

SL/BSE/NSE/18

30th January, 2018

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

Sub: Unaudited financial results for the quarter and Nine months ended 31st December, 2017

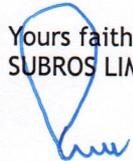
Pursuant to Regulation 33 and other applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to enclose the following:

- (1) Unaudited financial results for the quarter and nine months ended 31st December, 2017, duly approved by the Board of Directors in the meeting held on 30th January, 2018.
- (2) Limited Review Report for the quarter and nine months ended 31st December, 2017 issued by our statutory auditors M/s Price Waterhouse Chartered Accountants LLP.
- (3) Presentation to be shared with the analysts/institutional investors in respect of the above said results.

This is for your information and record please

Thanking you,

Yours faithfully,
SUBROS LIMITED


Rakesh Arora
Company Secretary



Subros Limited

CIN :- L74899DL1985PLC020134

Corporate & Regd. Office : LGF, World Trade Centre, Barakhamba Lane, New Delhi-110 001 (India)
Phone : 011-23414946-49 Fax : 011-23414945 Website : www.subros.com
Noida : B-188 & C-51, Phase-II, Noida - 201304, P.O. NEPZ, Distt. Gautambudh Nagar (U.P.) (India)
Works : Phone : 0120-2562226, 2460135 Fax : 0120-2562783
Manesar Unit : Plot No. 395/396, Sector - 8, IMT Manesar, Gurgaon - 122051 (Haryana)
Phone : 0124 - 2291764 (30 Lines) Fax : 0124 - 2291835
Pune Unit : B 8&9, MIDC-Chakan Industrial Area,(Chakan-Talegaon Road),Chakan,Pune-410501
Phone : 02135 - 663131 Fax : 02135 - 663140

SUBROS LIMITED

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

CIN :- L74899DL1985PLC020134; Website: www.subros.com ; Email: rakesh.arora@subros.com

Tel: 011-23414946 Fax: 011-23414945

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2017

S. No.	Particulars	(Rs. In lakhs)				
		Quarter ended			Nine Months ended	
		31st December, 2017 (UNAUDITED)	30th September, 2017 (UNAUDITED)	31st December, 2016 (UNAUDITED)	31st December, 2017 (UNAUDITED)	31st December, 2016 (UNAUDITED)
I	Revenue from operations ^	44,877	49,715	41,667	1,41,741	1,27,198
II	Other Income	436	292	102	784	949
III	Total Revenue (I + II)	45,313	50,007	41,769	1,42,525	1,28,147
IV	Expenses					
	a) Cost of materials consumed	30,888	35,911	25,079	96,063	78,986
	b) Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	157	(389)	322	(723)	(659)
	c) Excise Duty	-	-	4,732	5,667	14,803
	d) Employee benefits expense	4,761	4,488	3,931	13,385	11,359
	e) Finance costs	1,015	1,020	1,434	2,975	3,435
	f) Depreciation and amortization expense	2,396	2,281	2,101	6,781	6,606
	g) Other expenses	4,306	4,268	3,412	12,720	11,118
	Total expenses (IV)	43,523	47,579	41,011	1,36,868	1,25,648
V	Profit/(Loss) before exceptional items and tax (III - IV)	1,790	2,428	758	5,657	2,499
VI	Exceptional Items	-	(92)	(795)	(182)	(2,428)
VII	Profit/(Loss) before tax (V + VI)	1,790	2,336	(37)	5,475	71
VIII	Tax expense					
	(a) Current Tax	384	489	562	1,175	586
	(b) Deferred Tax	(237)	339	(682)	97	(942)
IX	Profit/(Loss) for the period (VII - VIII)	1,643	1,508	83	4,203	427
X	Other Comprehensive Income/(Loss) after tax					
	Items that will not be reclassified to profit or loss					
	(a) Gain/(Loss) of defined benefit obligations	(7)	(7)	(9)	(21)	(27)
	(b) Income tax relating to above	2	2	3	6	9
	Other Comprehensive Income for the period (net of tax) (a+b)	(5)	(5)	(6)	(15)	(18)
XI	Total Comprehensive Income for the period (IX + X)	1,638	1,503	77	4,188	409
XII	Paid-up equity share capital	1,200	1,200	1,200	1,200	1,200
XIII	Face value of share (Rs.)	2	2	2	2	2
XIV	Earnings per share (of Rs. 2 each) (not annualised)					
	Basic	2.74	2.51	0.14	7.01	0.71
	Diluted	2.74	2.51	0.14	7.01	0.71

