

The compressor plant produces compressors for various vehicle applications. The facility covers Precision Machining centres, Nocoloc Brazing Furnaces, Vacuum Brazing Furnaces and Tube Processing equipments. The production lines incorporate extensive in-line quality checking equipment to ensure that the quality is in-built in to the process. The Heat Exchanger plant produces multi flow condensers, heater cores and RS evaporators.



#### Pressure Die Casting Plant

The facility has unique Squeeze & Vacuum Pressure Die Casting to produce high quality intricate castings for compressor blocks.



### KARSANPURA PLANT

Manufacturing facility in Karsanpura, Gujarat, is strategically located in close proximity of Suzuki Motors Gujarat Hansalpur Plant. Our plant stands encompassing a sprawling plot area of 17.0 acres. The plant is equipped with advanced manufacturing lines and productivity. Karsanpura plant produces HVAC assembly, kitting parts, injection molding parts and radiators. Plant has expansion plans to add condenser assembly and RS evaporator in next two years. We use special purpose machines for high quality and productivity. Best in class safety features are installed in the plant.



### CHENNAI PLANT

Chennai plant caters the customers based in southern part of India. The plant produces HVAC assembly, condensers and kitting parts. The plant also manufactures AC systems for the commercial vehicle segment, bus segment, transport refrigeration segment, rail segment and AC parts for After Market requirements.



## PUNE PLANT

Pune plant has been built in Chakan, Pune on a land area of over 24000 sq. mtrs. The plant's vicinity to Tata Motors Limited helps in providing faster and efficient service to the customer. The plant also caters to the requirements of all other customers based in Western part of India.



## NALAGARH PLANT

Nalagarh plant is a fully integrated State of the Art facility having manufacturing and assembly of residential and commercial cooling products (Window AC, Split AC, Commercial units). The Plant includes manufacturing of Fin - Tube Type heat exchangers, Fin Press, Expanders, Automatic Brazing Machines, Cross Flow Fan Manufacturing & Plastic Molding along with Fully Automated Paint shop & other related equipments. It is backed by strong design capability and also has Laboratory to design & test the complete product as per customer requirements.



## SUBROS TECHNICAL CENTER & DENSO SUBROS ENGINEERING CENTRE, NOIDA

Driven by the need to be self-reliant, reduce product development costs and acquire a competitive edge, Subros has invested heavily to augment Research and Development. This setup comprises the entire product design, development, and validation cycle. The facility enables virtual prototyping and simulation of various Thermal Management Systems for optimum efficiency in design, space allocation, airflow and cooling under different climatic conditions, among other things. The design and analysis facilities include Catia V5, Unigraphics, CREO, CAE (NASTRAN)/CFD (CCM) + 1D Simulation (KULI). In addition, Subros has established a comprehensive validation centre for both component and vehicle testing. The company continuously invests in innovative technologies and has several patents. The main focus behind the design is safety and sustainability Subros also has a separate Joint Venture with DENSO called DENSO Subros Engineering Centre (DSEC), which focuses on application design for thermal products. The centre comprises an Environment Test Chamber (Wind Tunnel), equipped with test components in temperatures varying from -30°C to +60°C under varying speed and sun load conditions, a Calorimeter (Bench Test Rig) and Vibration Test Machines for component testing. The technical centre is also suitably enabled to carry out endurance and reliability tests with advanced machines like burst tests, salt spray chamber tests, and pulsation tests.



## SUBROS TOOL ENGINEERING CENTRE

The Subros Tool Engineering Centre (STEC) is a world-class facility equipped with state-of-the-art machineries such as CNC Machining Centre, WireEDM, CNC EDM, and CNC Lathe, along with other conventional tool room machines. This neoteric facility is also endowed with CAD-CAM facility with Unigraphics NX19 along with CAE softwares Mold flow, Hyper form, Ad Stefan, which forms the backbone of this design and development centre. Our qualified and experienced team fulfils and tooling requirements such as PDC Dies, Injection Moulds, Sheet Metal Tools.

Our Quality section is equipped with Coordinate & Contour Measuring Machines to ensure a Final Quality Product. To ensure customer goals, we have a dedicated program management team with regular project tracking through Bulls Eye Software. With its competence to handle dies up to 30 tons, STEC is adept at niche tooling to meet specialty tool requirements for import substitution and exports.





## Dojo Centre

**DOJO (Skill Development Centre)** A Miniature of the manufacturing lines are set up in DOJO for the realization of the basic manufacturing practices. Employees are skilled for their respective shop floor processes before their deployment on the line for meeting QCDD & PQCDsME targets. This kind of training results into:

- Developing discipline in new/existing employees, orienting them with 5S production methods. Adherence to rules or compliances, as part of DWM, inculcates an overall improvement in the worker's attitude.

- Development training for 5 Human senses ( Eyes, Ear, Nose, Hand & Tongue) is given to new joinees /existing employees so as to find variations i.e. Normal Vs Abnormal, Usual vs Unusual for consistency of operations.

This leads to the improvement of all Senses of Employee while actual working in his area.

DOJO Centre is approved for providing Apprentice Training & certificate through Govt. of India (ASDC - Automotive Skill Development Council)

### Noida Dojo Centre (PMKY Certified)



### Manesar Dojo Centre (PMKY Certified)



# Corporate Social Responsibility

Subros is taking the lead in contributing to the sustainable development of society.

Subros' core pillars of CSR constitute Community development, Skill development, Environment-friendly initiatives/sustainability & Technology innovation.

The company endeavours to integrate social and environmental concerns in its business operations and interactions with all stakeholders to balance economic, environmental and social imperatives. .

**Enhancing Level of Education:** Subros has adopted three government schools in the nearby vicinity. The core purpose is to enhance the level of education in schools in sync with the prescribed curriculum of the state govt. by using modern tools of education & providing a conducive learning environment.



**Bringing Financial Independence through skill-up programs:** Subros is successfully running tailoring schools, beautician centres & computer literacy centres in nearby villages to empower the women by providing skill-up opportunities & providing placement assistance.



**Social Initiatives:** Subros has partnered with leading NGOs to serve society at a micro level. With NGO partners, Subros is contributing towards the welfare of abandoned people/senior citizens, orphans & especially abled youths in different states of operations.



**Technology Incubation and Elevation:** Subros has partnered with SAE India Foundation to bring Technology innovation in the automotive field by contributing towards various awards & competitive programs for industry professionals and college students.

Also, Subros has had been collaborating with different institutes, such as IITs, ITM, etc., to promote Research & Innovation.



**Environmental Initiatives:** Subros is playing a pivotal role in preserving Mother Nature. Our philosophy is based on our core purpose of "Cooling the Planet". Subros is not only focusing on the plantation across all the locations & usage of environment-friendly technologies but also concerned about the measurement & reduction of emission of carbon footprints. More focus is being put on using renewable energy resources like solar energy & switching to cleaner fuels like PNG. Carbon emission monitoring is being done at local levels across locations.



**Health & Social Well-Being:** As our commitment to bring Health & Social well-being, Subros carry out numerous activities across locations. Installation of health ATMs is one such initiative in collaboration with local authorities to strengthen rural medical infra. Subros also contribute towards "TB Mukh Bharat Abhiyan", a flagship TB eradication program launched by govt.



## Management Discussion and Analysis

### 1. Industry Outlook

- 1.1 Historically, the Indian Automobile Industry has been a good indicator of economic performance. The automobile sector plays a key role in both macroeconomic expansion and technological advancement. The domestic automotive industry has seen a robust revival in FY 2022-23, aided by remarkable recovery in economic activities and increased mobility. The demand sentiments for the majority of the automotive segments viz. Passenger Vehicles, Commercial Vehicles and Tractors have remained robust.
- 1.2 Despite all odds, the industry has grown by 20%<sup>1</sup> during the year. Still, supply chain disruptions, commodity prices escalations, logistic disruptions, crude oil price volatility, and availability of ships and containers remain key challenges.
- 1.3 The mobility landscape will fundamentally transform over the next 10 to 15 years with ACES trends, autonomous driving, connected cars, electrified vehicles and shared mobility amplifying their impact. The evolving landscape presents a perfect opportunity for Indian automakers to lead the disruptive changes occurring across segments and gain a significant competitive advantage.
- 1.4 Given the emphasis and efforts made by the Government to make India a self-reliant economy, the Indian automobile and manufacturing sector is expected to boost India's FDI for the current year on the back of Production-Linked Incentive (PLI) schemes, which are designed to incentivise domestic manufacturing and thereby, aimed at increasing exports.
- 1.5 Having witnessed a strong comeback from the COVID-led downturn, the Indian Automobile Industry is set to expand its horizons with the hopes of a sustained growth momentum in FY 2023-24 with a more widespread adoption of clean technology amid the lurking speed breakers of rising interest rates and cost increase due to new emission and safety norms. The semiconductor shortage continues to be dynamic, and rising input costs are some other challenges that the industry is managing. The domestic automotive industry is expected to grow at high single-digit levels in FY 2023-24.
- 1.6 India's Auto Components Industry is also an important sector driving macroeconomic growth and employment. The industry comprises of players of all sizes; from large corporations to micro entities, spread across clusters throughout the country. The Auto Components industry accounted for 2.3%<sup>2</sup> of India's GDP and provided direct employment to more than 1.5 million people. By 2026, this sector is expected to reach US\$ 200 billion and will contribute 5-7%<sup>2</sup> of India's GDP.

### Automobile Domestic Sales Trends<sup>1</sup>

Category	2019-20	2020-21	2021-22	2022-23
Passenger Vehicles	27,73,519	27,11,457	30,69,523	38,90,114
Commercial Vehicles	7,17,593	5,68,559	7,16,566	9,62,468
Three Wheelers	6,37,065	2,19,446	2,61,385	4,88,768
Two Wheelers	1,74,16,432	1,51,20,783	1,35,70,008	1,58,62,087
Quadracycles	942	-12	124	725
Grand Total	2,15,45,551	1,86,20,233	1,76,17,606	2,12,04,162

### 2 Financial and Operational Performance

- 2.1 The FY 2022-23 has ended with very mixed realizations for the Company. FY 2022-23 capped a landmark, as the Company clocked sales of INR 2806 Crores equivalent to 25% growth over last year.
- 2.2 Each segment has contributed positive growth in revenue. The thermal components used in the Passenger Vehicles segment have contributed a growth of 26%, whereas Commercial Vehicles segment has contributed a 36% growth including Truck AC product (33%) and Bus AC products (21%).
- 2.3 Growth in the Home-Aircon product market is muted due to high volatility in commodity prices.
- 2.4 However, the challenge is in improving profitability. Though it has grown in comparison to the previous financial year by approximately 25%, the Company faced key challenge of raw material prices going up because of high commodity cost pressure and appreciation in foreign exchange rates. Metal prices have seen a substantial increase this year. Foreign exchange rates of USD/INR and JPY/INR also witnessed a new high, further impacting input cost. To mitigate the risk, the Company has taken various cost saving measures, which resulted in some comfort by offsetting input cost.
- 2.5 Further, each OEM is aiming for growth in the next 3-4 years and planning additional capacity expansions. The Company is aligning such capacity expansions plans to meet customer demand. We have allocated sufficient funds for required capacity expansions in our plants.

### 2.6 Key Financial Ratios

Particulars	FY 2023	FY 2022	Change (%)	Remark
Debtors Turnover Ratio (Times)	12.92	10.40	24.23	
Inventory Turnover Ratio (Times)	6.55	5.55	18.02	
Interest Coverage Ratio	27.75	14.54	90.85	(i)
Debt Equity Ratio	0.09	0.08	12.50	
Current Ratio	1.10	1.10	0.00	
Operating Profit Margin	6.70	7.09	-5.50	
Net Profit Margin	2.53	2.03	24.63	(ii)
Return on Net Worth	8.20	6.31	29.95	(ii)
Networth (Rs. in crores)	867.12	823.46	5.30	

(i) Increased due to lower interest cost and effective working capital management.

(ii) Increased due to higher profits as compared to previous year on account of higher sales and cost management.

### 3 Research and Development

- 3.1 Electrification is clearly emerging as the biggest trend in the automobile industry. Driven by stringent emission and fuel economy (CAFE) regulations across the globe, pure ICE vehicles will no longer be a viable propulsion choice for passenger vehicles. The EV Market is expected to grow at CAGR of 49% between FY 2022-2030.
- 3.2 As India moves towards increasing “green” standards, roadmaps for future technologies are focused towards energy-efficient and environment friendly products. Our dedicated teams are working proactively to meet these anticipated requirements by harnessing advanced technologies.
- 3.3 Our in-house R&D capabilities have helped us to locally design and develop HVAC, battery and traction motor cooling systems, controller systems, and its integrations for the electric bus segment.
- 3.4 As per the diversification requirement, our research team has developed energy efficient and environment friendly refrigerant-based residential AC products (R32 refrigerant based Inverter AC range).
- 3.5 In view of the ‘Make in India’ movement, the Company is focusing on ‘Design in India’ and ‘Manufacturing in India.’ Under these programs, we are leveraging strong support from DENSO Subros Thermal Engineering Centre India Private Limited (DSEC) to localise design activities and enhance local skills to design Indian and global products.
- 3.6 Regulatory changes for fuel economy and safety are key drivers for our product development strategy. The Company has developed local design and development capabilities, which are key strategic initiatives for the continued development of products suitable for Indian environment.

### 4. Information Technology

- 4.1 Information Technology is a very important backbone of our industry. Business process mapping through IT tools is a key support system. In view of the world moving towards digitisation, the need for strengthening information technology has increased. Virtual reality is the new normal and the threat to information security has also increased.
- 4.2 Information technology addresses the engineering and design needs of manufacturers through services for all stages of the product development and manufacturing process.
- 4.3 Product Lifecycle Management [PLM]: PLM addresses the product development technology solution requirements of manufacturers, including end-to-end implementation of PLM technology.
- 4.4 The Company is also moving towards digitisation and Industry 4.0. Process automation is our key focus.
- 4.5 New and emergent technologies bring unprecedented threats to internet connected devices and data security

becomes a growing concern. In present times, cyber security is a key risk. The Company has taken cognizance of vital aspects such as locations of information storage, how can it be moved, access controls, and systems of data processing. In addition, stringent measures have been taken to safeguard crucial databases.

- 4.6 A large number of initiatives have been undertaken to address the risk identified under each element. Substantial investments have been made in advanced IT tools to enhance the Information Security capabilities. The Company also has a clear roadmap for each of the aspects mentioned. Disaster Recovery has been given significant attention considering the growing dependence on IT systems within the organisation.
- 4.7 The Company has envisaged a robust, long-term IT strategy roadmap based on the latest developments in information technology. Infrastructure, application support, data management, security management, and skill competency are major pillars of our IT strategy roadmap.

### 5. Internal Controls and their Adequacy

- 5.1 The Company has a strong Internal Audit Department that reports to the Audit Committee comprising of Independent Directors.
- 5.2 The Company has successfully integrated the Committee of Sponsoring Organizations (COSO) framework with its audit process to enhance the quality of its financial reporting compatible with business ethics, effective controls, and governance.
- 5.3 The Company extensively practices delegation of authority across its team, which creates effective checks and balances within the system to identify and correct all possible gaps. The Internal Audit team has access to all information in the organisation facilitated by the implementation of ERP across the organisation.
- 5.4 The Internal Audit Department prepares risk-based audit plans whereby the frequency of audit is decided based on the risk ratings of the respective areas or functions. The audit plan is approved by the Audit Committee and executed by the Internal Audit team.
- 5.5 It is reviewed periodically to include areas that have assumed significance in line with emerging industry trends and the growth of the Company. In addition, the Audit Committee also places reliance on internal customer feedback and other external events for the inclusion of additional areas into the audit plan besides regularly reviewing significant Internal Audit findings.
- 5.6 In keeping with the size and nature of our business and complexity of our operations, we have designed a strong system of internal control, which includes significant features like:
  - Well documented authorisation matrix, policies, procedures and guidelines covering all important operations of the Company.



- Deployment of compliance tool to ensure compliance with laws, regulations and standards.
- Ensuring reliability of financial information by testing of internal financial controls over reporting by internal auditors and statutory auditors.
- Adequate insurance of Company's assets / resources to protect against any loss.
- A comprehensive Information Security Policy and continuous updating of IT systems.

## 6. Risk, Concerns, Opportunities, and Threats

6.1 The Company follows an Enterprise Risk Management (ERM) framework to assess all risks. ERM brings together the understanding of the potential upsides and downsides of all those factors which can affect the organisation with an objective to add maximum sustainable value to all our activities and stakeholders.

6.2 We have a committee of Directors, the Risk Management Committee, to oversee Enterprise Risk Management framework to ensure:

- Execution of decided strategies with focus on action.
- Monitoring of risks arising out of unintended consequences of decisions or actions related to performance, operations, compliance, incidents, processes and systems, and ensuring that the same are managed appropriately.

6.3 The Risk management process and structure is as below:

- Department Heads at Plants: Identification, assessment, response and tracking of risks is done by the Risk Owners (Department Heads) at respective locations.
- Plant Heads: Risks identified by the Risk Owners at the plant level is reviewed by the respective Plant Head. Plant-level integration across the plants is done to ensure consistency in risk identification and benchmarking.

## 7. Human Resources

7.1 Human capital is one of the key pillars of strategic business growth furthering Company's organizational objectives of growth, agility and increased productivity. During the year, while HR initiatives from previous years continued to motivate the employees, we undertook several new HR initiatives to drive business efficiency.

7.2 We consider our human capital a critical factor to our success. The Company has drawn up a comprehensive human resource strategy, which addresses key aspects of human resource development such as:

- The code of conduct and fair business practices;
- A fair and objective performance management system linked to the performance of the businesses which identifies and differentiates employees by performance level;

- Creation of a common pool of talented managers across the Company with a view to increasing their mobility through job rotation among the functions and plants;
- Development and delivery of comprehensive training programs to impact and improve industry-and/or function-specific skills as well as managerial competence.

## 8. Marketing

8.1 New business development is another key focus of the organisation in view of our long-term growth strategy. New business in all segments of expansion and customer expansion are key drivers. Our overall strategy entails increase in commercial vehicle and non-car segment as part of the business expansion, and de-risking agenda. As these segments also have tremendous potential, the Company has augmented resources to acquire market share in these segments.

8.2 The Company has also developed another business segment - Tools and Dies. Using the capability of STEC (Subros Technical Engineering Centre), the Company has bagged orders from OEMs and few others. This is an emerging market where all OEM and Tier 1 suppliers are focussed on localisation of Tools and Dies.

8.3 Business Development in alternate fuel is an important initiative for the marketing functions. The Company is observing OEM plan for alternate fuel-based vehicle development. Thermal products for alternate fuels e.g. Hybrid, CNG & Electric are a key business driver for the organisation. So far 15% of the new business acquisition is from such technology products.

## 9. Corporate Social Responsibility

9.1 The Company's endeavors to work for the society and contribute to the welfare of the people and children around the factory sites. Actions for gender equality, inclusivity and for employment opportunity for people with special needs remains a key priority.

9.2 To empower more women to develop entrepreneurship skills and become financially independent, the Company is running a skill development centre at a village in Manesar. The Company has provided infrastructure and imparted training to several village women in the vicinity.

9.3 The Company has also adopted schools around the vicinity of plants to provide improved education opportunities. The local communities in these areas truly welcome this initiative. Our focus at this stage is to improve the infrastructure of schools and quality of education.

9.4 The Company has partnered with local NGOs under the umbrella programme of CSR for community development and upskilling of human resources by supporting education and socio-psychological well-being of children of incarcerated parents.



## 10. Roadmap for Future

- 10.1 The Company has partnered with technological incubators, which are approved by Central Government for future technology development.
- 10.2 Rise of shared mobility is paving way to a new customer segment. The significant rise in leasing of vehicles and the ease of commuting it offers for customers has helped this business model. This has created a new revenue pool for automobile makers and components suppliers.
- 10.3 The Company anticipates a tremendous transformation stemming from consumer preferences and environmental concerns shifting towards cleaner and more economical modes of transportation. The business model, product portfolio and day-to-day operations have to be transferred from conventional energy to a greener source of energy.
- 10.4 Proactiveness in the business space and receptivity to change remain our key approach. Agility, innovation in technology, futuristic product portfolio, product quality, and manufacturing excellence will remain focus areas of the Company. An Operational Executive Committee (OEC) that comprises of the functional and division leaders is focussed on operation excellence and execution of set goals.
- 10.5 The Company has set a new long-term strategic intent FY 2021-26, concentrating on growth, diversification, profitability, and people development. Aggressive plans in existing segments and expansion in new products are key to this strategy.

## 11. Mid-term and Long-term Plan

- 11.1 Today, only a small percentage of new vehicles sold globally are electric. The opportunities in this sector are tremendous. Indian players can become hubs for innovation. We have witnessed significant success in securing new businesses from our customers for alternate fuel which are related to Hybrid technology, CNG fuel or Electric vehicle.
- 11.2 The Company is focusing on leveraging new business opportunities in such sustainable technologies. Our short-term target is to ensure that 15% of the revenue of thermal products are realised from such vehicle applications.

- 11.3 India is expected to be the world's third-largest automotive market in terms of volume by 2026<sup>2</sup>. In FY 22-23, India's annual production of automobiles was 22.93 million vehicles. In the same financial year, total passenger vehicle sales reached 3.07 million and commercial vehicles domestic sales stood at 716,566 units.
- 11.4 The Government of India has introduced a vehicle scrappage policy, under which recycling clusters may be established near ports. As part of the scrappage policy, recycled material will be useful for the automobile industry as it will reduce cost of manufacturing cars, buses, and trucks, increasing India's competitiveness in international markets.
- 11.5 The Government has reaffirmed its commitment towards EVs and its mission for 30% electric mobility by year 2030. This year's Budget announced customs duty exemption on the import of capital goods and machinery required for the manufacture of lithium-ion batteries that typically power EVs.
- 11.6 The Government of India's Automotive Mission Plan (AMP) 2016-26<sup>2</sup> has been instrumental in ensuring growth for the sector. The Indian automobile industry is expected to achieve a turnover of US\$ 300 billion by 2026 by expanding at a CAGR of 15% from its current revenue of US\$ 74 billion.

### Cautionary Statement

*Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied. Important factors that could affect the Company's operations include a downtrend in the automobile sector, significant changes in the political and economic environment, exchange rate fluctuations, tax laws, litigation, labour relations, interest cost, changes in Government regulations and other incidental factors.*

### Sources:

1. SIAM cumulative production, domestic sales & exports
2. Indian Brand Equity Foundation



## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 38<sup>th</sup> Annual Report of the Company together with the audited financial statements for the year ended March 31, 2023.

### FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	Current Year 2022-23	Previous Year 2021-22	Current Year 2022-23	Previous Year 2021-22
	(Rs. in Crores)			
Revenue from operations (Net of excise duty)	2806.28	2238.64	2806.28	2238.64
Other income	20.57	9.92	20.29	9.54
<b>Profit before depreciation, interest and tax</b>	<b>188.08</b>	<b>158.65</b>	<b>187.79</b>	<b>158.27</b>
Less: Financial Charges	6.78	10.92	6.78	10.91
Less: Depreciation	110.28	102.35	110.28	102.35
Add: Share of profits/loss of joint venture (equity method)	-	-	0.12	0.29
<b>Net profit before Taxation</b>	<b>71.02</b>	<b>45.38</b>	<b>70.85</b>	<b>45.30</b>
Less: Tax	22.93	12.80	22.93	12.80
<b>Profit after Taxation</b>	<b>48.09</b>	<b>32.58</b>	<b>47.92</b>	<b>32.50</b>
Profit brought forward	478.68	449.24	476.78	449.64
Profit available for appropriation	518.65	474.68	518.79	476.78

### BUSINESS OPERATIONS

The net revenue from operations for the financial year ended March 31, 2023 is Rs. 2806.28 Crores as against Rs. 2238.64 Crores in the previous financial year. The Net Profit before Tax is Rs 71.02 Crores as compared to Rs. 45.38 Crores in the previous financial year.

The Indian automobile industry is setting out on a journey with hopes for a sustained growth momentum in FY 2023-24 and further embracing clean technology amid the lurking speed breakers of rising interest rates, cost increases and new emission and safety norms, having witnessed a strong comeback from the COVID-led downturn this year. The semiconductor shortage continues to be dynamic. The domestic automotive industry is expected to grow at high single-digit levels in FY 2023-24.

In view of the Covid-19 pandemic, considering the current internal and external factors, the Company has made detailed assessment of its liquidity position / cash flow and of the carrying value of its assets and liabilities as at March 31, 2023 and has concluded that there are no adjustments required in the financial statements. The Company will continue to closely monitor the future economic conditions.

The performance of the Company is also discussed in Management Discussion and Analysis, as stipulated under Regulation 34 of the Listing Regulations with the Stock Exchanges, which forms part of the Directors' Report.

There has been no change in the nature of business of the Company.

### EXTERNAL ENVIRONMENT AND ECONOMIC OUTLOOK

After two years of demand variations due to Covid, the FY 2022-23 has been a year of stabilized positive growth for the Indian Automobile Industry. Passenger vehicles (PV)

segment recorded highest ever production of 4.6 million vehicles, marking a growth of 25% over last year. There has been a clear shift in consumer preference from car segment to SUV segment, with SUVs share going up to 49% (FY 2022-23) from 46% (FY 2021-22). Car segment share has dropped to 48% (FY 2022-23) from 51% (FY 2021-22). The automobile sales in FY 2022-23 have some impact due to supply chain constraints and semiconductor shortages mainly in first half of the FY, which led to some constraint on Original Equipment Manufacturer (OEM) production vs market demand. The penetration of BEV/ Hybrid/CNG vehicle witnessed significant growth from the last year, with major OEM launching BEV/Hybrid/CNG Vehicles. The commercial vehicle segment also witnessed a growth of 29% from FY 2021-22 along with EV Commercial vehicles increasing their numbers. The passenger carrier (Bus) segment has shown a strong growth with significant demand continuing for AC Ambulances and exceeded production of pre-covid year (FY 2019-20). Also the goods carrier segment (Truck) witnessed a growth of 23% from last year. The pressure on Company's cost remains high as there has been significant rise in input costs due to various economic and geopolitical situations, and though trend seem to be easing towards H2 of FY 2023-24 but it remains volatile and input costs continued to be higher than pre COVID levels.

The future outlook for passenger vehicle and commercial vehicle remains positive, though growth is likely to moderate in FY 2023-24 to higher single digit for PVs, and slightly higher than this for CVs. The Company continues to remain watchful of possible impact of increasing interest rates, increased vehicle prices & volatile global economic & supply chain situations on end consumer & OEM demand.



The BEV/Hybrid/CNG (alternate fuel) vehicle penetration is expected to increase in coming years due to Govt. push through various regulations & schemes and also increase in customer acceptability for clean or alternate fuel vehicles. The Company is focused to develop segments like Bus AC with more variety of products and also EV AC kits, and also Rail Coach AC segment where Company has successfully obtained necessary facility approval in FY 2022-23 for development & supply for Indian Railways.

#### EXPANSION AND FUTURE PROSPECTS

The Company expanded their capacity at Chennai location and commenced supplies for New Products. The Company has also introduced products for Hybrid & Electric Vehicle in FY22-23 and would introduce more such products in coming years. The Company is focused on localization and cost optimization activities across all product segments to marginalize impact of global economic factors. There is capacity & product optimization and enhancement plan with focus on Make in India along with increased local manufacturing to ensure sufficient capacity is available for all customers across locations in line with growing market demand across all the segments.

The Company is also gearing up for meeting future customer demands in-line with Govt. regulations with strong focus on long term technology development. New product development for Inter combustion engine & EV for Passenger vehicles, Bus, Truck, Off-road are in progress for various OEM Models in-line with their project milestones. New Projects for Rail Cab AC & Coach AC are also under development & execution. The long term growth prospects for the Company's product remains robust with passenger vehicle industry production likely to touch 7 million vehicles by 2030.

#### DIVIDEND

Your Company has earned a net profit (after tax) of Rs. 48.09 Crores as against Rs. 32.58 Crores in the previous year. The Board has recommended a dividend of Rs. 1.00 per share (50% on the face value of equity shares of Rs. 2 each) for the financial year ended March 31, 2023, as against Rs. 0.70 per share (35% on the face value of equity shares of Rs. 2 each) in the previous year.

The dividend, if approved by the Members at the ensuing Annual General Meeting (AGM), shall absorb a sum of Rs. 6.52 Crores.

The Dividend Distribution Policy of the Company is available on the Company's website at [www.subros.com/investors.html](http://www.subros.com/investors.html).

#### TRANSFER TO RESERVES

Your Company proposes to transfer Rs. 1.50 Crores to the General Reserve.

#### MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF THE REPORT

There were no material changes and commitments that affect the financial position of the Company subsequent to the date of financial statement.

#### CAPITAL STRUCTURE

During the year there is no change in the Capital Structure of your Company.

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review the following changes took place in the Board and Key Managerial Personnel of your Company:

- i. Ms. Shradha Suri was re-appointed as the Chairperson & Managing Director for a period of three years w.e.f. 12.05.2022.
- ii. Mr. Hisashi Takeuchi was appointed as Nominee Director of Suzuki Motor Corporation Japan, w.e.f. 01.10.2022 in place of Mr. Kenichi Ayukawa.
- iii. Mr. Naohisa Kuriyama was appointed as Nominee Director of M/s DENSO Corporation, Japan in place of Mr. Hidemasa Takahashi w.e.f. 29.03.2023.
- iv. Mr. Yasuhiro Iida was appointed as Alternate Director to Mr. Hidemasa Takahashi in place of Mr. Yasuaki Matsunaga w.e.f. 25.01.2023. His office was vacated with resignation of Mr. Hidemasa Takahashi. Mr. Yasuhiro Iida was again appointed as Alternate Director to Mr. Naohisa Kuriyama w.e.f. 29.03.2023.
- v. Mr. Shiv Ram Singh was appointed as Company Secretary & Compliance Officer w.e.f. 01.06.2022 on superannuation of Mr. Rakesh Arora, then Company Secretary and Compliance Officer. Mr. Shiv Ram Singh later resigned w.e.f. 15.11.2022.
- vi. Mr. Kamal Samtani was appointed as Company Secretary & Compliance Officer w.e.f. 28.04.2023.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Tomoaki Yoshimori, Director of the Company retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. His brief resume as required under the Listing Regulations and Secretarial Standards is provided in the Notice of the 38<sup>th</sup> AGM of the Company. The requisite resolution pertaining to the re-appointment appears at the respective item of the Notice along with the Statement and is recommended to the Members for approval.

#### Declaration from Independent Directors:

The Company has received necessary declaration(s) from all the Independent Director(s) of the Company as laid down under Section 149(7) of the Companies Act, 2013 confirming that they meet the criteria as laid down under Section 149(6) of the Companies Act, 2013 and the Listing Regulations.

#### Board Meeting:

The Board of Directors met five times during the financial year 2022-23, the details of which are given in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

#### Policy on Directors' Appointment and Remuneration:

The policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications,





positive attributes and other matters is available on the website [www.subros.com/investors.html](http://www.subros.com/investors.html) of the Company.

#### AUDIT COMMITTEE

The Composition of Audit Committee of the Company is described in Corporate Governance Report as stipulated under Listing Regulations, which forms integral part of this Report.

#### DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134 (5) of the Companies Act, 2013, your Directors hereby confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Directors have prepared the annual accounts on a going concern basis;
- The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### SUBSIDIARIES AND JOINT VENTURES

DENSO Subros Thermal Engineering Centre India Private Limited, a Joint Venture, achieved revenue of Rs. 17.62 Crores during the FY 2022-23 as against Rs. 17.95 Crores in the previous year. The Joint Venture achieved a profit of Rs. 0.45 Crores during the year as against Rs. 1.11 Crores in the previous year due to increase in other expenses because of provision of contingencies amounting to Rs 130.08 Lakhs (i.e. PF contribution in respect of international workers Rs. 11.02 Lakhs and interest on delayed payment of GST on Expat employee under reverse charge Rs. 119.05 lakhs). Your Company is holding 26% shares in this Joint Venture.

The Company does not have any subsidiary.

#### CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Companies Act, 2013 and IND AS 110 - Consolidated Financial Statements read with IND AS 31 - Interest in Joint Ventures, your Directors have pleasure in attaching the Audited Consolidated Financial Statements, which forms a part of this Annual Report.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE OUTGO

The information in terms of Section 134(3)(m) of the Companies Act, 2013, read with relevant rules is annexed herewith as **Annexure-1** and forms integral part of this report.

#### ANNUAL RETURN

The Annual Return as on March 31, 2023, in terms of provisions of Section 134(3) and other applicable provisions of the Companies Act, 2013, read with Rules thereto is available on website of the Company [www.subros.com/investors.html](http://www.subros.com/investors.html) and forms integral part of this Annual Report.

#### AUDITORS AND AUDITORS' REPORT

**Statutory Auditors:** As per the provisions of Section 139 of the Companies Act, 2013, the shareholders have approved the re-appointment of M/s Price Waterhouse Chartered Accountants LLP, as Statutory Auditors of the Company for the 2<sup>nd</sup> term of 5 years from the conclusion of the 37<sup>th</sup> AGM till the conclusion of 42<sup>nd</sup> AGM.

The Auditors' Report to the Members for the year under review does not contain any qualification, reservation or adverse remark. The observations of the Auditors and the relevant notes on accounts are self-explanatory and therefore do not call for any further comments.

**Cost Auditors:** The Company has re-appointed M/s. Chandra Wadhwa & Company, Cost Accountants, as Cost Auditors of the Company to conduct the audit of cost records maintained by the Company for the FY 2023-24 in accordance with Section 148(1) of the Companies Act, 2013. The ratification of remuneration payable to Cost Auditors for the FY 2023-24 is being sought from the Members of the Company at the ensuing AGM.

**Secretarial Auditors:** The Company has re-appointed M/s. RSM & Co., Company Secretaries as Secretarial Auditors to conduct the audit of secretarial and related records of the Company for the FY 2023-24. The Secretarial Audit Report for the financial year ended March 31, 2023 is annexed as **Annexure-2** and the same is self-explanatory. The said Secretarial Audit Report does not contain any qualification or adverse remark.

#### DEPOSITS

During the year under review, your Company has neither invited nor accepted any deposits from the Public.

#### SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

No significant material order was passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

#### INTERNAL FINANCIAL CONTROLS

The adequacy of Internal Financial Controls is discussed in Management Discussion and Analysis, as stipulated under the Listing Regulations with the Stock Exchanges, which forms part of this Report.

## LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any inter- corporate loans and/or provided any guarantees. Details related to the investments made by the Company are given in Note 5(a)(ii) to the Standalone Financial Statement of the Company.

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

There was no instance of one time settlement with any Bank or Financial Institution.

## CORPORATE SOCIAL RESPONSIBILITY

The Company has formulated a Corporate Social Responsibility (CSR) Policy to undertake CSR initiatives as specified in Schedule VII of the Companies Act, 2013. The Company has constituted a robust and transparent governance structure to oversee the implementation of CSR Policy, in compliance with the requirements of Section 135 of the Companies Act, 2013. The Annual Report on CSR activities is annexed as **Annexure-3** and forms integral part of this report. This Policy is placed on the website of the Company [www.subros.com/investors.html](http://www.subros.com/investors.html).

## RISK MANAGEMENT

The Company has a risk management policy and framework in place to ensure proper identification and treatment of risks. The identification and mitigation of strategic, business, operational and process risks are carried out for all functions. The key strategic risks along with mitigation plan are presented to the risk management committee on half-yearly basis. Few of such risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report. The implementation of the ERM framework is continuously evolving and has progressed well during the financial year 2022-23.

In addition to the ongoing Risk Management activities, the Company has focused on reviewing and mitigating the Cyber Security related risk and environment related Risk.

## VIGIL MECHANISM

Pursuant to Section 177(9) of the Companies Act, 2013, the Company has established a Vigil Mechanism/ Whistle Blower Policy for directors, employees, suppliers, contractors and other stakeholders of the Company. The purpose and objective of this Policy is to cover serious concerns that would have a larger impact on image and values of the Company due to incorrect financial reporting or improper conduct. The Whistle Blower Policy has been placed on the website of the Company [www.subros.com/investors.html](http://www.subros.com/investors.html).

The Statutory Auditors, Cost Auditors or Secretarial Auditors have not reported any frauds under Section 143(12) of the Companies Act, 2013 and rules made thereunder.

## SEXUAL HARASSMENT

The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Committee has been set up to redress complaints received regarding sexual harassment. During the year the Company did not receive any complaint.

## RELATED PARTY TRANSACTIONS

The Board of Directors has formulated a Related Party Transaction Policy for determining material related party transactions. The Related Party Transaction Policy is available on the website of the Company [www.subros.com/investors.html](http://www.subros.com/investors.html). A statement of all particulars of Contracts or Arrangements with material related parties referred to in Section 188(1) of the Companies Act, 2013, is annexed as **Annexure-4** and forms integral part of this report.

## LISTING

The Equity Shares of your Company continue to be listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE). The listing fees for the financial year 2023 – 24 have been paid to the said stock exchanges.

## ANNUAL EVALUATION

In compliance with the provisions of the Companies Act, 2013, Listing Regulations and Guidance Note issued by SEBI the Board has formulated a framework, inter alia, for formal evaluation of its performance as well as that of its committees and directors.

In this regard the Board has, inter alia, carried out an annual evaluation of the performance of all the independent director(s). The Nomination & Remuneration Committee (“NRC”), inter alia, reviewed the performance of directors and the Board as a whole and its committee(s). The Independent Directors, inter alia, reviewed performance of non-independent directors, the Board as a whole and its committees and assessed the quality, quantity and timeliness of flow of information between the Company’s management and the Board.

The evaluation criteria of the performance of every director, Board & its committees included, inter alia, their structure/ composition, meeting attendance, expertise drawn from diverse domains banking, administration, strategic and technical and bring specific competencies relevant to the Company’s business. The Board members participation and overall functioning was quite satisfactory and effective during the year under review. There are no specific observations on the Board evaluation carried out during the year as well as for the previous year.

## CREDIT RATING

ICRA has assigned/reaffirmed the Long Term Ratings as [ICRA] AA- “Positive” and for Short Terms Ratings as [ICRA] A1+ “Positive” and revised outlook from stable to positive.

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosure in respect to remuneration and other details as per the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure to this Report having regard to the provisions of the second proviso to Section 136(1) of the Companies Act, 2013, the Annual Report excluding the said statement of employees under Section 197(12) of Companies Act, 2013 is being sent to the Members of the Company. The said information is available for inspection at



the registered office of the Company during working hours and any Member interested in obtaining said statement may write to the Company Secretary at the registered office of the Company.

### **CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION**

The Company is committed to maintain the highest standards of corporate governance. The Company has complied with the corporate governance requirements, as stipulated under the Listing Regulations. A report on Corporate Governance along with a certificate from the Practicing Company Secretaries regarding compliance on the conditions of corporate governance prescribed under Listing Regulations is annexed herewith and forms integral part of this Report. All Policies of the Company are available on the website of the Company [www.subros.com/investors.html](http://www.subros.com/investors.html).

### **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

A report on adoption of responsible business practices in the interest of the social, governance and environmental perspective are as vital as their financial and operational performance. Conforming to the requirements of the clause (f) of sub-regulation (2) of Regulation 34 of Securities and Exchange Board of India (LODR) Regulations, 2015, the Business Responsibility and Sustainability Report for Financial Year 2022-23 is annexed herewith and forms integral part of this Report.

### **INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

The disclosure of IEPF related activities during the year under review forms a part of the report on Corporate Governance.

### **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on

meetings of Board of Directors, its Committee(s) and General Meetings.

### **ACKNOWLEDGMENT**

Your Board wishes to convey its appreciation to all the employees for their enormous efforts, hard work and dedication as well as their collective contribution to the Company's performance, without which it would not be possible to achieve the growth of the Company.

Your Board convey heartfelt gratitude to the Company's valued customers, Maruti Suzuki India Limited, Tata Motors Limited, Mahindra & Mahindra Limited, Renault Nissan Automotive India Private Limited and Force Motors Limited, for the trust and confidence reposed by them in the Management for their co-operation and support provided to the Company.

Your Board acknowledges with gratitude the co-operation and support extended by Company's bankers, HDFC Bank, ICICI Bank, State Bank of India, Kotak Mahindra Bank & other Banks and our collaborators, DENSO Corporation, Japan and Suzuki Motor Corporation, Japan for their continued support.

The Board also wishes to thank all Members, vendors and business associates for their trust and constant support to the Company.

For and on behalf of the Board of Directors

**SHRADHA SURI**  
Chairperson & Managing Director  
(DIN: 00176902)

Place: New Delhi

Dated: May 25, 2023

## ANNEXURE-1 TO THE DIRECTORS' REPORT

Information regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 forming part of Directors' Report.

A) CONSERVATION OF ENERGY		
(i)	The steps taken or impact on conservation of energy	<p>The Company is working consistently towards energy conservation in all key areas related to manufacturing and administrative operations. Various measures are taken to optimize power costs associated with the manufacturing of products. The following are some of the measures initiated/ adopted for conservation and optimized utilization of energy during the year under review:</p> <ul style="list-style-type: none"> <li>• High Efficiency Motors and Pumps</li> <li>• Installation of LPG manifold</li> <li>• Use of Day light sheet for Natural lighting in plant</li> </ul>
(ii)	The steps taken by the Company for utilizing alternate sources of energy	<ul style="list-style-type: none"> <li>• Use of solar power (roof top) in following plants: <ul style="list-style-type: none"> <li>- Chennai Plant in progress;</li> <li>- Pune Plant feasibility done;</li> <li>- Noida Plant-1 Solar installation completed;</li> <li>- Subros Tool Engineering Centre installation completed.</li> </ul> </li> </ul>
(iii)	The capital investment on energy conservation equipment	<ul style="list-style-type: none"> <li>• Investment is done for projects where ROI &lt; 1 Yr.</li> </ul>
B) TECHNOLOGY ABSORPTION		
(i)	The efforts made towards technology absorption	<ul style="list-style-type: none"> <li>• New technology products developed to meet future market demand for features like low noise, low weight feature based HVAC, energy efficient and eco-friendly Inverter Home AC's.</li> <li>• New range of energy efficient HVAC products including thermal management systems for Electric Vehicles.</li> <li>• Cost reduction by alternate sourcing and localization in the field of Automotive HVAC, Compressor, Heat Exchangers, Pipes &amp; Hoses.</li> <li>• Development of new products based on system level application engineering for ECM, HVAC systems of Car, Bus, Truck &amp; Railways and EVs.</li> </ul>
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> <li>• Cost reduction has been achieved by implementing VAVE ideas and new technology based products.</li> <li>• Import substitution has been achieved by in-house manufacturing of parts, localization of material and parts.</li> </ul>
(iii)	In case of imported:	<p>The Company has been importing technology in collaboration with DENSO Corporation, Japan and Suzuki Motor Corporation, Japan since 1986. Further, the Company under Technical Assistance Agreement(s) with DENSO Corporation, Japan for transfer of technology for HVACs, Compressors, Radiators and other thermal products manufactured by the Company.</p>
(a)	Technology (Imported during the last three years reckoned from the beginning of the financial year) the details of technology imported	
(b)	The year of import	
(c)	Whether the technology has been fully absorbed	
(d)	If not fully absorbed, areas where absorption has not taken place, and the reason thereof	Not applicable



(iv)	The expenditure incurred on Research and Development	During the year, various major activities in the field of research and development were carried out by the Company in the areas of New Product Development, Application Engineering, Benchmarking, Participation in National & international SAE Events, IP creation and patent filing, New Technology Development, Domestic AC product design and development, Electric vehicle thermal management solutions, in house testing facility up gradation.	<b>(Rs. in Lakhs)</b>		
			<b>2022-23</b>	<b>2021-22</b>	
			Capital	23.77	29.25
			Recurring	2573.98	2435.39
			Total expenditure	2597.75	2464.64
			Total R&D expenditure as a percentage of net turnover	0.93%	1.10%
<b>C) FOREIGN EXCHANGE EARNINGS AND OUTGO</b>					
			<b>(Rs. in Lakhs)</b>		
			<b>2022-23</b>	<b>2021-22</b>	
			Total foreign exchange earned	39.32	24.15
			Total foreign exchange outgo		
			(i) CIF value of imports (Recurring)	60,830.17	42,929.93
			(ii) CIF value of imports (Capital Expenditure)	468.17	233.96
(iii) Expenditure in foreign currency	4,632.72	4,752.03			

## ANNEXURE-2 TO THE DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 read with Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,  
The Members  
SUBROS LIMITED  
LGF, World Trade Centre,  
Barakhamba Lane,  
**New Delhi- 110 001**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SUBROS LIMITED** (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board - Processes and Compliance - Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:-

1. The Companies Act, 2013 ("the Act") and rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and bye - laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendment thereon;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendment thereon;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the audit period);**
  - (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the Review Period);**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the audit period);**
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the audit period);**
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the audit period) and**
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment thereon.
6. We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof on test check basis, the Company has complied with the following laws as applicable specifically to the Company:
  - i) The Factories Act 1948, and Rules made there under;
  - ii) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder;
  - iii) The Environment Protection Act, 1986 and Rules made thereunder;
  - iv) The Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder;
  - v) The Contract Labour (Regulation & Abolition) Act, 1970 and Rules made thereunder;
  - vi) The Petroleum Act, 1934 and Rules made thereunder;
  - vii) The Explosives Act, 1884 and Rules made thereunder;
  - viii) The Legal Metrology Act, 2009 and Rules made thereunder;



We have also examined compliance with the applicable clause of the following:

- i) Secretarial Standard with regard to meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India;
- ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

7. We further report that the compliances by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by statutory financial audit and other designated professionals.

8. We further report that:-

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act;

Adequate notice is given to all Directors to schedule the Board Meetings, agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarification on the agenda items before the meeting and for meaningful participation at the meeting; and

Majority of decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of meetings of the Board of Directors or committee of the Board, as the case may be.

There are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliances with applicable laws, rules, regulations and guidelines.

9. We further report that during the audit of the Company no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws rules regulations guidelines, standard etc.

This report is to be read with our letter of even date which is annexed as "Annexure-1" and form an integral part of this report.

**For RSM & CO.**  
Company Secretaries

**CS RAVI SHARMA**  
Partner

FCS: 4468 | COP No.: 3666  
UDIN: F004468E000365281  
Peer Review No. 978/2020

Date : May 25, 2023  
Place : Delhi

### Annexure-1

To,  
The Members  
SUBROS LIMITED

Our Report of even date is to be read along with this letter.

