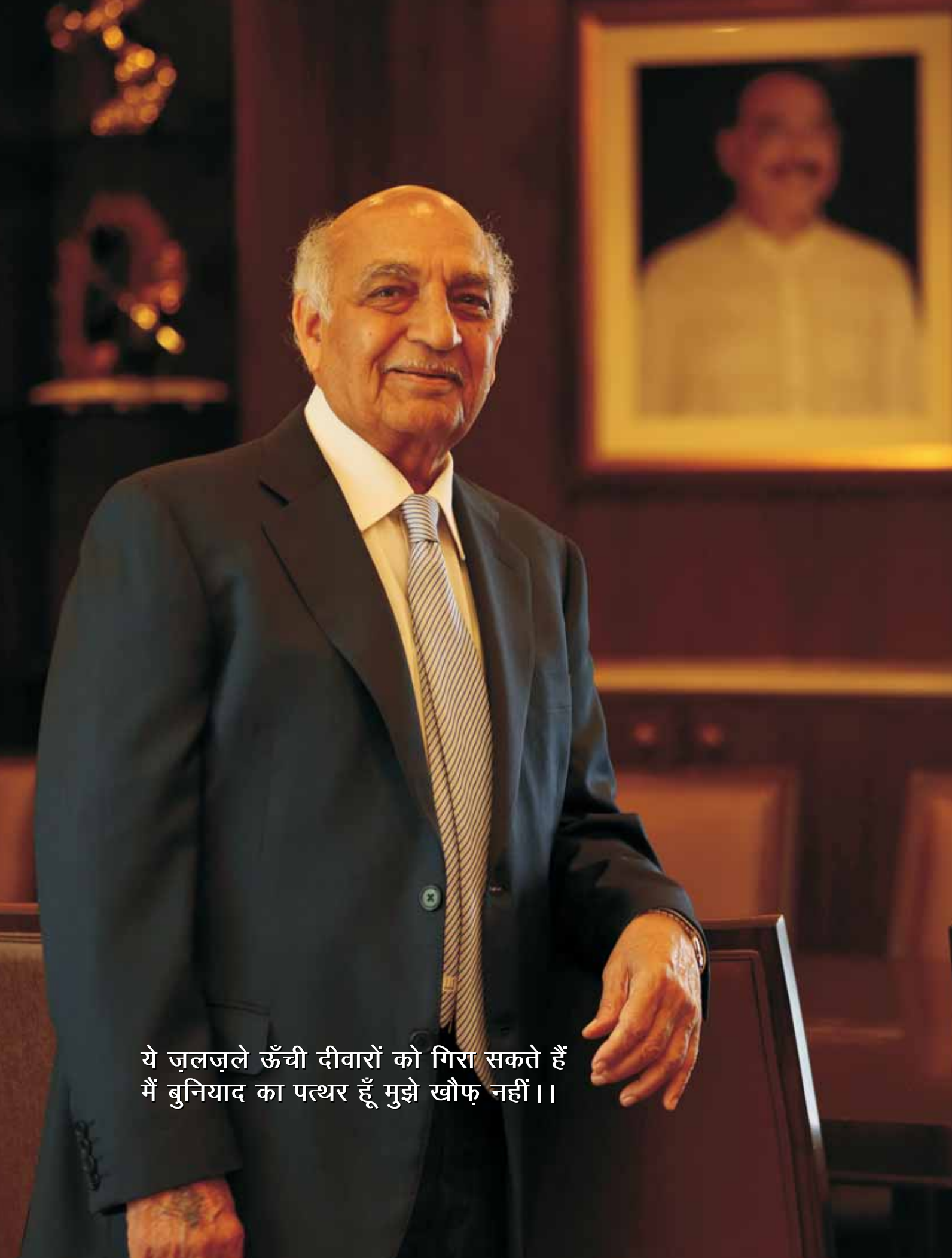




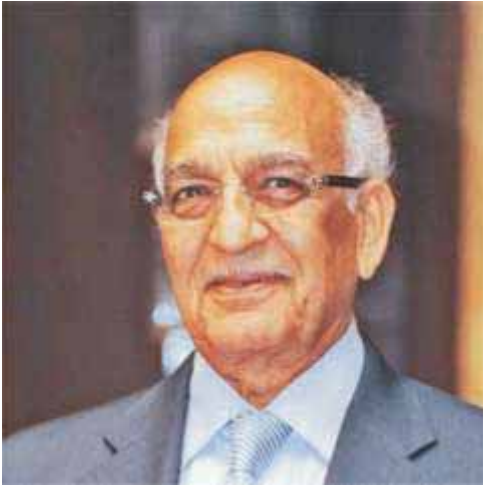
Mr. Ramesh Suri

(1939 - 2021)





ये ज़लज़ले ऊँची दीवारों को गिरा सकते हैं
मैं बुनियाद का पत्थर हूँ मुझे खौफ़ नहीं ।।



Mr. Ramesh Suri

Chairman Emeritus

*Those we love do not go away
They walk besides us everyday*

Our Founder Chairman Mr. Ramesh Suri was born in 1939 in Rawalpindi, Undivided India. He moved to New Delhi with his family in 1947 and started his journey as a young entrepreneur way back in 1960 as a retailer of vehicles. Over the years with sheer hard work, dedication and humility he grew to be one of India's most respected industrialist.

'Chairman', as he was respectfully addressed by all in the organisation, was a dynamic leader, an empathetic mentor, and a loyal friend with impeccable work discipline. He was one of the pioneers in the Indian Automotive Component Industry and his contributions are ingrained in the evolution of the Indian vehicle-manufacturing sector.

He established Subros Limited way back in 1985 as a Joint Venture between the Suri Family, DENSO Corporation, Japan and Suzuki Motor Corporation, Japan. As Promoter and Co-founder of the Company he grew it to become one of India's largest maker of Automotive and Non-Automotive thermal products. His humility and positive attitude was the foundation of

his success. Chairman had the ability to view a business and a business issue both from a macro and distant perspective as well as dive into the ground or the root of the problem depending on the need of the business. He believed in long associations and deep-rooted relationships with all stakeholders, and that was, and will always remain, his biggest strength. His presence will be truly missed by all.

As one of the pioneers of Indian Auto component Industry, Chairman saw the evolution of the Indian vehicle-manufacturing sector over the last six decades. He contributed to this evolution through the manufacturing and the retail side of the industry both in his individual capacity as well as in his capacity as President of ACMA and Vice Chairman of CII UP Council.

The legacy of our Chairman will live on through his companies and the people he supported within them. As he always said, "Perfection is a never-ending journey." For him, perfection was a path in every aspect of his life. His legacy lives on in each one of us.





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

- 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

1

CORPORATE OVERVIEW

04-18

Corporate Information.....	04
Chairperson & Managing Director's Message.....	05
Company Update	08

2

STATUTORY REPORTS

19-53

Management Discussion and Analysis.....	19
Directors' Report.....	24
Corporate Governance Report.....	37
Business Responsibility Report.....	49

3

FINANCIAL STATEMENTS

54-160

Standalone Financial Statements.....	54
Consolidated Financial Statements.....	108



To view our online reports
please log on to
www.subros.com

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. Hidemasa Takahashi
(Representative of DENSO Corporation, Japan)

Mr. Fumitaka Taki
(Alternate Director)
4. Mr. K. Ayukawa
(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

Chief Executive Officer

Parmod Kumar Duggal

CFO & AVP Finance

Hemant Kumar Agarwal

Company Secretary

Rakesh Arora

Statutory Auditors

Price Waterhouse Chartered Accountants LLP
Building No. 8, 8th Floor,
Tower B, DLF Cyber City
Gurugram 122002

Cost Auditors

M/s. Chandra Wadhwa & Co.,
Cost Accountants
1305-1306, Vijaya Bulding
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

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 & 403, 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

From the desk of the Chairperson & Managing Director

Dear Stakeholders,

The year gone by has been one of the toughest in 'Subros' history. The world was hit by COVID-19, a virus that not only impacted economic activity adversely, but has also been one of the severest humanitarian crisis witnessed by us. I extend my prayers to all impacted by this pandemic. Also, my deepest gratitude to all the frontline workers who have vested their lives, safety, and the safety of their loved ones to save the lives of all of us.

We lost our Founder-Chairman, Mr. Ramesh Suri, on May 12, 2021. Chairman succumbed to the virus despite fighting like a true samurai till the very end. He was not only the father of the Company; Chairman was the foundation of Subros. He is truly missed, and as the wise say, "those we love don't go away, they walk beside us everyday." We also lost 3 of our colleagues to the disease during this time and as a Company, we bow our heads in their honor. The Pandemic forced us to reset and re-calibrate, we all reinvented ourselves at various levels, as individuals, as families, and also as a Company. We learnt to do business differently. The world suddenly came closer together at a click of a button. We started working virtually, interacting with all stakeholders digitally, our children saw school go onto an online platform, and good and bad times were also shared in a virtual space. The silver lining is that we all have come out stronger, leaner, and definitely more connected with our families, with the Company, and the country.

We, as a Company, introduced and executed several measures in response to the pandemic. We made masks through our social initiatives and supplied them available to all. We worked with the local hospitals and State Governments to help arrange Oxygen supply; we initiated an aggressive vaccination drive across all plants for Company members and their families to gain access to the facility with ease. I am grateful and thankful to our teams who rose to this extreme situation and served Subros as true participants of the Company's core values.

Needless to say, Financial Year 2020-21, has been extremely



challenging. The sector was already reeling under a slow down from 2019-20. A slowing domestic economy, muted demand across other geographies, regulatory transitions, pricing pressures, and geo-political conflicts put our resilience to test. However, anchored to our core purpose of providing innovative thermal solutions, we leveraged our strategic strengths to become more lean, agile, and operationally fit amidst the intensifying storm. As always, the safety and well being of our people and their families remained, and will continue to remain, our priority.

Despite the set backs, the country's GDP stood at 7.3% in 2020-21. The auto sector declined by 13.6% over the previous year with PV sales declining by 2.24% and CV sales declining by 20.77%. Subros saw revenue at INR 1,796 Crore, 9.89% below the previous year despite Q1 being almost nil with regard to sales. We were able to close the year with a PBT of 3.11%, which is noteworthy given the circumstances. It is also imperative to note that there was no increase in debt despite a tough Q1, which not only impacted profits but also strained cash flows.

We were able to use this time to re-organise ourselves and plan for the long-term. We set ourselves the new long-term strategic intent 2025-26 focusing on growth, diversification, profitability, and people development. We constituted two committees. The Strategic Executive Committee (SEC), comprised of the senior

most personnel along with me and focused on Long term strategic initiatives, and the Operational Executive Committee (OEC) that comprised of the functional and division leaders and focused on operation excellence and execution of the set goals.

During the year, we invested in improving our processes according to the demands of the new normal. We delivered products in varying batches, facilitated improved cost structures, and aligned productivity. We remain confident that our recent capital expansion will help us steer growth and improve margins once volumes return in the industry. We smoothly transitioned into regulatory changes, including BSIV compliance the entailed change in product specifications. We have also started a phase-wise programme to roll out industry 4.0. It serves as a tool for a more effective and efficient way of conducting business with larger traceability.

Despite growing focus on technology, our people continue to be pivotal to our success and sustainability. We strive for a happy work environment that inspires talent to deliver their best on a daily basis. The aim is to try and be the best version of yourself. There is special focus on developing the skills of our teams via continuous engagement to build a collaborative work environment. Monozukuri or the art of production and DOJO or hands on training, are key to our DNA.

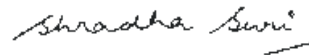
As we look ahead, we anticipate a tremendous deal of transformation stemming from COVID-19. Consumer behavior will change in numerous ways, from demanding more integrated digital experiences of mobility, to prioritising

health and safety features across purchasing decisions. The move to 'slow' travel and personal (versus public and/or shared) transport may shape future demand for vehicles. The business model of an organisation will need to integrate environmental sustainability and climate resilience into the very core of the product and the technology that surrounds it.

Subros is well placed to meet the demand opportunities that will arise from these fundamental and important shifts. We will continue to manage and mitigate the evolving risk scenario in the business and deliver on sustainability commitments to create value for all stakeholders.

I would like to take this opportunity to extend my gratitude to all our customers for their trust and support. I am forever grateful to our partners, Suzuki Motor Corporation and DENSO Corporation, Japan. I thank our valuable Board for their guidance. All our supply partners, bankers and stakeholders. A special thank you for our Shareholders for their support and belief in the Company. Most importantly, every member of Team Subros for selflessly working to bring the Company and its people back to normalcy despite the various waves of the pandemic and its severe impact. I thank each of you for your continued trust, confidence, and support as we enter a brave new decade one that is already rewriting the rules of the past.

Stay safe and healthy.



Shradha Suri
Chairperson & Managing Director



Chairman Emeritus



Mr. Ramesh Suri
Founder

Our Board



Shradha Suri
Chairperson &
Managing Director



Dr. Jyotsna Suri
Director



Hidemasa Takahashi
Representative of
DENSO Corporation, Japan



K. Ayukawa
Representative of Suzuki
Motor Corporation, Japan



Tomoaki Yoshimori
Representative of
DENSO Corporation, Japan



Fumitaka Taki
Alternate Director



G.N. Mehra
Independent Director



K.R. Ramamoorthy
Independent Director



M. A. Pathan
Independent Director



Shailendra Swarup
Independent Director



Meena Sethi
Independent Director



Arvind Kapur
Independent Director

Top Management



Shradha Suri
Chairperson &
Managing Director



P K Duggal
Chief Executive Officer



M K Sethi
EVP
(Organizational Capability)



T Murayama
Advisor



Y P Negi
Chief Operating Officer



A Parashar
SVP-Operations,
STEC & Service



P K Yadav
SVP - Operations



D Srin
EVP - Technical Centre



Hemant Agarwal
CFO & AVP Finance

Subros at a Glance

Subros is a leading supplier of Thermal Systems in India. Established in 1985, the Company is engaged in the design, manufacturing and supplying of high quality products to all major auto makers in the passenger and commercial vehicle space covering Railways and Home A/C applications.

Subros is a listed company and is a joint venture between Suri Group, Denso Corporation, Japan and Suzuki Motor Corporation, Japan. Denso is also the Company's technology partner and is a leading global supplier of advanced automotive technology systems and components in the auto arena.

Our Customers

Passenger Car Segment (AC+ECM)



Commercial Vehicle Segment (Bus, Truck, Tractor)



Railways



Residential & Commercial



Refrigeration Trucks



Tooling



Awards & Recognitions

Year	Awards & Recognitions
2020-21	<ul style="list-style-type: none"> – ACMA Bronze Award for “Excellence in New Product Design & Development” – Golden Peacock Award for Excellence in Corporate Governance – CII Awards - Special Jury Awards for "Best holdings the Gains" – CII Awards - "1 st Runner Up “ and “ 2nd Runner Up" in 33rd CII Quality Circle Competition – CCQC Awards - Gold Award, Silver Award and Bronze Award – NCQC Awards -Par Excellence Award, Excellence Award and Distinguish Award – Award ACMA Award - 3rd Poke- Yoke & in 7th SMED Competition – QCFI- Delhi Chapter - Gold Award and Silver Award
2019-20	<ul style="list-style-type: none"> – MSIL Awards - Overall Excellence, Inner part localization, Vendor system audit rating – M&M SBCB 2.0 program - Bronze recognition – TML –Lucknow Recognition for delivery support in 2018-19 – CII - First Place in Quality Improvement Category – BEE (Govt. of India, Ministry of Power) - National Energy Conservation Award by Bureau of Energy Efficiency – ACMA Award - Winner Poka- Yoke and SMED competition – CII Quality Circle Competition – Winner
2018-19	<ul style="list-style-type: none"> – MSIL Awards - Overall Excellence, Vendor System Audit, Inner Parts Localization – Best Organisation in UP State for providing highest employment to Diploma Apprentices. – ACMA Gold - Consistent Performing Company, Excellence in Health, Safety & Environment – ACMA Gold - Manufacturing Excellence, Excellence in Quality & Productivity – ACMA Silver - Excellence in Human Resource



Getting 3rd Position " in 3rd Poke- Yoke Competition By Josh Team from PDC Plant Getting 3rd Position " in 7th SMED Competition by Diamond team from PDC Plant Organized by ACMA - NR on 9th Feb 2021 on Virtual Platform



" 1st Runner Up " in 33rd CII Quality Circle Competition



Golden Peacock Award for Excellence in Corporate Governance



Par Excellence award at 34th National Convention of Quality Circle (NCQC)



ACMA award for “Excellence in New Product Design & Development”

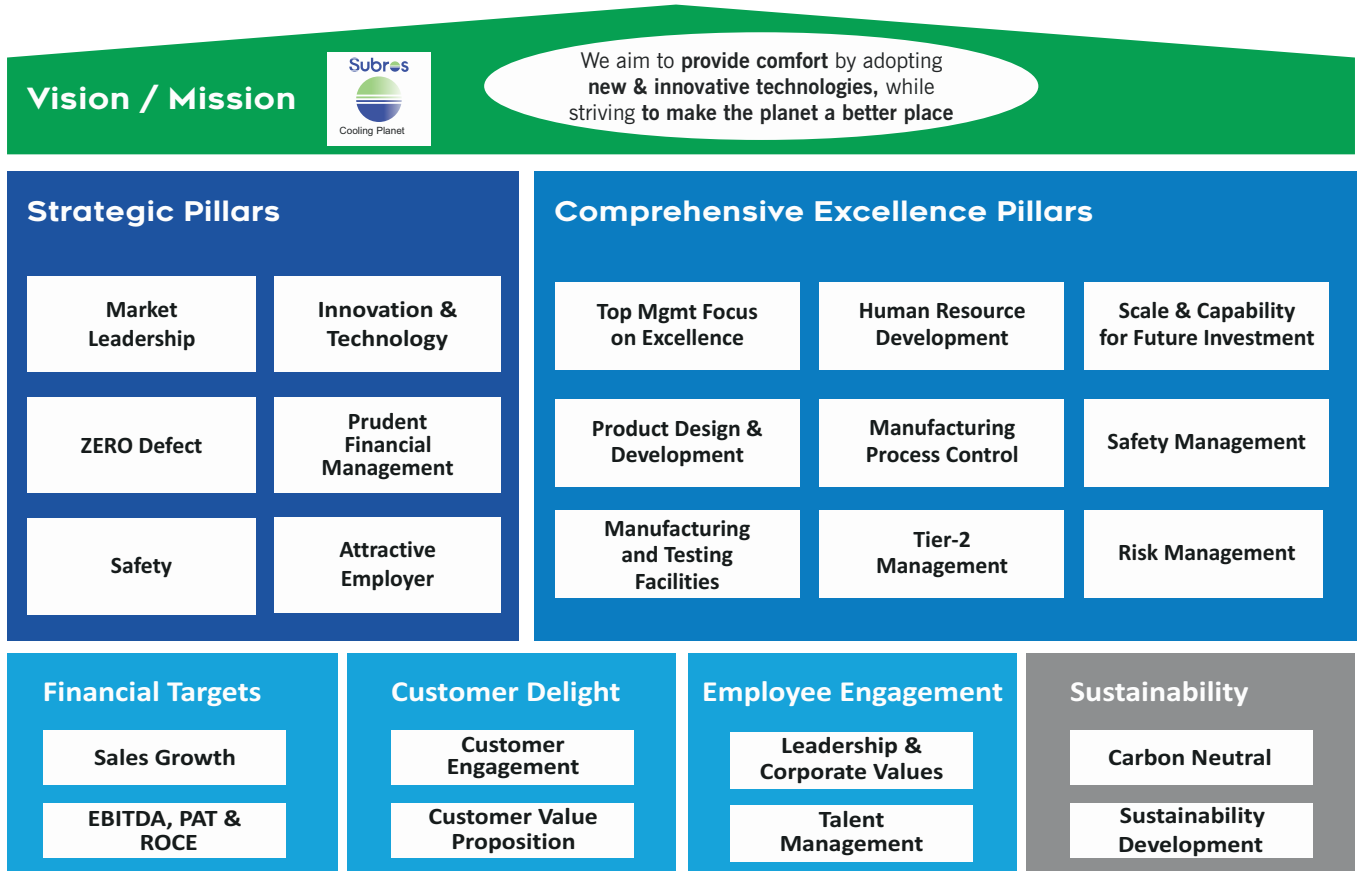


“Best holdings the Gains” in 32nd CII Quality Circle Competition - National Final organized by CII Chandigarh

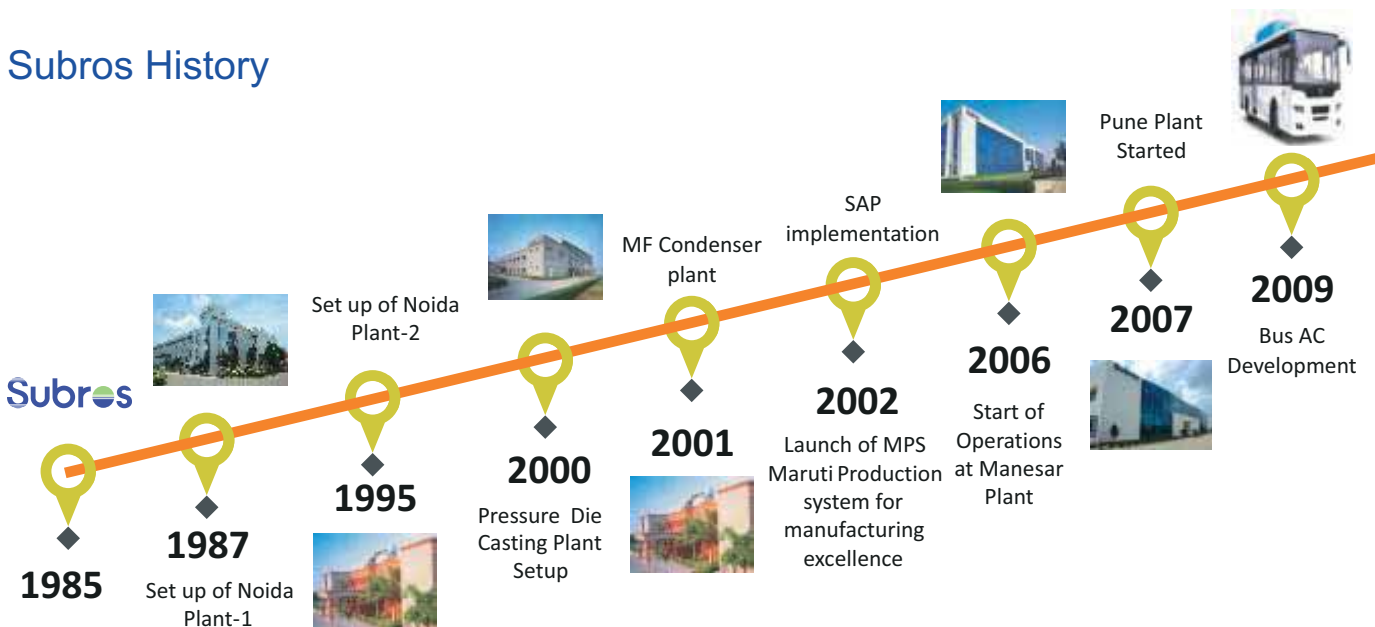
Our Strategy

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.



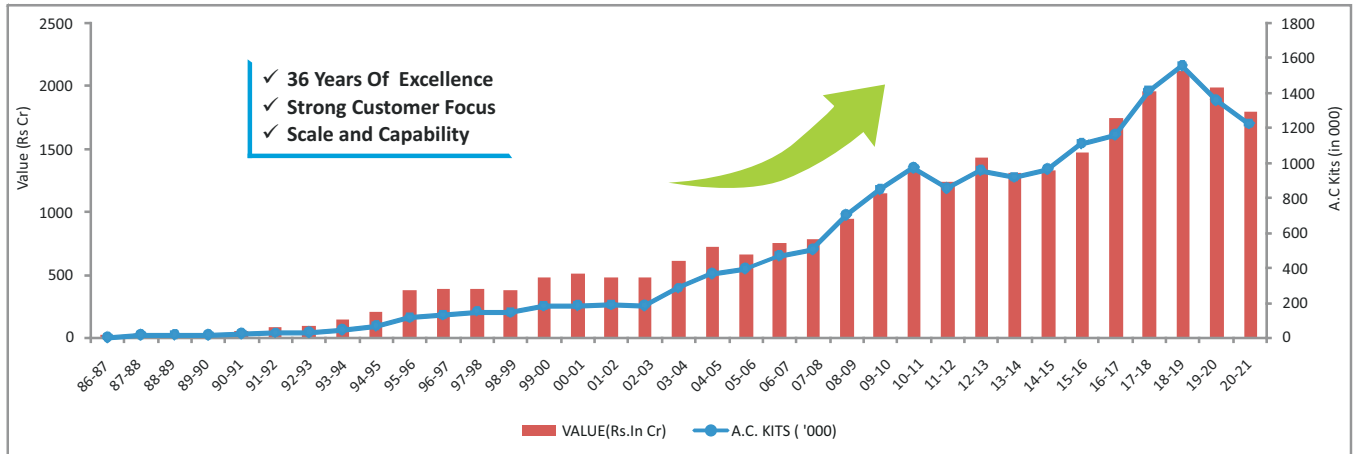
Subros History



Our Performance

The company has grown from a capacity of 15,000 AC units in 1985 comprising of largely an assembly operation, into the

largest and only integrated manufacturing unit in India for auto air conditioning systems.



- 2010**: Start of Denso Subros Engineering Centre
- 2012**: Inauguration of Chennai plant
- 2013**: Launch of Rail CAB AC 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

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

Product Range - Passenger Vehicle AC

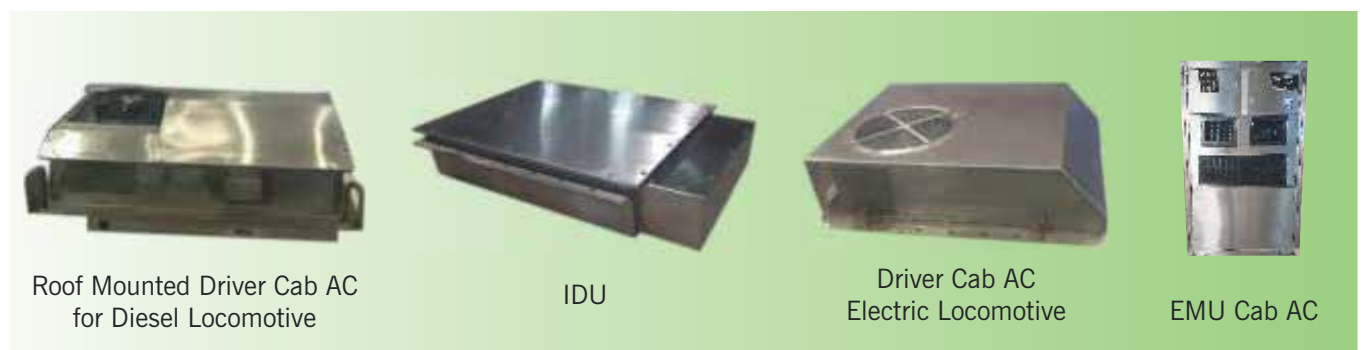
The Company manufactures compressors, HVACs, piping's and heat exchangers to suit various vehicle configurations. Our products are reinforced by the technological expertise of our JV partner Denso who are the world leaders in their domain.



Car Air Conditioning and Engine Cooling Parts

Railway AC

Subros has made its foray into Indian Railways with the development of import substitute for driver cabin AC for diesel locomotives





Transport Refrigeration System

Our complete range of Transport refrigeration solutions is suitable for storage volume up to 50cu.m. Subros is the only company offering integrated solution consisting of Refrigeration Kit and the insulated container.

Residential and Commercial Cooling Products

Subros has a complete range of Residential Air Conditioners i.e. Window AC & Split AC system & 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.

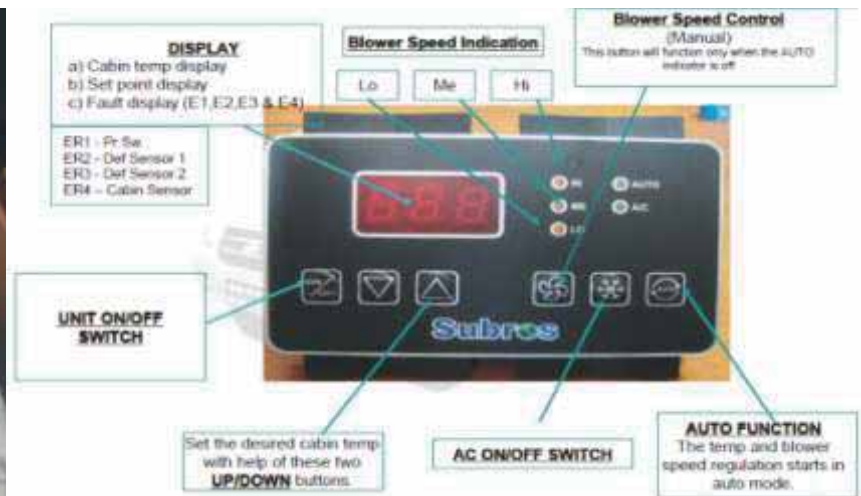


Electric Bus Air conditioning and Battery Thermal Management Kit Development at Subros

Company forayed into electrification by developing Electric Bus A/C System and Battery Thermal Management systems suitable for Indian market. Inline of Government of India’s vision for sustainable mobility and support for Electric Buses for public transport, there is an urgent need to develop Electric Bus A/C System and Battery thermal management systems suitable for Indian market.

Our 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 length Bus already developed, and advance design of 9m & 12m bus kits are under testing and development.

Subros is also working on the traction motor cooling system kit development to cover complete range for electric vehicle.



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 mts. 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 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 A/C systems for the commercial vehicle segment, bus segment, transport refrigeration segment, rail segment and A/C 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

Subros Nalagarh 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 equipment. 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 CENTER, NOIDA

Driven by the need to be self-reliant, reduce product development cost and acquire a competitive edge, Subros has invested heavily to augment Research and Development. This comprises the entire cycle of product design, development and validation. The facility enables virtual prototyping and simulation of various air conditioning components for optimum efficiency in design, space allocation, airflow and cooling under various climatic conditions among other things. The design and analysis facilities include Catia V4 & V5, Unigraphics CAE (NASTRAN) / CFD (Star-CD). In addition, Subros has established a comprehensive validation centre for both component and vehicle testing.

The Company is continuously investing in innovative technologies and has several patents in its name. The main focus behind the design being safety and sustainability. Subros also has a separate Joint Venture with Denso called Denso Subros Technical Engineering Centre (DSEC) which focuses on application design for thermal products. The centre comprises of 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 plant is also suitably enabled to carry out endurance and reliability test with advanced machines like burst test, salt spray chamber test and pulsation test.



SUBROS TOOL ENGINEERING CENTER

Subros Tool Engineering Centre is equipped with state of the art machinery such as CNC Machining Centre, Wire EDM, CNC EDM and CNC Lathe along with other conventional tool room machines. We also have a CAD-CAM facility with Unigraphics NX2 as the backbone. STEC backed by a qualified & experienced team is capable of fulfilling all internal tooling requirements such as PDC Dies, Injection Moulds, Sheet Metal Tools, Jigs & Fixtures and Gauges. STEC can handle dies up to 20 tons.



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 in to:

- 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 / employees so as to find Variations ie 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.

Our DOJO centre is Approved for providing Apprentice Training & certificate thru Govt of India (ASDC - Automative 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. To contribute to a better world, Subros provide solutions to social issues through its business activities, thus delivering new value to society. The company is using non CFC refrigerant since 2002. We also have an efficient waste recycling plant, rain water harvesting facility and minimal use of paper in the company.

The Company endeavors to integrate social and environmental concerns in its business operations and interactions with all stakeholders in order to achieve a balance of economic, environmental and social imperatives.

Subros CSR initiatives are very well integrated with the govt policies of not only skilling up the rural talent to make them an integral part of the development journey of the country but also enhancing the education level in govt Schools at the primary & Junior levels in order to bring the weaker/down-trodden members of the society under the gamut of inclusive development.

Enhancing Level of Education: Subros has adopted four government School in nearby vicinity. The core purpose is to improve the learning in Schools in sync with the prescribed curriculum of the state govt by using modern tools of education & providing a conducive learning environment. Special projects like “Outcome Based learning” & “Bridge the Gap” are successfully running & proving fruitful in achieving the final goals. Modern library, audio-video centres & learning based physical education under the supervision of expert PE teachers & exposure trips are some of the initiatives worth highlighting.

Skill up to Bring Financial Independence: Subros is running successfully Tailoring

School in nearby village to empowering the women by providing them skill up opportunities & placement facilities. As an outcome of this skill up initiative, not only many of the women have been placed in the nearby export houses/textile industries but some of them have started their own shops/boutiques also thus generating employment opportunities for others also.

Social Initiatives: Subros has partnered with leading NGOs in order to serve the society at a micro level. One of the NGO partner is working on the welfare of the old age people, abandoned people, sick people & disposal of unclaimed bodies. Another NGO partner is working with inmates, under-trials & kids of female inmates (up to 6 yrs of age) to make them skilled & reintegrate with the mainstream.

Environmental Initiatives: Subros is playing a key role in preserving mother nature. Our philosophy is based around 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. We have done an in-depth carbon footprint measurement study & are committed to bring a considerable reduction by taking up various projects to effectively achieve environmental goals.

Health & Social Well Being: As our commitment to bring Health & Social well being, Subros carryout numerous activities across locations. Health Checkup camps, Blood donation camps & Marathon are some of the note worthy activities that are a regular feature of our CSR kitty. Promotion of Paralympic sports is another area Subros is focusing upon.



Blood Donation Camp on Founder's Day



Maintaining Greenry



Lock down period is utilized in converting the school Premises into “Building As A Learning Aid” concept to improve the learning environment of the Schools



Development of various learning Aids by Subros Intervention Teachers under the guidance of Step By Step School



Preparations being done & day one of School re-opening after lock down. Four govt Schools are adopted in Noida under “Community Development”



Supporting “Animal Dispensary” in partnership with NGO-House for Stray Animals under “Community Development”

Management Discussion and Analysis

1. Industry Outlook

FY 2020-21 has been one of the toughest years in the history of the Indian automotive industry. The global pandemic's impact on the country and the sector is unprecedented. The industry registered a steep decline as for almost the entire first quarter. With unlocking of the economy, vehicle sales witnessed improvement, month-on-month. As production increased, industry had to grapple with operational challenges like supply chain disruptions and labour unavailability in the first couple of months of rebooting. On the bright side, in the space of the last two quarters, the Indian automotive industry has witnessed V-shaped recovery.

The sale of passenger vehicles declined by 2.24% in FY 2020-21¹ over the same period last year. Amongst the various passenger vehicles industry sub-segments, the passenger car segment declined by 9.06%.¹ The utility vehicle (UV) segment has outperformed the rest of the industry with 12.13% growth¹.