^ Refer Note 9



Notes:

- The above financial results were reviewed and recommended by the Audit Committee at their meeting held on January 29, 2018 and approved by the Board of Directors at their meeting held on January 30, 2018.
- The Unaudited financial results of the Company have been prepared in accordance with Indian Accounting Standards ("IND AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016. The Company adopted IND AS from April 1, 2017 for the first time with a transition date of April 1, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles in IND AS 34 Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- Reconciliation of the financial results reported under the previous Generally Accepted Accounting Principles (GAAP) for the quarter and nine months ended December 31, 2016 is as below:

Particulars	Quarter ended 31st December, 2016 (Rs. In Lakhs)	Nine Months ended 31st December, 2016 (Rs. In Lakhs)
A) Net Profit after tax as per previous GAAP	327	681
B) Effects of transition to IND AS on Statement of Profit and Loss		
i) Gain / (loss) arising on recognition and measurement of financial asset at amortised cost	(2)	1
ii) Actuarial loss on defined benefit plans transferred to other comprehensive income	9	27
iii) Gain arising on recognition and measurement of financial liability at amortised cost	296	224
iv) Loss on fair value accounting of derivatives	(544)	(497)
v) Deferred tax charge of above adjustments	(3)	(9)
C) Net Profit after tax as per IND AS	83	427
D) Other Comprehensive Income (net of tax)	(6)	(18)
E) Total Comprehensive Income as per IND AS	77	409

- In terms of IND AS - 16 on "Property Plant & Equipment" and IND AS - 38 on "Intangible Assets", the Company has reviewed the useful lives of various assets and also the method of charging depreciation. On such reviews it was found that few assets need change in useful lives. It was also found that pattern of consumption of future economic benefit of various assets cannot be reasonably estimated, therefore method of charging depreciation has been changed from Written Down Value (WDV) to Straight Line Method (SLM) w.e.f. April 1, 2017. The cumulative impact of such changes in accounting estimates was reduction in "Depreciation and amortization expense" and consequent impact on "Profit Before Tax" by Rs. 157 lacs and Rs. 449 lacs during the quarter and nine months ended December 31, 2017 respectively.
- The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with requirements of SEBI's circular dated July 5, 2016 on IND AS and Schedule III to the Companies Act, 2013 applicable to companies that are required to comply with IND AS.
- The Company's operations comprise of only one segment i.e. parts & components for Automotive Airconditioning Systems. Hence no further information is required to be given in respect of segment.
- There was a fire accident in one of the plants of the Company situated at Manesar on May 29, 2016. The fire had severely impacted the building, stocks, plant & machinery. These assets were adequately insured with reinstatement clause and a claim has been made with the insurance company. An interim amount has been received from the insurance company against the claim lodged. Special/urgent actions to restart supplies to the customers post fire accident has temporarily resulted in additional costs which have been disclosed in Exceptional Items as per serial number VI of the results.
- The Company has issued Listed Redeemable 8.50% Non-Convertible Debentures (NCDs) aggregating to Rs 5,000 Lakhs on 22nd August, 2017 and the requisite Debenture Redemption Reserve will be created at the end of the financial year 2017-18.
- Revenue from operations for periods upto June 30, 2017 include excise duty, which is discontinued effective July 1, 2017 upon implementation of Goods and Services Tax (GST) in India. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the quarter and nine months ended December 31, 2017 are not comparable with the previous periods. The following additional informations is being provided to facilitate such understanding.

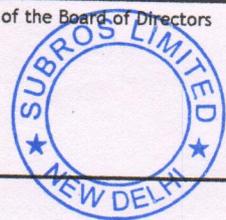
Particulars	(Rs. In lakhs)				
	Quarter ended			Nine Months ended	
	31st December, 2017 (UNAUDITED)	30th September, 2017 (UNAUDITED)	31st December, 2016 (UNAUDITED)	31st December, 2017 (UNAUDITED)	31st December, 2016 (UNAUDITED)
Revenue from operations	44,877	49,715	41,667	1,41,741	1,27,198
Less : Excise Duty	-	-	4,732	5,667	14,803
Revenue from operations excluding Excise Duty	44,877	49,715	36,935	1,36,074	1,12,395

- Deferred tax is after adjusting Minimum Alternate Tax credit entitlement.
- The previous period's figures have been regrouped/rearranged/reclassified, wherever necessary.