1. Maintenance of Secretarial records is the responsibility of the Management of the Company. Our responsibility is to express an opinion on the Secretarial Records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verifications were done on the test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliances of Laws, Rules and Regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable Laws, rule and regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. Our Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For RSM & CO.**  
Company Secretaries

**CS RAVI SHARMA**  
Partner

FCS: 4468 | COP No.: 3666  
UDIN: F004468E000365281  
Peer Review No. 978/2020

Date : May 25, 2023  
Place : Delhi



## ANNEXURE - 3 TO THE DIRECTORS' REPORT

### THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES

1. Brief outline on CSR Policy of the Company

Subros endeavors to integrate social and environment concerns in its business operations. The Company demonstrates an increased commitment at all levels in the organization to operate business in an economically, socially and environmentally sustainable manner. The objective of CSR policy is to actively contribute to the social, environmental & economic development of the society.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mrs. Meena Sethi	Chairperson /Independent, Non-executive	2	1
2	Mr. Arvind Kapur	Member / Independent, Non-executive	2	2
3	Ms.Shradha Suri	Member / Non-Independent, Executive	2	2

3. Provide the web-link(s) where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company: [www.subros.com/investors.html](http://www.subros.com/investors.html)

4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **Not Applicable**

5. a) Average net profit of the Company as per sub-section(5) of section 135: **Rs. 7490.78 Lakhs**  
 b) Two percent of average net profit of the company as per sub-section (5) of section 135: **Rs. 149.82 Lakhs**  
 c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**  
 d) Amount required to be set-off for the financial year, if any: **NIL**  
 e) Total CSR obligation for the financial year [(b)+(c)-(d)]: **Rs. 149.82 Lakhs**
6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : **Rs. 143.16 Lakhs**  
 b) Amount spent in Administrative Overheads: **Rs. 7.49 Lakhs**  
 c) Amount spent on Impact Assessment, if applicable: **Not Applicable**  
 d) Total Amount spent for Financial Year [(a)+(b)+(c)]: **Rs. 150.65 Lakhs**  
 e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (Rs. in Lakhs)	Amount Unspent (Rs. in Lakhs)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
150.65	NIL				

(f) Excess amount for set off, if any:

Sl. No.	Particular	Amount ( Rs. in Lakhs)
(i)	Two percent of average net profit of the Company as per sub-section (5) of section 135	149.82
(ii)	Total amount spent for the Financial Year	150.65
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.83
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	—
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.83

7. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**
8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: **No**
9. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of Section 135: **Not Applicable**

Shradha Suri  
(Chairperson & Managing Director)

Meena Sethi  
(Chairperson, CSR Committee)

Place: New Delhi

Date: May 23, 2023





## ANNEXURE – 4 TO THE DIRECTORS' REPORT

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in subsection (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

Details of material contracts or arrangements or transactions not at arm's length basis: Not Applicable

Details of material contracts or arrangements or transactions at arm's length basis:

S. No.	Name(s) of the related party	Nature of relationship	Nature of contracts/ transactions/ arrangements	Duration of contracts/ transactions/ arrangements	Salient terms of contracts/ transactions/ arrangements including, value, if any (Rs. in Crores)	Date of approval by the Board/ Audit Committee	Amount paid as advance, if any
1.	Global Autotech Limited	Shareholding	Transactions with respect to: (i) sale, purchase, lease and/ or transfer of components, parts, products, goods, materials, assets, services or resources (ii) reimbursement of expenses including towards availing / providing for sharing/ usage of each other's resources and (iii) transfer of any resources, services or obligations to meet their business requirements.	Ongoing transactions (for details please refer Annexure-1 to the Notice)	261.17	January 27, 2022	Nil
2.	Denso Haryana Private Limited	Common Directorship	Transactions with respect to: (i) sale, purchase, lease and/ or transfer of components, parts, products, goods, materials, assets, services or resources (ii) reimbursement of expenses including towards availing / providing for sharing/ usage of each other's resources and (iii) transfer of any resources, services or obligations to meet their business requirements.	Ongoing transactions (for details please refer Annexure-1 to the Notice)	150.83	January 27, 2022	Nil

## ANNEXURE – 5 TO THE DIRECTORS' REPORT

**INFORMATION PERTAINING TO REMUNERATION UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of Director & Designation	Ratio to median remuneration
Ms. Shradha Suri– Chairperson & Managing Director*	99.35
Mr. Parmod Kumar Duggal, Whole-time Director & CEO	53.40

\*Ms. Shradha Suri, Managing Director was appointed as Chairperson and Managing Director of the Company with effect from May 12, 2022.

- (ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary, if any, in the financial year:

Name & Designation	Percentage increase in remuneration
Ms. Shradha Suri, Chairperson & Managing Director	9.31%
Mr. Parmod Kumar Duggal, Whole-time Director & CEO	25.86%
Mr. Hemant K. Agarwal, CFO & VP (Finance)	19.58%

Notes: (i) Mr. Shiv Ram Singh was appointed as Company Secretary and Compliance Officer w.e.f. 01.06.2022 on reaching the superannuation of Mr. Rakesh Arora, then Company Secretary and Compliance Officer. Mr. Shiv Ram Singh later resigned w.e.f. 15.11.2022. Therefore, the details about increase in remuneration of the Company Secretary under this section are not given.

(ii) The remuneration paid to Independent Directors/ Non-Executive Directors which includes sitting Fees is proportionate to their attendance in Board and Committee meetings.

(iii) Commission/Performance linked Incentive paid to the Executive Directors/KMPs have not been considered in calculation for the percentage increase.

(iv) Mr. Parmod Kumar Duggal, Whole-time Director & CEO and Mr. Hemant K. Agarwal, CFO & VP (Finance) were appointed as KMP during FY 2021-22.

- (iii) The percentage increase/(decrease) in the median remuneration of employees in the financial year: **2.41%**
- (iv) The number of permanent employees on the rolls of Company: **3641 as on 31-03-2023.**
- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Particulars	31.03.2023
% increase in median salary of employees	2.41%
% increase in average salary of managerial personnel	18.25%

- (vi) Affirmation that the remuneration is as per the remuneration policy of the Company: **Affirmed that the remuneration is as per remuneration policy of the Company.**



## Report on Corporate Governance for the year ended March 31, 2023

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to achieve and maintain the highest standards of Corporate Governance. Subros philosophy on Corporate Governance envisages attainment of the highest levels of transparency in accounting policies, strong and independent Board, accountability and equity in all facets of its operations. It is with this conviction that Subros has formulated procedures, policies and systems that are promoting immaculate Corporate Governance Standards within the Company.

The Securities & Exchange Board of India (SEBI) has notified corporate governance provisions in Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has been complying with these provisions effectively. Your Company acknowledges and believes that all its actions must serve the main goal of enhancing overall stakeholders' value on a sustained basis.

### BOARD OF DIRECTORS

The Board currently comprises of twelve Directors, out of which ten are Non-Executive Directors (including six Independent Directors). The Independent Directors have submitted declarations that they meet the criteria of "independence" as laid under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as on March 31, 2023. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations.

### Composition of Board of Directors and Directors attendance

The Composition and category of the Board of Directors, attendance, directorship and committee position during the financial year 2022-23 are given below:

Name of the Director	Category	No. of Board Meetings attended	Whether attended last AGM	No. of Directorships in other Companies (1)	Committees positions held in other Public Companies (2)	
					Chairperson	Member
Ms. Shradha Suri Chairperson & Managing Director	Non Independent, Executive, Promoter	5 of 5	Yes	6	-	3
Dr. Jyotsna Suri	Non Independent, Non-executive	3 of 5	No	5	-	1
Mr. Kenichi Ayukawa (5)	Non Independent, Non-executive, Nominee Director (3)	2 of 2	No	-	-	-
Mr. Hisashi Takeuchi (5)		2 of 3	NA	3	-	1
Mr. Naohisa Kuriyama (6)	Non Independent, Non-executive, Nominee Director (4)	0 of 1	NA	-	-	-
Mr. Yasuaki Matsunaga (7)	Alternate Director to Mr. Hidemasa Takahashi	4 of 4	Yes	-	-	-
Dr. Yasuhiro Iida (7)	Alternate Director to Mr. Naohisa Kuriyama	1 of 1	NA	-	-	-
Mr. Tomoaki Yoshimori	Non Independent, Non-executive, Nominee Director (4)	5 of 5	Yes	-	-	-
Mr. G.N. Mehra	Independent, Non-executive	5 of 5	Yes	3	5	6
Mr. K.R. Ramamoorthy	Independent, Non-executive	5 of 5	Yes	3	3	5
Mr. M.A. Pathan	Independent, Non-executive	5 of 5	Yes	-	-	1

Mr. Shailendra Swarup	Independent, Non-executive	5 of 5	Yes	6	2	6
Mrs. Meena Sethi	Independent, Non-executive	4 of 5	Yes	-	-	1
Mr. Arvind Kapur	Independent, Non-executive	5 of 5	Yes	5	-	3
Mr. Parmod Kumar Duggal	Whole-time Director & CEO, Executive	5 of 5	Yes	-	-	-

- (1) Other than Foreign & Private Companies.
- (2) In accordance with Regulation 26 of the Listing Regulations, Membership/Chairpersonship of only Audit Committee and Stakeholders Relationship Committee in all public companies have been considered.
- (3) Represents Suzuki Motor Corporation, Japan.
- (4) Represents Denso Corporation, Japan.
- (5) Mr. Hisashi Takeuchi was appointed as Nominee Director of M/s Suzuki Motor Corporation, Japan in place of Mr. Kenichi Ayukawa w.e.f. October 1, 2022.
- (6) Mr. Naohisa Kuriyama was appointed as Nominee Director of M/s DENSO Corporation, Japan in place of Mr. Hidemasa Takahashi w.e.f. March 29, 2023.
- (7) Mr. Yasuhiro Iida was appointed as Alternate Director to Mr. Hidemasa Takahashi in place of Mr. Yasuaki Matsunaga w.e.f. January 25, 2023. His office was vacated with resignation of Mr. Hidemasa Takahashi on March 29, 2023.  
Mr. Yasuhiro Iida was again appointed as Alternate Director to Mr. Naohisa Kuriyama w.e.f. March 29, 2023.

**Name of the listed entities where the person is a director as on March 31, 2023 and the category of directorship**

Name of the Director	Directorships in other listed entity	Category of Directorship
Ms. Shradha Suri	Asahi India Glass Limited	Non- Executive, Independent
	Sona BLW Precision Forgings Limited	Non- Executive, Independent
	Uniparts India Limited	Non- Executive, Independent
Dr. Jyotsna Suri	-	-
Mr. Hisashi Takeuchi	Maruti Suzuki India Limited	Executive
Mr. Naohisa Kuriyama	-	-
Dr. Yasuhiro Iida	-	-
Mr. Tomoaki Yoshimori	-	-
Mr. G.N. Mehra	Bharat Seats Limited	Non- Executive, Independent
Mr. K.R. Ramamoorthy	Nilkamal Limited	Non- Executive, Independent
	Ujjivan Financial Services Limited	Non- Executive, Independent
Mr. M.A. Pathan	-	-
Mr. Shailendra Swarup	JK Paper Limited	Non- Executive, Independent
	Gujarat Fluorochemicals Limited	Non- Executive, Independent
	Bengal & Assam Company Limited	Non- Executive, Independent
	Sterling Tools Limited	Non- Executive, Independent
	Jagran Prakashan Limited	Non- Executive, Independent
Mrs. Meena Sethi	-	-
Mr. Arvind Kapur	Rico Auto Industries Limited	Executive
	Sandhar Technologies Limited	Non- Executive, Independent
Mr. Parmod Kumar Duggal	-	-

**Number of Board Meetings**

During the year under review, five Board meetings were held on May 24, 2022, August 5, 2022, November 11, 2022, January 25, 2023 and March 29, 2023. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.



**Disclosure of relationships between directors inter-se**

Except Dr. Jyotsna Suri and Ms. Shradha Suri being related to each other, no other directors are inter-se related.

**Number of shares and convertible instruments held by non-executive directors**

Amongst the non-executive Directors, Dr. Jyotsna Suri holds NIL (Equity Shares transferred to JS Family Trust, forming part of promoters' group/category w.e.f. December 20, 2022) equity shares in the Company. The other non-executive Directors do not hold any equity share in the share capital of the Company. The Company has not issued any convertible instruments to them.

The familiarization programme(s) imparted to independent Directors from time to time is available at [www.subros.com/investors.html](http://www.subros.com/investors.html).

The Board has identified the following core skills / expertise / competencies as required in the context of Company's business(es) and sector(s) for it to function effectively and those actually available with the Board:

Name of the Director	Industry knowledge/ experience	Technical skills/ experience	Governance competencies	Behavioural competencies
	Industry experience; Knowledge of sector	Marketing; Public Relations; CEO/ Senior management experience; Strategy development and implementation	Financial literacy; Strategic thinking/ planning; Governance related risk management experience	Team player/ Collaborative; Sound judgement; Integrity and high ethical standards; Mentoring abilities
Ms. Shradha Suri	√	√	√	√
Dr. Jyotsna Suri	√	√	√	√
Mr. Hisashi Takeuchi	√	√	√	√
Mr. Naohisa Kuriyama	√	√	√	√
Mr. Tomoaki Yoshimori	√	√	√	√
Mr. Yasuhiro Iida*	√	√	√	√
Mr. G.N.Mehra	√	√	√	√
Mr. K.R. Ramamoorthy	√	√	√	√
Mr. M.A. Pathan	√	√	√	√
Mr. Shailendra Swarup	√	√	√	√
Mrs. Meena Sethi	√	√	√	√
Mr. Arvind Kapur	√	√	√	√
Mr. Parmod Kumar Duggal	√	√	√	√

\*Alternate to Mr. Naohisa Kuriyama

In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the Management.

**COMMITTEES OF THE BOARD**

The Board has constituted a set of Committees with specific terms of reference/scope to focus effectively on the issues and ensure expedient resolution of diverse matters as detailed below.

**AUDIT COMMITTEE**

The Audit Committee of the Board was constituted on April 30, 2001. The terms of reference are in line with the requirements of Listing Regulations. The Audit Committee has the powers pursuant to Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations which include amongst others:

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment and removal of auditor, fixation of audit fee and also approval for payment for any other services;
- Reviewing with management the annual financial statements and auditor report before submission to the Board;
- Reviewing with management, performance of statutory and internal auditors and adequacy of internal control systems;



- Reviewing with the management the quarterly/half-yearly/annual Financial Statements before submission to Board of Directors for approval;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing seniority, reporting structure coverage & frequency of internal audit;
- Review the functioning of Whistle Blower Policy/Vigil Mechanism.

The Committee reviews the management discussion and analysis of the financial condition and results of operations, statements of significant related party transactions, internal controls and any other matter which may be a part of its terms of reference or referred to by the Board of Directors. The composition of the Audit Committee as on March 31, 2023 along with the details of the meeting held and attended by the members of the Committee during the financial year 2022-23 are detailed below:

Name of Director(s)	Position	Category	Date of Audit Committee Meeting(s)			
			1	2	3	4
			23.05.2022	04.08.2022	10.11.2022	24.01.2023
Mr. G.N. Mehra	Chairman	Independent, Non-Executive	√	√	√	√
Mr. K.R. Ramamoorthy	Member	Independent, Non-Executive	√	√	√	√
Mr. M.A. Pathan	Member	Independent, Non-Executive	√	√	√	√

During the year, the Audit Committee met four times. The Statutory Auditors, Internal Auditors and Senior Executives of the Company are being invited to the meetings for discussions/deliberations. The Company Secretary acts as a Secretary to the Committee.

#### NOMINATION AND REMUNERATION COMMITTEE

The Remuneration Committee of the Board of Directors was constituted on October 31, 2002 (renamed as “Nomination and Remuneration Committee” w.e.f. May 26, 2014). The terms of reference are in line with the requirement of Listing Regulations. The Nomination & Remuneration Committee has the powers as provided under Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations which include amongst others:

- Formulate the criteria for determining qualifications, positive attributes and independence of a Director;
- Recommended to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management;
- Fixation of salary, perquisites etc. of all Executive Directors of the Company at the time of their appointment/re-appointment;
- Deciding commission payable to Executive Directors;
- Identify persons who qualify to become Directors and who may be appointed in senior management in accordance with criteria laid down and recommend to the Board for their appointment and removal.

The composition of the Nomination & Remuneration Committee as on March 31, 2023 along with the details of the meeting held and attended by the members of the committee during the financial year 2022-23 are detailed below:

Name of Director(s)	Position	Category	Date of Nomination & Remuneration Committee Meeting(s)			
			1	2	3	4
			21.05.2022	03.08.2022	24.01.2023	28.03.2023
Mrs. Meena Sethi	Chairperson	Independent, Non-Executive	√	√	√	-
Mr. G.N. Mehra	Member	Independent, Non-Executive	√	√	√	√
Mr. Shailendra Swarup	Member	Independent, Non-Executive	√	√	√	√

The Committee met four times during the financial year 2022-23.

The performance evaluation criteria for independent directors are determined by the Nomination & Remuneration Committee. The Nomination & Remuneration Committee has formulated the evaluation criteria for the Independent Directors (based on guidance note issued by SEBI) which is broadly based on qualification, experience, knowledge & competency, fulfillment of functions, ability to function as a team, initiate, availability and attendance, commitment, contribution and integrity.



## RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Board was constituted on May 26, 2014. The terms of reference of Risk Management Committee are as follows:

- To approve overall risk management framework of the Company;
- Identifying, Analyzing, Evaluating & Treating operational and strategic risks for internal/ external context & regulatory compliances;
- Building & promoting organization's risk work culture by creating Risk awareness through Training & Education of our employees and Handling of conflicting interests;
- Integrating the risk management as part of management control systems.

The composition of the Risk Management Committee as on March 31, 2023 along with the details of the meetings held and attended by the members of the Committee during the financial year 2022-23 are as follows:

Name of Director(s)	Position	Category	Date of Risk Management Committee Meeting(s)	
			1	2
			18.05.2022	19.10.2022
Mr. M. A. Pathan	Chairman	Independent, Non-Executive	√	√
Mr. Shailendra Swarup	Member	Independent, Non-Executive	√	√
Mrs. Meena Sethi	Member	Independent, Non-Executive	√	√

The Risk Management Committee met two times during the financial year 2022-23.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has constituted a Corporate Social Responsibility Committee (CSR Committee) as required under Section 135 of the Companies Act, 2013 on May 26, 2014. The prime responsibility of the Committee is to assist the Board in discharging its social responsibilities by way of formulating, recommending and monitoring of Annual Action Plan in pursuance of its Corporate Social Responsibility Policy from time to time. The terms of reference of the CSR Committee are as under:

- To formulate and recommend to the Board Annual Action Plan in pursuance of its Corporate Social Responsibility Policy and its review from time to time;
- To ensure effective implementation and monitoring of the CSR activities as per approved policy, plans and budget;
- To ensure compliance with the laws, rules and regulations governing CSR and to periodically report to the Board of Directors;
- To ensure compliance with Corporate Governance norms prescribed under Listing Agreement with Stock Exchanges, the Companies Act, 2013 and other statutes or any modification or re-enactment thereof.

The Composition of CSR Committee as on March 31, 2023 along with the details of the meeting held and attended by the members of the Committee during the financial year 2022-23 are as follows:

Name of Director(s)	Position	Category	Date of Corporate Social Responsibility Committee Meeting(s)	
			1	2
			18.05.2022	17.10.2022
Mrs. Meena Sethi	Chairperson	Independent, Non-Executive	√	√
Mr. Arvind Kapur	Member	Independent, Non-Executive	-	√
Ms. Shradha Suri	Member	Non-Independent, Executive	√	√

The CSR Committee met two times during the financial year 2022-23. The CSR Policy of the Company can be viewed on Company's website [www.subros.com/policy.html](http://www.subros.com/policy.html).

## STAKEHOLDERS' RELATIONSHIP COMMITTEE

Pursuant to Regulation 20 of Listing Regulations and Section 178 (5) of the Companies Act, 2013 the Company renamed the existing Shareholders/Investors Grievance Committee as "Stakeholders Relationship Committee". This Committee ensures speedy disposal of all grievances/complaints relating to shareholders/investors. The terms of reference of the Committee include the following:



- To specifically look into complaints received from the shareholders of the Company;
- To redress shareholders and investors complaints such as transfer of shares, non-receipt of shares, non receipt of dividend and to ensure expeditious share transfer process;
- Oversee and review all matters connected with the transfer of the Company's securities;
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

The composition of the Stakeholders Relationship Committee is as under:

Name of Members	Position	Category	No. of meetings attended during 2022-23
Mr. G.N. Mehra	Chairman	Independent, Non-Executive	26 of 26
Mrs. Meena Sethi	Member	Independent, Non-Executive	26 of 26
Ms. Shradha Suri	Member	Non- Independent, Executive	26 of 26

Mr. Kamal Samtani, Company Secretary is the Compliance Officer of the Company. For any clarification / complaint the shareholders may contact to Company Secretary at 011-23414946-49, or at the Registered Office of the Company.

### SEBI Complaints Redressal Systems (SCORES)

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: centralized web-based complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the Complaint and its current status. All the requests and complaints received from the shareholders were attended to within the stipulated time and thirty nine complaints was received and thirty seven disposed off during the year and two complaints pending.

### Investor Grievances Redressal

The number of complaints received and redressed during the year 2022-23 is as follows:

S. No.	Nature of complaint	No. of Shareholder's complaint received during 2022-23	Number of complaint during 2022-23 resolved	Number of pending complaints
1	Non-receipt of Annual Report	0	0	0
2	Consolidation	2	2	0
3	Non-receipt of Dividend	16	16	0
4	Non-receipt of Split Share Certificate	12	11	1*
5	Transmission	7	6	1*
6	Duplicate	1	1	0
7	Demat related issue	1	1	0

\* have since been resolved within timeline.

### REMUNERATION OF DIRECTORS

The Non-Executive Directors of the Company are not being paid any remuneration other than the sitting fee(s) for attending the meetings. The detail of sitting fee(s) paid during the year 2022-23 is as given below:

Name of Director	Sitting Fees for Board Meetings (Rs.)	Sitting Fees for other Meetings (Rs.)	Total (Rs.)
Dr. Jyotsna Suri	2,25,000	-	2,25,000
Mr. G.N. Mehra	3,75,000	11,95,000	15,70,000
Mr. Shailendra Swarup	3,75,000	4,35,000	8,10,000
Mrs. Meena Sethi	3,00,000	9,20,000	12,20,000
Mr. M.A. Pathan	3,75,000	4,35,000	8,10,000
Mr. K.R. Ramamoorthy	3,75,000	3,75,000	7,50,000
Mr. Arvind Kapur	3,75,000	95,000	4,70,000
<b>TOTAL</b>	<b>24,00,000</b>	<b>34,55,000</b>	<b>58,55,000</b>

Except for payment of rent, dividend and sitting fees to Dr. Jyotsna Suri, Non-Executive Director, there is no pecuniary relationship or transactions with the non-executive directors.





The remuneration paid/payable to the Chairperson & Managing Director and Whole-time Director & CEO during the year 2022-23 is as given below:

(Rs. in Lakhs)

S. No.	Name of the Director	Salary & Allowances	Contributions (*)	Commission	Other Benefits(**)	Total
1	Ms. Shradha Suri, Chairperson & Managing Director	215.21	10.96	140.08	0.70	366.95
2	Mr. Parmod Kumar Duggal, Whole-time Director & CEO	117.4	2.79	0	1.75	121.94
	<b>Total</b>	<b>332.61</b>	<b>13.75</b>	<b>140.08</b>	<b>1.25</b>	<b>488.89</b>

(\*) represents contribution to Provident Fund

(\*\*) represents differential in actuarial gratuity valuation, perquisites and incentives as per rules & policies of the company

There is no obligation on the Company to pay severance fees to the Directors. The Company has not granted any stock options to any of its Directors.

### GENERAL BODY MEETINGS

Particulars of the last three Annual General Meetings (AGM's) of the Company are given below:

S. No.	Particulars	Date	Venue	Time
1	37 <sup>th</sup> AGM (in respect of the year 2021-22)	August 5, 2022	Held through Video Conferencing / Other Audio Visual Means	11.00 a.m.
2	36 <sup>th</sup> AGM (in respect of the year 2020-21)	September 14, 2021	Held through Video Conferencing / Other Audio Visual Means	11.30 a.m.
3	35 <sup>th</sup> AGM (in respect of the year 2019-20)	September 15, 2020	Held through Video Conferencing / Other Audio Visual Means	11.30 a.m.

The details of Special resolutions passed in AGM in the last 3 years are as follows:

S. No.	AGM	Subject
1	37 <sup>th</sup> AGM (in respect of the year 2021-22)	Re-appointment of Ms. Shradha Suri as Chairperson & Managing Director of the Company
2	36 <sup>th</sup> AGM (in respect of the year 2020-21)	-
3	35 <sup>th</sup> AGM (in respect of the year 2019-20)	-

### POSTAL BALLOT

No special resolution was passed through postal ballot last year.

Person who conducted the postal ballot exercise: Not applicable

None of the business proposed to be transacted at the ensuing AGM requires passing of special resolution through postal ballot.

### MEANS OF COMMUNICATION TO SHAREHOLDERS

The quarterly, half-yearly and annual financial results of the Company are published in leading English and Hindi newspapers which includes Financial Express and Jansatta. These results are also displayed on the Company's website [www.subros.com/investors.html](http://www.subros.com/investors.html). Official news/press releases and official media releases are sent to stock exchange(s) being disseminated on the Company's website. The presentations are made to institutional investors and financial analysts and the schedule of such analyst or institutional investors meet are also informed to the stock exchange(s) and put on the Company's website.

### GENERAL SHAREHOLDER INFORMATION

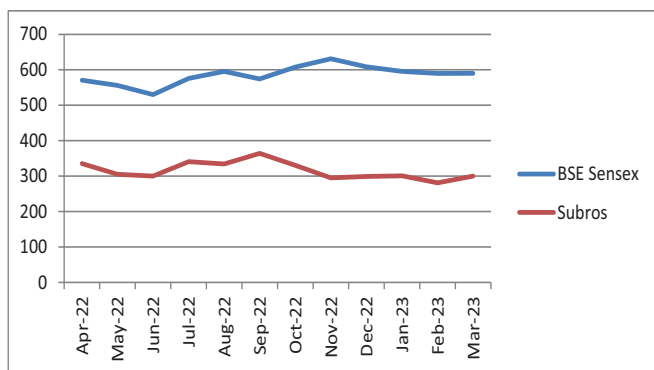
S. No.	Items	Particulars
(a)	Annual General Meeting for FY 2022-23 Day & Date Time Venue	Tuesday, the 5 <sup>th</sup> September, 2023 11.30 A.M. The Company is conducting meeting through VC/ OAVM pursuant to the MCA Circular dated May 5, 2020, January 13, 2021, May 5, 2022 and December 28, 2022 and other applicable circular. For details kindly refer to the Notice of this AGM.
(b)	Financial year	April 1, 2022 to March 31, 2023

S. No.	Items	Particulars
(c)	Dividend Payment Date	October 4 , 2023
(d)	Name and address of each stock exchange(s)  Listing Fee(s)	BSE Limited (“BSE”) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001  National Stock Exchange of India Limited. (“NSE”) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400051  Listing Fee(s) have been paid to BSE and NSE for the FY 2022-23 and FY 2023-24.
(e)	Stock Code/Symbol  ISIN Code	BSE (517168) NSE (SUBROS) INE 287B01021

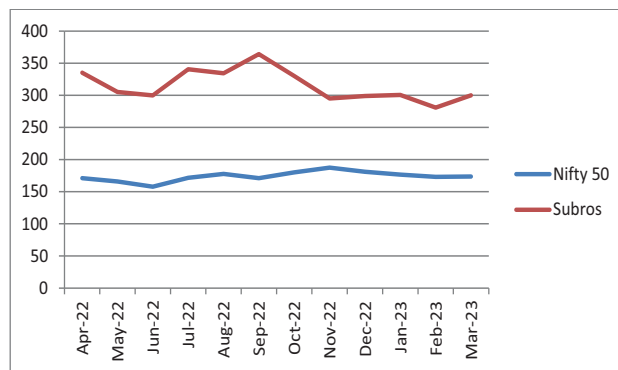
f) Market Price Data: High/Low during each month of 2022-23 on BSE & NSE:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2022	357.15	315.00	359.90	321.00
May, 2022	338.35	274.90	339.40	275.30
June, 2022	336.00	269.15	336.75	271.85
July, 2022	341.90	298.40	342.00	294.15
August, 2022	355.00	310.75	355.20	310.85
September, 2022	410.00	325.05	400.95	332.15
October, 2022	389.20	323.60	389.00	322.95
November, 2022	340.20	285.00	352.10	284.80
December, 2022	333.75	278.00	334.60	282.55
January, 2023	327.00	286.70	318.95	285.10
February, 2023	303.50	272.00	304.30	271.05
March, 2023	309.00	278.00	309.45	279.05

(g) Performance comparison to BSE Index



Stock Performance comparison to NSE Index



Note: Indices are scaled at 100 from their respective values for comparison.

(h)	Trading of Securities	The securities of the Company are actively traded on BSE and NSE.
(i)	Registrar & Share Transfer Agents	M/s. MCS Share Transfer Agent Limited, F- 65, 1st Floor, Okhla Industrial Area, Phase I, New Delhi - 110 020
(j)	Share Transfer System	Request received for transmission of shares in physical form being dealt by the RTA within prescribed timelines. In respect of shares held in dematerialised mode, the transfer takes place instantaneously between the transferor, transferee and the Depository Participant through electronic debit/credit of the accounts involved.



(k) Distribution of Shareholding as on March 31, 2023 (face value of Rs. 2/- per share)

Shareholdings of Nominal Value of Rs.	No. of Shareholders	% of Shareholders	No. of Equity Shares held	% of Shares
0001-500	21913	91.30	1533355	2.35
501-1000	1007	4.20	835485	1.28
1001-2000	629	2.62	999871	1.53
2001-3000	130	0.54	334476	0.51
3001-4000	94	0.39	327040	0.50
4001-5000	55	0.23	263795	0.40
5001-10000	85	0.36	631749	0.97
10001-50000	49	0.20	871346	1.34
50001-100000	7	0.03	467805	0.72
100001 and above	32	0.13	58970828	90.40
<b>Total</b>	<b>24001</b>	<b>100.00</b>	<b>65235750</b>	<b>100.00</b>

Shareholding Pattern as on March 31, 2023

Type	No. of Equity Shares in Demat		No. of Equity Shares in Physical	Total	% of shares
	NSDL (Demat)	CDSL (Demat)			
Promoters	24000000	0	0	24000000	36.79
Foreign Collaborators	20847150	0	0	20847150	31.96
Foreign Institutional Investors	430919	0	0	430919	0.66
Mutual Funds/ UT	8062657	614059	0	8676716	13.30
Corporate Bodies	3051423	127234	1860550	5039207	7.73
Non-Resident Indian	335077	26316	0	361393	0.55
Trust & Foundations	1000	0	0	1000	0
Indian Public	3760610	1476804	353158	5590572	8.57
IEPF Account	0	288793	0	288793	0.44
<b>TOTAL</b>	<b>60488836</b>	<b>2533206</b>	<b>2213708</b>	<b>65235750</b>	<b>100.00</b>

S. No.	Items	Particulars
(l)	Dematerialisation of shares & liquidity	As at March 31, 2023 Demat: 22319 Shareholders (92.99% of the Total Shareholders) Demat: 63022042 Shares (96.61% of the Total Shares)
(m)	Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity.	Not Applicable
(n)	Commodity price risk or foreign exchange risk and hedging activities	The Company has in place a Policy on Foreign Exchange Hedging to minimize the financial impact of fluctuating foreign currency exchange rates.
(o)	Plant locations	Noida, Manesar, Pune, Chennai, Karsanpura and Nalagarh
(p)	Address for correspondence	Registered & Corporate Office: LGF, World Trade Centre, Barakhamba Lane, New Delhi 110001.
(q)	Credit Rating	ICRA has reaffirmed the Long Term Ratings as [ICRA] AA- "Positive" and for Short Terms Ratings as [ICRA] A1 + "Positive".

#### OTHER DISCLOSURES:

- The Company has formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors and in case of material related parties transactions, approval of the Shareholders are taken wherever required in accordance with the Policy. The material Related Party Transaction details are enclosed as **Annexure 4** to this Report.
- The Company has duly complied with the requirement of Listing Agreements with Bombay Stock Exchange, National Stock Exchange, Listing Regulations and other statutory authorities of all matters. No penalty has been imposed on the Company by any of the Stock Exchange or SEBI, or any other statutory authority during the last 3 years relating to the above.

- c) Pursuant to Section 177(9) of the Companies Act, 2013, the Company has established Vigil Mechanism/ Whistle Blower Policy for its Employees, Vendors, Suppliers and Directors of the Company. The purpose and objective of this Policy is to cover serious concerns that would have a larger impact on image and values of the Company due to incorrect financial reporting or serious improper conduct. The details of the Whistle Blower Policy are explained in the Directors' Report and also posted on the website of the Company [www.subros.com/policy.html](http://www.subros.com/policy.html). It is confirmed that no personnel has been denied access to the Audit Committee.
- d) The Company has complied with all mandatory requirements prescribed under Regulation 27 of the Listing Regulations. The Company has not adopted any non-mandatory requirements of Regulation 27 of the Listing Regulations.
- e) The Company has not adopted a policy on material subsidiaries as there is no operating subsidiary company.
- f) The policy on related party is available on the website of the Company [www.subros.com/policy.html](http://www.subros.com/policy.html).
- g) The Company has not carried out any material commodity hedging activities and accordingly no disclosures of commodity price risk and commodity hedging activities are being made.
- h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not applicable
- i) A certificate of Company Secretary in practice confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed herewith as part of this report.
- j) Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year: Nil
- k) The details of fees paid to the Statutory Auditors are given in Note 21(a) to the Standalone Financial Statements and Note 21(a) to the Consolidated Financial Statements.
- l) Disclosures of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.  
Number of complaints filed during the financial year: NIL  
Number of complaints disposed of during the financial year: NIL  
Number of complaints pending at end of the financial year: NIL
- (m) The Company does not have any subsidiary. Details of Loans & Advances in the nature of Loans given by the Company to firms /companies in which directors are interested: NIL

#### NON COMPLIANCE OF ANY REQUIREMENT OF CGR

The Company has complied with all the requirements of corporate governance as stipulated in the Listing Regulations.

#### DISCRETIONARY REQUIREMENT

**The Board:** A non-executive chairperson may be entitled to maintain a chairperson's office at the listed entity's expense and also allowed reimbursement of expenses incurred in performance of his/her duties: Not Applicable.

**Shareholder Rights:** Quarterly Financial Statements are published in newspapers and uploaded on Company's website.

**Modified opinion (s) in Audit Report:** During the year review, there is no audit qualification on the Company's financial results.

**Reporting of Internal Auditor:** The internal auditors of the Company have direct access to the Audit Committee.

**EQUITY SHARES IN THE SUSPENSE ACCOUNT:** In accordance with the requirement of the Listing Regulations there are no equity shares in the suspense account.

#### COMPLIANCE WITH MANDATORY REQUIREMENTS AND ADOPTION OF NON-MANDATORY REQUIREMENTS OF REGULATION 27 OF THE LISTING REGULATIONS

The Company has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of the Listing Regulations.

#### DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR OFFICERS WITH THE COMPANY'S CODE OF CONDUCT:

All Directors and senior management personnel of the Company have affirmed compliance with Company's Code of Conduct for the financial year ended March 31, 2023.

**Parmod Kumar Duggal**  
Whole-time Director & CEO

Place: New Delhi  
Dated: May 25, 2023



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
SUBROS LIMITED  
LGF, World Trade Centre,  
Barakhamba Lane,  
New Delhi-110 001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SUBROS LIMITED** having **CIN L74899DL1985PLC020134** and having registered office at LGF, World Trade Centre, Barakhamba Road, New Delhi - 110 001 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ended on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company, and our responsibility is to express an opinion on these based on our verification, This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RSM & Co.**  
Company Secretaries  
FRN P1997DE017000

**CS RAVI SHARMA**  
Partner  
FCS: 4468 | C.P. No.: 3666  
UDIN F004468E000365323  
Peer Review No 978/2020

Date : May 25, 2023  
Place : Delhi

**COMPLIANCE CERTIFICATE ON CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members  
**SUBROS LIMITED**  
CIN L74899DL1985PLC020134  
LGF, World Trade Centre,  
Barakhamba Lane,  
New Delhi-110 001

We have examined the compliance of conditions of Corporate Governance by SUBROS LIMITED ("the Company") for the year ended 31<sup>st</sup> March, 2023, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

1. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
2. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable.
3. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For RSM & Co.**  
Company Secretaries  
FRN P1997DE017000

**CS RAVI SHARMA**  
Partner  
FCS: 4468 | COP No.: 3666  
UDIN F004468E000365312  
Peer Review No 978/2020

Date : May 25, 2023  
Place : Delhi



## BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT 2022-23

### SECTION A: GENERAL DISCLOSURES

#### I. Details of the listed entity

- Corporate Identity Number (CIN) of the Listed Entity : L74899DL1985PLC020134
- Name of the Listed Entity: SUBROS LIMITED
- Year of incorporation: 1985
- Registered office address: LGF, World Trade Centre, Barakhamba Lane, New Delhi-110001
- Corporate address: LGF, World Trade Centre, Barakhamba Lane, New Delhi-110001
- E-mail: [kamal.samtani@subros.com](mailto:kamal.samtani@subros.com)
- Telephone: 011-23414946 - 49
- Website: [www.subros.com](http://www.subros.com)
- Financial year for which reporting is being done: 2022-23
- Name of the Stock Exchange(s) where shares are listed: BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE)
- Paid-up Capital: Rs 13.04 Crore
- Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:
 

Mr. Parmod Kumar Duggal  
Whole-time Director & CEO  
Tel. No. 0120-4021000  
Email-pduggal@subros.com
- Reporting boundary – Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):

The disclosures in this report are prepared on a standalone basis.

#### II. Products/services

- Details of business activities (*accounting for 90% of the turnover*):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing of Thermal Products	The Company manufactures air conditioning systems/parts and components (automotive/residential/commercial) and are majorly sold to original equipment manufacturers	100%

- Products/Services sold by the entity (*accounting for 90% of the entity's Turnover*):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacturing of Air Conditioning systems, including Compressors, HVAC System and radiators	34300	100%

#### III. Operations

- Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	9	16	25
International	-	-	-

- Markets served by the entity:

- Number of locations

Locations	Number
National (No. of States)	The Company serves all the states and union territories in India
International (No. of Countries)	The Company's focus is primarily on domestic business and the exports are minimal.



- b. What is the contribution of exports as a percentage of the total turnover of the entity?

The exports are negligible (0.01%).

- c. A brief on types of customers:

The sales are on Business to Business model (B2B) and mainly to original equipment manufacturers for passenger cars, commercial vehicles, air conditioners, railways etc.

#### IV. Employees

18. Details as at the end of Financial Year:

- a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1041	1015	97.50%	26	2.50%
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total employees (D + E)</b>	<b>1041</b>	<b>1015</b>	<b>97.50%</b>	<b>26</b>	<b>2.50%</b>
<b>WORKERS</b>						
4.	Permanent (F)	2600	2508	96.46%	92	3.54%
5.	Other than Permanent (G)	992	992	100%	0	0
6.	<b>Total workers (F+G)</b>	<b>3592</b>	<b>3500</b>	<b>97.43%</b>	<b>92</b>	<b>2.57%</b>

- b. Differently abled Employees and workers:

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	4	4	100%	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total differently abled employees (D+E)</b>	<b>4</b>	<b>4</b>	<b>100%</b>	<b>0</b>	<b>0</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	15	13	86.67%	2	13.33%
5.	Other than permanent (G)	-	-	-	-	-
6.	<b>Total differently abled workers (F+G)</b>	<b>15</b>	<b>13</b>	<b>86.67%</b>	<b>2</b>	<b>13.33%</b>

19. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	3	25%
Key Management Personnel	4	1	25%

20. Turnover rate for permanent employees and workers

(Trends for the past 3 years)

	FY 2022-2023 (Turnover rate in current FY)			FY 2021-2022 (Turnover rate in previous FY)			FY 2020-2021 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	19%	33%	26%	15%	15%	15%	9%	18%	14%
<b>Permanent Workers</b>	28%	47%	38%	20%	36%	28%	22%	25%	24%

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

## 21. (a) Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding/ subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	DENSO Subros Thermal Engineering Centre India Private Limited	Associate	26%	No

## VI. CSR Details

## 22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in Rs.): 2806.28 Crores

(iii) Net worth (in Rs.): 867.12 Crores

## VII. Transparency and Disclosures Compliances

## 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)  (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Y	–	–	NA	–	–	NA
Investors (other than shareholders)	Y	–	–	NA	–	–	NA
Shareholders	Y(1)	–	–	NA	–	–	NA
Employees and workers	Y(1)	–	–	NA	–	–	NA
Customers	Y	–	–	NA	–	–	NA
Value Chain Partners	Y	–	–	NA	–	–	NA
Other (Please specify)	–	–	–	–	–	–	–

(1) <http://www.subros.com/policy.html>

## 24. Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	GHG Emission	R	In order to meet increased demand from customer GHG emission will increase	Adopting new technology for efficient system to reduce GHG Emissions.	Negative : In order to reduce GHG Emission, work for improved and efficient systems and processes





2	Energy Management	O	Working continuously on Process & systems for the improvement of energy efficiency	Renewable power uses across Subros, LED lights usage, daylight usage on shop floor are main measures for energy efficiency	Positive : Improvement in energy efficiency will result in cost saving
3	Employee Health & Safety	R	Can impact the productivity	Timely initiatives are taken related to employees health & safety sustainability	Neutral
4	Waste Management	O	Working continuously on Process & systems for minimum/ reasonable waste generation	Usage of regrind material, Paperless approvals, YOY waste reduction strategy are in alignment to waste management	Positive : Improvement in waste management will result in cost saving
5	Supply Chain Management	O	Resilient supply chain resulted in business continuity during adverse times ensuring competitive pricing	BCP & risk management plan covered all the associated risk	Positive :Building resilience in our supply chain has helped us fetch long term results

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

**Principle-wise (as per NGRBC)**

- P1 Business should conduct and govern themselves with integrity, and in a manner that is ethical, Transparent and Accountable.
- P2 Businesses should provide goods and services in a manner that is sustainable and safe.
- P3 Businesses should respect and promote the wellbeing of all employees, including those in their value chains.
- P4 Businesses should respect the interests of and be responsive to all its stakeholders.
- P5 Businesses should respect and promote human rights.
- P6 Business should respect and make efforts to protect and restore the environment.
- P7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with and provide value to their consumers in a responsible manner.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	(1)	(1)	(1)	(2)	(1)	(3)	(1)	(1)	(1)
Note (1) Code of the Company: <a href="http://www.subros.com/code-conduct-ethics.html">http://www.subros.com/code-conduct-ethics.html</a> (2) Policies: <a href="http://www.subros.com/policy.html">http://www.subros.com/policy.html</a> (3) Environment Policy: <a href="http://www.subros.com/policy.html">http://www.subros.com/policy.html</a>									



2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	N	N	Y	Y	N	N	N	N								
4. Name of the national and international codes/certifications/labels/ standards (e.g.Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g.SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	(IAFT-16949:2016), EMS- (ISO-14001:2015), OH & SMS-(ISO-45001:2018) ERM- (ISO-31000: 2018).																	
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	None																	
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	None																	
Governance, leadership and oversight																		
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.	Sustainability is a part of our defined core values and this also revolves around our product design. The Company has focus to move towards renewal energy in a phased manner and aims to have about 35% of the energy requirement through renewable sources.																	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Parmod Kumar Duggal Whole-time Director and CEO																	
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on Sustainability related issues? (Yes / No). If yes, provide details.	None																	
<b>10. Details of Review of NGRBCs by the Company:</b>																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Yes, by the Board of Directors									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes, by the Board of Directors									Quarterly								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. No	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N



12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	None								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

### SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

#### PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

##### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors		The Board is briefed on Company's sustainability initiatives and various updates pertaining to business, regulatory, safety and health matters are placed, to enable them to well informed and timely decision	100%
Key Managerial Personnel		The KMPs are updated regularly in the monthly review covering sustainability, risks and opportunities	100%
Employees other than BoD and KMPs	111	Code of conduct, policies and procedures, ethics, safety, fire drill, social responsibility, risk and sustainability	44%
Workers	84	Safety, Fire drill, waste management	20%

2. Details of fines/penalties /punishment/ award/ compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/ law enforcement agencies/judicial institutions, in the financial year.

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been Preferred? (Yes/ No)
Penalty/ Fine	-	-	-	-	-
Settlement	-	-	-	-	-
Compounding fee	-	-	-	-	-

Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
-	-

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

All business activities of the Company and the acts of its employees/officers/directors must be in compliance with laws, the relevant core values of business with further internal corporate guidelines. The Company has a code of conduct and ethics policy.

<https://www.subros.com/code-conduct-ethics.html>;

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2022-23	FY 2021-22
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

	FY 2022-23		FY 2021-22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	None	NA	None	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	None	NA	None	NA

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. **Not Applicable**

Leadership Indicators		
1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:		
<b>Total number of awareness programmes held</b>	<b>Topics / principles covered under the training</b>	<b>% age of value chain partners covered (by value of business done with such partners) under the awareness programmes</b>
-	-	-
2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.		
Yes. The Company has a set of policies and procedures to manage conflict of interest. All employees having personal interest that they may have in material, financial and commercial transactions resulting in a potential conflict with the interest of the Company at large are required to be disclosed.		



**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe****Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-23	FY 2021-22	Details of improvements in environmental and social impacts
R&D	All R&D and related capital expenditure are primarily incurred for reducing environmental impact by improving thermal energy/reducing carbon neutrality.		
Capex			

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)  
Yes  
b. If yes, what percentages of inputs were sourced sustainably?

The Company has focus on green procurement through supplier selection, evaluation, risks, compliances and audit. In view of large number of material consumed through various sources, it is difficult to ascertain the percentage of items from recycled sources.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing off at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The Company's Businesses are process driven with minimize waste generation by adopting new ideas and technologies, which are being reviewed at each level of production cycle and monitored for effectiveness of the System.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No).

Yes. The waste collection plans are in line with regulations.

**Leadership Indicators**

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format.