The passenger vehicles segment is expected to show strong growth post recovery. Mobility preferences for personal mode of transport are also expected to have a significant impact on demand. Segment downgrade likely by buyers, as consumers that buy passenger vehicle may go one segment, one vertical lower. However, there will be challenges given the uncertainty of the pandemic and its implications on the supply chain. It may take couple of years for us to recover to the peak levels of 2018-19.

Commercial vehicles were one of the worst-hit vehicles in terms of sales in the pandemic-impacted year when non-essential economic activities including infrastructure development and construction, and public transportation remained suspended for the substantial part of the year. However, tracing a similar graph like passenger vehicle segment, commercial vehicle segment too showed a strong resurgence in fourth quarter of 2020-21.

The second wave of the corona virus has hit India. Our nation is passing through a very tough time. The country's economy and entire industrial segments are reeling under the effects of the pandemic, so is the automotive industry. Yet to recover from the 18-month long slowdown even in March, the industry is beset with problems of economic uncertainty, challenges of transition to BS-VI norms, pandemic-induced lockdown, supply chain constraints, and labour migration.

The FY 2020-21 was a tough year for Indian economy. Following a 23.9% collapse in the economy between April to June 2020 period, the GDP (Gross Domestic Product) fell by 7.5% in the second quarter². After two consecutive quarters of contraction, India's GDP grew by 0.4 percent in quarter 3. GDP shrank by 7.3% in 2020-21, compared to a growth rate of 4.2% in 2019-20².

The nation-wide lockdown brought economic activity to a near standstill in first quarter. The most impacted sub-

sectors included aviation and tourism, hospitality, trade, and construction. Industrial activity was also deeply disrupted by mobility restrictions.

- 1.1 India's GDP growth rate for FY 2021-22 is estimated in a range of 7.5% to 9% by various rating agencies³. Growth estimate for FY 2021-22 will depend on how the ongoing vaccination campaign proceeds; whether new restrictions to mobility are required, and how quickly the world economy recovers. Going forward, the main risks to the outlook include the materialisation of financial sector hurdles and new waves of COVID-19 infections. This could compromise a recovery in private investment.
- 1.2 The automotive industry plays an important role in India's GDP growth. It has a strong multiplier effect and is capable of being the driver of economic growth. India has the distinct global advantage of being the high quality, low-cost producer of auto components. Consequently, India is seen as a major sourcing hub for auto components by developed economies. Almost every global auto major has set up facilities in the country, making Indian automotive industry one of the most competitive in the world. Therefore, long-term growth potential for the Indian auto component industry is promising.
- 1.3 The automobile industry continues to expect tepid demand in near term as it is believed that normalcy in businesses may not be restored immediately. The spread of the virus and containment measures have severely disrupted supply and demand conditions. Recovery will be dependent on several factors like buying sentiment due to the second wave of the corona virus, speed of vaccination, new waves, restrictions on mobility, and supply chain constraints.
- 1.4 Rural demand is expected to fuel growth in automotive sector outperforming the urban market. Agriculture is the only sector to have clocked a positive growth of 3.4% in 2020-21³. More and more OEMs are witnessed to dive deeper into the rural markets and pull new levers: hosting car fairs, setting up dealerships, sending travelling salesmen and tailoring financing options. Industry is expected to pickup in quarter three of financial year.
- 1.5 In a post-COVID-19 environment, the entry-level hatchback segment, national scrappage policy, and new launches are expected to drive sales. Emission and safety regulations will also influence purchase criteria in the near term.
- 1.6 The overall Commercial Vehicles segment registered a de-growth of 20.77% in FY 2020-21 as compared to the same period last year. Into the further segmentation, the passenger-carrying M&HCVs (buses) recorded an 81.70 % YoY drop, while goods carriers were down 16.84%¹.
- 1.7 The Government aims to develop India as a global manufacturing, and a research and development hub. It has set up National Automotive Testing and R&D Infrastructure Project (NATRIP) centers, and a National

Automotive Board to act as facilitator between the Government and the industry.

- 1.8 The automotive industry is already feeling the effects of electrification or e-mobility, both globally, and in India before COVID-19 outbreak. We need to wait for next move in this transformation. We believe that there would be review of this changeover; and in the light of current circumstances, few years of delay in pace of electrification in industry.

2. Financial & Operational Performance

- 2.1 Net sales have decreased to INR 1,795.65 crores in 2020-21 as compared to last year's figure of INR 1,992.80 crores; registering a decline of 9.89%. The operational profit (EBIDTA) has been impacted by country wide lockdown which brought production activity to standstill in first quarter. The Company has taken various strategic initiatives and austerity measures to improve profitability. As a direct consequence, the Company was able to arrest expenditure albeit with drop in profitability (PBT) to 3.11% in 2020-21, significantly reduced as compared to profitability (PBT) of 6.21% in the previous year.
- 2.2 The Company had complete business disruption during first quarter of the year, shutting down production at all plant location during this period. The subsequent months brought new challenges as industry began to recover. Some of these included responsiveness to customer demand, supply chain disruptions, high pressure on margins and adjusting to the new normal.
- 2.3 Your Company successfully navigated the crises through organisational resilience, agility and adaptability. At the heart of it are our people, supported by enabling processes and technologies. We have brought a complete paradigm shift and transformed our business operations. Our core values of Respect, Passion & Commitment, Trust and Team Work have been pivotal in our recovery.
- 2.4 Commercial Vehicle segment is going through a big transformation. The regulatory introduction of Blowers in Truck application has opened up a new business avenue for the Company. Customer preference for Air-Conditioned trucks has started showing marked increase. There is significant impact on Truck ROI when running per day is increased due to driver comfort is taken care of business development activities with all OEM's show healthy progress. We see a good future of this segment for the Company.
- 2.5 Business expansion in Railways and Bus Air-conditioning is progressing on track. This year, the Company is gearing up to expand customer portfolio. The Government's decision to replace all diesel engines with electric ones will serve as a boost for the business. The Company has developed an electric kit for electric engines and has emerged as a strong contender in the segment. As part of the long-term strategy, a foray into the Coach AC segment is on the anvil. The production of Coach AC units based on customer approvals shall start within next

year. Product development activities are in progress for this new segment.

- 2.6 The Company's decision to expand business in Home AC domain has resulted in substantial growth opportunities for the Company. This is also one of de-risking aspect for the Company performance from vulnerable performance of auto sector. The business development activities and product development activities are in place as per market demand. Nalagarh, Himachal Pradesh plant was completed and production commenced. At present the Company is planning to utilise the plant to its full capacity in view of new businesses awarded and businesses in pipeline.
- 2.7 The Company faced challenge of raw material prices going up because of high commodity cost pressure and appreciation in foreign exchange rates. Metal prices increased substantially in FY 2020-21. Foreign exchange rates of USD/INR and JPY/INR also witnessed a new high further impacting input cost. To mitigate the risk your Company has taken various cost saving measures which resulted in some comfort by offsetting input cost.
- 2.8 Imports would continue be challenge for the Company in view of volatility in foreign exchanges and also fluctuations in geo-political environment. On the other hand, this is an opportunity for us to push localisation in India and become self-sufficient to meet our demand. The Company continued its efforts to improve localisation of imported parts. Various VA/VE activities were initiated along with active participation of suppliers to improve efficiency of operations. This has contributed greatly in reduction of material cost and exposure to foreign exchange fluctuation. Few major localisation projects are in implementation stage.
- 2.9 Key Financial Ratios:

Particulars	FY21	FY20	Remarks
Debtors Turnover (times)	8.79	10.53	
Inventory Turnover (times)	6.36	8.48	(i)
Interest Coverage Ratio	10.10	5.75	(ii)
Current Ratio	1.10	1.19	
Debt Equity Ratio	0.05	0.19	(iii)
Operating Profit Margin (%)	9.14	10.49	
Net Profit Margin (%)	3.10	4.13	(iv)
Return on Net Worth (%)	8.60	13.24	(v)
Networth (Rs. in crore)	794.72	752.30	(v)

(i), (iv), (v) due to COVID-19 lockdown and consequent impact on business operations

(ii) better management of funds resulting in lower finance cost.

(iii) better management of funds and repayment of loans.

3. Research & Development

- 3.1 The industry is now entering into a new era of technology upgrade and regulatory changes. Each regulatory upgrade calls for product level changes and stricter validation of products. The Company is upgrading the R&D facilities and skill set to meet this requirement and is engaged in

the same with the help of our technology partner DENSO Corporation, Japan.

- 3.2 In view of “Make in India” moment, the Company is focussing on “Design in India” and “Manufacturing in India.” Under these programs, strong support of DENSO Japan and DENSO Subros Design Engineering Centre (DSEC) is being taken towards localising the design activities and developing local skills to design Indian and global design products.
- 3.3 Localisation is the key thrust for the Company in view of de-risking ourselves from logistic disruption and foreign exchange volatility. Subros has achieved localisation level of above 80% in all products.
- 3.4 As India moves towards increasing “green” standards, roadmaps for future technologies are focused towards making energy-efficient and environment-friendly products. Our dedicated teams work proactively towards meeting these anticipated requirements through advanced technologies. Additionally, the Company is happy to have the expertise of collaborators for meeting product demands.
- 3.5 As the technology revolution is evolving the industry, we are continuously bringing new technologies to the domestic market to meet customer requirements. After a successful launch of the new heat exchangers REC (Regional Efficiency Condenser) and RER (Regional Efficient Radiator), the Company has launched new Vane Rotary Compressor last year. Now the upgrade to Vane Rotary Compressor is the introduction of new series, SVE08. It is being launched for the latest models of Maruti Suzuki. These series of compressors are light in weight and have high performance.

4. Information Technology

- 4.1 Business transformation through digital transformation is a long-term mission of the the Company. Information Technology (IT) will play an important role in business continuity. Both hardware infrastructure and application upgrade are key initiatives to make Information Technology as pivot tool to business operations. Subros has envisaged long-term IT strategy roadmap based on latest developments in field of Information Technology. Infrastructure, application support, data management, security management, and skill competency are major pillars of this roadmap.
- 4.2 With the occurrence of COVID, the industry is moving into new normal. Virtual platforms are gaining its importance in day-to-day operations of the Company. The critical significance of IT was felt during this time.
- 4.3 A large number of initiatives have been undertaken to address the risk identified under each aspect of moving into the virtual world. Substantial investments have been made in advanced IT tools to enhance the Information Security capabilities. Subros also has a clear roadmap for each of the aspects mentioned. Disaster Recovery (DR) has been given significant attention considering the growing dependence on IT systems. The Company is also

working on Information Security and Disaster Recovery Management System by improving the hardware architecture.

- 4.4 Risk of unprecedented threats to internet connected devices, and data security is a growing concern. The rise in global hacking incidents indicates increase in cyber-attacks. The Company has taken cognizance of vital aspects, such as locations of information storage, how to move it, access controls, and systems of data processing. In addition, sufficient measures have been taken to safeguard crucial databases.

5. Internal Controls and their Adequacy

- 5.1 Subros believes that internal control is one of the key pillars of governance. It provides freedom to the management within a structure of appropriate checks and balances. The Company has a robust internal control framework, which has been instituted due to the nature, size, and risks in the business. The framework comprises, inter alia, a well-defined organisation structure, roles and responsibilities, documented policies and procedures, financial delegation of authority, etc. Information Technology (IT) policies and processes also ensure that they mitigate the current business risks. These policies are complimented by a management information and monitoring system ensuring compliance with internal processes, as well as with applicable laws and regulations.
- 5.2 The Company's internal control environment warrants efficient conduct of operations, security of assets, prevention and detection of frauds/ errors, accuracy and completeness of accounting records, and the timely preparation of reliable financial information. The Company uses SAP—an Enterprise Resource Planning (ERP) software—as its core IT system. The systems and processes are continuously improved by adopting best in class processes, automation, and implementation of the latest IT tools. The operating management is not only responsible for revenue and profitability, but also for maintaining financial and commercial discipline.
- 5.3 The Audit Committee of the Board of Directors, comprising of independent directors and functions, regularly reviews audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards, etc. The documentation of major business processes and testing, including, financial closing, computer controls, and entity level controls, is executed as part of the compliance programme.

6. Risks, Concerns, Opportunities and Threats

- 6.1 Enterprise Risk Management framework is the fundament of risk management at Subros. As the business is exposed to many risks (external and internal), the Company has assessed such risk as a proactive measure and has made mitigation plans against high-risk areas. Since this is an ongoing activity, periodic re-assessment to such risks is being done based on geo-political and economic environmental changes.

- 6.2 New players have entered the industry, while existing competitors have stepped up their expansion plans. Naturally, the intensity of competition, in almost all the segments of the Indian automotive market, has gone up exponentially. The Company is aware of heightened competition and is taking adequate measures to remain competitive in the market place.
- 6.3 In view of economic disruptions, Subros continues to face strong competitive pressures from both, domestic, and overseas suppliers. It is also susceptible to financial risk from volatility in interest, foreign exchange rates, and commodity prices. As a result, implementation of processes to sustain cost efficiencies are brought into the system and capacity expansion is being planned to address these changing patterns.
- 6.4 To counter these risks, Subros continues to broaden its product portfolio, increase customer profile, and geographic reach. Keeping this in mind, the Company has ambitious expansion plans to explore the Commercial Vehicle segment such as Bus Aircon, Railways, Refrigerated Trucks, and Engine Cooling Module. This will enable de-risking, and a reduction of dependency on the Passenger Car segment.

7. Human Resources

- 7.1 Human Resources at Subros continued to play a pivotal role in managing, guiding, and motivating the Company's workforce.
- 7.2 Observing future technological advancement and enhanced customer preferences, employee capacity, and capability are key challenges. Building organisational capability through the development of human capital continues to be an area of strategic focus. With the launch of new programmes for employees, Subros is keeping pace with the changes in the use of technology in education.
- 7.3 The Company culture endorses the use of latest technology and diverse learning opportunities to motivate its people, the leadership focuses immensely on employee welfare and promotes a culture of healthy work-life balance, along with empowerment and liberty to function.
- 7.4 There is an additional focus on leadership development at senior level and mid-level to ensure Subros is "Future Ready" organisation. Many programs are designed to ensure this roadmap.
- 7.5 The way forward is through concrete steps for employee engagement and motivation. The Company has enlisted services of professional firms for assessing and improving employee effectiveness scores. These are assessed through annual surveys leading to focus on refining employee policy deployment and engagement, and strengthening various areas of employee satisfaction.
- 7.6 For Human Resource Development, the Company has setup DOJO centers in plant locations, i.e., Noida, Manesar, Pune, Karsanpura, and Chennai. The training is imparted to the local community for industrial experience. The Company has trained over 6000 young people through skill development at these plants.
- 7.7 'Corona virus' second wave left the entire country devastated and at workplace too, mental health and team morale have been more fragile than ever before. Your Company undertook several steps for ensuring health and safety of all employees. Sanitization & fumigation drive for all plants, compulsory screening of all employees entering company, encouraging work from home to avoid spreading of virus and conducting vaccination drive at plant locations are few of many steps taken by company. Company achieved complete vaccination coverage across locations as first dose of vaccination is administered to all employees.

8. Marketing

- 8.1 Customer expectation is ever-changing and the Company has to align to such requirement and exceed the expectation. Customer delight is key strategic initiative by Subros. The Company is focusing on enhancing customer satisfaction through QCDD (Quality, Cost, Delivery, and Development) parameters. The strong belief maintained is that with higher customer satisfaction, the market leadership position can be retained in the long term.
- 8.2 As part of risk management framework, leveling dependency on one single segment is important action decided by the Company. Business expansion in non-car area and enhancement of value-added products is the key agenda. As these segments also have tremendous potential, the Company has augmented resources to acquire market share in the same.
- 8.3 Developing business in Home Air-Con market is another key initiative of the Company. Product development and business development activities are in place and we have a good order booking situation here.
- 8.4 Business engagement with the customers to secure future businesses and aligning product development, program management, and capacities across all geographical location is key priority for Subros. Significant progress is happening in this area.

9. Product Range

- 9.1 Subros is operating in wide range of products, which include complete thermal solution for cars, buses, refrigeration vehicles, railways, home AC's, tractors, and trucks. The Company is the only backward-integrated business for all Air-Conditioning systems and components in the country. Due to strong Research and Development capabilities, the products are developed based on emergent needs of customers.
- 9.2 Intrinsic to the core of Company philosophy, products are created to not only address the requirements of the future, but are also green and sustainable. Company has a strong belief in scaling up the business in tandem with accountability towards the environment. This propels Subros on the path of excellence.



10. Corporate Social Responsibility

- 10.1 Empowering women for self-entrepreneurship and developing skills for financial independence, the Company is running a skill development center at a village in Manesar. Subros has provided infrastructure and imparted training to several village women in the vicinity.
- 10.2 The Company has adopted schools around the vicinity of plants and provides improved education. The local communities welcome this initiative. Key focus at this stage is to improve the infrastructure of schools and also improve the quality of education in the schools. With collaboration of Step by Step education society, many such initiatives are deployed and successfully implemented to these areas.
- 10.3 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.

11. Roadmap for Future

- 11.1 Subros anticipates a tremendous deal of transformation stemming from COVID-19. Consumer behavior will change in numerous ways, from demanding more integrated digital experiences of mobility, to prioritising health and safety features across purchasing decisions. The business model of an organisation will need to integrate environmental sustainability and climate resilience into the very core of the product and the technology that surrounds it.
- 11.2 Future readiness will remain our key theme. Agility, innovation in technology, future ready product portfolio, product quality, and manufacturing excellence will remain focus areas of the company. Operational Executive Committee (OEC) that comprises of the functional and division leaders is focussed on operation excellence and execution of the set goals.
- 11.3 The Company has set the new long-term strategic intent 2025-26 concentrating on growth, diversification, profitability, and people development. Aggressive plans in existing segments and also expansion in new products are key to the strategy.
- 11.4 The global outlook remains subject to significant downside risks, including the possibility of additional COVID-19 waves and financial stress. The Company has put in place aggressive localisation plans and VAVE plans in order to mitigate economic climate volatility and uncertainty.
- 11.5 Subros will keep ensuring safety and health of employees at workplace. The Company will continue align with government and health authorities' policies to help employees remain engaged as they and the organisation navigate through the crisis.

12. Mid-Term and Long-Term Plan

- 12.1 The Company is focusing on sustaining and further improving the performance for mid-term and long-term strategies. Several new product development and new technology development projects are underway. Subros has developed rail coach AC, electric bus AC, battery and thermal management kit. The Company has also developed new technology vane rotary compressors and is gearing up to introduce these products in their respective market segments.
- 12.2 Subros is working aggressively to enhance product portfolio for the commercial vehicle segment. Radiator for the segment is already developed and its market development is in process. Besides this, probable introduction of Air-Conditioning systems, in the future, will certainly add to revenues in subsequent years.
- 12.3 Sustained efforts are also being made in area of learning and development for competency improvement for short-term and long-term skills.
- 12.4 The Company has adopted Sustainable Development Goals (SDG) to achieve a better and more sustainable future for all. Projects for realisation of SDG are identified and under execution.
- 12.5 With Covid-19 cases steadily declining and states embracing unlocking, a possible third wave has entered in scientific and public discourse. Impact of a third wave will largely depend on vaccination coverage. However, for Subros, the impact would not be so significant due to our de-risking strategy adopted five years ago. Few sectors like railways, home AC, and bus AC are not expected to perform the way other sectors are predicted. We anticipate a better positioning in these markets, which will cushion the impact on our business.

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 data*
2. *Ministry of Statistics & Programme Implementation*
3. *World Bank and Care Ratings*

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 36th Annual Report of the Company together with the audited financial statements for the year ended March 31, 2021.

FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	Current Year 2020-21	Previous Year 2019-20	Current Year 2020-21	Previous Year 2019-20
	(Rs. in Lakhs)			
Revenue from operations (Net of excise duty)	179565	199280	179565	199280
Other income	1031	1999	1031	2035
Profit before depreciation, interest and tax	16409	20903	16409	20938
Less: Financial Charges	1625	3634	1625	3634
Less: Depreciation	9211	9030	9211	9030
Add: Share of profits/loss of joint venture (equity method)	-	-	68	(8)
Profit before Exceptional items	5573	8239	5641	8266
Less: Exceptional items	-	(4129)	-	(4129)
Net profit before Taxation	5573	12368	5641	12395
Less: Tax	902	3912	902	3912
Profit after Taxation	4671	8456	4739	8483
Profit brought forward	40582	32765	40553	32711
Profit available for appropriation	44924	40582	44964	40553

BUSINESS OPERATIONS

The net revenue from operations for the financial year ended March 31, 2021 is Rs. 1795.65 crores as against Rs. 1992.80 crores in the previous financial year. However, the Net Profit before tax is Rs. 55.73 crores as compared to Rs. 123.68 crores in the previous financial year.

The outbreak of Covid-19 pandemic has created economic disruption throughout the world including India. The Company and its joint venture's operations have been adversely impacted due to the consequent lockdown announced by the Government of India due to which the operations were suspended for part of the first quarter and gradually resumed with requisite precautions.

The Company and its joint venture have considered the possible effects that may result from COVID-19 in the preparation of these consolidated financial results for the quarter and year ended March 31, 2021. While assessing the carrying value of its assets and liabilities, the Company and its joint venture have considered internal and external information available, and based on such information and assessment, have concluded that no further adjustments are required to be made to these consolidated financial results. However, given the evolving scenario and uncertainties with respect to nature and duration, the impact of the pandemic may differ from that estimated as at the date of approval of these consolidated financial results. The Company and its joint venture will continue to closely monitor any material changes to 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.

EXTERNAL ENVIRONMENT AND ECONOMIC OUTLOOK

The effect of Covid-19 was felt on the Company's operations during first quarter of the financial year. However, recovery was seen in the passenger car segment in second quarter followed by recovery in truck segment. Bus AC segment did not show much demand throughout the year mainly due to lack of demand of staff buses, due to extended work from home for the most industries specially IT and ITES & closure of schools and less demand for the tourist buses. However, Air-conditioners for ambulances did show demand coming in during financial year.

The second wave of Covid-19 is likely to have impact on most of the vehicle segments in first quarter of financial year 2021-22, but situation is likely to improve from second quarter onwards in passenger car segment provided pandemic does not lead to repeat & extended market lockdowns. However, CV segment specially the passenger carriers (buses) may perform similar to financial year 2020-21, due to continued subdued demand for staff buses, school buses and tourist buses due to covid impact. Truck segment may perform similar to financial year 2020-21, though second Covid-19 wave impact and duration would certainly have some impact to this segment also. Railway segment is likely to perform similar to the financial year 2020-21, although demand for rail coaches and suburban air conditioned trains might be slightly lesser than financial year 2020-21, due to focus on railways for supporting the pandemic related essential goods movement

during early part of financial year 2021-22. Performance of Home AC segment in financial year 2021-22, would also depend on the market lockdowns and consumer sentiments due to second wave and may impact peak summer season sales in first quarter and might perform similar to financial year 2020-21.

EXPANSION AND FUTURE PROSPECTS

During the year, the Company is planning for capacity enhancement at Karsanpura plant in line with the manufacturing plans of new models by the OEMs, along with continued focus on localization and cost optimization activities. The research and development activities shall continue to focus on new product development and new product introduction in Electric & Hybrid vehicles, Passenger vehicles, Commercial vehicles, Off-road vehicles and product range expansion in Home AC and Railway segments.

DIVIDEND

Your Company has earned a net profit (after tax) of Rs. 46.71 crores as against Rs. 84.56 crores in the previous year. The Board has recommended a dividend of Rs. 0.70 per share (35% on the face value of equity shares of Rs. 2 each) for the financial year ended March 31, 2021, as against Rs. 0.80 per share (40% 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, shall absorb a sum of Rs. 456.65 Lakhs (approx).

The Dividend Distribution Policy of the Company is available on the Company's website at www.subros.com/investors.html

TRANSFER TO RESERVES

Your Company proposes to transfer Rs. 150 Lakhs to the General Reserve and Rs. 250 Lakhs is transferred from the Debenture Redemption Reserves to the General Reserve on account of repayment of Non-Convertible Debentures.

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 AND DEBT STRUCTURE

During the year there is no change in the Capital Structure of your Company. However, your Company has redeemed the last tranche of Non-Convertible Debentures. Accordingly, the entire issue of Non-convertible Debentures of Rs. 50 crores stands redeemed on April 30, 2020.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board expresses profound grief and sorrow on the sudden and untimely demise of Mr. Ramesh Suri, Chairman of the Company on 12th May, 2021. His demise is an irreparable loss to the Company. The Board expresses sincere gratitude and place on record sincere appreciation for the invaluable guidance and contribution made by him towards growth and development of the Company.

Ms. Shradha Suri, Managing Director of the Company has been appointed as Chairperson & Managing Director of the Board/ Company with effect from May 26, 2021. During the year under review the following changes took place in the Board and Key Managerial Personnel of your Company:

- i. Mr. Toshihiro Saida, Nominee Director of DENSO Corporation, Japan resigned with effect from December 12, 2020.
- ii. Mr. Tomoaki Yoshimori was appointed as Nominee Director of DENSO Corporation, Japan with effect from December 12, 2020.
- iii. Mr. Yasuhiro Iida, Nominee Director of DENSO Corporation, Japan resigned with effect from March 30, 2021.
- iv. Mr. Hidemasa Takahashi was appointed as Nominee Director of DENSO Corporation, Japan with effect from March 30, 2021.
- v. Mr. Fumitaka Taki vacated his office on March 30, 2021 and was appointed as Alternate Director to Mr. Hidemasa Takahashi with effect from the same date.
- vi. Mr. Manoj K. Sethi resigned as Chief Financial Officer with effect from March 31, 2021.
- vii. Mr. Hemant Kumar Agarwal was appointed as Chief Financial Officer of the Company with effect from April 1, 2021.
- viii. Mr. Parmod Kumar Duggal was appointed as Chief Executive Officer of the Company with effect from April 1, 2021.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Dr. Jyotsna Suri, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment. The brief resume of Dr. Jyotsna Suri as required under the Listing Regulations and Secretarial Standards is provided in the Notice of the 36th Annual General Meeting 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 2020-21, 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 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 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. 1865 Lakhs during the financial year 2020-21. The Joint Venture achieved a profit of Rs. 260.99 Lakhs during the year as against loss of Rs. 31.61 Lakhs in the previous year. 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.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as on March 31, 2021, in Form MGT 9 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 and forms integral part of this Annual Report.

AUDITORS AND AUDITOR'S REPORT

Statutory Auditors: M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants will hold office until the conclusion of the 37th annual general meeting. 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 financial year 2021-22. The ratification of remuneration payable to Cost Auditors for the financial year 2021-22 is being sought from the Members of the Company at the ensuing Annual General Meeting.

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 financial year ended 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2021 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 made any transaction relating to inter-corporate loans and 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.

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.

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 2020-21.

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

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 Complaints 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. A statement of all particulars of Contracts or Arrangements with 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), National Stock Exchange of India Limited (NSE) and Delhi Stock Exchange Limited (DSE). The listing fees for the year 2020-21 have been paid to the said stock exchanges except to DSE as Securities and Exchange Board of India has withdrawn the recognition granted to DSE on November 19, 2014.

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 a formal mechanism of 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- "Stable" and for Short Terms Ratings as [ICRA] A1+ "Stable".

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(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure-5 to this Report.

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 of the Company regarding compliance on the conditions of

corporate governance pursuant to 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.

BUSINESS RESPONSIBILITY 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 the Business Responsibility Report for Financial Year 2020-21 is annexed herewith and forms integral part of this Report.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The disclosure related to 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 their appreciation to all the employees for their enormous efforts as well as their

collective contribution to the Company's performance. Your Directors acknowledge with gratitude the co-operation and support extended by Company's bankers, HDFC Bank, Kotak Mahindra Bank & other Banks and our collaborators, DENSO Corporation, Japan and Suzuki Motor Corporation, Japan for their continued support. Your Directors also take this opportunity to convey heartfelt gratitude to the Company's valued customers, particularly Maruti Suzuki India Limited, Tata Motors Limited, Mahindra & Mahindra Limited, Renault Nissan Automotive India Pvt. Ltd and Force Motors Limited, for the trust and confidence reposed by them in the Management for their copious co-operation and support provided to the Company.

Last but not the least the Board 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: June 29, 2021



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"> • Optimized air conditioning by changing AC gas circuit • Use of HVLS (High Volume and Low Speed fans) to reduce power consumption • Use of LED lights in plants and offices • Use of LPG manifold • Optimized running of NBF • Use of VFD air compressor
(ii)	The steps taken by the Company for utilizing alternate sources of energy	<ul style="list-style-type: none"> • Solar Power for two plants under open access - captive user finalised and green power supply expected to commence in first half of 2020-21 • Roof top solar power plant being evaluated for other plants
(iii)	The capital investment on energy conservation equipments	<ul style="list-style-type: none"> • Investment is done for projects where ROI < 1 Yr.
B) TECHNOLOGY ABSORPTION		
(i)	The efforts made towards technology absorption	<ul style="list-style-type: none"> • Cost reduction by alternate sourcing and localization in the field of automotive HVAC, Compressor, Heat Exchangers, Pipes & Hoses • Development of new products based on system level application engineering for ECM, and HVAC systems of Car, Bus, Truck & Railways • New technology development to meet future market demand for products like feature based concept HVAC design and testing, eco-friendly refrigerant based domestic AC's, New range of energy efficient products including for Electric Vehicles.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> • Cost reduction has been achieved by implementing VAVE ideas and new technology based products. • Import substitution has been achieved by in-house manufacturing of parts, localization of material and parts.
(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 has also executed new Technical Assistance Agreement(s) with DENSO Corporation, Japan for transfer of technology of new Compressors, Radiators and other thermal products</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.	(Rs. in Lakhs)		
				2020-21	2019-20
			Capital	304.98	77.22
			Recurring	2,062.01	2,549.96
			Total Expenditure	2,366.99	2,627.18
			Total R&D Expenditure as a percentage of Net Turnover	1.32%	1.32%
C) FOREIGN EXCHANGE EARNINGS AND OUTGO					
			(Rs. in Lakhs)		
				2020-21	2019-20
			Total foreign exchange earned	32.97	6.84
			Total foreign exchange outgo		
			(i) CIF value of imports (Recurring)	31,981.35	34,729.87
			(ii) CIF value of imports (Capital Expenditure)	935.87	558.96
(iii) Expenditure in foreign currency	3,390.80	4,420.20			



ANNEXURE-2 TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2021

[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 **SUBROS LIMITED'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, the explanation and clarifications given to us and the representations made by the Management and considering the relaxations granted by Ministry of Corporate Affairs and the Securities and Exchange Board of India due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 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 31st March, 2021 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) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**Not applicable to the Company during the audit period**);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**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, 2009 (**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 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 to the Company:
 - i) 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) Contract Labour (Regulation & Abolition) Act, 1970 and Rules made thereunder;
 - vi) Petroleum Act, 1934 and Rules made thereunder;
 - vii) Explosives Act, 1884 and Explosive Rules, 2008 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
UDINF004468C000538705
Peer Review No. 978/2020

Date: 29.06.2021
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
UDINF004468C000538705
Peer Review No. 978/2020

Date: 29.06.2021
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	2
2	Mr. Ramesh Suri*	Member / Non-Independent, Executive	2	2
3	Ms. Shradha Suri	Member /Non-Independent, Executive	2	2

*Mr. Arvind Kapur was appointed as a member of the Committee with effect from May 26, 2021 in place of Mr. Ramesh Suri.

3. Provide the web-link 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

4. Provide the details of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**

5. Details of the amount available for set off in pursuance of sub -rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
NIL			

6. Average net profit of the Company as per section 135(5): **Rs. 10696.83 Lakhs**

7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 213.94 Lakhs**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**

(c) Amount required to be set off for the financial year, if any: **NIL**

(d) Total CSR obligation for the financial year (7a+7b-7c): **Rs. 213.94 Lakhs**

8. (a) 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 section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
213.94	Nil	Nil	Nil	Nil	Nil

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (Rs. in Lakhs)	(8) Amount spent in the current financial year (Rs. in Lakhs)	(9) Amount transfereed to Unspent CSR Account for the project as per Section 135(6) (Rs. in Lakhs)	(10) Mode of implementation -Direct (Yes/No)	(11) Mode of implementation -Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Green Plantations	(iv) Environmental Sustainability	Yes	Haryana	Gurugram	ongoing	25.42	25.42	-	Yes	NA	-
2	Education for under-privileged children	(ii) Promoting Education	Yes	Uttar Pradesh, Maharashtra, Tamil Nadu, Gujarat	Gautam Budh Nagar, Pune, Kanchipuram, Ahmedabad	ongoing	78.02	78.02	-	Yes	NA	-
3	Skills developments	(ii) Enhancing Vocational Skills	Yes	Haryana	Gurugram	ongoing	3.67	3.67	-	Yes	NA	-
4	Social campaign	(i) Health care, eradicating hunger and malnutrition	Yes	Uttar Pradesh, Delhi, Haryana	Gautam Budh Nagar, Delhi, Gurugram	ongoing	8.61	8.61	-	No	House for Stray Animals The Blind Relief Association	- -
5	Disaster Management	(xii) Disaster Management	Yes	Haryana	Gurugram	ongoing	8.24	8.24	-	Yes	NA	-
TOTAL							123.96	123.96	-			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (Rs. in Lakhs)	(7) Mode of implementation -Direct (Yes/No)	(8) Mode of implementation -Through implementing agency	
				State	District			Name	CSR registration number
1	Social campaign	(i) Health care, eradicating hunger and malnutrition	Yes	Uttar Pradesh, Delhi, Haryana	Gautam Budh Nagar, Delhi, Gurugram	80.00	No	Indian Vision Foundation The Earth Saviours Foundation	- -
TOTAL						80.00			
(d) Amount spent in Administrative Overheads						9.98			
(e) Amount spent on Impact Assessment, if applicable						N.A			
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)						213.94			
(g) Excess amount for set off, if any						-			

9. (a) Details of Unspent CSR amount for the preceding three financial years: **NIL**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **NIL**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

Shradha Suri
(Chairperson & Managing Director)

Meena Sethi
(Chairperson, CSR Committee)

Place: New Delhi
Date: June 29, 2021

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 Ltd	Common Director	Purchase of Auto Components/ Sale of Materials/ transfer or receipt of products, goods, materials, assets or services	Ongoing transactions	172.57	January 28, 2020	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
Mr. Ramesh Suri – Chairman*	11.46
Ms. Shradha Suri– Managing Director**	53.02

*Ceased to be Chairman & Whole-time Director with effect from May 12, 2021 due to his demise.

**Ms. Shradha Suri, Managing Director was appointed as Chairperson of Board/ Company with effect from May 26, 2021.

- (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 @
Mr. Ramesh Suri – Chairman	(54.30%)
Ms. Shradha Suri– Managing Director	(41.45%)
Mr. Manoj K.Sethi – CFO & EVP (Organizational Capability)*	(23.34%)
Mr. Rakesh Arora – Company Secretary	(12.02%)

*Mr. Manoj K. Sethi resigned as Chief Financial Officer (CFO) w.e.f March 31, 2021 and Mr. Hemant Kumar Agarwal was appointed as CFO w.e.f April 1, 2021.