Place : New Delhi
Dated : 30.01.2018

For and on behalf of the Board of Directors
SUBROS LIMITED

RAMESH SURI
CHAIRMAN



Price Waterhouse Chartered Accountants LLP

The Board of Directors
Subros Limited
LGF, World Trade Centre,
Barakhamba Lane,
New Delhi - 110001

1. We have reviewed the unaudited financial results of Subros Limited (the "Company") for the quarter ended December 31, 2017 which are included in the accompanying 'Statement of standalone unaudited financial results for the quarter and nine months ended December 31, 2017' together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") and SEBI Circular dated July 5, 2016, which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Further, the Management is also responsible to ensure that the accounting policies used in preparation of this Statement are consistent with those used in the preparation of the Company's opening unaudited Balance Sheet as at April 01, 2016 prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with Ind AS and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 and SEBI circular dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to the following matters:
 - a. Note 2 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2017, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.
 - b. The standalone financial results of the Company for the quarter and nine months period ended December 31, 2016 prepared in accordance with Companies (Accounting Standards) Rules, 2006, were reviewed by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated January 31, 2017, expressed an unmodified conclusion on those financial results. Accordingly, the net profit included in the reconciliation to the Company's Total Comprehensive Income for the quarter and nine months period ended December 31, 2016 is based on such financial results.

Our conclusion is not qualified in respect of these matters.

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



Rajib Chatterjee
Partner
Membership Number 057134

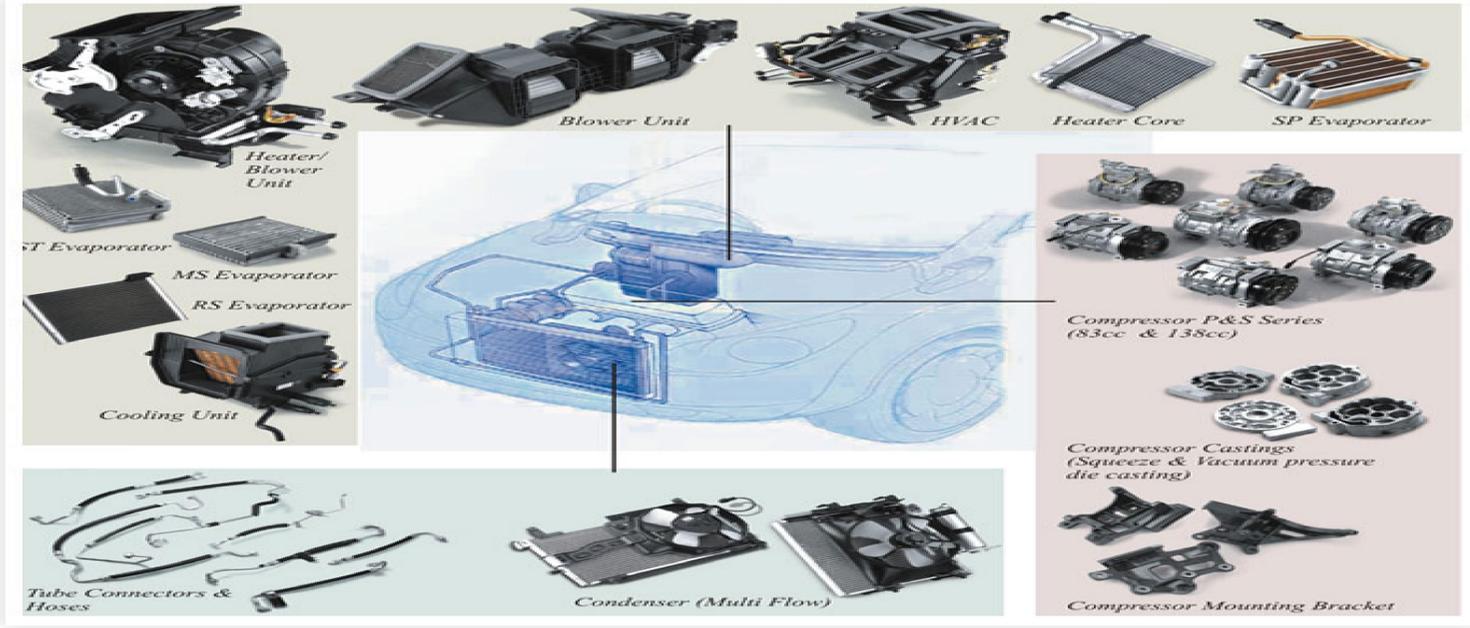
Place: New Delhi
Date: January 30, 2018

Price Waterhouse Chartered Accountants LLP, Building No. 8, 7th & 8th Floor, Tower - B, DLF Cyber City
Gurgaon - 122 002
T: +91 (124) 4620000, 3060000, F: +91 (124) 4620620