NIC Code	Name of Product /Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Nil					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
—	—	—

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23	FY 2021-22
The plastic materials are being re-used/re-cycled in the manufacturing process, wherever feasible.		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022-23			FY 2021-22		
	Reused	Recycled	Safely Disposed	Reused	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
-	-

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	1015	1015	100%	1015	100%	0	0	0	0	0	0%
Female	26	26	100%	26	100%	26	100%	0	0	26	100%
<b>Total</b>	<b>1041</b>	<b>1041</b>	<b>100%</b>	<b>1041</b>	<b>100%</b>	<b>26</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>26</b>	<b>100%</b>
<b>Other than Permanent employees</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	2508	2508	100%	2508	100%	0	0	0	0	0	0
Female	92	92	100%	92	100%	92	100%	0	0	92	100%
<b>Total</b>	<b>2600</b>	<b>2600</b>	<b>100%</b>	<b>2600</b>	<b>100%</b>	<b>92</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>92</b>	<b>100%</b>
<b>Other than Permanent workers</b>											
Male	992	992	100%	992	100%	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>992</b>	<b>992</b>	<b>100%</b>	<b>992</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



## 2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2022-23			FY 2021-22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Y	100%	100%	Y
Gratuity	100%	100%	NA	100%	100%	NA
ESI	0%	100%	Y	0%	100%	Y
Others	–	–	–	–	–	–

## 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company has been in process to make every location a differently abled friendly organization with easy access to office areas.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, The Company has a framework to provide equal opportunities with gender equality, education, training & innovation without any kind of discrimination. The policy is available at <https://www.subros.com/policy.html>.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	–	–	–	–
Female	100%	100%	100%	100%
<b>Total</b>	100%	100%	100%	100%

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	The Company has a fair grievance redressal system, through various Committees viz. Works Committee, Safety Committee, Canteen Committee, Transport Committee etc.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

## 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-23			FY 2021-22		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
<b>Total Permanent Employees</b>						
Male	1015	0	0%	948	0	0%
Female	26	0	0%	28	0	0%
<b>Total Permanent Workers</b>						
Male	2508	221	8.81%	2479	229	9.24%
Female	92	0	0	55	0	0

## 8. Details of training given to employees and workers:

Category	FY 2022-23					FY 2021-22				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill up gradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	1015	325	32.02%	907	89.36%	948	433	45.68%	853	89.98%
Female	26	10	38.46%	25	96.15%	28	8	28.57%	25	89.29%
<b>Total</b>	<b>1041</b>	<b>335</b>	<b>32.18%</b>	<b>932</b>	<b>89.53%</b>	<b>976</b>	<b>441</b>	<b>45.18%</b>	<b>878</b>	<b>89.96%</b>
<b>Workers</b>										
Male	2508	408	16.27%	1563	62.32%	2479	847	34.17%	1611	64.99%
Female	92	23	25%	81	88.04%	55	55	100.00%	46	83.64%
<b>Total</b>	<b>2600</b>	<b>431</b>	<b>16.58%</b>	<b>1644</b>	<b>63.23%</b>	<b>2534</b>	<b>902</b>	<b>35.60%</b>	<b>1657</b>	<b>65.39%</b>

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-23			FY 2021-22		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	%(B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	%(D/C)
<b>Employees</b>						
Male	1015	0	0%	948	0	0%
Female	26	0	0%	28	0	0%
<b>Total</b>	<b>1041</b>	<b>0</b>	<b>0%</b>	<b>976</b>	<b>0</b>	<b>0%</b>
<b>Workers</b>						
Male	2508	221	8.81%	2479	229	9.24%
Female	92	0	0%	55	0	0
<b>Total</b>	<b>2600</b>	<b>221</b>	<b>8.50%</b>	<b>2534</b>	<b>229</b>	<b>9.04%</b>

## 10. Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No).  
If yes, the coverage such system?  
Yes, All the plants & employees are part of such a system in the form of Certification to ISO 45001. The Company also has other standards and following the processes.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?  
The Company has been carrying out the Internal & external audits and implemented principle of Hazard Identification & Risk Assessment (HIRA) to all the sections. The Company takes steps for top risk identification of each department, with near miss reporting. The safety measures are taken as stipulated under various factory/labour Acts.
- Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)  
Yes, The Company has encouraged a reporting system and Kaizen activity at improvement of work place.
- Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)  
Yes, Employees and workers of the Company have access to non-occupational medical and healthcare services.

## 11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2022-2023	FY 2021-2022
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	–	–
	Workers	–	–





Total recordable work-related injuries	Employees	–	–
	Workers	–	–
No. of fatalities	Employees	–	–
	Workers	–	–
High consequence work-related injury or ill-health (excluding fatalities)	Employees	–	–
	Workers	–	–

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company has implemented the principle for strict use of PPEs like helmet, gloves, safety shoes etc. The mandatory six days Induction program is given to each & every shop floor employee about safety before deployment. The theme months is being celebrated safety month etc. The awareness programmes are organized through class room trainings, Nukkad Natak etc. The periodic mock drills are taken up for all possible scenarios (Fire, earthquake, chemical spilling, electrocution etc.) The Company implemented ISO 45001 certificate for safe work place. The Internal safety audits are being conducted.

13. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	–	–	–	–	–	–
Health & Safety	–	–	–	–	–	–

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company strictly follows the Behaviour Based Safety practices, with focus on reporting. The safety based theme months & activities are organized, including safety as a prime factor in LTS & employee appointment letters. The Company has adopted zero tolerance policy on safety practice violations.

#### Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company periodically conducts monitoring of Vendor and other partners.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-2023	FY 2021-2022	FY 2022-2023	FY 2021-2022
Employees	–	–	–	–
Workers	–	–	–	–

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)  
No.
5. Details on assessment of value chain partners: Nil
6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. None

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.  
The Company has identified the Stakeholders on the basis of gender i.e. group of females, group of employees associated with union, group of trainees under skill up-gradation framework, group of vendor partners etc. These groups are part of overall Company's group framework governed by policies & procedures.
2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency engagement (Annually/ Half yearly/ Quarterly/ others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and Workers	No	Emails, Internet, Meetings, Notice Board, Newsletters etc	Regular	Collective knowledge, and experience, capacity building, productivity enhancement, physical safety, work related safety, human and legal rights, work related issues, industrial harmony, well beings, and facilities etc
Community	No	Community Meetings, Advertisements, CSR Initiatives, Notice Board	Ongoing/need based	Promote awareness on social issues, lives of people, local development, education, for under privileges, disaster management and preventive healthcare etc
Regulatory Authorities	No	Industry Association, Liaosining	Regular	Policy strengthening, social-economic benefits to all stakeholders
Vendor Partners	No	Meetings, Emails, SMS, Website, Advertisement etc	As & when required	Value addition to product, skill enhancement, govt policies, environment & sustainability, cost & quality etc.
Investors/ Shareholders	No	Website, Press releases, Stock Exchanges announcements, Regulatory filings, Conferences/calls etc	Quarterly financial results earning calls, Company updates as and when required	Educating the Investors and other stakeholders and fulfilling their requirements within statutory norms.
Customers	No	Meetings, Emails, Website, Trade shows, Fairs etc	Regular	New product development, future business opportunities, quality checks, feedback and improvement

**Leadership Indicators**

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.  
Summary reports, minutes of meeting etc are shared with the management on monthly/quarterly basis during management reviews.



2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No).  
Yes
3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.  
None

### PRINCIPLE 5: Businesses should respect and promote human rights

#### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-2023			FY 2021-2022		
	Total (A)	No. employees of workers/covered (B)	% (B/A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
<b>Employees</b>						
Permanent	1041	265	25%	976	219	22%
Other than permanent	0	0	0	0	0	0
<b>Total Employees</b>	1041	265	25%	976	219	22%
<b>Workers</b>						
Permanent	2600	131	5.04%	2534	379	15%
Other than permanent	0	0	0	950	0	0
<b>Total Workers</b>	3592	131	3.65%	3484	379	11%

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-2023					FY 2021-2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	1015	0	0	1015	100	948	0	0	948	100
Female	26	0	0	26	100	28	0	0	28	100
<b>Other Permanent than</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Workers</b>										
<b>Permanent</b>										
Male	2508	0	0	2508	100	2479	0	0	2479	100
Female	92	0	0	92	100	55	0	0	55	100
<b>Other than Permanent</b>										
Male	992	992	100	0	0	1270	1270	100	0	0
Female	0	0	0	0	0	0	0	0	0	0

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (Rs.)	Number	Median remuneration/ salary/ wages of respective category (Rs.)
Board of Directors(BoD)	1**	105.23	1*	226.89
Key Managerial Personnel	1**	72.72	0	-
Employees other than BoD and KMPs (Median in Rs.)	1012	62135	25	52000
Workers (Median in Rs.)	2508	16709	92	15185

\*Represent remuneration (other than commission) of Chairperson & Managing Director (in Rs. Lakhs)

\*\* Represent remuneration (other than performance linked incentives) (in Rs. Lakhs)

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company have a focal point for addressing human rights through Local Plant HR and Plant heads at each of the location of Company's plant and in case of non-redressal the same can be addressed to Central HR at the Corporate level.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has a mechanism in place for whistle blower and protection system, where the human rights issues can be addressed. The grievance can be raised with HR team/plant Heads for Redressal.

6. Number of Complaints on the following made by employees and workers:

	FY 2022-23			FY 2021-2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human Rights related issues	-	-	-	-	-	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has Whistle Blower & Prevention of Sexual Harassment policy to prevent adverse consequences to the Complainants.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No):

Yes, Company include the human rights in all the agreements and contracts. (i.e. use of safety measures, minimum wages, statutory dues, adult workers etc)

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

None

### Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

None

2. Details of the scope and coverage of any Human rights due-diligence conducted. None

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The Company aims to provide equal opportunity to disabled visitors & planned steps are being taken to create the infrastructure support for persons with disabilities in all offices/Locations.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Nil No assessment has been carried out
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others	



5. Provide details of any corrective actions taken or underway to address significant risks /concerns arising from the assessments at Question 4 above. None

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-2023 (in Giga Joules)	FY 2021-22 (in Giga Joules)
Total electricity consumption (A)	152876	135854
Total fuel consumption (B)	12166	10722
Energy consumption through other sources (C)	NIL	NIL
<b>Total energy consumption (A+B+C)</b>	165042	146576
Energy intensity per crores rupee of turnover (Total energy consumption/ turnover in rupees)	58.81	65.48
Energy intensity (optional)	-	-

No independent assessment/ evaluation/assurance has been carried out by an external agency.

2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. No
3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (in kiloliters)	FY 2021-22 (in kiloliters)
<b>Water withdrawal by source</b>		
(i) Surface water	0	0
(ii) Ground water	164307	186913
(iii) Third party water	16744	15540
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (i + ii + iii + iv + v)</b>	181051	202453
<b>Total volume of water consumption (in kilolitres)</b>	105820	103473
<b>Water intensity per crores rupee of turnover (Water consumed/ turnover)</b>	37.71	46.22
<b>Water intensity (optional)</b>	-	-

No independent assessment/ evaluation/assurance has been carried out by an external agency.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the Company has system in place for zero liquid discharge and has been working to utilize the wastages within the process itself.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23	FY 2021-22
NOx	Kg	4364.63	3186.39
SOx	Kg	39.99	29.18
Particulate matter (PM)	Kg	217.65	158.88
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others-please specify	-	-	-

No independent assessment/ evaluation/assurance has been carried out by an external agency.



6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

<i>Parameter</i>	<i>Unit</i>	<i>FY 2022-23</i>	<i>FY 2021-22</i>
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	3484	3188
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	<i>Metric tonnes of CO<sub>2</sub> equivalent</i>	24592	23810
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	<i>tCO<sub>2</sub>/mn of RS</i>	0.88	1.06
<b>Total Scope 1 and Scope 2 emission intensity</b> (optional) – the relevant metric may be selected by the entity	Not Applicable		

No independent assessment/ evaluation/assurance has been carried out by an external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.  
Yes details given below:

Yes, the Company has been carrying out various projects to improve resource efficiency and reduce environmental emissions. The steps have been taken to mitigate the impacts of climate change and improve energy efficiency with the reduction of Green House Gas emissions. The Projects includes installation of dual fuel and RECD kits, VFD on air compressor, solar plants with renewable Power purchase, and replacement/elimination of hydraulic power pack of bending machine, oil cooler fan motor etc.

8. Provide details related to waste management by the entity, in the following format:

<b>Parameter</b>	<b>FY 2022-23</b>	<b>FY 2021-22</b>
<b>Total Waste generated (in metric tonnes)</b>		
Plastic waste (A)	37.29	14.62
E-waste (B)	2.57	1.45
Bio-medical waste (C)	0.01	0.02
Construction and demolition waste (D)	0	0
Battery waste (E)	0	0
Radioactive waste (F)	0	0
Other Hazardous waste (G)	159.96	137.77
Other Non-hazardous biodegradable waste generated (H).	954.78	584.80
<i>Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)</i>	NA	NA
<b>Total (A+B+C+D+E+F + G+ H)</b>	1154.61	738.66
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	184.14	177.36
(ii) Re-used	40.94	29.28
(iii) Other recovery operations	2.57	1.45
<b>Total</b>	227.65	208.09
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	44.44	36.82
(ii) Landfilling	–	–
(iii) Other disposal operations	100.67	90.24
<b>Total</b>	145.11	127.06

Assessment has been carried out under the environment management system ISO 14001 Certification.



9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by the Company to reduce usage of hazardous and toxic chemicals in its products and processes and the practices adopted to manage such wastes.

The Company has adopted the process for waste management and follow the guidelines as applicable to the nature of waste.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and Corrective action taken, if any.
Not applicable			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/ No)	Relevant Web link
Nil					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format: **Yes**

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines /penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Nil				

### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (in Giga Joules)	FY 2021-22 (in Giga Joules)
<b>From renewable sources</b>		
Total electricity consumption (A)	55585	41656
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	55585	416567
<b>From non-renewable sources</b>		
Total electricity consumption (D)	97290	94197
Total fuel consumption (E)	121667	10722
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	1094567	104919

No independent assessment/ evaluation/assurance has been carried out by an external agency.

## 2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (in kiloliters)	FY 2021-22 (in kiloliters)
<b>Water discharge by destination and level of treatment</b>		
(i) To Surface water	0	0
- No treatment		
- With treatment – please specify level of Treatment		
(ii) To Groundwater	0	0
- No treatment		
- With treatment – please specify level of Treatment		
(iii) To Seawater	0	0
- No treatment		
- With treatment – please specify level of Treatment		
(iv) Sent to third-parties		
- No treatment	31248	31509
- With treatment	46983	72471
(v) Others	0	0
- No treatment		
- With treatment – please specify level of Treatment		
<b>Total water discharged</b>	<b>78231</b>	<b>103980</b>

No independent assessment/ evaluation/assurance has been carried out by an external agency.

## 3. Water withdrawal, consumption and discharge in areas of water stress:

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area : All manufacturing locations

(ii) Nature of operations : Manufacturing

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23 (in kiloliters)	FY 2021-22 (in kiloliters)
<b>Water withdrawal by source</b>		
(i) Surface water	0	0
(ii) Groundwater	173812	195919
(iii) Third party water	21384	19634
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>195196</b>	<b>215553</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>116965</b>	<b>111573</b>
<b>Water intensity per crores rupee of turnover (Water consumed / turnover)</b>	<b>41.68</b>	<b>49.84</b>
<b>Water intensity (optional)</b>		
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water	0	0
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into Groundwater	0	0
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into Seawater	0	0
- No treatment		





- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment	31248	31509
- With treatment	46983	72471
(v) Others	0	0
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged</b>	<b>78231</b>	<b>103980</b>

No independent assessment/ evaluation/assurance has been carried out by an external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

<i>Parameter</i>	<i>Unit</i>	<i>FY 2022-23</i>	<i>FY 2021-22</i>
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	<i>Metric tonnes of CO2 equivalent</i>	11554	11013
<b>Total Scope 3 emissions per rupee of turnover</b>	tCO2/ Mn Rs	0.41	0.39
<b>Total Scope 3 emission intensity</b> (optional)	-	-	-

No independent assessment/ evaluation/assurance has been carried out by an external agency.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities. Not Applicable
6. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.  
Yes. The Company has a business continuity and disaster management plan in place. For IT-related issues, disaster recovery plan is designed to reduce the organization's business risk arising from an unexpected disruption of the critical IT functions/operations necessary for the business. Disaster recovery plan covers details of actions to be taken, resources to be used and procedures to be followed. The IT team conducts regular data recovery drills to check efficiency of process and plan.  
The Company's supply chain also ensures business continuity during natural calamities, socio-political situations, supply shortages and implement various measures to minimize supply disruptions to ensure business continuity.
7. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.  
None
8. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. Not Applicable

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.  
b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

<b>S. No.</b>	<b>Name of the trade and industry chambers/ associations</b>	<b>Reach of trade and industry chambers/ associations (State/National)</b>
1	Automotive Component Manufacturers Association (ACMA)	National
2	Confederation of Indian Industry (CII)	National
3	Federation of Indian Chambers of Commerce & Industry (FICCI)	National
4	Society of Automotive Engineers India (SAE INDIA)	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not applicable		

#### Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/Quarterly/Other-please specify)	Web Link, if available
Not Applicable					

### PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

#### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web Link
None					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project No. for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
None						

3. Describe the mechanisms to receive and redress grievances of the community.

The Company has initiated wide range of CSR initiatives keeping in mind the specific need of the Communities. The Company has also a mechanism to address the issues pertaining to the Public at large in the vicinity of the each of the plant.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs/ small producers	0.62%	0.86%
Sourced directly from within the district and neighboring districts	The Company has adopted localization strategy to process input materials and reduce exports	



**Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
None	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
None			

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) No  
 (b) From which marginalized /vulnerable groups do you procure? Not Applicable  
 (c) What percentage of total procurement (by value) does it constitute? Not Applicable
4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not applicable				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
None		

6. Details of beneficiaries of CSR Projects:

S. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Enhancing Vocational Skills Benefits	827	100
2.	Project Prayas	740	100
	<b>Total</b>	<b>1567</b>	

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner****Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.  
 The Company has a Complaint Management System and redress the grievances, which ensure time bound resolution.
2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environment and Social Parameters relevant to the Product	100%
Safe and responsible usage	100%
Recycling and / or safe disposal	100%

3. Number of consumer complaints in respect of the following:

	FY 202-23		Remarks	FY 2021-22		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil					
Advertising						
Cyber-security						
Delivery of essential Services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other						

4. Details of instances of product recalls on account of safety issues:

	Number	Reason for recall
Voluntary recalls	-	-
Forced recalls	-	-

- Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy. Yes, the policy is available at <https://www.subros.com/policy.html>.
- Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. Not Applicable

**Leadership Indicators**

- Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available). Weblink [www.subros.com](http://www.subros.com).
- Steps taken to inform and educate consumers about safe and responsible usage of products and/or services. All the steps are being taken about safety.
- Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services. Not Applicable
- Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) Being undertaken as the part of process.
- Provide the following information relating to data breaches:
  - Number of instances of data breaches along-with impact: Nil
  - Percentage of data breaches involving personally identifiable information of customers: Not applicable



## 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, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone 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, 2023, 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 Standalone 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 Standalone 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 judgement, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone 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 in relation to intangible assets under development</b></p> <p>[Refer note 2(c) (significant accounting policies) and note 4 (intangible assets under development) to the Standalone Financial Statements]</p> <p>During the year ended March 31, 2023, the Company has capitalized significant costs incurred on internal development of Intangible Assets amounting to Rs. 2,881.43 lakhs under the head 'Intangible assets under development'. These intangible assets are predominantly in relation to the projects awarded by original equipment manufacturers. The costs mainly comprise technical knowhow, 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 for capitalisation 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> <ol style="list-style-type: none"> <li>i) whether the costs incurred is towards development of product or in the nature of research,</li> <li>ii) the costs, including payroll costs, were directly attributable to relevant projects, and</li> <li>iii) key assumptions such as future revenue, margins and the discount rate used to assess the future cash flows from the expected use of such assets once developed and capitalised.</li> </ol>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Understood and evaluated the design and tested the operating effectiveness of the Company's internal financial controls relating to the capitalisation of internal development costs in relation to intangible assets under development.</li> <li>- Assessed the appropriateness of capitalization of product development costs with the criteria to capitalize product development costs and held inquiries with the management to understand their assessment to support the product's commercial viability.</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 appropriateness of the assumptions 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 specialists to evaluate the reasonability of cost of capital of the Company used to discount the future cash flows expected from the asset once developed and capitalised.</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 Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone 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 Standalone 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 Standalone 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 Standalone 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 Standalone Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Standalone 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 Standalone Financial Statements.

9. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Standalone 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 Standalone 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 Standalone 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 Standalone Financial Statements, including the disclosures, and whether the Standalone 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 Standalone 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, 2020 ("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:
- 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.
  - 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.
  - The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
  - With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements—Refer Note 26 to the Standalone Financial Statements.
    - The Company was not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contract. The Company did not have any long-term derivative contracts as at March 31, 2023.

- There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
- (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 32 to the Standalone Financial Statements);
  - The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 32 to the Standalone Financial Statements); and
  - Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

15. 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/N500016

Rajib Chatterjee  
Partner  
Membership Number: 057134  
UDIN: 23057134BGXYQJ7151

Place: Gurugram  
Date: May 25, 2023

## Annexure A to Independent Auditor's Report

Referred to in paragraph 14(f) of the Independent Auditor's Report of even date to the members of Subros Limited on the Standalone Financial Statements for the year ended March 31, 2023

### Report on the Internal Financial Controls with reference to Standalone Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to Standalone Financial Statements of Subros Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Standalone Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Standalone Financial Statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Standalone Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Standalone Financial Statements included obtaining an understanding of internal financial controls with reference to Standalone Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our

audit opinion on the Company's internal financial controls system with reference to Standalone Financial Statements.

#### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

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

Rajib Chatterjee  
Partner  
Membership Number: 057134  
UDIN: 23057134BGXYQJ7151

Place: Gurugram  
Date: May 25, 2023





## Annexure B to Independent Auditor's Report

Referred to in paragraph 13 of the Independent Auditor's Report of even date to the members of Subros Limited on the Standalone Financial Statements as of and for the year ended March 31, 2023

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.  
(B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 to the Standalone Financial Statements, are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of property, plant and equipment (including right-of-use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its financial statements does not arise.
- ii. (a) The physical verification of inventory excluding stocks with third parties and goods in transit has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them and for goods in transit, the goods have been received subsequent to the year end in most of the cases. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
- (b) During the year, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are not in agreement with the unaudited books of account, however such differences between the amounts disclosed to the banks and those as per the books of accounts as given in the table below have been reconciled. (Also refer Note 34 to the Standalone Financial Statements).

Name of the Banks	Aggregate working capital limits sanctioned (Amount in Lakhs)	Nature of current Assets offered as Security	Nature of current assets/liabilities where differences were observed	Quarter ended	Amount disclosed as per quarterly return/statement (Amount in Lakhs)	Amount as per books of account (Amount in Lakhs)	Difference (Amount in Lakhs)	Reasons for difference
HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	27,500	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	June 2022	29,811.55	33,687.88	(3,876.33)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
			Trade receivables		27,503.84	27,616.34	(112.50)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
			Trade payables		46,584.17	52,803.82	(6,219.65)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	27,500	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	September 2022	30,468.52	34,756.97	(4,288.45)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
			Trade receivables		17,996.72	18,236.73	(239.99)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
			Trade payables		43,039.75	49,738.09	(6,698.34)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.

HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	27,500	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	December 2022	32,495.49	36,205.38	(3,709.91)	Goods in transit inventory not considered in return submitted to banks.
			Trade receivables		14,135.67	14,650.88	(515.21)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
			Trade payables		43,553.82	48,978.03	(5,424.21)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	27,500	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	March 2023	33,847.25	33,864.47	(17.22)	Goods in transit inventory not considered in return submitted to banks.
			Trade receivables		20,451.33	20,804.58	(353.25)	Trade receivables overdue more than 90 days and loss allowance not considered in return submitted to banks.
			Trade payables		46,008.74	48,871.57	(2,862.83)	Payables in respect of services received etc. considered in the books of account but not considered in return submitted to banks.

- iii. (a) The Company has made investments in mutual funds and granted unsecured loans to certain employees. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to parties other than subsidiaries, joint ventures and associates are as per the table given below:

Particulars	Loans (Amount in Lakhs)
Aggregate amount granted during the year	120.56
- Others (employees)	
Balance outstanding as at balance sheet date in respect of the above case	83.26
- Others (employees)	

(Also refer Note 5(e) to the Standalone Financial Statements)

The Company has not made any other investments, granted secured/ unsecured loans/advances in nature of loans to companies / firms / Limited Liability Partnerships/ or any other parties, or stood guarantee, or provided security to companies / firms / Limited Liability Partnerships/ or any other parties.

- (b) In respect of the aforesaid investments and loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.
- (c) In respect of the aforesaid loans, the schedule of repayment of principal has been stipulated, and the parties are repaying the principal amounts, as stipulated.
- (d) In respect of the aforesaid loans in nature of loans, there is no amount which is overdue for more than ninety days.
- (e) There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans

were granted to same parties to settle the existing overdue loans.

- (f) There were no loans/advances in nature of loans were granted during the year, which are repayable on demand or where no schedule for repayment of principal has been stipulated by the Company.
- iv. The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, in respect of provident fund, though there has been a slight delay in a few cases, and is regular in depositing the undisputed statutory dues, including goods and services tax, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 37 to the Standalone



Financial Statements regarding management's assessment on certain matters relating to provident fund.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of service tax, provident fund, employees' state insurance and cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

Name of the statute	Nature of dues	Amount (Rs. in Lakhs)	Amount paid under protest (Rs. In Lakhs)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
The Income Tax Act, 1961	Income Tax	135.23	-	Assessment Year 2003-04	Hon'able High Court of Delhi	None
The Income Tax Act, 1961	Income Tax	2.26	-	Assessment Year 2014-15	Income Tax Appellate Tribunal, New Delhi	None
The Income Tax Act, 1961	Income Tax	19.41	19.41	Assessment Year 2015-16	Commissioner of Income Tax (Appeals)	None
The Income Tax Act, 1961	Income Tax	23.40	4.68	Assessment Year 2016-17	Commissioner of Income Tax (Appeals)	None
The Income Tax Act, 1961	Income Tax	166.35	6.11	Assessment Year 2017-18	Commissioner of Income Tax (Appeals)	None
The Income Tax Act, 1961	Income Tax	1,072.17	-	Assessment Year 2018-19	Commissioner of Income Tax (Appeals)	None
The Income Tax Act, 1961	Income Tax	105.03	-	Assessment Year 2020-21	Commissioner of Income Tax (Appeals)	None
The Income Tax Act, 1961	Income tax	94.59	-	Assessment Year 2021-22	Commissioner of Income Tax (Appeals)	None
The Customs Act, 1962	Custom Duty	1,183.82	-	June 2012 to July 2017	Hon'ble Customs, Excise and Service Tax Appellate Tribunal, Allahabad	None
The Customs Act, 1962	Custom Duty	15.19	-	July 2017 to March 2019	Commissioner of Customs, Maharashtra	None
The Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	79.74	79.74	2002-03 to 2004-05	Hon'ble High Court of Andhra Pradesh	None
The Central Excise Act, 1944	Central Excise Duty	75.81	-	December 2013 to May 2016	Joint Commissioner, Pune	None
The Central Excise Act, 1944	Central Excise Duty	366.44	13.74	2013-14 to 2017-18	Hon'ble Customs, Excise and Service Tax Appellate Tribunal, New Delhi	None
The Central Goods and Services Tax Act, 2017	Goods and Services Tax	9.284	-	2017-18	Superintendent of CGST and Central Excise, Chennai	None

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Willful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans during the year. In respect of the term loans outstanding at the year end, which were taken in prior years, there were no unutilized balances.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Standalone Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of

- its joint venture. The Company does not have any subsidiary or associate, and hence this clause is not applicable to that extent.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its joint venture. The Company does not have any subsidiary or associate, and hence this clause is not applicable to that extent.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) Based on the information and explanations provided by the management of the Company, the Group does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 33 to the Standalone Financial Statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company



is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

- xx. As at balance sheet date, the Company does not have any amount remaining unspent remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.

- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Rajib Chatterjee  
Partner  
Membership Number 057134  
UDIN : 23057134BGXYQJ7151

Place: Gurugram  
Date: May 25, 2023

CIN: L74899DL1985PLC020134

**BALANCE SHEET AS AT MARCH 31, 2023**

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note no	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	55,212.57	57,560.78
Right-of-use assets	27	3,719.45	1,870.91
Capital work-in-progress	3	5,572.41	2,237.72
Intangible assets	4	13,386.73	13,178.54
Intangible assets under development	4	3,029.75	3,895.29
Investment in joint venture	5(a)(i)	176.80	176.80
Financial assets			
i) Investment	5(a)(ii)	299.98	299.98
ii) Loans	5(e)	17.02	25.41
iii) Other financial assets	5(f)	3,459.99	919.66
Non-current tax assets (net)	9	241.55	190.67
Other non-current assets	7	705.84	1,122.61
<b>Total non-current assets</b>		<b>85,822.09</b>	<b>81,478.37</b>
<b>Current assets</b>			
Inventories	8	33,864.47	31,750.51
Financial assets			
i) Investment	5(a)(iii)	2,000.00	-
ii) Trade receivables	5(b)	20,804.58	22,636.20
iii) Cash and cash equivalents	5(c)	3,066.62	3,130.58
iv) Bank balances other than (iii) above	5(d)	5,772.63	8,727.33
v) Loans	5(e)	66.24	55.91
vi) Other financial assets	5(f)	191.23	117.31
Other current assets	7	2,701.03	2,545.76
<b>Total current assets</b>		<b>68,466.80</b>	<b>68,963.60</b>
<b>TOTAL ASSETS</b>		<b>154,288.89</b>	<b>150,441.97</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10 (a)	1,304.71	1,304.71
Other equity	10 (b)	85,407.77	81,040.87
<b>Total equity</b>		<b>86,712.48</b>	<b>82,345.58</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i) Borrowings	11 (a)	468.75	1,335.80
ii) Lease liabilities	27	444.34	648.71
Provisions	12	1,051.98	1,041.16
Deferred tax liabilities (net)	6	3,370.64	2,287.34
Other non-current liabilities	11 (f)	248.27	76.79
<b>Total non-current liabilities</b>		<b>5,583.98</b>	<b>5,389.80</b>
<b>Current liabilities</b>			
Financial liabilities			
i) Borrowings	11 (b)	870.76	1,167.47
ii) Lease liabilities	27	82.84	167.18
iii) Supplier's credit	11 (g)	6,274.58	3,518.63
iv) Trade payables			
(a) Total outstanding dues of micro and small enterprises	11 (d)	118.42	228.77
(b) Total outstanding dues of creditors other than micro and small enterprises	11 (d)	48,753.15	48,650.09
v) Other financial liabilities	11 (c)	2,121.54	3,406.06
Contract liabilities	13 (a)	838.35	2,654.40
Provisions	12	580.99	579.34
Current tax liabilities	11 (e)	237.76	-
Other current liabilities	13 (b)	2,114.04	2,334.65
<b>Total current liabilities</b>		<b>61,992.43</b>	<b>62,706.59</b>
<b>TOTAL LIABILITIES</b>		<b>67,576.41</b>	<b>68,096.39</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>154,288.89</b>	<b>150,441.97</b>

The accompanying notes are an integral part of these Standalone Financial Statements

This is the Balance Sheet referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No- 012754N/N500016

For and on behalf of the Board of Directors of Subros Limited

**Rajib Chatterjee**  
Partner  
Membership No.: 057134**Shradha Suri**  
Chairperson &  
Managing Director  
DIN : 00176902**Parmod Kumar Duggal**  
Director &  
Chief Executive Officer  
DIN : 02382912Place : Gurugram  
Date : May 25, 2023**Hemant Kumar Agarwal**  
Chief Financial Officer &  
Vice President (Finance)**Kamal Samtani**  
Company Secretary  
ICSI Membership No:- F5140Place : New Delhi  
Date : May 25, 2023

CIN: L74899DL1985PLC020134

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023***(All amounts in Rs. Lakhs, unless otherwise stated)*

	Particulars	Note no	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	14	280,628.17	223,864.30
II	Other income	15	2,056.96	992.43
III	<b>Total income (I + II)</b>		<b>282,685.13</b>	<b>224,856.73</b>
IV	<b>Expenses</b>			
	Cost of material consumed	16	213,790.79	168,411.45
	Changes in inventories of finished goods and work-in-progress	17	1,241.72	(2,302.87)
	Employee benefits expense	18	24,772.46	22,704.87
	Finance costs	19	677.71	1,091.49
	Depreciation and amortization expense	20	11,028.07	10,235.18
	Other expenses	21	24,072.87	20,178.43
	<b>Total expenses (IV)</b>		<b>275,583.62</b>	<b>220,318.55</b>
V	<b>Profit before tax ( III - IV)</b>		<b>7,101.51</b>	<b>4,538.18</b>
VI	Tax expense:	6		
	-Current tax		1,217.71	806.07
	-Deferred tax		1,075.24	474.32
	<b>Total tax expense (VI)</b>		<b>2,292.95</b>	<b>1,280.39</b>
VII	<b>Profit for the year (V-VI)</b>		<b>4,808.56</b>	<b>3,257.79</b>
VIII	<b>Other comprehensive income</b>			
	<i>Items that will not be reclassified to profit or loss</i>			
	Gain/(Loss) on remeasurements of post employment benefit obligations	28	23.05	111.44
	Income tax relating to the above item	6	(8.06)	(38.94)
	<b>Other comprehensive income for the year, net of tax (VIII)</b>		<b>14.99</b>	<b>72.50</b>
IX	<b>Total comprehensive income for the year (VII + VIII)</b>		<b>4,823.55</b>	<b>3,330.29</b>
	Earning per equity share (in Rs.) [Face value Rs. 2 each (March 31, 2022 : Rs. 2 each)]	30		
	Basic and Diluted		7.37	4.99

The accompanying notes are an integral part of these Standalone Financial Statements

This is the Statement of Profit and Loss (including other comprehensive income) referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No- 012754N/N500016

For and on behalf of the Board of Directors of Subros Limited

**Rajib Chatterjee**  
Partner  
Membership No.: 057134**Shradha Suri**  
Chairperson &  
Managing Director  
DIN : 00176902**Parmod Kumar Duggal**  
Director &  
Chief Executive Officer  
DIN : 02382912Place : Gurugram  
Date : May 25, 2023**Hemant Kumar Agarwal**  
Chief Financial Officer &  
Vice President (Finance)**Kamal Samtani**  
Company Secretary  
ICSI Membership No:- F5140Place : New Delhi  
Date : May 25, 2023

CIN:L74899DL1985PLC020134

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023****A. Equity share capital***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Note no	Amount
<b>Balance as at March 31, 2021</b>	<b>10 (a)</b>	<b>1,304.71</b>
Changes in equity share capital during 2021-22		-
<b>Balance as at March 31, 2022</b>		<b>1,304.71</b>
Changes in equity share capital during 2022-23		-
<b>Balance as at March 31, 2023</b>		<b>1,304.71</b>

**B. Other equity***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Note no	Reserves and surplus			Total
		Securities premium	General reserve	Retained earnings	
<b>Balance as at March 31, 2021</b>	<b>10 (b)</b>	<b>20,817.44</b>	<b>12,425.48</b>	<b>44,924.31</b>	<b>78,167.23</b>
Profit for the year		-	-	3,257.79	<b>3,257.79</b>
Other comprehensive Income					
Gain / (Loss) on remeasurements of post employment benefit obligations		-	-	111.44	111.44
Income tax relating to the above item		-	-	(38.94)	(38.94)
<b>Total comprehensive income for the year</b>		-	-	<b>3,330.29</b>	<b>3,330.29</b>
Transactions with owners in their capacity as owners					
Dividends paid		-	-	(456.65)	<b>(456.65)</b>
Transfer to/(from) retained earnings		-	150.00	(150.00)	-
<b>Balance as at March 31, 2022</b>		<b>20,817.44</b>	<b>12,575.48</b>	<b>47,647.95</b>	<b>81,040.87</b>
Balance as at April 1, 2022		20,817.44	12,575.48	47,647.95	81,040.87
Profit for the year		-	-	4,808.56	4,808.56
Other comprehensive Income					
Gain / (Loss) on remeasurements of post employment benefit obligations		-	-	23.05	23.05
Income tax relating to the above item		-	-	(8.06)	(8.06)
<b>Total comprehensive income for the year</b>		-	-	<b>4,823.55</b>	<b>4,823.55</b>
Transactions with owners in their capacity as owners					
Dividends paid		-	-	(456.65)	(456.65)
Transfer to/(from) retained earnings		-	150.00	(150.00)	-
<b>Balance as at March 31, 2023</b>		<b>20,817.44</b>	<b>12,725.48</b>	<b>51,864.85</b>	<b>85,407.77</b>

The accompanying notes are an integral part of these Standalone Financial Statements

This is the Statement of Changes in Equity referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No- 012754N/N500016

For and on behalf of the Board of Directors of Subros Limited

**Rajib Chatterjee**  
Partner  
Membership No.: 057134

**Shradha Suri**  
Chairperson &  
Managing Director  
DIN : 00176902

**Parmod Kumar Duggal**  
Director &  
Chief Executive Officer  
DIN : 02382912

Place : Gurugram  
Date : May 25, 2023

**Hemant Kumar Agarwal**  
Chief Financial Officer &  
Vice President (Finance)

**Kamal Samtani**  
Company Secretary  
ICSI Membership No:- F5140

Place : New Delhi  
Date : May 25, 2023





CIN:L74899DL1985PLC020134

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Note no	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flow from operating activities</b>			
<b>Profit before tax</b>		<b>7,101.51</b>	<b>4,538.18</b>
<b>Adjustments for:</b>			
Depreciation and amortization expense	20	11,028.07	10,235.18
Net loss on disposal of property, plant and equipment	21	53.51	73.70
Interest income on financial assets at amortized cost and others	15	(530.11)	(392.13)
Unwinding of discount on financial asset	15	(6.36)	(4.90)
Finance costs	19	677.71	1,091.49
Provision for inventory obsolescence made / (written back)	8	153.55	(142.48)
Unrealized foreign currency loss (net)		140.03	467.38
Loss allowance made / (written back)	5(b)	1.59	(38.13)
Dividend income from investment in joint venture	15	(28.23)	(37.58)
Net gain on sale of investments	15	(131.26)	-
Fair value changes on derivatives	15	(367.39)	(208.33)
<b>Operating profit before working capital changes</b>		<b>18,092.62</b>	<b>15,582.38</b>
<b>Adjustments for changes in operating assets and liabilities:</b>			
(Increase)/ Decrease in loans (non-current)		14.75	(8.42)
(Increase)/ Decrease in other financial assets (non-current)		(2,507.70)	(69.82)
(Increase)/ Decrease in inventories		(2,267.51)	(3,467.34)
(Increase)/ Decrease in trade receivables		1,830.03	(2,171.42)
(Increase)/ Decrease in loans (current)		(10.33)	(6.05)
(Increase)/ Decrease in bank balances other than cash and cash equivalents		2,951.43	(89.48)
(Increase)/ Decrease in other financial assets (current)		(91.15)	12.25
(Increase)/ Decrease in other current assets		(155.27)	(233.29)
Increase/ (Decrease) in non-current provisions		33.87	43.48
Increase/ (Decrease) in trade payables		(147.32)	2,321.14
Increase/ (Decrease) in contract liabilities		(1,816.05)	2,121.96
Increase/ (Decrease) in other financial liabilities (current)		(787.87)	1,668.69
Increase/ (Decrease) in other current liabilities		(220.61)	324.59
Increase/ (Decrease) in Other non-current liabilities		171.48	76.79
Increase/ (Decrease) in current provisions		1.65	(94.19)
<b>Cash generated from operations</b>		<b>15,092.02</b>	<b>16,011.27</b>
Income tax paid (net)		(1,030.83)	(928.77)
<b>Net cash inflow from operating activities</b>		<b>14,061.19</b>	<b>15,082.50</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		(11,040.19)	(10,597.43)
Payments for acquisition of leasehold land		(2,193.01)	-
Payment for purchase of investments (net)		(1,868.74)	-
Proceeds from sale of property, plant and equipment		62.78	31.57
Dividend received from joint venture		28.23	37.58
Interest received		514.71	563.63
<b>Net cash (outflow) from investing activities</b>		<b>(14,496.22)</b>	<b>(9,964.65)</b>

Particulars	Note no	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flow from financing activities</b>			
Repayment of long term borrowings		(1,160.71)	(1,691.97)
Principal element of lease payment		(90.92)	(105.15)
Increase/(decrease) in supplier's credit		2,755.95	(1,862.69)
Interest paid		(676.60)	(1,147.06)
Dividend paid	10(b)(iii)	(456.65)	(456.65)
<b>Net cash inflow / (outflow) from financing activities</b>		<b>371.07</b>	<b>(5,263.52)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(63.96)</b>	<b>(145.67)</b>
Cash and cash equivalents at the beginning of the financial year	5(c)	3,130.58	3,276.25
<b>Cash and cash equivalents at the end of the financial year [refer note 5(c)]</b>		<b>3,066.62</b>	<b>3,130.58</b>
<b>Cash and cash equivalents as per above comprise of the following:</b>			
Cash on hand	5(c)	10.57	8.67
Balances with banks - In current accounts	5(c)	2,556.05	3,121.91
Deposit with original maturity of less than 3 months	5(c)	500.00	-
		<b>3,066.62</b>	<b>3,130.58</b>
<b>Non-cash investing activities:</b>			
Acquisition of right-of-use assets		88.40	-

Note: The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 "Statement of Cash Flows".

The accompanying notes are an integral part of these Standalone Financial Statements

This is the Statement of Cash Flows referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No- 012754N/N500016

For and on behalf of the Board of Directors of Subros Limited

**Rajib Chatterjee**  
Partner  
Membership No.: 057134

**Shradha Suri**  
Chairperson &  
Managing Director  
DIN : 00176902

**Parmod Kumar Duggal**  
Director &  
Chief Executive Officer  
DIN : 02382912

Place : Gurugram  
Date : May 25, 2023

**Hemant Kumar Agarwal**  
Chief Financial Officer &  
Vice President (Finance)

**Kamal Samtani**  
Company Secretary  
ICSI Membership No:- F5140

Place : New Delhi  
Date : May 25, 2023



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### 1. Corporate Information

Subros Limited (“the Company”) is a public limited company incorporated in 1985 and domiciled in India, listed on the Bombay Stock Exchange (BSE) Limited and the National Stock Exchange of India Limited (NSE). The address of its registered office is LGF, World Trade Centre, Barakhamba Lane, New Delhi – 110001. The Company is the leading manufacturer of thermal products for automotive applications in India, in technical collaboration with Denso Corporation, Japan. The Company is engaged primarily in the business of manufacturing and sale of thermal products for automotive and home air-conditioning original equipment manufacturers. The Company is a joint venture with 36.79% ownership by Suri family of India, 20% ownership by Denso Corporation, Japan & 11.96% ownership by Suzuki Motor Corporation, Japan.

### 2. Basis of preparation, key accounting estimates and judgments and significant accounting policies

#### 2(a). Basis of preparation

##### (i) Compliance with Ind AS

The standalone financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

##### (ii) Historical cost convention

The standalone financial statements have been prepared on the historical cost convention except for certain items that are measured at fair values, as explained in the accounting policies.

All assets and liabilities have been classified as current or non-current according to the Company’s operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

##### (iii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022.

These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

##### (iv) New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the ‘Rules’) which amends certain accounting standards, and are effective April 1, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company’s accounting policy already complies with the now mandatory treatment.

#### 2(b). Key accounting estimates and judgments

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities on the date of the standalone financial statements and reported amounts of revenues and expenses for the years presented. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods affected.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the significant effect to the carrying amount of assets and liabilities within the next financial year is included in other notes to the standalone financial statements as mentioned below:

- a. Measurement of employee defined benefit obligations – Refer note 28
- b. Measurement and likelihood of occurrence of provisions and contingencies – Refer note 26
- c. Estimation of provision for warranty – Refer note 12
- d. Estimated useful life of property, plant and equipment and intangible assets – Refer note 3 & 4
- e. Appropriateness of capitalization of internal development costs related to Intangible assets under development – Refer note 4
- f. Impairment of trade receivables – Refer note 5(b)
- g. Provision for inventory obsolescence – Refer note 8
- h. Recognition of deferred tax assets – Refer note 6

#### 2(c). Significant accounting policies

##### i) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related

production overheads. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognized as at April 01, 2016 measured as per the previous GAAP and use that carrying values as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except in respect of the below mentioned assets where useful life is determined through technical evaluation and is different than those prescribed in schedule II of the Companies Act, 2013.

Plant and machinery : 5-20 years

The residual values are not more than 5% of the original cost of the assets. Depreciation methods, useful lives and residual values are reviewed at least at each financial year end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses in disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within gains/(losses).

#### ii) Intangible assets

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Separately purchased intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date they are available for use. Estimated useful lives of intangible assets are as follows:

Technical knowhow	:	8 years
Product development	:	8 years
Software	:	3 years

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand competition and other economic

factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

#### Research and development

Research costs are expensed as incurred. Product development costs are capitalized when technical and commercial feasibility of the products (e.g. air conditioning systems and related products) is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the product and the cost can be measured reliably, in other cases such development costs are taken to the Statement of Profit and Loss. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to measure all its intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2016.

#### iii) Impairment of property, plant and equipment and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

#### iv) Investment in Joint Venture

Investment in joint venture is carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investment in joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

#### v) Inventories

Raw material and spares, work in progress, stores and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials and spares and stores comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of inventories also include all other costs incurred in bringing



the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average cost basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**vi) Cash and cash equivalents**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**vii) Financial Instruments**

**Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**Classification and subsequent measurement**

**Financial assets**

On initial recognition, a financial asset is classified as measured at:

- amortized cost or
- fair value through other comprehensive income (FVOCI) or
- fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are

measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets: Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

**Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

**Derecognition:**

**Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

**Financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.



The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

#### **Equity instruments**

The Company subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

#### **Impairment of financial assets:**

The Company recognizes a loss allowance for expected credit losses on a financial asset that is at amortized cost. Loss allowance in respect of financial assets is measured at an amount equal to life time expected credit losses and is calculated as the difference between their carrying amount and the present value of the expected future cash flows discounted at the original effective interest rate.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

#### **Offsetting:**

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

#### **viii) Borrowings**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

#### **ix) Borrowing cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are recognized as an expense in the period in which these are incurred.