Note: The remuneration paid to independent Directors/Non- Executive Directors which includes sitting Fees is proportionate to their attendance in Board and Committee meetings and the Commission paid to the Executive Directors have not been considered in calculation for the percentage increase.

@ Impact on business due to COVID-19 pandemic.

- (iii) **the percentage increase in the median remuneration of employees in the financial year:** NIL
- (iv) **the number of permanent employees on the rolls of Company:** 2776 as on 31-03-2021
- (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	31.03.2021
% increase in median salary of employees @	(10.46%)
% increase in average salary of managerial personnel @	(32.77%)

@ due to impact on business on account of COVID-19 pandemic.

- (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, 2021

COMPANY'S PHILOSOPHY ON CORPORATE 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 Eleven 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, 2021. 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 positions during the financial year 2020-21 are given below:

Name of the Director	Category	No. of Board meetings attended	Whether attended last AGM	No. of Directorships in other companies#	Committees positions held in other public companies @	
					Chairperson	Member
Mr. Ramesh Suri, Chairman*	Non Independent, Executive, Promoter	5 of 5	Yes	7	2	3
Ms. Shradha Suri Managing Director **	Non Independent, Executive	5 of 5	Yes	7	-	5
Dr. Jyotsna Suri	Non Independent, Non-executive	5 of 5	Yes	5	-	1
Mr. Kenichi Ayukawa	Non Independent, Non-executive, Nominee Director+	5 of 5	Yes	3	-	2
Mr. Yasuhiro Iida ****	Non Independent, Non-executive, Nominee Director++	-	-	-	-	-
Mr. Hidemasa Takahashi*****	Non Independent, Non-executive, Nominee Director++	-	-	-	-	-
Mr. Fumitaka Taki ##	Alternate Director	5 of 5	Yes	-	-	-
Mr. Toshihiro Saida ***	Non Independent, Non-executive, Nominee Director++	3 of 5	Yes	-	-	-
Mr. Tomoaki Yoshimori***	Non Independent, Non-executive, Nominee Director++	2 of 5	-	-	-	-
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	8	-	5
Mrs. Meena Sethi	Independent, Non-executive	5 of 5	Yes	-	-	1
Mr. Arvind Kapur	Independent, Non-executive	5 of 5	Yes	6	-	2

@ In accordance with Regulation 26 of the Listing Regulations, Membership/ Chairmanship of only Audit Committee and Stakeholders Relationship Committee in public companies have been considered.

Other than Foreign & Private Companies

* Mr. Ramesh Suri ceased to be Chairman with effect from 12.05.2021 due to his demise.

** Ms. Shradha Suri, Managing Director appointed as Chairperson & Managing Director with effect from May 26, 2021.

+ Represents Suzuki Motor Corporation, Japan (JV equity)

++ Represents DENSO Corporation, Japan (JV equity)

***Mr. Tomoaki Yoshimori appointed w.e.f. December 12, 2020 in place of Mr. Toshihiro Saida as Nominee Director.

**** Mr. Hidemasa Takahashi appointed as Nominee Director w.e.f. March 30, 2021 in place of Mr. Yasuhiro Iida.

Mr. Fumitaka Taki appointed as Alternate Director to Mr. Hidemasa Takahashi w.e.f. March 30, 2021.

Name of the listed entities where the person is a director 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 Ltd	Non-Executive, Independent
Dr. Jyotsna Suri	-	-
Mr. Kenichi Ayukawa	Maruti Suzuki India Limited	Executive
Mr. Hidemasa Takahashi	-	-
Mr. Tomoaki Yoshimori	-	-
Mr. Fumitaka Taki	-	-
Mr. G.N. Mehra	Amrit Corp Limited	Non-Executive, Non-Independent
	Bharat Seats Limited	Non-Executive, Independent
Mr. K.R. Ramamoorthy	Amrit Corp Limited	Non-Executive, Independent
	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

Number of Board Meetings

During the year under review, five Board meetings were held on June 29, 2020, August 12, 2020, October 22, 2020, January 29, 2021 and March 30, 2021. 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 Mr. Ramesh Suri (deceased on May 12, 2021), 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 16,19,200 equity shares in the Company. The other non-executive Directors do not hold any equity share. The Company has not issued any convertible instruments.

The familiarization programme(s) imparted to Independent Directors from time to time is available at www.subros.com/investors.html.

The Board has identified the following core skills / expertise / competencies as required in the context of our 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. Kenichi Ayukawa	√	√	√	√
Mr. Hidemasa Takahashi	√	√	√	√
Mr. Tomoaki Yoshimori	√	√	√	√
Mr. Fumitaka Taki	√	√	√	√
Mr. G.N. Mehra	√	√	√	√
Mr. K.R. Ramamoorthy	√	√	√	√
Mr. M.A. Pathan	√	√	√	√
Mr. Shailendra Swarup	√	√	√	√
Mrs. Meena Sethi	√	√	√	√
Mr. Arvind Kapur	√	√	√	√

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 requirement 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 along with the details of the meetings held and attended by the members of the committee during the financial year 2020-21 are detailed below:

Name of Director(s)	Position	Category	Date of Audit Committee Meeting(s)					
			1	2	3	4	5	6
			27-06-2020	11-08-2020	21-10-2020	22-12-2020	28-01-2021	30-03-2021
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 six 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 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;
- Recommend 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 along with the details of the meeting held and attended by the members of the Committee during the financial year 2020-21 are detailed below:

Name of Director(s)	Position	Category	Date of Nomination & Remuneration Committee Meeting		
			1	2	3
			25-04-2020	09-06-2020	30-03-2021
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 three times during the financial year 2020-21.

The performance evaluation criteria for independent directors is 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 alongwith the details of the meetings held and attended by the members of the Committee during the financial year 2020-21 are as follows:

Name of Director(s)	Position	Category	Date of Risk Management Committee Meeting(s)	
			1	2
			11-06-2020	20-10-2020
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 twice during the financial year 2020-21.

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 alongwith the details of the meeting held and attended by the members of the committee during the financial year 2020-21 are as follows:

Name of Director(s)	Position	Category	Date of Corporate Social Responsibility Committee Meeting(s)	
			1	2
			11-06-2020	19-03-2021
Mrs. Meena Sethi	Chairperson	Independent, Non-Executive	√	√
Mr. Ramesh Suri*	Member	Non-Independent, Executive	√	√
Ms. Shradha Suri	Member	Non-Independent, Executive	√	√

*Mr. Arvind Kapur was appointed as member of the Committee with effect from May 26, 2021 in place of Mr. Ramesh Suri.

The CSR Committee met twice during the financial year 2020-21. The CSR Policy of the Company can be viewed on Company's website 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 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 2020-21
Mr. G.N. Mehra	Chairman	Independent, Non-Executive	19 of 19
Mr. Ramesh Suri*	Member	Non-Independent, Executive	19 of 19
Mrs. Meena Sethi	Member	Independent, Non- Executive	19 of 19

*Ms. Shradha Suri was appointed as member of the Committee with effect from May 26, 2021 in place of Mr. Ramesh Suri.

Mr. Rakesh Arora, 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 System (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 Compliant and its current status. All the requests and complaints received from the shareholders were attended within the stipulated time and sixteen complaints were received and disposed off during the year.

Investor Grievances Redressal

The number of complaints received and redressed during the year 2020-21 are as follows:

S. No.	Nature of complaint	No. of Shareholder's Complaint received during 2020-21	Number resolved	Number of pending complaints
1	Non-receipt of Annual Report	1	1	0
2	Non-receipt of Dividend	15	15	0

REMUNERATION TO 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 details of sitting fee(s) paid during the year 2020-21 is as given below:-

Name of Director	Sitting Fees for Board Meetings (Rs.)	Sitting Fees for other Meetings (Rs.)	Total (Rs.)
Dr. Jyotsna Suri	3,75,000	-	3,75,000
Mr. G.N. Mehra	3,75,000	12,05,000	15,80,000
Mr. Shailendra Swarup	3,75,000	4,35,000	8,10,000
Mrs. Meena Sethi	3,75,000	8,55,000	12,30,000
Mr. M.A. Pathan	3,75,000	6,80,000	10,55,000
Mr. K.R. Ramamoorthy	3,75,000	6,00,000	9,75,000
Mr. Arvind Kapur	3,75,000	1,50,000	5,25,000
TOTAL	26,25,000	39,25,000	65,50,000

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 Chairman and Managing Director during the year 2020-21 is as given below:

(Rs. in Lakhs)

S. No.	Name of the Director	Salary & Allowances	PF Contribution	Commission	Other Benefits(*)	Total
1	Mr. Ramesh Suri, Chairman	36.00	-	-	0.90	36.90
2	Ms. Shradha Suri, Managing Director	161.12	8.30	-	1.18	170.60
	Total	197.12	8.30	-	2.08	207.50

(*) represents differential in actuarial gratuity valuation and perquisites

There are no performance-linked incentives available to the Directors. There is no obligation on the Company to pay severance fees to the Directors. The Company has not granted any stock options to 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	35 th AGM (in respect of the year 2019-20)	September 15, 2020	Held through Video Conferencing / Other Audio Visual Means	11.30 a.m.
2	34 th AGM (in respect of the year 2018-19)	August 9, 2019	Kamani Auditorium No.1, Copernicus Marg, New Delhi – 110001	11.00 a.m.
3	33 rd AGM (in respect of the year 2017-18)	August 9, 2018		
4	EGM (in respect of the year 2018-19)	October 26, 2018	LakshmiPat Singhania Auditorium, 4/2 PHD House, Siri Institutional Area, August Kranti Marg, New Delhi-110016	10.30 a.m.

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

S. No.	AGM/EGM	Subject
1	35 th AGM (in respect of the year 2019-20)	-
2	34 th AGM (in respect of the year 2018-19)	Re-appointment of Ms. Shradha Suri as Managing Director of the Company
3	33 rd AGM (in respect of the year 2017-18)	Re-appointment of Mr. Ramesh Suri as Chairman of the Company
4	EGM (in respect of the year 2018-19)	To issue Equity Shares on Preferential Basis

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. Official news/press releases and official media releases are sent to stock exchange(s) and 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

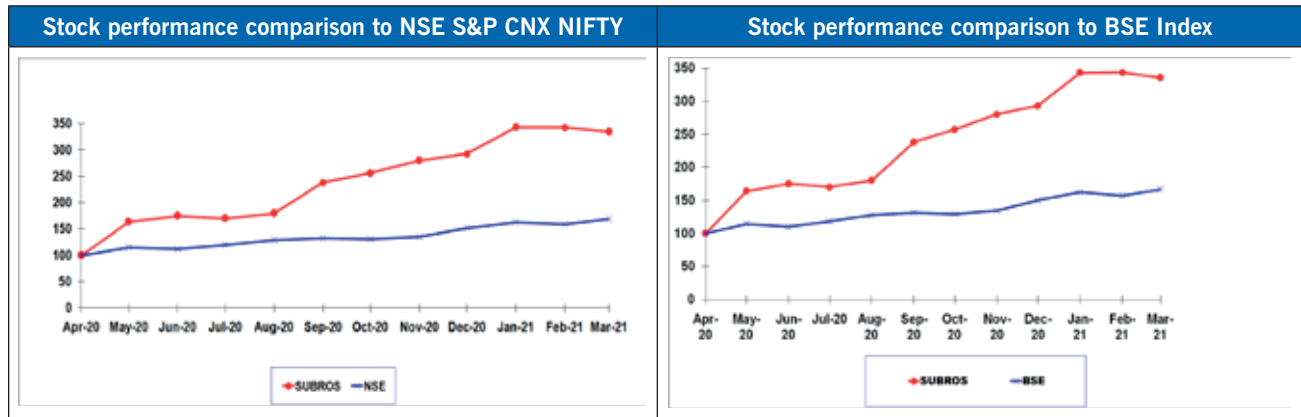
S. No.	Items	Particulars
(a)	Annual General Meeting for FY 2020-21 Date Time Venue	Tuesday, the September 14, 2021 11.30 A.M. The Company is conducting the meeting through VC / OAVM pursuant to the MCA Circulars dated May 5, 2020 and January 13, 2021 & other applicable circulars. For details kindly refer the Notice of the AGM
(b)	Financial Year	April 1, 2020 to March 31, 2021
(c)	Dividend Payment Date	October 13, 2021
(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 Ltd., ("NSE") Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400051 Delhi Stock Exchange Association Ltd ("DSE") DSE House, 3/1 Asaf Ali Road, New Delhi 110001 Listing Fee(s) has been paid to BSE and NSE for the FY 2020-21 and 2021-22. The listing fees to DSE is not payable as the Securities and Exchange Board of India has withdrawn the recognition granted to DSE on November 19, 2014
(e)	Stock Code/Symbol ISIN Code	Bombay Stock Exchange (517168) National Stock Exchange (SUBROS) INE 287B01021

(f) Market Price Data: High/Low during each month of 2020-21 on BSE & NSE:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2020	174.40	125.05	174.00	124.85
May, 2020	182.10	147.60	181.80	147.65
June, 2020	188.90	162.00	187.80	161.90
July, 2020	186.65	161.50	186.70	161.25
August, 2020	274.45	175.30	274.70	177.60
September, 2020	268.00	224.50	269.00	228.05
October, 2020	285.00	230.00	285.25	229.60
November, 2020	319.90	270.00	320.00	272.75
December, 2020	344.20	283.00	345.40	290.20
January, 2021	363.40	320.00	364.90	319.00
February, 2021	347.95	315.00	348.15	316.00
March, 2021	357.25	290.00	358.00	291.65



(g) Stock performance comparison to NSE & BSE Index:



Note: Both are indexed at 100 as on 31-3-2021.

(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, 1 st 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, 2021 (face value - Rs. 2/- per share)

Shareholdings of Nominal Value of Rs.	No. of Shareholders	% of Shareholders	No. of Equity Shares held	% of Shares
0001- 500	28318	92.03	1945148	2.98
501-1000	1147	3.73	955190	1.46
1001-2000	748	2.43	1179645	1.81
2001-3000	167	0.54	432401	0.66
3001-4000	108	0.35	377466	0.58
4001-5000	77	0.25	370423	0.57
5001-10000	104	0.34	772704	1.19
10001-50000	59	0.19	1124420	1.72
50001-100000	7	0.02	442686	0.68
100001 and above	37	0.12	57635667	88.35
Total	30772	100.00	65235750	100.00

Shareholding Pattern as on March 31, 2021

Type	No. of Equity Shares in Demat		No. of Equity Shares in Physical	Total
	NSDL	CDSL		
Promoters	24000000	-	-	24000000
Foreign Collaborators	20847150	-	-	20847150
Mutual Funds/ UTI	6531647	397470	-	6929117
Alternate Investment Funds	15613	-	-	15613
Foreign Institutional Investors	683001	-	2500	685501
Corporate Bodies	2873006	133072	2392100	5398178
Non -Resident Indian	421497	36715	-	458212
Trust & Foundations	1000	-	-	1000
Indian Public	4429895	1758775	465580	6654250
IEPF Account	-	246729	-	246729
TOTAL	59802809	2572761	2860180	65235750

S. No.	Items	Particulars
(l)	Dematerialisation of shares & liquidity	As at March 31, 2021 Demat: (i) 28,846 Shareholders (93.74% of the Total Shareholders) (ii) 6,23,75,570 Shares (95.61% 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 to minimise the financial impact of fluctuating foreign currency exchange rates.
(o)	Plant locations	Noida, Manesar, Pune, Chennai, Karsanpura, Nalagarh
(p)	Address for correspondence	Registered & Corporate Office: LGF, World Trade Centre, Barakhamba Lane, New Delhi-110001.
(q)	Credit Rating	ICRA has assigned / reaffirmed the Long Term Ratings as [ICRA] AA-"Stable" and for Short Terms Ratings as [ICRA] A1+ "Stable".

OTHER DISCLOSURES

- (a) The Company has also formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors are taken wherever required in accordance with the Policy. The Related Party Transaction details are enclosed as Annexure-4 to this Report.
- (b) The Company has duly complied with the requirement of Listing Agreements with Bombay Stock Exchange, National Stock Exchange, Delhi Stock Exchange, Listing Regulations and other statutory authority 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 Corporate Governance Report and also posted on the website of the Company 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 subsidiary company.
- (f) The policy on related party transaction is available on the website of the Company 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 have 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: Not applicable
- (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 as of end the financial year :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, 2021

Place: Noida
Date: June 29, 2021

Parmod Kumar Duggal
Chief Executive Officer



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-110001

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) 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 31st March, 2021 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 for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. 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 NO.4468, C.P. NO. 3666
UDIN F004468C000538672
Peer Review No 978/2020

Date: 29th June, 2021
Place: Delhi

COMPLIANCE CERTIFICATE ON CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
SUBROS LIMITED

We have examined the compliance of conditions of Corporate Governance by SUBROS LIMITED for the year ended 31st March 2021, as stipulated in SEBI (Listing Obligations and Disclosures 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 NO.4468, C.P. NO. 3666
UDIN F004468C000538749
Peer Review No 978/2020

Date: 29th June, 2021
Place: Delhi



Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY		
1	Corporate Identity Number (CIN) of the Company	L74899DL1985PLC020134
2	Name of the Company	Subros Limited
3	Registered address	LGF, World Trade Centre, Barakhamba Lane, New Delhi – 110 001
4	Website	www.subros.com
5	E-mail id	rakesh.arora@subros.com
6	Financial year reported	April 1, 2020 to March 31, 2021
7	Sector(s) that the Company is engaged in (industrial activity code- wise)	29301 – Automotive Air-conditioning Kits
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Compressors, HVAC System and Radiator
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	NIL 9
10	Markets served by the Company – Local/State/National/International	All over India
SECTION B: FINANCIAL DETAILS OF THE COMPANY		
1	Paid up Capital (INR)	13.05 Crores
2	Total Turnover (INR)	1795.65 Crores
3	Total profit after taxes (INR)	46.71 Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2%
5	List of activities in which expenditure in 4 above has been incurred:-	a) Environmental sustainability b) Promoting education c) Healthcare, eradicating hunger and Malnutrition d) Enhancing Vocational Skills e) Disaster Management
SECTION C: OTHER DETAILS		
1	Does the Company have any Subsidiary Company/Companies	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	The Company has presently not mandated other entities eg. its suppliers etc. to participate in the BR initiatives of the Company. However, they are encouraged to adopt BR Initiatives and conduct their business in a transparent manner.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1(a)	Details of Director/Director responsible for implementation of the BR policy/policies	
	DIN Number (if applicable)	00176902
	Name	Ms. Shradha Suri
	Designation	Chairperson & Managing Director

1(b)	Details of the BR head	
	DIN Number (if applicable)	-
	Name	Mr. Manoj K. Sethi
	Designation	EVP (Organizational Capability)
	Telephone number	011-23414946-49
	e-mail id	msethi@subros.com

2. Principle-wise (as per NVGs) BR Policy/policies

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability

P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

P3 Businesses should promote the wellbeing of all employees

P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

P5 Businesses should respect and promote human rights

P6 Business should respect, protect, and make efforts to restore the environment

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

P8 Businesses should support inclusive growth and equitable development

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner

2(a) Details of compliances (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	(1)	(1)	(1)	(2)	(1)	(3)	(1)	(1)	(1)
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	Y	Y	N	Y	N	N	N

Notes: (1) Code of Conduct of the Company at <http://www.subros.com/code-conduct-ethics.html>

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

(3) Environmental Policy <http://www.subros.com/policy.html>



3. Governance related to BR

Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Annually

Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has published business responsibility report as a part of the Annual Report and is available on Company's website at <http://www.subros.com/investors.html>.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY

1. Does the policy relating to ethics, bribery and corruption cover only the company?

No.

2. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?

Yes, it covers all related stakeholders

3. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management ? If so, provide details thereof, in about 50 words or so.

The Company did not receive any complaint in this regard.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is engaged in the manufacturing of automotive air-conditioning equipments as well as air-conditioning systems for cars, bus, railways and home. All of its products e.g. compressors, radiators and HVAC systems pass through rigid quality standards and are highly energy efficient. Also the Company adheres to the statutory compliance norms in this regard.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

The Company always makes efforts towards optimum utilization of all resources.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

Yes

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

As a part of our procurement strategy, the process and procedure for end to end supply chain are in place. Some key process include supplier selection - Complete evaluation of supplier on management / technology & design control / process / quality control / Process control, APQP cycle for complete development to SOP and Vendor monitoring on Quality, Cost, Delivery and Development (QCDD) aspect

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

The Company regularly undertakes initiatives to support its vendors in the entire supply chain. The Company procures goods and services from MSME sector also and have been regularly imparting training, technical knowledge upgradation, quality initiatives towards improvement their capacity and capabilities.

The following steps were taken to procure goods & services from local & small producers

(a) Vendor upgradation through cluster activities

(b) Technology support - Proving knowledge of process / design of jig and fixture / implementation of low cost automation and poka yoke

(c) Other support - Tooling and Raw material support from Subros for capacity and infrastructure enhancement

5. Does the Company have a mechanism to recycle products and waste?

There is no significant process waste and the Company recycles products and wastes, wherever possible. The waste, which cannot be re-used is disposed off in an effective manner.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES

1. Please indicate the total number of employees.

As on March 31, 2021 the total number of employees was 2776.

2. Please indicate the Total number of employees hired on temporary / contractual / casual basis.

The total contractual / temporary manpower employed as on 31-3-2021 were 1743. This is excluding security and housekeeping manpower.

3. Please indicate the Number of permanent women employees.
There were 79 permanent women employees as on 31-3-2021.
4. Please indicate the Number of permanent employees with disabilities
There were 15 permanent employees with disabilities as on 31-3-2021
5. Do you have an employee association that is recognized by management.
Yes
6. What percentage of your permanent employees is members of this recognized employee association?
It is around 8% as on 31-3-2021
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No	Category	No. of complaints received during the financial year	No. of complaints pending as on 31-3-2021
1	Child labour/forced labour/involuntary labour	None	None
2	Sexual harassment	None	None
3	Discriminatory employment	None	None

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

No	Particulars	Comments
1	Permanent Employees	All categories of employees have to undergo mandatory induction trainings which includes safety and Environment trainings.
2	Permanent Women Employees	
3	Casual/Temporary/Contractual Employees	
4	Employees with Disabilities	

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED.

1. Has the Company mapped its internal and external stakeholders? Yes/No
Yes
2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.
Yes
3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.
All our policies are directed towards responsibility and sustainability to the society. We have a number of programmes towards promoting education, skill development, green plantation, eradicating hunger etc.

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
The Company is committed to respect for human rights and extend to our suppliers and other stakeholders.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?
No stakeholder complaint was received during the financial year 2020-21.

PRINCIPLE 6: BUSINESS SHOULD RESPECT, PROTECT, AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.
The policies extend to the Company and its suppliers / contractors.
2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.
The Company is concerned about the global environmental issues and its low energy products are an example. Also the Company has tapped solar power by way of roof top generation unit and also plans to further using solar power to save global warming and environmental issues.
3. Does the Company identify and assess potential environmental risks? Y/N
Yes



4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc. Y/N ? If yes, please give hyperlink for web page etc.

One of the major initiatives is setting-up of a roof-top solar power generation unit at a manufacturing plant. The Company is also taking initiatives for development of air-conditioning systems for electric passenger and commercial vehicles.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

The Emissions/Waste generated by the Company are within the permissible limits given by the regulatory bodies.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

(a) Automotive Component Manufacturers Association (ACMA)

(b) Confederation of Indian Industry (CII)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No;

Yes

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company is committed to programmes and initiatives with regard to education, green plantation eradication of hunger and malnutrition, enhancing vocational skills and disaster management.

2. Are the programmes/projects undertaken through in-house team/own foundation / external NGO / government structures / any other organization?

The programmes/projects are undertaken through in-house team as well as external NGO's.

3. Have you done any impact assessment of your initiative?

Yes

4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken.

Rs. 213.94 Lakhs during the financial year ended on 31-3-2021.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

CSR Team regularly interacts with the local administration and nearby village/community. The Company has adopted nearby government schools as well as initiated a tailoring school in order to benefit community. Also as a part of skill development, program under National Apprenticeship Promotion Scheme (NAPS) hiring diploma & ITI apprentices are made on regular basis.

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year

The Company promptly addresses all consumer complaints and there are no consumer case pending on the end of the 31-3-2021.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

No

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and /or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes, the Company periodically conducts customer satisfaction surveys.

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, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Cash Flow Statement 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, 2021, 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.

Emphasis of matter

4. We draw your attention to Note 39 to the standalone financial statements, which describes the management's assessment of the impact of outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments, other than those already considered, are required in the standalone financial statements, however, in view of the highly uncertain economic environment, a definitive assessment of the impact on subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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>Appropriateness of capitalisation of internal development costs</p> <p>[Refer note 2 (significant accounting policies) and note 4 (intangible assets under development) to the standalone financial statements]</p> <p>During the year ended March 31, 2021, the Company has capitalized significant costs incurred on internal development of Intangible Assets amounting to Rs. 2,731.80 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 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"> 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 capitalised. 	<p>We performed the following procedures, amongst others</p> <ul style="list-style-type: none"> - Understood and evaluated the financial controls for the capitalisation of internal development costs and tested such controls. - Assessed the appropriateness of capitalization of product development costs with the criteria to capitalize product development costs and held discussion with the management to understand their assessment to support the product's commercial viability. - Tested the accuracy and allocation of capitalized payroll and other costs and assessed whether these are directly attributable to the development as against research. - Assessed 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 auditor's expert 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. - 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. <p>As a result of the above procedures, the capitalisation of internal development costs by the Company was considered to be appropriate.</p>

Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board report, but does not include the 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

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the 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

9. 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.

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 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.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including

any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 26.
 - ii. The Company has long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company does not have long-term derivative contracts as at March 31, 2021.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Rajib Chatterjee
Partner

Place : Gurugram
Date : June 29, 2021

Membership Number 057134
UDIN: 21057134AAAAAI3723



Annexure A to Independent Auditor's Report

Referred to in paragraph 15(f) 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, 2021

Report on the Internal Financial Controls with reference to 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 financial statements of Subros Limited ("the Company") as of March 31, 2021 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 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 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 financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 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 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 control 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 financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of the main audit report.

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

Rajib Chatterjee
Partner

Place of the Signature: Gurugram Membership Number 057134
Date : June 29, 2021 UDIN: 21057134AAAAAI3723

Annexure B to Independent Auditor's Report

Referred to in paragraph 14 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, 2021

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets (Property, plant and equipment).
- (b) The fixed assets (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 fixed assets (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 immovable properties, as disclosed in Note 3 on fixed assets (Property, plant and equipment) to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to 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 Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public 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 regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 38 to the 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 dues of service-tax and goods and services tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of customs, duty of excise, value added tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

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
The Income Tax Act, 1961	Income Tax	135.23	-	Assessment year 2003-04	Hon'ble High Court of Delhi
The Income Tax Act, 1961	Income Tax	2.26	-	Assessment year 2014-15	Income Tax Appellate Tribunal, New Delhi
The Income Tax Act, 1961	Income Tax	19.41	19.41	Assessment year 2015-16	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	23.40	4.68	Assessment year 2016-17	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	166.35	6.11	Assessment year 2017-18	Commissioner of Income Tax (Appeals)
The Income Tax Act, 1961	Income Tax	1,072.17	-	Assessment year 2018-19	Commissioner of Income Tax (Appeals)*

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
The Customs Act, 1962	Custom Duty	1,183.82	-	June 2012 to July 2017	Hon'ble Customs, Excise and Service Tax Appellate Tribunal, Allahabad
The Customs Act, 1962	Custom Duty	15.19	-	July 2017 to March 2019	Commissioner of Customs, Maharashtra
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
The Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	112.33	109.85	October 2008 to November 2011	Hon'ble High Court of Allahabad
The Central Excise Act, 1944	Central Excise Duty	75.81	-	December 2013 to May 2016	Joint Commissioner, Pune
The Central Excise Act, 1944	Central Excise Duty	3,992.18	-	2013-14 to 2017-18	Directorate General Goods & Service Tax Intelligence (Gurugram)

* Appeal filed on April 5, 2021.

- viii. 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 borrowings to any financial institution or bank or dues to debenture holders as at the balance sheet date. The Company has not taken any loans or borrowings from Government.
- ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied, on an overall basis, for the purposes for which they were obtained.
- x. 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 by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. 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. Also refer paragraph 16 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are 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 financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Rajib Chatterjee
Partner

Place of the signature: Gurugram Membership Number 057134
Date : June 29, 2021 UDIN: 21057134AAAAAI3723

BALANCE SHEET

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

Particulars	Note no	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	59,516.82	59,166.30
Right-of-use assets	27	2,030.45	2,193.80
Capital work-in-progress	3	1,343.99	3,969.54
Intangible assets	4	12,944.88	15,183.84
Intangible assets under development	4	4,016.63	2,625.83
Investment in joint venture	5(a)(i)	176.80	176.80
Financial assets			
i) Investment	5(a)(ii)	299.98	-
ii) Loans	5(e)	866.83	940.01
iii) Other financial assets	5(f)	-	23.26
Non-current tax assets (net)	9	67.97	59.49
Other non-current assets	7	488.42	384.32
Total non-current assets		81,752.77	84,723.19
Current assets			
Inventories	8	28,140.69	23,423.12
Financial assets			
i) Trade receivables	5(b)	20,426.65	18,928.72
ii) Cash and cash equivalents	5(c)	3,276.25	436.97
iii) Bank balances other than (ii) above	5(d)	8,640.35	8,653.53
iv) Loans	5(e)	79.45	94.70
v) Other financial assets	5(f)	266.57	993.14
Other current assets	7	2,312.47	1,598.92
Total current assets		63,142.43	54,129.10
TOTAL ASSETS		144,895.20	138,852.29
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10 (a)	1,304.71	1,304.71
Other equity	10 (b)	78,167.23	73,924.64
Total equity		79,471.94	75,229.35
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	11 (a)	2,496.51	2,275.71
- Lease liabilities	27	791.84	877.42
Deferred tax liabilities (net)	6	1,774.08	1,637.91
Provisions	12	1,109.12	1,104.68
Total non-current liabilities		6,171.55	5,895.72
Current liabilities			
Financial liabilities			
i) Borrowings	11 (b)	-	8,981.93
ii) Lease liabilities	27	129.20	135.48
iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	11 (d)	170.14	113.82
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	11 (d)	51,301.52	38,401.48
iv) Other financial liabilities	11 (c)	4,434.82	7,114.49
Contract liabilities	13 (a)	532.44	556.95
Other current liabilities	13 (b)	2,010.06	1,128.31
Provisions	12	673.53	957.70
Current tax liabilities	11 (e)	-	337.06
Total current liabilities		59,251.71	57,727.22
TOTAL LIABILITIES		65,423.26	63,622.94
TOTAL EQUITY AND LIABILITIES		144,895.20	138,852.29

The accompanying notes are an integral part of these 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**
Chief Executive OfficerPlace : Gurugram
Date : June 29, 2021**Hemant Kumar Agarwal**
Chief Financial Officer &
Assistant Vice President (Finance)**Rakesh Arora**
Company Secretary
ICSI Membership No:- A8193Place : New Delhi
Date : June 29, 2021

STATEMENT OF PROFIT AND LOSS

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

	Particulars	Note no	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	14	179,565.20	199,279.93
II	Other income	15	1,031.27	1,998.91
III	Total income (I + II)		180,596.47	201,278.84
IV	Expenses			
	Cost of material consumed	16	130,354.78	140,881.50
	Changes in inventories of finished goods and work-in-progress	17	(1,339.95)	(92.14)
	Employee benefits expense	18	18,752.35	20,727.09
	Finance costs	19	1,624.71	3,633.93
	Depreciation and amortization expense	20	9,210.77	9,030.44
	Other expenses	21	16,420.57	18,859.14
	Total expenses (IV)		175,023.23	193,039.96
V	Profit before exceptional items and tax (III - IV)		5,573.24	8,238.88
VI	Exceptional items	33	-	4,128.56
VII	Profit before tax (V+VI)		5,573.24	12,367.44
VIII	Tax expense:	6		
	-Current tax		815.89	2,282.49
	-Deferred tax		86.10	1,629.31
	Total tax expense (VIII)		901.99	3,911.80
IX	Profit for the year (VII-VIII)		4,671.25	8,455.64
X	Other comprehensive income			
	<i>Items that will not be reclassified to profit or loss</i>			
	Gain / (Loss) on remeasurements of post employment benefit obligations	28	143.30	(333.34)
	Income tax relating to the above item	6	(50.07)	116.48
	Other comprehensive income for the year, net of tax (X)		93.23	(216.86)
XI	Total comprehensive income for the year (IX + X)		4,764.48	8,238.78
	Earning per equity share (in Rs.) [Face value Rs. 2 each (March 31, 2020 : Rs. 2 each)]	30		
	Basic and Diluted		7.16	12.96

The accompanying notes are an integral part of these financial statements

This is the Statement of Profit and Loss 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
Chief Executive Officer

Place : Gurugram
Date : June 29, 2021

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

Rakesh Arora
Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : June 29, 2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A. Equity share capital

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

Particulars	Note no	Amount
Balance at March 31, 2019	10 (a)	1,304.71
Changes in equity share capital during 2019-20		-
Balance at March 31, 2020		1,304.71
Changes in equity share capital during 2020-21		-
Balance at March 31, 2021		1,304.71

B. Other equity

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

Particulars	Note no	Reserves and surplus				Total
		Securities Premium	General reserve	Debenture redemption reserve	Retained earnings	
Balance as at March 31, 2019	10 (b)	20,817.44	12,125.48	1,000.00	32,765.33	66,708.25
Profit for the year		-	-	-	8,455.64	8,455.64
Other comprehensive Income		-	-	-	(216.86)	(216.86)
Total comprehensive income for the year		-	-	-	8,238.78	8,238.78
Dividends paid		-	-	-	(848.07)	(848.07)
Dividend distribution tax		-	-	-	(174.32)	(174.32)
Transfer to/(from) retained earnings		-	150.00	-	(150.00)	-
Transfer (to)/from debenture redemption reserve		-	-	(750.00)	750.00	-
Balance as at March 31, 2020		20,817.44	12,275.48	250.00	40,581.72	73,924.64
Profit for the year		-	-	-	4,671.25	4,671.25
Other comprehensive Income		-	-	-	93.23	93.23
Total comprehensive income for the year		-	-	-	4,764.48	4,764.48
Dividends paid		-	-	-	(521.89)	(521.89)
Dividend distribution tax		-	-	-	-	-
Transfer to/(from) retained earnings		-	150.00	-	(150.00)	-
Transfer (to)/from debenture redemption reserve		-	-	(250.00)	250.00	-
Balance as at March 31, 2021		20,817.44	12,425.48	-	44,924.31	78,167.23

The accompanying notes are an integral part of these 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
Chief Executive Officer

Place : Gurugram
Date : June 29, 2021

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

Rakesh Arora
Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : June 29, 2021

CASH FLOW STATEMENT

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	5,573.24	12,367.44
Adjustments for:		
Depreciation and amortization expense	9,210.77	9,030.44
Net (profit)/ loss on disposal of property, plant and equipment	34.10	(1.51)
Profit on liquidation of subsidiary	-	(0.42)
Interest income on financial assets at amortized cost and others	(526.06)	(683.00)
Finance costs	1,624.71	3,633.93
Provision for inventory obsolescence made / (written back)	(5.77)	354.22
Unrealized foreign currency (gain)/loss (net)	(842.85)	284.31
Loss allowance	189.41	-
Fair value changes on derivatives	938.13	(1,044.98)
Operating profit before working capital changes	16,195.68	23,940.43
Adjustments for Changes in working capital:		
(Increase)/ Decrease in loans (non-current)	73.18	21.77
(Increase)/ Decrease in other financial assets (non-current)	21.90	32.28
(Increase)/ Decrease in inventories	(4,711.80)	1,143.70
(Increase)/ Decrease in trade receivables	(1,687.34)	(2,196.67)
(Increase)/ Decrease in loans (current)	15.25	13.19
(Increase)/ Decrease in bank balances other than cash and cash equivalents	11.34	(317.31)
(Increase)/ Decrease in other financial assets (current)	-	2,491.91
(Increase)/ Decrease in other current assets	(713.55)	644.77
Increase/ (Decrease) in non-current provisions	147.74	135.21
Increase/ (Decrease) in trade payables	13,694.50	(755.75)
Increase/ (Decrease) in contract liabilities	(24.51)	(46.12)
Increase/ (Decrease) in other financial liabilities (current)	(1,627.56)	1,195.03
Increase/ (Decrease) in other current liabilities	881.75	(408.73)
Increase/ (Decrease) in current provisions	(284.17)	184.24
Cash generated from operations	21,992.41	26,077.95
Income tax paid (net)	(1,161.43)	(2,199.92)
Net cash inflow from operating activities	20,830.98	23,878.03
Cash flow from investing activities		
Payments for property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development	(6,352.02)	(9,811.77)
Payment for purchase of investment	(299.98)	-
Proceeds from liquidation of investment in subsidiary	-	52.27
Proceeds from sale of property, plant and equipment	128.20	27.69
Interest received	687.25	456.46
Net cash (outflow) from investing activities	(5,836.55)	(9,275.35)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from financing activities		
Proceeds from long term borrowings	1,500.00	-
Repayment of long term borrowings	(2,642.91)	(5,958.06)
Principal element of lease payment	(91.86)	(81.70)
Proceeds / (repayment) of short term borrowings	(8,981.93)	(4,049.32)
Interest paid	(1,416.56)	(3,707.27)
Dividend paid	(521.89)	(848.06)
Dividend distribution tax	-	(174.32)
Net cash (outflow) from financing activities	(12,155.15)	(14,818.73)
Net increase / (decrease) in cash and cash equivalents	2,839.28	(216.05)
Cash and cash equivalents at the beginning of the financial year	436.97	653.02
Cash and cash equivalents at the end of the financial year [refer note 5(c)]	3,276.25	436.97
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	4.39	11.26
Balance with banks	3,271.86	425.71
	3,276.25	436.97

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

The accompanying notes are an integral part of these financial statements

This is the cash flow statement 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
Chief Executive Officer

Place : Gurugram
Date : June 29, 2021

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

Rakesh Arora
Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : June 29, 2021



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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) and the National Stock Exchange (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 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 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 Company has applied the following amendments for the first time for their annual reporting period commencing April 01, 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

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

2(b). Key accounting estimates and judgments

The preparation of the 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 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 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. Recognition of deferred tax assets – Refer note 6
- d. Estimation of provision for warranty – Refer note 12
- e. Estimated useful life of property, plant and equipment and intangible assets – Refer note 3 & 4

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 financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The 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

The Company manufactures and sells auto-air conditioning system primarily in the domestic market. 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. The Company did not need to make any adjustments to the accounting for assets held as lessor as result of adopting the new standard.