#### **x) Provisions, Contingent liabilities and Contingent assets**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax discounting rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

No contingent asset is recognized but disclosed by way of notes to accounts. When the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

#### **xi) Foreign Currency Translation**

Functional and presentation currency:

Items included in the standalone financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The standalone financial statements are presented in Indian rupee (INR), which is Subros Limited's functional and presentation currency.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses



resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income or other expenses.

## xii) Revenue recognition and other income

### A. Revenue from contracts with customers

Revenue is recognized based on the price specified in the contract with customers, net of returns, rebates and discounts. Revenue excludes Goods & Services Tax, where applicable on the supply of goods and services.

The Company recognizes revenue when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable and specific criteria have been met for each of the company's activities as described below:

#### a) Sale of goods

Revenue from sale of goods is recognized when control of the goods has transferred, being when the goods are dispatched / delivered to the customer, the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the customer location, the risks of obsolescence and loss have been transferred to the customer and the customer has accepted the goods in accordance with the sales contract.

The goods are sold to after-market customers with rebates / discounts based on sales targets over a 12 months period. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated rebates / discounts. Accumulated experience is used to estimate and provide for the rebates / discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

No element of financing is deemed present as the sales are made with credit terms, which vary from 30 days to 60 days, which is consistent with market practice. The Company's obligation to repair or replace faulty products under the standard warranty terms is recognized as a provision, see note 12.

A receivable is recognized when the goods are delivered and accepted by the Customer as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

A contract liability is recognized where payments received from the customers exceed the goods sold by the Company.

#### b) Sale of services

Income from services rendered is recognized based on agreements/arrangements with the customers on the performance of service. Revenue from services is recognized in the accounting period in which the services are rendered. Revenue is recognised to the amount to which the Company has a right to invoice.

If the services rendered by the Company exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

#### c) Financing component

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

### B. Other income

Income from duty drawback and export incentives is recognized on an accrual basis.

Interest is recognized using the effective interest rate (EIR) method, as income for the period in which it occurs.

Dividend income on investments is recognized when the right to receive dividend is established.

## xiii) Employee Benefits

### a. Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

### b. Post-employment obligations

#### Provident fund and Employees' state insurance:

Contributions to defined contribution schemes such as Provident fund and Employees' state insurance are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company pays provident fund contribution to government-administered provident fund. The above benefits are classified as defined contribution schemes as the Company has no further defined obligations beyond the monthly contributions.

#### Superannuation

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the plan beyond its monthly contributions which are periodically contributed towards trust fund, the corpus of which is invested with the Life insurance companies.

**Gratuity:**

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is funded through annual contributions made towards the trust fund, the corpus of which is invested with Life Insurance Corporation of India (LIC).

The liability or asset recognized in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Past-service costs are recognized immediately in profit or loss.

**c. Compensated absences:**

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in profit or loss in the period in which they arise. Past-service costs are recognized immediately in profit or loss.

**xiv) Leases****As a lessee**

Leases are recognized as right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their

relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities includes the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amount expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Company obtains the interest rate from its bankers for borrowings for a tenure that is substantially similar to the lease terms, with a similar security and the similar economic environment for leases held by the Company.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Low-value assets comprise IT equipment and small items of office furniture.





Payments associated with short term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in Statement of Profit and Loss. Short-term leases are leases with a lease term of 12 months or less.

#### As a lessor

Lease income from operating leases where the Company is lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective lease assets are included in Balance Sheet based on their nature.

#### xv) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilize those temporary differences.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiary and joint venture where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiary and joint venture where it is not probable that the differences will reverse in

the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current tax and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as deferred tax asset only to the extent it is probable that sufficient taxable profit will be available to allow all or part of MAT credit to be utilized during the specified period i.e., the period for which such credit is allowed to be utilized.

#### xvi) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognized initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method, less loss allowance.

#### xvii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

#### xviii) Earnings per share

Basic earnings per share:

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- a) the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- b) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**xix) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**xx) Segment Reporting**

The Company is primarily in the business of manufacturing and sale of thermal products (Automotive and home air conditioning systems and parts thereof).

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various

performance indicator of the Company as a single unit. Refer note 23 for segment information presented.

**xxi) Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented as net of the related expense.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets in other income.

**xxii) Rounding of amounts**

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### 3. Property, plant and equipment and capital work-in-progress

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total	Capital work-in-progress (CWIP)
<b>Gross carrying amount</b>								
<b>Balance as at March 31, 2021</b>	4,139.19	21,204.70	55,927.16	534.19	429.23	1,173.36	<b>83,407.83</b>	<b>1,343.99</b>
Additions	-	-	-	14.11	99.88	194.68	<b>308.67</b>	<b>5,316.39</b>
Transfer from CWIP	-	127.66	4,293.67	-	-	1.33	<b>4,422.66</b>	<b>(4,422.66)</b>
Disposals / adjustments	-	-	(599.10)	(17.73)	(97.76)	(433.15)	<b>(1,147.74)</b>	-
<b>Balance as at March 31, 2022</b>	<b>4,139.19</b>	<b>21,332.36</b>	<b>59,621.73</b>	<b>530.57</b>	<b>431.35</b>	<b>936.22</b>	<b>86,991.42</b>	<b>2,237.72</b>
Additions	3.19	-	-	32.99	159.82	184.94	<b>380.94</b>	<b>8,146.23</b>
Transfer from CWIP	-	1,001.56	3,803.52	-	-	6.46	<b>4,811.54</b>	<b>(4,811.54)</b>
Disposals / adjustments	-	(7.52)	(968.67)	(12.65)	(54.64)	(128.79)	<b>(1,172.27)</b>	-
<b>Balance as at March 31, 2023</b>	<b>4,142.38</b>	<b>22,326.40</b>	<b>62,456.58</b>	<b>550.91</b>	<b>536.53</b>	<b>998.83</b>	<b>91,011.63</b>	<b>5,572.41</b>
<b>Accumulated depreciation</b>								
<b>As at March 31, 2021</b>	-	2,360.91	20,704.98	206.37	66.90	551.85	<b>23,891.01</b>	-
Depreciation charge during the year	-	683.93	5,571.36	46.38	70.00	210.43	<b>6,582.10</b>	-
Disposals / adjustments	-	-	(540.37)	(10.99)	(76.82)	(414.29)	<b>(1,042.47)</b>	-
<b>Balance as at March 31, 2022</b>	-	<b>3,044.84</b>	<b>25,735.97</b>	<b>241.76</b>	<b>60.08</b>	<b>347.99</b>	<b>29,430.64</b>	-
Depreciation charge during the year	-	708.00	6,376.45	45.60	80.80	213.63	<b>7,424.48</b>	-
Disposals / adjustments	-	(7.15)	(891.39)	(9.61)	(25.05)	(122.86)	<b>(1,056.06)</b>	-
<b>Balance as at March 31, 2023</b>	-	<b>3,745.69</b>	<b>31,221.03</b>	<b>277.75</b>	<b>115.83</b>	<b>438.76</b>	<b>35,799.06</b>	-
<b>Net carrying amount</b>								
<b>As at March 31, 2022</b>	<b>4,139.19</b>	<b>18,287.52</b>	<b>33,885.76</b>	<b>288.81</b>	<b>371.27</b>	<b>588.23</b>	<b>57,560.78</b>	<b>2,237.72</b>
<b>As at March 31, 2023</b>	<b>4,142.38</b>	<b>18,580.71</b>	<b>31,235.55</b>	<b>273.16</b>	<b>420.70</b>	<b>560.07</b>	<b>55,212.57</b>	<b>5,572.41</b>

#### Notes-

- Depreciation pertaining to machineries used for manufacture of moulds has been capitalized during the year amounting to Rs. 39.15 Lakhs (Previous year Rs. 25.29 Lakhs).
- Capital work-in-progress mainly comprises of building and plant and machinery.
- Refer note 25 to these Standalone Financial Statements for disclosure of contractual commitments for the acquisition of property, plant and equipment.

iv) The carrying amount of assets pledged as security for current and non-current borrowings [refer note 11(a) & (b)] are as follows:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note no	As at March 31, 2023	As at March 31, 2022
<b>Current:</b>			
<b>First Charge</b>			
Inventories	8	33,864.47	31,750.51
Financial assets			
- Trade receivables	5(b)	20,804.58	22,636.20
- Cash and cash equivalents	5(c)	3,066.62	3,130.58
- Other bank balances	5(d)	5,750.00	8,688.91
- Loans	5(e)	66.24	55.91
- Other financial assets	5(f)	191.23	117.31
Other current assets	7	2,701.03	2,545.76
<b>Total current assets offered as security*</b>		<b>66,444.17</b>	<b>68,925.18</b>
<b>Non current:</b>			
<b>First charge</b>			
Property, plant and equipment	3	32,068.78	34,762.80
<b>Total non-current assets offered as security</b>		<b>32,068.78</b>	<b>34,762.80</b>
<b>Total assets offered as security</b>		<b>98,512.95</b>	<b>103,687.98</b>

\* The Company has working capital limits which have not been availed as at March 31, 2023 and March 31, 2022.

v) Capital work-in-progress (CWIP)

(a) Ageing:

As at March 31, 2023

Particulars	Amount in CWIP for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5,466.39	106.02	-	-	5,572.41
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

Particulars	Amount in CWIP for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,114.91	100.85	21.96	-	2,237.72
Projects temporarily suspended	-	-	-	-	-

(b) Completion schedule for capital work-in-progress whose completion is overdue compared to its original plan:

As at March 31, 2023

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Projects pertaining to development of new models for *					
- Heating, ventilation, and air conditioning (HVAC) system	1,961.84	-	-	-	1,961.84
- Hose & Tubes	-	-	-	-	-
- Compressor	63.15	-	-	-	63.15
- Condensor	50.94	-	-	-	50.94
<b>Total</b>	<b>2,075.93</b>	-	-	-	<b>2,075.93</b>

\* The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.

As at March 31, 2022

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Projects pertaining to development of new models for *					
- Heating, ventilation, and air conditioning (HVAC) system	25.22	-	-	-	25.22
- Hose & Tubes	60.33	-	-	-	60.33
- Compressor	-	-	-	-	-
- Condensor	10.00	-	-	-	10.00
<b>Total</b>	<b>95.55</b>	-	-	-	<b>95.55</b>

\*The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.

vi) Significant estimate

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors such as the stability of the industry and known technological advances. The Company reviews the useful life of property, plant and equipment at the end of each reporting period.



## 4. Intangible assets and intangible assets under development

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Specialized softwares	Technical know how	Development cost [Refer note (ii)]	Total	Intangible assets under development
<b>Gross carrying amount</b>					
<b>Balance as at March 31, 2021</b>	326.79	11,510.51	18,583.05	<b>30,420.35</b>	4,016.63
Additions	55.50	-	-	<b>55.50</b>	3,664.48
Transfer from intangible assets under development	18.80	1,948.69	1,731.28	<b>3,698.77</b>	(3,698.77)
Disposals / adjustments	(13.78)	-	-	<b>(13.78)</b>	(87.05)
<b>Balance as at March 31, 2022</b>	<b>387.31</b>	<b>13,459.20</b>	<b>20,314.33</b>	<b>34,160.84</b>	<b>3,895.29</b>
Additions	55.39	-	-	<b>55.39</b>	2,881.43
Transfer from intangible assets under development	-	2,081.48	1,568.59	<b>3,650.07</b>	(3,650.07)
Disposals / adjustments	(39.85)	-	-	<b>(39.85)</b>	(96.90)
<b>Balance as at March 31, 2023</b>	<b>402.85</b>	<b>15,540.68</b>	<b>21,882.92</b>	<b>37,826.45</b>	<b>3,029.75</b>
<b>Accumulated amortization</b>					
<b>As at March 31, 2021</b>	<b>258.22</b>	<b>6,448.45</b>	<b>10,768.80</b>	<b>17,475.47</b>	-
Amortization charge for the year	51.87	1,317.73	2,151.01	<b>3,520.61</b>	-
Disposals / adjustments	(13.78)	-	-	<b>(13.78)</b>	-
<b>Balance as at March 31, 2022</b>	<b>296.31</b>	<b>7,766.18</b>	<b>12,919.81</b>	<b>20,982.30</b>	-
Amortization charge for the year	49.26	1,558.74	1,889.19	<b>3,497.19</b>	-
Disposals / adjustments	(39.77)	-	-	<b>(39.77)</b>	-
<b>Balance as at March 31, 2023</b>	<b>305.80</b>	<b>9,324.92</b>	<b>14,809.00</b>	<b>24,439.72</b>	-
<b>Net carrying amount</b>					
<b>As at March 31, 2022</b>	<b>91.00</b>	<b>5,693.02</b>	<b>7,394.52</b>	<b>13,178.54</b>	<b>3,895.29</b>
<b>As at March 31, 2023</b>	<b>97.05</b>	<b>6,215.76</b>	<b>7,073.92</b>	<b>13,386.73</b>	<b>3,029.75</b>

## Notes-

- i) Amortization pertaining to software used for manufacture of moulds has been capitalized during the year amounting to Rs. 1.13 Lakhs (Previous year Rs. 1.78 Lakhs).
- ii) Consists of capitalised development costs being an internally generated intangible asset.
- iii) Intangible assets under development comprises of technical know how and product development cost incurred by the Company.
- iv) Intangible assets under development
  - (a) Ageing:

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2023

Particulars	Amount in intangible assets under development for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,473.46	1,133.80	287.75	134.74	3,029.75
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,473.46</b>	<b>1,133.80</b>	<b>287.75</b>	<b>134.74</b>	<b>3,029.75</b>

As at March 31, 2022

Particulars	Amount in intangible assets under development for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,861.24	770.70	219.31	44.04	3,895.29
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2,861.24</b>	<b>770.70</b>	<b>219.31</b>	<b>44.04</b>	<b>3,895.29</b>

(b) Completion schedule for intangible assets under development whose completion is overdue compared to its original plan:

As at March 31, 2023

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Projects pertaining to development of new models for *					
- Air conditioning kit	544.81	-	-	-	544.81
- Heating, ventilation, and air conditioning (HVAC) system	661.17	15.27	-	-	676.44
- Compressor	60.40	8.90	-	-	69.30
- Hose & Tubes	65.43	-	-	-	65.43
- Condensor	567.83	-	-	-	567.83
- Radiator	295.05	-	-	-	295.05
- Rear air conditioning system	5.96	-	33.33	-	39.29
<b>Total</b>	<b>2,200.65</b>	<b>24.17</b>	<b>33.33</b>	<b>-</b>	<b>2,258.15</b>

\*The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.

As at March 31, 2022

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Projects pertaining to development of new models for*					
- Air conditioning kit	524.97	-	-	-	524.97
- Heating, ventilation, and air conditioning (HVAC) system	278.20	-	15.27	-	293.47
- Compressor	-	-	8.90	-	8.90
- Hose & Tubes	47.00	-	-	-	47.00
- Condensor	509.03	-	-	-	509.03
- Rear air conditioning system	-	-	-	33.33	33.33
<b>Total</b>	<b>1,359.20</b>	<b>-</b>	<b>24.17</b>	<b>33.33</b>	<b>1,416.70</b>

\*The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.

#### Significant estimates:

##### A. Appropriateness of capitalization of internal development costs related to Intangible assets under development

In relation to capitalisation of internal development costs in relation to intangible assets under development, significant judgement has been made by the management in the determination of –

- whether the costs incurred is towards development of product or in the nature of research,
- the costs, including payroll costs, were directly attributable to relevant projects, and
- key assumptions such as future revenue, margins and the discount rate used to assess the future cash flows from the expected use of such assets once developed and capitalised.

##### B. Estimated useful life of intangible assets

The estimated useful lives of intangible assets are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) to obtain the expected future cash flows from the asset. The Company reviews the useful life of intangible assets at the end of each reporting period.

#### 5(a). Non-current investments

##### (i). Investment in joint venture

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in equity instruments (fully paid- up)		
Unquoted		
<b>Investment in joint venture (carried at cost)</b>		
Denso Subros Thermal Engineering Centre India Private Limited	176.80	176.80
1,767,999 (March 31, 2022: 1,767,999) Fully paid up equity shares of Rs. 10 each		
<b>Total investments</b>	<b>176.80</b>	<b>176.80</b>
<b>Aggregate value of unquoted investments</b>	<b>176.80</b>	<b>176.80</b>
<b>Aggregate amount of impairment in the value of investments</b>	<b>-</b>	<b>-</b>



## (ii). Investment in equity instruments

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in equity instruments (at fair value through profit or loss)		
Unquoted (fully paid- up)		
Amplus Green Power Private Limited	299.98	299.98
1,719,061 (March 31, 2022: 1,719,061) Fully paid up equity shares of Rs. 17.45 each		
<b>Total investments</b>	<b>299.98</b>	<b>299.98</b>
<b>Aggregate value of unquoted investments</b>	<b>299.98</b>	<b>299.98</b>
<b>Aggregate amount of impairment in the value of investments</b>	<b>-</b>	<b>-</b>

## 5(a). Current investments

## (iii). Investment in mutual funds

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in mutual fund (at fair value through profit or loss)		
Unquoted		
1,661,907.84 (March 31, 2022: Nil) units of Nippon India Overnight Fund - Direct Growth Plan	2,000.00	-
<b>Total investments</b>	<b>2,000.00</b>	<b>-</b>
<b>Aggregate value of unquoted investments</b>	<b>2,000.00</b>	<b>-</b>
<b>Aggregate amount of impairment in the value of investments</b>	<b>-</b>	<b>-</b>

## 5(b). Trade receivables

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables from contract with customers - billed	16,249.87	19,927.57
Trade receivables from contract with customers - unbilled*	4,703.06	2,848.99
Receivables from related parties (Refer note 24)	4.52	10.92
Less: Loss allowance	(152.87)	(151.28)
<b>Total trade receivables</b>	<b>20,804.58</b>	<b>22,636.20</b>
Current portion	20,804.58	22,636.20
Non-current portion	-	-

\*The receivable is unbilled because Company has not yet issued an invoice, however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

## Breakup of security details

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	20,838.44	22,662.97
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	119.01	124.51
<b>Total</b>	<b>20,957.45</b>	<b>22,787.48</b>
Loss allowance	(152.87)	(151.28)
<b>Total trade receivables</b>	<b>20,804.58</b>	<b>22,636.20</b>

## Ageing of Trade Receivables as on March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from the due date					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
- considered good	4,703.06	13,967.67	2,044.08	85.34	19.81	4.82	13.66	<b>20,838.44</b>
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
- considered good	-	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	119.01	<b>119.01</b>
<b>Total</b>	<b>4,703.06</b>	<b>13,967.67</b>	<b>2,044.08</b>	<b>85.34</b>	<b>19.81</b>	<b>4.82</b>	<b>132.67</b>	<b>20,957.45</b>

**Ageing of Trade Receivables as on March 31, 2022**

Particulars	Unbilled	Not Due	Outstanding for following periods from the due date					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
– considered good	2,848.99	17,100.24	2,545.90	62.66	78.10	18.91	8.17	22,662.97
– which have significant increase in credit risk	-	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	21.01	10.39	31.40
Disputed trade receivables								
– considered good	-	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-	93.11	93.11
<b>Total</b>	<b>2,848.99</b>	<b>17,100.24</b>	<b>2,545.90</b>	<b>62.66</b>	<b>78.10</b>	<b>39.92</b>	<b>111.67</b>	<b>22,787.48</b>

**5(c). Cash and cash equivalents***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- In current accounts	2,556.05	3,121.91
Cash on hand	10.57	8.67
Deposit with original maturity of less than 3 months	500.00	-
<b>Total cash and cash equivalents</b>	<b>3,066.62</b>	<b>3,130.58</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

**5(d) Bank balances other than cash and cash equivalents***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Earmarked balances with banks</b>		
Deposits with original maturity of more than three months but less than 12 months*	-	12.52
Unpaid dividend account	22.63	25.90
<b>Others</b>		
Deposits with original maturity of more than three months but less than 12 months	5,750.00	8,688.91
<b>Total bank balances other than cash and cash equivalents</b>	<b>5,772.63</b>	<b>8,727.33</b>

\* Held as security with the banks against bank guarantee and hence not available for free use with the Company.

**5(e). Loans***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Loans to employees	66.24	17.02	55.91	25.41
<b>Total loans</b>	<b>66.24</b>	<b>17.02</b>	<b>55.91</b>	<b>25.41</b>

**Breakup of security details***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Loans considered good - Secured	-	-
Loans considered good - Unsecured	83.26	81.32
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total</b>	<b>83.26</b>	<b>81.32</b>
Loss allowance	-	-
<b>Total loans</b>	<b>83.26</b>	<b>81.32</b>

**5(f) Other financial assets***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Security deposits				
Related parties (refer note 24)	-	263.46	-	263.37
Others	108.49	663.90	17.34	656.29
Deposits with maturity of more than 12 months	-	2,500.00	-	-
Interest accrued on bank deposits	82.74	32.63	99.97	-
<b>Total other financial assets</b>	<b>191.23</b>	<b>3,459.99</b>	<b>117.31</b>	<b>919.66</b>





**6. Tax Expense**

Income tax expense in the Statement of Profit and Loss comprises:

*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>a) Tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	1,244.80	804.35
Adjustments for current tax of prior periods	(27.09)	1.72
<b>Total current tax expense</b>	<b>1,217.71</b>	<b>806.07</b>
<b>Deferred tax</b>		
Minimum Alternate Tax (MAT) credit utilisation	1,688.65	1,203.32
Adjustment of MAT credits for earlier years	-	(199.26)
Decrease / (increase) in deferred tax assets	108.75	91.14
(Decrease) / increase in deferred tax liabilities	(722.16)	(620.88)
<b>Total deferred tax expense / (benefit)</b>	<b>1,075.24</b>	<b>474.32</b>
<b>Total tax expense / (credit)</b>	<b>2,292.95</b>	<b>1,280.39</b>

b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Accounting Profit before tax</b>	<b>7,101.51</b>	<b>4,538.18</b>
Computed tax expense at applicable tax rate of 34.944% (previous year 34.944%)	<b>2,481.55</b>	<b>1,585.81</b>
Tax effect of :		
Tax effects of the amounts which are not deductible in calculating taxable income	52.65	73.02
Adjustment on account of remeasurement (Refer note 2 below)	(214.16)	(180.90)
Adjustment of MAT credit of earlier years	-	(199.26)
Income tax provision reversal of prior year	(27.09)	1.72
<b>Tax expense recognized in Statement of Profit and Loss</b>	<b>2,292.95</b>	<b>1,280.39</b>

The tax impact of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Opening balance	Recognized in Profit or loss- Credit/(charge)	Recognized in Other Comprehensive Income -Credit/ (charge)	Closing Balance
<b>2021-22</b>				
<b>Deferred tax liability in relation to:</b>				
Property, plant and equipment and intangible assets	9,011.25	386.14	-	8,625.11
Right-of-use assets	223.60	53.84	-	169.76
Adjustment on account of remeasurement (net) (Refer note 2 below)	(945.98)	180.90	-	(1,126.88)
<b>Total deferred tax liability(A)</b>	<b>8,288.87</b>	<b>620.88</b>	<b>-</b>	<b>7,667.99</b>
<b>Deferred tax assets in relation to:</b>				
Expenses deductible in future years	578.75	(54.40)	-	524.35
Lease liabilities	321.85	(36.74)	-	285.11
Remeasurement of post employment benefit obligations	184.61	-	(38.94)	145.67
<b>Total deferred tax assets (B)</b>	<b>1,085.21</b>	<b>(91.14)</b>	<b>(38.94)</b>	<b>955.13</b>
<b>Deferred tax liability(net) (C) = (A) - (B)</b>	<b>7,203.66</b>	<b>529.74</b>	<b>(38.94)</b>	<b>6,712.86</b>
<b>Minimum alternate tax credit (D)</b>	<b>5,429.58</b>	<b>(1,004.06)</b>	<b>-</b>	<b>4,425.52</b>
<b>Deferred tax liabilities/(assets) (net) (C) -(D)</b>	<b>1,774.08</b>	<b>(474.32)</b>	<b>(38.94)</b>	<b>2,287.34</b>

Particulars	Opening balance	Recognized in Profit or loss-Credit/(charge)	Recognized in Other Comprehensive Income -Credit/(charge)	Closing Balance
<b>2022-23</b>				
<b>Deferred tax liability in relation to:</b>				
Property, plant and equipment and intangible assets	8,625.11	413.12	-	8,211.99
Right-of-use assets	169.76	94.88	-	74.88
Adjustment on account of remeasurement (net) (Refer note 2 below)	(1,126.88)	214.16	-	(1,341.04)
<b>Total deferred tax liability(A)</b>	<b>7,667.99</b>	<b>722.16</b>	<b>-</b>	<b>6,945.83</b>
<b>Deferred tax assets in relation to:</b>				
Expenses deductible in future years	524.35	(7.86)	-	516.49
Lease liabilities	285.11	(100.89)	-	184.22
Remeasurement of post employment benefit obligations	145.67	-	(8.06)	137.61
<b>Total deferred tax assets (B)</b>	<b>955.13</b>	<b>(108.75)</b>	<b>(8.06)</b>	<b>838.32</b>
<b>Deferred tax liability(net) (C) = (A) - (B)</b>	<b>6,712.86</b>	<b>613.41</b>	<b>(8.06)</b>	<b>6,107.51</b>
<b>Minimum alternate tax credit (D)</b>	<b>4,425.52</b>	<b>(1,688.65)</b>	<b>-</b>	<b>2,736.87</b>
<b>Deferred tax liabilities/(assets) (net) (C) -(D)</b>	<b>2,287.34</b>	<b>(1,075.24)</b>	<b>(8.06)</b>	<b>3,370.64</b>

Note

- Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.
- In the financial year 2019-20, the tax laws were amended, providing an option to pay tax at 22% plus applicable surcharge and cess ("New Rate") effective April 1, 2019, with a condition that the Company will need to surrender specified deductions / incentives. Based on the assessment of future taxable profits, the Company decided to continue with the rate of 30% plus applicable surcharge and cess until the Minimum Alternate Tax (MAT) credit asset balance is utilised and opt for the New Rate thereafter. The Company re-measured its deferred tax balances accordingly.

#### Significant estimate:

The deferred tax asset mainly comprises of Minimum Alternate Tax (MAT) credit which can be carried forward for a period of 15 years as per the provisions of the Income Tax Act, 1961. The Company has been consistently earning profits and is currently liable to pay Income Tax under normal provisions of Income Tax Act, 1961. The Company has concluded that the deferred tax asset will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

#### 7. Other assets

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Capital advances	-	705.84	-	1,122.61
Advance to suppliers				
-Related party (refer note 24)	0.55	-	2.17	-
-Others	1,087.72	-	795.96	-
Prepaid expenses	626.39	-	631.35	-
Recoverable from statutory authorities	986.37	-	1,116.28	-
<b>Total other assets</b>	<b>2,701.03</b>	<b>705.84</b>	<b>2,545.76</b>	<b>1,122.61</b>

#### 8. Inventories

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw material and spares *	26,380.50	23,075.66
Work-in progress	3,706.09	5,033.74
Finished goods	938.31	852.38
Stores	2,839.57	2,788.73
<b>Total Inventories</b>	<b>33,864.47</b>	<b>31,750.51</b>

\* Net of provision for inventory obsolescence amounting to Rs. 581.89 Lakhs as at March 31, 2023 (March 31, 2022: Rs. 428.34 Lakhs). An amount of Rs. 153.55 lakhs has been provided during the year ended March 31, 2023 (Rs. 142.48 lakhs has been written back during the year ended March 31, 2022) and included in 'cost of material consumed' in Statement of Profit and Loss.

#### Inventory includes in transit inventory of:-

Raw material and spares	3,885.60	4,831.59
Finished goods	426.10	449.00

Note: Refer note 3 to the financial statements for information on inventories offered as security by the Company.

#### Significant estimate:

The provision for inventory obsolescence is based on assumptions about usability / saleability of inventory. The Company reviews the provision for inventory obsolescence at the end of each reporting period.



**9. Non-current tax assets (net)***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Advance tax (net of provisions - March 31, 2023: Rs 9,664.76 Lakhs; March 31, 2022: Rs 9,691.85 Lakhs)	241.55	190.67
<b>Total non-current tax assets</b>	<b>241.55</b>	<b>190.67</b>

**10. Equity****10(a). Equity share capital***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorized share capital</b>		
125,000,000 (as at March 31, 2022 : 125,000,000) equity shares of Rs. 2 each	2,500.00	2,500.00
<b>Issued share capital</b>		
65,241,450 (as at March 31, 2022 : 65,241,450) equity shares of Rs. 2 each	1,304.83	1,304.83
<b>Subscribed and paid up share capital</b>		
65,235,750 (as at March 31, 2022 : 65,235,750) equity shares of Rs. 2 each, fully paid up	1,304.71	1,304.71
<b>Total</b>	<b>1,304.71</b>	<b>1,304.71</b>

**A. Reconciliation of the shares outstanding at the beginning and at the end of the year***(All amounts in Rs. Lakhs, unless otherwise stated)*

Equity shares	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	65,235,750	1,304.71	65,235,750	1,304.71
Add: Shares issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>65,235,750</b>	<b>1,304.71</b>	<b>65,235,750</b>	<b>1,304.71</b>

**B. Rights, preferences and restrictions attached to shares**

The Company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

**C. Details of shares held by each shareholder holding more than 5% shares**

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% of holding	Number of shares held	% of holding
Deeksha Holding Limited	10,137,760	15.54%	10,137,760	15.54%
Jyotsna Holding Private Limited	3,448,000	5.28%	3,448,000	5.28%
R R Holdings Private Limited	3,208,000	4.92%	3,208,000	4.92%
Shradha Suri	5,587,040	8.57%	5,587,040	8.57%
Denso Corporation	13,047,150	20.00%	13,047,150	20.00%
Suzuki Motor Corporation	7,800,000	11.96%	7,800,000	11.96%

**D. Details of shareholding of promoters:**

Name of the promoter	As at March 31, 2023			As at March 31, 2022		
	Number of shares	% total shares	% Change during the year	Number of shares	% total shares	% Change during the year
Shradha Suri	5,587,040	8.57%	0.00%	5,587,040	8.57%	100.00%
Deeksha Holding Limited	10,137,760	15.54%	0.00%	10,137,760	15.54%	0.00%
Jyotsna Holding Private Limited	3,448,000	5.28%	0.00%	3,448,000	5.28%	0.00%
R.R. Holdings Private Limited	3,208,000	4.92%	0.00%	3,208,000	4.92%	0.00%
JS Family Trust	1,619,200	2.48%	100.00%	-	0.00%	0.00%
Jyotsna Suri	-	0.00%	-100.00%	1,619,200	2.48%	0.00%

**10(b). Other equity****Reserves and surplus***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	20,817.44	20,817.44
General reserve	12,725.48	12,575.48
Retained earnings	51,864.85	47,647.95
<b>Total other equity</b>	<b>85,407.77</b>	<b>81,040.87</b>

**i) Securities premium***(All amounts in Rs. Lakhs, unless otherwise stated)*

Equity shares	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	20,817.44	20,817.44
Issue of equity shares	-	-
<b>Closing balance</b>	<b>20,817.44</b>	<b>20,817.44</b>

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013

**ii) General reserve***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	12,575.48	12,425.48
Transfer from retained earnings	150.00	150.00
<b>Closing balance</b>	<b>12,725.48</b>	<b>12,575.48</b>

General reserve is the retained earnings of a Company which is kept aside out of the Company's profits to meet future (known or unknown) obligations.

**iii) Retained earnings***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	47,647.95	44,924.31
Add: Profit for the year	4,808.56	3,257.79
Less: Remeasurement gain / (loss) on post employment benefit obligation, net of tax	14.99	72.50
Less: Appropriations		
Transfer to general reserve	(150.00)	(150.00)
Dividend on equity shares	(456.65)	(456.65)
<b>Closing balance</b>	<b>51,864.85</b>	<b>47,647.95</b>

During the year, a dividend of Rs. 0.70 per share, total dividend Rs. 456.65 Lakhs (previous year: Rs. 0.70 per share, total dividend Rs. 456.65 Lakhs) was paid to equity shareholders.

The Board of Directors recommended a final dividend of Re. 1 per share (nominal value of Rs. 2 per share) for the financial year 2022-23 (March 31, 2022: Rs. 0.70 per share for the financial year 2021-22). This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these Standalone Financial Statements. The total estimated dividend to be paid is Rs. 652.36 Lakhs (March 31, 2022: Rs. 456.65 Lakhs).

**11. Financial liabilities****11(a). Non-current borrowings***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Term loans		
Indian Rupee loans from banks	1,339.51	2,503.27
<b>Total Non-current borrowings</b>	<b>1,339.51</b>	<b>2,503.27</b>
Less: Current maturities of long term debt [included in note 11(b)]	867.06	1,160.72
Less: Interest accrued [included in note 11(b)]	3.70	6.75
<b>Non-current borrowings</b>	<b>468.75</b>	<b>1,335.80</b>



Borrowings	Security	As at March 31, 2023	As at March 31, 2022	Maturity date	Terms of repayment	Coupon/ Interest rate
<b>Indian Rupee loans from banks</b>						
Loan 1	First charge on movable fixed assets other than exclusive charge created for other loans	495.54	1,284.49	August, 2023	Fourteen quarterly equal instalments commencing from November, 2019	REPO + 200 bps (March 31, 2022 : REPO + 200 bps)
Loan 2	Exclusive charge over specific movable fixed assets	843.97	1,218.78	June, 2025	Sixteen quarterly equal instalments commencing from September, 2021	3 Month MIBOR (March 31, 2022 : 3 Month MIBOR)
<b>Total</b>		<b>1,339.51</b>	<b>2,503.27</b>			

**11(b). Current borrowings***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
From banks		
Current maturities of long term debt*	870.76	1,167.47
<b>Total current borrowings</b>	<b>870.76</b>	<b>1,167.47</b>

\* Includes interest accrued on long-term borrowings.

Note: The Company has working capital limits which have not been availed as at March 31, 2023 and March 31, 2022. (Refer note 3 for details of current assets offered as security).

**11(c). Other financial liabilities***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Capital creditors*	422.34	552.49
Interest accrued	9.67	5.51
Security deposit received		
-Related party (refer note 24)	6.14	6.14
-Others	47.99	44.49
Unclaimed dividend**	22.63	25.90
Derivative liability	32.15	399.54
Others		
Due to directors (refer note 24)	152.73	39.18
Payable to employees	1,427.89	2,332.81
<b>Total</b>	<b>2,121.54</b>	<b>3,406.06</b>

\* Includes Rs. 104.06 Lakhs (March 31, 2022: Rs. 45.61 Lakhs) payable to related parties. Refer note 24.

\*\* The Company has deposited an amount of Rs. 4.42 Lakhs (Previous year Rs. 4.40 Lakhs) during the year in Investor Education and Protection Fund. Further, no amount is pending for deposition in Investor Education and Protection Fund.

**11(d). Trade payables***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Trade payables: micro and small enterprises (refer Note 36)	118.42	228.77
Trade payables: others	46,852.18	46,396.74
Trade payables to related parties (refer note 24)	1,900.97	2,253.35
<b>Total</b>	<b>48,871.57</b>	<b>48,878.86</b>

## Ageing of trade payables as at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for the following periods from the due date of payment				Total
			less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
- Micro and small enterprises	9.00	109.20	0.19	0.03	-	-	118.42
- Others	5,312.80	35,278.21	8,089.28	46.07	23.86	2.93	48,753.15
Disputed trade payables							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
<b>Total</b>	<b>5,321.80</b>	<b>35,387.41</b>	<b>8,089.47</b>	<b>46.10</b>	<b>23.86</b>	<b>2.93</b>	<b>48,871.57</b>

## Ageing of trade payables as at March 31, 2022

Particulars	Unbilled	Not Due	Outstanding for the following periods from the due date of payment				Total
			less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
- Micro and small enterprises	16.20	212.54	0.03	-	-	-	228.77
- Others	3,725.94	34,340.82	10,470.12	29.98	2.93	80.30	48,650.09
Disputed trade payables							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
<b>Total</b>	<b>3,742.14</b>	<b>34,553.36</b>	<b>10,470.15</b>	<b>29.98</b>	<b>2.93</b>	<b>80.30</b>	<b>48,878.86</b>

## 11 (e). Current tax liabilities

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Opening balance</b>		
Current tax payable for the year	-	-
Less:- Taxes paid	1,244.80	-
Closing balance	1,007.04	-
<b>Closing balance</b>	<b>237.76</b>	<b>-</b>

## 11(f). Other non-current liabilities

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Government grants</b>		
Opening balance	76.79	-
Grants during the year	171.48	76.79
Less: Released to profit or loss	-	-
<b>Closing balance</b>	<b>248.27</b>	<b>76.79</b>
Current portion	-	-
Non-current portion	248.27	76.79

Note: This pertains to government grant received from Ozone Cell (Ministry of Environment, Forest and Climate Change, Government of India) related to property, plant and equipment to be procured at Nalagarh plant under the scheme 'India HCFC Phase-out Management Plan Stage II' to phase out the consumption of HCFCs (Hydro chlorofluorocarbons). As on March 31, 2023, the Company is yet to comply with the conditions attached to this grant with respect to installation of property, plant and equipment and other conditions stated in the scheme.

The Company has also benefited from other forms of government assistance as mentioned in note 15 & 18.

## 11(g). Supplier's credit

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Supplier's credit	6,274.58	3,518.63
<b>Total</b>	<b>6,274.58</b>	<b>3,518.63</b>

Note: Supplier's credit represents the arrangement where suppliers of goods and services are initially paid by Receivables Exchange of India/ bank and settlement with the Receivables Exchange of India/bank are normally effected within a period of 90 days.



**12. Provisions***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits:				
Provision for leave encashment (refer note 28)	325.26	-	330.55	-
Provision for gratuity (refer note 28)	-	881.49	-	875.30
Provision for warranty	255.73	170.49	248.79	165.86
<b>Total</b>	<b>580.99</b>	<b>1,051.98</b>	<b>579.34</b>	<b>1,041.16</b>

**i) Information about individual provisions and critical estimates****Provision for employee benefits:**

The provision for employee benefits include leave encashment and gratuity (refer note 2(c)(xiii) and 28).

**Provision for warranty:**

Significant estimate: Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. The Company generally offers 24 months warranties for its products. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. The assumptions made in relation to the current period are consistent with those in the prior years. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives.

**ii) Movement in provision for warranty***(All amounts in Rs. Lakhs, unless otherwise stated)*

<b>As at March 31, 2021</b>	<b>569.74</b>
Charged/(credited) to profit or loss	
Additional provisions recognized	150.36
Unwinding of discount on provision for warranty	8.48
Discounting of additional provision recognized	(17.48)
Amounts written back during the year (Refer note 15)	(225.18)
Amounts utilized during the year	(71.27)
<b>As at March 31, 2022</b>	<b>414.65</b>
Charged/(credited) to profit or loss	
Additional provisions recognized	169.13
Unwinding of discount on provision for warranty	8.48
Discounting of additional provision recognized	(8.98)
Amounts written back during the year (Refer note 15)	-
Amounts utilized during the year	(157.06)
<b>As at March 31, 2023</b>	<b>426.22</b>

**Sensitivity analysis**

As at March 31, 2023, provision for warranty had a carrying amount of Rs. 426.22 Lakhs (March 31, 2022: Rs. 414.65 Lakhs). Were warranty claim costs to differ by 10% of the management's estimates, the provision would be an estimated Rs. 42.62 Lakhs higher or lower (March 31, 2022: Rs. 41.47 Lakhs higher or lower).

**13 (a). Contract liabilities***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Contract liabilities	838.35	2,654.40
<b>Total</b>	<b>838.35</b>	<b>2,654.40</b>

Notes:

a) Contract liabilities represent payments received from the customers in excess of the goods sold by the Company.

b) During the year ended March 31, 2023, the Company recognised revenue of Rs. 2,333.18 Lakhs arising from opening contract liabilities as of April 01, 2022. During the previous year, the Company recognised revenue of Rs. 91.94 Lakhs arising from opening contract liabilities as at April 01, 2021.

**13 (b). Other current liabilities***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	2,114.04	2,334.65
<b>Total</b>	<b>2,114.04</b>	<b>2,334.65</b>

**14. Revenue from operations***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from contracts with customers</b>		
- Sale of products	279,513.26	223,416.73
- Sale of services	467.24	74.42
<b>Other operating revenues</b>		
- Sale of scrap	647.67	373.15
<b>Total</b>	<b>280,628.17</b>	<b>223,864.30</b>

Note 1: Unsatisfied contracts:

The following table shows unsatisfied performance obligation resulting from contracts:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at reporting date	838.35	2,654.40

Management expects that transaction price allocated to unsatisfied contracts as of March 31, 2023 will be recognized as revenue during the next reporting period.

Note 2: Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract Price	282,243.98	225,148.37
Adjustments for:		
- Rebate/discounts	(1,615.81)	(1,284.07)
<b>Revenue from Operations</b>	<b>280,628.17</b>	<b>223,864.30</b>

Note 3: The Company has disaggregated revenue from contracts with customers based on nature of revenue i.e. sale of products and sale of services. The Company does not have reportable segment. Refer note 23.

Note 4: The Company derives revenue from transfer of goods and services at a point of time after acceptance from customers.

Note 5: No significant judgements have been made by the Company in applying Ind AS 115 that significantly affect the determination of the amount and timing of revenue from contracts with customers.

**15. Other income***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on:		
a) Financial assets at amortized cost	391.71	386.41
b) Others	138.40	5.72
Exchange variation on foreign currency transactions (net)	144.11	-
Fair value changes on derivatives	367.39	208.33
Unwinding of discount on financial asset	6.36	4.90
Rental income	73.76	64.66
Dividend income from investment in joint venture	28.23	37.58
Net gain on sale of investments	131.26	-
Provision written back to the extent no longer required (Refer note 12)	-	225.18
Refund of electricity duty*	685.46	-
Other miscellaneous income	90.28	59.65
<b>Total</b>	<b>2,056.96</b>	<b>992.43</b>

\* During the year ended March 31, 2023, the Company has received a refund of electricity duty amounting to Rs. 685.46 Lakhs (March 31, 2022: Rs. Nil) for the period February 2010 to January 2020 from Pashchimanchal Vidyut Vitran Nigam Limited, Uttar Pradesh issued vide order dated January 30, 2023 issued by High Court of Allahabad for writ petition filed by the Company in order to receive the same under The Industrial and Service Sector Investment Policy 2004 read with notification no. 276/24-P-3-2018 dated February 5, 2018 issued by Government of Uttar Pradesh. There are no unfulfilled conditions or other contingencies attached to this refund. The Company has also benefited from other forms of government assistance as mentioned in note 11(f) & 18.





**16. Cost of material consumed***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Raw material and spares</b>		
Raw material and spares at the beginning of the year	23,075.66	21,927.93
Add: Purchase of raw material and spares	217,095.63	169,559.18
Less: Raw material and spares at the end of the year	26,380.50	23,075.66
<b>Total</b>	<b>213,790.79</b>	<b>168,411.45</b>

**17. Changes in inventories of finished goods and work in progress***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Finished goods</b>		
Closing balance	938.31	852.38
Less:- Opening balance	852.38	893.79
	<b>85.93</b>	<b>(41.41)</b>
<b>Work-in-progress</b>		
Closing balance	3,706.09	5,033.74
Less:- Opening balance	5,033.74	2,689.46
	<b>(1,327.65)</b>	<b>2,344.28</b>
<b>(Increase) / decrease</b>	<b>1,241.72</b>	<b>(2,302.87)</b>

**18. Employee benefits expense***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus*	21,391.61	19,820.08
Contribution to provident and other funds (refer note 28)**	952.45	888.46
Gratuity (refer note 28)	258.29	258.32
Staff welfare expenses	2,170.11	1,738.01
<b>Total</b>	<b>24,772.46</b>	<b>22,704.87</b>

Note: Government grants

\* Net of government grants related to refund of 50% of minimum stipend prescribed by Board of Apprenticeship Training (Northern Region) amounting to Rs. 280.63 Lakhs (March 31, 2022: Rs. 171.43 Lakhs).

\*\* Net of government grants related to payment of employer's contribution towards Employees Provident Fund and Employees Pension Scheme for the new employment, paid by government of India under the Pradhan Mantri Rojgar Protsahan Yojana amounting to Rs. 25.37 Lakhs (March 31, 2022: Rs. 25.27 Lakhs).

There are no unfulfilled conditions or other contingencies attached to these grants. The Company did not benefit directly from any other forms of government assistance except as disclosed in Note 11(f) &amp; 15.

**19. Finance costs***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest costs:		
- Loans from banks	194.22	284.77
- Other financing arrangements	179.14	304.16
Exchange differences regarded as an adjustment to borrowing costs	233.79	230.98
Interest on lease liabilities (refer note 27)	62.08	79.15
Fair value changes on derivatives	-	53.58
Other finance costs*	8.48	138.85
<b>Total</b>	<b>677.71</b>	<b>1,091.49</b>

\* Net of Rs. Nil (March 31, 2022: Rs. 26.03 Lakhs) written back to the extent no longer required based on confirmations received from micro and small enterprises confirming that no interest under the Micro, Small and Medium Enterprises Development Act, 2006 is payable to them (refer Note 36).