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. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. 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:

- 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.

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 of thermal products (Automotive air conditioning systems and parts thereof) for automotive applications.

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.

xxii) Rounding of amounts

All amounts disclosed in the 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 FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

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

Particulars	Freehold land	Leasehold land	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total	Capital work-in-progress (CWIP)
Gross carrying amount									
Balance as at March 31, 2019	2,093.62	1,323.52	13,405.88	48,263.35	473.51	604.00	1,057.38	67,221.26	6,326.46
Adjustment for change in accounting policy (Refer note 36)	-	(1,323.52)	-	-	-	-	-	(1,323.52)	-
Additions	1,820.33	-	-	-	50.28	43.27	148.19	2,062.07	8,230.72
Transfer from CWIP	-	-	6,475.54	4,091.92	-	-	-	10,567.46	(10,567.46)
Disposals / adjustments	-	-	(4.00)	(97.66)	(3.24)	(67.44)	(126.29)	(298.63)	(20.18)
Balance as at March 31, 2020	3,913.95	-	19,877.42	52,257.61	520.55	579.83	1,079.28	78,228.64	3,969.54
Additions	225.24	-	-	-	14.93	35.74	211.26	487.17	2,968.03
Transfer from CWIP	-	-	1,334.78	4,258.80	-	-	-	5,593.58	(5,593.58)
Disposals / adjustments	-	-	(7.50)	(589.25)	(1.29)	(186.34)	(117.18)	(901.56)	-
Balance as at March 31, 2021	4,139.19	-	21,204.70	55,927.16	534.19	429.23	1,173.36	83,407.83	1,343.99
Accumulated depreciation As at March 31, 2019	-	51.66	1,140.07	12,182.20	118.31	151.51	361.10	14,004.85	-
Adjustment for change in accounting policy (Refer note 36)	-	(51.66)	-	-	-	-	-	(51.66)	-
Depreciation charge during the year	-	-	579.55	4,461.69	44.72	77.13	218.51	5,381.60	-
Disposals / adjustments	-	-	(0.44)	(84.05)	(2.54)	(63.98)	(121.44)	(272.45)	-
Balance as at March 31, 2020	-	-	1,719.18	16,559.84	160.49	164.66	458.17	19,062.34	-
Depreciation charge during the year	-	-	649.16	4,593.70	46.70	72.98	205.41	5,567.95	-
Disposals / adjustments	-	-	(7.43)	(448.56)	(0.82)	(170.74)	(111.73)	(739.28)	-
Balance as at March 31, 2021	-	-	2,360.91	20,704.98	206.37	66.90	551.85	23,891.01	-
Net carrying amount As at March 31, 2020	3,913.95	-	18,158.24	35,697.77	360.06	415.17	621.11	59,166.30	3,969.54
Net carrying amount As at March 31, 2021	4,139.19	-	18,843.79	35,222.18	327.82	362.33	621.51	59,516.82	1,343.99

Notes-

- Depreciation pertaining to machineries used for manufacture of moulds has been capitalized during the year amounting to Rs. 44.62 Lakhs (Previous year Rs. 108.46 Lakhs).
- Capital work-in-progress mainly comprises of building and plant and machinery.
- Refer note 25 to these 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, 2021	As at March 31, 2020
Current:			
First Charge			
Inventories	8	28,140.69	23,423.12
Financial assets			
- Trade receivables	5(b)	20,426.65	18,928.72
- Cash and cash equivalents	5(c)	3,276.25	436.97
- Other bank balances	5(d)	8,600.00	8,593.77
- Loans	5(e)	79.45	94.70
- Other financial assets	5(f)	266.57	993.14
Other current assets	7	2,312.47	1,598.92
Total current assets pledged as security		63,102.08	54,069.34
Non current:			
First charge			
Property, plant and equipment	3	36,171.51	35,697.77
Total non-current assets pledged as security		36,171.51	35,697.77
Total assets pledged as security		99,273.59	89,767.11

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
Gross carrying amount					
Balance as at March 31, 2019	286.03	10,633.03	15,264.48	26,183.54	2,275.40
Additions	50.47	7.54	-	58.01	3,297.94
Transfer from intangible assets under development		433.59	2,476.39	2,909.98	(2,909.98)
Disposals / adjustments	-	-	20.18	20.18	(37.53)
Balance as at March 31, 2020	336.50	11,074.16	17,761.05	29,171.71	2,625.83
Additions	18.99	-	-	18.99	2,731.80
Transfer from intangible assets under development	10.95	436.35	822.00	1,269.30	(1,269.30)
Disposals / adjustments	(39.65)	-	-	(39.65)	(71.70)
Balance as at March 31, 2021	326.79	11,510.51	18,583.05	30,420.35	4,016.63
Accumulated amortization					
As at March 31, 2019	169.66	3,776.93	6,450.73	10,397.32	-
Amortization charge for the year	66.63	1,336.18	2,187.74	3,590.55	-
Disposals / adjustments	-	-	-	-	-
Balance as at March 31, 2020	236.29	5,113.11	8,638.47	13,987.87	-
Amortization charge for the year	61.56	1,335.34	2,130.33	3,527.23	-
Disposals / adjustments	(39.63)	-	-	(39.63)	-
Balance as at March 31, 2021	258.22	6,448.45	10,768.80	17,475.47	-
Net carrying amount					
As at March 31, 2020	100.21	5,961.05	9,122.58	15,183.84	2,625.83
As at March 31, 2021	68.57	5,062.06	7,814.25	12,944.88	4,016.63

Notes-

- Amortization pertaining to software used for manufacture of moulds has been capitalized during the year amounting to Rs. 3.14 Lakhs (Previous year Rs. 5.91 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.

5(a). Investments**(i). Investment in joint venture***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in equity instruments (fully paid- up) Unquoted		
Investment in joint venture (carried at cost)		
Denso Subros Thermal Engineering Centre India Private Limited (formerly known as Denso Subros Thermal Engineering Centre India Limited) 1,767,999 (March 31, 2020: 1,767,999) Fully paid up equity shares of Rs. 10 each	176.80	176.80
Total investments	176.80	176.80
Aggregate value of unquoted investments	176.80	176.80
Aggregate amount of impairment in the value of investments	-	-

(ii). Other investment in equity instruments

Particulars	As at March 31, 2021	As at March 31, 2020
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, 2020: Nil) Fully paid up equity shares of Rs. 17.45 each	299.98	-
Total investments	299.98	-
Aggregate value of unquoted investments	299.98	-
Aggregate amount of impairment in the value of investments	-	-

5(b). Trade receivables*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	20,545.88	18,855.23
Receivables from related parties (refer note 24)	70.18	73.49
Less: Loss allowance	(189.41)	-
Total trade receivables	20,426.65	18,928.72
Current portion	20,426.65	18,928.72
Non-current portion	-	-

Breakup of security details*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	20,616.06	18,928.72
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	20,616.06	18,928.72
Loss allowance	(189.41)	-
Total trade receivables	20,426.65	18,928.72

5(c). Cash and cash equivalents*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- In current accounts	3,271.86	425.71
Cash on hand	4.39	11.26
Total cash and cash equivalents	3,276.25	436.97

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, 2021	As at March 31, 2020
Earmarked balances with banks		
Deposits with original maturity of more than three months but less than 12 months*	11.95	29.52
Unpaid dividend account	28.40	30.24
Others		
Deposits with original maturity of more than three months but less than 12 months	8,600.00	8,593.77
Total bank balances other than cash and cash equivalents	8,640.35	8,653.53

* 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, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Security deposits				
Related parties (refer note 24)	-	192.17	-	233.56
Others	29.59	657.67	66.63	696.55
Loans to employees	49.86	16.99	28.07	9.90
Total loans	79.45	866.83	94.70	940.01

Breakup of security details*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Loans considered good - Secured	-	-
Loans considered good - Unsecured	946.28	1,034.71
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	946.28	1,034.71
Loss allowance	-	-
Total loans	946.28	1,034.71

5(f) Other financial assets*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Deposits with maturity of more than 12 months*	-	-	-	21.90
Interest accrued on bank deposits	266.57	-	426.40	1.36
Derivative asset	-	-	566.74	-
Total other financial assets	266.57	-	993.14	23.26

* Held as security with the banks and hence not available for free use with the Company.

6. Income tax

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, 2021	For the year ended March 31, 2020
a) Tax expense		
Current tax		
Current tax on profits for the year	990.42	2,285.43
Adjustments for current tax of prior periods	(174.53)	(2.94)
Total current tax expense	815.89	2,282.49
Deferred tax		
Minimum Alternate Tax (MAT) credit utilisation	955.95	174.55
Decrease / (increase) in deferred tax assets	36.95	(433.45)
(Decrease) / increase in deferred tax liabilities	(906.80)	1,888.21
Total deferred tax expense / (benefit)	86.10	1,629.31
Total tax expense / (credit)	901.99	3,911.80

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, 2021	For the year ended March 31, 2020
Accounting Profit before tax	5,573.24	12,367.44
Computed tax expense at applicable tax rate of 34.944% (previous year 34.944%)	1,947.51	4,321.68
Tax effect of :		
Tax effects of the amounts which are not deductible in calculating taxable income	74.99	49.14
Adjustment on account of remeasurement (Refer note 2 below)	(945.98)	-
Income tax provision reversal of prior year	(174.53)	-
Weighted deduction for expenditure incurred on research and development	-	(459.02)
Tax expense recognized in Statement of Profit and Loss	901.99	3,911.80

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
2019-20				
Deferred tax liability in relation to:				
Property, plant and equipment and intangible assets	7,307.46	(1,609.44)	-	8,916.90
Right-of-use assets	-	(278.77)	-	278.77
Total deferred tax liability(A)	7,307.46	(1,888.21)	-	9,195.67
Deferred tax assets in relation to:				
Expenses deductible in future years	503.74	79.86	-	583.60
Lease liabilities	-	353.95	-	353.95
Remeasurement of post employment benefit obligations	118.20	-	116.48	234.68
Other items	0.36	(0.36)	-	-
Total deferred tax assets (B)	622.30	433.45	116.48	1,172.23
Deferred tax liability(net) (C) = (A) - (B)	6,685.16	(1,454.76)	116.48	8,023.44
Minimum alternate tax credit (D)	6,560.08	(174.55)	-	6,385.53
Deferred tax liabilities/(assets) (net) (C) -(D)	125.08	(1,629.31)	116.48	1,637.91

Particulars	Opening balance	Recognized in Profit or loss-Credit/(charge)	Recognized in Other Comprehensive Income -Credit/(charge)	Closing Balance
2020-21				
Deferred tax liability in relation to:				
Property, plant and equipment and intangible assets	8,916.90	(94.35)	-	9,011.25
Right-of-use assets	278.77	55.17	-	223.60
Adjustment on account of remeasurement (net) (Refer note 2 below)	-	945.98	-	(945.98)
Total deferred tax liability(A)	9,195.67	906.80	-	8,288.87
Deferred tax assets in relation to:				
Expenses deductible in future years	583.60	(4.85)	-	578.75
Lease liabilities	353.95	(32.10)	-	321.85
Remeasurement of post employment benefit obligations	234.68	-	(50.07)	184.61
Total deferred tax assets (B)	1,172.23	(36.95)	(50.07)	1,085.21
Deferred tax liability(net) (C) = (A) - (B)	8,023.44	869.85	(50.07)	7,203.66
Minimum alternate tax credit (D)	6,385.53	(955.95)	-	5,429.58
Deferred tax liabilities/(assets) (net) (C) -(D)	1,637.91	(86.10)	(50.07)	1,774.08

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.

7. Other assets

(unsecured and considered good, unless otherwise stated)

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Capital advances	-	488.42	-	384.32
Advance to suppliers				
-Related party (refer note 24)	88.22	-	81.17	-
-Others	694.34	-	275.05	-
Prepaid expenses	710.75	-	475.52	-
Recoverable from statutory authorities	819.16	-	767.18	-
Total other assets	2,312.47	488.42	1,598.92	384.32

8. Inventories

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

Particulars	As at March 31, 2021	As at March 31, 2020
Raw material and spares *	21,927.93	18,420.02
Work-in progress	2,689.46	1,617.87
Finished goods	893.79	625.43
Stores	2,629.51	2,759.80
Total Inventories	28,140.69	23,423.12

Inventory includes in transit inventory of:-

Raw material and spares	3,348.36	3,937.73
Finished goods	379.58	134.31

* Net of provision for inventory obsolescence amounting to Rs. 570.82 Lakhs as at March 31, 2021 (March 31, 2020: Rs. 576.59 Lakhs). An amount of Rs. 5.77 lakhs has been written back during the year ended March 31, 2021 (Rs. 354.22 Lakhs has been recognised as an expense during the year ended March 31, 2020) and included in 'cost of material consumed' in Statement of Profit and Loss.

Note: Refer note 3 to the financial statements for information on inventories pledged as security by the Company.

9. Non-current tax assets (net)*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax (net of provisions - March 31, 2021: Rs 8,069.89 Lakhs; March 31, 2020: Rs 5,784.46 Lakhs)	67.97	59.49
Total non-current tax assets	67.97	59.49

10. Equity**10(a). Equity share capital***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Authorized share capital		
125,000,000 (as at March 31, 2020 : 125,000,000) equity shares of Rs. 2 each	2,500.00	2,500.00
Issued share capital		
65,241,450 (as at March 31, 2020 : 65,241,450) equity shares of Rs. 2 each	1,304.83	1,304.83
Subscribed and paid up share capital		
65,235,750 (as at March 31, 2020 : 65,235,750) equity shares of Rs. 2 each, fully paid up	1,304.71	1,304.71
Total	1,304.71	1,304.71

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, 2021		For the year ended March 31, 2020	
	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	-	-	-	-
Balance at the end of the year	65,235,750	1,304.71	65,235,750	1,304.71

B. Rights, preferences and restrictions attached to shares

Equity 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, 2021		As at March 31, 2020	
	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%
Ramesh Suri	4,459,040	6.84%	4,459,040	6.84%
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%

10(b). Other equity**Reserves and surplus***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium	20,817.44	20,817.44
General reserve	12,425.48	12,275.48
Debenture redemption reserve	-	250.00
Retained earnings	44,924.31	40,581.72
Total other equity	78,167.23	73,924.64

i) Securities premium*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	20,817.44	20,817.44
Issue of equity shares	-	-
Closing balance	20,817.44	20,817.44

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, 2021	For the year ended March 31, 2020
Opening balance	12,275.48	12,125.48
Transfer from retained earnings	150.00	150.00
Closing balance	12,425.48	12,275.48

General reserve is the retained earnings of a Company which are 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, 2021	For the year ended March 31, 2020
Opening balance	40,581.72	32,765.33
Add: Profit for the year	4,671.25	8,455.64
Less: Remeasurement gain / (loss) on post employment benefit obligation, net of tax	93.23	(216.86)
Less: Appropriations		
Transfer to general reserve	(150.00)	(150.00)
Transfer from debenture redemption reserve	250.00	750.00
Dividend on equity shares including related income tax	(521.89)	(1,022.39)
Closing balance	44,924.31	40,581.72

During the year, a dividend of Rs. 0.80 per share, total dividend Rs. 521.89 Lakhs (previous year: Rs. 1.30 per share, total dividend Rs. 848.07 Lakhs) was paid to equity shareholders.

The Board of Directors recommended a final dividend of Rs. 0.70 per share (nominal value of Rs. 2 per share) for the financial year 2020-21. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these financial statements. The total estimated dividend to be paid is Rs. 456.65 Lakhs.

iv) Debenture redemption reserve (DRR)*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	250.00	1,000.00
Transfer to retained earnings	(250.00)	(750.00)
Closing balance	-	250.00

The Companies Act 2013 requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a debenture redemption reserve (DRR) of 25% of the value of debentures issued and outstanding, either by a public issue or on a private placement basis. The amounts credited to the DRR may not be utilized by the Company except to redeem debentures.

11. Financial liabilities**11(a). Non-current borrowings***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Debtentures		
8.50% Non-convertible redeemable debtentures	-	1,000.00
Term loans		
Foreign currency loans from banks	691.54	2,127.47
Indian Rupee loans from banks	3,574.30	2,373.86
Total Non-current borrowings	4,265.84	5,501.33
Less: Current maturities of long term debt [included in note 11(c)]	1,753.66	3,194.32
Less: Interest accrued [included in note 11(c)]	15.67	31.30
Non-current borrowings	2,496.51	2,275.71

Borrowings	Security	As at March 31, 2021	As at March 31, 2020	Maturity date	Terms of repayment	Coupon/ Interest rate
8.50% Non-convertible redeemable debtentures	First charge on specific movable fixed assets of company	-	1,000.00	Not applicable (March 31, 2020: April, 2020)	Not applicable (March 31, 2020: Three yearly instalments commencing from April 2018)	Not applicable (March 31, 2020 : 8.50%)

Borrowings	Security	As at March 31, 2021	As at March 31, 2020	Maturity date	Terms of repayment	Coupon/ Interest rate
Foreign currency loans from banks						
FC Loan 1	Exclusive charge over specific movable fixed assets	414.30	1,274.56	September, 2021	Sixteen quarterly instalments commencing from December 2017	USD 3.25% p.a (March 31, 2020 : USD 3.25% p.a)
FC Loan 2	Exclusive charge over specific movable fixed assets	277.24	852.91	September, 2021	Sixteen quarterly instalments commencing from December 2017	USD 3.32% p.a (March 31, 2020 : USD 3.32% p.a)
Total		691.54	2,127.47			

Borrowings	Security	As at March 31, 2021	As at March 31, 2020	Maturity date	Terms of repayment	Coupon/ Interest rate
Indian Rupee loans from banks						
Loan 1 (Refer note below)	First charge on movable fixed assets other than exclusive charge created for other loans	2,074.00	2,373.86	August, 2023	Fourteen quarterly equal instalments commencing from November, 2019	REPO + 200 bps (March 31, 2020 : MCLR + 20 bps)
Loan 2	Exclusive charge over specific movable fixed assets	1,500.30	-	June, 2025	Sixteen quarterly equal instalments commencing from September, 2021	3 Month MIBOR (March 31, 2020 : NA)
Total		3,574.30	2,373.86			

Note: The Company has availed the moratorium granted by the banks on account of Covid-19 pandemic and converted Interest due during the year amounting to Rs. 99.26 Lakhs in to loan. In addition to this, two quarterly instalments falling due during the year are deferred pursuant to which, the loan maturity is extended from February 2023 to August 2023.

11(b). Current borrowings*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
From banks		
Cash credit	-	277.16
Working capital loan from bank	-	599.79
	-	876.95
Unsecured		
Working capital loan from bank	-	5,625.00
Commercial papers	-	2,479.98
	-	8,104.98
Total current borrowings	-	8,981.93

Borrowings	Security	As at March 31, 2021	As at March 31, 2020	Coupon/ Interest rate	Maturity Date	Terms of Repayment
Secured						
Cash credit	First Pari-Passu charge on current assets of the company	-	277.16	Not applicable (March 31, 2020: 8.20% linked to 1yr MCLR)	Not applicable (March 31, 2020: Payable on Demand)	Not applicable (March 31, 2020: Payable on Demand)
Working capital loan	First Pari-Passu charge on current assets of the company	-	599.79	Not applicable (March 31, 2020: 3M MCLR + 30 BPS)	Not applicable (March 31, 2020: Payable on Demand)	Not applicable (March 31, 2020: Payable on Demand)
Unsecured						
Working capital loan	Not applicable	-	5,625.00	Not applicable (March 31, 2020: MCLR + spread as applicable at the time of each disbursement)	Not applicable (March 31, 2020: 60 days from the date of availment)	Not applicable (March 31, 2020: 60 days from the date of availment)
Commercial papers	Not applicable	-	2,479.98	Not applicable (March 31, 2020: 6.75%)	Not applicable (March 31, 2020: On May 15, 2020)	Not applicable (March 31, 2020: 90 days from the date of issue)
Total		-	8,981.93			

11(c). Other financial liabilities*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long term debt	1,753.66	3,194.32
Capital creditors*	1,284.81	1,446.20
Interest accrued**	59.73	62.24
Security deposit received		
-Related party (refer note 24)	6.14	6.14
-Others	43.49	40.24
Unclaimed dividend***	28.40	30.24
Derivative liability	554.29	-
Others		
Due to director (refer note 24)	-	99.49
Payable to employees	704.30	2,235.62
Total	4,434.82	7,114.49

* Includes Rs. 346.17 Lakhs (March 31, 2020: Rs. Nil) payable to related parties. Refer note 24.

** Includes Rs. 15.67 Lakhs (March 31, 2020: Rs. 31.30 Lakhs) accrued on borrowings [Refer note 11(a) & 11(b)] and includes Rs. 26.03 Lakhs (March 31, 2020: Rs. 20.31 Lakhs) due to micro enterprises and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006.

*** The Company has deposited an amount of Rs. 4.24 Lakhs (Previous year Rs. 6.40 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, 2021	As at March 31, 2020
Current		
Trade payables: micro and small enterprises (refer Note 35)	170.14	113.82
Trade payables: others	49,347.76	36,086.39
Trade payables to related parties (refer note 24)	1,953.76	2,315.09
Total	51,471.66	38,515.30

11 (e). Current tax liabilities

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

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	337.06	243.46
Current tax payable for the year	990.42	2,285.43
Less:- Taxes paid	1,327.48	2,191.83
Closing balance	-	337.06

12. Provisions

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits:				
Provision for leave encashment (refer note 28)	331.69	-	621.95	-
Provision for gratuity (refer note 28)	-	881.22	-	880.84
Provision for warranty	341.84	227.90	335.75	223.84
Total	673.53	1,109.12	957.70	1,104.68

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(c)(xiii) and 28).

Provision for warranty:

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)

As at March 31, 2019	466.21
Charged/(credited) to profit or loss	
Additional provisions recognized	227.98
Unwinding of discount on provision for warranty	8.48
Discounting of additional provision recognized	(8.98)
Amounts utilized during the year	(134.10)
As at March 31, 2020	559.59
Charged/(credited) to profit or loss	
Additional provisions recognized	151.68
Unwinding of discount on provision for warranty	8.48
Discounting of additional provision recognized	(18.98)
Amounts utilized during the year	(131.03)
As at March 31, 2021	569.74

Sensitivity analysis

As at March 31, 2021, provision for warranty had a carrying amount of Rs. 569.74 Lakhs (March 31, 2020: Rs. 559.59 Lakhs). Were warranty claim costs to differ by 10% of the management's estimates, the provision would be an estimated Rs. 56.97 Lakhs higher or lower (March 31, 2020: Rs. 55.96 Lakhs higher or lower).

13 (a). Contract liabilities*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Contract liabilities	532.44	556.95
Total	532.44	556.95

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, 2021, the Company recognised revenue of Rs. 317.71 Lakhs arising from opening contract liabilities as of April 01, 2020. During the previous year, the Company recognised revenue of Rs. 570.76 Lakhs arising from opening contract liabilities as at April 01, 2019.

13 (b). Other current liabilities*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues	2,010.06	1,128.31
Total	2,010.06	1,128.31

14. Revenue from operations*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from contracts with customers		
- Sale of products	179,000.56	198,709.04
- Sale of services	332.42	412.67
Other operating revenues		
- Sale of scrap	232.22	158.22
Total	179,565.20	199,279.93

Note 1: Unsatisfied contracts:

The following table shows unsatisfied performance obligation resulting from contracts:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at reporting date	532.44	556.95

Management expects that transaction price allocated to unsatisfied contracts as of March 31, 2021 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, 2021	For the year ended March 31, 2020
Contract Price	180,574.95	199,342.61
Adjustments for:		
- Rebate/discounts	(1,009.75)	(62.68)
Revenue from Operations	179,565.20	199,279.93

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, 2021	For the year ended March 31, 2020
Interest income on:		
a) Financial assets at amortized cost	512.90	672.24
b) Others	10.28	6.03
Exchange variation on foreign currency transactions (net)	1,245.81	-
Fair value changes on derivatives	(938.13)	1,044.98
Unwinding of discount on financial asset	2.88	4.73
Net profit on disposal of property, plant and equipment	-	1.51
Rental income	45.74	66.57
Profit on liquidation of subsidiary (refer note 37)	-	0.42
Other miscellaneous income*	151.79	202.43
Total	1,031.27	1,998.91

* The Company has applied practical expedient under IndAS 116 Leases to all qualifying rent concessions and accordingly disclosed the rent concessions received during the year amounting to Rs. 19.16 Lakhs (March 31, 2020: Nil) under Other miscellaneous income.

16. Cost of material consumed*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw material and spares		
Raw material and spares at the beginning of the year	18,420.02	19,903.14
Add: Purchase of raw material and spares	133,862.69	139,398.38
Less: Raw material and spares at the end of the year	21,927.93	18,420.02
Total	130,354.78	140,881.50

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, 2021	For the year ended March 31, 2020
Finished goods		
Closing balance	893.79	625.43
Less:- Opening balance	625.43	708.42
	268.36	(82.99)
Work-in-progress		
Closing balance	2,689.46	1,617.87
Less:- Opening balance	1,617.87	1,442.74
	1,071.59	175.13
(Increase) / decrease	(1,339.95)	(92.14)

18. Employee benefits expense*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus*	16,600.65	18,103.36
Contribution to provident and other funds (refer note 28)**	813.29	855.71
Gratuity (refer note 28)	257.66	239.63
Staff welfare expenses	1,080.75	1,528.39
Total	18,752.35	20,727.09

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. 38.28 Lakhs (March 31, 2020: Rs. 34.23 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. 33.75 Lakhs (March 31, 2020: Rs. 60.67 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.

19. Finance costs*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest costs:		
- Loans from banks	993.85	1,734.51
- Loans from others	229.79	1,231.46
Exchange differences regarded as an adjustment to borrowing costs	95.18	605.31
Interest on lease liabilities (refer note 27)	88.14	96.34
Fair value changes on derivatives	182.90	-
Other finance costs*	34.85	6.31
	1,624.71	3,673.93
Less:- Amount capitalized**	-	40.00
Total	1,624.71	3,633.93

* Includes Rs. 5.72 Lakhs (March 31, 2020: Rs. 6.26 Lakhs) due to micro enterprises and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (refer Note 35).

** The capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to the Company's general borrowings during the year, in this case Nil (March 31, 2020: 8.50%)

20. Depreciation and amortization expense*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment (refer note 3)	5,523.33	5,273.14
Depreciation of right-of-use assets (refer note 27)	163.35	172.66
Amortization of intangible assets (refer note 4)	3,524.09	3,584.64
Total	9,210.77	9,030.44

21. Other expenses*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of stores	3,568.49	3,851.75
Power and fuel	2,772.14	2,902.38
Rent (refer note 27)	304.03	276.46
Repair and maintenance: Building	353.77	366.62
Repair and maintenance: Plant and machinery	1,343.53	1,300.97
Repair and maintenance: Others	192.34	275.43
Rates, taxes and fees	55.65	65.49
Insurance	499.90	462.11
Royalty	1,984.86	2,092.69
Warranty expenses	132.70	219.00
Selling and distribution expenses	2,566.30	2,953.16
Legal and professional charges	444.21	458.68
Vehicle running and maintenance	129.48	159.69
Travelling and conveyance	148.42	464.19
Payment to auditors [refer note 21(a) below]	46.42	54.32
Exchange variation on foreign currency transactions (net)	-	420.27
Net loss on disposal of property, plant and equipment	34.10	-
Corporate social responsibility expenses [refer note 21(b) below]	213.94	137.02
Director's sitting fees	65.50	40.85
Other miscellaneous expenses	1,564.79	2,358.06
TOTAL	16,420.57	18,859.14

21(a). Details of payment to auditors

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Payment to auditors*		
As auditor:		
Audit fees (including limited review)	41.40	41.10
Tax audit fee	1.15	1.15
In other capacities:		
Other services	3.25	6.75
Reimbursement of expenses	0.62	5.32
Total	46.42	54.32

* Excluding applicable taxes

21(b). Corporate social responsibility expenses

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

	For the year ended March 31, 2021	For the year ended March 31, 2020
Contribution to green plantations	28.53	4.42
Contribution to education for under-privileged children	81.92	56.26
Contribution to skills developments	4.15	-
Contribution to social campaign	90.93	76.34
Contribution to disaster management	8.41	-
Accrual towards unspent obligations in relation to:		
Ongoing project	-	-
Other than ongoing projects	-	-
Total	213.94	137.02
<i>Amount required to be spent as per Section 135 of the Act</i>	213.94	136.96
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than above	213.94	137.02
Total	213.94	137.02

Details of ongoing CSR projects under Section 135(6) of the Act

Balance as at April 1, 2020		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2021	
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
-	-	133.94	133.94	-	-	-

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at April 1, 2020	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, 2021
-	-	80.00	80.00	-

Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at April 1, 2020	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2021
-	-	-	-

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, 2021 is as follows:

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

Particulars	FVOCI	FVTPL	Amortized cost	Total
Financial assets				
i) Investment	-	299.98	-	299.98
ii) Trade receivables	-	-	20,426.65	20,426.65
iii) Cash and cash equivalents	-	-	3,276.25	3,276.25
iv) Bank balance other than cash and cash equivalents	-	-	8,640.35	8,640.35
v) Loans	-	-	946.28	946.28
vi) Other financial assets	-	-	266.57	266.57
Total financial assets	-	299.98	33,556.10	33,856.08
Financial liabilities				
i) Borrowings	-	-	2,496.51	2,496.51
ii) Trade payables	-	-	51,471.66	51,471.66
iii) Other financial liabilities	-	554.29	3,880.53	4,434.82
Total financial liabilities	-	554.29	57,848.70	58,402.99

The carrying value and fair value of financial instruments by categories as of March 31, 2020 is as follows:

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

Particulars	FVOCI	FVTPL	Amortized cost	Total
Financial assets				
i) Investment	-	-	-	-
ii) Trade receivables	-	-	18,928.72	18,928.72
iii) Cash and cash equivalents	-	-	436.97	436.97
iv) Bank balance other than cash and cash equivalents	-	-	8,653.53	8,653.53
v) Loans	-	-	1,034.71	1,034.71
vi) Other financial assets	-	566.74	449.66	1,016.40
Total financial assets	-	566.74	29,503.59	30,070.33
Financial liabilities				
i) Borrowings	-	-	11,257.64	11,257.64
ii) Trade payables	-	-	38,515.30	38,515.30
iii) Other financial liabilities	-	-	7,114.49	7,114.49
Total financial liabilities	-	-	56,887.43	56,887.43

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	As at March 31, 2021				
	Notes No.	Level 1	Level 2	Level 3	Total
Financial assets					
Investment	5(a)(ii)	-	-	299.98	299.98
Total financial assets		-	-	299.98	299.98
Financial liabilities					
Derivative liability	11(c)	-	554.29	-	554.29
Total financial liabilities		-	554.29	-	554.29

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

Particulars	As at March 31, 2020				
	Notes No.	Level 1	Level 2	Level 3	Total
Financial assets					
Derivative asset	5(f)	-	566.74	-	566.74
Total financial assets		-	566.74	-	566.74
Financial liabilities					
Derivative liability	11(c)	-	-	-	-
Total financial liabilities		-	-	-	-

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	As at March 31, 2021				
	Notes No.	Level 1	Level 2	Level 3	Total
Financial assets					
Security deposits	5(e)	-	-	879.43	879.43
Loans to employees	5(e)	-	-	66.85	66.85
Trade receivables	5(b)	-	-	20,426.65	20,426.65
Cash and cash equivalents	5(c)	-	-	3,276.25	3,276.25
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	8,611.95	8,611.95
Unpaid dividend account	5(d)	-	-	28.40	28.40
Interest accrued on bank deposits	5(f)	-	-	266.57	266.57
Total financial assets		-	-	33,556.10	33,556.10

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

Particulars	As at March 31, 2021				
	Notes No.	Level 1	Level 2	Level 3	Total
Financial liabilities					
Borrowings	11(a) & 11(b)	-	-	2,496.51	2,496.51
Trade payables	11(d)	-	-	51,471.66	51,471.66
Current maturities of long term debt	11(c)	-	-	1,753.66	1,753.66
Capital creditors	11(c)	-	-	1,284.81	1,284.81
Interest accrued	11(c)	-	-	59.73	59.73
Security deposit received	11(c)	-	-	49.63	49.63
Unclaimed dividend	11(c)	-	-	28.40	28.40
Others					
Due to director	11(c)	-	-	-	-
Payable to employees	11(c)	-	-	704.30	704.30
Total financial liabilities		-	-	57,848.70	57,848.70

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

Particulars	As at March 31, 2020				
	Notes No.	Level 1	Level 2	Level 3	Total
Financial assets					
Security deposits	5(e)	-	-	996.74	996.74
Loans to employees	5(e)	-	-	37.97	37.97
Trade receivables	5(b)	-	-	18,928.72	18,928.72
Cash and cash equivalents	5(c)	-	-	436.97	436.97
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	8,623.29	8,623.29
Deposits with maturity of more than 12 months	5(f)	-	-	21.90	21.90
Unpaid dividend account	5(d)	-	-	30.24	30.24
Interest accrued on bank deposits	5(f)	-	-	427.76	427.76
Total financial assets		-	-	29,503.59	29,503.59

Particulars	As at March 31, 2020				
	Notes No.	Level 1	Level 2	Level 3	Total
Financial liabilities					
Borrowings	11(a) & 11(b)	-	-	11,257.64	11,257.64
Trade payables	11(d)	-	-	38,515.30	38,515.30
Current maturities of long term debt	11(c)	-	-	3,194.32	3,194.32
Capital creditors	11(c)	-	-	1,446.20	1,446.20
Interest accrued	11(c)	-	-	62.24	62.24
Security deposit received	11(c)	-	-	46.38	46.38
Unclaimed dividend	11(c)	-	-	30.24	30.24
Others					
Due to director	11(c)	-	-	99.49	99.49
Payable to employees	11(c)	-	-	2,235.62	2,235.62
Total financial liabilities		-	-	56,887.43	56,887.43

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

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, 2021 and March 31, 2020.