**20. Depreciation and amortization expense***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment (refer note 3)	7,385.33	6,556.81
Depreciation of right-of-use assets (refer note 27)	146.68	159.54
Amortization of intangible assets (refer note 4)	3,496.06	3,518.83
<b>Total</b>	<b>11,028.07</b>	<b>10,235.18</b>

**21. Other expenses***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores	5,465.93	4,169.03
Power and fuel	3,627.73	3,169.72
Rent (refer note 27)	346.83	415.71
Repair and maintenance: Building	518.49	455.11
Repair and maintenance: Plant and machinery	2,076.77	1,799.29
Repair and maintenance: Others	410.55	295.50
Rates, taxes and fees	34.17	57.39
Insurance	608.51	638.73
Royalty	3,333.12	2,567.99
Warranty expenses	160.15	132.88
Selling and distribution expenses	4,300.78	3,585.45
Legal and professional charges	399.99	391.71
Vehicle running and maintenance	145.47	145.28
Travelling and conveyance	576.20	272.03
Payment to auditors [refer note 21(a) below]	56.73	49.11
Exchange variation on foreign currency transactions (net)	-	114.03
Net loss on disposal of property, plant and equipment	53.51	73.70
Corporate social responsibility expenses [refer note 21(b) below]	150.66	195.00
Director's sitting fees	58.55	54.65
Other miscellaneous expenses	1,748.73	1,596.12
<b>Total</b>	<b>24,072.87</b>	<b>20,178.43</b>

**21(a). Details of payment to auditors***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Payment to auditors*</b>		
<b>As auditor:</b>		
Audit fees (including limited review)	50.50	46.50
Tax audit fee	1.50	1.50
Certification fee	1.00	0.50
Reimbursement of expenses	3.73	0.61
<b>Total</b>	<b>56.73</b>	<b>49.11</b>

\* Excluding applicable taxes



## 21(b). Corporate social responsibility expenses

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to green plantations	4.54	5.53
Contribution to education for under-privileged children	48.02	36.30
Contribution to skills developments	77.26	69.51
Contribution to social campaign	4.43	8.03
Contribution to paralympic sports	4.30	-
Contribution to preventive healthcare	10.61	65.63
Contribution to technology development	1.50	10.00
Accrual towards unspent obligations in relation to:		
Ongoing project	-	-
Other than ongoing projects	-	-
<b>Total</b>	<b>150.66</b>	<b>195.00</b>
<i>Amount required to be spent as per Section 135 of the Act</i>	<b>150.66</b>	<b>194.09</b>
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(i) On purpose other than above	150.66	195.00
<b>Total</b>	<b>150.66</b>	<b>195.00</b>

## Details of ongoing CSR projects under Section 135(6) of the Act

Balance as at April 1, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2023	
With the Company	In Separate CSR Unspent account		From the Company's bank account	From Separate CSR Unspent account	With the Company	In Separate CSR Unspent account
-	-	144.86	144.86	-	-	-

## Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at April 1, 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2023
-	-	5.80	5.80	-

## Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at April 1, 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2023
-	-	-	-

## Details of ongoing CSR projects under Section 135(6) of the Act

Balance as at April 1, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2022	
With the Company	In Separate CSR Unspent account		From the Company's bank account	From Separate CSR Unspent account	With the Company	In Separate CSR Unspent account
-	-	185.00	185.00	-	-	-

## Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at April 1, 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2022
-	-	10.00	10.00	-

## Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at April 1, 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2022
-	-	-	-

**22. Financial instruments and risk management****22(a). Financial instruments by category**

The carrying value and fair value of financial instruments by categories as of March 31, 2023 is as follows:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	FVOCI	FVTPL	Amortized cost	Total
<b>Financial assets</b>				
i) Investment	-	2,299.98	-	2,299.98
ii) Trade receivables	-	-	20,804.58	20,804.58
iii) Cash and cash equivalents	-	-	3,066.62	3,066.62
iv) Bank balance other than cash and cash equivalents	-	-	5,772.63	5,772.63
v) Loans	-	-	83.26	83.26
vi) Other financial assets	-	-	3,651.22	3,651.22
<b>Total financial assets</b>	-	<b>2,299.98</b>	<b>33,378.31</b>	<b>35,678.29</b>
<b>Financial liabilities</b>				
i) Borrowings	-	-	1,339.51	1,339.51
ii) Supplier's credit	-	-	6,274.58	6,274.58
iii) Trade payables	-	-	48,871.57	48,871.57
iv) Other financial liabilities	-	32.15	2,089.39	2,121.54
<b>Total financial liabilities</b>	-	<b>32.15</b>	<b>58,575.05</b>	<b>58,607.20</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2022 is as follows:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	FVOCI	FVTPL	Amortized cost	Total
<b>Financial assets</b>				
i) Investment	-	299.98	-	299.98
ii) Trade receivables	-	-	22,636.20	22,636.20
iii) Cash and cash equivalents	-	-	3,130.58	3,130.58
iv) Bank balance other than cash and cash equivalents	-	-	8,727.33	8,727.33
v) Loans	-	-	81.32	81.32
vi) Other financial assets	-	-	1,036.97	1,036.97
<b>Total financial assets</b>	-	<b>299.98</b>	<b>35,612.40</b>	<b>35,912.38</b>
<b>Financial liabilities</b>				
i) Borrowings	-	-	2,503.27	2,503.27
ii) Supplier's credit	-	-	3,518.63	3,518.63
iii) Trade payables	-	-	48,878.86	48,878.86
iv) Other financial liabilities	-	399.54	3,006.52	3,406.06
<b>Total financial liabilities</b>	-	<b>399.54</b>	<b>57,907.28</b>	<b>58,306.82</b>

The following tables provides an analysis of financial assets and liabilities that are measured at fair value - recurring fair value measurements, grouped into level 1 to level 3, as described below:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes No.	As at March 31, 2023			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Investment	5(a)(ii) & (iii)	2,000.00	-	299.98	2,299.98
<b>Total financial assets</b>		<b>2,000.00</b>	-	<b>299.98</b>	<b>2,299.98</b>
<b>Financial liabilities</b>					
Derivative liability	11(c)	-	32.15	-	32.15
<b>Total financial liabilities</b>		-	<b>32.15</b>	-	<b>32.15</b>



(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes No.	As at March 31, 2022			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investment	5(a)(ii)	-	-	299.98	299.98
<b>Total financial assets</b>		-	-	<b>299.98</b>	<b>299.98</b>
<b>Financial liabilities</b>					
Derivative liability	11(c)	-	399.54	-	399.54
<b>Total financial liabilities</b>		-	<b>399.54</b>	-	<b>399.54</b>

The following tables provides an analysis of financial assets and liabilities that are measured at amortized cost for which fair values are disclosed, grouped into level 1 to level 3, as described below:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes No.	As at March 31, 2023			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Security deposits	5(f)	-	-	1,035.85	1,035.85
Loans to employees	5(e)	-	-	83.26	83.26
Trade receivables	5(b)	-	-	20,804.58	20,804.58
Cash and cash equivalents	5(c)	-	-	3,066.62	3,066.62
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	5,750.00	5,750.00
Deposits with maturity of more than 12 months	5(f)	-	-	2,500.00	2,500.00
Unpaid dividend account	5(d)	-	-	22.63	22.63
Interest accrued on bank deposits	5(f)	-	-	115.37	115.37
<b>Total financial assets</b>		-	-	<b>33,378.31</b>	<b>33,378.31</b>

<b>Financial liabilities</b>					
Borrowings	11(a) & 11(b)	-	-	1,339.51	1,339.51
Supplier's credit	11(g)	-	-	6,274.58	6,274.58
Trade payables	11(d)	-	-	48,871.57	48,871.57
Capital creditors	11(c)	-	-	422.34	422.34
Interest accrued	11(c)	-	-	9.67	9.67
Security deposit received	11(c)	-	-	54.13	54.13
Unclaimed dividend	11(c)	-	-	22.63	22.63
Others					
Due to directors	11(c)	-	-	152.73	152.73
Payable to employees	11(c)	-	-	1,427.89	1,427.89
<b>Total financial liabilities</b>		-	-	<b>58,575.05</b>	<b>58,575.05</b>

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes No.	As at March 31, 2022			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Security deposits	5(f)	-	-	937.00	937.00
Loans to employees	5(e)	-	-	81.32	81.32
Trade receivables	5(b)	-	-	22,636.20	22,636.20
Cash and cash equivalents	5(c)	-	-	3,130.58	3,130.58
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	8,701.43	8,701.43
Unpaid dividend account	5(d)	-	-	25.90	25.90
Interest accrued on bank deposits	5(f)	-	-	99.97	99.97
<b>Total financial assets</b>		-	-	<b>35,612.40</b>	<b>35,612.40</b>

<b>Financial liabilities</b>					
Borrowings	11(a) & 11(b)	-	-	2,503.27	2,503.27
Supplier's credit	11(g)	-	-	3,518.63	3,518.63
Trade payables	11(d)	-	-	48,878.86	48,878.86
Capital creditors	11(c)	-	-	552.49	552.49
Interest accrued	11(c)	-	-	5.51	5.51
Security deposit received	11(c)	-	-	50.63	50.63
Unclaimed dividend	11(c)	-	-	25.90	25.90
Others					
Due to directors	11(c)	-	-	39.18	39.18
Payable to employees	11(c)	-	-	2,332.81	2,332.81
<b>Total financial liabilities</b>		-	-	<b>57,907.28</b>	<b>57,907.28</b>

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in the active market. This includes listed equity instruments that have quoted price and open ended mutual funds that have NAV (Net Assets Value) price available in the active market. The fair value of all equity instruments and mutual funds which are traded in the stock exchanges and open market, respectively, is valued using the closing price as at the reporting period end.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There has been no transfer between level 1, level 2 and level 3 for the years ended March 31, 2023 and March 31, 2022.

Valuation technique used to determine fair value : The Company has entered into variety of foreign currency forward contracts to manage its exposure to fluctuations in foreign exchange rates. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data. Further, Investment in equity shares included in Level 3 of the fair value hierarchy have been valued using the income approach to arrive at their fair value. In this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of this investment.

All short term financial assets and liabilities like trade receivables, cash and cash equivalents, deposit with banks, trade payables, supplier's credit, capital creditors, security deposit received, payable to employees are stated at amortized cost which is approximately equal to their fair value.

The fair value of borrowings is estimated by discounting expected future cash flows, using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of similar maturity.

The fair value of loans to employees and security deposits are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

## 22(b). Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk. In order to minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimize operating, financial and strategic risks. The note explains the sources of risk which the entity is exposed to and how the entity manages the risks:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, deposits with banks, trade receivables, derivative financial instruments, other financial assets measured at amortized cost.	Ageing analysis, credit rating	Diversification of bank deposits, factoring of trade receivables, credit limits and letter of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- foreign exchange	Future commercial transactions Recognized financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts

### Credit risk

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.



For banks and financial institutions, only high rated banks/institutions are accepted. The Company has deposited liquid funds at various banking institutions. Primary banking institutions are major Indian and foreign banks. In long term credit ratings, these banking institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognized commercial banks and are not past due.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian automobile manufacturers and Air-conditioner manufacturer (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of payment due dates is closely monitored on an on-going basis for all customers, thereby practically eliminating the risk of default.

A default on a financial asset is when the counterparty, fails to make contractual payments within the agreed number of days of when they fall due. This definition is determined by considering the business environment in which entity operates and other macro-economic factors.

The Company's historical experience of collecting receivables, supported by the level of default, is that credit risk is low. All customer balances which are overdue for more than 180 days are evaluated for provisioning and considered for impairment on an individual basis. The customer balances are written-off as bad debts, when legal remedies available to the Company are exhausted and/or it becomes certain that said balances will not be recovered.

#### Reconciliation of loss allowance - Trade receivables:

Particulars	As at March 31, 2023	As at March 31, 2022
Loss allowance at the beginning of the year	151.28	189.41
Add / (Less): Changes during the year	1.59	(38.13)
<b>Loss allowance at the end of the year</b>	<b>152.87</b>	<b>151.28</b>

#### Loss allowance as at March 31, 2023 and March 31, 2022 was determined as follows under the simplified approach:

As at March 31, 2023	Unbilled / Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due	Total
Trade receivables - considered good	18,670.73	1,046.99	817.31	121.13	143.99*	157.30	20,957.45
Expected loss rate	0.09%	0.46%	1.10%	2.48%	0.00%	75.57%	-
Expected credit losses - Trade receivables	17.11	4.85	9.03	3.01	-	118.87	152.87
Carrying amount of trade receivables (net of impairment)	18,653.62	1,042.14	808.28	118.12	143.99*	38.43	20,804.58

\*Receivable from Ministry of Railways, which is a due from the government and accordingly no expected provision for credit loss is recognised.

As at March 31, 2022	Unbilled / Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due	Total
Trade receivables - considered good	19,949.23	2,270.21	266.43	21.51	50.41	229.69	22,787.48
Expected loss rate	0.04%	0.32%	0.93%	1.86%	2.54%	57.43%	-
Expected credit losses - Trade receivables	8.04	7.16	2.48	0.40	1.28	131.92	151.28
Carrying amount of trade receivables (net of impairment)	19,941.19	2,263.05	263.95	21.11	49.13	97.77	22,636.20

**Significant estimate:** The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### Liquidity risk

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, the Company's finance division monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet the operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Company raises short term rupee borrowings for cash flow mismatches and hence carries no significant liquidity risk.

#### (i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Floating rate:		
-Expiring within one year (cash credit, working capital loans and other facilities)	34,008.25	34,242.35
-Expiring beyond one year (bank loans)	4,650.74	4,650.74

**(ii) Maturities of financial liabilities**

The table below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Upto 1 year	1-5 Years	More than 5 years	Total
<b>As at March 31, 2023</b>				
Borrowings (including interest)	945.22	502.43	-	1,447.65
Supplier's credit	6,274.58	-	-	6,274.58
Trade payables	48,871.57	-	-	48,871.57
Other financial liabilities	2,089.39	-	-	2,089.39
Lease liabilities (including interest)	86.14	179.95	884.74	1,150.83
<b>Total</b>	<b>58,266.90</b>	<b>682.38</b>	<b>884.74</b>	<b>59,834.02</b>
<b>As at March 31, 2022</b>				
Borrowings (including interest)	1,281.89	1,410.89	-	2,692.78
Supplier's credit	3,518.63	-	-	3,518.63
Trade payables	48,878.86	-	-	48,878.86
Other financial liabilities	3,006.52	-	-	3,006.52
Lease liabilities (including interest)	173.30	387.75	995.33	1,556.38
<b>Total</b>	<b>56,859.20</b>	<b>1,798.64</b>	<b>995.33</b>	<b>59,653.17</b>

**Market risk****(i) Foreign currency risk**

The Company has exposure to foreign currency risk on account of its payables. The Company has a foreign currency exchange risk policy to mitigate this risk by entering into appropriate hedging instruments depending on the future outlook on currencies as considered necessary from time to time for which it has entered into derivative financial instruments such as foreign exchange forward contracts.

**Foreign currency derivative contracts outstanding as at the end of the reporting period:**

Particulars/Purpose	Amount	As at March 31, 2023	As at March 31, 2022
Hedge of foreign currency payables	USD (In Lakhs)	57.00	70.00
	Rs. (in Lakhs)	4,705.36	5,349.90
Cross currency swap	JPY (in Lakhs)	9,293.41	10,716.85
	Rs. (in Lakhs)	5,850.25	6,781.60
	USD (In Lakhs)	-	5.00
	JPY (in Lakhs)	-	608.16

**Particulars of unhedged foreign currency exposure as at the reporting date:**

Particulars/Purpose	Amount	As at March 31, 2023	As at March 31, 2022
Trade payables	Euro (in Lakhs)	0.13	0.04
	Rs. (in Lakhs)	10.82	3.71
	JPY (in Lakhs)	1,591.00	-
	Rs. (in Lakhs)	921.39	-

**Foreign currency sensitivity analysis**

The Company is mainly exposed to JPY & EURO since it is unhedged as at reporting date.

The following table details the Company's sensitivity to a 10% increase and decrease in the INR against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and vice-versa.





(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	INR strengthens by 10%	INR weakens by 10%	INR strengthens by 10%	INR weakens by 10%
Impact on profit for the year				
JPY impact	92.14	(92.14)	-	-
EURO impact	1.08	(1.08)	0.37	(0.37)

**(ii) Interest rate risk****a) Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	1,339.51	2,503.27
Fixed rate borrowings	-	-

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	As at March 31, 2023		
	Weighted average interest rate%	Balance	% of total loans
Rupee loans from banks	9.17	1,339.51	100%

Particulars	As at March 31, 2022		
	Weighted average interest rate%	Balance	% of total loans
Rupee loans from banks	6.19	2,503.27	100%

**b) Sensitivity**

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit after tax	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest rates - increase by 50 basis points	4.36	8.14
Interest rates - decrease by 50 basis points	(4.36)	(8.14)

**(iii) Price risk**

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the Company. Due to the competitive market, major OEMs demand price cuts which in turn may affect the profitability of the Company.

The Company has arrangements with its major customers for passing on the price impact. The Company is regularly taking initiatives like VA VE (value addition, value engineering) to reduce its raw material costs to meet targets set up by its customers for cost downs. In respect of customer nominated parts, the Company has back to back arrangements for cost savings with its suppliers.

**22(c). Capital management**

The Company's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors Net Debt to EBIDTA ratio i.e., Net Debt (total borrowings (including supplier's credit) and lease liabilities net of cash and cash equivalents) divided by EBIDTA (Profit before tax plus depreciation and amortization expense plus finance costs).

The Company's strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:

Particulars	March 31, 2023	March 31, 2022
Net Debt (In Lakhs)	5,074.65	3,707.21
EBIDTA (In Lakhs)	18,807.29	15,864.85
<b>Net Debt to EBITDA</b>	<b>0.27</b>	<b>0.23</b>

The Net debt to EBITDA ratio for the current year increased from 0.23 to 0.27 due to increased net debts on account of higher suppliers credit availed during the year ended March 31, 2023.

#### Loan covenants

Under the terms of the major borrowings facilities, the Company is required to comply with certain financial covenants and the Company has complied with those covenants throughout the reporting period.

#### Dividends

Particulars	As at March 31, 2023	As at March 31, 2022
<b>On Equity shares of Rs. 2 each</b>		
<b>Final dividend</b>		
Dividend paid (Rs. In Lakhs)	456.65	456.65
Dividend per equity share	0.70	0.70

The Board of Directors recommended a final dividend of Re. 1 per share (nominal value of Rs. 2 per share) for the financial year 2022-23 (March 31, 2022: Rs. 0.70 per share for the financial year 2021-22). This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these Standalone Financial Statements. The total estimated dividend to be paid is Rs. 652.36 Lakhs (March 31, 2022: Rs. 456.65 Lakhs).

#### 23. Segment information

The Company is primarily in the business of manufacturing of thermal products.

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore, there is no reportable segment for the Company. Export sales constitute an insignificant portion of total business of the Company. Hence, there is no geographical segment as well.

#### Entity wide disclosures

(All amounts in Rs. Lakhs, unless otherwise stated)

	Domestic	Overseas	Total
<b>Revenue from operations</b>			
For the year ended March 31, 2023	280,588.85	39.32	<b>280,628.17</b>
For the year ended March 31, 2022	223,840.15	24.15	<b>223,864.30</b>
<b>Non current segment assets</b>			
As at March 31, 2023	81,626.75	-	<b>81,626.75</b>
As at March 31, 2022	79,865.85	-	<b>79,865.85</b>

- Domestic information includes sales and services rendered to customers located in India.
- Overseas information includes sales and services rendered to customers located outside India.
- Non current segment assets includes property, plant and equipment, right-of-use assets, capital work-in-progress, intangible assets, intangible assets under development and capital advances.
- Revenue from transactions with a single external customer amounting to 10 per cent or more of the Company's revenues is 49% from one customer (previous year: 47%) and 34% from second customer (previous year: 34%).

#### 24. Related party disclosures

##### Entity having significant influence over the Company

Denso Corporation, Japan

##### Joint venture

Denso Subros Thermal Engineering Centre India Private Limited, India

##### Key management personnel

Late Mr. Ramesh Suri, Ex-Chairman (Demised on May 12, 2021)

Ms. Shradha Suri, Managing Director (Chairperson & Managing Director w.e.f May 26, 2021)

Mr. Parmod Kumar Duggal, Chief Executive Officer (From April 01, 2021) and whole time Director (From August 5, 2021)

Ms. Jyotsna Suri, Director



Mr. Mohammed Asad Pathan, Independent Director  
 Mr. Kuttalam Rajagopalan Ramamoorthy, Independent Director  
 Mr. Girish Narain Mehra, Independent Director  
 Mr. Shailendra Swarup, Independent Director  
 Ms. Meena Sethi, Independent Director  
 Mr. Arvind Kapur, Independent Director  
 Mr. Kenichi Ayukawa, Nominee Director (Upto September 30, 2022)  
 Mr. Hisashi Takeuchi, Nominee Director (From October 1, 2022)  
 Mr. Naohisa Kuriyama, Nominee Director (From March 29, 2023)  
 Mr. Tomoaki Yoshimori, Nominee Director  
 Mr. Yasuhiro Iida, Alternate Director (From January 25, 2023)  
 Mr. Hidemasa Takahashi, Nominee Director (Upto March 29, 2023)  
 Mr. Fumitaka Taki, Alternate Director (Upto January 27, 2022)  
 Mr. Yasuaki Matsunaga, Alternate Director (Upto January 25, 2023)  
 Mr. Hemant Kumar Agarwal, Chief Financial Officer  
 Mr. Rakesh Arora, Company Secretary (Upto May 31, 2022)  
 Mr. Shiv Ram Singh, Company Secretary (From June 1, 2022 to November 15, 2022)  
 Mr. Kamal Samtani, Company Secretary (From April 28, 2023)

**Relatives of key management personnel**

Ms. Ritu Suri, Wife of Mr. Ramesh Suri (Demised on January 21, 2022)  
 Mr. Keshav Suri, Son of Ms. Jyotsna Suri  
 Ms. Pia Marwah, Daughter of Shradha Suri  
 Ms. Bani Marwah, Daughter of Shradha Suri  
 Master Vir Marwah, Son of Shradha Suri

**Entities over which key management personnel and/or their relatives have control or joint control:**

SHS Transport Private Limited, India  
 Rohan Motors Limited, India  
 Hemkunt Service Station Private Limited, India  
 Tempo Automobiles Private Limited, India  
 Primatel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)  
 Prima Infratech Private Limited, India  
 Fibcom India Limited, India (Merged in Primatel Fibcom Limited, India during the previous year)  
 Deeksha Holding Limited, India  
 Jyotsna Holding Private Limited, India  
 RR Holdings Private Limited, India

**List of other related parties - Post employment benefit plan of the Company**

Subros Employees Group Gratuity Cum Life Assurance Trust, India  
 Subros Employees Group Superannuation Cum Life Assurance Trust, India

**Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties:**

**(a) Transactions with related parties**

*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Entity having significant influence over the Company</b>			
Denso Corporation	Sale of goods	19.42	24.15
	Reimbursement of expenses paid	-	51.66
	Reimbursement of expenses received	48.74	-
	Royalty paid	3,333.12	2,500.79
	Receipt of technical services	574.50	1,388.32
	Dividend paid	91.33	91.33

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Joint venture</b>			
Denso Subros Thermal Engineering Centre India Private Limited	Purchase of intangible assets (Technical knowhow)	643.82	570.87
	Rental income	29.26	28.26
	Other income	0.43	3.49
	Reimbursement of expenses received	11.10	11.11
	Reimbursement of expenses paid	-	4.36
	Dividend received	28.23	37.58
<b>Key management personnel</b>			
Ms. Shradha Suri	Short term benefits	355.69	232.57
	Rent paid	7.28	12.08
	Post employment benefits	11.28	9.86
	Dividend paid	39.11	-
Late Mr. Ramesh Suri	Short term benefits	-	5.59
Ms. Jyotsna Suri	Sitting fees	2.25	4.50
	Rent paid	30.00	30.00
	Dividend paid	11.33	11.33
Mr. Mohammed Asad Pathan	Sitting fees	8.10	8.85
Mr. Ramamoorthy Rajagopalan Kuttalam	Sitting fees	7.50	8.25
Mr. Girish Narain Mehra	Sitting fees	15.70	13.35
Mr. Shailendra Swarup	Sitting fees	8.10	7.35
Ms. Meena Sethi	Sitting fees	12.20	8.40
Mr. Arvind Kapur	Sitting fees	4.70	3.95
Mr Parmod Kumar Duggal	Short term benefits	117.69	85.48
	Post employment benefits	3.59	3.23
	Other long term employee benefits	0.68	-
Mr Hemant Kumar Agarwal	Short term benefits	81.08	62.69
	Post employment benefits	3.57	1.90
	Other long term employee benefits	0.36	-
Mr. Rakesh Arora	Short term benefits	9.37	47.41
	Post employment benefits	1.13	1.71
Mr Shiv Ram Singh	Short term benefits	17.81	-
	Post employment benefits	0.66	-
	Other long term employee benefits	0.35	-
<b>Relatives of key management personnel</b>			
Late Ms. Ritu Suri	Rent paid	-	26.50
	Dividend paid	-	39.11
Mr. Keshav Suri	Rent paid	3.00	0.50
Ms. Pia Marwah	Rent paid	9.60	-
Ms. Bani Marwah	Rent paid	9.60	-
Master Vir Marwah	Rent paid	9.60	-
<b>Contribution to funds</b>			
Subros Employees Group Gratuity Cum Life Assurance Trust	Employer's contribution towards gratuity fund	10.12	9.58
<b>Entities over which key management personnel and/or their relatives have control or joint control:</b>			
Hemkunt Service Station Private Limited	Purchase of materials	11.14	9.93
Prima Infratech Private Limited	Rent paid	245.41	241.55
Prima Infratech Private Limited	Reimbursement of expenses paid	3.17	0.34
Primatel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)	Purchase of property, plant and equipment	-	19.28
Rohan Motors Limited	Purchase of property, plant and equipment	43.41	-
Rohan Motors Limited	Receiving of services	14.92	22.04
Rohan Motors Limited	Rent paid	16.02	16.02
Rohan Motors Limited	Dividend paid	0.04	0.04
Rohan Motors Limited	Sale of goods	3.65	3.27
SHS Transport Private Limited	Receiving of services	616.01	738.49
SHS Transport Private Limited	Rent paid	4.67	4.67



(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
Tempo Automobiles Private Limited	Receiving of services	-	39.70
Tempo Automobiles Private Limited	Sale of goods	-	6.25
Deeksha Holding Limited	Dividend paid	70.96	70.96
Jyotsna Holding Private Limited	Dividend paid	24.14	24.14
RR Holdings Private Limited	Dividend paid	22.46	22.46

**(b) Outstanding balances :**

(All amounts in Rs. Lakhs, unless otherwise stated)

Relation	Particulars	As at March 31, 2023	As at March 31, 2022
<b>Entity having significant influence over the Company</b>	Trade payables	1,757.15	2,096.75
Denso Corporation	Trade receivables	2.45	2.14
<b>Joint venture</b>	Trade payables	-	1.96
Denso Subros Thermal Engineering Centre India Private Limited	Trade receivables	1.62	2.22
	Other financial liabilities (Capital creditors)	104.06	45.61
	Other financial liabilities (security deposit)	6.14	6.14
<b>Key management personnel:</b>			
Ms. Shradha Suri	Other financial liabilities (due to directors)	140.07	39.18
Ms. Shradha Suri	Other financial assets (security deposit)	3.30	3.30
Ms. Jyotsna Suri	Other financial liabilities (due to directors)	0.68	-
Mr. Mohammed Asad Pathan	Other financial liabilities (due to directors)	1.35	-
Mr. Ramamoorthy Rajagopalan Kuttalam	Other financial liabilities (due to directors)	1.35	-
Mr. Girish Narain Mehra	Other financial liabilities (due to directors)	3.29	-
Mr. Shailendra Swarup	Other financial liabilities (due to directors)	2.03	-
Ms. Meena Sethi	Other financial liabilities (due to directors)	2.61	-
Mr. Arvind Kapur	Other financial liabilities (due to directors)	1.35	-
<b>Relatives of key management personnel</b>			
Late Ms. Ritu Suri	Other financial assets (security deposit)	-	14.41
Master Vir Marwah	Other financial assets (security deposit)	4.35	-
Ms Pia Marwah	Other financial assets (security deposit)	4.35	-
Ms Bani Marwah	Other financial assets (security deposit)	4.35	-
Sh Keshav Suri	Other financial assets (security deposit)	1.36	-
<b>Entities over which key management personnel and/or their relatives have control or joint control:</b>			
Rohan Motors Limited	Trade payables	6.77	1.06
SHS Transport Private Limited	Trade payables	112.68	147.49
Hemkunt Service Station Private Limited	Trade payables	1.70	1.45
Prima Infratech Private Limited	Trade payables	22.67	0.91
Primatel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)	Trade payables	-	3.73
Rohan Motors Limited	Trade receivables	0.45	0.38
Tempo Automobiles Private Limited	Trade receivables	-	6.18
Primatel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)	Other assets (advances to suppliers)	-	1.54
Prima Infratech Private Limited	Other assets (advances to suppliers)	-	0.06
SHS Transport Private Limited	Other financial assets (security deposit)	2.33	2.33
Rohan Motors Limited	Other financial assets (security deposit)	6.57	6.57
Prima Infratech Private Limited	Other financial assets (security deposit)	236.75	236.76
Hemkunt Service Station Private Limited	Other financial assets (security deposit)	0.10	-
<b>Post employment benefit plan of the Company:</b>			
Subros Employees Group Superannuation Cum Life Assurance Trust, India	Other assets (advances to suppliers)	0.54	0.54
Subros Employees Group Gratuity Cum Life Assurance Trust, India	Other assets (advances to suppliers)	0.01	0.03

Terms and conditions:

- All transactions with related parties are in ordinary course of business and on arm's length basis.
- All outstanding balances are unsecured and will be settled in cash.
- All transactions are exclusive of applicable taxes for which input credit is allowed.

**25. Capital commitments**

Estimated value of contracts on capital account remaining to be executed and not provided for (net of advances) amounting to Rs. 3,211.85 Lakhs (March 31, 2022: Rs. 3,596.99 Lakhs).

**26. Contingent liabilities****(a) Claims against the Company not acknowledged as debts**

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Sales tax matters	88.98	88.98
Excise matters	442.25	4,067.99
Custom matters	15.19	15.19
Income tax matters	1,483.21	1,283.59
Claims made by workmen	783.40	583.99
Property tax*	-	61.60

\*During the year ended March 31, 2021, demand of Rs. 61.60 Lakhs was raised by Talati cum Mantri, Chharodi Gram Panchayat, Sanand under the provisions of The Gram Panchayat Act, 1993 vide order dated March 20, 2021 towards property tax for the financial years 2010-11 to 2020-21. The Company filed a writ petition in the High Court of Gujarat, Ahmedabad.

During the year ended March 31, 2023, writ has been disposed off by High Court of Gujarat vide order dated September 22, 2022 directing the Village Panchayat to give a fresh opportunity to the Company for assessment of property tax.

Notes:

i. It is not practicable for the Company to estimate the timings and amount of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

ii. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Significant estimate: The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events requires best judgement by management considering the probability of exposure to potential loss. Judgement includes consideration of experts opinion, facts of the matter, underlying documentation and historical experience. Changes in assumptions about these factors could affect the reported value of contingencies and provisions.

(b) Guarantees issued by banks on behalf of the Company amounting to Rs. 935.84 Lakhs (March 31, 2022: Rs. 3,236.84 Lakhs).

(c) Outstanding commitments under letter of credit established by the Company aggregate to Rs. 6,196.76 Lakhs (March 31, 2022: Rs. 7,933.20 Lakhs).

**27. Leases****The Company as a lessee**

This note provides information for leases where the Company is a lessee. The Company leases certain premises and plant and machinery. The lease term is for 11 months - 35 years except in case of leasehold lands where lease term is upto 99 years, but may have an extension option as described in (ii)(b) below:

**(i) Amounts recognised in Balance Sheet**

The balance sheet shows the following amounts relating to leases:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Right-of-use assets</b>		
Leasehold land	3,315.34	1,217.71
Buildings	404.11	653.20
<b>Total</b>	<b>3,719.45</b>	<b>1,870.91</b>

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Lease liabilities</b>		
Current	82.84	167.18
Non-current	444.34	648.71
<b>Total</b>	<b>527.18</b>	<b>815.89</b>

Additions to the right-of-use assets during the current financial year were Rs. 2,221.59 Lakhs (March 31, 2022: Rs. Nil)

**(ii) Amount recognised in the Statement of Profit and Loss**

The Statement of Profit and Loss shows the following amounts relating to leases:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Depreciation of right-of-use assets (refer note 20)</b>		
Leasehold land	33.97	16.07
Buildings	112.71	143.47
<b>Total</b>	<b>146.68</b>	<b>159.54</b>



(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense (included in finance costs - refer note 19)	62.08	79.15
Expense relating to short term leases (included in other expenses - refer note 21)	346.83	415.71
<b>Total</b>	<b>408.91</b>	<b>494.86</b>

The total cash outflow for leases (including interest on lease liabilities) for the year ended March 31, 2023 was Rs. 697.62 Lakhs. (March 31, 2022: Rs. 600.01 Lakhs).

## (a) Variable lease payments

The Company does not have any leases with variable lease payments.

## (b) Extension and termination options

Extension and termination options are included in number of leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

## (c) Residual value guarantees

The Company does not provide any residual value guarantee in relation to its leases.

**The Company as a lessor**

One office premise and one leased factory premise is let out by the Company on operating lease and its cancellable in nature. Lease rental income is set out in note 15 to these Standalone Financial Statements as "Rental income" in "Other income".

**28. Employee benefits**

The various benefits provided to employees by the Company are as under:

**Defined contribution plans**

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss :

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's contribution to Provident Fund*	815.71	762.71
Employer's contribution to Employees State Insurance Scheme*	136.74	125.75

\* Included in "Contribution to provident and other funds" in Note 18.

**Defined benefit plans and other long term benefits**

**a) Contribution to gratuity funds** - The Company provides for gratuity for employees as per The Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and Company makes contribution to recognized funds in India.

**b) Leave encashment/compensated absence** - The leave obligations cover the Company's liability for earned leave, sick leave and casual leave. The entire amount of the provisions of Rs. 325.26 Lakhs (March 31, 2022: Rs. 330.55 Lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

Particulars	As at March 31, 2023	As at March 31, 2022
Leave obligations not expected to be settled within the next 12 months	281.04	289.78

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk**

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Interest risk**

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

**Longevity risk**

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.



The principal assumptions used for the purpose of the actuarial valuations were as follows:

PARTICULARS	Gratuity (Funded)
<b>As at March 31, 2023</b>	
Discount rate (per annum)	7.50%
Rate of increase in compensation level (per annum)	7.00%
<b>As at March 31, 2022</b>	
Discount rate (per annum)	7.32%
Rate of increase in compensation level (per annum)	7.00%

Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Components of expenses recognized in the Statement of Profit and Loss in respect of:

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2023</b>	
Current service cost	194.22
Past service cost	-
Actuarial loss/(gain)	-
Net interest cost/(income) or the net defined benefit liability/(asset)	64.07
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>258.29</b>
<b>For the year ended March 31, 2022</b>	
Current service cost	197.69
Past service cost	-
Actuarial loss/(gain)	-
Net interest cost/(income) or the net defined benefit liability/(asset)	60.63
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>258.32</b>

Components of expenses recognized in the other comprehensive income in respect of:

(All amounts in Rs. Lakhs, unless otherwise stated)

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2023</b>	<b>23.05</b>
Actuarial gains/(loss) on:	
- changes in demographic assumptions	-
- changes in financial assumptions	34.59
- experience variance	(17.00)
- plan asset	5.46
<b>For the year ended March 31, 2022</b>	<b>111.44</b>
Actuarial gains/(loss) on:	
- changes in demographic assumptions	-
- changes in financial assumptions	87.86
- experience variance	19.44
- plan asset	4.14

Actuarial (gain) / loss on obligations

(All amounts in Rs. Lakhs, unless otherwise stated)

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2023</b>	
Actuarial (gain) / loss arising from change in demographic assumption	-
Actuarial (gain) / loss arising from change in financial assumption	(34.59)
Actuarial (gain) / loss arising from experience adjustment	17.00
<b>For the year ended March 31, 2022</b>	
Actuarial (gain) / loss arising from change in demographic assumption	-
Actuarial (gain) / loss arising from change in financial assumption	(87.86)
Actuarial (gain) / loss arising from experience adjustment	(19.44)

Actuarial gain / (loss) on plan assets

(All amounts in Rs. Lakhs, unless otherwise stated)

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2023</b>	
Return on plan assets, excluding amount recognized in net interest expense	102.16
Remeasurement for actuarial (gain)/loss arising because of change in effect of asset ceiling	(107.62)
<b>Component of defined benefit costs recognized in other comprehensive income</b>	<b>(5.46)</b>
<b>For the year ended March 31, 2022</b>	
Return on plan assets, excluding amount recognized in net interest expense	89.57
Remeasurement for actuarial (gain)/loss arising because of change in effect of asset ceiling	(93.71)
<b>Component of defined benefit costs recognized in other comprehensive income</b>	<b>(4.14)</b>





The current service cost and the interest expense for the year are included in the "Employee benefits expense" in the Statement of Profit and Loss.

The rereasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(All amounts in Rs. Lakhs, unless otherwise stated)

PARTICULARS	Gratuity (Funded)
<b>As at March 31, 2023</b>	
Present value of obligation	2,384.78
Fair value of plan assets	1,503.29
<b>Surplus/(deficit)</b>	<b>(881.49)</b>
Asset ceiling	-
<b>Net asset/(liability)</b>	<b>(881.49)</b>
<b>As at March 31, 2022</b>	
Present value of obligation	2,270.97
Fair value of plan assets	1,395.67
<b>Surplus/(deficit)</b>	<b>(875.30)</b>
Asset ceiling	-
<b>Net asset/(liability)</b>	<b>(875.30)</b>

Note: The Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions.

Movement in the present value of the defined benefit obligation are as follows:

(All amounts in Rs. Lakhs, unless otherwise stated)

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2023</b>	
<b>Present value of the obligation as at the beginning</b>	2,270.97
Current service cost	194.22
Interest cost	166.23
Remeasurement (or actuarial) (gain)/loss arising from:	
-Change in demographic assumptions	(34.59)
-Change in financial assumptions	17.00
-experience variance	-
Past service cost	-
Benefits paid	(229.05)
<b>Present value of the obligation as at the end</b>	<b>2,384.78</b>
<b>For the year ended March 31, 2022</b>	
<b>Present value of the obligation as at the beginning</b>	2,183.18
Current service cost	197.69
Interest cost	150.20
Remeasurement (or actuarial) (gain)/loss arising from:	
-Change in demographic assumptions	(87.86)
-Change in financial assumptions	(19.44)
-experience variance	-
Past service cost	-
Benefits paid	(152.80)
<b>Present value of the obligation as at the end</b>	<b>2,270.97</b>

Movement in the fair value of the plan assets are as follows:

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2023</b>	
<b>Fair value of plan assets at the beginning</b>	1,395.67
Interest income	107.62
Employer contribution	-
Benefits paid	-
Actuarial gain/(loss) on plan assets	-
<b>Fair value of plan assets at the end</b>	<b>1,503.29</b>
<b>For the year ended March 31, 2022</b>	
<b>Fair value of plan assets at the beginning</b>	1,301.96
Interest income	93.71
Employer contribution	-
Benefits paid	-
Actuarial gain/(loss) on plan assets	-
<b>Fair value of plan assets at the end</b>	<b>1,395.67</b>

Major categories of plan assets (as % of total plan assets):

PARTICULARS	Gratuity (Funded)
<b>As at March 31, 2023</b>	
Funds managed by insurer	100%
<b>Total</b>	<b>100%</b>
<b>As at March 31, 2022</b>	
Funds managed by insurer	100%
<b>Total</b>	<b>100%</b>

Since it is a funded plan with insurer, hence break up of investment by insurer is not available with the Company, hence not given.

#### Sensitivity analysis

Significant actuarial assumptions for the determination of employee defined benefit obligation using projected unit credit method are discount rate and expected salary growth rate. The sensitivity analysis below has been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant. Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated. The method and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.

(All amounts in Rs. Lakhs, unless otherwise stated)

PARTICULARS	Gratuity (Funded)
<b>As at March 31, 2023</b>	
	<b>Change in defined benefit obligation</b>
Increase in discount rate by 0.5%	Decrease by 92.35
Decrease in discount rate by 0.5%	Increase by 99.38
Increase in expected salary growth rate by 0.5%	Increase by 97.34
Decrease in expected salary growth rate by 0.5%	Decrease by 91.23
<b>As at March 31, 2022</b>	
	<b>Change in defined benefit obligation</b>
Increase in discount rate by 0.5%	Decrease by 93.72
Decrease in discount rate by 0.5%	Increase by 101.07
Increase in expected salary growth rate by 0.5%	Increase by 98.00
Decrease in expected salary growth rate by 0.5%	Decrease by 91.77

The fair value of the plan assets is taken as per the account statements of the insurance companies.

The average duration of the employee defined benefit obligation of gratuity fund as at March 31, 2023 is 13.45 years (March 31, 2022 is 13.69 years).

The Company expects that benefit paid during the next financial year would be Rs. 296.14 Lakhs (March 31, 2022: Rs. 288.29 Lakhs).

#### Maturity Profile of Defined Benefit Obligation

(All amounts in Rs. Lakhs, unless otherwise stated)

Year	Gratuity (Funded)
<b>As at March 31, 2023</b>	
April 1, 2023 - March 31, 2024	249.02
April 1, 2024 - March 31, 2025	151.99
April 1, 2025 - March 31, 2026	143.01
April 1, 2026 - March 31, 2027	149.45
April 1, 2027 - March 31, 2028	237.81
April 1, 2028 - March 31, 2029	163.29
April 1, 2029 Onwards	1,290.21
<b>Total</b>	<b>2,384.78</b>
<b>As at March 31, 2022</b>	
April 1, 2022 - March 31, 2023	173.97
April 1, 2023 - March 31, 2024	166.22
April 1, 2024 - March 31, 2025	133.42
April 1, 2025 - March 31, 2026	125.34
April 1, 2026 - March 31, 2027	138.42
April 1, 2027 - March 31, 2028	212.77
April 1, 2028 Onwards	1,320.83
<b>Total</b>	<b>2,270.97</b>



**Significant estimate:** Employee benefit obligations are determined using actuarial valuation. An actuarial valuation involves making appropriate assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

## 29. Research and development expenses

The Company has one in-house Research and Development Centre in Noida, approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India as on March 31, 2023. Earlier, the Company had two in-house Research and Development Centres in Noida and Pune upto March 31, 2022. The details of research and development expenses is as under :-

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Noida	Pune	Noida	Pune
Capital expenditure	23.77	-	29.25	-
Revenue expenditure - charged to Statement of Profit and Loss*	1,039.07	-	1,050.76	1.48
Revenue expenditure - towards development cost	1,534.91	-	1,383.15	-
<b>Total</b>	<b>2,597.75</b>	<b>-</b>	<b>2,463.16</b>	<b>1.48</b>

\* Net of contract research income

Provision for taxation has been made after taking into account the benefit available on expenditure incurred on Research and Development Centres.

## 30. Earnings Per Share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic earnings per share (Rs.)	7.37	4.99
Diluted earnings per share (Rs.)	7.37	4.99
Profit attributable to the equity holders of the Company used in calculating basic earnings per shares and diluted earnings per share (Rs. Lakhs)	4,808.56	3,257.79
Weighted average number of equity shares for the purpose of basic earnings per share and diluted earnings per share (numbers)	65,235,750	65,235,750

## 31. Expenses capitalized

Following construction/development period expenses (other than borrowing cost and cost of materials consumed) incurred on making dies and tools and building and developing new product/technology have been capitalized or clubbed with capital work –in-progress or intangible assets under development, as the case may be :-

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and other amenities to staff	1,483.67	1,302.27
Power and fuel	111.02	117.46
Rent	63.13	53.72
Repair and maintenance	83.74	78.03
Depreciation	40.28	27.08
Other overheads	356.37	249.58
<b>Total</b>	<b>2,138.21</b>	<b>1,828.14</b>

## 32. Additional regulatory information required by Schedule III

### (i) Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

### (ii) Borrowing secured against current assets

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts subject to reconciliations. Refer Note 34 for the reconciliations.

### (iii) Wilful defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

### (iv) Relationship with struck off companies



The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**(v) Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

**(vi) Compliance with approved scheme(s) of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**(vii) Utilisation of borrowed funds and share premium**

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**(viii) Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(ix) Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

**(x) Valuation of property, plant and equipment and intangible assets**

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

**(xi) Loans and advances to promoters, directors, Key management personnel (KMPs) and related parties**

The Company has not granted any loans and advances to promoters, directors, KMPs and related parties during the current or previous year.

**Other regulatory information**

**(i) Title deeds of immovable properties held in name of the company**

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 3 to the Standalone Financial Statements, are held in the name of the company.

**(ii) Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**(iii) Utilisation of borrowings availed from banks and financial institutions**

The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were taken. There are no borrowings obtained from financial institutions.

**33. Financial ratios**

*(All amounts in Rs. Lakhs, unless otherwise stated)*

Ratios	Note	Numerator		Denominator		Ratio		% Variance	Reason for variance
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022		
(a) Current ratio = Current assets / Current liabilities		68,466.80	68,963.60	61,992.43	62,706.59	1.10	1.10	0%	-
(b) Debt-equity ratio = Total debt / Shareholder's equity	Note (i)	8,141.27	6,837.79	86,712.48	82,345.58	0.09	0.08	13%	-
(c) Debt service coverage ratio = Earnings available for debt service / Debt service	Note (ii)	18,782.23	15,786.91	1,398.62	2,009.33	13.43	7.86	71%	Increased due to higher profits and lower repayment of debt made in current year as compared to previous year
(d) Return on equity ratio = Profits for the year / Average shareholder's equity		4,808.56	3,257.79	84,529.03	80,908.76	5.69%	4.03%	41%	Increased due to higher profits as compared to previous year on account of higher sales, lower finance cost and lower expenses compared to increase in business.



(e) Inventory turnover ratio = Cost of goods sold / Average inventory		215,032.51	166,108.58	32,807.49	29,945.60	6.55	5.55	18%	-
(f) Trade receivables turnover ratio = Revenue from operations / Average trade receivables		280,628.17	223,864.30	21,720.39	21,531.43	12.92	10.40	24%	-
(g) Trade payables turnover ratio = Total purchases / Average trade payables	Note (iii)	240,338.62	188,882.84	48,875.22	47,484.60	4.92	3.98	24%	-
(h) Net capital turnover ratio = Revenue from operations / Working capital		280,628.17	223,864.30	6,474.37	6,257.02	43.34	35.78	21%	-
(i) Net profit ratio = Profit for the year / Revenue from operations		4,808.56	3,257.79	280,628.17	223,864.30	1.71%	1.46%	18%	-
(j) Return on capital employed = Earning before Interest & taxes / Capital employed	Note (iv)	7,779.22	5,629.67	78,088.46	72,525.98	9.96%	7.76%	28%	Increased due to higher profits as compared to previous year on account of higher sales and lower expenses compared to increase in business.
(k) Return on Investment = Earning before Interest & taxes / Total assets		7,779.22	5,629.67	154,288.89	150,441.97	5.04%	3.74%	35%	Increased due to higher profits as compared to previous year on account of higher sales and lower expenses compared to increase in business.

**Notes:**

(i) Debt-equity ratio = Total debt / Shareholder's equity

Total debt = Borrowings + Lease liability + Supplier's credit

(ii) Debt Service Coverage Ratio = Earnings available for debt service / Debt service

Earnings available for debt service = Profit for the year + Finance costs + Depreciation and amortization expense +/- Fair value changes on derivatives - Unwinding of discount on financial asset - Provision written back to the extent no longer required + Net loss on disposal of property, plant and equipment +/- Provision for inventory obsolescence made / (written back) +/- Unrealized foreign currency (gain)/loss (net) +/- Loss allowance made / (written back)

Debt service = Interest payments + Lease payments + principal repayment of long term debt

(iii) Trade payables turnover ratio

Total purchases = Purchase of raw material and spares + Purchase of stores + Other expenses (excluding - Consumption of stores, Insurance, Warranty expenses, Exchange variation on foreign currency transactions (net), Net loss on disposal of property, plant and equipment and Director's sitting fees)

(iv) Return on capital employed = Earning before Interest & Taxes / Capital employed

Capital employed = Tangible net worth + total debt + deferred tax liability

Tangible net worth = Total assets - total Liabilities- Intangible assets - Right-of-use assets

**34. Reconciliation of stock statements with Standalone Financial Statements**

(All amounts in Rs. Lakhs, unless otherwise stated)

Quarter	Name of banks	Particulars of securities provided	Nature of current assets/liabilities where differences were observed	Amount as reported in the quarterly return/statement	Amount as per books of account	Amount of difference	Reason for material discrepancies
June 2022	HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	29,811.55	33,687.88	(3,876.33)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
June 2022			Trade receivables	27,503.84	27,616.34	(112.50)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
June 2022			Trade payables	46,584.17	52,803.82	(6,219.65)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.

Quarter	Name of banks	Particulars of securities provided	Nature of current assets/liabilities where differences were observed	Amount as reported in the quarterly return/statement	Amount as per books of account	Amount of difference	Reason for material discrepancies
September 2022	HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	30,468.52	34,756.97	(4,288.45)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
September 2022			Trade receivables	17,996.72	18,236.73	(239.99)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
September 2022			Trade payables	43,039.75	49,738.09	(6,698.34)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
December 2022	HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	32,495.49	36,205.38	(3,709.91)	Goods in transit inventory not considered in return submitted to banks.
December 2022			Trade receivables	14,135.67	14,650.88	(515.21)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
December 2022			Trade payables	43,553.82	48,978.03	(5,424.21)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
March 2023	HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	33,847.25	33,864.47	(17.22)	Goods in transit inventory not considered in return submitted to banks.
March 2023			Trade receivables	20,451.33	20,804.58	(353.25)	Trade receivables overdue more than 90 days and loss allowance not considered in return submitted to banks.
March 2023			Trade payables	46,008.74	48,871.57	(2,862.83)	Payables in respect of services received etc. considered in the books of account but not considered in return submitted to banks.
June 2021	HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	25,553.47	30,429.78	(4,876.31)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
June 2021			Trade receivables	15,816.70	16,388.50	(571.80)	Trade receivables overdue more than 90 days and reclassification of credit balance in trade receivable account considered in the books of account but not considered in return submitted to banks.
June 2021			Trade payables	35,799.85	46,950.38	(11,150.53)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
September 2021	HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	27,443.61	31,871.85	(4,428.24)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
September 2021			Trade receivables	14,334.59	14,846.93	(512.34)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
September 2021			Trade payables	35,544.26	46,139.22	(10,594.96)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
December 2021	HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	27,678.28	30,383.28	(2,705.00)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.



Quarter	Name of banks	Particulars of securities provided	Nature of current assets/liabilities where differences were observed	Amount as reported in the quarterly return/statement	Amount as per books of account	Amount of difference	Reason for material discrepancies
December 2021			Trade receivables	10,680.82	11,156.32	(475.50)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
December 2021			Trade payables	31,952.07	44,794.98	(12,842.91)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
March 2022	HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	26,768.37	31,750.51	(4,982.14)	Goods in transit inventory and provision for obsolete inventory not considered in return submitted to banks.
March 2022			Trade receivables	22,343.35	22,636.20	(292.85)	Trade receivables overdue more than 90 days and loss allowance not considered in return submitted to banks.
March 2022			Trade payables	40,129.63	48,878.86	(8,749.23)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.

### 35. Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	3,066.62	3,130.58
Non-current borrowings (including current maturities of long term debt and interest)	(1,339.51)	(2,503.27)
Supplier's credit	(6,274.58)	(3,518.63)
Lease liabilities	(527.18)	(815.89)
<b>Net debt</b>	<b>(5,074.65)</b>	<b>(3,707.21)</b>

Description	Other assets	Liabilities from financing activities				Net debt
	Cash & cash equivalents	Current borrowings (Excluding current maturities of long term debt)	Non-current borrowings (including current maturities of long term debt and interest)	Supplier's credit	Lease liabilities	
<b>As at March 31, 2021</b>	<b>3,276.25</b>	-	<b>(4,265.84)</b>	<b>(5,381.32)</b>	<b>(921.04)</b>	<b>(7,291.95)</b>
Cash flows	(145.67)	-	1,691.97	1,862.69	105.15	3,514.14
Foreign exchange adjustments	-	-	61.67	-	-	61.67
Interest expense	-	(483.60)	(203.29)	(263.39)	(79.15)	(1,029.43)
Interest paid	-	483.60	212.22	263.39	79.15	1,038.36
<b>As at March 31, 2022</b>	<b>3,130.58</b>	-	<b>(2,503.27)</b>	<b>(3,518.63)</b>	<b>(815.89)</b>	<b>(3,707.21)</b>
Cash flows	(63.96)	-	1,160.71	(2,755.95)	90.92	(1,568.28)
Foreign exchange adjustments	-	-	-	-	-	-
Interest expense	-	(445.23)	(143.94)	(17.98)	(62.08)	(669.23)
Interest paid	-	445.23	146.99	17.98	62.08	672.28
Other non-cash movements	-	-	-	-	-	-
- Acquisition of lease	-	-	-	-	(88.40)	(88.40)
- Derecognition of lease	-	-	-	-	286.19	286.19
<b>As at March 31, 2023</b>	<b>3,066.62</b>	-	<b>(1,339.51)</b>	<b>(6,274.58)</b>	<b>(527.18)</b>	<b>(5,074.65)</b>

**36. Dues to micro and small enterprises**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows:- [Refer note 11(d)]

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	118.42	228.77
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end (Refer note below)	-	-
(iii) Principal amount paid to suppliers registered under the MSMED ACT, beyond the appointed day during the year (Refer note below)	-	-
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year (Refer note below)	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year (Refer note below)	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act for payments already made (Refer note below)	-	-
(vii) Further interest remaining due and payable for earlier years (Refer note below)	-	-

Note: Based on confirmations received from MSME vendors confirming that they have waived the interest payable to them under the MSMED Act, no accrual of interest payable under the aforesaid Act has been made.

37. The Supreme Court of India has passed an order dated February 28, 2019 in the matter of The Regional Provident Fund Commissioner (II) West Bengal vs. Vivekananda Vidyamandir & Ors in Civil Appeal No. 6221 of 2011 and few other linked cases. In the said order, the Supreme Court has clarified the definition of the Basic Wage under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant financial impact and accordingly, no provision has been made in these Standalone Financial Statements. The Company will continue to monitor and evaluate its position based on future events and developments.
38. In view of the Covid-19 pandemic, considering the current internal and external factors, the Company has made detailed assessment of its liquidity position/cash flow and of the carrying value of its assets and liabilities as at March 31, 2023 and has concluded that there are no adjustments required in the Standalone Financial Statements. The Company will continue to closely monitor the future economic conditions.
39. The Standalone Financial Statements were approved by the Board of Directors and authorized for issue on May 25, 2023.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No- 012754N/N500016

For and on behalf of the Board of Directors of Subros Limited

**Rajib Chatterjee**  
Partner  
Membership No.: 057134

**Shradha Suri**  
Chairperson &  
Managing Director  
DIN : 00176902

**Parmod Kumar Duggal**  
Director &  
Chief Executive Officer  
DIN : 02382912

Place : Gurugram  
Date : May 25, 2023

**Hemant Kumar Agarwal**  
Chief Financial Officer &  
Vice President (Finance)

**Kamal Samtani**  
Company Secretary  
ICSI Membership No:- F5140

Place : New Delhi  
Date : May 25, 2023





**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures****Part "A": Subsidiaries**

Sl. No.	(Information in respect of each subsidiary to be presented with amounts in Lacs)	
1	<b>Name of the subsidiary</b>	The Company does not have any subsidiary

- Notes:-
- Names of subsidiaries which are yet to commence operations **NA**
  - Names of subsidiaries which have been liquidated or sold during the year. **NA**

**Part "B": Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Associates /Joint Ventures	Denso Subros Thermal Engineering Centre India Private Limited (INR in Lacs)
1	Latest audited Balance Sheet Date	31/03/2023
2	Shares of Associate/Joint Ventures held by the company on the year end	
	No	1767999
	Amount of Investment in Associates/Joint Venture	176.80
	Extent of Holding %	26%
3	Description of how there is significant influence	Joint Venture
4	Reason why the associate/joint venture is not consolidated	NA
5	Networth attributable to Shareholding as per latest audited Balance Sheet	189.38
6	Profit / Loss for the year	
	i. Considered in Consolidation	12.57
	i. Not Considered in Consolidation	

- Notes:-
- Names of Associates or joint ventures which are yet to commence operations **NA**
  - Names of Associates or joint ventures which have been liquidated or sold during the year. **NA**

## 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 "Company") and its joint venture (refer Note 35 to the attached Consolidated Financial Statements), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (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 Company and its joint venture as at March 31, 2023, and 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 Company 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 the 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 auditor in terms of their report referred to in sub-paragraph 14 of the Other Matters section 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.

Key audit matter	How our audit addressed the key audit matter
<p><b>Appropriateness of capitalisation of internal development costs in relation to intangible assets under development</b></p> <p>[Refer note 2(d) (significant accounting policies) and note 4 (intangibles assets under developments) to the Consolidated Financial Statements]</p> <p>During the year ended March 31, 2023, the Company has capitalized significant costs incurred on internal development of Intangible Assets amounting to Rs. 2,881.43 lakhs under the head 'Intangible assets under development'. Those intangible assets are predominantly in relation to the projects awarded by original equipment manufacturers. The costs mainly comprise technical knowhow, 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 for capitalization set out in the Indian Accounting Standard (Ind AS) 38 "Intangible Assets" had been met.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Understood and evaluated the design and tested the operating effectiveness of the Company's internal financial controls- relating to the capitalization of internal development costs in relation to intangible assets under development.</li> <li>- Assessed the appropriateness of capitalization of product development costs with the criteria to capitalize product development costs and held inquiries with the management to understand their assessment to support the product's commercial viability.</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 appropriateness of the assumptions 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</li> </ul>



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

- i) whether the costs incurred is towards development of product or in the nature of research,
- 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 from the expected use of such assets once developed and capitalized.

to calculate the discount rate applied by comparing this to the cost of capital for the Company. We also involved specialists to evaluate the reasonability of cost of capital of the Company used to discount the future cash flows expected from the asset once developed and capitalized.

- 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 under short of the carrying value of capitalized internal development costs.

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

### Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual 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 report of the other auditor as furnished to us (Refer paragraph 14 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

6. The 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 Company 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 Company 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 Company and its joint venture 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 Consolidated 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 Company, as aforesaid.

7. In preparing the Consolidated Financial Statements, the respective Board of Directors of the Company and of its joint venture are responsible for assessing the ability of the Company 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 Company or to cease operations, or has no realistic alternative but to do so.
8. The respective Board of Directors of the Company and of its joint venture are responsible for overseeing the financial reporting process of the Company and of its joint venture.

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

9. 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.
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 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 Company has adequate internal financial controls with reference to Consolidated 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 Company 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 Company 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 Company 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 entity included in the Consolidated Financial Statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

11. We communicate with those charged with governance of the Company 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 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

14. The Consolidated Financial Statements include the Company's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 12.57 Lakhs for the year ended March 31, 2023 as considered in the Consolidated Financial Statements, in respect of a joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose reports has 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 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 auditor.

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 matter with respect to our reliance on the work done and the report of the other auditor.

#### Report on Other Legal and Regulatory Requirements

15. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that the auditor of Denso Subros Thermal Engineering Centre India Private Limited, a joint venture of the Company have given the following comment in their CARO 2020 report dated May 10, 2023 on the standalone financial statements of Denso Subros Thermal Engineering Centre India Private Limited, as reproduced below :



Paragraph No.	Comment in the respective CARO report reproduced below
(vii) (a)	<p>Undisputed statutory dues, including Goods and Services tax, Provident fund, Income-Tax, duty of Custom, Cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authority apart from:</p> <p>a. Undisputed amounts payable of Rs. 5,856 thousand and Rs. 11,862 thousand on account of Goods and Services tax on manpower supply and its interest on delayed payment respectively, as at March 31, 2023 for a period of more than six months from the date they became payable</p> <p>b. Undisputed amounts payable of Rs. 18,827 thousand on account of Provident Fund contribution for international workers along with its interest as at March 31, 2023 are outstanding for a period of more than six months from the date they became payable.</p>

16. 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 auditor.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows 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 Company as on March 31, 2023 taken on record by the Board of Directors of the Company and the report of the statutory auditor of its joint venture incorporated in India, none of the directors of the Company and its joint venture incorporated in India is disqualified as on March 31, 2023 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 Consolidated Financial Statements of the 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 Company and its joint venture – Refer Note 26 to the Consolidated Financial Statements.
  - ii. The Company and its joint venture were not required to recognise a provision as at March 31, 2023 under the applicable law or accounting standards, as they do not have any material foreseeable losses on long-term contracts. The Company and its joint venture did not have any long-term derivative contracts as at March 31, 2023.
  - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company. During the year ended March 31, 2023, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the joint venture incorporated in India.
  - iv. (a) The respective Managements of the Company and its joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such joint venture respectively that, to the best of their knowledge and belief, as disclosed in the notes to the Consolidated Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or such joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or such joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 32 to the Consolidated Financial Statements).
  - (b) The respective Managements of the Company and its joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such joint venture respectively that, to the best of their knowledge and belief, as disclosed in the notes to the Consolidated Financial Statements, no funds (which are material either individually or in the aggregate) have been received

by the Company or such joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or such joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 32 to the Consolidated Financial Statements).

- (c) Based on the audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditor of the joint venture which is a company incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company and its joint venture, is in compliance with Section 123 of the Act.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature

of audit trail, edit log and related matters in the accounting software used by the Company, and its joint venture, is applicable to the Company and its joint venture only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

17. 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. Further, 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/N500016

Rajib Chatterjee

Partner

Membership Number: 057134

UDIN: 23057134BGXYQK1759

Place: Gurugram

Date: May 25, 2023



## Annexure A to Independent Auditor's Report

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Subros Limited on the Consolidated Financial Statements for the year ended March 31, 2023

### Report on the Internal Financial Controls with reference to Consolidated Financial Statements under clause (i) of sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to financial statements of Subros Limited (hereinafter referred to as "the Company") as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to a joint venture company incorporated in India namely Denso Subros Thermal Engineering Centre India Private Limited, pursuant to MCA notification GSR 583(E) dated June 13, 2017.

### Management's Responsibility for Internal Financial Controls

2. The Board of Directors of the Company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to Financial Statements is applicable, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements

was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Consolidated Financial Statements.

### Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error

or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to Consolidated Financial Statements and such internal financial controls with reference to financial statements were operating effectively as at

March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Rajib Chatterjee  
Partner  
Membership Number : 057134  
UDIN: 23057134BGXYQK1759

Place: Gurugram  
Date: May 25, 2023





CIN: L74899DL1985PLC020134

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023**

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note no	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	55,212.57	57,560.78
Right-of-use assets	27	3,719.45	1,870.91
Capital work-in-progress	3	5,572.41	2,237.72
Intangible assets	4	13,386.73	13,178.54
Intangible assets under development	4	3,029.75	3,895.29
Investment accounted for using the equity method	5(a)(i)	189.38	205.04
Financial assets			
i) Investment	5(a)(ii)	299.98	299.98
ii) Loans	5(e)	17.02	25.41
iii) Other financial assets	5(f)	3,459.99	919.66
Non-current tax assets (net)	9	241.55	190.67
Other non-current assets	7	705.84	1,122.61
<b>Total non-current assets</b>		<b>85,834.67</b>	<b>81,506.61</b>
<b>Current assets</b>			
Inventories	8	33,864.47	31,750.51
Financial assets			
i) Investment	5(a)(iii)	2,000.00	-
ii) Trade receivables	5(b)	20,804.58	22,636.20
iii) Cash and cash equivalents	5(c)	3,066.62	3,130.58
iv) Bank balances other than (iii) above	5(d)	5,772.63	8,727.33
v) Loans	5(e)	66.24	55.91
vi) Other financial assets	5(f)	191.23	117.31
Other current assets	7	2,701.03	2,545.76
<b>Total current assets</b>		<b>68,466.80</b>	<b>68,963.60</b>
<b>TOTAL ASSETS</b>		<b>154,301.47</b>	<b>150,470.21</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10 (a)	1,304.71	1,304.71
Other equity	10 (b)	85,422.27	81,071.03
<b>Total equity</b>		<b>86,726.98</b>	<b>82,375.74</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i) Borrowings	11 (a)	468.75	1,335.80
ii) Lease liabilities	27	444.34	648.71
Provisions	12	1,051.98	1,041.16
Deferred tax liabilities (net)	6	3,368.72	2,285.42
Other non-current liabilities	11 (f)	248.27	76.79
<b>Total non-current liabilities</b>		<b>5,582.06</b>	<b>5,387.88</b>
<b>Current liabilities</b>			
Financial liabilities			
i) Borrowings	11 (b)	870.76	1,167.47
ii) Lease liabilities	27	82.84	167.18
iii) Supplier's credit	11 (g)	6,274.58	3,518.63
iv) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	11 (d)	118.42	228.77
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	11 (d)	48,753.15	48,650.09
v) Other financial liabilities	11 (c)	2,121.54	3,406.06
Contract liabilities	13 (a)	838.35	2,654.40
Provisions	12	580.99	579.34
Current tax liabilities	11 (e)	237.76	-
Other current liabilities	13 (b)	2,114.04	2,334.65
<b>Total current liabilities</b>		<b>61,992.43</b>	<b>62,706.59</b>
<b>TOTAL LIABILITIES</b>		<b>67,574.49</b>	<b>68,094.47</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>154,301.47</b>	<b>150,470.21</b>

The accompanying notes are an integral part of these Consolidated Financial Statements  
This is the Consolidated Balance Sheet referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No- 012754N/N500016

**Rajib Chatterjee**  
Partner  
Membership No :057134

Place : Gurugram  
Date : May 25, 2023

For and on behalf of the Board of Directors of Subros Limited

**Shradha Suri**  
Chairperson &  
Managing Director  
DIN : 00176902

**Hemant Kumar Agarwal**  
Chief Financial Officer  
& Vice President (Finance)

Place : New Delhi  
Date : May 25, 2023

**Parmod Kumar Duggal**  
Director &  
Chief Executive Officer  
DIN : 02382912

**Kamal Samtani**  
Company Secretary  
ICSI Membership No:- F5140



CIN: L74899DL1985PLC020134

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Rs. Lakhs, unless otherwise stated)

	Particulars	Note no	For the year ended March 31, 2023	For the year ended March 31, 2022
I	Revenue from operations	14	280,628.17	223,864.30
II	Other income	15	2,028.73	954.85
III	<b>Total income (I + II)</b>		<b>282,656.90</b>	<b>224,819.15</b>
IV	<b>Expenses</b>			
	Cost of material consumed	16	213,790.79	168,411.45
	Changes in inventories of finished goods and work-in-progress	17	1,241.72	(2,302.87)
	Employee benefits expense	18	24,772.46	22,704.87
	Finance costs	19	677.71	1,091.49
	Depreciation and amortization expense	20	11,028.07	10,235.18
	Other expenses	21	24,072.87	20,178.43
	<b>Total expenses (IV)</b>		<b>275,583.62</b>	<b>220,318.55</b>
V	<b>Profit before share of net profits of joint venture accounted for using equity method and tax (III - IV)</b>		<b>7,073.28</b>	<b>4,500.60</b>
VI	Share of net profit of joint venture accounted for using equity method	5(a)(i)	11.74	28.94
VII	<b>Profit before tax (V+VI)</b>		<b>7,085.02</b>	<b>4,529.54</b>
VIII	Tax expense:	6		
	-Current tax		1,217.71	806.07
	-Deferred tax		1,075.24	474.32
	<b>Total tax expense (VIII)</b>		<b>2,292.95</b>	<b>1,280.39</b>
IX	<b>Profit for the year (VII-VIII)</b>		<b>4,792.07</b>	<b>3,249.15</b>
X	<b>Other comprehensive income</b> <i>Items that will not be reclassified to profit or loss</i>			
	Gain / (Loss) on remeasurements of post employment benefit obligations	28	23.05	111.44
	Share of other comprehensive income of joint venture accounted for using equity method	5(a)(i)	0.83	(0.71)
	Income tax relating to the above item	6	(8.06)	(38.94)
	<b>Other comprehensive income for the year, net of tax (X)</b>		<b>15.82</b>	<b>71.79</b>
XI	<b>Total comprehensive income for the year (IX + X)</b>		<b>4,807.89</b>	<b>3,320.94</b>
	Earning per equity share (in Rs.) [Face value Rs. 2 each (March 31, 2022 : Rs. 2 each)]	30		
	Basic and Diluted		7.35	4.98

The accompanying notes are an integral part of these Consolidated Financial Statements

This is the Consolidated Statement of Profit and Loss (including other comprehensive income) referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No- 012754N/N500016

For and on behalf of the Board of Directors of Subros Limited

**Rajib Chatterjee**  
Partner  
Membership No :057134

**Shradha Suri**  
Chairperson &  
Managing Director  
DIN : 00176902

**Parmod Kumar Duggal**  
Director &  
Chief Executive Officer  
DIN : 02382912

Place : Gurugram  
Date : May 25, 2023

**Hemant Kumar Agarwal**  
Chief Financial Officer &  
Vice President (Finance)

**Kamal Samtani**  
Company Secretary  
ICSI Membership No:- F5140

Place : New Delhi  
Date : May 25, 2023



CIN: L74899DL1985PLC020134

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2023

### A. Equity share capital

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note no	Amount
<b>Balance at March 31, 2021</b>	<b>10 (a)</b>	<b>1,304.71</b>
Changes in equity share capital during 2021-22		-
<b>Balance at March 31, 2022</b>		<b>1,304.71</b>
Changes in equity share capital during 2022-23		-
<b>Balance at March 31, 2023</b>		<b>1,304.71</b>

### B. Other equity

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note no	Reserves and surplus			Total
		Securities Premium	General reserve	Retained earnings	
<b>Balance as at March 31, 2021</b>	<b>10 (b)</b>	<b>20,817.44</b>	<b>12,425.48</b>	<b>44,963.82</b>	<b>78,206.74</b>
Profit for the year		-	-	3,249.15	3,249.15
Other comprehensive Income					
Gain/(Loss) on remeasurements of post employment benefit obligations		-	-	111.44	111.44
Share of other comprehensive income of joint venture accounted for using equity method		-	-	(0.71)	(0.71)
Income tax relating to the above item		-	-	(38.94)	(38.94)
<b>Total comprehensive income for the year</b>		-	-	<b>3,320.94</b>	<b>3,320.94</b>
Transactions with owners in their capacity as owners					
Dividends paid		-	-	(456.65)	(456.65)
Transfer to/(from) retained earnings		-	150.00	(150.00)	-
<b>Balance as at March 31, 2022</b>		<b>20,817.44</b>	<b>12,575.48</b>	<b>47,678.11</b>	<b>81,071.03</b>
Balance as at April 1, 2022		20,817.44	12,575.48	47,678.11	81,071.03
Profit for the year		-	-	4,792.07	4,792.07
Other comprehensive income					
Gain / (Loss) on remeasurements of post employment benefit obligations		-	-	23.05	23.05
Share of other comprehensive income of joint venture accounted for using equity method		-	-	0.83	0.83
Income tax relating to the above item		-	-	(8.06)	(8.06)
<b>Total comprehensive income for the year</b>		-	-	<b>4,807.89</b>	<b>4,807.89</b>
Transactions with owners in their capacity as owners					
Dividends paid		-	-	(456.65)	(456.65)
Transfer to/(from) retained earnings		-	150.00	(150.00)	-
<b>Balance as at March 31, 2023</b>		<b>20,817.44</b>	<b>12,725.48</b>	<b>51,879.35</b>	<b>85,422.27</b>

The accompanying notes are an integral part of these Consolidated Financial Statements

This is the Consolidated Statement of Changes in Equity referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No- 012754N/N500016

**Rajib Chatterjee**  
Partner  
Membership No :057134

Place : Gurugram  
Date : May 25, 2023

For and on behalf of the Board of Directors of Subros Limited

**Shradha Suri**  
Chairperson &  
Managing Director  
DIN : 00176902

**Hemant Kumar Agarwal**  
Chief Financial Officer &  
Vice President (Finance)

Place : New Delhi  
Date : May 25, 2023

**Parmod Kumar Duggal**  
Director &  
Chief Executive Officer  
DIN : 02382912

**Kamal Samtani**  
Company Secretary  
ICSI Membership No:- F5140



CIN: L74899DL1985PLC020134

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note no	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Cash flow from operating activities</b>			
<b>Profit before tax</b>		<b>7,085.02</b>	<b>4,529.54</b>
<b>Adjustments for:</b>			
Depreciation and amortization expense	20	11,028.07	10,235.18
Net loss on disposal of property, plant and equipment	21	53.51	73.70
Interest income on financial assets at amortized cost and others	15	(530.11)	(392.13)
Unwinding of discount on financial asset	15	(6.36)	(4.90)
Finance costs	19	677.71	1,091.49
Provision for inventory obsolescence made / (written back)	8	153.55	(142.48)
Unrealized foreign currency loss (net)		140.03	467.38
Loss allowance made / (written back)	5(b)	1.59	(38.13)
Net gain on sale of investments	15	(131.26)	-
Fair value changes on derivatives	15	(367.39)	(208.33)
Share of net loss of joint venture accounted for using equity method	5(a)(i)	(11.74)	(28.94)
<b>Operating profit before working capital changes</b>		<b>18,092.62</b>	<b>15,582.38</b>
<b>Adjustments for changes in operating assets and liabilities:</b>			
(Increase)/ Decrease in loans (non-current)		14.75	(8.42)
(Increase)/ Decrease in other financial assets (non-current)		(2,507.70)	(69.82)
(Increase)/ Decrease in inventories		(2,267.51)	(3,467.34)
(Increase)/ Decrease in trade receivables		1,830.03	(2,171.42)
(Increase)/ Decrease in loans (current)		(10.33)	(6.05)
(Increase)/ Decrease in Bank balances other than cash and cash equivalents		2,951.43	(89.48)
(Increase)/ Decrease in other financial assets (current)		(91.15)	12.25
(Increase)/ Decrease in other current assets		(155.27)	(233.29)
Increase/ (Decrease) in non-current provisions		33.87	43.48
Increase/ (Decrease) in trade payables		(147.32)	2,321.14
Increase/ (Decrease) in Contract liabilities		(1,816.05)	2,121.96
Increase/ (Decrease) in other financial liabilities (current)		(787.87)	1,668.69
Increase/ (Decrease) in other current liabilities		(220.61)	324.59
Increase/ (Decrease) in Other non-current liabilities		171.48	76.79
Increase/ (Decrease) in current provisions		1.65	(94.19)
<b>Cash generated from operations</b>		<b>15,092.02</b>	<b>16,011.27</b>
Income tax paid (net)		(1,030.83)	(928.77)
<b>Net cash inflow from operating activities</b>		<b>14,061.19</b>	<b>15,082.50</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		(11,040.19)	(10,597.43)
Payments for acquisition of leasehold land		(2,193.01)	-
Payment for purchase of investments (net)		(1,868.74)	-
Proceeds from sale of property, plant and equipment		62.78	31.57



(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note no	For the year ended March 31, 2023	For the year ended March 31, 2022
Dividend received from joint venture		28.23	37.58
Interest received		514.71	563.63
<b>Net cash (outflow) from investing activities</b>		<b>(14,496.22)</b>	<b>(9,964.65)</b>
<b>Cash flow from financing activities</b>			
Repayment of long term borrowings		(1,160.71)	(1,691.97)
Principal element of lease payment		(90.92)	(105.15)
Increase/(decrease) in supplier's credit		2,755.95	(1,862.69)
Interest paid		(676.60)	(1,147.06)
Dividend paid	10(b)(iii)	(456.65)	(456.65)
<b>Net cash inflow / (outflow) from financing activities</b>		<b>371.07</b>	<b>(5,263.52)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(63.96)</b>	<b>(145.67)</b>
Cash and cash equivalents at the beginning of the financial year	5(c)	3,130.58	3,276.25
<b>Cash and cash equivalents at the end of the financial year [refer note 5(c)]</b>		<b>3,066.62</b>	<b>3,130.58</b>
<b>Cash and cash equivalents as per above comprise of the following:</b>			
Cash on hand	5(c)	10.57	8.67
Balances with banks - In current accounts	5(c)	2,556.05	3,121.91
Deposit with original maturity of less than 3 months	5(c)	500.00	-
		<b>3,066.62</b>	<b>3,130.58</b>
<b>Non-cash investing activities:</b>		<b>88.40</b>	-
Acquisition of right-of-use assets			

Note: The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard 7 "Statement of Cash Flows".

The accompanying notes are an integral part of these Consolidated Financial Statements

This is the Consolidated Statement of Cash Flows referred to in our report of even date

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No- 012754N/N500016

For and on behalf of the Board of Directors of Subros Limited

**Rajib Chatterjee**  
Partner  
Membership No : 057134

**Shradha Suri**  
Chairperson &  
Managing Director  
DIN : 00176902

**Parmod Kumar Duggal**  
Director &  
Chief Executive Officer  
DIN : 02382912

Place : Gurugram  
Date : May 25, 2023

**Hemant Kumar Agarwal**  
Chief Financial Officer &  
Vice President (Finance)

**Kamal Samtani**  
Company Secretary  
ICSI Membership No:- F5140

Place : New Delhi  
Date : May 25, 2023

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### 1. Corporate Information

Subros Limited (the Company) and its joint venture are engaged in the following businesses:

- i. Subros Limited is the leading manufacturer of thermal products for automotive applications in India, in technical collaboration with Denso Corporation Japan. The Company is engaged primarily in the business of manufacturing and sale of thermal products for automotive and home air-conditioning original equipment manufacturers.
- ii. Joint venture is engaged in the business of providing application design services primarily to Subros Limited and to other entities related to the Denso Group.

Subros Limited is a public limited company incorporated in 1985 and domiciled in India, listed on the Bombay Stock Exchange (BSE) Limited and the National Stock Exchange of India Limited (NSE). The address of its registered office is LGF, World Trade Centre, Barakhamba Lane, New Delhi – 110001. The Company is a joint venture with 36.79% ownership by Suri family of India, 20% ownership by Denso Corporation, Japan & 11.96% ownership by Suzuki Motor Corporation, Japan.

#### 2(a). Basis of preparation

##### (i) Compliance with Ind AS

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

##### (ii) Historical cost convention

The Consolidated Financial Statements have been prepared on the historical cost convention except for certain items that are measured at fair values, as explained in the accounting policies.

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

##### (iii) New and amended standards adopted by the Company

The Ministry of Corporate Affairs had vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective April 1, 2022.

These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

##### (iv) New and amended standards issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 1, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

#### 2(b). Principles of equity accounting

##### Joint Venture

Interest in joint venture is accounted for using equity method, after initially being recognized at cost in the consolidated balance sheet.

Under the equity method of accounting, the investment is initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture are recognized as a reduction in carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the equity accounted investee have been changed where necessary to ensure consistency with the policies adopted by the Company.

The carrying amount of equity accounted investment is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount.

#### 2(c). Key accounting estimates and judgments

The preparation of the Consolidated Financial Statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions that affect



the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities on the date of the Consolidated Financial Statements and reported amounts of revenues and expenses for the years presented. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods affected.

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the significant effect to the carrying amount of assets and liabilities within the next financial year is included in other notes to the Consolidated Financial Statements as mentioned below:

- a. Measurement of employee defined benefit obligations – Refer note 28
- b. Measurement and likelihood of occurrence of provisions and contingencies – Refer note 26
- c. Estimation of provision for warranty – Refer note 12
- d. Estimated useful life of property, plant and equipment and intangible assets – Refer note 3 & 4
- e. Appropriateness of capitalization of internal development costs related to Intangible assets under development – Refer note 4
- f. Impairment of trade receivables – Refer note 5(b)
- g. Provision for inventory obsolescence – Refer note 8
- h. Recognition of deferred tax assets – Refer note 6

## 2(d). Significant accounting policies

### i) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related production overheads. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant

and equipment recognized as at April 01, 2016 measured as per the previous GAAP and use that carrying values as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as prescribed in Schedule II of the Companies Act, 2013 except in respect of the below mentioned assets where useful life is determined through technical evaluation and is different than those prescribed in schedule II of the Companies Act, 2013.

Plant and machinery : 5-20 years

The residual values are not more than 5% of the original cost of the assets. Depreciation methods, useful lives and residual values are reviewed at least at each financial year end.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses in disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within gains/(losses).

### ii) Intangible assets

An intangible asset is recognized if and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Separately purchased intangible assets are initially measured at cost. Subsequently, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date they are available for use. Estimated useful lives of intangible assets are as follows:

Technical knowhow : 8 years  
Product development : 8 years  
Software : 3 years

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand competition and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

### Research and development

Research costs are expensed as incurred. Product development costs are capitalized when technical and commercial feasibility of the products (e.g. air conditioning systems and related products) is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the product and the cost can be measured reliably, in other



cases such development costs are taken to the Statement of Profit and Loss. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use.

**Transition to Ind AS**

On transition to Ind AS, the Company has elected to measure all its intangible assets at the Previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2016.

**iii) Impairment of property, plant and equipment and intangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

**iv) Inventories**

Raw material and spares, work in progress, stores and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials and spares and stores comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**v) Cash and cash equivalents**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**vi) Financial instruments**

**Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized

when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**Classification and subsequent measurement**

**Financial assets**

On initial recognition, a financial asset is classified as measured at:

- amortized cost or
- fair value through other comprehensive income (FVOCI) or
- fair value through profit or loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

**Financial assets: Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.





**Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

**Derecognition:****Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its Balance Sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

**Financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

**Equity instruments**

The Company subsequently measures all equity investments at fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the Statement of Profit and Loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

**Impairment of financial assets:**

The Company recognizes a loss allowance for expected credit losses on a financial asset that is at amortized cost. Loss allowance in respect of financial assets is measured at an amount equal to life time expected credit losses and is calculated as the difference between their carrying amount and the present value of the expected

future cash flows discounted at the original effective interest rate.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

**Offsetting:**

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**vii) Borrowings**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

**viii) Borrowing cost**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are recognized as an expense in the period in which these are incurred.

**ix) Provisions, Contingent liabilities and Contingent assets**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a

past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax discounting rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

No contingent asset is recognized but disclosed by way of notes to accounts. When the realization of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognized as an asset.

**x) Foreign currency translation**

Functional and presentation currency:

Items included in the Consolidated Financial Statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Consolidated Financial Statements are presented in Indian Rupees (INR), which is Subros Limited's functional and presentation currency.

Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognized in profit or loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Statement of Profit and Loss on a net basis within other income or other expenses.

**xi) Revenue recognition and other income**

**A. Revenue from contracts with customers**

Revenue is recognized based on the price specified in the contract with customers, net of returns, rebates and

discounts. Revenue excludes Goods & Services Tax, where applicable on the supply of goods and services.

The Company recognizes revenue when the Company performs its obligations to its customers and the amount of revenue can be measured reliably and recovery of the consideration is probable and specific criteria have been met for each of the Company's activities as described below:

**a) Sale of goods**

Revenue from sale of goods is recognized when control of the goods has transferred, being when the goods are dispatched / delivered to the customer, the customer has full discretion over the channel and price to sell the goods, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the customer location, the risks of obsolescence and loss have been transferred to the customer and the customer has accepted the goods in accordance with the sales contract.

The goods are sold to after-market customers with rebates / discounts based on sales targets over a 12 months period. Revenue from these sales is recognized based on the price specified in the contract, net of the estimated rebates / discounts. Accumulated experience is used to estimate and provide for the rebates / discounts, using the expected value method, and revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur.

No element of financing is deemed present as the sales are made with credit terms, which vary from 30 days to 60 days, which is consistent with market practice. The Company's obligation to repair or replace faulty products under the standard warranty terms is recognized as a provision, see note 12.

A receivable is recognized when the goods are delivered and accepted by the Customer as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

A contract liability is recognized where payments received from the customers exceed the goods sold by the Company.

**b) Sale of services**

Income from services rendered is recognized based on agreements/arrangements with the customers on the performance of service. Revenue from services is recognized in the accounting period in which the services are rendered. Revenue is recognised to the amount to which the Company has a right to invoice.

If the services rendered by the Company exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

**c) Financing component**

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer



exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

## B. Other income

Income from duty drawback and export incentives is recognized on an accrual basis.

Interest is recognized using the effective interest rate (EIR) method, as income for the period in which it occurs.

Dividend income on investments is recognized when the right to receive dividend is established.

## xii) Employee benefits

### a. Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### b. Post-employment obligations

#### Provident fund and Employees' state insurance:

Contributions to defined contribution schemes such as Provident fund and Employees' state insurance are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The Company pays provident fund contribution to government-administered provident fund. The above benefits are classified as defined contribution schemes as the Company has no further defined obligations beyond the monthly contributions.

#### Superannuation:

Certain employees of the Company are participants in a defined contribution plan. The Company has no further obligations to the plan beyond its monthly contributions which are periodically contributed towards trust fund, the corpus of which is invested with the Life insurance companies.

#### Gratuity:

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The gratuity plan in Company is funded through annual contributions made towards the trust fund, the corpus of which is invested with Life Insurance Corporation of India (LIC).

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected

Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Past-service costs are recognized immediately in profit or loss.

### c. Compensated absences:

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in profit or loss in the period in which they arise. Past-service costs are recognized immediately in profit or loss.

## xiii) Leases

### As a lessee

Leases are recognized as right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities includes the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amount expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if

the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. To determine the incremental borrowing rate, the Company obtains the interest rate from its bankers for borrowings for a tenure that is substantially similar to the lease terms, with a similar security and the similar economic environment for leases held by the Company.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Low-value assets comprise IT equipment and small items of office furniture.

Payments associated with short term leases of equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in Statement of Profit and Loss. Short-term leases are leases with a lease term of 12 months or less.

#### **As a lessor**

Lease income from operating leases where the Company is lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective lease assets are included in balance sheet based on their nature.

#### **xiv) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences only if it is probable that future taxable amounts will be available to utilize those temporary differences.

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiary and joint venture where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiary and joint venture where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current tax and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as deferred tax asset only to the extent it is probable that sufficient taxable profit will be available to allow all or part of MAT



credit to be utilized during the specified period i.e., the period for which such credit is allowed to be utilized.

**xv) Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognized initially at the transaction price as they do not contain significant financing components. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method, less loss allowance.

**xvi) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

**xvii) Earnings per share**

Basic earnings per share:

Basic earnings per share is calculated by dividing:

- a) the profit attributable to owners of the Company
- b) by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- a) the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- b) the weighted average number of additional equity

shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**xviii) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

**xix) Segment reporting**

The Company is primarily in the business of manufacturing and sale of thermal products (Automotive and home air conditioning systems and parts thereof).

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Refer note 23 for segment information presented.

**xx) Government grants**

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented as net of the related expense.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets in other income.

**xxi) Rounding of amounts**

All amounts disclosed in the Consolidated Financial Statements and notes have been rounded off to the nearest Lakhs as per the requirement of Schedule III, unless otherwise stated.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

## 3. Property, plant and equipment and capital work-in-progress

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total	Capital work-in-progress (CWIP)
<b>Gross carrying amount</b>								
<b>Balance as at March 31, 2021</b>	4,139.19	21,204.70	55,927.16	534.19	429.23	1,173.36	<b>83,407.83</b>	<b>1,343.99</b>
Additions	-	-	-	14.11	99.88	194.68	<b>308.67</b>	<b>5,316.39</b>
Transfer from CWIP	-	127.66	4,293.67	-	-	1.33	<b>4,422.66</b>	<b>(4,422.66)</b>
Disposals / adjustments	-	-	(599.10)	(17.73)	(97.76)	(433.15)	<b>(1,147.74)</b>	-
<b>Balance as at March 31, 2022</b>	<b>4,139.19</b>	<b>21,332.36</b>	<b>59,621.73</b>	<b>530.57</b>	<b>431.35</b>	<b>936.22</b>	<b>86,991.42</b>	<b>2,237.72</b>
Additions	3.19	-	-	32.99	159.82	184.94	<b>380.94</b>	<b>8,146.23</b>
Transfer from CWIP	-	1,001.56	3,803.52	-	-	6.46	<b>4,811.54</b>	<b>(4,811.54)</b>
Disposals / adjustments	-	(7.52)	(968.67)	(12.65)	(54.64)	(128.79)	<b>(1,172.27)</b>	-
<b>Balance as at March 31,2023</b>	<b>4,142.38</b>	<b>22,326.40</b>	<b>62,456.58</b>	<b>550.91</b>	<b>536.53</b>	<b>998.83</b>	<b>91,011.63</b>	<b>5,572.41</b>
<b>Accumulated depreciation As at March 31, 2021</b>	-	2,360.91	20,704.98	206.37	66.90	551.85	<b>23,891.01</b>	-
Depreciation charge during the year	-	683.93	5,571.36	46.38	70.00	210.43	<b>6,582.10</b>	-
Disposals / adjustments	-	-	(540.37)	(10.99)	(76.82)	(414.29)	<b>(1,042.47)</b>	-
<b>Balance as at March 31, 2022</b>	-	<b>3,044.84</b>	<b>25,735.97</b>	<b>241.76</b>	<b>60.08</b>	<b>347.99</b>	<b>29,430.64</b>	-
Depreciation charge during the year	-	708.00	6,376.45	45.60	80.80	213.63	<b>7,424.48</b>	-
Disposals / adjustments	-	(7.15)	(891.39)	(9.61)	(25.05)	(122.86)	<b>(1,056.06)</b>	-
<b>Balance as at March 31,2023</b>	-	<b>3,745.69</b>	<b>31,221.03</b>	<b>277.75</b>	<b>115.83</b>	<b>438.76</b>	<b>35,799.06</b>	-
<b>Net carrying amount As at March 31, 2022</b>	<b>4,139.19</b>	<b>18,287.52</b>	<b>33,885.76</b>	<b>288.81</b>	<b>371.27</b>	<b>588.23</b>	<b>57,560.78</b>	<b>2,237.72</b>
<b>Net carrying amount As at March 31, 2023</b>	<b>4,142.38</b>	<b>18,580.71</b>	<b>31,235.55</b>	<b>273.16</b>	<b>420.70</b>	<b>560.07</b>	<b>55,212.57</b>	<b>5,572.41</b>

## Notes-

- i) Depreciation pertaining to machineries used for manufacture of moulds has been capitalized during the year amounting to Rs. 39.15 Lakhs (Previous year Rs. 25.29 Lakhs).
- ii) Capital work-in-progress mainly comprises of building and plant and machinery.
- iii) Refer note 25 to these Consolidated Financial Statements for disclosure of contractual commitments for the acquisition of property, plant and equipment.



iv) The carrying amount of assets pledged as security for current and non-current borrowings [refer note 11(a) & (b)] are as follows:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Note no	As at March 31, 2023	As at March 31, 2022
<b>Current:</b>			
<b>First Charge</b>			
Inventories	8	33,864.47	31,750.51
Financial assets			
- Trade receivables	5(b)	20,804.58	22,636.20
- Cash and cash equivalents	5(c)	3,066.62	3,130.58
- Other bank balances	5(d)	5,750.00	8,688.91
- Loans	5(e)	66.24	55.91
- Other financial assets	5(f)	191.23	117.31
Other current assets	7	2,701.03	2,545.76
<b>Total current assets offered as security*</b>		<b>66,444.17</b>	<b>68,925.18</b>
<b>Non current:</b>			
<b>First charge</b>			
Property, plant and equipment	3	32,068.78	34,762.80
<b>Total non-current assets offered as security</b>		<b>32,068.78</b>	<b>34,762.80</b>
<b>Total assets offered as security</b>		<b>98,512.95</b>	<b>103,687.98</b>

\* The Company has working capital limits which have not been availed as at March 31, 2023 and March 31, 2022.

v) Capital work-in-progress (WIP)

(a) Ageing:

As at March 31, 2023

Particulars	Amount in CWIP for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	5,466.39	106.02	-	-	5,572.41
Projects temporarily suspended	-	-	-	-	-

As at March 31, 2022

Particulars	Amount in CWIP for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,114.91	100.85	21.96	-	2,237.72
Projects temporarily suspended	-	-	-	-	-

(b) Completion schedule for capital work-in-progress whose completion is overdue compared to its original plan:

As at March 31, 2023

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Projects pertaining to development of new models for *					
- Heating, ventilation, and air conditioning (HVAC) system	1,961.84	-	-	-	1,961.84
- Hose & Tubes	-	-	-	-	-
- Compressor	63.15	-	-	-	63.15
- Condensor	50.94	-	-	-	50.94
<b>Total</b>	<b>2,075.93</b>	-	-	-	<b>2,075.93</b>

\*The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.

As at March 31, 2022

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Projects pertaining to development of new models for *					
- Heating, ventilation, and air conditioning (HVAC) system	25.22	-	-	-	25.22
- Hose & Tubes	60.33	-	-	-	60.33
- Compressor	-	-	-	-	-
- Condensor	10.00	-	-	-	10.00
<b>Total</b>	<b>95.55</b>	-	-	-	<b>95.55</b>

\* The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.

vi) Significant estimate

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors such as the stability of the industry and known technological advances. The Company reviews the useful life of property, plant and equipment at the end of each reporting period.