Valuation technique used to determine fair value : The Company has entered into variety of foreign currency forward contracts and swaps 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, 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 and interest rate swaps to hedge variable interest rate 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
Market risk- interest rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps

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, 2021	As at March 31, 2020
Loss allowance at the beginning of the year	-	-
Add / (Less): Changes during the year	189.41	-
Loss allowance at the end of the year	189.41	-

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, 2021	As at March 31, 2020
Floating rate:		
-Expiring within one year (cash credit, working capital loans and other facilities)	35,951.79	36,319.95
-Expiring beyond one year (bank loans)	4,650.74	4,750.00

(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:

Particulars	Upto 1 year	1-5 Years	More than 5 years	Total
As at March 31, 2021				
Borrowings (including interest)	1,911.98	2,711.15	-	4,623.13
Trade payables	51,471.66	-	-	51,471.66
Other financial liabilities	2,126.87	-	-	2,126.87
Lease liabilities	184.30	536.48	1,019.90	1,740.68
Total	55,694.81	3,247.63	1,019.90	59,962.34
As at March 31, 2020				
Borrowings (including interest)*	12,307.08	2,342.23	-	14,649.31
Trade payables	38,515.30	-	-	38,515.30
Other financial liabilities	3,920.17	-	-	3,920.17
Lease liabilities	180.00	683.51	1,056.77	1,920.28
Total	54,922.55	3,025.74	1,056.77	59,005.06

* Does not include future interest payments on contractual maturities of current borrowings as it includes cash credit facilities and working capital loans which are repayable on demand due to which future contractual interest payments are not reasonably determinable.

Market risk

(i) Foreign currency risk

The Company has exposure to foreign currency risk on account of its payables and loans. 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, 2021	As at March 31, 2020
Hedge of foreign currency loans	USD (In Lakhs)	9.34	28.03
	Rs. (in Lakhs)	625.00	1,875.00
Hedge of foreign currency payables	USD (In Lakhs)	44.00	58.50
	Rs. (in Lakhs)	3,242.58	4,490.70
	JPY (in Lakhs)	13,121.25	7,019.54
	Rs. (in Lakhs)	8,818.76	4,974.17
Cross currency swap	USD (In Lakhs)	15.00	77.50
	JPY (in Lakhs)	1,657.84	8,376.95

Particulars of unhedged foreign currency exposure as at the reporting date:

Particulars/Purpose	Amount	As at March 31, 2021	As at March 31, 2020
Trade payables	Euro (in Lakhs)	0.04	0.04
	Rs. (in Lakhs)	3.77	3.64

Foreign currency sensitivity analysis

The Company is mainly exposed to EURO.

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, 2021		For the year ended March 31, 2020	
	INR strengthens by 10%	INR weakens by 10%	INR strengthens by 10%	INR weakens by 10%
Impact on profit or loss for the year				
EURO impact	0.38	(0.38)	0.36	(0.36)

(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, 2021	As at March 31, 2020
Variable rate borrowings	4,265.84	11,003.28
Fixed rate borrowings	-	3,479.98
Total	4,265.84	14,483.26

Note: The Company has foreign currency loans with floating interest rate. The interest rate risk has been mitigated through the use of derivative financial instruments such as foreign currency interest rate swaps taken at the time of inception of the borrowings.

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	As at March 31, 2021		
	Weighted average interest rate %	Balance	% of total loans
Foreign currency loans from bank, Rupee loans from bank and cash credit	6.95	4,265.84	100%
Interest rate swaps (notional principal amount)	9.15	(691.54)	
Net exposure to cash flow interest rate risk		3,574.30	

Particulars	As at March 31, 2020		
	Weighted average interest rate %	Balance	% of total loans
Foreign currency loans from bank, Rupee loans from bank and cash credit	8.35	11,003.28	76%
Interest rate swaps (notional principal amount)	9.15	(2,127.47)	
Net exposure to cash flow interest rate risk		8,875.81	

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, 2021	For the year ended March 31, 2020
Interest rates - increase by 50 basis points	11.63	28.87
Interest rates - decrease by 50 basis points	(11.63)	(28.87)

(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 in its various products segment. Due to the competitive market, major OEMs demands 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 EBITDA ratio i.e., Net Debt (total borrowings and lease liabilities net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance cost).

The Company 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, 2021	March 31, 2020
Net Debt (In Lakhs)	1,910.63	15,059.19
EBIDTA (after exceptional items) (In Lakhs)	16,408.72	25,031.81
Net Debt to EBITDA (after exceptional items)	0.12	0.60
EBIDTA (before exceptional items) (In Lakhs)	16,408.72	20,903.25
Net Debt to EBITDA (before exceptional items)	0.12	0.72

The Net debt to EBITDA (after exceptional items) ratio for the current year decreased from 0.60 to 0.12 and Net debt to EBITDA (before exceptional items) ratio for the current year decreased from 0.72 to 0.12 due to repayment of borrowings during the year ended March 31, 2021.

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, 2021	As at March 31, 2020
On Equity shares of Rs. 2 each		
Final dividend		
Dividend paid (Rs. In Lakhs)	521.89	848.07
Dividend distribution tax (Rs. In Lakhs)	-	174.32
Dividend per equity share	0.80	1.30

The Board of Directors recommended a final dividend of Rs. 0.70 per share (nominal value of Rs. 2 per share) for the financial year 2020-21. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these financial statements. The total estimated dividend to be paid is 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 indicator 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
Revenue from operations			
For the year ended March 31, 2021	179,532.23	32.97	179,565.20
For the year ended March 31, 2020	199,273.09	6.84	199,279.93
Non current segment assets			
As at March 31, 2021	80,341.19	-	80,341.19
As at March 31, 2020	83,523.63	-	83,523.63

- 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 57% from one customer (previous year: 54%) and 27% from second customer (previous year: 26%).

24. Related party disclosures

Entity having significant influence over the Company

Denso Corporation, Japan

Subsidiary of the Company

Thai Subros Limited, Thailand (Liquidated w.e.f August 01, 2019)

Joint venture

Denso Subros Thermal Engineering Centre India Private Limited
(formerly known as Denso Subros Thermal Engineering Centre India Limited)

Key management personnel

Mr. Ramesh Suri, Chairman (Demised on May 12, 2021)
 Ms. Shradha Suri, Managing Director (Chairperson & Managing Director w.e.f May 26, 2021)
 Ms. Jyotsna Suri, Director
 Mr. Yasuhiro Iida, Nominee Director
 Mr. Mohammed Asad Pathan, Independent Director
 Mr. Ramamoorthy Rajagopalan Kuttalam, 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
 Mr. Toshihiro Saida, Nominee Director (Upto December 11, 2020)
 Mr. Tomoaki Yoshimori, Nominee Director (From December 12, 2020)
 Mr. Hidemasa Takahashi, Nominee Director (From March 30, 2021)
 Mr. Fumitaka Taki, Alternate Director
 Mr. Manoj Kumar Sethi, Executive Vice President – Finance (Upto March 31, 2021)
 Mr. Parmod Kumar Duggal, Chief Executive Officer (From April 01, 2021)
 Mr. Hemant Kumar Agarwal, Chief Financial Officer (From April 01, 2021)
 Mr. Rakesh Arora, Company Secretary

Relatives of key management personnel

Ms. Ritu Suri, Wife of Mr. Ramesh Suri

Entities over which key management personnel and/or their relatives have control or joint control:

SHS Transport Private Limited
 Rohan Motors Limited
 Hemkunt Service Station Private Limited
 Tempo Automobiles Private Limited
 Prima Telecom Limited
 Prima Infratech Private Limited
 Fibcom India Limited
 Deeksha Holding Limited
 Jyotsna Holding Private Limited
 RR Holdings Private Limited

List of other related parties - Post employment benefit plan of the Company

Subros Employees Group Gratuity Cum Life Assurance Trust
 Subros Employees Group Superannuation Cum Life Assurance Trust

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, 2021	For the year ended March 31, 2020
Entity having significant influence over the Company			
Denso Corporation	Sale of goods	32.97	5.26
	Reimbursement of expenses	128.69	189.43
	Royalty	1,856.86	1,913.38
	Receipt of technical services	1,043.12	1,119.52
	Dividend paid	104.38	169.61
Joint venture			
Denso Subros Thermal Engineering Centre India Private Limited (formerly known as Denso Subros Thermal Engineering Centre India Limited)	Purchase of intangible assets (Technical knowhow)	589.37	506.18
	Sale of services	-	24.01
	Rental income	29.13	24.57
	Reimbursement of expenses received	13.02	12.67

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

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Key management personnel			
Ms. Shradha Suri	Short term benefits	162.30	279.51
	Rent paid	7.28	7.28
	Post employment benefits	8.30	11.88
Mr. Ramesh Suri	Short term benefits	36.90	80.74
	Dividend paid	35.67	57.97
Ms. Jyotsna Suri	Sitting fees	3.75	2.75
	Rent paid	30.00	30.00
	Dividend paid	12.95	21.05
Mr. Mohammed Asad Pathan	Sitting fees	10.55	6.90
Mr. Ramamoorthy Rajagopalan Kuttalam	Sitting fees	9.75	6.00
Mr. Girish Narain Mehra	Sitting fees	15.80	11.30
Mr. Shailendra Swarup	Sitting fees	8.10	3.25
Ms. Meena Sethi	Sitting fees	12.30	8.65
Mr. Arvind Kapur	Sitting fees	5.25	2.00
Mr. Manoj Kumar Sethi	Short term benefits	67.66	88.73
	Post employment benefits	3.89	4.60
Mr. Rakesh Arora	Short term benefits	37.79	43.94
	Post employment benefits	2.08	2.24
	Other long term employee benefits	0.76	-
Relatives of key management personnel			
Ms. Ritu Suri	Rent paid	31.80	31.80
	Dividend paid	9.02	14.66
Contribution to funds			
Subros Employees Group Gratuity Cum Life Assurance Trust	Employer's contribution towards gratuity fund	19.72	9.50
Entities over which key management personnel and/or their relatives have control or joint control:			
Fibcom India Limited	Purchase of materials	0.51	0.77
Fibcom India Limited	Sale of goods	-	1.93
Hemkunt Service Station Private Limited	Purchase of materials	6.15	10.04
Prima Infratech Private Limited	Rent paid	196.02	223.34
Prima Infratech Private Limited	Reimbursement of Expenses	0.34	0.34
Prima Telecom Limited	Sale of goods	-	3.29
Prima Telecom Limited	Purchase of materials	-	26.53
Prima Telecom Limited	Purchase of property, plant and equipment	-	3.17
Prima Telecom Limited	Receiving of services	-	0.12
Prima Telecom Limited	Reimbursement of Expenses	0.21	-
Rohan Motors Limited	Purchase of property, plant and equipment	-	18.90
Rohan Motors Limited	Receiving of services	19.32	14.56
Rohan Motors Limited	Rent paid	16.02	13.62
Rohan Motors Limited	Dividend paid	0.05	0.08
Rohan Motors Limited	Reimbursement of Expenses	-	2.40
Rohan Motors Limited	Sale of goods	2.77	3.64
Rohan Motors Limited	Sale of property, plant and equipment	-	0.35
SHS Transport Private Limited	Receiving of services	855.33	930.97
SHS Transport Private Limited	Rent paid	4.67	4.67
Tempo Automobiles Private Limited	Sale of goods	-	38.75
Deeksha Holding Limited	Dividend paid	81.10	131.79
Jyotsna Holding Private Limited	Dividend paid	27.58	44.82
RR Holdings Private Limited	Dividend paid	25.66	41.70

(b) Outstanding balances :*(All amounts in Rs. Lakhs, unless otherwise stated)*

Relation	Particulars	As at March 31, 2021	As at March 31, 2020
Entity having significant influence over the Company	Trade payables	1,654.94	1,800.19
	Trade receivables	6.66	5.40
Joint venture	Trade payables	-	193.85
	Trade receivables	2.39	1.72
Key management personnel	Other financial liabilities (Capital Creditors)	346.17	-
	Other financial liabilities (security deposit)	6.14	6.14
	Other financial liabilities (due to directors)	-	99.49
	Other financial assets (security deposit)	3.30	3.30
Relatives of key management personnel	Other financial assets (security deposit)	14.41	14.41
Entities over which key management personnel and/or their relatives have control or joint control	Trade payables	298.82	321.05
	Trade receivables	61.13	66.37
	Other assets (advances to suppliers)	87.63	80.50
	Other financial assets (security deposit)	174.46	215.85
Post employment benefit plan of the Company	Other assets	0.59	0.67

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. 1,323.21 Lakhs (March 31, 2020: Rs. 1,534.05 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, 2021	As at March 31, 2020
Sales tax matters	79.74	190.74
Excise matters	4,067.99	4,067.99
Custom matters	15.19	15.19
Income tax matters	1,283.59	219.07
Claims made by workmen	370.27	318.56
Property tax	61.60	-

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.
- Guarantees issued by banks on behalf of the Company amounting to Rs. 501.39 Lakhs (March 31, 2020: Rs. 1,065.33 Lakhs).
 - Outstanding commitments under letter of credit established by the Company aggregate to Rs. 9,764.52 Lakhs (March 31, 2020: Rs. 2,868.22 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, 2021	As at March 31, 2020
Right-of-use assets		
Leasehold land	1,233.78	1,249.91
Buildings	796.67	943.89
Total	2,030.45	2,193.80

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

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities		
Current	129.20	135.48
Non-current	791.84	877.42
Total	921.04	1,012.90

Additions to the right-of-use assets during the current and previous financial year were 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, 2021	For the year ended March 31, 2020
Depreciation of right-of-use assets (refer note 20)		
Leasehold land	16.13	21.95
Buildings	147.22	150.71
Total	163.35	172.66

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense (included in finance costs - refer note 19)	88.14	96.34
Expense relating to short term leases (included in other expenses - refer note 21)	304.03	276.46
Total	392.17	372.80

The total cash outflow for leases (including interest on lease liabilities) for the year ended March 31, 2021 was Rs. 484.03 Lakhs. (March 31, 2020: Rs. 454.50 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 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 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, 2021	For the year ended March 31, 2020
Employer's contribution to Provident Fund*	704.61	725.86
Employer's contribution to Employees State Insurance Scheme*	108.68	129.85

* 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. 331.69 Lakhs (March 31, 2020: Rs. 621.95 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, 2021	As at March 31, 2020
Leave obligations not expected to be settled within the next 12 months	283.73	545.28

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)
As at March 31, 2021	
Discount rate (per annum)	6.88%
Rate of increase in compensation level (per annum)	7.00%
As at March 31, 2020	
Discount rate (per annum)	6.75%
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)
For the year ended March 31, 2021	
Current service cost	198.21
Past service cost	-
Actuarial loss/(gain)	-
Net interest cost/(income) or the net defined benefit liability/(asset)	59.45
Expenses recognized in Statement of Profit and Loss	257.66
For the year ended March 31, 2020	
Current service cost	205.46
Past service cost	-
Actuarial loss/(gain)	-
Net interest cost/(income) or the net defined benefit liability/(asset)	34.17
Expenses recognized in Statement of Profit and Loss	239.63

Components of expenses recognized in the other comprehensive income in respect of:

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

PARTICULARS	Gratuity (Funded)
For the year ended March 31, 2021	143.30
Actuarial gains/(loss) on:	
-changes in demographic assumptions	-
-changes in financial assumptions	25.77
-experience variance	126.24
-plan asset	(8.71)
For the year ended March 31, 2020	(333.34)
Actuarial gains/(loss) on:	
-changes in demographic assumptions	(1.26)
-changes in financial assumptions	(237.26)
-experience variance	(89.22)
-plan asset	(5.60)

Actuarial (gain) / loss on obligations*(All amounts in Rs. Lakhs, unless otherwise stated)*

PARTICULARS	Gratuity (Funded)
For the year ended March 31, 2021	
Actuarial (gain) / loss on arising from change in demographic assumption	-
Actuarial (gain) / loss on arising from change in financial assumption	(25.77)
Actuarial (gain) / loss on arising from experience adjustment	(126.24)
For the year ended March 31, 2020	
Actuarial (gain) / loss on arising from change in demographic assumption	1.26
Actuarial (gain) / loss on arising from change in financial assumption	237.25
Actuarial (gain) / loss on arising from experience adjustment	89.22

Actuarial gain / (loss) on plan assets*(All amounts in Rs. Lakhs, unless otherwise stated)*

PARTICULARS	Gratuity (Funded)
For the year ended March 31, 2021	
Return on plan assets, excluding amount recognized in net interest expense	82.65
Remeasurement for actuarial (gain)/loss arising because of change in effect of asset ceiling	(73.94)
Component of defined benefit costs recognized in other comprehensive income	8.71
For the year ended March 31, 2020	
Return on plan assets, excluding amount recognized in net interest expense	86.21
Remeasurement for actuarial (gain)/loss arising because of change in effect of asset ceiling	(80.61)
Component of defined benefit costs recognized in other comprehensive income	5.60

The current service cost and the interest expense for the year are included in the "Employee benefit 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)
As at March 31, 2021	
Present value of obligation	2,183.18
Fair value of plan assets	1,301.96
Surplus/(deficit)	(881.22)
Asset ceiling	-
Net asset/(liability)	(881.22)
As at March 31, 2020	
Present value of obligation	2,105.23
Fair value of plan assets	1,224.39
Surplus/(deficit)	(880.84)
Asset ceiling	-
Net asset/(liability)	(880.84)

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)
For the year ended March 31, 2021	
Present value of the obligation as at the beginning	2,105.23
Current service cost	198.21
Interest cost	142.10
Remeasurement (or actuarial) (gain)/loss arising from:	
-Change in demographic assumptions	(25.77)
-Change in financial assumptions	(126.24)
-experience variance	-
Past service cost	-
Benefits paid	(110.35)
Present value of the obligation as at the end	2,183.18
For the year ended March 31, 2020	
Present value of the obligation as at the beginning	1,583.94
Current service cost	205.46
Interest cost	120.38
Remeasurement (or actuarial) (gain)/loss arising from:	
-Change in demographic assumptions	1.26
-Change in financial assumptions	237.25
-experience variance	89.22
Past service cost	-
Benefits paid	(132.28)
Present value of the obligation as at the end	2,105.23

Movement in the fair value of the plan assets are as follows:

PARTICULARS	Gratuity (Funded)
For the year ended March 31, 2021	
Fair value of plan assets at the beginning	1,224.39
Interest income	73.93
Employer contribution	3.64
Benefits paid	-
Actuarial gain/(loss) on plan assets	-
Fair value of plan assets at the end	1,301.96
For the year ended March 31, 2020	
Fair value of plan assets at the beginning	1,134.29
Interest income	80.60
Employer contribution	9.50
Benefits paid	-
Actuarial gain/(loss) on plan assets	-
Fair value of plan assets at the end	1,224.39

Major categories of plan assets (as % of total plan assets):

PARTICULARS	Gratuity (Funded)
As at March 31, 2021	
Funds managed by insurer	100%
Total	100%
As at March 31, 2020	
Funds managed by insurer	100%
Total	100%

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)
As at March 31, 2021	
	Change in defined benefit obligation
Increase in discount rate by 0.5%	Decrease by 95.08
Decrease in discount rate by 0.5%	Increase by 102.72
Increase in expected salary growth rate by 0.5%	Increase by 98.99
Decrease in expected salary growth rate by 0.5%	Decrease by 92.66
As at March 31, 2020	
	Change in defined benefit obligation
Increase in discount rate by 0.5%	Decrease by 95.00
Decrease in discount rate by 0.5%	Increase by 102.75
Increase in expected salary growth rate by 0.5%	Increase by 98.69
Decrease in expected salary growth rate by 0.5%	Decrease by 92.30

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, 2021 is 13.54 years (March 31, 2020 is 13.60 years).

The Company expects to make a contribution of Rs. 289.12 Lakhs (March 31, 2020: Rs. 290.46 Lakhs) to the defined benefit plans during the next financial year.

Maturity Profile of Defined Benefit Obligation

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

Year	Gratuity (Funded)
As at March 31, 2021	
April 1, 2021 - March 31, 2022	149.38
April 1, 2022 - March 31, 2023	117.97
April 1, 2023 - March 31, 2024	150.51
April 1, 2024 - March 31, 2025	121.78
April 1, 2025 - March 31, 2026	115.40
April 1, 2026 - March 31, 2027	137.99
April 1, 2027 Onwards	1,390.15
Total	2,183.18
As at March 31, 2020	
April 1, 2020 - March 31, 2021	122.54
April 1, 2021 - March 31, 2022	123.51
April 1, 2022 - March 31, 2023	109.37
April 1, 2023 - March 31, 2024	142.93
April 1, 2024 - March 31, 2025	111.45
April 1, 2025 - March 31, 2026	107.68
April 1, 2026 Onwards	1,387.75
Total	2,105.23



29. Research and development expenses

The Company has two in-house Research and Development Centres, approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. 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, 2021		For the year ended March 31, 2020	
	Noida	Pune	Noida	Pune
Capital expenditure	304.98	-	77.22	-
Revenue expenditure - charged to Statement of Profit and Loss*	944.02	0.80	960.76	14.35
Revenue expenditure - towards development cost	1,117.19	-	1,556.69	18.16
Total	2,366.19	0.80	2,594.67	32.51

* 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. Such expenditure is subject to approval of appropriate authorities.

30. Earnings Per Share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic earnings per share (Rs.)	7.16	12.96
Diluted earnings per share (Rs.)	7.16	12.96
Profit attributable to the equity holders of the Company used in calculating basic earnings per share and diluted earnings per share (Rs. Lakhs)	4,671.25	8,455.64
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, 2021	For the year ended March 31, 2020
Salaries, wages and other amenities to staff	1,193.83	2,097.46
Power and fuel	91.66	179.51
Rent	79.45	199.47
Repair and maintenance	77.18	172.71
Depreciation	47.76	114.37
Other overheads	260.56	507.34
Total	1,750.44	3,270.86

32. Borrowing costs

Borrowing cost amounting to Rs. Nil (Previous Year: Rs. 40 Lakhs) has been capitalized with the cost of property, plant and equipment as per Indian Accounting Standard (Ind AS) 23 on "Borrowing Costs".

33. Exceptional items

The Company has received Rs. 5,066.62 Lakhs on April 25, 2019 as final settlement amount from insurance company against loss of property, plant and equipment and additional expenditure incurred to restore supplies at Manesar plant due to fire incident and accordingly Rs. 4,128.56 Lakhs, over and above Rs. 938.06 Lakhs disclosed as recoverable under the head "Other financial assets" as on March 31, 2019, has been disclosed as an income under the head Exceptional Items for the year ended March 31, 2020.

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, 2021	As at March 31, 2020
Cash and cash equivalents	3,276.25	436.97
Current borrowings	-	(8,981.93)
Non-current borrowings	(4,265.84)	(5,501.33)
Lease liabilities	(921.04)	(1,012.90)
Net debt	(1,910.63)	(15,059.19)

Description	Other assets	Liabilities from financing activities			Net debt
	Cash & cash equivalents	Current borrowings (Incl interest)	Non-current borrowings (Incl current maturities and interest)	Lease liabilities	
As at April 01, 2019	653.02	(13,086.99)	(11,432.30)	(1,094.60)	(24,960.87)
Cash flows	(216.05)	4,049.31	6,154.92	81.70	10,069.88
Foreign exchange adjustments	-	-	(244.36)	-	(244.36)
Interest expense	-	(2,444.01)	(521.96)	(96.34)	(3,062.31)
Interest paid	-	2,499.76	542.37	96.34	3,138.47
As at March 31, 2020	436.97	(8,981.93)	(5,501.33)	(1,012.90)	(15,059.19)
Cash flows	2,839.28	8,981.93	1,043.65	91.86	12,956.72
Foreign exchange adjustments	-	-	176.21	-	176.21
Interest expense	-	(897.05)	(326.59)	(88.14)	(1,311.78)
Interest paid	-	897.05	342.22	88.14	1,327.41
As at March 31, 2021	3,276.25	-	(4,265.84)	(921.04)	(1,910.63)

35. 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, 2021	March 31, 2020
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	170.14	113.82
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	26.03	20.31
(iii) Principal amount paid to suppliers registered under the MSMED ACT, beyond the appointed day during the year	667.62	692.94
(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	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act for payments already made	3.14	6.17
(vii) Further interest remaining due and payable for earlier years	20.31	14.05

36. Changes in accounting policies

This note explains the impact of the adoption of Ind AS 116, Leases on the Company's financial statements.

Impact on the financial statements - lease accounting

The Company has adopted Ind AS 116 retrospectively from April 01, 2019, but has not restated comparatives for the year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet as on April 01, 2019.

The new accounting policies are disclosed in Note 2(c)(xiv).

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as on April 01, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 01, 2019 was 9.25% / 9.75%.

For long term leases related to leasehold land obtained from government authorities previously classified as finance lease, the entity recognised the carrying amount of the leased asset immediately before transition as the carrying amount of the right-of-use asset at the date of initial application.

(i) Practical expedients applied

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- Exclude the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

- Accounting for operating leases with a remaining lease term of less than 12 months as at April 01, 2019 as short term leases.
- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Electing not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

(ii) Measurement of Lease Liabilities

Operating lease commitments disclosed as at March 31, 2019	-
Discounted using the lessee's incremental borrowing rate at the date of initial application	1,094.60
Add: Finance lease liabilities recognised as at March 31, 2019	-
Lease liability recognised as at April 01, 2019	1,094.60
Of which are:	
Current lease liabilities	124.78
Non-current lease liabilities	969.82
	1,094.60

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis with the cumulative effect of initially applying the standard recognised at the date of initial application, with right-of-use asset recognised at an amount equal to the lease liability, adjusted by the prepaid lease rent.

(iv) Adjustments recognised in the balance sheet on April 01, 2019

The change in accounting policy affected the following items in the balance sheet on April 01, 2019:

- Property, plant and equipment - decrease by Rs. 1,271.86 Lakhs
- Right-of-use assets increase by Rs. 2,366.46 Lakhs
- Prepayments - decrease by Rs 18.47 Lakhs
- Lease liabilities (net of prepayments) - increase by Rs 1,076.13 Lakhs

The net impact on retained earnings on April 01, 2019 was decrease by Rs Nil.

(v) Lessor accounting

The Company did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of Ind AS 116.

37. Pursuant to the approval of Board of Directors in their meeting held on May 28, 2018 for closure of Company's overseas subsidiary Thai Subros Ltd. and filing of liquidation application in Thailand on January 09, 2019, the management has assessed the recoverability of their investment in subsidiary and recognised the provision for diminution in the value of its investment in subsidiary amounting to Rs. 21.35 Lakhs during the year ended March 31, 2019. The liquidation of the subsidiary has been completed on August 01, 2019 vide Certificate issued by Department of Business Development, Ministry of Commerce, Thailand and the Company has recognized a gain of Rs. 0.42 Lakhs during the year ended March 31, 2020 included in 'Other Income' on account of money realized over and above the carrying value of its investment in subsidiary.
38. 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 financial statements. The Company will continue to monitor and evaluate its position based on future events and developments.

39. The outbreak of Covid-19 pandemic has created economic disruption throughout the world including India. The Company's operations have been adversely impacted due to the consequent lockdown announced by the Government of India due to which the operations were suspended for part of the first quarter and gradually resumed with requisite precautions.

The Company has considered the possible effects that may result from COVID-19 in the preparation of these standalone financial statements for the year ended March 31, 2021. While assessing the carrying value of its assets and liabilities, the Company has considered internal and external information available, and based on such information and assessment, has concluded that no further adjustments are required to be made to these standalone financial statements. However, given the evolving scenario and uncertainties with respect to nature and duration, the impact of the pandemic may differ from that estimated as at the date of approval of these standalone financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

40. The financial statements were approved by the Board of Directors and authorized for issue on June 29, 2021.

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

Rajib Chatterjee
Partner
Membership No :057134

Place : Gurugram
Date : June 29, 2021

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 &
Assistant Vice President
(Finance)

Place : New Delhi
Date : June 29, 2021

Parmod Kumar Duggal
Chief Executive Officer

Rakesh Arora
Company Secretary
ICSI Membership No:- A8193



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 Lakhs)	
1	Name of the subsidiary	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 Lakhs)
1	Latest audited Balance Sheet Date	31/03/2021
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	214.39
6	Profit / Loss for the year	
	i. Considered in Consolidation	68.54
	ii. 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, 2021, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its joint venture as at March 31, 2021, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit

of the Consolidated Financial Statements section of our report. We are independent of the 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 ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 15 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

4. We draw your attention to Note 40 to the consolidated financial statements, which describes the management's assessment of the impact of outbreak of Coronavirus (Covid-19) on the business operations of the Company and its joint venture. The management believes that no adjustments, other than those already considered, are required in the consolidated financial statements, however, in view of the highly uncertain economic environment, a definitive assessment of the impact on subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Appropriateness of capitalisation of internal development costs</p> <p>[Refer note 2 (significant accounting policies) and note 4 (intangible assets under development) to the consolidated financial statements]</p> <p>During the year ended March 31, 2021, the Company has capitalized significant costs incurred on internal development of Intangible Assets amounting to Rs. 2,731.80 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 employees' payroll and other costs.</p>	<p>We performed the following procedures, amongst others</p> <ul style="list-style-type: none"> - Understood and evaluated the financial controls for the capitalisation of internal development costs and tested such controls. - Assessed the appropriateness of capitalization of product development costs with the criteria to capitalize product development costs and held discussion with the management to understand their assessment to support the product's commercial viability. - Tested the accuracy and allocation of capitalized payroll and other costs and assessed whether these are directly attributable to the development as against research.



<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> <p>i) whether the costs incurred is towards development of product or in the nature of research,</p> <p>ii) the costs, including payroll costs, were directly attributable to relevant projects, and</p> <p>iii) key assumptions such as future revenue, margins and the discount rate used to assess the future cash flows from the expected use of such assets once developed and capitalised.</p>	<ul style="list-style-type: none"> - 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 auditor’s expert 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. - 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. <p>As a result of the above procedures, the capitalisation of internal development costs by the Company was considered to be appropriate.</p>
---	---

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 15 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

7. The 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.

8. 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.
9. 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

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

11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the 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 entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance of the Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- Other Matters**
15. The consolidated financial statements include the Company's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 68.54 Lakhs for the year ended March 31, 2021 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 auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of the 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 reports of the other auditors.
- 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 reports of the other auditors.
- Report on Other Legal and Regulatory Requirements**
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 reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors 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, 2021 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 had long-term contracts as at March 31, 2021 for which there were no material foreseeable losses. The Company and its joint venture does not have long-term derivative contracts as at March 31, 2021.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the joint venture incorporated in India during the year March 31, 2021.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company and its joint venture for the year ended March 31, 2021.
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

Place of the Signature: Gurugram Membership Number 057134
Date: June 29, 2021 UDIN: 21057134AAAAAJ2237

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 as of and for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to 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, 2021, we have audited the internal financial controls with reference to financial statements of Subros Limited (hereinafter referred to as "the Company") and its joint venture, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Company and its joint venture, 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, which are companies incorporated in India, 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 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 respective 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 financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 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 financial statements

and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to 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 and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, 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 issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of the main audit report.

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the

internal financial controls with reference to financial statements insofar as it relates to the joint venture, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India. Our opinion is not qualified in respect of this matter.