## 4. Intangible assets and intangible assets under development

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Specialized softwares	Technical know how	Development cost [Refer note (ii)]	Total	Intangible assets under development
<b>Gross carrying amount</b>					
<b>Balance as at March 31, 2021</b>	326.79	11,510.51	18,583.05	<b>30,420.35</b>	4,016.63
Additions	55.50	-	-	<b>55.50</b>	3,664.48
Transfer from intangible assets under development	18.80	1,948.69	1,731.28	<b>3,698.77</b>	(3,698.77)
Disposals / adjustments	(13.78)	-	-	<b>(13.78)</b>	(87.05)
<b>Balance as at March 31, 2022</b>	<b>387.31</b>	<b>13,459.20</b>	<b>20,314.33</b>	<b>34,160.84</b>	<b>3,895.29</b>
Additions	55.39	-	-	<b>55.39</b>	2,881.43
Transfer from intangible assets under development	-	2,081.48	1,568.59	<b>3,650.07</b>	(3,650.07)
Disposals / adjustments	(39.85)	-	-	<b>(39.85)</b>	(96.90)
<b>Balance as at March 31, 2023</b>	<b>402.85</b>	<b>15,540.68</b>	<b>21,882.92</b>	<b>37,826.45</b>	<b>3,029.75</b>
<b>Accumulated amortization</b>					
<b>As at March 31, 2021</b>	<b>258.22</b>	<b>6,448.45</b>	<b>10,768.80</b>	<b>17,475.47</b>	-
Amortization charge for the year	51.87	1,317.73	2,151.01	<b>3,520.61</b>	-
Disposals / adjustments	(13.78)	-	-	<b>(13.78)</b>	-
<b>Balance as at March 31, 2022</b>	<b>296.31</b>	<b>7,766.18</b>	<b>12,919.81</b>	<b>20,982.30</b>	-
Amortization charge for the year	49.26	1,558.74	1,889.19	<b>3,497.19</b>	-
Disposals / adjustments	(39.77)	-	-	<b>(39.77)</b>	-
<b>Balance as at March 31, 2023</b>	<b>305.80</b>	<b>9,324.92</b>	<b>14,809.00</b>	<b>24,439.72</b>	-
<b>Net carrying amount</b>	<b>91.00</b>	<b>5,693.02</b>	<b>7,394.52</b>	<b>13,178.54</b>	<b>3,895.29</b>
<b>As at March 31, 2022</b>					
<b>Net carrying amount</b>	<b>97.05</b>	<b>6,215.76</b>	<b>7,073.92</b>	<b>13,386.73</b>	<b>3,029.75</b>
<b>As at March 31, 2023</b>					

Notes-

- Amortization pertaining to software used for manufacture of moulds has been capitalized during the year amounting to Rs. 1.13 Lakhs (Previous year Rs. 1.78 Lakhs).
- Consists of capitalised development costs being an internally generated intangible asset.
- Intangible assets under development comprises of technical know how and product development cost incurred by the Company.
- Intangible assets under development

(a) Ageing:

(All amounts in Rs. Lakhs, unless otherwise stated)

As at March 31, 2023

Particulars	Amount in intangible assets under development for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,473.46	1,133.80	287.75	134.74	3,029.75
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>1,473.46</b>	<b>1,133.80</b>	<b>287.75</b>	<b>134.74</b>	<b>3,029.75</b>

As at March 31, 2022

Particulars	Amount in intangible assets under development for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,861.24	770.70	219.31	44.04	3,895.29
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2,861.24</b>	<b>770.70</b>	<b>219.31</b>	<b>44.04</b>	<b>3,895.29</b>





(b) Completion schedule for intangible assets under development whose completion is overdue compared to its original plan:

As at March 31, 2023

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Projects pertaining to development of new models for *					
- Air conditioning kit	544.81	-	-	-	544.81
- Heating, ventilation, and air conditioning (HVAC) system	661.17	15.27	-	-	676.44
- Compressor	60.40	8.90	-	-	69.30
- Hose & Tubes	65.43	-	-	-	65.43
- Condensor	567.83	-	-	-	567.83
- Radiator	295.05	-	-	-	295.05
- Rear air conditioning system	5.96	-	33.33	-	39.29
<b>Total</b>	<b>2,200.65</b>	<b>24.17</b>	<b>33.33</b>	<b>-</b>	<b>2,258.15</b>

\*The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.

As at March 31, 2022

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Projects pertaining to development of new models for *					
- Air conditioning kit	524.97	-	-	-	524.97
- Heating, ventilation, and air conditioning (HVAC) system	278.20	-	15.27	-	293.47
- Compressor	-	-	8.90	-	8.90
- Hose & Tubes	47.00	-	-	-	47.00
- Condensor	509.03	-	-	-	509.03
- Rear air conditioning system	-	-	-	33.33	33.33
<b>Total</b>	<b>1,359.20</b>	<b>-</b>	<b>24.17</b>	<b>33.33</b>	<b>1,416.70</b>

\*The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.

#### Significant estimates:

##### A. Appropriateness of capitalization of internal development costs related to Intangible assets under development

In relation to capitalisation of internal development costs in relation to intangible assets under development, significant judgement has been made by the management in the determination of –

- whether the costs incurred is towards development of product or in the nature of research,
- the costs, including payroll costs, were directly attributable to relevant projects, and
- key assumptions such as future revenue, margins and the discount rate used to assess the future cash flows from the expected use of such assets once developed and capitalised.

##### B. Estimated useful life of intangible assets

The estimated useful lives of intangible assets are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) to obtain the expected future cash flows from the asset. The Company reviews the useful life of intangible assets at the end of each reporting period.

**5(a) Non-current investments****(i) Investment accounted for using the equity method\****(All amounts in Rs. Lakhs, unless otherwise stated)*

Name of the entity and equity contribution	Place of business/ country of incorporation	% of ownership interest	Accounting method	Principal activities	Carrying amount as at March 31, 2023	Carrying amount as at March 31, 2022
Denso Subros Thermal Engineering Centre India Private Limited [1,767,999 (March 31, 2022: 1,767,999) fully paid up equity shares of Rs. 10 each]	India	26%	Equity method	Providing application design services primarily to Subros Limited and to other entities related to the Denso Group.	205.04	214.39
Add:- Share of net profit of joint venture accounted for using equity method					11.74	28.94
Add:- Share of other comprehensive income of joint venture accounted for using equity method					0.83	(0.71)
Less: Dividend income received during the year					(28.23)	(37.58)
<b>Total equity accounted investment</b>					<b>189.38</b>	<b>205.04</b>

\* Unlisted entity - no quoted price available.

**Summarized financial information for joint venture**

The table below provide summarized financial information for joint venture. The information disclosed reflects the amounts presented in the financial statements of joint venture.

**Summarized Balance Sheet of:-****Denso Subros Thermal Engineering Centre India Private Limited***(All amounts in Rs. Lakhs, unless otherwise stated)*

Description	As at March 31, 2023	As at March 31, 2022
<b>Current assets</b>		
Financial assets		
(i) Trade receivables	242.24	158.41
(ii) Cash and cash equivalents	680.65	808.83
(iii) Other financial assets	9.44	9.89
Other current assets	188.65	99.96
<b>Total current assets</b>	<b>1,120.98</b>	<b>1,077.09</b>
<b>Total non-current assets</b>	<b>350.43</b>	<b>189.24</b>
<b>Current liabilities</b>		
Financial liabilities		
(i) Lease liabilities	11.35	-
(ii) Trade payables	116.04	94.07
(ii) Other financial liabilities	90.88	88.54
Other current liabilities	114.02	56.26
Short-term provisions	316.30	182.61
<b>Total current liabilities</b>	<b>648.59</b>	<b>421.48</b>
<b>Total non-current liabilities</b>	<b>94.45</b>	<b>56.29</b>
<b>Net assets</b>	<b>728.37</b>	<b>788.56</b>

**Reconciliation to Carrying Amounts***(All amounts in Rs. Lakhs, unless otherwise stated)*

Description	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening net assets	788.56	824.54
Profit for the year	45.19	111.30
Other comprehensive income	3.18	(2.74)
Dividend paid on equity shares	(108.56)	(144.54)
<b>Closing net assets</b>	<b>728.37</b>	<b>788.56</b>
Company's share in %	26%	26%
Company's share in INR Lakhs	189.38	205.04
<b>Carrying amount</b>	<b>189.38</b>	<b>205.04</b>



**Summarized Statement of Profit and Loss***(All amounts in Rs. Lakhs, unless otherwise stated)*

Description	For the year ended March 31, 2023	For the year ended March 31, 2022
Revenue from operations	1,761.49	1,795.03
Other income	53.06	63.90
Employee benefits expense	(1,045.42)	(1,145.69)
Finance costs	(4.69)	-
Depreciation and amortization expense	(57.64)	(41.46)
Other expenses	(636.06)	(511.13)
Income tax expenses	(25.55)	(49.35)
<b>Profit for the year</b>	<b>45.19</b>	<b>111.30</b>
Other comprehensive income	3.18	(2.74)
<b>Total comprehensive income</b>	<b>48.37</b>	<b>108.56</b>

Note:

1. There are contingent liabilities related to joint venture amounting to Rs. 14.44 Lakhs as on March 31, 2023 (March 31, 2022: Rs. Nil).
2. There are no commitments related to joint venture as on March 31, 2023 and March 31, 2022.

**(ii). Investment in equity instruments***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in equity instruments (at fair value through profit or loss)		
Unquoted (fully paid- up)		
Amplus Green Power Private Limited		
1,719,061 (March 31, 2022: 1,719,061) Fully paid up equity shares of Rs. 17.45 each	299.98	299.98
<b>Total investments</b>	<b>299.98</b>	<b>299.98</b>
<b>Aggregate value of unquoted investments</b>	299.98	299.98
<b>Aggregate amount of impairment in the value of investments</b>	-	-

**5(a) Current investments****(iii). Investment in mutual funds***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in mutual fund (at fair value through profit or loss)		
Unquoted		
1,661,907.84 (March 31, 2022: Nil) units of Nippon India Overnight Fund - Direct Growth Plan	2,000.00	-
<b>Total investments</b>	<b>2,000.00</b>	-
<b>Aggregate value of unquoted investments</b>	2,000.00	-
<b>Aggregate amount of impairment in the value of investments</b>	-	-

**5(b). Trade receivables***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables from contract with customers - billed	16,249.87	19,927.57
Trade receivables from contract with customers - unbilled*	4,703.06	2,848.99
Receivables from related parties (Refer note 24)	4.52	10.92
Less: Loss allowance	(152.87)	(151.28)
<b>Total trade receivables</b>	<b>20,804.58</b>	<b>22,636.20</b>
Current portion	20,804.58	22,636.20
Non-current portion	-	-

\* The receivable is unbilled because Company has not yet issued an invoice, however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

**Breakup of security details***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	20,838.44	22,662.97
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	119.01	124.51
<b>Total</b>	<b>20,957.45</b>	<b>22,787.48</b>
Loss allowance	(152.87)	(151.28)
<b>Total trade receivables</b>	<b>20,804.58</b>	<b>22,636.20</b>



## Ageing of Trade Receivables as on March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for following periods from the due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
– considered good	4,703.06	13,967.67	2,044.08	85.34	19.81	4.82	13.66	20,838.44
– which have significant increase in credit risk	-	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
– considered good	-	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-	119.01	119.01
<b>Total</b>	<b>4,703.06</b>	<b>13,967.67</b>	<b>2,044.08</b>	<b>85.34</b>	<b>19.81</b>	<b>4.82</b>	<b>132.67</b>	<b>20,957.45</b>

## Ageing of Trade Receivables as on March 31, 2022

Particulars	Unbilled	Not Due	Outstanding for following periods from the due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
– considered good	2,848.99	17,100.24	2,545.90	62.66	78.10	18.91	8.17	22,662.97
– which have significant increase in credit risk	-	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	21.01	10.39	31.40
Disputed trade receivables								
– considered good	-	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-	93.11	93.11
<b>Total</b>	<b>2,848.99</b>	<b>17,100.24</b>	<b>2,545.90</b>	<b>62.66</b>	<b>78.10</b>	<b>39.92</b>	<b>111.67</b>	<b>22,787.48</b>

## 5(c). Cash and cash equivalents

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with banks		
- In current accounts	2,556.05	3,121.91
Cash on hand	10.57	8.67
Deposit with original maturity of less than 3 months	500.00	-
<b>Total cash and cash equivalents</b>	<b>3,066.62</b>	<b>3,130.58</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

## 5(d) Bank balances other than cash and cash equivalents

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Earmarked balances with banks</b>		
Deposits with original maturity of more than three months but less than 12 months*	-	12.52
Unpaid dividend account	22.63	25.90
<b>Others</b>		
Deposits with original maturity of more than three months but less than 12 months	5,750.00	8,688.91
<b>Total bank balances other than cash and cash equivalents</b>	<b>5,772.63</b>	<b>8,727.33</b>

\* Held as security with the banks against bank guarantee and hence not available for free use with the Company.

## 5(e). Loans

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Loans to employees	66.24	17.02	55.91	25.41
<b>Total loans</b>	<b>66.24</b>	<b>17.02</b>	<b>55.91</b>	<b>25.41</b>



**Breakup of security details***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Loans considered good - Secured	-	-
Loans considered good - Unsecured	83.26	81.32
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total</b>	<b>83.26</b>	<b>81.32</b>
Loss allowance	-	-
<b>Total loans</b>	<b>83.26</b>	<b>81.32</b>

**5(f) Other financial assets***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Security deposits				
Related parties (refer note 24)	-	263.46	-	263.37
Others	108.49	663.90	17.34	656.29
Deposits with maturity of more than 12 months*	-	2,500.00	-	-
Interest accrued on bank deposits	82.74	32.63	99.97	-
<b>Total other financial assets</b>	<b>191.23</b>	<b>3,459.99</b>	<b>117.31</b>	<b>919.66</b>

**6. Tax Expense**

Income tax expense in the Statement of Profit and Loss comprises:

*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>a) Tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	1,244.80	804.35
Adjustments for current tax of prior periods	(27.09)	1.72
<b>Total current tax expense</b>	<b>1,217.71</b>	<b>806.07</b>
<b>Deferred tax</b>		
Minimum Alternate Tax (MAT) credit utilisation	1,688.65	1,203.32
Adjustment of MAT credits for earlier years	-	(199.26)
Decrease / (increase) in deferred tax assets	108.75	91.14
(Decrease) / increase in deferred tax liabilities	(722.16)	(620.88)
<b>Total deferred tax expense / (benefit)</b>	<b>1,075.24</b>	<b>474.32</b>
<b>Total tax expense / (credit)</b>	<b>2,292.95</b>	<b>1,280.39</b>

b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Accounting Profit before tax</b>	<b>7,085.02</b>	<b>4,529.54</b>
Computed tax expense at applicable tax rate of 34.944% (previous year 34.944%)	<b>2,475.79</b>	<b>1,582.81</b>
Tax effect of :		
Tax effects of the amounts which are not deductible in calculating taxable income	58.41	76.02
Adjustment on account of remeasurement (Refer note 2 below)	(214.16)	(180.90)
Adjustment of MAT credit of earlier years	-	(199.26)
Income tax provision reversal of prior year	(27.09)	1.72
<b>Tax expense recognized in Statement of Profit and Loss</b>	<b>2,292.95</b>	<b>1,280.39</b>

The tax of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Opening balance	Recognized in Profit or loss- Credit/(charge)	Recognized in Other Comprehensive Income -Credit/(charge)	Closing Balance
<b>2021-22</b>				
<b>Deferred tax liability in relation to:</b>				
Property, plant and equipment and intangible assets	9,011.25	386.14	-	8,625.11
Right-of-use assets	223.60	53.84	-	169.76
Adjustment on account of remeasurement (net) (Refer note 2 below)	(945.98)	180.90	-	(1,126.88)
<b>Total deferred tax liability (A)</b>	<b>8,288.87</b>	<b>620.88</b>	<b>-</b>	<b>7,667.99</b>

<b>Deferred tax assets in relation to:</b>				
Expenses deductible in future years	578.75	(54.40)	-	524.35
Lease liabilities	321.85	(36.74)	-	285.11
Remeasurement of post employment benefit obligations	186.53	-	(38.94)	147.59
<b>Total deferred tax assets(B)</b>	<b>1,087.13</b>	<b>(91.14)</b>	<b>(38.94)</b>	<b>957.05</b>
<b>Deferred tax liability(net) (C) = (A) - (B)</b>	<b>7,201.74</b>	<b>529.74</b>	<b>(38.94)</b>	<b>6,710.94</b>
<b>Minimum alternative tax credit (D)</b>	<b>5,429.58</b>	<b>(1,004.06)</b>	-	<b>4,425.52</b>
<b>Deferred tax liabilities/(assets) (net) (C) -(D)</b>	<b>1,772.16</b>	<b>(474.32)</b>	<b>(38.94)</b>	<b>2,285.42</b>
<b>2022-23</b>				
<b>Deferred tax liability in relation to:</b>				
Property, plant and equipment and intangible assets	8,625.11	413.12	-	8,211.99
Right-of-use assets	169.76	94.88	-	74.88
Adjustment on account of remeasurement (net) (Refer note 2 below)	(1,126.88)	214.16	-	(1,341.04)
<b>Total deferred tax liability(A)</b>	<b>7,667.99</b>	<b>722.16</b>	-	<b>6,945.83</b>
<b>Deferred tax assets in relation to:</b>				
Expenses deductible in future years	524.35	(7.86)	-	516.49
Lease liabilities	285.11	(100.89)	-	184.22
Remeasurement of post employment benefit obligations	147.59	-	(8.06)	139.53
<b>Total deferred tax assets(B)</b>	<b>957.05</b>	<b>(108.75)</b>	<b>(8.06)</b>	<b>840.24</b>
<b>Deferred tax liability(net) (C) = (A) - (B)</b>	<b>6,710.94</b>	<b>613.41</b>	<b>(8.06)</b>	<b>6,105.59</b>
<b>Minimum alternative tax credit (D)</b>	<b>4,425.52</b>	<b>(1,688.65)</b>	-	<b>2,736.87</b>
<b>Deferred tax liabilities/(assets) (net) (C) -(D)</b>	<b>2,285.42</b>	<b>(1,075.24)</b>	<b>(8.06)</b>	<b>3,368.72</b>

Note:

- Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.
- In the financial year 2019-20, the tax laws were amended, providing an option to pay tax at 22% plus applicable surcharge and cess ("New Rate") effective April 1, 2019, with a condition that the Company will need to surrender specified deductions / incentives.

Based on the assessment of future taxable profits, the Company decided to continue with the rate of 30% plus applicable surcharge and cess until the Minimum Alternate Tax (MAT) credit asset balance is utilised and opt for the New Rate thereafter. The Company re-measured its deferred tax balances accordingly.

Significant estimate:

The deferred tax asset mainly comprises of Minimum Alternate Tax (MAT) credit which can be carried forward for a period of 15 years as per the provisions of the Income Tax Act, 1961. The Company has been consistently earning profits and is currently liable to pay Income Tax under normal provisions of Income Tax Act, 1961. The Company has concluded that the deferred tax asset will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

## 7. Other assets

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Capital advances	-	705.84	-	1,122.61
Advance to suppliers				
-Related party (refer note 24)	0.55	-	2.17	-
-Others	1,087.72	-	795.96	-
Prepaid expenses	626.39	-	631.35	-
Recoverable from statutory authorities	986.37	-	1,116.28	-
<b>Total other assets</b>	<b>2,701.03</b>	<b>705.84</b>	<b>2,545.76</b>	<b>1,122.61</b>

## 8. Inventories

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Raw material and spares*	26,380.50	23,075.66
Work-in progress	3,706.09	5,033.74
Finished goods	938.31	852.38
Stores	2,839.57	2,788.73
<b>Total Inventories</b>	<b>33,864.47</b>	<b>31,750.51</b>

\* Net of provision for inventory obsolescence amounting to Rs. 581.89 Lakhs as at March 31, 2023 (March 31, 2022: Rs. 428.34 Lakhs). An amount of Rs. 153.55 lakhs has been provided during the year ended March 31, 2023 (Rs. 142.48 lakhs has been written back during the year ended March 31, 2022) and included in 'cost of material consumed' in Statement of Profit and Loss.



**Inventory includes in transit inventory of:-**

Raw material and spares	3,885.60	4,831.59
Finished goods	426.10	449.00

Note: Refer note 3 to the financial statements for information on inventories offered as security by the Company.

**Significant estimate:**

The provision for inventory obsolescence is based on assumptions about usability / saleability of inventory. The Company reviews the provision for inventory obsolescence at the end of each reporting period.

**9. Non-current tax assets (net)**

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance tax (net of provisions - March 31, 2023: Rs 9,664.76 Lakhs; March 31, 2022: Rs 9,691.85 Lakhs)	241.55	190.67
<b>Total non-current tax assets</b>	<b>241.55</b>	<b>190.67</b>

**10. Equity****10(a). Equity share capital**

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Authorized share capital</b>		
125,000,000 (as at March 31, 2022 : 125,000,000) equity shares of Rs. 2 each	2,500.00	2,500.00
<b>Issued share capital</b>		
65,241,450 (as at March 31, 2022 : 65,241,450) equity shares of Rs. 2 each	1,304.83	1,304.83
<b>Subscribed and paid up share capital</b>		
65,235,750 (as at March 31, 2022 : 65,235,750) equity shares of Rs. 2 each, fully paid up	1,304.71	1,304.71
<b>Total</b>	<b>1,304.71</b>	<b>1,304.71</b>

**A. Reconciliation of the shares outstanding at the beginning and at the end of the year**

(All amounts in Rs. Lakhs, unless otherwise stated)

Equity shares	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	65,235,750	1,304.71	65,235,750	1,304.71
Add: Shares issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>65,235,750</b>	<b>1,304.71</b>	<b>65,235,750</b>	<b>1,304.71</b>

**B. Rights, preferences and restrictions attached to shares**

The Company has one class of equity shares having a par value of Rs. 2 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend.

**C. Details of shares held by each shareholder holding more than 5% shares**

Name of shareholder	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% of holding	Number of shares held	% of holding
Deeksha Holding Limited	10,137,760	15.54%	10,137,760	15.54%
Jyotsna Holding Private Limited	3,448,000	5.28%	3,448,000	5.28%
R R Holdings Private Limited	3,208,000	4.92%	3,208,000	4.92%
Shradha Suri	5,587,040	8.57%	5,587,040	8.57%
Denso Corporation	13,047,150	20.00%	13,047,150	20.00%
Suzuki Motor Corporation	7,800,000	11.96%	7,800,000	11.96%

**D. Details of shareholding of promoters :**

Name of the promoter	As at March 31, 2023			As at March 31, 2022		
	Number of shares	% total shares	% Change during the year	Number of shares	% total shares	% Change during the year
Shradha Suri	5,587,040	8.57%	0.00%	5,587,040	8.57%	100.00%
Deeksha Holding Limited	10,137,760	15.54%	0.00%	10,137,760	15.54%	0.00%
Jyotsna Holding Private Limited	3,448,000	5.28%	0.00%	3,448,000	5.28%	0.00%
R.R. Holdings Private Limited	3,208,000	4.92%	0.00%	3,208,000	4.92%	0.00%
JS Family Trust	1,619,200	2.48%	100.00%	-	0.00%	0.00%
Jyotsna Suri	-	0.00%	-100.00%	1,619,200	2.48%	0.00%

**10(b). Other equity****Reserves and surplus***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium	20,817.44	20,817.44
General reserve	12,725.48	12,575.48
Retained earnings	51,879.35	47,678.11
<b>Total other equity</b>	<b>85,422.27</b>	<b>81,071.03</b>

**i) Securities premium***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	20,817.44	20,817.44
Issue of equity shares	-	-
<b>Closing balance</b>	<b>20,817.44</b>	<b>20,817.44</b>

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

**ii) General reserve***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	12,575.48	12,425.48
Transfer from retained earnings	150.00	150.00
<b>Closing balance</b>	<b>12,725.48</b>	<b>12,575.48</b>

General reserve is the retained earnings of a Company which is kept aside out of the Company's profits to meet future (known or unknown) obligations.

**iii) Retained earnings***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	47,678.11	44,963.82
Add: Profit for the year	4,792.07	3,249.15
Less: Remeasurement gain / (loss) on post employment benefit obligation, net of tax	15.82	71.79
Less: Appropriations		
Transfer to general reserve	(150.00)	(150.00)
Dividend on equity shares	(456.65)	(456.65)
<b>Closing balance</b>	<b>51,879.35</b>	<b>47,678.11</b>

During the year, a dividend of Rs. 0.70 per share, total dividend Rs. 456.65 Lakhs (previous year: Rs. 0.70 per share, total dividend Rs. 456.65 Lakhs) was paid to equity shareholders.

The Board of Directors recommended a final dividend of Re. 1 per share (nominal value of Rs. 2 per share) for the financial year 2022-23 (March 31, 2022: Rs. 0.70 per share for the financial year 2021-22). This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these Consolidated Financial Statements. The total estimated dividend to be paid is Rs. 652.36 Lakhs (March 31, 2022: Rs. 456.65 Lakhs).





**11. Financial liabilities****11(a). Non-current borrowings***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
Term loans		
Indian Rupee loans from banks	1,339.51	2,503.27
<b>Total Non-current borrowings</b>	<b>1,339.51</b>	<b>2,503.27</b>
Less: Current maturities of long term debt [included in note 11(b)]	867.06	1,160.72
Less: Interest accrued [included in note 11(b)]	3.70	6.75
<b>Non-current borrowings</b>	<b>468.75</b>	<b>1,335.80</b>

Borrowings	Security	As at March 31, 2023	As at March 31, 2022	Maturity date	Terms of repayment	Coupon/ Interest rate
<b>Indian Rupee loans from banks</b>						
Loan 1	First charge on movable fixed assets other than exclusive charge created for other loans	495.54	1,284.49	August, 2023	Fourteen quarterly equal instalments commencing from November, 2019	REPO + 200 bps (March 31, 2022: REPO + 200 bps)
Loan 2	Exclusive charge over specific movable fixed assets	843.97	1,218.78	June, 2025	Sixteen quarterly equal instalments commencing from September, 2021	3 Month MIBOR (March 31, 2022 : 3 Month MIBOR)
<b>Total</b>		<b>1,339.51</b>	<b>2,503.27</b>			

**11(b). Current borrowings***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Secured</b>		
From banks		
<b>Current maturities of long term debt*</b>	870.76	1,167.47
<b>Total current borrowings</b>	<b>870.76</b>	<b>1,167.47</b>

\* Includes interest accrued on long-term borrowings.

Note: The Company has working capital limits which have not been availed as at March 31, 2023 and March 31, 2022. (Refer note 3 for details of current assets offered as security).

**11(c). Other financial liabilities***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Capital creditors*	422.34	552.49
Interest accrued	9.67	5.51
Security deposit received		
-Related party (refer note 24)	6.14	6.14
-Others	47.99	44.49
Unclaimed dividend**	22.63	25.90
Derivative liability	32.15	399.54
Others		
Due to director (refer note 24)	152.73	39.18
Payable to employees	1,427.89	2,332.81
<b>Total</b>	<b>2,121.54</b>	<b>3,406.06</b>

\* Includes Rs. 104.06 Lakhs (March 31, 2022: Rs. 45.61 Lakhs) payable to related parties. Refer note 24.

\*\*The Company has deposited an amount of Rs. 4.42 Lakhs (Previous year Rs. 4.40 Lakhs) during the year in Investor Education and Protection Fund. Further, no amount is pending for deposition in Investor Education and Protection Fund.

## 11(d). Trade payables

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31,2022
<b>Current</b>		
Trade payables: micro and small enterprises (refer Note 36)	118.42	228.77
Trade payables: others	46,852.18	46,396.74
Trade payables to related parties (refer note 24)	1,900.97	2,253.35
<b>Total</b>	<b>48,871.57</b>	<b>48,878.86</b>

## Ageing of trade payables as at March 31, 2023

Particulars	Unbilled	Not Due	Outstanding for the following periods from the due date of payment				Total
			less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
- Micro and small enterprises	9.00	109.20	0.19	0.03	-	-	118.42
- Others	5,312.80	35,278.21	8,089.28	46.07	23.86	2.93	48,753.15
Disputed trade payables							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
<b>Total</b>	<b>5,321.80</b>	<b>35,387.41</b>	<b>8,089.47</b>	<b>46.10</b>	<b>23.86</b>	<b>2.93</b>	<b>48,871.57</b>

## Ageing of trade payables as at March 31, 2022

Particulars	Unbilled	Not Due	Outstanding for the following periods from the due date of payment				Total
			less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
- Micro and small enterprises	16.20	212.54	0.03	-	-	-	228.77
- Others	3,725.94	34,340.82	10,470.12	29.98	2.93	80.30	48,650.09
Disputed trade payables							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
<b>Total</b>	<b>3,742.14</b>	<b>34,553.36</b>	<b>10,470.15</b>	<b>29.98</b>	<b>2.93</b>	<b>80.30</b>	<b>48,878.86</b>

## 11 (e). Current tax liabilities

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31,2022
<b>Opening balance</b>	-	-
Current tax payable for the year	1,244.80	-
Less:- Taxes paid	1,007.04	-
<b>Closing balance</b>	<b>237.76</b>	-

## 11(f). Other non-current liabilities

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31,2022
<b>Government grants</b>		
Opening balance	76.79	-
Grants during the year	171.48	76.79
Less: Released to profit or loss	-	-
<b>Closing balance</b>	<b>248.27</b>	<b>76.79</b>
Current portion	-	-
Non-current portion	248.27	76.79

Note: This pertains to government grant received from Ozone Cell (Ministry of Environment, Forest and Climate Change, Government of India) related to property, plant and equipment to be procured at Nalagarh plant under the scheme 'India HCFC Phase-out Management Plan Stage II' to phase out the consumption of HCFCs (Hydrochlorofluorocarbons). As on March 31, 2023, the Company is yet to comply with the conditions attached to this grant with respect to installation of property, plant and equipment and other conditions stated in the scheme.

The Company has also benefited from other forms of government assistance as mentioned in note 15 & 18.



**11 (g). Supplier's credit***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Supplier's credit	6,274.58	3,518.63
<b>Closing balance</b>	<b>6,274.58</b>	<b>3,518.63</b>

Note: Supplier's credit represents the arrangement where suppliers of goods and services are initially paid by Receivables Exchange of India/bank and settlement with the Receivables Exchange of India/bank are normally effected within a period of 90 days.

**12. Provisions***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits:				
Provision for leave encashment (refer note 28)	325.26	-	330.55	-
Provision for gratuity (refer note 28)	-	881.49	-	875.30
Provision for warranty	255.73	170.49	248.79	165.86
<b>Total</b>	<b>580.99</b>	<b>1,051.98</b>	<b>579.34</b>	<b>1,041.16</b>

**i) Information about individual provisions and significant estimates****Provision for employee benefits:**

The provision for employee benefits include leave encashment and gratuity (refer note 2(d)(xii) and 28).

**Provision for warranty:**

Significant estimate: Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. The Company generally offers 24 months warranties for its products. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. The assumptions made in relation to the current period are consistent with those in the prior years. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives.

**ii) Movement in provision for warranty***(All amounts in Rs. Lakhs, unless otherwise stated)*

<b>As at March 31, 2021</b>	<b>569.74</b>
Charged/(credited) to profit or loss	
Additional provisions recognized	150.36
Unwinding of discount on provision for warranty	8.48
Discounting of additional provision recognized	(17.48)
Amounts written back during the year (Refer note 15)	(225.18)
Amounts utilized during the year	(71.27)
<b>As at March 31, 2022</b>	<b>414.65</b>
Charged/(credited) to profit or loss	
Additional provisions recognized	169.13
Unwinding of discount on provision for warranty	8.48
Discounting of additional provision recognized	(8.98)
Amounts written back during the year (Refer note 15)	-
Amounts utilized during the year	(157.06)
<b>As at March 31, 2023</b>	<b>426.22</b>

**Sensitivity analysis**

As at March 31, 2023, provision for warranty had a carrying amount of Rs. 426.22 Lakhs (March 31, 2022: Rs. 414.65 Lakhs). Were warranty claim costs to differ by 10% of the management's estimates, the provision would be an estimated Rs. 42.62 Lakhs higher or lower (March 31, 2022: Rs. 41.47 Lakhs higher or lower).

**13 (a). Contract liabilities***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Contract liabilities	838.35	2,654.40
<b>Total</b>	<b>838.35</b>	<b>2,654.40</b>

Notes:

- a) Contract liabilities represent payments received from the customers in excess of the goods sold by the Company.
- b) During the year ended March 31, 2023, the Company recognised revenue of Rs. 2,333.18 Lakhs arising from opening contract liabilities as of April 01, 2022. During the previous year, the Company recognised revenue of Rs. 91.94 Lakhs arising from opening contract liabilities as at April 01, 2021.

**13 (b). Other current liabilities***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues	2,114.04	2,334.65
<b>Total</b>	<b>2,114.04</b>	<b>2,334.65</b>

**14. Revenue from operations***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Revenue from contracts with customers</b>		
- Sale of products	279,513.26	223,416.73
- Sale of services	467.24	74.42
<b>Other operating revenues</b>		
- Sale of scrap	647.67	373.15
<b>Total</b>	<b>280,628.17</b>	<b>223,864.30</b>

Note 1: Unsatisfied contracts:

The following table shows unsatisfied performance obligation resulting from contracts:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at reporting date	838.35	2,654.40

Management expects that transaction price allocated to unsatisfied contracts as of March 31, 2023 will be recognized as revenue during the next reporting period.

Note 2: Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contract Price	282,243.98	225,148.37
Adjustments for:		
- Rebate/discounts	(1,615.81)	(1,284.07)
<b>Revenue from Operations</b>	<b>280,628.17</b>	<b>223,864.30</b>

Note 3: The Company has disaggregated revenue from contracts with customers based on nature of revenue i.e. sale of products and sale of services. The Company does not have reportable segment. Refer note 23.

Note 4: The Company derives revenue from transfer of goods and services at a point of time after acceptance from customers.

Note 5: No significant judgements have been made by the Company in applying Ind AS 115 that significantly affect the determination of the amount and timing of revenue from contracts with customers.



**15. Other income***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on:		
a) Financial assets at amortized cost	391.71	386.41
b) Others	138.40	5.72
Exchange variation on foreign currency transactions (net)	144.11	-
Fair value changes on derivatives	367.39	208.33
Unwinding of discount on financial asset	6.36	4.90
Rental income	73.76	64.66
Net gain on sale of investments	131.26	-
Provision written back to the extent no longer required (Refer note 12)	-	225.18
Refund of electricity duty*	685.46	-
Other miscellaneous income	90.28	59.65
<b>Total</b>	<b>2,028.73</b>	<b>954.85</b>

\* During the year ended March 31, 2023, the Company has received a refund of electricity duty amounting to Rs. 685.46 Lakhs (March 31, 2022: Rs. Nil) for the period February 2010 to January 2020 from Pashchimanchal Vidyut Vitran Nigam Limited, Uttar Pradesh issued vide order dated January 30, 2023 issued by High Court of Allahabad for writ petition filed by the Company in order to receive the same under The Industrial and Service Sector Investment Policy 2004 read with notification no. 276/24-P-3-2018 dated February 5, 2018 issued by Government of Uttar Pradesh. There are no unfulfilled conditions or other contingencies attached to this refund. The Company has also benefited from other forms of government assistance as mentioned in note 11(f) & 18.

**16. Cost of material consumed***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Raw material and spares</b>		
Raw material and spares at the beginning of the year	23,075.66	21,927.93
Add: Purchase of raw material and spares	217,095.63	169,559.18
Less: Raw material and spares at the end of the year	26,380.50	23,075.66
<b>Total</b>	<b>213,790.79</b>	<b>168,411.45</b>

**17. Changes in inventories of finished goods and work in progress***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Finished goods</b>		
Closing balance	938.31	852.38
Less:- Opening balance	852.38	893.79
	<b>85.93</b>	<b>(41.41)</b>
<b>Work-in-progress</b>		
Closing balance	3,706.09	5,033.74
Less:- Opening balance	5,033.74	2,689.46
	<b>(1,327.65)</b>	<b>2,344.28</b>
<b>(Increase) / decrease</b>	<b>1,241.72</b>	<b>(2,302.87)</b>

**18. Employee benefits expense***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus*	21,391.61	19,820.08
Contribution to provident and other funds (refer note 28)**	952.45	888.46
Gratuity (refer note 28)	258.29	258.32
Staff welfare expenses	2,170.11	1,738.01
<b>Total</b>	<b>24,772.46</b>	<b>22,704.87</b>

Note: Government grants

\* Net of government grants related to refund of 50% of minimum stipend prescribed by Board of Apprenticeship Training (Northern Region) amounting to Rs. 280.63 Lakhs (March 31, 2022: Rs. 171.43 Lakhs).

\*\* Net of government grants related to payment of employer's contribution towards Employees Provident Fund and Employees Pension Scheme for the new employment, paid by government of India under the Pradhan Mantri Rojgar Protsahan Yojana amounting to Rs. 25.37 Lakhs (March 31, 2022: Rs. 25.27 Lakhs).

There are no unfulfilled conditions or other contingencies attached to these grants. The Company did not benefit directly from any other forms of government assistance except as disclosed in Note 11(f) & 15.



**19. Finance costs***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest costs:		
- Loans from banks	194.22	284.77
- Other financing arrangements	179.14	304.16
Exchange differences regarded as an adjustment to borrowing costs	233.79	230.98
Interest on lease liabilities (refer note 27)	62.08	79.15
Fair value changes on derivatives	-	53.58
Other finance costs*	8.48	138.85
<b>Total</b>	<b>677.71</b>	<b>1,091.49</b>

\* Net of Rs. Nil (March 31, 2022: Rs. 26.03 Lakhs) written back to the extent no longer required based on confirmations received from micro and small enterprises confirming that no interest under the Micro, Small and Medium Enterprises Development Act, 2006 is payable to them (refer Note 36).

**20. Depreciation and amortization expense***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on property, plant and equipment (refer note 3)	7,385.33	6,556.81
Depreciation of right-of-use assets (refer note 27)	146.68	159.54
Amortization of intangible assets (refer note 4)	3,496.06	3,518.83
<b>Total</b>	<b>11,028.07</b>	<b>10,235.18</b>

**21. Other expenses***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Consumption of stores	5,465.93	4,169.03
Power and fuel	3,627.73	3,169.72
Rent (refer note 27)	346.83	415.71
Repair and maintenance: Building	518.49	455.11
Repair and maintenance: Plant and machinery	2,076.77	1,799.29
Repair and maintenance: Others	410.55	295.50
Rates, taxes and fees	34.17	57.39
Insurance	608.51	638.73
Royalty	3,333.12	2,567.99
Warranty expenses	160.15	132.88
Selling and distribution expenses	4,300.78	3,585.45
Legal and professional charges	399.99	391.71
Vehicle running and maintenance	145.47	145.28
Travelling and conveyance	576.20	272.03
Payment to auditors [refer note 21(a) below]	56.73	49.11
Exchange variation on foreign currency transactions (net)	-	114.03
Net loss on disposal of property, plant and equipment	53.51	73.70
Corporate social responsibility expenses [refer note 21(b) below]	150.66	195.00
Director's sitting fees	58.55	54.65
Other miscellaneous expenses	1,748.73	1,596.12
<b>TOTAL</b>	<b>24,072.87</b>	<b>20,178.43</b>

**21(a). Details of payment to auditors***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Payment to auditors*</b>		
<b>As auditor:</b>		
Audit fees (including limited review)	50.50	46.50
Tax audit fee	1.50	1.50
Certification fee	1.00	0.50
Reimbursement of expenses	3.73	0.61
<b>Total</b>	<b>56.73</b>	<b>49.11</b>

\* Excluding applicable taxes



**21(b). Corporate social responsibility expenses***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Contribution to green plantations	4.54	5.53
Contribution to education for under- privileged children	48.02	36.30
Contribution to skills developments	77.26	69.51
Contribution to social campaign	4.43	8.03
Contribution to paralympic sports	4.30	-
Contribution to preventive healthcare	10.61	65.63
Contribution to technology development	1.50	10.00
Accrual towards unspent obligations in relation to:		
Ongoing project	-	-
Other than ongoing projects	-	-
<b>Total</b>	<b>150.66</b>	<b>195.00</b>
<i>Amount required to be spent as per Section 135 of the Act</i>	<b>150.66</b>	<b>194.09</b>
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than above	150.66	195.00
<b>Total</b>	<b>150.66</b>	<b>195.00</b>

**Details of ongoing CSR projects under Section 135(6) of the Act**

Balance as at April 1, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2023	
With the Company	In Separate CSR Unspent account		From the Company's bank account	From Separate CSR Unspent account	With the Company	In Separate CSR Unspent account
-	-	144.86	144.86	-	-	-

**Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects**

Balance unspent as at April 1, 2022	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2023
-	-	5.80	5.80	-

**Details of excess CSR expenditure under Section 135(5) of the Act**

Balance excess spent as at April 1, 2022	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2023
-	-	-	-

**Details of ongoing CSR projects under Section 135(6) of the Act**

Balance as at April 1, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2022	
With the Company	In Separate CSR Unspent account		From the Company's bank account	From Separate CSR Unspent account	With the Company	In Separate CSR Unspent account
-	-	185.00	185.00	-	-	-

**Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects**

Balance unspent as at April 1, 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2022
-	-	10.00	10.00	-

**Details of excess CSR expenditure under Section 135(5) of the Act**

Balance excess spent as at April 1, 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2022
-	-	-	-

## 22. Financial instruments and risk management

### 22(a). Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2023 is as follows:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	FVOCI	FVTPL	Amortized cost	Total
<b>Financial assets</b>				
i) Investment	-	2,299.98	-	2,299.98
ii) Trade receivables	-	-	20,804.58	20,804.58
iii) Cash and cash equivalents	-	-	3,066.62	3,066.62
iv) Bank balance other than cash and cash equivalents	-	-	5,772.63	5,772.63
v) Loans	-	-	83.26	83.26
vi) Other financial assets	-	-	3,651.22	3,651.22
<b>Total financial assets</b>	-	<b>2,299.98</b>	<b>33,378.31</b>	<b>35,678.29</b>
<b>Financial liabilities</b>				
i) Borrowings	-	-	1,339.51	1,339.51
ii) Supplier's credit	-	-	6,274.58	6,274.58
iii) Trade payables	-	-	48,871.57	48,871.57
iv) Other financial liabilities	-	32.15	2,089.39	2,121.54
<b>Total financial liabilities</b>	-	<b>32.15</b>	<b>58,575.05</b>	<b>58,607.20</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2022 is as follows:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	FVOCI	FVTPL	Amortized cost	Total
<b>Financial assets</b>				
i) Investment	-	299.98	-	299.98
ii) Trade receivables	-	-	22,636.20	22,636.20
iii) Cash and cash equivalents	-	-	3,130.58	3,130.58
iv) Bank balance other than cash and cash equivalents	-	-	8,727.33	8,727.33
v) Loans	-	-	81.32	81.32
vi) Other financial assets	-	-	1,036.97	1,036.97
<b>Total financial assets</b>	-	<b>299.98</b>	<b>35,612.40</b>	<b>35,912.38</b>
<b>Financial liabilities</b>				
i) Borrowings	-	-	2,503.27	2,503.27
ii) Supplier's credit	-	-	3,518.63	3,518.63
iii) Trade payables	-	-	48,878.86	48,878.86
iv) Other financial liabilities	-	399.54	3,006.52	3,406.06
<b>Total financial liabilities</b>	-	<b>399.54</b>	<b>57,907.28</b>	<b>58,306.82</b>

The following tables provides an analysis of financial assets and liabilities that are measured at fair value - recurring fair value measurements, grouped into level 1 to level 3, as described below:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes No.	As at March 31, 2023			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investment	5(a)(ii) (iii)	2,000.00	-	299.98	2,299.98
<b>Total financial assets</b>		<b>2,000.00</b>	-	<b>299.98</b>	<b>2,299.98</b>
<b>Financial liabilities</b>					
Derivative liability	11(c)	-	32.15	-	32.15
<b>Total financial liabilities</b>		-	<b>32.15</b>	-	<b>32.15</b>

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes No.	As at March 31, 2022			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investment	5(a)(ii)	-	-	299.98	299.98
<b>Total financial assets</b>		-	-	<b>299.98</b>	<b>299.98</b>
<b>Financial liabilities</b>					
Derivative liability	11(c)	-	399.54	-	399.54
<b>Total financial liabilities</b>		-	<b>399.54</b>	-	<b>399.54</b>





The following tables provides an analysis of financial assets and liabilities that are measured at amortized cost for which fair values are disclosed, grouped into level 1 to level 3, as described below:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes No.	As at March 31, 2023			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Security deposits	5(f)	-	-	1,035.85	1,035.85
Loans to employees	5(e)	-	-	83.26	83.26
Trade receivables	5(b)	-	-	20,804.58	20,804.58
Cash and cash equivalents	5(c)	-	-	3,066.62	3,066.62
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	5,750.00	5,750.00
Deposits with maturity of more than 12 months	5(f)	-	-	2,500.00	2,500.00
Unpaid dividend account	5(d)	-	-	22.63	22.63
Interest accrued on bank deposits	5(f)	-	-	115.37	115.37
<b>Total financial assets</b>		-	-	<b>33,378.31</b>	<b>33,378.31</b>
<b>Financial liabilities</b>					
Borrowings	11(a) & 11(b)	-	-	1,339.51	1,339.51
Supplier's credit	11(g)	-	-	6,274.58	6,274.58
Trade payables	11(d)	-	-	48,871.57	48,871.57
Capital creditors	11(c)	-	-	422.34	422.34
Interest accrued	11(c)	-	-	9.67	9.67
Security deposit received	11(c)	-	-	54.13	54.13
Unclaimed dividend	11(c)	-	-	22.63	22.63
Others					
Due to directors	11(c)	-	-	152.73	152.73
Payable to employees	11(c)	-	-	1,427.89	1,427.89
<b>Total financial liabilities</b>		-	-	<b>58,575.05</b>	<b>58,575.05</b>

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Notes No.	As at March 31, 2022			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Security deposits	5(f)	-	-	937.00	937.00
Loans to employees	5(e)	-	-	81.32	81.32
Trade receivables	5(b)	-	-	22,636.20	22,636.20
Cash and cash equivalents	5(c)	-	-	3,130.58	3,130.58
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	8,701.43	8,701.43
Unpaid dividend account	5(d)	-	-	25.90	25.90
Interest accrued on bank deposits	5(f)	-	-	99.97	99.97
<b>Total financial assets</b>		-	-	<b>35,612.40</b>	<b>35,612.40</b>
<b>Financial liabilities</b>					
Borrowings	11(a) & 11(b)	-	-	2,503.27	2,503.27
Supplier's credit	11(g)	-	-	3,518.63	3,518.63
Trade payables	11(d)	-	-	48,878.86	48,878.86
Capital creditors	11(c)	-	-	552.49	552.49
Interest accrued	11(c)	-	-	5.51	5.51
Security deposit received	11(c)	-	-	50.63	50.63
Unclaimed dividend	11(c)	-	-	25.90	25.90
Others					
Due to directors	11(c)	-	-	39.18	39.18
Payable to employees	11(c)	-	-	2,332.81	2,332.81
<b>Total financial liabilities</b>		-	-	<b>57,907.28</b>	<b>57,907.28</b>

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in the active market. This includes listed equity instruments that have quoted price and open ended mutual funds that have NAV (Net Assets Value) price available in the active market. The fair value of all equity instruments and mutual funds which are traded in the stock exchanges and open market, respectively, is valued using the closing price as at the reporting period end.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There has been no transfer between level 1, level 2 and level 3 for the years ended March 31, 2023 and March 31, 2022.

Valuation technique used to determine fair value : The Company has entered into variety of foreign currency forward contracts to manage its exposure to fluctuations in foreign exchange rates. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data. Further, Investment in equity shares included in Level 3 of the fair value hierarchy have been valued using the income approach to arrive at their fair value. In this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of this investment.

All short term financial assets and liabilities like trade receivables, cash and cash equivalents, deposit with banks, trade payables, supplier's credit, capital creditors, security deposit received, payable to employees are stated at amortized cost which is approximately equal to their fair value.

The fair value of borrowings is estimated by discounting expected future cash flows, using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of similar maturity.

The fair value of loans to employees and security deposits are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

## 22(b). Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk. In order to minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimize operating, financial and strategic risks. The note explains the sources of risk which the entity is exposed to and how the entity manages the risks :

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, deposits with banks, trade receivables, derivative financial instruments, other financial assets measured at amortized cost.	Ageing analysis, credit rating	Diversification of bank deposits, factoring of trade receivables, credit limits and letter of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- foreign exchange	Future commercial transactions Recognized financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts

### Credit risk

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

For banks and financial institutions, only high rated banks/institutions are accepted. The Company has deposited liquid funds at various banking institutions. Primary banking institutions are major Indian and foreign banks. In long term credit ratings, these banking institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognized commercial banks and are not past due.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian automobile manufacturers and Air-conditioner manufacturer (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of payment due dates is closely monitored on an on-going basis for all customers, thereby practically eliminating the risk of default.

A default on a financial asset is when the counterparty, fails to make contractual payments within the agreed number of days of when they fall due. This definition is determined by considering the business environment in which entity operates and other macro-economic factors.

The Company's historical experience of collecting receivables, supported by the level of default, is that credit risk is low. All customer balances which are overdue for more than 180 days are evaluated for provisioning and considered for impairment on an individual basis. The customer balances are written-off as bad debts, when legal remedies available to the Company are exhausted and / or it becomes certain that said balances will not be recovered.



**Reconciliation of loss allowance - Trade receivables:**

Particulars	As at March 31, 2023	As at March 31, 2022
Loss allowance at the beginning of the year	151.28	189.41
Add / (Less): Changes during the year	1.59	(38.13)
<b>Loss allowance at the end of the year</b>	<b>152.87</b>	<b>151.28</b>

**Loss allowance as at March 31, 2023 and March 31, 2022 was determined as follows under the simplified approach:**

As at March 31, 2023	Unbilled / Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due	Total
Trade receivables - considered good	18,670.73	1,046.99	817.31	121.13	143.99*	157.30	20,957.45
Expected loss rate	0.09%	0.46%	1.10%	2.48%	0.00%	75.57%	
Expected credit losses - Trade receivables	17.11	4.85	9.03	3.01	-	118.87	152.87
Carrying amount of trade receivables (net of impairment)	18,653.62	1,042.14	808.28	118.12	143.99*	38.43	20,804.58

\*Receivable from Ministry of Railways, which is a due from the government and accordingly no expected provision for credit loss is recognised.

As at March 31, 2022	Unbilled / Not due	0-90 days past due	91-180 days past due	181-270 days past due	271-360 days past due	More than 360 days past due	Total
Trade receivables - considered good	19,949.23	2,270.21	266.43	21.51	50.41	229.69	22,787.48
Expected loss rate	0.04%	0.32%	0.93%	1.86%	2.54%	57.43%	
Expected credit losses - Trade receivables	8.04	7.16	2.48	0.40	1.28	131.92	151.28
Carrying amount of trade receivables (net of impairment)	19,941.19	2,263.05	263.95	21.11	49.13	97.77	22,636.20

Significant estimate: The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**Liquidity risk**

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, the Company's finance division monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet the operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Company raises short term rupee borrowings for cash flow mismatches and hence carries no significant liquidity risk.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(All amounts in Rs. Lakhs, unless otherwise stated)

	As at March 31, 2023	As at March 31, 2022
Floating rate:		
-Expiring within one year (cash credit, working capital loans and other facilities)	34,008.25	34,242.35
-Expiring beyond one year (bank loans)	4,650.74	4,650.74

**(ii) Maturities of financial liabilities**

The table below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Upto 1 year	1-5 Years	More than 5 years	Total
<b>As at March 31, 2023</b>				
Borrowings (including interest)	945.22	502.43	-	1,447.65
Supplier's credit	6,274.58	-	-	6,274.58
Trade payables	48,871.57	-	-	48,871.57
Other financial liabilities	2,089.39	-	-	2,089.39
Lease liabilities (including interest)	86.14	179.95	884.74	1,150.83
<b>Total</b>	<b>58,266.90</b>	<b>682.38</b>	<b>884.74</b>	<b>59,834.02</b>
<b>As at March 31, 2022</b>				
Borrowings (including interest)	1,281.89	1,410.89	-	2,692.78
Supplier's credit	3,518.63	-	-	3,518.63
Trade payables	48,878.86	-	-	48,878.86
Other financial liabilities	3,006.52	-	-	3,006.52
Lease liabilities (including interest)	173.30	387.75	995.33	1,556.38
<b>Total</b>	<b>56,859.20</b>	<b>1,798.64</b>	<b>995.33</b>	<b>59,653.17</b>

**Market risk****(i) Foreign currency risk**

The Company has exposure to foreign currency risk on account of its payables. The Company has a foreign currency exchange risk policy to mitigate this risk by entering into appropriate hedging instruments depending on the future outlook on currencies as considered necessary from time to time for which it has entered into derivative financial instruments such as foreign exchange forward contracts.

**Foreign currency derivative contracts outstanding as at the end of the reporting period:**

Particulars/Purpose	Amount	As at March 31, 2023	As at March 31, 2022
Hedge of foreign currency payables	USD (in Lakhs)	57.00	70.00
	Rs. (in Lakhs)	4,705.36	5,349.90
	JPY (in Lakhs)	9,293.41	10,716.85
	Rs. (in Lakhs)	5,850.25	6,781.60
Cross currency swap	USD (in Lakhs)	-	5.00
	JPY (in Lakhs)	-	608.16

**Particulars of unhedged foreign currency exposure as at the reporting date:**

Particulars/Purpose	Amount	As at March 31, 2023	As at March 31, 2022
Trade payables	Euro (in Lakhs)	0.13	0.04
	Rs. (in Lakhs)	10.82	3.71
	JPY (in Lakhs)	1,591.00	-
	Rs. (in Lakhs)	921.39	-

**Foreign currency sensitivity analysis**

The Company is mainly exposed to JPY & EURO since it is unhedged as at reporting date.

The following table details the Company's sensitivity to a 10% increase and decrease in the INR against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and vice-versa.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	INR strengthens by 10%	INR weakens by 10%	INR strengthens by 10%	INR weakens by 10%
Impact on profit or loss for the year				
JPY impact	92.14	(92.14)	-	-
EURO impact	1.08	(1.08)	0.37	(0.37)



**(ii) Interest rate risk****a) Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Variable rate borrowings	1,339.51	2,503.27
Fixed rate borrowings	-	-

As at the end of the reporting period, the Company had the following variable rate borrowings outstanding:

Particulars	As at March 31, 2023		
	Weighed average interest rate %	Balance	% of total loans
Rupee loans from banks	9.17	1,339.51	100%

Particulars	As at March 31, 2022		
	Weighed average interest rate %	Balance	% of total loans
Rupee loans from banks	6.19	2,503.27	100%

**b) Sensitivity**

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Impact on profit after tax	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest rates - increase by 50 basis points	4.36	8.14
Interest rates - decrease by 50 basis points	(4.36)	(8.14)

**(iii) Price risk**

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the Company. Due to the competitive market, major OEMs demand price cuts which in turn may affect the profitability of the Company.

The Company has arrangements with its major customers for passing on the price impact. The Company is regularly taking initiatives like VA VE (value addition, value engineering) to reduce its raw material costs to meet targets set up by its customers for cost downs. In respect of customer nominated parts, the Company has back to back arrangements for cost savings with its suppliers.

**22(c). Capital management**

The Company's objective when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors Net Debt to EBIDTA ratio i.e., Net Debt (total borrowings (including supplier's credit) and lease liabilities net of cash and cash equivalents) divided by EBIDTA (Profit before tax plus depreciation and amortization expense plus finance costs).

The Company strategy is to ensure that the Net Debt to EBIDTA is managed at an optimal level considering the above factors. The Net Debt to EBIDTA ratios were as follows:

Particulars	March 31, 2023	March 31, 2022
Net Debt (In Lakhs)	5,074.65	3,707.21
EBIDTA (In Lakhs)	18,790.80	15,856.21
<b>Net Debt to EBIDTA</b>	<b>0.27</b>	<b>0.23</b>

The Net debt to EBIDTA ratio for the current year increased from 0.23 to 0.27 due to increased net debts on account of higher suppliers credit availed during the year ended March 31, 2023.

**Loan covenants**

Under the terms of the major borrowings facilities, the Company is required to comply with certain financial covenants and the Company has complied with those covenants throughout the reporting period.



**Dividends**

Particulars	As at March 31, 2023	As at March 31, 2022
<b>On Equity shares of Rs. 2 each</b>		
<b>Final dividend</b>		
Dividend paid (Rs. In Lakhs)	456.65	456.65
Dividend per equity share	0.70	0.70

The Board of Directors recommended a final dividend of Re. 1 per share (nominal value of Rs. 2 per share) for the financial year 2022-23 (March 31, 2022: Rs. 0.70 per share for the financial year 2021-22). This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these Consolidated Financial Statements. The total estimated dividend to be paid is Rs. 652.36 Lakhs (March 31, 2022: Rs. 456.65 Lakhs).

**23. Segment information**

The Company is primarily in the business of manufacturing of thermal products.

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore, there is no reportable segment for the Company. Export sales constitute an insignificant portion of total business of the Company. Hence, there is no geographical segment as well.

**Entity wide disclosures**

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	Domestic	Overseas	Total
<b>Revenue from operations</b>			
For the year ended March 31, 2023	280,588.85	39.32	280,628.17
For the year ended March 31, 2022	223,840.15	24.15	223,864.30
<b>Non current segment assets</b>			
As at March 31, 2023	81,626.75	-	81,626.75
As at March 31, 2022	79,865.85	-	79,865.85

- Domestic information includes sales and services rendered to customers located in India.
- Overseas information includes sales and services rendered to customers located outside India.
- Non current segment assets includes property, plant and equipment, right-of-use assets, capital work- in- progress, intangible assets, intangible assets under development and capital advances.
- Revenue from transactions with a single external customer amounting to 10 per cent or more of the Company's revenues is 49% from one customer (previous year: 47%) and 34% from second customer (previous year: 34%).

**24. Related party disclosures****Entity having significant influence over the Company**

Denso Corporation, Japan

**Joint venture**

Denso Subros Thermal Engineering Centre India Private Limited, India

**Key management personnel**

Late Mr. Ramesh Suri, Ex-Chairman (Demised on May 12, 2021)

Ms. Shradha Suri, Managing Director (Chairperson & Managing Director w.e.f May 26, 2021)

Mr. Parmod Kumar Duggal, Chief Executive Officer (From April 01, 2021) and whole time Director (From August 5, 2021)

Ms. Jyotsna Suri, Director

Mr. Mohammed Asad Pathan, Independent Director

Mr. Kuttalam Rajagopalan Ramamoorthy, Independent Director

Mr. Girish Narain Mehra, Independent Director

Mr. Shailendra Swarup, Independent Director

Ms. Meena Sethi, Independent Director

Mr. Arvind Kapur, Independent Director

Mr. Kenichi Ayukawa, Nominee Director (Upto September 30, 2022)

Mr. Hisashi Takeuchi, Nominee Director (From October 1, 2022)

Mr. Naohisa Kuriyama, Nominee Director (From March 29, 2023)

Mr. Tomoaki Yoshimori, Nominee Director

Mr. Yasuhiro Iida, Alternate Director (From January 25, 2023)



Mr. Hidemasa Takahashi, Nominee Director (Upto March 29, 2023)  
 Mr. Fumitaka Taki, Alternate Director (Upto January 27, 2022)  
 Mr. Yasuaki Matsunaga, Alternate Director (Upto January 25, 2023)  
 Mr. Hemant Kumar Agarwal, Chief Financial Officer  
 Mr. Rakesh Arora, Company Secretary (Upto May 31, 2022)  
 Mr. Shiv Ram Singh, Company Secretary (From June 1, 2022 to November 15, 2022)  
 Mr. Kamal Samtani, Company Secretary (From April 28, 2023)

**Relatives of key management personnel**

Ms. Ritu Suri, Wife of Mr. Ramesh Suri (Demised on January 21, 2022)  
 Mr. Keshav Suri, Son of Ms. Jyotsna Suri  
 Ms. Pia Marwah, Daughter of Shradha Suri  
 Ms. Bani Marwah, Daughter of Shradha Suri  
 Master Vir Marwah, Son of Shradha Suri

**Entities over which key management personnel and/or their relatives have control or joint control:**

SHS Transport Private Limited, India  
 Rohan Motors Limited, India  
 Hemkunt Service Station Private Limited, India  
 Tempo Automobiles Private Limited, India  
 Primatel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)  
 Prima Infratech Private Limited, India  
 Fibcom India Limited, India (Merged in Primatel Fibcom Limited, India during the previous year)  
 Deeksha Holding Limited, India  
 Jyotsna Holding Private Limited, India  
 RR Holdings Private Limited, India

**List of other related parties - Post employment benefit plan of the Company**

Subros Employees Group Gratuity Cum Life Assurance Trust, India  
 Subros Employees Group Superannuation Cum Life Assurance Trust, India

**Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties:**

**(a) Transactions with related parties**

*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Entity having significant influence over the Company</b>			
Denso Corporation	Sale of goods	19.42	24.15
	Reimbursement of expenses paid	-	51.66
	Reimbursement of expenses received	48.74	-
	Royalty paid	3,333.12	2,500.79
	Receipt of technical services	574.50	1,388.32
	Dividend paid	91.33	91.33
<b>Joint venture</b>			
Denso Subros Thermal Engineering Centre India Private Limited	Purchase of intangible assets (Technical knowhow)	643.82	570.87
	Rental income	29.26	28.26
	Other income	0.43	3.49
	Reimbursement of expenses received	11.10	11.11
	Reimbursement of expenses paid	-	4.36
	Dividend received	28.23	37.58

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Key management personnel</b>			
Ms. Shradha Suri	Short term benefits	355.69	232.57
	Rent paid	7.28	12.08
	Post employment benefits	11.28	9.86
	Dividend paid	39.11	-
Late Mr. Ramesh Suri	Short term benefits	-	5.59
Ms. Jyotsna Suri	Sitting fees	2.25	4.50
	Rent paid	30.00	30.00
	Dividend paid	11.33	11.33
Mr. Mohammed Asad Pathan	Sitting fees	8.10	8.85
Mr. Ramamoorthy Rajagopalan Kuttalam	Sitting fees	7.50	8.25
Mr. Girish Narain Mehra	Sitting fees	15.70	13.35
Mr. Shailendra Swarup	Sitting fees	8.10	7.35
Ms. Meena Sethi	Sitting fees	12.20	8.40
Mr. Arvind Kapur	Sitting fees	4.70	3.95
Mr Parmod Kumar Duggal	Short term benefits	117.69	85.48
	Post employment benefits	3.59	3.23
	Other long term employee benefits	0.68	-
Mr Hemant Kumar Agarwal	Short term benefits	81.08	62.69
	Post employment benefits	3.57	1.90
	Other long term employee benefits	0.36	-
Mr. Rakesh Arora	Short term benefits	9.37	47.41
	Post employment benefits	1.13	1.71
Mr Shiv Ram Singh	Short term benefits	17.81	-
	Post employment benefits	0.66	-
	Other long term employee benefits	0.35	-
<b>Relatives of key management personnel</b>			
Late Ms. Ritu Suri	Rent paid	-	26.50
	Dividend paid	-	39.11
Mr. Keshav Suri	Rent paid	3.00	0.50
Ms. Pia Marwah	Rent paid	9.60	-
Ms. Bani Marwah	Rent paid	9.60	-
Master Vir Marwah	Rent paid	9.60	-
<b>Contribution to funds</b>			
Subros Employees Group Gratuity Cum Life Assurance Trust	Employer's contribution towards gratuity fund	10.12	9.58
<b>Entities over which key management personnel and/or their relatives have control or joint control:</b>			
Hemkunt Service Station Private Limited	Purchase of materials	11.14	9.93
Prima Infratech Private Limited	Rent paid	245.41	241.55
Prima Infratech Private Limited	Reimbursement of expenses paid	3.17	0.34
Primatel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)	Purchase of property, plant and equipment	-	19.28
Rohan Motors Limited	Purchase of property, plant and equipment	43.41	-
Rohan Motors Limited	Receiving of services	14.92	22.04
Rohan Motors Limited	Rent paid	16.02	16.02
Rohan Motors Limited	Dividend paid	0.04	0.04
Rohan Motors Limited	Sale of goods	3.65	3.27





Particulars		For the year ended March 31, 2023	For the year ended March 31, 2022
SHS Transport Private Limited	Receiving of services	616.01	738.49
SHS Transport Private Limited	Rent paid	4.67	4.67
Tempo Automobiles Private Limited	Receiving of services	-	39.70
Tempo Automobiles Private Limited	Sale of goods	-	6.25
Deeksha Holding Limited	Dividend paid	70.96	70.96
Jyotsna Holding Private Limited	Dividend paid	24.14	24.14
RR Holdings Private Limited	Dividend paid	22.46	22.46

**(b) Outstanding balances :***(All amounts in Rs. Lakhs, unless otherwise stated)*

Relation	Particulars	As at March 31, 2023	As at March 31, 2022
<b>Entity having significant influence over the Company</b>	Trade payables	1,757.15	2,096.75
Denso Corporation	Trade receivables	2.45	2.14
<b>Joint venture</b>	Trade payables	-	1.96
Denso Subros Thermal Engineering Centre India Private Limited	Trade receivables	1.62	2.22
	Other financial liabilities (Capital creditors)	104.06	45.61
	Other financial liabilities (security deposit)	6.14	6.14
<b>Key management personnel:</b>			
Ms. Shradha Suri	Other financial liabilities (due to directors)	140.07	39.18
Ms. Shradha Suri	Other financial assets (security deposit)	3.30	3.30
Ms. Jyotsna Suri	Other financial liabilities (due to directors)	0.68	-
Mr. Mohammed Asad Pathan	Other financial liabilities (due to directors)	1.35	-
Mr. Ramamoorthy Rajagopalan Kuttalam	Other financial liabilities (due to directors)	1.35	-
Mr. Girish Narain Mehra	Other financial liabilities (due to directors)	3.29	-
Mr. Shailendra Swarup	Other financial liabilities (due to directors)	2.03	-
Ms. Meena Sethi	Other financial liabilities (due to directors)	2.61	-
Mr. Arvind Kapur	Other financial liabilities (due to directors)	1.35	-
<b>Relatives of key management personnel</b>			
Late Ms. Ritu Suri	Other financial assets (security deposit)	-	14.41
Master Vir Marwah	Other financial assets (security deposit)	4.35	-
Ms Pia Marwah	Other financial assets (security deposit)	4.35	-
Ms Bani Marwah	Other financial assets (security deposit)	4.35	-
Sh Keshav Suri	Other financial assets (security deposit)	1.36	-
<b>Entities over which key management personnel and/or their relatives have control or joint control:</b>			
Rohan Motors Limited	Trade payables	6.77	1.06
SHS Transport Private Limited	Trade payables	112.68	147.49
Hemkunt Service Station Private Limited	Trade payables	1.70	1.45
Prima Infratech Private Limited	Trade payables	22.67	0.91
Primateel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)	Trade payables	-	3.73
Rohan Motors Limited	Trade receivables	0.45	0.38
Tempo Automobiles Private Limited	Trade receivables	-	6.18
Primateel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)	Other assets (advances to suppliers)	-	1.54
Prima Infratech Private Limited	Other assets (advances to suppliers)	-	0.06
SHS Transport Private Limited	Other financial assets (security deposit)	2.33	2.33
Rohan Motors Limited	Other financial assets (security deposit)	6.57	6.57
Prima Infratech Private Limited	Other financial assets (security deposit)	236.75	236.76
Hemkunt Service Station Private Limited	Other financial assets (security deposit)	0.10	-
<b>Post employment benefit plan of the Company:</b>			
Subros Employees Group Superannuation Cum Life Assurance Trust, India	Other assets (advances to suppliers)	0.54	0.54
Subros Employees Group Gratuity Cum Life Assurance Trust, India	Other assets (advances to suppliers)	0.01	0.03

## Terms and conditions:

- All transactions with related parties are in ordinary course of business and on arm's length basis.
- All outstanding balances are unsecured and will be settled in cash.
- All transactions are exclusive of applicable taxes for which input credit is allowed.



**25. Capital commitments**

Estimated value of contracts on capital account remaining to be executed and not provided for (net of advances) amounting to Rs. 3,211.85 Lakhs (March 31, 2022: Rs. 3,596.99 Lakhs).

**26. Contingent liabilities****(a) Claims against the Company not acknowledged as debts***(All amounts in Rs. Lakhs, unless otherwise stated)*

	As at March 31, 2023	As at March 31, 2022
Sales tax matters	88.98	88.98
Excise matters	442.25	4,067.99
Custom matters	15.19	15.19
Income tax matters	1,483.21	1,283.59
Claims made by workmen	783.40	583.99
Property tax*	-	61.60

\* During the year ended March 31, 2021, demand of Rs. 61.60 Lakhs was raised by Talati cum Mantri, Chharodi Gram Panchayat, Sanand under the provisions of The Gram Panchayat Act, 1993 vide order dated March 20, 2021 towards property tax for the financial years 2010-2011 to 2020-21. The Company filed a writ petition in the High Court of Gujarat, Ahmedabad.

During the year ended March 31, 2023, writ has been disposed off by High Court of Gujarat vide order dated September 22, 2022 directing the Village Panchayat to give a fresh opportunity to the Company for assessment of property tax.

**Notes:**

- It is not practicable for the Company to estimate the timings and amount of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- The Company does not expect any reimbursements in respect of the above contingent liabilities.

Significant estimate: The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events requires best judgement by management considering the probability of exposure to potential loss. Judgement includes consideration of experts opinion, facts of the matter, underlying documentation and historical experience. Changes in assumptions about these factors could affect the reported value of contingencies and provisions.

(b) Guarantees issued by banks on behalf of the Company amounting to Rs. 935.84 Lakhs (March 31, 2022: Rs. 3,236.84 Lakhs).

(c) Outstanding commitments under letter of credit established by the Company aggregate to Rs. 6,196.76 Lakhs (March 31, 2022: Rs. 7,933.20 Lakhs).

**27. Leases****The Company as a lessee**

This note provides information for leases where the Company is a lessee. The Company leases certain premises and plant and machinery. The lease term is for 11 months - 35 years except in case of leasehold lands where lease term is upto 99 years, but may have an extension option as described in (ii)(b) below:

**(i) Amounts recognised in Balance Sheet**

The balance sheet shows the following amounts relating to leases:

*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Right-of-use assets</b>		
Leasehold land	3,315.34	1,217.71
Buildings	404.11	653.20
<b>Total</b>	<b>3,719.45</b>	<b>1,870.91</b>

*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2023	As at March 31, 2022
<b>Lease liabilities</b>		
Current	82.84	167.18
Non-current	444.34	648.71
<b>Total</b>	<b>527.18</b>	<b>815.89</b>

Additions to the right-of-use assets during the current financial year were Rs. 2,221.59 Lakhs (March 31, 2022: Rs. Nil)



**(ii) Amount recognised in the Statement of Profit and Loss**

The statement of profit and loss shows the following amounts relating to leases:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
<b>Depreciation of right-of-use assets (refer note 20)</b>		
Leasehold land	33.97	16.07
Buildings	112.71	143.47
<b>Total</b>	<b>146.68</b>	<b>159.54</b>

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest expense (included in finance costs - refer note 19)	62.08	79.15
Expense relating to short term leases (included in other expenses - refer note 21)	346.83	415.71
<b>Total</b>	<b>408.91</b>	<b>494.86</b>

The total cash outflow for leases (including interest on lease liabilities) for the year ended March 31, 2023 was Rs. 697.62 Lakhs. (March 31, 2022: Rs. 600.01 Lakhs)

**(a) Variable lease payments**

The Company does not have any leases with variable lease payments.

**(b) Extension and termination options**

Extension and termination options are included in number of leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

**(c) Residual value guarantees**

The Company does not provide any residual value guarantee in relation to its leases.

**The Company as a lessor**

One office premise and one leased factory premise is let out by the Company on operating lease and its cancellable in nature. Lease rental income is set out in note 15 to these Consolidated Financial Statements as "Rental income" in "Other income".

**28. Employee benefits**

The various benefits provided to employees by the Company are as under:

**Defined contribution plans**

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Employer's contribution to Provident Fund*	815.71	762.71
Employer's contribution to Employees State Insurance Scheme*	136.74	125.75

\* Included in "Contribution to provident and other funds" in Note 18.

**Defined benefit plans and other long term benefits**

**a) Contribution to gratuity funds** - The Company provides for gratuity for employees as per The Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and Company makes contribution to recognized funds in India.

**b) Leave encashment/compensated absence** - The leave obligations cover the Company's liability for earned leave, sick leave and casual leave. The entire amount of the provisions of Rs. 325.26 Lakhs (March 31, 2022: Rs. 330.55 Lakhs) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the company does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.



Particulars	As at March 31, 2023	As at March 31, 2022
Leave obligations not expected to be settled within the next 12 months	281.04	289.78

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

#### Investment risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

#### Interest risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

#### Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

#### Salary risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

PARTICULARS	Gratuity (Funded)
<b>As at March 31, 2023</b>	
Discount rate (per annum)	7.50%
Rate of increase in compensation level (per annum)	7.00%
<b>As at March 31, 2022</b>	
Discount rate (per annum)	7.32%
Rate of increase in compensation level (per annum)	7.00%

Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Components of expenses recognized in the Statement of Profit and Loss in respect of:

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2023</b>	
Current service cost	194.22
Past service cost	-
Actuarial loss/(gain)	-
Net interest cost/(income) or the net defined benefit liability/(asset)	64.07
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>258.32</b>
<b>For the year ended March 31, 2022</b>	
Current service cost	197.69
Past service cost	-
Actuarial loss/(gain)	-
Net interest cost/(income) or the net defined benefit liability/(asset)	60.63
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>258.32</b>

Components of expenses recognized in the other comprehensive income in respect of:

(All amounts in Rs. Lakhs, unless otherwise stated)

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2023</b>	<b>23.05</b>
Actuarial gains/(loss) on:	
- changes in demographic assumptions	-
- changes in financial assumptions	34.59
- experience variance	(17.00)
- plan asset	5.46



<b>For the year ended March 31, 2022</b>	<b>111.44</b>
Actuarial gains/(loss) on:	
-changes in demographic assumptions	-
-changes in financial assumptions	87.86
-experience variance	19.44
-plan asset	4.14

**Actuarial (gain) / loss on obligations***(All amounts in Rs. Lakhs, unless otherwise stated)*

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2023</b>	
Actuarial (gain) / loss arising from change in demographic assumption	-
Actuarial (gain) / loss arising from change in financial assumption	(34.59)
Actuarial (gain) / loss arising from experience adjustment	17.00
<b>For the year ended March 31, 2022</b>	
Actuarial (gain) / loss arising from change in demographic assumption	-
Actuarial (gain) / loss arising from change in financial assumption	(87.86)
Actuarial (gain) / loss arising from experience adjustment	(19.44)

**Actuarial gain / (loss) on plan assets***(All amounts in Rs. Lakhs, unless otherwise stated)*

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2023</b>	
Return on plan assets, excluding amount recognized in net interest expense	102.16
Remeasurement for actuarial (gain)/loss arising because of change in effect of asset ceiling	(107.62)
<b>Component of defined benefit costs recognized in other comprehensive income</b>	<b>(5.46)</b>
<b>For the year ended March 31, 2022</b>	
Return on plan assets, excluding amount recognized in net interest expense	89.57
Remeasurement for actuarial (gain)/loss arising because of change in effect of asset ceiling	(93.71)
<b>Component of defined benefit costs recognized in other comprehensive income</b>	<b>(4.14)</b>

The current service cost and the interest expense for the year are included in the "Employee benefits expense" in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

*(All amounts in Rs. Lakhs, unless otherwise stated)*

PARTICULARS	Gratuity (Funded)
<b>As at March 31, 2023</b>	
Present value of obligation	2,384.78
Fair value of plan assets	1,503.29
<b>Surplus/(deficit)</b>	<b>(881.49)</b>
Asset ceiling	-
<b>Net asset/(liability)</b>	<b>(881.49)</b>
<b>As at March 31, 2022</b>	
Present value of obligation	2,270.97
Fair value of plan assets	1,395.67
<b>Surplus/(deficit)</b>	<b>(875.30)</b>
Asset ceiling	-
<b>Net asset/(liability)</b>	<b>(875.30)</b>

Note: The Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions.

Movement in the present value of the defined benefit obligation are as follows:

(All amounts in Rs. Lakhs, unless otherwise stated)

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2023</b>	
<b>Present value of the obligation as at the beginning</b>	2,270.97
Current service cost	194.22
Interest cost	166.23
Remeasurement (or actuarial) (gain)/loss arising from:	
-Change in demographic assumptions	(34.59)
-Change in financial assumptions	17.00
-experience variance	-
Past service cost	-
Benefits paid	(229.05)
<b>Present value of the obligation as at the end</b>	<b>2,384.78</b>
<b>For the year ended March 31, 2022</b>	
<b>Present value of the obligation as at the beginning</b>	2,183.18
Current service cost	197.69
Interest cost	150.20
Remeasurement (or actuarial) (gain)/loss arising from:	
-Change in demographic assumptions	(87.86)
-Change in financial assumptions	(19.44)
-experience variance	-
Past service cost	-
Benefits paid	(152.80)
<b>Present value of the obligation as at the end</b>	<b>2,270.97</b>

Movement in the fair value of the plan assets are as follows:

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2023</b>	
<b>Fair value of plan assets at the beginning</b>	1,395.67
Interest income	107.62
Employer contribution	-
Benefits paid	-
Actuarial gain/(loss) on plan assets	-
<b>Fair value of plan assets at the end</b>	<b>1,503.29</b>
<b>For the year ended March 31, 2022</b>	
<b>Fair value of plan assets at the beginning</b>	1,301.96
Interest income	93.71
Employer contribution	-
Benefits paid	-
Actuarial gain/(loss) on plan assets	-
<b>Fair value of plan assets at the end</b>	<b>1,395.67</b>

Major categories of plan assets (as % of total plan assets):

PARTICULARS	Gratuity (Funded)
<b>As at March 31, 2023</b>	
Funds managed by insurer	100%
<b>Total</b>	<b>100%</b>
<b>As at March 31, 2022</b>	
Funds managed by insurer	100%
<b>Total</b>	<b>100%</b>

Since it is a funded plan with insurer, hence break up of investment by insurer is not available with the Company, hence not given.

#### Sensitivity analysis

Significant actuarial assumptions for the determination of employee defined benefit obligation using projected unit credit method are discount rate and expected salary growth rate. The sensitivity analysis below has been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant. Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated. The method and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.



(All amounts in Rs. Lakhs, unless otherwise stated)

PARTICULARS	Gratuity (Funded)
<b>As at March 31, 2023</b>	
	<b>Change in defined benefit obligation</b>
Increase in discount rate by 0.5%	Decrease by 92.35
Decrease in discount rate by 0.5%	Increase by 99.38
Increase in expected salary growth rate by 0.5%	Increase by 97.34
Decrease in expected salary growth rate by 0.5%	Decrease by 91.23
<b>As at March 31, 2022</b>	
	<b>Change in defined benefit obligation</b>
Increase in discount rate by 0.5%	Decrease by 93.72
Decrease in discount rate by 0.5%	Increase by 101.07
Increase in expected salary growth rate by 0.5%	Increase by 98.00
Decrease in expected salary growth rate by 0.5%	Decrease by 91.77

The fair value of the plan assets is taken as per the account statements of the insurance companies.

The average duration of the employee defined benefit obligation of gratuity fund as at March 31, 2023 is 13.45 years (March 31, 2022 is 13.69 years).

The Company expects that benefit paid during the next financial year would be Rs. 296.14 Lakhs (March 31, 2022: Rs. 288.29 Lakhs).

#### Maturity Profile of Defined Benefit Obligation

(All amounts in Rs. Lakhs, unless otherwise stated)

Year	Gratuity (Funded)
<b>As at March 31, 2023</b>	
April 1, 2023 - March 31, 2024	249.02
April 1, 2024 - March 31, 2025	151.99
April 1, 2025 - March 31, 2026	143.01
April 1, 2026 - March 31, 2027	149.45
April 1, 2027 - March 31, 2028	237.81
April 1, 2028 - March 31, 2029	163.29
April 1, 2029 Onwards	1,290.21
<b>Total</b>	<b>2,384.78</b>
<b>As at March 31, 2022</b>	
April 1, 2022 - March 31, 2023	173.97
April 1, 2023 - March 31, 2024	166.22
April 1, 2024 - March 31, 2025	133.42
April 1, 2025 - March 31, 2026	125.34
April 1, 2026 - March 31, 2027	138.42
April 1, 2027 - March 31, 2028	212.77
April 1, 2028 Onwards	1,320.83
<b>Total</b>	<b>2,270.97</b>

Significant estimate: Employee benefit obligations are determined using actuarial valuation. An actuarial valuation involves making appropriate assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### 29. Research and development expenses

The Company has one in-house Research and Development Centre in Noida, approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India as on March 31, 2023. Earlier, the Company had two in-house Research and Development Centres in Noida and Pune upto March 31, 2022. The details of research and development expenses is as under :-

Particulars	For the year ended March 31, 2023		For the year ended March 31, 2022	
	Noida	Pune	Noida	Pune
Capital expenditure	23.77	-	29.25	-
Revenue expenditure - charged to Statement of Profit and Loss*	1,039.07	-	1,050.76	1.48
Revenue expenditure - towards development cost	1,534.91	-	1,383.15	-
<b>Total</b>	<b>2,597.75</b>	<b>-</b>	<b>2,463.16</b>	<b>1.48</b>

\* Net of contract research income

Provision for taxation has been made after taking into account the benefit available on expenditure incurred on Research and Development Centres.

### 30. Earnings Per Share

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic earnings per share (Rs.)	7.35	4.98
Diluted earnings per share (Rs.)	7.35	4.98
Profit attributable to the equity holders of the Company used in calculating basic earnings per share and diluted earnings per share (Rs. Lakhs)	4,792.07	3,249.15
Weighted average number of equity shares for the purpose of basic earnings per share and diluted earnings per share (numbers)	65,235,750	65,235,750

### 31. Expenses capitalized

Following construction/development period expenses (other than borrowing cost and cost of materials consumed) incurred on making dies and tools and building and developing new product/technology have been capitalized or clubbed with capital work –in-progress or intangible assets under development, as the case may be :-

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and other amenities to staff	1,483.67	1,302.27
Power and fuel	111.02	117.46
Rent	63.13	53.72
Repair and maintenance	83.74	78.03
Depreciation	40.28	27.08
Other overheads	356.37	249.58
<b>Total</b>	<b>2,138.21</b>	<b>1,828.14</b>

### 32. Additional regulatory information required by Schedule III

#### (i) Details of benami property held

No proceedings have been initiated on or are pending against the Company and its joint venture for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

#### (ii) Borrowing secured against current assets

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts subject to reconciliations. Refer Note 33 for the reconciliations.

The joint venture does not have any borrowings from banks or financial institutions on the basis of security of current assets.

#### (iii) Wilful defaulter

The Company and its joint venture have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

#### (iv) Relationship with struck off companies

The Company and its joint venture have no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.





**(v) Compliance with number of layers of companies**

The Company and its joint venture have complied with the number of layers prescribed under the Companies Act, 2013.

**(vi) Compliance with approved scheme(s) of arrangements**

The Company and its joint venture have not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**(vii) Utilisation of borrowed funds and share premium**

The Company and its joint venture have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company and its joint venture (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company and its joint venture have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company and its joint venture shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**(viii) Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(ix) Details of crypto currency or virtual currency**

The Company and its joint venture have not traded or invested in crypto currency or virtual currency during the current or previous year.

**(x) Valuation of property, plant and equipment and intangible assets**

The Company and its joint venture have not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

**(xi) Loans and advances to promoters, directors, Key management personnel (KMPs) and related parties**

The Company and its joint venture have not granted any loans and advances promoters, directors, KMPs and related parties during the current or previous year.

**33. Reconciliation of stock statements with Consolidated Financial Statements**

(All amounts in Rs. Lakhs, unless otherwise stated)

Quarter	Name of banks	Particulars of securities provided	Nature of current assets/liabilities where differences were observed	Amount as reported in the quarterly return/statement	Amount as per books of account	Amount of difference	Reason for material discrepancies
June 2022	HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	29,811.55	33,687.88	(3,876.33)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
June 2022			Trade receivables	27,503.84	27,616.34	(112.50)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
June 2022			Trade payables	46,584.17	52,803.82	(6,219.65)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
September 2022	HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	30,468.52	34,756.97	(4,288.45)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
September 2022			Trade receivables	17,996.72	18,236.73	(239.99)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
September 2022			Trade payables	43,039.75	49,738.09	(6,698.34)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.

Quarter	Name of banks	Particulars of securities provided	Nature of current assets/liabilities where differences were observed	Amount as reported in the quarterly return/statement	Amount as per books of account	Amount of difference	Reason for material discrepancies
December 2022	HDFC Bank /	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	32,495.49	36,205.38	(3,709.91)	Goods in transit inventory not considered in return submitted to banks.
December 2022	ICICI Bank / Kotak Mahindra Bank /		Trade receivables	14,135.67	14,650.88	(515.21)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
December 2022	State Bank of India		Trade payables	43,553.82	48,978.03	(5,424.21)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
March 2023	HDFC Bank /	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	33,847.25	33,864.47	(17.22)	Goods in transit inventory not considered in return submitted to banks.
March 2023	ICICI Bank / Kotak Mahindra Bank /		Trade receivables	20,451.33	20,804.58	(353.25)	Trade receivables overdue more than 90 days and loss allowance not considered in return submitted to banks.
March 2023	State Bank of India		Trade payables	46,008.74	48,871.57	(2,862.83)	Payables in respect of services received etc. considered in the books of account but not considered in return submitted to banks.
June 2021	HDFC Bank /	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	25,553.47	30,429.78	(4,876.31)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
June 2021	ICICI Bank / Kotak Mahindra Bank /		Trade receivables	15,816.70	16,388.50	(571.80)	Trade receivables overdue more than 90 days and reclassification of credit balance in trade receivable account considered in the books of account but not considered in return submitted to banks.
June 2021	State Bank of India		Trade payables	35,799.85	46,950.38	(11,150.53)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
September 2021	HDFC Bank /	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	27,443.61	31,871.85	(4,428.24)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
September 2021	ICICI Bank / Kotak Mahindra Bank /		Trade receivables	14,334.59	14,846.93	(512.34)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
September 2021	State Bank of India		Trade payables	35,544.26	46,139.22	(10,594.96)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
December 2021	HDFC Bank /	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	27,678.28	30,383.28	(2,705.00)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
December 2021	ICICI Bank / Kotak Mahindra Bank /		Trade receivables	10,680.82	11,156.32	(475.50)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
December 2021	State Bank of India		Trade payables	31,952.07	44,794.98	(12,842.91)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
March 2022	HDFC Bank /	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	26,768.37	31,750.51	(4,982.14)	Goods in transit inventory and provision for obsolete inventory not considered in return submitted to banks.
March 2022	ICICI Bank / Kotak Mahindra Bank /		Trade receivables	22,343.35	22,636.20	(292.85)	Trade receivables overdue more than 90 days and loss allowance not considered in return submitted to banks.
March 2022	State Bank of India		Trade payables	40,129.63	48,878.86	(8,749.23)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.



**34. Net debt reconciliation**

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents	3,066.62	3,130.58
Non-current borrowings (including current maturities of long term debt and interest)	(1,339.51)	(2,503.27)
Supplier's credit	(6,274.58)	(3,518.63)
Lease liabilities	(527.18)	(815.89)
<b>Net debt</b>	<b>(5,074.65)</b>	<b>(3,707.21)</b>

Description	Other assets	Liabilities from financing activities				Net debt
	Cash & cash equivalents	Current borrowings (Excluding current maturities of long term debt)	Non-current borrowings (including current maturities of long term debt and interest)	Supplier's credit	Lease liabilities	
<b>As at March 31, 2021</b>	<b>3,276.25</b>	-	<b>(4,265.84)</b>	<b>(5,381.32)</b>	<b>(921.04)</b>	<b>(7,291.95)</b>
Cash flows	(145.67)	-	1,691.97	1,862.69	105.15	<b>3,514.14</b>
Foreign exchange adjustments	-	-	61.67	-	-	<b>61.67</b>
Interest expense	-	(483.60)	(203.29)	(263.39)	(79.15)	<b>(1,029.43)</b>
Interest paid	-	483.60	212.22	263.39	79.15	<b>1,038.36</b>
<b>As at March 31, 2022</b>	<b>3,130.58</b>	-	<b>(2,503.27)</b>	<b>(3,518.63)</b>	<b>(815.89)</b>	<b>(3,707.21)</b>
Cash flows	(63.96)	-	1,160.71	(2,755.95)	90.92	<b>(1,568.28)</b>
Foreign exchange adjustments	-	-	-	-	-	-
Interest expense	-	(445.23)	(143.94)	(17.98)	(62.08)	<b>(669.23)</b>
Interest paid	-	445.23	146.99	17.98	62.08	<b>672.28</b>
Other non-cash movements	-	-	-	-	-	-
- Acquisition of lease	-	-	-	-	(88.40)	<b>(88.40)</b>
- Derecognition of lease	-	-	-	-	286.19	<b>286.19</b>
<b>As at March 31, 2023</b>	<b>3,066.62</b>	-	<b>(1,339.51)</b>	<b>(6,274.58)</b>	<b>(527.18)</b>	<b>(5,074.65)</b>

**35. Additional Information required by Schedule III**

(All amounts in Rs. Lakhs, unless otherwise stated)

Name of the entities	Net Assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
<b>Company</b>								
Subros Limited								
March 31, 2023	99.78%	86,537.60	99.76%	4,780.33	94.75%	14.99	99.74%	4,795.32
March 31, 2022	99.75%	82,170.70	99.11%	3,220.21	100.99%	72.50	99.15%	3,292.71
<b>Joint Venture (Investment as per equity method) - Indian</b>								
Denso Subros Thermal Engineering Centre India Private Limited								
March 31, 2023	0.22%	189.38	0.24%	11.74	5.25%	0.83	0.26%	12.57
March 31, 2022	0.25%	205.04	0.89%	28.94	-0.99%	(0.71)	0.85%	28.23
<b>Total</b>								
<b>March 31, 2023</b>	<b>100.00%</b>	<b>86,726.98</b>	<b>100.00%</b>	<b>4,792.07</b>	<b>100.00%</b>	<b>15.82</b>	<b>100.00%</b>	<b>4,807.89</b>
<b>March 31, 2022</b>	<b>100.00%</b>	<b>82,375.74</b>	<b>100.00%</b>	<b>3,249.15</b>	<b>100.00%</b>	<b>71.79</b>	<b>100.00%</b>	<b>3,320.94</b>

Refer note 5(a)(i) for details of interest in joint venture company consolidated using equity method of accounting.

**36. Dues to micro and small enterprises**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows:- [Refer note 11(d)]

(All amounts in Rs. Lakhs, unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	118.42	228.77
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end (Refer note below)	-	-
(iii) Principal amount paid to suppliers registered under the MSMED ACT, beyond the appointed day during the year (Refer note below)	-	-
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year (Refer note below)	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year (Refer note below)	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act for payments already made (Refer note below)	-	-
(vii) Further interest remaining due and payable for earlier years (Refer note below)	-	-

Note: Based on confirmations received from MSME vendors confirming that they have waived the interest payable to them under the MSMED Act, no accrual of interest payable under the aforesaid Act has been made.

37. The Supreme Court of India has passed an order dated February 28, 2019 in the matter of The Regional Provident Fund Commissioner (II) West Bengal vs. Vivekananda Vidyamandir & Ors in Civil Appeal No. 6221 of 2011 and few other linked cases. In the said order, the Supreme Court has clarified the definition of the Basic Wage under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant financial impact and accordingly, no provision has been made in these Consolidated Financial Statements. The Company and its joint venture will continue to monitor and evaluate its position based on future events and developments..

38. In view of the Covid-19 pandemic, considering the current internal and external factors, the Company and its joint venture have made detailed assessment of its liquidity position/cash flow and of the carrying value of its assets and liabilities as at March 31, 2023 and has concluded that there are no adjustments required in the Consolidated Financial Statements. The Company and its joint venture will continue to closely monitor the future economic conditions..

39. The Consolidated Financial Statements were approved by the Board of Directors and authorized for issue on May 25, 2023.

For Price Waterhouse Chartered Accountants LLP  
Firm Registration No- 012754N/N500016

For and on behalf of the Board of Directors of Subros Limited

**Rajib Chatterjee**  
Partner  
Membership No : 057134

**Shradha Suri**  
Chairperson &  
Managing Director  
DIN : 00176902

**Parmod Kumar Duggal**  
Director &  
Chief Executive Officer  
DIN : 02382912

Place : Gurugram  
Date : May 25, 2023

**Hemant Kumar Agarwal**  
Chief Financial Officer  
& Vice President (Finance)

**Kamal Samtani**  
Company Secretary  
ICSI Membership No:- F5140

Place : New Delhi  
Date : May 25, 2023



## Our Plants



Noida Plant - 1



Noida Plant - 2



Pune Plant



Manesar Plant - 1



Manesar Plant - 2



Chennai Plant



Karsanpura



Nalagarh

## Our Technical Centres



Subros Technical Engineering Centre



Subros Tool Engineering Centre



# A Joint Venture Between

***DENSO***

**Subros**

** SUZUKI**



***Cooling the Planet***