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

Rajib Chatterjee
Partner
Membership Number 057134
UDIN: 21057134AAAAAJ2237

Place of the Signature: Gurugram
Date: June 29, 2021

CONSOLIDATED BALANCE SHEET

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

Particulars	Note no	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3	59,516.82	59,166.30
Right of use assets	27	2,030.45	2,193.80
Capital work-in-progress	3	1,343.99	3,969.54
Intangible assets	4	12,944.88	15,183.84
Intangible assets under development	4	4,016.63	2,625.83
Investment accounted for using the equity method	5(a)(ii)	214.39	145.85
Financial assets			
i) Investment	5(a)(i)	299.98	-
ii) Loans	5(e)	866.83	940.01
iii) Other financial assets	5(f)	-	23.26
Non-current tax assets (net)	9	67.97	59.49
Other non-current assets	7	488.42	384.32
Total non-current assets		81,790.36	84,692.24
Current assets			
Inventories	8	28,140.69	23,423.12
Financial assets			
i) Trade receivables	5(b)	20,426.65	18,928.72
ii) Cash and cash equivalents	5(c)	3,276.25	436.97
iii) Bank balances other than (ii) above	5(d)	8,640.35	8,653.53
iv) Loans	5(e)	79.45	94.70
v) Other financial assets	5(f)	266.57	993.14
Other current assets	7	2,312.47	1,598.92
Total current assets		63,142.43	54,129.10
TOTAL ASSETS		144,932.79	138,821.34
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10 (a)	1,304.71	1,304.71
Other equity	10 (b)	78,206.74	73,895.85
Total equity		79,511.45	75,200.56
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	11 (a)	2,496.51	2,275.71
- Lease liabilities	27	791.84	877.42
Deferred tax liabilities (net)	6	1,772.16	1,635.75
Provisions	12	1,109.12	1,104.68
Total non-current liabilities		6,169.63	5,893.56
Current liabilities			
Financial liabilities			
i) Borrowings	11 (b)	-	8,981.93
ii) Lease liabilities	27	129.20	135.48
iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	11 (d)	170.14	113.82
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	11 (d)	51,301.52	38,401.48
iv) Other financial liabilities	11 (c)	4,434.82	7,114.49
Contract liabilities	13 (a)	532.44	556.95
Other current liabilities	13 (b)	2,010.06	1,128.31
Provisions	12	673.53	957.70
Current tax liabilities	11 (e)	-	337.06
Total current liabilities		59,251.71	57,727.22
TOTAL LIABILITIES		65,421.34	63,620.78
TOTAL EQUITY AND LIABILITIES		144,932.79	138,821.34

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

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
Chief Executive Officer

Place : Gurugram
Date : June 29, 2021

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

Rakesh Arora
Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : June 29, 2021

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

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

	Particulars	Note no	For the year ended March 31, 2021	For the year ended March 31, 2020
I	Revenue from operations	14	179,565.20	199,279.93
II	Other income	15	1,031.27	2,034.72
III	Total income (I + II)		180,596.47	201,314.65
IV	Expenses			
	Cost of material consumed	16	130,354.78	140,881.50
	Changes in inventories of finished goods and work-in-progress	17	(1,339.95)	(92.14)
	Employee benefits expense	18	18,752.35	20,727.09
	Finance costs	19	1,624.71	3,633.93
	Depreciation and amortization expense	20	9,210.77	9,030.44
	Other expenses	21	16,420.57	18,859.31
	Total expenses (IV)		175,023.23	193,040.13
V	Profit before exceptional items, share of net profits of joint venture accounted for using equity method and tax (III - IV)		5,573.24	8,274.52
VI	Share of net profit/(loss) of joint venture accounted for using equity method	5(a)(ii)	67.86	(8.22)
VII	Profit before exceptional items and tax (V + VI)		5,641.10	8,266.30
VIII	Exceptional items	33	-	4,128.56
IX	Profit before tax (VII+VIII)		5,641.10	12,394.86
X	Tax expense:	6		
	-Current tax		815.89	2,282.49
	-Deferred tax		86.10	1,629.31
	Total tax expense (X)		901.99	3,911.80
XI	Profit for the year (IX-X)		4,739.11	8,483.06
XII	Other comprehensive income			
	<i>Items that will not be reclassified to profit or loss</i>			
	Gain / (Loss) on remeasurements of post employment benefit obligations	28	143.30	(333.34)
	Share of other comprehensive income of joint venture accounted for using equity method	5(a)(ii)	0.68	(2.66)
	Income tax relating to the above item	6	(50.31)	117.40
	Other comprehensive income for the year, net of tax (XII)		93.67	(218.60)
XIII	Total comprehensive income for the year (XI + XII)		4,832.78	8,264.46
	Earning per equity share (in Rs.) [Face value Rs. 2 each (March 31, 2020 : Rs. 2 each)]	30		
	Basic and Diluted		7.26	13.00

The accompanying notes are an integral part of these consolidated financial statements

This is the consolidated Statement of Profit and Loss 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
Chief Executive Officer

Place : Gurugram
Date : June 29, 2021

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

Rakesh Arora
Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : June 29, 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

A. Equity share capital

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

Particulars	Note no	Amount
Balance at March 31, 2019	10 (a)	1,304.71
Changes in equity share capital during 2019-20		-
Balance at March 31, 2020		1,304.71
Changes in equity share capital during 2020-21		-
Balance at March 31, 2021		1,304.71

B. Other equity

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

Particulars	Note no	Reserves and surplus				Other reserves	Total
		Securities Premium	General reserve	Debenture redemption reserve	Retained earnings	Foreign currency translation reserve	
Balance as at March 31, 2019	10 (b)	20,817.44	12,125.48	1,000.00	32,710.86	35.81	66,689.59
Profit for the year		-	-	-	8,483.06	-	8,483.06
Other comprehensive Income		-	-	-	(218.60)	-	(218.60)
Total comprehensive income for the year		-	-	-	8,264.46	-	8,264.46
Dividends paid		-	-	-	(848.07)	-	(848.07)
Dividend distribution tax		-	-	-	(174.32)	-	(174.32)
Foreign currency translation reserve transferred on liquidation of subsidiary		-	-	-	-	(35.81)	(35.81)
Transfer to/(from) retained earnings		-	150.00	-	(150.00)	-	-
Transfer (to)/from debenture redemption reserve		-	-	(750.00)	750.00	-	-
Balance as at March 31, 2020		20,817.44	12,275.48	250.00	40,552.93	-	73,895.85
Profit for the year		-	-	-	4,739.11	-	4,739.11
Other comprehensive income		-	-	-	93.67	-	93.67
Total comprehensive income for the year		-	-	-	4,832.78	-	4,832.78
Dividends paid		-	-	-	(521.89)	-	(521.89)
Dividend distribution tax		-	-	-	-	-	-
Foreign currency translation reserve transferred on liquidation of subsidiary		-	-	-	-	-	-
Transfer to/(from) retained earnings		-	150.00	-	(150.00)	-	-
Transfer (to)/from debenture redemption reserve		-	-	(250.00)	250.00	-	-
Balance as at March 31, 2021		20,817.44	12,425.48	-	44,963.82	-	78,206.74

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

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
Chief Executive Officer

Place : Gurugram
Date : June 29, 2021

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

Rakesh Arora
Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : June 29, 2021

CONSOLIDATED CASH FLOW STATEMENT

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	5,641.10	12,394.86
Adjustments for:		
Depreciation and amortization expense	9,210.77	9,030.44
Net (profit)/loss on disposal of property, plant and equipment	34.10	(1.51)
Interest income on financial assets at amortized cost and others	(526.06)	(683.00)
Finance costs	1,624.71	3,633.93
Provision for inventory obsolescence made / (written back)	(5.77)	354.22
Unrealized foreign currency (gain) / loss (net)	(842.85)	284.31
Foreign currency translation reserve transferred from Other comprehensive income	-	(35.81)
Loss allowance	189.41	-
Fair value changes on derivatives	938.13	(1,044.98)
Share of net profit of joint venture accounted for using equity method	(67.86)	8.22
Operating profit before working capital changes	16,195.68	23,940.68
Adjustments for Changes in working capital:		
(Increase)/ Decrease in loans (non-current)	73.18	21.77
(Increase)/ Decrease in other financial assets (non-current)	21.90	32.28
(Increase)/ Decrease in inventories	(4,711.80)	1,143.70
(Increase)/ Decrease in trade receivables	(1,687.34)	(2,196.67)
(Increase)/ Decrease in loans (current)	15.25	13.19
(Increase)/ Decrease in Bank balances other than cash and cash equivalents	11.34	(317.31)
(Increase)/ Decrease in other financial assets (current)	-	2,491.91
(Increase)/ Decrease in other current assets	(713.55)	644.77
Increase/ (Decrease) in non-current provisions	147.74	135.21
Increase/ (Decrease) in trade payables	13,694.50	(756.37)
Increase/ (Decrease) in Contract liabilities	(24.51)	(46.12)
Increase/ (Decrease) in other financial liabilities (current)	(1,627.56)	1,195.03
Increase/ (Decrease) in other current liabilities	881.75	(408.73)
Increase/ (Decrease) in current provisions	(284.17)	184.24
Cash generated from operations	21,992.41	26,077.58
Income tax paid (net)	(1,161.43)	(2,199.92)
Net cash inflow from operating activities	20,830.98	23,877.66
Cash flow from investing activities		
Payments for property, plant and equipment, capital work in progress, intangible assets and intangible assets under development	(6,352.02)	(9,811.77)
Payment for purchase of investment	(299.98)	-
Proceeds from sale of property, plant and equipment	128.20	27.69
Interest received	687.25	456.46
Net cash (outflow) from investing activities	(5,836.55)	(9,327.62)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from financing activities		
Proceeds from long term borrowings	1,500.00	-
Repayment of long term borrowings	(2,642.91)	(5,958.06)
Principal element of lease payment	(91.86)	(81.70)
Proceeds / (repayment) of short term borrowings	(8,981.93)	(4,049.32)
Interest paid	(1,416.56)	(3,707.27)
Dividend paid	(521.89)	(848.06)
Dividend distribution tax	-	(174.32)
Net cash outflow from financing activities	(12,155.15)	(14,818.73)
Net increase / (decrease) in cash and cash equivalents	2,839.28	(268.69)
Cash and cash equivalents at the beginning of the financial year	436.97	705.66
Cash and cash equivalents at the end of the financial year [refer note 5(c)]	3,276.25	436.97
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	4.39	11.26
Balance with banks	3,271.86	425.71
	3,276.25	436.97

Note: The above Consolidated Cash Flow Statement 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 cash flow statement 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
Chief Executive Officer

Place : Gurugram
Date : June 29, 2021

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

Rakesh Arora
Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : June 29, 2021



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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) and the National Stock Exchange (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 Company has applied the following amendments for the first time for their annual reporting period commencing April 01, 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8

- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

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

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. Recognition of deferred tax assets – Refer note 6
- d. Estimation of provision for warranty – Refer note 12
- e. Estimated useful life of property, plant and equipment and intangible assets – Refer note 3 & 4

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 includes 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 costs

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 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

The Company manufactures and sells auto-air conditioning system primarily in the domestic market. 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.

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. Low-value assets comprise IT equipment and small items of office furniture.

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. The Company did not need to make any adjustments to the accounting for assets held as lessor as result of adopting the new standard.

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 substantively 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) 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.

xvi) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. 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) 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 of thermal products (Automotive air conditioning systems and parts thereof) for automotive applications.

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.

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, 2021

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

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

Particulars	Freehold land	Leasehold land	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total	Capital work-in-progress (CWIP)
Gross carrying amount									
Balance as at March 31, 2019	2,093.62	1,323.52	13,405.88	48,263.35	473.51	604.00	1,057.38	67,221.26	6,326.46
Adjustment for change in accounting policy (Refer note 37)	-	(1,323.52)	-	-	-	-	-	(1,323.52)	-
Additions	1,820.33	-	-	-	50.28	43.27	148.19	2,062.07	8,230.72
Transfer from CWIP	-	-	6,475.54	4,091.92	-	-	-	10,567.46	(10,567.46)
Disposals / adjustments	-	-	(4.00)	(97.66)	(3.24)	(67.44)	(126.29)	(298.63)	(20.18)
Balance as at March 31, 2020	3,913.95	-	19,877.42	52,257.61	520.55	579.83	1,079.28	78,228.64	3,969.54
Additions	225.24	-	-	-	14.93	35.74	211.26	487.17	2,968.03
Transfer from CWIP	-	-	1,334.78	4,258.80	-	-	-	5,593.58	(5,593.58)
Disposals / adjustments	-	-	(7.50)	(589.25)	(1.29)	(186.34)	(117.18)	(901.56)	-
Balance as at March 31, 2021	4,139.19	-	21,204.70	55,927.16	534.19	429.23	1,173.36	83,407.83	1,343.99
Accumulated depreciation As at March 31, 2019	-	51.66	1,140.07	12,182.20	118.31	151.51	361.10	14,004.85	-
Adjustment for change in accounting policy (Refer note 37)	-	(51.66)	-	-	-	-	-	(51.66)	-
Depreciation charge during the year	-	-	579.55	4,461.69	44.72	77.13	218.51	5,381.60	-
Disposals / adjustments	-	-	(0.44)	(84.05)	(2.54)	(63.98)	(121.44)	(272.45)	-
Balance as at March 31, 2020	-	-	1,719.18	16,559.84	160.49	164.66	458.17	19,062.34	-
Depreciation charge during the year	-	-	649.16	4,593.70	46.70	72.98	205.41	5,567.95	-
Disposals / adjustments	-	-	(7.43)	(448.56)	(0.82)	(170.74)	(111.73)	(739.28)	-
Balance as at March 31, 2021	-	-	2,360.91	20,704.98	206.37	66.90	551.85	23,891.01	-
Net carrying amount As at March 31, 2020	3,913.95	-	18,158.24	35,697.77	360.06	415.17	621.11	59,166.30	3,969.54
Net carrying amount As at March 31, 2021	4,139.19	-	18,843.79	35,222.18	327.82	362.33	621.51	59,516.82	1,343.99

Notes:

- i) Depreciation pertaining to machineries used for manufacture of moulds has been capitalized during the year amounting to Rs. 44.62 Lakhs (Previous year Rs. 108.46 Lakhs).
- ii) Capital work-in-progress mainly comprises of building and plant and machinery.
- iii) Refer note 25 to these 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, 2021	As at March 31, 2020
Current:			
First Charge			
Inventories	8	28,140.69	23,423.12
Financial assets			
- Trade receivables	5(b)	20,426.65	18,928.72
- Cash and cash equivalents	5(c)	3,276.25	436.97
- Other bank balances	5(d)	8,600.00	8,593.77
- Loans	5(e)	79.45	94.70
- Other financial assets	5(f)	266.57	993.14
Other current assets	7	2,312.47	1,598.92
Total current assets pledged as security		63,102.08	54,069.34
Non current:			
First charge			
Property, plant and equipment	3	36,171.51	35,697.77
Total non-current assets pledged as security		36,171.51	35,697.77
Total assets pledged as security		99,273.59	89,767.11

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
Gross carrying amount					
Balance as at March 31, 2019	286.03	10,633.03	15,264.48	26,183.54	2,275.40
Additions	50.47	7.54	-	58.01	3,297.94
Transfer from intangible assets under development		433.59	2,476.39	2,909.98	(2,909.98)
Disposals / adjustments	-	-	20.18	20.18	(37.53)
Balance as at March 31, 2020	336.50	11,074.16	17,761.05	29,171.71	2,625.83
Additions	18.99	-	-	18.99	2,731.80
Transfer from intangible assets under development	10.95	436.35	822.00	1,269.30	(1,269.30)
Disposals / adjustments	(39.65)	-	-	(39.65)	(71.70)
Balance as at March 31, 2021	326.79	11,510.51	18,583.05	30,420.35	4,016.63
Accumulated amortization					
As at March 31, 2019	169.66	3,776.93	6,450.73	10,397.32	-
Amortization charge for the year	66.63	1,336.18	2,187.74	3,590.55	-
Disposals / adjustments	-	-	-	-	-
Balance as at March 31, 2020	236.29	5,113.11	8,638.47	13,987.87	-
Amortization charge for the year	61.56	1,335.34	2,130.33	3,527.23	-
Disposals / adjustments	(39.63)	-	-	(39.63)	-
Balance as at March 31, 2021	258.22	6,448.45	10,768.80	17,475.47	-
Net carrying amount					
As at March 31, 2020	100.21	5,961.05	9,122.58	15,183.84	2,625.83
Net carrying amount					
As at March 31, 2021	68.57	5,062.06	7,814.25	12,944.88	4,016.63

Notes-

- Amortization pertaining to software used for manufacture of moulds has been capitalized during the year amounting to Rs. 3.14 Lakhs (Previous year Rs. 5.91 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.

5 (a) Interest in other entities

(i). Other investment in equity instruments

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in equity instruments (at fair value through profit or loss)		
Unquoted (fully paid- up)		
Amplus Green Power Private Limited	299.98	-
1,719,061 (March 31, 2020: Nil) Fully paid up equity shares of Rs. 17.45 each		
Total investments	299.98	-
Aggregate value of unquoted investments	299.98	-
Aggregate amount of impairment in the value of investments	-	-

(ii) Investment accounted for using the equity method*

Name of the entity and equity contribution	Place of business/ country of incorporation	% of ownership interest	Accounting method	Carrying amount as at March 31, 2021	Carrying amount as at March 31, 2020	Principal activities
Denso Subros Thermal Engineering Centre India Private Limited (formerly known as Denso Subros Thermal Engineering Centre India Limited) [1,767,999 (March 31, 2020: 1,767,999) fully paid up equity shares of Rs. 10 each]	India	26%	Equity method	145.85	156.73	Providing application design services primarily to Subros Limited and to other entities related to the Denso Group.
Add:- Share of profit / (loss) of joint venture accounted for using the equity method				68.54	(10.88)	
Total equity accounted investment				214.39	145.85	

* 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 (formerly known as Denso Subros Thermal Engineering Centre India Limited)

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

Description	As at March 31, 2021	As at March 31, 2020
Current assets		
Financial assets		
(i) Trade receivables	457.18	464.51
(ii) Cash and cash equivalents	618.01	341.55
(iii) Other current financial assets	0.04	1.54
(iv) Loans	-	3.80
Other current assets	136.31	204.29
Other tax assets (net)	11.97	-
Employee benefits	9.11	-
Total current assets	1,232.62	1,015.69
Total non-current assets	184.44	173.36
Current liabilities		
Financial liabilities		
(i) Trade payables	181.50	156.04
(ii) Other financial liabilities	143.20	198.26
Other current liabilities	39.46	55.41
Short-term provisions	178.89	175.68
Total current liabilities	543.05	585.39
Total non-current liabilities	49.47	42.72
Net assets	824.54	560.94

Reconciliation to carrying amounts*(All amounts in Rs. Lakhs, unless otherwise stated)*

Description	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening net assets	560.94	602.79
Profit / (Loss) for the year	260.99	(31.61)
Other comprehensive income	2.61	(10.24)
Closing net assets	824.54	560.94
Company's share in %	26%	26%
Company's share in INR	214.39	145.85
Carrying amount	214.39	145.85

Summarized Statement of Profit and Loss*(All amounts in Rs. Lakhs, unless otherwise stated)*

Description	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operations	1,864.98	1,752.42
Other income	44.57	48.55
Employee benefits expense	(1,040.14)	(1,236.56)
Depreciation and amortization expense	(36.90)	(34.98)
Other expenses	(479.97)	(534.48)
Income tax expenses	(91.55)	(26.56)
Profit / (Loss) for the year	260.99	(31.61)
Other comprehensive income	2.61	(10.24)
Total comprehensive income	263.60	(41.85)

Note: There are no contingent liabilities and commitments related to joint venture as on March 31, 2021 and March 31, 2020.

5(b). Trade receivables*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables	20,545.88	18,855.23
Receivables from related parties (refer note 24)	70.18	73.49
Less: Loss allowance	(189.41)	-
Total trade receivables	20,426.65	18,928.72
Current portion	20,426.65	18,928.72
Non-current portion	-	-

Breakup of security details*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	20,616.06	18,928.72
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	-	-
Total	20,616.06	18,928.72
Loss allowance	(189.41)	-
Total trade receivables	20,426.65	18,928.72

5(c). Cash and cash equivalents*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- In current accounts	3,271.86	425.71
Cash on hand	4.39	11.26
Total cash and cash equivalents	3,276.25	436.97

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, 2021	As at March 31, 2020
Earmarked balances with banks		
Deposits with original maturity of more than three months but less than 12 months*	11.95	29.52
Unpaid dividend account	28.40	30.24
Others		
Deposits with original maturity of more than three months but less than 12 months	8,600.00	8,593.77
Total bank balances other than cash and cash equivalents	8,640.35	8,653.53

* 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, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Security deposits				
Related parties (refer note 24)	-	192.17	-	233.56
Others	29.59	657.67	66.63	696.55
Loans to employees	49.86	16.99	28.07	9.90
Total loans	79.45	866.83	94.70	940.01

Breakup of security details*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Loans considered good - Secured	-	-
Loans considered good - Unsecured	946.28	1,034.71
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	946.28	1,034.71
Loss allowance	-	-
Total loans	946.28	1,034.71

5(f) Other financial assets*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Deposits with maturity of more than 12 months*	-	-	-	21.90
Interest accrued on bank deposits	266.57	-	426.40	1.36
Derivative asset	-	-	566.74	-
Total other financial assets	266.57	-	993.14	23.26

* Held as security with the banks and hence not available for free use with the Company.

6. Income tax

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, 2021	For the year ended March 31, 2020
a) Tax expense		
Current tax		
Current tax on profits for the year	990.42	2,285.43
Adjustments for current tax of prior periods	(174.53)	(2.94)
Total current tax expense	815.89	2,282.49
Deferred tax		
Minimum alternate tax (MAT) credit utilisation	955.95	174.55
Decrease / (increase) in deferred tax assets	36.95	(433.45)
(Decrease) / increase in deferred tax liabilities	(906.80)	1,888.21
Total deferred tax expense / (benefit)	86.10	1,629.31
Total tax expense / (credit)	901.99	3,911.80

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, 2021	For the year ended March 31, 2020
Accounting Profit before tax	5,641.10	12,394.86
Computed tax expense at applicable tax rate of 34.944% (previous year 34.944%)	1,971.23	4,331.26
Tax effect of :		
Tax effects of the amounts which are not deductible in calculating taxable income	51.27	39.56
Adjustment on account of remeasurement (Refer note 2 below)	(945.98)	-
Income tax provision reversal of prior year	(174.53)	-
Weighted deduction for expenditure incurred on research and development	-	(459.02)
Tax expense recognized in Statement of Profit and Loss	901.99	3,911.80

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
2019-20				
Deferred tax liability in relation to:				
Property, plant and equipment and intangible assets	7,307.46	(1,609.44)	-	8,916.90
Right-of-use assets	-	(278.77)	-	278.77
Total deferred tax liability(A)	7,307.46	(1,888.21)	-	9,195.67
Deferred tax assets in relation to:				
Expenses deductible in future years	503.74	79.86	-	583.60
Lease liabilities	-	353.95	-	353.95
Remeasurement of post employment benefit obligations	119.44	-	117.40	236.84
Other items	0.36	(0.36)	-	-
Total deferred tax assets(B)	623.54	433.45	117.40	1,174.39
Deferred tax liability(net) (C) = (A) - (B)	6,683.92	(1,454.76)	117.40	8,021.28
Minimum alternative tax credit (D)	6,560.08	(174.55)	-	6,385.53
Deferred tax liability/(asset) (net) (C) -(D)	123.84	(1,629.31)	117.40	1,635.75
2020-21				
Deferred tax liability in relation to:				
Property, plant and equipment and intangible assets	8,916.90	(94.35)	-	9,011.25
Right-of-use assets	278.77	55.17	-	223.60
Adjustment on account of remeasurement (net) (Refer note 2 below)	-	945.98	-	(945.98)
Total deferred tax liability(A)	9,195.67	906.80	-	8,288.87
Deferred tax assets in relation to:				
Expenses deductible in future years	583.60	(4.85)	-	578.75
Lease liabilities	353.95	(32.10)	-	321.85
Remeasurement of post employment benefit obligations	236.84	-	(50.31)	186.53
Total deferred tax assets(B)	1,174.39	(36.95)	(50.31)	1,087.13
Deferred tax liability(net) (C) = (A) - (B)	8,021.28	869.85	(50.31)	7,201.74
Minimum alternative tax credit (D)	6,385.53	(955.95)	-	5,429.58
Deferred tax liability/(asset) (net) (C) -(D)	1,635.75	(86.10)	(50.31)	1,772.16

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.

7. Other assets

(unsecured and considered good, unless otherwise stated)

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Capital advances	-	488.42	-	384.32
Advance to suppliers				
-Related party (refer note 24)	88.22	-	81.17	-
-Others	694.34	-	275.05	-
Prepaid expenses	710.75	-	475.52	-
Recoverable from statutory authorities	819.16	-	767.18	-
Total other assets	2,312.47	488.42	1,598.92	384.32

8. Inventories

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

Particulars	As at March 31, 2021	As at March 31, 2020
Raw material and spares *	21,927.93	18,420.02
Work-in progress	2,689.46	1,617.87
Finished goods	893.79	625.43
Stores	2,629.51	2,759.80
Total Inventories	28,140.69	23,423.12

Inventory includes in transit inventory :-

Raw material and spares	3,348.36	3,937.73
Finished goods	379.58	134.31

* Net of provision for inventory obsolescence amounting to Rs. 570.82 Lakhs as at March 31, 2021 (March 31, 2020: Rs. 576.59 Lakhs). An amount of Rs. 5.77 lakhs has been written back during the year ended March 31, 2021 (Rs. 354.22 Lakhs has been recognised as an expense during the year ended March 31, 2020) and included in 'cost of material consumed' in Statement of Profit and Loss.

Note: Refer note 3 to the financial statements for information on inventories pledged as security by the Company.

9. Non-current tax assets (net)

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

Particulars	As at March 31, 2021	As at March 31, 2020
Advance tax (net of provisions - March 31, 2021: Rs 8,069.89 Lakhs; March 31, 2020: Rs 5,784.46 Lakhs)	67.97	59.49
Total non-current tax assets	67.97	59.49

10. Equity**10(a). Equity share capital**

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

Particulars	As at March 31, 2021	As at March 31, 2020
Authorized share capital		
125,000,000 (as at March 31, 2020 : 125,000,000) equity shares of Rs. 2 each	2,500.00	2,500.00
Issued share capital		
65,241,450 (as at March 31, 2020 : 65,241,450) equity shares of Rs. 2 each	1,304.83	1,304.83
Subscribed and paid up share capital		
65,235,750 (as at March 31, 2020 : 65,235,750) equity shares of Rs. 2 each, fully paid up	1,304.71	1,304.71
Total	1,304.71	1,304.71

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, 2021		For the year ended March 31, 2020	
	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	-	-	-	-
Balance at the end of the year	65,235,750	1,304.71	65,235,750	1,304.71

B. Rights, preferences and restrictions attached to shares

Equity 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 group 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, 2021		As at March 31, 2020	
	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%
Ramesh Suri	4,459,040	6.84%	4,459,040	6.84%
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%

10(b). Other equity**A. Reserves and surplus***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Securities premium	20,817.44	20,817.44
General reserve	12,425.48	12,275.48
Debenture redemption reserve	-	250.00
Retained earnings	44,963.82	40,552.93
Total reserves and surplus	78,206.74	73,895.85

i) Securities premium*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	20,817.44	20,817.44
Issue of equity shares	-	-
Closing balance	20,817.44	20,817.44

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, 2021	For the year ended March 31, 2020
Opening balance	12,275.48	12,125.48
Transfer from retained earnings	150.00	150.00
Closing balance	12,425.48	12,275.48

General reserve is the retained earnings of a group which are kept aside out of the Group'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, 2021	For the year ended March 31, 2020
Opening balance	40,552.93	32,710.86
Add: Profit for the year	4,739.11	8,483.06
Add: Other comprehensive income	93.67	(218.60)
Less: Appropriations		
Transfer to general reserve	(150.00)	(150.00)
Transfer from/(to) debenture redemption reserve	250.00	750.00
Dividend on equity shares including related income tax	(521.89)	(1,022.39)
Closing balance	44,963.82	40,552.93

During the year, a dividend of Rs. 0.80 per share, total dividend Rs. 521.89 Lakhs (previous year: Rs. 1.30 per share, total dividend Rs. 848.07 Lakhs) was paid to equity shareholders.

The Board of Directors recommended a final dividend of Rs. 0.70 per share (nominal value of Rs. 2 per share) for the financial year 2020-21. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these financial statements. The total estimated dividend to be paid is Rs. 456.65 Lakhs.

iv) Debenture redemption reserve (DRR)

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	250.00	1,000.00
Transfer from/(to) retained earnings	(250.00)	(750.00)
Closing balance	-	250.00

The Companies Act 2013 requires that where a Company issues debentures, it shall create a debenture redemption reserve out of profits of the Company available for payment of dividend. The Company is required to maintain a debenture redemption reserve (DRR) of 25% of the value of debentures issued and outstanding, either by a public issue or on a private placement basis. The amounts credited to the DRR may not be utilized by the Company except to redeem debentures.

B. Other reserves

Foreign currency translation reserve

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	-	35.81
Additions / (deletions)* during the year	-	(35.81)
Closing balance	-	-

* The cumulative amount is transferred to other income on liquidation of foreign subsidiary. Refer note 38.

Nature and purpose of Foreign currency translation reserve:

Exchange differences arising on translation of the foreign operations are recognized in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity.

11. Financial liabilities

11(a). Non-current borrowings

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

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
Debentures		
8.50% Non-convertible redeemable debentures	-	1,000.00
Term loans		
Foreign currency loans from banks	691.54	2,127.47
Indian Rupee loans from banks	3,574.30	2,373.86
Total Non-current borrowings	4,265.84	5,501.33
Less: Current maturities of long term debt [included in note 11(c)]	1,753.66	3,194.32
Less: Interest accrued [included in note 11(c)]	15.67	31.30
Non-current borrowings	2,496.51	2,275.71

Borrowings	Security	As at March 31, 2021	As at March 31, 2020	Maturity date	Terms of repayment	Coupon/ Interest rate
8.50% Non-convertible redeemable debentures	First charge on specific movable fixed assets of company	-	1,000.00	April, 2020	Three yearly instalments commencing from April 2018	NA (March 31, 2020 : 8.50%)

Borrowings	Security	As at March 31, 2021	As at March 31, 2020	Maturity date	Terms of repayment	Coupon/ Interest rate
Foreign currency loans from banks						
FC Loan 1	Exclusive charge over specific movable fixed assets	414.30	1,274.56	September, 2021	Sixteen quarterly instalments commencing from December 2017	USD 3.25% p.a (March 31, 2020 :USD 3.25% p.a)
FC Loan 2	Exclusive charge over specific movable fixed assets	277.24	852.91	September, 2021	Sixteen quarterly instalments commencing from December 2017	USD 3.32% p.a (March 31, 2020 :USD 3.32% p.a)
Total		691.54	2,127.47			
Borrowings	Security	As at March 31, 2021	As at March 31, 2020	Maturity date	Terms of repayment	Coupon/ Interest rate
Indian Rupee loans from banks						
Loan 1 (Refer note below)	First charge on movable fixed assets other than exclusive charge created for other loans	2,074.00	2,373.86	August, 2023	Fourteen quarterly equal instalments commencing from November 2019	REPO + 200 bps (March 31, 2020 : MCLR + 20 bps)
Loan 2	Exclusive charge over specific movable fixed assets	1,500.30	-	June, 2025	Sixteen quarterly equal instalments commencing from September, 2021	3 Month MIBOR (March 31, 2020 : NA)
Total		3,574.30	2,373.86			

Note: The Company has availed the moratorium granted by the banks on account of Covid-19 pandemic and converted Interest due during the year amounting to Rs. 99.26 Lakhs in to loan. In addition to this, two quarterly instalments falling due during the year are deferred pursuant to which, the loan maturity is extended from February 2023 to August 2023.

11(b). Current borrowings

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

Particulars	As at March 31, 2021	As at March 31, 2020
Secured		
From banks		
Cash credit	-	277.16
Working capital loan from bank	-	599.79
	-	876.95
Unsecured		
Working capital loan from bank	-	5,625.00
Commercial papers	-	2,479.98
	-	8,104.98
Total current borrowings	-	8,981.93

Borrowings	Security	As at March 31, 2021	As at March 31, 2020	Coupon/ Interest rate	Maturity Date	Terms of Repayment
Secured						
Cash credit	First Pari-Passu charge on current assets of the company	-	277.16	Not applicable (March 31, 2020: 8.20% linked to 1yr MCLR)	Not applicable (March 31, 2020: Payable on Demand)	Not applicable (March 31, 2020: Payable on Demand)
Working capital loan	First Pari-Passu charge on current assets of the company	-	599.79	Not applicable (March 31, 2020: 3M MCLR + 30 BPS)	Not applicable (March 31, 2020: Payable on Demand)	Not applicable (March 31, 2020: Payable on Demand)
Unsecured						
Working capital loan	Not applicable	-	5,625.00	Not applicable (March 31, 2020: MCLR + spread as applicable at the time of each disbursement)	Not applicable (March 31, 2020: 60 days from the date of availment)	Not applicable (March 31, 2020: 60 days from the date of availment)
Commercial papers	Not applicable	-	2,479.98	Not applicable (March 31, 2020: 6.75%)	Not applicable (March 31, 2020: On May 15, 2020)	Not applicable (March 31, 2020: 90 days from the date of issue)
Total		-	8,981.93			

11(c). Other financial liabilities*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Current maturities of long term debt	1,753.66	3,194.32
Capital creditors*	1,284.81	1,446.20
Interest accrued**	59.73	62.24
Security deposit received		
-Related party (refer note 24)	6.14	6.14
-Others	43.49	40.24
Unclaimed dividend***	28.40	30.24
Derivative liability	554.29	-
Others		
Due to director (refer note 24)	-	99.49
Payable to employees	704.30	2,235.62
Total	4,434.82	7,114.49

* Includes Rs. 346.17 Lakhs (March 31, 2020: Rs. Nil) payable to related parties. Refer note 24.

** Includes Rs. 15.67 Lakhs (March 31, 2020: Rs. 31.30 Lakhs) accrued on borrowings [Refer note 11(a) & 11(b)] and includes Rs. 26.03 Lakhs (March 31, 2020: Rs. 20.31 Lakhs) due to micro enterprises and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006.

*** The Company has deposited an amount of Rs. 4.24 Lakhs (Previous year Rs. 6.40 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, 2021	As at March 31, 2020
Current		
Trade payables: micro and small enterprises (refer Note 36)	170.14	113.82
Trade payables: others	49,347.76	36,086.39
Trade payables to related parties (refer note 24)	1,953.76	2,315.09
Total	51,471.66	38,515.30

11 (e). Current tax liabilities*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Opening balance	337.06	243.46
Current tax payable for the year	990.42	2,285.43
Less:- Taxes paid	1,327.48	2,191.83
Closing balance	-	337.06

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits:				
Provision for leave encashment (refer note 28)	331.69	-	621.95	-
Provision for gratuity (refer note 28)	-	881.22	-	880.84
Provision for warranty	341.84	227.90	335.75	223.84
Total	673.53	1,109.12	957.70	1,104.68

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:

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)*

As at March 31, 2019	466.21
Charged/(credited) to profit or loss	
Additional provisions recognized	227.98
Unwinding of discount on provision for warranty	8.48
Discounting of additional provision recognized	(8.98)
Amounts utilized during the year	(134.10)
As at March 31, 2020	559.59
Charged/(credited) to profit or loss	
Additional provisions recognized	151.68
Unwinding of discount on provision for warranty	8.48
Discounting of additional provision recognized	(18.98)
Amounts utilized during the year	(131.03)
As at March 31, 2021	569.74

Sensitivity analysis

As at March 31, 2021, provision for warranty had a carrying amount of Rs. 569.74 Lakhs (March 31, 2020: Rs. 559.59 Lakhs). Were warranty claim costs to differ by 10% of the management's estimates, the provision would be an estimated Rs. 56.97 Lakhs higher or lower (March 31, 2020: Rs. 55.96 Lakhs higher or lower).

13 (a). Contract liabilities*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Contract liabilities	532.44	556.95
Total	532.44	556.95

Notes:

- Contract liabilities represent payments received from the customers in excess of the goods sold by the Company.
- During the year ended March 31, 2021, the Company recognised revenue of Rs. 317.71 Lakhs arising from opening contract liabilities as of April 01, 2020. During the previous year, the Company recognised revenue of Rs. 570.76 Lakhs arising from opening contract liabilities as at April 01, 2019.

13 (b). Other current liabilities*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues	2,010.06	1,128.31
Total	2,010.06	1,128.31

14. Revenue from operations*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from contracts with customers		
- Sale of products	179,000.56	198,709.04
- Sale of services	332.42	412.67
Other operating revenues		
- Sale of scrap	232.22	158.22
Total	179,565.20	199,279.93

Note 1: Unsatisfied contracts:

The following table shows unsatisfied performance obligation resulting from contracts:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at reporting date	532.44	556.95

Management expects that transaction price allocated to unsatisfied contracts as of March 31, 2021 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, 2021	For the year ended March 31, 2020
Contract Price	180,574.95	199,342.61
Adjustments for:		
- Rebate/discounts	(1,009.75)	(62.68)
Revenue from Operations	179,565.20	199,279.93

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, 2021	For the year ended March 31, 2020
Interest income on:		
a) Financial assets at amortized cost	512.90	672.24
b) Others	10.28	6.03
Exchange variation on foreign currency transactions (net)	1,245.81	-
Foreign currency translation reserve transferred on liquidation of subsidiary (Refer note 10(b))	-	35.81
Fair value changes on derivatives	(938.13)	1,044.98
Unwinding of discount on financial asset	2.88	4.73
Net profit on disposal of property, plant and equipment	-	1.51
Rental income	45.74	66.57
Other miscellaneous income*	151.79	202.85
Total	1,031.27	2,034.72

* The Company has applied practical expedient under IndAS 116 Leases to all qualifying rent concessions and accordingly disclosed the rent concessions received during the year amounting to Rs. 19.16 Lakhs (March 31, 2020: Nil) under Other miscellaneous income.

16. Cost of material consumed*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Raw material and spares		
Raw material and spares at the beginning of the year	18,420.02	19,903.14
Add: Purchase of raw material and spares	133,862.69	139,398.38
Less: Raw material and spares at the end of the year	21,927.93	18,420.02
Total	130,354.78	140,881.50

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, 2021	For the year ended March 31, 2020
Finished goods		
Closing balance	893.79	625.43
Less:- Opening balance	625.43	708.42
	268.36	(82.99)
Work-in-progress		
Closing balance	2,689.46	1,617.87
Less:- Opening balance	1,617.87	1,442.74
	1,071.59	175.13
(Increase) / decrease	(1,339.95)	(92.14)

18. Employee benefits expense*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries, wages and bonus*	16,600.65	18,103.36
Contribution to provident and other funds (refer note 28)**	813.29	855.71
Gratuity (refer note 28)	257.66	239.63
Staff welfare expenses	1,080.75	1,528.39
Total	18,752.35	20,727.09

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. 38.28 Lakhs (March 31, 2020: Rs. 34.23 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. 33.75 Lakhs (March 31, 2020: Rs. 60.67 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.

19. Finance costs*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest costs:		
- Loans from banks	993.85	1,734.51
- Loans from others	229.79	1,231.46
Exchange differences regarded as an adjustment to borrowing costs	95.18	605.31
Interest on lease liabilities (refer note 27)	88.14	96.34
Fair value changes on derivatives	182.90	-
Other finance costs*	34.85	6.31
	1,624.71	3,673.93
Less:- Amount Capitalized**	-	40.00
Total	1,624.71	3,633.93

* Includes Rs. 5.72 Lakhs (March 31, 2020: Rs. 6.26 Lakhs) due to micro enterprises and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 (Refer Note 36)

** The capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to the Company's general borrowings during the year, in this case Nil (March 31, 2020: 8.50%)

20. Depreciation and amortization expense*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation on property, plant and equipment (refer note 3)	5,523.33	5,273.14
Depreciation of right-of-use assets (refer note 27)	163.35	172.66
Amortization of intangible assets (refer note 4)	3,524.09	3,584.64
Total	9,210.77	9,030.44

21. Other expenses*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Consumption of stores	3,568.49	3,851.75
Power and fuel	2,772.14	2,902.38
Rent (refer note 27)	304.03	276.46
Repair and maintenance: Building	353.77	366.62
Repair and maintenance: Plant and machinery	1,343.53	1,300.97
Repair and maintenance: Others	192.34	275.43
Rates, taxes and fees	55.65	65.49
Insurance	499.90	462.11
Royalty	1,984.86	2,092.69
Warranty expenses	132.70	219.00
Selling and distribution expenses	2,566.30	2,953.16
Legal and professional charges	444.21	458.73
Vehicle running and maintenance	129.48	159.69
Travelling and conveyance	148.42	464.19
Payment to auditors [refer note 21(a) below]	46.42	54.32
Exchange variation on foreign currency transactions (net)	-	420.27
Net loss on disposal of property, plant and equipment	34.10	-
Corporate social responsibility expenses [refer note 21(b) below]	213.94	137.02
Director's sitting fees	65.50	40.85
Other miscellaneous expenses	1,564.79	2,358.18
TOTAL	16,420.57	18,859.31

21(a). Details of payment to auditors*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Payment to auditors*		
As auditor:		
Audit fees (including limited review)	41.40	41.10
Tax audit fee	1.15	1.15
In other capacities:		
Other services	3.25	6.75
Reimbursement of expenses	0.62	5.32
Total	46.42	54.32

* Excluding applicable taxes

21(b). Corporate social responsibility expenses*(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Contribution to green plantations	28.53	4.42
Contribution to education for under- privileged children	81.92	56.26
Contribution to skills developments	4.15	-
Contribution to social campaign	90.93	76.34
Contribution to disaster management	8.41	-
Accrual towards unspent obligations in relation to:		
Ongoing project	-	-
Other than ongoing projects	-	-
Total	213.94	137.02
<i>Amount required to be spent as per Section 135 of the Act</i>	213.94	136.96
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than above	213.94	137.02
Total	213.94	137.02

Details of ongoing CSR projects under Section 135(6) of the Act

Balance as at April 1, 2020		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2021	
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
-	-	133.94	133.94	-	-	-

Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at April 1, 2020	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, 2021
-	-	80.00	80.00	-

Details of excess CSR expenditure under Section 135(5) of the Act

Balance excess spent as at April 1, 2020	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2021
-	-	-	-

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, 2021 is as follows:

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

Particulars	FVOCI	FVTPL	Amortized cost	Total
Financial assets				
i) Investment	-	299.98	-	299.98
ii) Trade receivables	-	-	20,426.65	20,426.65
iii) Cash and cash equivalents	-	-	3,276.25	3,276.25
iv) Bank balance other than cash and cash equivalents	-	-	8,640.35	8,640.35
v) Loans	-	-	946.28	946.28
vi) Other financial assets	-	-	266.57	266.57
Total financial assets	-	299.98	33,556.10	33,856.08
Financial liabilities				
i) Borrowings	-	-	2,496.51	2,496.51
ii) Trade payables	-	-	51,471.66	51,471.66
iv) Other financial liabilities	-	554.29	3,880.53	4,434.82
Total financial liabilities	-	554.29	57,848.70	58,402.99

The carrying value and fair value of financial instruments by categories as of March 31, 2020 is as follows:

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

Particulars	FVOCI	FVTPL	Amortized cost	Total
Financial assets				
i) Investment	-	-	-	-
ii) Trade receivables	-	-	18,928.72	18,928.72
iii) Cash and cash equivalents	-	-	436.97	436.97
iv) Bank balance other than cash and cash equivalents	-	-	8,653.53	8,653.53
v) Loans	-	-	1,034.71	1,034.71
vi) Other financial assets	-	566.74	449.66	1,016.40
Total financial assets	-	566.74	29,503.59	30,070.33
Financial liabilities				
i) Borrowings	-	-	11,257.64	11,257.64
ii) Trade payables	-	-	38,515.30	38,515.30
iii) Other financial liabilities	-	-	7,114.49	7,114.49
Total financial liabilities	-	-	56,887.43	56,887.43

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	As at March 31, 2021				
	Notes No.	Level 1	Level 2	Level 3	Total
Financial assets					
Investment	5(a)(i)	-	-	299.98	299.98
Total financial assets		-	-	299.98	299.98
Financial liabilities					
Derivative liability	11(c)	-	554.29	-	554.29
Total financial liabilities		-	554.29	-	554.29

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

Particulars	As at March 31, 2020				
	Notes No.	Level 1	Level 2	Level 3	Total
Financial assets					
Derivative asset	5(f)	-	566.74	-	566.74
Total financial assets		-	566.74	-	566.74
Financial liabilities					
Derivative liability	11(c)	-	-	-	-
Total financial liabilities		-	-	-	-

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	As at March 31, 2021				
	Notes No.	Level 1	Level 2	Level 3	Total
Financial assets					
Security deposits	5(e)	-	-	879.43	879.43
Loans to employees	5(e)	-	-	66.85	66.85
Trade receivables	5(b)	-	-	20,426.65	20,426.65
Cash and cash equivalents	5(c)	-	-	3,276.25	3,276.25
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	8,611.95	8,611.95

Particulars	As at March 31, 2021				
	Notes No.	Level 1	Level 2	Level 3	Total
Unpaid dividend account	5(d)	-	-	28.40	28.40
Interest accrued on bank deposits	5(f)	-	-	266.57	266.57
Total financial assets		-	-	33,556.10	33,556.10
Financial liabilities					
Borrowings	11(a) & 11(b)	-	-	2,496.51	2,496.51
Trade payables	11(d)	-	-	51,471.66	51,471.66
Current maturities of long term debt	11(c)	-	-	1,753.66	1,753.66
Capital creditors	11(c)	-	-	1,284.81	1,284.81
Interest accrued	11(c)	-	-	59.73	59.73
Security deposit received	11(c)	-	-	49.63	49.63
Unclaimed dividend	11(c)	-	-	28.40	28.40
Others					
Due to director	11(c)	-	-	-	-
Payable to employees	11(c)	-	-	704.30	704.30
Total financial liabilities		-	-	57,848.70	57,848.70

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

Particulars	As at March 31, 2020				
	Notes No.	Level 1	Level 2	Level 3	Total
Financial assets					
Security deposits	5(e)	-	-	996.74	996.74
Loans to employees	5(e)	-	-	37.97	37.97
Trade receivables	5(b)	-	-	18,928.72	18,928.72
Cash and cash equivalents	5(c)	-	-	436.97	436.97
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	8,623.29	8,623.29
Deposits with maturity of more than 12 months	5(f)	-	-	21.90	21.90
Unpaid dividend account	5(d)	-	-	30.24	30.24
Interest accrued on bank deposits	5(f)	-	-	427.76	427.76
Total financial assets		-	-	29,503.59	29,503.59
Financial liabilities					
Borrowings	11(a) & 11(b)	-	-	11,257.64	11,257.64
Trade payables	11(d)	-	-	38,515.30	38,515.30
Current maturities of long term debt	11(c)	-	-	3,194.32	3,194.32
Capital creditors	11(c)	-	-	1,446.20	1,446.20
Interest accrued	11(c)	-	-	62.24	62.24
Security deposit received	11(c)	-	-	46.38	46.38
Unclaimed dividend	11(c)	-	-	30.24	30.24
Others					
Due to director	11(c)	-	-	99.49	99.49
Payable to employees	11(c)	-	-	2,235.62	2,235.62
Total financial liabilities		-	-	56,887.43	56,887.43

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

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, 2021 and March 31, 2020.

Valuation technique used to determine fair value : The Company has entered into variety of foreign currency forward contracts and swaps 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, 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 and interest rate swaps to hedge variable interest rate 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
Market risk- interest rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps

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, 2021	As at March 31, 2020
Loss allowance at the beginning of the year	-	-
Add / (Less): Changes during the year	189.41	-
Loss allowance at the end of the year	189.41	-

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, 2021	As at March 31, 2020
Floating rate:		
-Expiring within one year (cash credit, working capital loans and other facilities)	35,951.79	36,319.95
-Expiring beyond one year (bank loans)	4,650.74	4,750.00

(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
As at March 31, 2021				
Borrowings (including interest)	1,911.98	2,711.15	-	4,623.13
Trade payables	51,471.66	-	-	51,471.66
Other financial liabilities	2,126.87	-	-	2,126.87
Lease liabilities	184.30	536.48	1,019.90	1,740.68
Total	55,694.81	3,247.63	1,019.90	59,962.34
As at March 31, 2020				
Borrowings (including interest)*	12,307.08	2,342.23	-	14,649.31
Trade payables	38,515.30	-	-	38,515.30
Other financial liabilities	3,920.17	-	-	3,920.17
Lease liabilities	180.00	683.51	1,056.77	1,920.28
Total	54,922.55	3,025.74	1,056.77	59,005.06

* Does not include future interest payments on contractual maturities of current borrowings as it includes cash credit facilities and working capital loans which are repayable on demand due to which future contractual interest payments are not reasonably determinable.

Market risk**(i) Foreign currency risk**

The Company has exposure to foreign currency risk on account of its payables and loans. 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, 2021	As at March 31, 2020
Hedge of foreign currency loans	USD (In Lakhs)	9.34	28.03
	INR (in Lakhs)	625.00	1,875.00
Hedge of foreign currency payables	USD (In Lakhs)	44.00	58.50
	INR (in Lakhs)	3,242.58	4,490.70
	JPY (in Lakhs)	13,121.25	7,019.54
	INR (in Lakhs)	8,818.76	4,974.17
Cross currency swap	USD (In Lakhs)	15.00	77.50
	JPY (in Lakhs)	1,657.84	8,376.95

Particulars of unhedged foreign currency exposure as at the reporting date:

Particulars/Purpose	Amount	As at March 31, 2021	As at March 31, 2020
Trade payables	Euro (in Lakhs)	0.04	0.04
	INR (in Lakhs)	3.77	3.64

Foreign currency sensitivity analysis

The Company is mainly exposed to EURO.

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 or equity and vice-versa.

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

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
	INR strengthens by 10%	INR weakens by 10%	INR strengthens by 10%	INR weakens by 10%
Impact on profit or loss for the year				
EURO impact	0.38	(0.38)	0.36	(0.36)

(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, 2021	As at March 31, 2020
Variable rate borrowings	4,265.84	11,003.28
Fixed rate borrowings	-	3,479.98
Total	4,265.84	14,483.26

Note: The Company has foreign currency loans with floating interest rate. The interest rate risk has been mitigated through the use of derivative financial instruments such as foreign currency interest rate swaps taken at the time of inception of the borrowings.

As at the end of the reporting period, the Company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	As at March 31, 2021		
	Weighed average interest rate %	Balance	% of total loans
Foreign currency loans from bank, Rupee loans from bank and cash credit	6.95	4,265.84	100%
Interest rate swaps (notional principal amount)	9.15	(691.54)	
Net exposure to cash flow interest rate risk		3,574.30	

Particulars	As at March 31, 2020		
	Weighed average interest rate %	Balance	% of total loans
Foreign currency loans from bank, Rupee loans from bank and cash credit	8.35	11,003.28	76%
Interest rate swaps (notional principal amount)	9.15	(2,127.47)	
Net exposure to cash flow interest rate risk		8,875.81	

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, 2021	For the year ended March 31, 2020
Interest rates - increase by 50 basis points	11.63	28.87
Interest rates - decrease by 50 basis points	(11.63)	(28.87)

(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 in its various products segment. Due to the competitive market, major OEMs demands 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 and lease liabilities net of cash and cash equivalents) divided by EBIDTA (Profit before tax plus depreciation and amortization expense plus finance cost).

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, 2021	March 31, 2020
Net Debt (In Lakhs)	1,910.63	15,059.19
EBIDTA (after exceptional items) (In Lakhs)	16,476.58	25,059.23
Net Debt to EBIDTA (after exceptional items)	0.12	0.60
EBIDTA (before exceptional items) (In Lakhs)	16,476.58	20,930.67
Net Debt to EBIDTA (before exceptional items)	0.12	0.72

The Net debt to EBIDTA (after exceptional items) ratio for the current year decreased from 0.60 to 0.12 and Net debt to EBIDTA (before exceptional items) ratio for the current year decreased from 0.72 to 0.12 due to repayment of borrowings during the year ended March 31, 2021.

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, 2021	As at March 31, 2020
On Equity shares of Rs. 2 each		
Final dividend		
Dividend paid (Rs. In Lakhs)	521.89	848.07
Dividend distribution tax (Rs. In Lakhs)	-	174.32
Dividend per equity share	0.80	1.30

The Board of Directors recommended a final dividend of Rs. 0.70 per share (nominal value of Rs. 2 per share) for the financial year 2020-21. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these financial statements. The total estimated dividend to be paid is 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 indicator 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
Revenue from operations			
For the year ended March 31, 2021	179,532.23	32.97	179,565.20
For the year ended March 31, 2020	199,273.09	6.84	199,279.93
Non current segment assets			
As at March 31, 2021	80,341.19	-	80,341.19
As at March 31, 2020	83,523.63	-	83,523.63

- 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 57% from one customer (previous year: 54%) and 27% from second customer (previous year: 26%).

24. Related party disclosures

Entity having significant influence over the Company

Denso Corporation, Japan

Joint venture

Denso Subros Thermal Engineering Centre India Private Limited
(formerly known as Denso Subros Thermal Engineering Centre India Limited)

Key management personnel

Mr. Ramesh Suri, Chairman (Demised on May 12, 2021)

Ms. Shradha Suri, Managing Director (Chairperson & Managing Director w.e.f May 26, 2021)

Ms. Jyotsna Suri, Director

Mr. Yasuhiro Iida, Nominee Director

Mr. Mohammed Asad Pathan, Independent Director

Mr. Ramamoorthy Rajagopalan Kuttalam, 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

Mr. Toshihiro Saida, Nominee Director (Upto December 11, 2020)

Mr. Tomoaki Yoshimori, Nominee Director (From December 12, 2020)

Mr. Hidemasa Takahashi, Nominee Director (From March 30, 2021)

Mr. Fumitaka Taki, Alternate Director

Mr. Manoj Kumar Sethi, Executive Vice President – Finance (Upto March 31, 2021)

Mr. Parmod Kumar Duggal, Chief Executive Officer (From April 01, 2021)

Mr. Hemant Kumar Agarwal, Chief Financial Officer (From April 01, 2021)

Mr. Rakesh Arora, Company Secretary

Relatives of key management personnel

Ms. Ritu Suri, Wife of Mr. Ramesh Suri

Entities over which key management personnel and/or their relatives have control or joint control:

SHS Transport Private Limited

Rohan Motors Limited

Hemkunt Service Station Private Limited

Tempo Automobiles Private Limited

Prima Telecom Limited

Prima Infratech Private Limited

Fibcom India Limited

Deeksha Holding Limited

Jyotsna Holding Private Limited

RR Holdings Private Limited

List of other related parties - Post employment benefit plan of the Company

Subros Employees Group Gratuity Cum Life Assurance Trust

Subros Employees Group Superannuation Cum Life Assurance Trust

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, 2021	For the year ended March 31, 2020
Entity having significant influence over the Company			
Denso Corporation	Sale of goods	32.97	5.26
	Reimbursement of expenses	128.69	189.43
	Royalty	1,856.86	1,913.38
	Receipt of technical services	1,043.12	1,119.52
	Dividend paid	104.38	169.61
Joint venture			
Denso Subros Thermal Engineering Centre India Private Limited (formerly known as Denso Subros Thermal Engineering Centre India Limited)	Purchase of intangible assets (Technical knowhow)	589.37	506.18
	Sale of services	-	24.01
	Rental income	29.13	24.57
	Reimbursement of expenses received	13.02	12.67

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

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
Key management personnel			
Ms. Shradha Suri	Short term benefits	162.30	279.51
	Rent paid	7.28	7.28
	Post employment benefits	8.30	11.88
Mr. Ramesh Suri	Short term benefits	36.90	80.74
	Dividend paid	35.67	57.97
Ms. Jyotsna Suri	Sitting fees	3.75	2.75
	Rent paid	30.00	30.00
	Dividend paid	12.95	21.05
Mr. Mohammed Asad Pathan	Sitting fees	10.55	6.90
Mr. Ramamoorthy Rajagopalan Kuttalam	Sitting fees	9.75	6.00
Mr. Girish Narain Mehra	Sitting fees	15.80	11.30
Mr. Shailendra Swarup	Sitting fees	8.10	3.25
Ms. Meena Sethi	Sitting fees	12.30	8.65
Mr. Arvind Kapur	Sitting fees	5.25	2.00
Mr. Manoj Kumar Sethi	Short term benefits	67.66	88.73
	Post employment benefits	3.89	4.60
Mr. Rakesh Arora	Short term benefits	37.79	43.94
	Post employment benefits	2.08	2.24
	Other long term employee benefits	0.76	-
Relatives of key management personnel			
Ms. Ritu Suri	Rent paid	31.80	31.80
	Dividend paid	9.02	14.66
Contribution to funds			
Subros Employees Group Gratuity Cum Life Assurance Trust	Employer's contribution towards gratuity fund	19.72	9.50
Entities over which key management personnel and/or their relatives have control or joint control:			
Fibcom India Limited	Purchase of materials	0.51	0.77
Fibcom India Limited	Sale of goods	-	1.93
Hemkunt Service Station Private Limited	Purchase of materials	6.15	10.04
Prima Infratech Private Limited	Rent paid	196.02	223.34
Prima Infratech Private Limited	Reimbursement of Expenses	0.34	0.34
Prima Telecom Limited	Sale of goods	-	3.29
Prima Telecom Limited	Purchase of materials	-	26.53
Prima Telecom Limited	Purchase of property, plant and equipment	-	3.17

Particulars		For the year ended March 31, 2021	For the year ended March 31, 2020
Prima Telecom Limited	Receiving of services	-	0.12
Prima Telecom Limited	Reimbursement of Expenses	0.21	-
Rohan Motors Limited	Purchase of property, plant and equipment	-	18.90
Rohan Motors Limited	Receiving of services	19.32	14.56
Rohan Motors Limited	Rent paid	16.02	13.62
Rohan Motors Limited	Dividend paid	0.05	0.08
Rohan Motors Limited	Reimbursement of Expenses	-	2.40
Rohan Motors Limited	Sale of goods	2.77	3.64
Rohan Motors Limited	Sale of property, plant and equipment	-	0.35
SHS Transport Private Limited	Receiving of services	855.33	930.97
SHS Transport Private Limited	Rent paid	4.67	4.67
Tempo Automobiles Private Limited	Sale of goods	-	38.75
Deeksha Holding Limited	Dividend paid	81.10	131.79
Jyotsna Holding Private Limited	Dividend paid	27.58	44.82
RR Holdings Private Limited	Dividend paid	25.66	41.70

(b) Outstanding balances :*(All amounts in Rs. Lakhs, unless otherwise stated)*

Relation	Particulars	As at March 31, 2021	As at March 31, 2020
Entity having significant influence over the Company	Trade payables	1,654.94	1,800.19
	Trade receivables	6.66	5.40
Joint venture	Trade payables	-	193.85
	Trade receivables	2.39	1.72
	Other financial liabilities (capital creditors)	346.17	-
	Other financial liabilities (security deposit)	6.14	6.14
Key management personnel	Other financial liabilities (due to directors)	-	99.49
	Other financial assets (security deposit)	3.30	3.30
Relatives of key management personnel	Other financial assets (security deposit)	14.41	14.41
Entities over which key management personnel and/or their relatives have control or joint control	Trade payables	298.82	321.05
	Trade receivables	61.13	66.37
	Other assets (advances to suppliers)	87.63	80.50
	Other financial assets (security deposit)	174.46	215.85
Post employment benefit plan of the Company	Other assets	0.59	0.67

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. 1,323.21 Lakhs (March 31, 2020: Rs. 1,534.05 Lakhs).

26. Contingent liabilities**(a) Claims against the Company not acknowledged as debts***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2021	As at March 31, 2020
Sales tax matters	79.74	190.74
Excise matters	4,067.99	4,067.99
Custom matters	15.19	15.19
Income tax matters	1,283.59	219.07
Claims made by workmen	370.27	318.56
Property tax	61.60	-

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.
 - (b) Guarantees issued by banks on behalf of the Company amounting to Rs.501.39 Lakhs (March 31, 2020: Rs. 1,065.33 Lakhs).
 - (c) Outstanding commitments under letter of credit established by the Company aggregate to Rs. 9,764.52 Lakhs (March 31, 2020: Rs. 2,868.22 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, 2021	As at March 31, 2020
Right-of-use assets		
Leasehold land	1,233.78	1,249.91
Buildings	796.67	943.89
Total	2,030.45	2,193.80

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

Particulars	As at March 31, 2021	As at March 31, 2020
Lease liabilities		
Current	129.20	135.48
Non-current	791.84	877.42
Total	921.04	1,012.90

Additions to the right-of-use assets during the current financial year were 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, 2021	For the year ended March 31, 2020
Depreciation of right-of-use assets (refer note 20)		
Leasehold land	16.13	21.95
Buildings	147.22	150.71
Total	163.35	172.66

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

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest expense (included in finance costs - refer note 19)	88.14	96.34
Expense relating to short term leases (included in other expenses - refer note 21)	304.03	276.46
Total	392.17	372.80

The total cash outflow for leases (including interest on lease liabilities) for the year ended March 31, 2021 was Rs. 484.03 Lakhs. (March 31, 2020: Rs. 454.50 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 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 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, 2021	For the year ended March 31, 2020
Employer's contribution to Provident Fund*	704.61	725.86
Employer's contribution to Employees State Insurance Scheme*	108.68	129.85

* 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. 331.69 Lakhs (March 31, 2020: Rs. 621.95 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, 2021	As at March 31, 2020
Leave obligations not expected to be settled within the next 12 months	283.73	545.28

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)
As at March 31, 2021	
Discount rate (per annum)	6.88%
Rate of increase in compensation level (per annum)	7.00%
As at March 31, 2020	
Discount rate (per annum)	6.75%
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)
For the year ended March 31, 2021	
Current service cost	198.21
Past service cost	-
Actuarial loss/(gain)	-
Net interest cost/(income) or the net defined benefit liability/(asset)	59.45
Expenses recognized in Statement of Profit and Loss	257.66
For the year ended March 31, 2020	
Current service cost	205.46
Past service cost	-
Actuarial loss/(gain)	-
Net interest cost/(income) or the net defined benefit liability/(asset)	34.17
Expenses recognized in Statement of Profit and Loss	239.63

Components of expenses recognized in the other comprehensive income in respect of:

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

PARTICULARS	Gratuity (Funded)
For the year ended March 31, 2021	143.30
Actuarial gains/(loss) on:	
-changes in demographic assumptions	-
-changes in financial assumptions	25.77
-experience variance	126.24
-plan asset	(8.71)
For the year ended March 31, 2020	(333.34)
Actuarial gains/(loss) on:	
-changes in demographic assumptions	(1.26)
-changes in financial assumptions	(237.26)
-experience variance	(89.22)
-plan asset	(5.60)

Actuarial (gain) / loss on obligations

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

PARTICULARS	Gratuity (Funded)
For the year ended March 31, 2021	
Actuarial (gain) / loss on arising from change in demographic assumption	-
Actuarial (gain) / loss on arising from change in financial assumption	(25.77)
Actuarial (gain) / loss on arising from experience adjustment	(126.24)
For the year ended March 31, 2020	
Actuarial (gain) / loss on arising from change in demographic assumption	1.26
Actuarial (gain) / loss on arising from change in financial assumption	237.25
Actuarial (gain) / loss on arising from experience adjustment	89.22

Actuarial gain / (loss) on plan assets

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

PARTICULARS	Gratuity (Funded)
For the year ended March 31, 2021	
Return on plan assets, excluding amount recognized in net interest expense	82.65
Remeasurement for actuarial (gain)/loss arising because of change in effect of asset ceiling	(73.94)
Component of defined benefit costs recognized in other comprehensive income	8.71
For the year ended March 31, 2020	
Return on plan assets, excluding amount recognized in net interest expense	86.21
Remeasurement for actuarial (gain)/loss arising because of change in effect of asset ceiling	(80.61)
Component of defined benefit costs recognized in other comprehensive income	5.60

The current service cost and the interest expense for the year are included in the "Employee benefit 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)
As at March 31, 2021	
Present value of obligation	2,183.18
Fair value of plan assets	1,301.96
Surplus/(deficit)	(881.22)
Asset ceiling	-
Net asset/(liability)	(881.22)
As at March 31, 2020	
Present value of obligation	2,105.23
Fair value of plan assets	1,224.39
Surplus/(deficit)	(880.84)
Asset ceiling	-
Net asset/(liability)	(880.84)

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)
For the year ended March 31, 2021	
Present value of the obligation as at the beginning	2,105.23
Current service cost	198.21
Interest cost	142.10
Remeasurement (or actuarial) (gain)/loss arising from:	
-Change in demographic assumptions	(25.77)
-Change in financial assumptions	(126.24)
-experience variance	-
Past service cost	-
Benefits paid	(110.35)
Present value of the obligation as at the end	2,183.18

For the year ended March 31, 2020	
Present value of the obligation as at the beginning	1,583.94
Current service cost	205.46
Interest cost	120.38
Remeasurement (or actuarial) (gain)/loss arising from:	
-Change in demographic assumptions	1.26
-Change in financial assumptions	237.25
-experience variance	89.22
Past service cost	-
Benefits paid	(132.28)
Present value of the obligation as at the end	2,105.23

Movement in the fair value of the plan assets are as follows:

PARTICULARS	Gratuity (Funded)
For the year ended March 31, 2021	
Fair value of plan assets at the beginning	1,224.39
Interest income	73.93
Employer contribution	3.64
Benefits paid	-
Actuarial gain/(loss) on plan assets	-
Fair value of plan assets at the end	1,301.96
For the year ended March 31, 2020	
Fair value of plan assets at the beginning	1,134.29
Interest income	80.60
Employer contribution	9.50
Benefits paid	-
Actuarial gain/(loss) on plan assets	-
Fair value of plan assets at the end	1,224.39

Major categories of plan assets (as % of total plan assets):

PARTICULARS	Gratuity (Funded)
As at March 31, 2021	
Funds managed by insurer	100%
Total	100%
As at March 31, 2020	
Funds managed by insurer	100%
Total	100%

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)
As at March 31, 2021	
	Change in defined benefit obligation
Increase in discount rate by 0.5%	Decrease by 95.08
Decrease in discount rate by 0.5%	Increase by 102.72
Increase in expected salary growth rate by 0.5%	Increase by 98.99
Decrease in expected salary growth rate by 0.5%	Decrease by 92.66
As at March 31, 2020	
	Change in defined benefit obligation
Increase in discount rate by 0.5%	Decrease by 95.00
Decrease in discount rate by 0.5%	Increase by 102.75
Increase in expected salary growth rate by 0.5%	Increase by 98.69
Decrease in expected salary growth rate by 0.5%	Decrease by 92.30

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, 2021 is 13.54 years (March 31, 2020 is 13.60 years).

The Company expects to make a contribution of Rs. 289.12 Lakhs (March 31, 2020: Rs. 290.46 Lakhs) to the defined benefit plans during the next financial year.

Maturity Profile of Defined Benefit Obligation

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

Year	Gratuity (Funded)
As at March 31, 2021	
April 1, 2021 - March 31, 2022	149.38
April 1, 2022 - March 31, 2023	117.97
April 1, 2023 - March 31, 2024	150.51
April 1, 2024 - March 31, 2025	121.78
April 1, 2025 - March 31, 2026	115.40
April 1, 2026 - March 31, 2027	137.99
April 1, 2027 Onwards	1,390.15
Total	2,183.18
As at March 31, 2020	
April 1, 2020 - March 31, 2021	122.54
April 1, 2021 - March 31, 2022	123.51
April 1, 2022 - March 31, 2023	109.37
April 1, 2023 - March 31, 2024	142.93
April 1, 2024 - March 31, 2025	111.45
April 1, 2025 - March 31, 2026	107.68
April 1, 2026 Onwards	1,387.75
Total	2,105.23

29. Research and development expenses

The Company has two in-house Research and Development Centres, approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India. 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, 2021		For the year ended March 31, 2020	
	Noida	Pune	Noida	Pune
Capital expenses	304.98	-	77.22	-
Revenue expenditure - charged to Statement of Profit and Loss*	944.02	0.80	960.76	14.35
Revenue expenditure - towards development cost	1,117.19	-	1,556.69	18.16
Total	2,366.19	0.80	2,594.67	32.51

* 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. Such expenditure is subject to approval of appropriate authorities.

30. Earnings Per Share

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Basic earnings per share (Rs.)	7.26	13.00
Diluted earnings per share (Rs.)	7.26	13.00
Profit attributable to the equity holders of the Company used in calculating basic earnings per share and diluted earnings per share (Rs. Lakhs)	4,739.11	8,483.06
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, 2021	For the year ended March 31, 2020
Salaries, wages and other amenities to staff	1,193.83	2,097.46
Power and fuel	91.66	179.51
Rent	79.45	199.47
Repair and maintenance	77.18	172.71
Depreciation	47.76	114.37
Other overheads	260.56	507.34
Total	1,750.44	3,270.86

32. Borrowing costs

Borrowing cost amounting to Rs. Nil (Previous Year: Rs. 40 Lakhs) has been capitalized with the cost of property, plant and equipment as per Indian Accounting Standard (Ind AS) 23 on "Borrowing Costs".

33. Exceptional items

The Company has received Rs. 5,066.62 Lakhs on April 25, 2019 as final settlement amount from insurance company against loss of property, plant and equipment and additional expenditure incurred to restore supplies at Manesar plant due to fire incident and accordingly Rs. 4,128.56 Lakhs, over and above Rs. 938.06 Lakhs disclosed as recoverable under the head "Other financial assets" as on March 31, 2019, has been disclosed as an income under the head Exceptional Items for the year ended March 31, 2020.

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, 2021	As at March 31, 2020
Cash and cash equivalents	3,276.25	436.97
Current borrowings	-	(8,981.93)
Non-current borrowings	(4,265.84)	(5,501.33)
Lease liabilities	(921.04)	(1,012.90)
Net debt	(1,910.63)	(15,059.19)

Description	Other assets Cash & cash equivalents	Liabilities from financing activities			Net debt
		Current borrowings (Incl interest)	Non-current borrowings (Incl current maturities and interest)	Lease liabilities	
As at April 01, 2019	705.66	(13,086.99)	(11,432.30)	(1,094.60)	(24,908.23)
Cash flows	(268.69)	4,049.31	6,154.92	81.70	10,017.24
Foreign exchange adjustments	-	-	(244.36)	-	(244.36)
Interest expense	-	(2,444.01)	(521.96)	(96.34)	(3,062.31)
Interest paid	-	2,499.76	542.37	96.34	3,138.47
As at March 31, 2020	436.97	(8,981.93)	(5,501.33)	(1,012.90)	(15,059.19)
Cash flows	2,839.28	8,981.93	1,043.65	91.86	12,956.72
Foreign exchange adjustments	-	-	176.21	-	176.21
Interest expense	-	(897.05)	(326.59)	(88.14)	(1,311.78)
Interest paid	-	897.05	342.22	88.14	1,327.41
As at March 31, 2021	3,276.25	-	(4,265.84)	(921.04)	(1,910.63)

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
Company								
Subros Limited								
March 31, 2021	99.73%	79,297.06	98.57%	4,671.25	99.28%	92.99	98.58%	4,764.24
March 31, 2020	99.81%	75,054.71	100.10%	8,491.58	98.78%	(215.94)	100.14%	8,275.64
Company's Subsidiary - Foreign (Refer note 38)								
Thai Subros Ltd								
March 31, 2021	0.00%	-	0.00%	-	0.00%	-	0.00%	-
March 31, 2020	0.00%	-	(0.00%)	(0.30)	0.00%	-	0.00%	(0.30)
Joint Venture (Investment as per equity method) - Indian								
Denso Subros Thermal Engineering Centre India Private Limited (formerly known as Denso Subros Thermal Engineering Centre India Limited)								
March 31, 2021	0.27%	214.39	1.43%	67.86	0.72%	0.68	1.42%	68.54
March 31, 2020	0.19%	145.85	(0.10%)	(8.22)	1.22%	(2.66)	(0.13%)	(10.88)
Total								
March 31, 2021	100.00%	79,511.45	100.00%	4,739.11	100.00%	93.67	100.00%	4,832.78
March 31, 2020	100.00%	75,200.56	100.00%	8,483.06	100.00%	(218.60)	100.00%	8,264.46

Refer note 5(a)(ii) 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, 2021	March 31, 2020
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	170.14	113.82
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	26.03	20.31
(iii) Principal amount paid to suppliers registered under the MSMED ACT, beyond the appointed day during the year	667.62	692.94
(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	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act for payments already made	3.14	6.17
(vii) Further interest remaining due and payable for earlier years	20.31	14.05

37. Changes in accounting policies

This note explains the impact of the adoption of Ind AS 116, Leases on the Company's financial statements.

Impact on the financial statements - lease accounting

The Company has adopted Ind AS 116 retrospectively from April 01, 2019, but has not restated comparatives for the year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet as on April 01, 2019.

The new accounting policies are disclosed in Note 2(d)(xiii).

On adoption of Ind AS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as on April 01, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on April 01, 2019 was 9.25% / 9.75%.

For long term leases related to leasehold land obtained from government authorities previously classified as finance lease, the entity recognised the carrying amount of the leased asset immediately before transition as the carrying amount of the right-of-use asset at the date of initial application.

(i) Practical expedients applied

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- Exclude the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- Accounting for operating leases with a remaining lease term of less than 12 months as at April 01, 2019 as short term leases.
- Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Electing not to separate non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

(ii) Measurement of Lease Liabilities

Operating lease commitments disclosed as at March 31, 2019	-
Discounted using the lessee's incremental borrowing rate at the date of initial application	1,094.60
Add: Finance lease liabilities recognised as at March 31, 2019	-
Lease liability recognised as at April 01, 2019	1,094.60
Of which are:	
Current lease liabilities	124.78
Non-current lease liabilities	969.82
	1,094.60

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis with the cumulative effect of initially applying the standard recognised at the date of initial application, with right-of-use asset recognised at an amount equal to the lease liability, adjusted by the prepaid lease rent.

(iv) Adjustments recognised in the balance sheet on April 01, 2019

The change in accounting policy affected the following items in the balance sheet on April 01, 2019:

- Property, plant and equipment - decrease by Rs. 1,271.86 Lakhs
- Right-of-use assets increase by Rs. 2,366.46 Lakhs
- Prepayments - decrease by Rs 18.47 Lakhs
- Lease liabilities (net of prepayments) - increase by Rs 1,076.13 Lakhs

The net impact on retained earnings on April 01, 2019 was decrease by Rs Nil.

(v) Lessor accounting

The Company did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of Ind AS 116.

38. Pursuant to the approval of Board of Directors in their meeting held on May 28, 2018 for closure of Company's overseas subsidiary Thai Subros Ltd, the liquidation of the subsidiary has been completed on August 01, 2019 vide Certificate issued by Department of Business Development, Ministry of Commerce, Thailand.

39. 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 financial statements. The Company and its joint venture will continue to monitor and evaluate its position based on future events and developments.

40. The outbreak of Covid-19 pandemic has created economic disruption throughout the world including India. The Company and its joint venture's operations have been adversely impacted due to the consequent lockdown announced by the Government of India due to which the operations were suspended for part of the first quarter and gradually resumed with requisite precautions.

The Company and its joint venture have considered the possible effects that may result from COVID-19 in the preparation of these consolidated financial statements for the year ended March 31, 2021. While assessing the carrying value of its assets and liabilities, the Company and its joint venture have considered internal and external information available, and based on such information and assessment, have concluded that no further adjustments are required to be made to these consolidated financial statements. However, given the evolving scenario and uncertainties with respect to nature and duration, the impact of the pandemic may differ from that estimated as at the date of approval of these consolidated financial statements. The Company and its joint venture will continue to closely monitor any material changes to future economic conditions.

41. The financial statements were approved by the Board of Directors and authorized for issue on June 29, 2021.

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

Rajib Chatterjee
Partner
Membership No :057134

Place : Gurugram
Date : June 29, 2021

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 &
Assistant Vice President
(Finance)

Place : New Delhi
Date : June 29, 2021

Parmod Kumar Duggal
Chief Executive Officer

Rakesh Arora
Company Secretary
ICSI Membership No:- A8193



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



DENSO

Subros

 SUZUKI

www.subros.com



SUBROS LIMITED

Regd. Office: LGF, World Trade Centre, Barakhamba Lane, New Delhi-110001
(CIN:- L74899DL1985PLC020134)

Phone: 011-23414946-49 Fax: 011-23414945 E-mail: rakesh.arora@subros.com, Website: www.subros.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **36th Annual General Meeting** of the Members of SUBROS LIMITED will be held on **Tuesday, the 14th September, 2021 at 11.30 a.m.** IST through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company.

ORDINARY BUSINESS

- To receive, consider and adopt:
 - Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021 together with the reports of the Board of Directors and the Auditors thereon; and
 - Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 together with the report of the Auditors thereon.
- To declare dividend on equity shares for the financial year ended on March 31, 2021.
- To appoint a Director in place of Dr. Jyotsna Suri (DIN: 00004603), who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS

- To ratify and approve remuneration of the Cost Auditors for the financial year 2021-22.**

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval/ratification of the Members be and is hereby accorded to the remuneration as set out in the statement annexed to this Notice and payable to the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022.

RESOLVED FURTHER THAT the Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts and things as may be considered necessary and expedient for the purpose of giving effect to this resolution.”

- To approve the material related party transactions with Global Autotech Limited.**

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an

Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the Members be and is hereby accorded to the Board of Directors of the Company to enter into contract(s)/ arrangement(s)/ transaction(s) with M/s Global Autotech Limited (“GAL”), a related party for sale, purchase, transfer or receipt of products, goods, materials, assets or services, etc. for an amount of upto Rs. 350 crores (Rupees Three Hundred and Fifty Crores) for the financial year 2021-22 on such terms and conditions as may be mutually agreed upon between the Company and GAL.

RESOLVED FURTHER THAT the Board of Directors or Chairperson & Managing Director be and is hereby authorized to decide upon the nature and value of the products, goods, materials, assets or services to be transacted with GAL within the aforesaid limits.

RESOLVED FURTHER THAT the Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts and things as may be considered necessary and expedient for the purpose of giving effect to this resolution.”

By Order of the Board

Rakesh Arora
Company Secretary
M. No. ACS8193

Place: New Delhi
Dated: June 29, 2021

IMPORTANT NOTES:

- A statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, is annexed hereto.
- IN VIEW OF COVID-19 PANDEMIC, PURSUANT TO THE CIRCULAR NO. 14/2020 DATED APRIL 08, 2020; CIRCULAR NO. 17/2020 DATED APRIL 13, 2020; CIRCULAR NO. 20/2020 DATED MAY 05, 2020 AND CIRCULAR NO. 02/2021 DATED JANUARY 13, 2021 AND ALL OTHER RELEVANT CIRCULARS ISSUED FROM TIME TO TIME BY THE MINISTRY OF CORPORATE AFFAIRS, PHYSICAL ATTENDANCE OF THE MEMBERS TO THE ANNUAL GENERAL**

MEETING (“AGM”) VENUE IS NOT REQUIRED AND GENERAL MEETING BE HELD THROUGH VIDEO CONFERENCING (VC) OR OTHER AUDIO VISUAL MEANS (OAVM). HENCE, MEMBERS CAN ATTEND AND PARTICIPATE IN THE ENSUING AGM THROUGH VC/OAVM.

3. **AS THE AGM SHALL BE CONDUCTED THROUGH VC / OAVM, THE FACILITY FOR APPOINTMENT OF PROXY BY THE MEMBERS IS NOT AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP INCLUDING ROUTE MAP ARE NOT ANNEXED TO THIS NOTICE.**
4. Corporate Members intending to attend the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF / JPG format) of the relevant Board Resolution / Authority Letter etc. authorising its representative so attend the AGM, by email to rakesh.arora@subros.com.

Procedure for dispatch of annual report

5. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020 and January 13, 2021, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories.
6. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.subros.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL <https://www.evoting.nsd.com>.
7. Members may also note that the Annual Report for 2020-21 will also be available on the Company's website for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in e-mail / physical form, upon making a request for the same, by post free of cost.
8. Shareholders holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by sending a duly signed request letter to the Registrar and Transfer Agents of the Company or to the Company by providing Folio No. and Name of Shareholder. Shareholders holding shares in dematerialised mode are requested to register / update their email addresses with the relevant Depository Participants.
9. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company through an email on rakesh.arora@subros.com.

Procedure for attending / joining the AGM through VC / OAVM

10. NSDL will be providing facility for voting through remote e-Voting, for participation in the 36th AGM through VC/OAVM facility and e-Voting during the 36th AGM.
11. Members may note that the VC/OAVM facility, allows participation of at least 1,000 Members on a first come

- first-served basis.

12. Members will be able to attend the AGM through VC / OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsd.com> by using their remote e-voting login credentials and selecting the link available against the EVEN for Company's AGM.
13. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned below in the Notice.
14. **Facility of joining the AGM through VC / OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come first-served basis.**
15. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / toll free no. 1800-1020-990 or contact
 - a) Ms. Pallavi Mhatre, Manager, pallavid@nsdl.co.in, Ph: 022-24994545;
 - b) Ms. Soni Singh, Assistant Manager, sonis@nsdl.co.in Ph: 022-24994559; or
 - c) Mr. Narendra Dev, Assistant Manager narendrad@nsdl.co.in Ph: 8376913413.
16. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act

Procedure for raising questions / clarifications

17. Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at rakesh.arora@subros.com. Questions/queries received by the Company till 5.00 p.m. on, 8th September, 2021 shall only be considered and responded during the AGM.
18. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

Procedure for remote e-voting and e-voting at the AGM

19. (i) All the shareholders of the Company including retail individual investors, institutional investors, etc. are encouraged to attend and vote in the AGM to be held through VC/OAVM.
- (ii) In compliance with the provisions of Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), Members are provided with the following alternatives by which they may cast their votes by electronic means through the remote e-Voting platform provided by the National Securities Depository Limited (NSDL).
- (iii) **The remote e-Voting period will commence on Saturday, 11th September, 2021 at 9.00 a.m. and will end on Monday, 13th September, 2021 at 5.00**

p.m. The remote e-Voting module will be disabled by NSDL for voting thereafter. Instructions and information relating to e-Voting are as follows:

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e- Voting page. Click on options available against company name or e-Voting service provider – NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL),
	<p>Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/ Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider - NSDL. Click on NSDL to cast your vote. If the user is not registered for Easi / Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. <p>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: center; gap: 20px;">   </div> <div style="display: flex; justify-content: center; gap: 20px; margin-top: 10px;">   </div> <ol style="list-style-type: none"> Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login method for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- i. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- ii. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
- iii. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- iv. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID ForexampleifyourBeneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- v. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
 - i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
 - ii. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
- vi. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
 - a) Click on “**Forgot User Details/Password?**” (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) “**Physical User Reset Password?**” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- vii. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- viii. Now, you will have to click on “Login” button.
- ix. After you click on the “Login” button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system



How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- i. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- ii. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- iii. Now you are ready for e-Voting as the Voting page opens.
- iv. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- v. Upon confirmation, the message "Vote cast successfully" will be displayed.
- vi. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- vii. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General information / guidelines

- a) Institutional Shareholders / Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are requested to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer at contact@csrsm.com with a copy marked to evoting@nsdl.co.in.
- b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Dev Narender at evoting@nsdl.co.in or at 8376913413.

Process for those Shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting

for the resolutions set out in this notice:

- i. In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), Aadhaar (self attested scanned copy of Aadhaar Card) by email to rakesh.arora@subros.com.
- ii. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account Statement, PAN (self attested scanned copy of PAN card), Aadhaar (self attested scanned copy of Aadhaar Card) to rakesh.arora@subros.com. If you are individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
- iii. Alternatively Shareholder/Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- iv. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The instructions for Members for E-voting on the day of the AGM are as under:-

- i. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- ii. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- iii. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- iv. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for Members for attending the AGM through VC/OAVM are as under:

Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General Meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

- d) Members who have cast their votes by remote e-Voting prior to the AGM may also attend/participate in the Meeting through VC/ OAVM but they shall not be entitled to cast their vote again.
- e) The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e., 7th September, 2021.
- f) Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 36th AGM by email and holds shares as on the cut-off date i.e. 7th September, 2021, may obtain the User ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com.
- g) Shri Ravi Sharma, Practicing Company Secretary (Membership No. FCS-4468 & CP No. 3666), Partner, M/s. RSM & Co., Company Secretaries have been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the e-voting process in a fair and transparent manner.
- h) The Chairperson shall, at the AGM, allow voting with the assistance of Scrutinizer, by use of electronic voting for all those Members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
- i) The Scrutinizer shall after the conclusion of voting at the AGM, declare the results not later than two working days of the conclusion of the AGM, along with a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by her in writing, who shall countersign the same and declare the result of the voting forthwith. The results declared

along with the report of the Scrutinizer shall be placed on the website of the Company www.subros.com and on the website of NSDL, BSE Ltd. and National Stock Exchange of India Ltd.

- j) Documents open for inspection: All the documents referred to in the accompanying notice and the statement pursuant to Section 102 (1) of the Companies Act, 2013 shall be available for inspection through electronic mode. Members are requested to write to the Company on rakesh.arora@subros.com for inspection of said documents; and the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members during the AGM, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.

Dividend related information

20. **The Register of Members and the Share Transfer Books of the Company will remain closed from September 8, 2021 to September 14, 2021 (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2021 and the Annual General Meeting.**
21. Dividend of Rs. 0.70 per equity share as recommended by the Board of Directors for the year ended March 31, 2021 is subject to the approval by the Members at the ensuing Annual General Meeting.
22. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form are requested to register their bank particulars or changing bank particulars already registered against their respective folios for payment of dividend and are requested to inform the Company/ RTA.
23. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company for any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
24. Securities and Exchange Board of India (“SEBI”) has

mandated the submission of Permanent Account Number (“PAN”) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested submit their PAN/ bank details to the Company / Registrar & Transfer Agent. Also SEBI has informed that securities of listed companies can be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise equity shares held by them in physical form at the earliest.

25. **TDS ON DIVIDEND:** Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of Members with effect from 1st April, 2020 and therefore, the Company shall be required to deduct tax at source (TDS) from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories, Members are requested to refer to the Finance Act, 2020 and amendments thereof.

Members are requested to update their Permanent Account Number (“PAN”) with the Company and depositories (in case of shares held in demat mode).

For Resident Shareholders, tax shall be deducted at source under Section 194 of the Income-tax Act, 1961 @ 10% on the amount of Dividend declared and paid by the Company during the Financial Year (“FY”) 2020-21 provided PAN is provided by the shareholder. **If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income-Tax Act, 1961.** However, no TDS shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received during FY 2021-22 does not exceed Rs.5,000. Separately, in cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm)/Form 15H (applicable to an Individual above the age of 60 years), no tax at source shall be deducted provided that the eligibility conditions are being met. Needless to say, PAN is mandatory. Members are requested to note that incase their PAN is not registered, the tax will be deducted at a higher rate of 20%.

In order to provide exemption from withholding of tax, the following organizations must provide a self-declaration as listed below:

- **Insurance Companies:** A declaration that they are beneficial owners of shares held.
- **Mutual Funds:** A declaration that they are governed by the provisions of Section 10(23D) of the Act along with copy of registration documents (self-attested).

Other categories may provide requisite documents in accordance with the Income-Tax Act, 1961.

For Non-resident Shareholders, taxes are required to be withheld in accordance with the provisions of section 195 of the Income Tax Act, 1961 at the applicable rates in force. As per the relevant provisions of section 195 of the said Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them. In case of Foreign Portfolio Investors/Foreign Institutional Investors, the withholding tax shall be as per the rates specified in Section 196C and 196D of the Act respectively plus applicable surcharge and cess on the amount of Dividend payable to them. However, as per Section 90 read with Section 195 of the Income-Tax Act, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (“DTAA”) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- a) Self-attested true copy of Tax Residency Certificate (“TRC”) obtained from the tax authorities of the country of which the shareholder is resident for the Financial Year 2020-21;
- b) Self declaration in Form 10F;
- c) Self-attested true copy of the PAN Card if allotted by the Indian Income Tax authorities;
- d) Self-declaration, certifying that the (i) Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2021-22; (ii) Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company; (iii) Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner; (iv) Shareholder does not have a taxable presence or a Permanent Establishment (“PE”) in India during the Financial Year 2021-22. In any case, the amounts paid/payable to the Shareholder are not attributable or effectively connected to the PE or fixed base, if any, which may have got constituted otherwise; (v) Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and (vi) Non-resident shareholder is satisfying the Principle Purpose Test as per the respective tax treaty effective 1st April, 2020 (if applicable).

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-Resident shareholder. Members may submit the aforementioned documents to the Company on or before September

7, 2021 in order to enable the Company to determine and deduct appropriate tax. No communication on the tax determination/deduction may be entertained post September 7, 2021.

It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details / documents from the Shareholders, there would still be an option available with the Shareholders to file the return of income and claim an appropriate refund, if eligible.

The Company may arrange to email the soft copy of TDS certificate to the Shareholders at the registered email ID in due course, post payment of the said Dividend.

26. The Company has transferred the unpaid or unclaimed dividends declared upto financial year 2012-13, from time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on the date of the previous Annual General Meeting on the website of the Company and the same can be accessed through the link: www.subros.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2020-21, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: www.subros.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned Members are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> or contact the Registrar & Transfer Agent for lodging claim for refund of shares and/ or dividend from the IEPF Authority.

27. The requirement to place the matter relating to appointment of auditors for ratification by Members at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors, who were appointed in the Annual General Meeting, held on September 18, 2017.

28. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards in respect of the Director(s) seeking appointment/re-appointment at the Annual General Meeting is annexed hereto and forms integral part of the Notice.

STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 4

The Board on the recommendation of the Audit Committee has approved the re-appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2022 as per the following details:

Name of the Auditor	Industry	Audit Fees (Rs.)
M/s. Chandra Wadhwa & Co.	Automotive	3.50 Lacs

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified / approved by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the proposed resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 4 of this Notice as an Ordinary Resolution.

Item no. 5

Global Autotech Limited ("GAL") is a 'related party' within the meaning of Section 2(76) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). In terms of the provisions of Section 188 of the Companies Act, 2013 and the Listing Regulations, the contracts/ arrangements/ transactions relating to sale, purchase, transfer or receipt of products, goods, materials, assets or services etc. with M/s Global Autotech Ltd. are material related party transactions as the same are likely to exceed ten percent of the annual consolidated turnover of the Company.

Therefore, in terms of Regulation 23 and other applicable regulations of the Listing Regulations the material contracts/ arrangements/ transactions with M/s Global Autotech Ltd require approval of the Members of the Company by way of an ordinary resolution.

The particulars of the Material Related Party Contracts/ Arrangements/ Transactions are as under:

Name of the related party: M/s Global Autotech Limited.

Name of the Director or KMP who is related and relationship: Relative of Dr. Jyotsna Suri, Director and Ms. Shradha Suri, Chairperson & Managing Director is Director in Global Autotech Ltd.

Material terms of the Contracts/Arrangements/ Transactions: The transactions are on a continuous basis (on arm's length basis and in ordinary course of business) during the financial year 2021-22.

Monetary Value: The value of transactions/proposed transactions are expected to be Rs. 350 Crores.

Other information: M/s. Global Autotech Limited is a vendor and all prices are agreed based on market competitiveness.

The material Contracts/ Arrangements/ Transactions with GAL have been approved by the Audit Committee and Board of Directors for recommending the same to the Members of the Company for their approval.

None of the Directors or Key Managerial Personnel of the Company except Dr. Jyotsna Suri and Ms. Shradha Suri, Directors are interested, financial or otherwise, in the proposed resolution.

The Board of Directors recommends passing of the resolution as set out at item no. 5 of this Notice as an Ordinary Resolution.

By Order of the Board

Rakesh Arora
Company Secretary
M. No. ACS8193

Place: New Delhi
Dated: June 29, 2021

Registered Office:

Lower Ground Floor, World Trade Centre, Barakhamba Lane,
New Delhi 110 001
(CIN: L74899DL1985PLC020134)
Email: rakesh.arora@subros.com
Website: www.subros.com



Additional information on Director recommended for re-appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard-2.	
Particulars	Dr. Jyotsna Suri
Age (years)	68
Qualification	Bachelor's degree in English from Miranda House College, Delhi University and has been conferred a honorary degree of Doctor of Laws from the University of Warwick, U.K
Experience and expertise	<p>She has experience of more than 40 years in hospitality Sector.</p> <p>She was the President of the Federation of Indian Chambers of Commerce and Industry ("FICCI") in 2015 and has been the Chairperson of the FICCI Tourism Committee since 2013. Dr. Jyotsna Suri was appointed as Chairperson & Managing Director of the Bharat Hotels Limited in the year 2006.</p> <p>On November 19, 2008 she chartered a path breaking and highly successful brand change and, today, under The Lalit Suri Hospitality Group, all its luxury hotels are operated under 'THE LALIT'. She was awarded the 'Outstanding Business Woman Award' at the PHD Annual Awards for Excellence 2016 and was the winner of the In WENA trophy for 'Women Entrepreneur(s) / Entrepreneur(s) of the Decade' at the In WENA Awards 2016. She was also awarded the 'BEST CEO Hospitality Sector' at the Global Women Achievers Awards in 2015.</p> <p>In addition to above, in the year 2019 she was awarded with following awards:</p> <ol style="list-style-type: none"> 1. Order of the Rising Sun, Gold & Silver star by the Government of Japan 2. Most influential Woman of India by Business World
Terms & Conditions of appointment / Reappointment	Liable to retire by rotation.
Details of Remuneration sought to be paid	None. Only sitting fees for attending the board meeting(s) shall be paid.
Remuneration last drawn	None. Only sitting fees for attending the board meeting(s) are paid. For details, please refer to the Corporate Governance Report.
Date of first appointment on the Board	30.10.2006
Shareholding in the Company (including shareholding as a beneficial owner)	16,19,200 (2.48%)
Relationship with other Directors, Manager and Key Managerial Personnel	Ms. Shradha Suri, Chairperson & Managing Director
Number of board meeting(s) attended during the year	5 (Five)
Other directorships	<p>Public Companies:</p> <ol style="list-style-type: none"> 1. Deeksha Holding Limited 2. Rohan Motors Limited 3. Bharat Hotels Limited 4. Jyoti Limited 5. Lalit Great Eastern Kolkata Hotel Limited <p>Private Companies:</p> <ol style="list-style-type: none"> 1. Responsible Holding Private Limited 2. Prima Realtors Private Limited 3. Prima Hospitality Private Limited 4. Jyotsna Holding Private Limited 5. Special Protection Services Private Limited 6. Bharat Hotels Aviations Private Limited
Memberships / Chairpersonship of Committees	<p>Bharat Hotels Limited:</p> <p>Chairperson – CSR Committee</p> <p>Member – Stakeholders Relationship Committee</p>



SUBROS LIMITED

Regd. Office: LGF, World Trade Centre, Barakhamba Lane, New Delhi- 110001
(CIN:-L74899DL1985PLC020134)

Phone: 011-23414946-49 Fax: 011-23414945 E-mail: rakesh.arora@subros.com, Website: www.subros.com

ADDENDUM TO NOTICE OF 36TH ANNUAL GENERAL MEETING

Dear Members,

**Addendum to the NOTICE of 36th Annual General Meeting of the Members of SUBROS LIMITED
to be held on Tuesday, the 14th September, 2021 at 11.30 a.m. IST
through Video Conferencing (“VC”) /Other Audio Visual Means (“OAVM”)**

The Board of Directors in their meeting held on 4th August, 2021, subject to approval of the Members of Subros Limited, have appointed Mr. Parmod K. Duggal as the Additional Director and Whole-time Director, designated as Chief Executive Officer (“CEO”) of the Company. Accordingly, approval of the Members is also sought for the special business described in item number 6 along with explanatory statement.

This addendum shall be deemed to be a part of the original Notice dated 29th June, 2021 and the notes provided therein. All other details specified in the Notice dated 29th June, 2021 remain same and unchanged.

SPECIAL BUSINESS:**Item No.6**

To appoint Mr. Parmod K. Duggal (DIN: 02382912) as Whole-time Director, designated as Chief Executive Officer (“CEO”)

To consider, and if thought fit, to pass, with or without modification(s) the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 152, 161 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification or re-enactment thereof for the time being in force) read with Articles of Association of the Company, Mr. Parmod K. Duggal (DIN: 02382912), who was appointed as an Additional Director of the Company with effect from 5th August, 2021 and who holds office till the date of this Annual General Meeting in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT in accordance with the provisions of Sections 196, 197, 203 and other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) (the “Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, approval of the Members of the Company be and is hereby accorded for the appointment of Mr. Parmod K. Duggal (DIN: 02382912) as the Whole-time Director, designated as

Chief Executive Officer (“CEO”) of the Company, for a period of 3 (three) years with effect from 5th August, 2021 up to 4th August, 2024 upon the terms & conditions of appointment including the payment of remuneration, perquisites & other benefits, as set out in the Explanatory Statement annexed to the Addendum to the Notice convening this Meeting, with liberty to the Board of Directors or Chairperson & Managing Director (including its Committee thereof) to alter and vary the terms & conditions of the said Appointment in such manner as may be deemed fit in accordance with the relevant provisions of the Act and the Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors or Chairperson & Managing Director be and are hereby authorised to revise the remuneration of Mr. Parmod K. Duggal from time to time to the extent the Board of Directors or Chairperson & Managing Director may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Companies Act, 2013 read with Schedule V thereto, and/or any guidelines prescribed by the Government from time to time and the Articles of Association of the Company.

RESOLVED FURTHER THAT the Chairperson & Managing Director or Company Secretary of the Company be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board

Rakesh Arora
Company Secretary
M. No. ACS8193

Place: New Delhi
Dated: August 4, 2021

IMPORTANT NOTES:

- A statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, is annexed hereto.
- The Addendum to the Notice can also be accessed from the website(s) of the Company www.subros.com, Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsd.com.

- c) Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard(s) in respect of the Director(s) seeking appointment/re-appointment at the Annual General Meeting is annexed hereto and forms integral part of the Addendum Notice.
- d) The relevant documents referred to in this Addendum to the Notice of AGM are open for inspection by the Members at the Registered Office of the Company on all working days during normal business hours up to the date of AGM.
- e) All the information, details, notes and instructions relating to e-voting set out in the Notice for the ensuring AGM shall mutatis mutandis apply to the e-voting for the resolutions proposed to this Addendum to the Notice of AGM.

STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item no. 6

The Members may note that Mr. Parmod K. Duggal was appointed as Chief Executive Officer & KMP of the Company with effect from April 1, 2021 by the Board of Directors pursuant to Section 203 of the Companies Act, 2013 (the "Act").

The Board of Directors on the recommendation of Nomination and Remuneration Committee have appointed Mr. Parmod K. Duggal (DIN: 02382912) as an Additional Director and Whole-time Director, designated as Chief Executive Officer (CEO) of the Company under Section 161(1) of the Act and the Articles of Association, with effect from 5th August, 2021. In terms of Section 161(1) of the Act, Mr. Parmod K. Duggal holds office only up to the date of the forthcoming AGM and is eligible for appointment as a Director. The Company has received a Notice under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Duggal's appointment as a Director.

The Board has also appointed Mr. Parmod K. Duggal as the Whole-time Director, designated as Chief Executive Officer (CEO) of the Company for a period of three years from 5th August, 2021 up to 4th August, 2024, upon the terms & conditions hereinafter indicated, subject to approval of the Members.

Mr. Parmod K. Duggal, aged 51 years, is a Chartered Accountant, Company Secretary and a Cost Accountant. Mr. Duggal is associated with the Company for over 18 years and has over 29 years of rich experience in the areas of Marketing, Corporate & Strategic Planning, Cost Management & Joint Venture Management and has also worked in heavy engineering sector.

The principal terms and conditions of appointment of Mr. Parmod K. Duggal as the Whole-time Director, designated as Chief Executive Officer (CEO) are as follows:

1. **Period of Appointment:** Three years commencing from 5th August, 2021.

2. **Remuneration:** In consideration of the performance of his duties, the Company shall pay to Mr. Parmod K. Duggal the following remuneration with such increments as may be approved by the Chairperson & Managing Director ("CMD") from time to time. The gross remuneration shall be categorized as follows:-

- a) **Basic Salary:** In the range of Rs 1,63,350/- per month to Rs. 2,75,000/- per month. The increment as and when approved by the Board or CMD shall be merit based and will take into account the performance as CEO as well as that of the Company.
- b) **House Rent Allowance (HRA):** 50% of the Basic Salary.
- c) **Perquisites & Allowances:** Other allowances & perquisites like Transportation Allowance, Uniform Allowance, Superannuation Allowance, Special Allowance(s), Leave Travel Concession (LTC), Medical Reimbursement, Contribution to Provident Fund, Gratuity, Leave and Leave Encashment etc. and other allowances for such amount as per the rules and policies of the Company.
- d) **Performance Incentive:** As per the rules and policies of the Company.
- e) **Amenities:** Conveyance facilities, Telephone, Internet and other communication facilities as per the rules and policies of the Company.

3. The Perquisites shall be evaluated as per Income Tax Rules, wherever applicable and in absence of any such rule, perquisites shall be evaluated at actual cost.
4. **Overall Remuneration:** The aggregate of Basic Salary, HRA, Perquisites & Allowances, Performance Incentive, Amenities in any one financial year shall not exceed the limits prescribed under Section 197, 198 and other applicable provisions of the Companies Act, 2013, read with Schedule V to the said Act or any modifications or re-enactment for the time being in force.
5. **Minimum Remuneration:** In the event of loss or inadequacy of profits in any financial year during the currency of tenure of service of the CEO, the payment of Basic Salary, HRA, Perquisites & Allowances, Performance Incentive, Amenities shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013 as may for the time being be in force.
6. Income-Tax in respect of the above remuneration will be deducted at source as per the applicable Income Tax Laws / Rules.
7. CEO shall carry-out such functions, exercise such powers and perform such duties as the Board of Directors of the Company or the CMD shall from time to time in its absolute discretion determine and entrust to him.

The terms & conditions of appointment and the payment of remuneration to CEO may be varied, altered, increased, enhanced or widened from time to time by the Board or the CMD as it may in its discretion deem fit and in accordance with the provisions of the Companies Act, 2013 or any amendments made hereafter in this regard, the Articles of Association of the Company and within the overall approval given by the Shareholders.

8. The above may be treated as a written memorandum setting out the terms & conditions of appointment of Mr. Parmod K. Duggal under Section 190 of the Act.
9. The Nomination & Remuneration Committee and the Board of Directors are of the opinion that Mr. Parmod K. Duggal's vast knowledge and varied experience will be of great value to the Company and has recommended the Resolution at Item No.6 of this Addendum to the Notice relating to his appointment as Whole-time Director, designated as CEO of the Company for a period of three years w.e.f. 5th August, 2021 upto 4th August, 2024 as an Ordinary Resolution for your approval.

In compliance with the provisions of Sections 196, 197, 203 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

Except, Mr. Parmod K. Duggal, none of the other Directors, Key Managerial Personnel or their relatives are concerned or interested in the Resolution at Item No. 6 of the Addendum to the Notice. Mr. Duggal is not related to any other Director or KMP of the Company.

The Board recommends the Ordinary Resolution as set out in Item No. 6 of the Addendum to the Notice for the approval by the Members.

By Order of the Board

Rakesh Arora
Company Secretary
M. No. ACS8193

Place: New Delhi
Dated: August 4, 2021

Registered Office:

Lower Ground Floor, World Trade Centre, Barakhamba Lane,
New Delhi 110 001
(CIN: L74899DL1985PLC020134)
Email: rakesh.arora@subros.com
Website: www.subros.com



Additional information on Director recommended for appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard-2	
Particulars	Mr. Parmod K. Duggal (DIN: 02382912)
Age (years)	51
Qualification	Chartered Accountant, Company Secretary & Cost Accountant
Experience and expertise	<p>Mr. Parmod K. Duggal has around 29 years of rich experience in areas of Marketing, Finance, Corporate & Strategic Planning, Cost Management and Joint Venture Management.</p> <p>Mr. Duggal has been associated with Subros Limited for past 18 years and instrumental in its growth by bringing the New business opportunities to the Company. He is also a member of the Strategic Executive Committee (SEC) for formulation of long term strategy for the Company.</p>
Terms & Conditions of appointment	As detailed in the resolution and explanatory statement
Details of Remuneration sought to be paid	As detailed in the resolution and explanatory statement
Remuneration last drawn	As per existing terms and conditions
Date of first appointment on the Board	August 5, 2021
Shareholding in the Company (including shareholding as a beneficial owner)	None
Relationship with other Directors, Manager and Key Managerial Personnel	None
Number of Board Meeting(s) attended during the year	None
Other Directorships (Including listed companies)	<ol style="list-style-type: none"> 1. Denso Subros Thermal Engineering Centre India Private Limited 2. GlobalYDK Electric Private Limited
Memberships / Chairpersonship of Committees	None
Name of listed entities from where the person has resigned in the past three years	None