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

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

Subros



Financial Results- Quarter III & Nine Months, 2017-18



Investor Presentation





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

PARTICULARS	QUARTER ENDED			NINE MONTHS ENDNED	
	31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
Gross Sale	44,756	49,694	41,371	1,41,568	1,26,847
Net Sales	44,756	49,694	36,639	1,35,901	1,12,044
Other Operating Income	121	21	296	174	351
Net Income from Operation	44,877	49,715	36,935	1,36,075	1,12,395
Other Income	436	292	102	784	949
Net Revenue	45,313	50,007	37,037	1,36,859	1,13,344
Raw Material Consumed	31,045	35,522	25,401	95,341	78,327
Total Material cost % to Net Sales	69.37%	71.48%	69.33%	70.15%	69.91%
Staff Cost	4,761	4,488	3,931	13,385	11,359
Staff cost % to Net Sales	10.64%	9.03%	10.73%	9.85%	10.14%
Other Exp.	4,306	4,268	3,412	12,720	11,118
Other Exps. % to Net Sales	9.62%	8.59%	9.31%	9.36%	9.92%
EBIDTA	5,201	5,729	4,293	15,413	12,540
% to Net Sales	11.59%	11.52%	11.62%	11.33%	11.16%
Depreciation and Amortisation exp	2,396	2,281	2,101	6,781	6,606
Depreciation % to Net Sales	5.35%	4.59%	5.73%	4.99%	5.90%
Interest	1,015	1,020	1,434	2,975	3,435
Interest cost % to Net Sales	2.27%	2.05%	3.91%	2.19%	3.07%
Net Profit/(Loss)	1,790	2,428	758	5,657	2,499
% to Net Sales	4.00%	4.89%	2.07%	4.16%	2.23%
Exceptional Items	0	-92	-795	-182	-2,428
Profit from Ordinary Activities	1,790	2,336	-37	5,475	71
% to Net Sales	4.00%	4.70%	-0.10%	4.03%	0.06%
(a) Current Tax	384	489	562	1,175	586
(b) Deferred Tax	-237	339	-682	97	-942
Net Profit after Tax/(Loss)	1,643	1,508	83	4,203	427
% to Net Sales	3.67%	3.03%	0.23%	3.09%	0.38%
Other Comprehensive Income (net of tax)	-5	-5	-6	-15	-18
Total Comprehensive Income	1,638	1,503	77	4,188	409
% to Net Sales	3.66%	3.02%	0.21%	3.08%	0.36%

Q3 FY 2017-18
VS
Q2 FY 2017-18



Recorded net sales of Rs.447.56 Crs in Q3 2017-18

Increase in EBIDTA by 0.07 % over Previous Quarter (11.59% Q3,11.52% Q2)

Application of new Indian Accounting Standard (IND AS) w.e.f. April,17

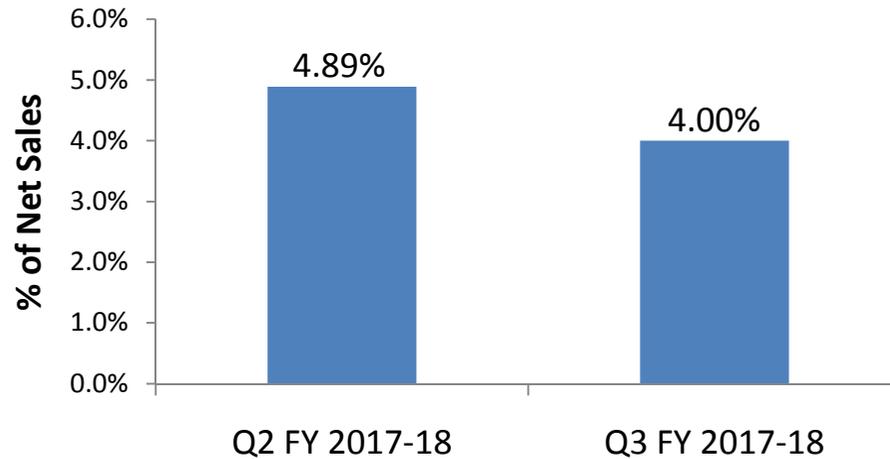
Effective GST implementation w.e.f. 01st July,2017

Decrease in PBT by 23% over Previous Quarter to Rs 1790 lacs

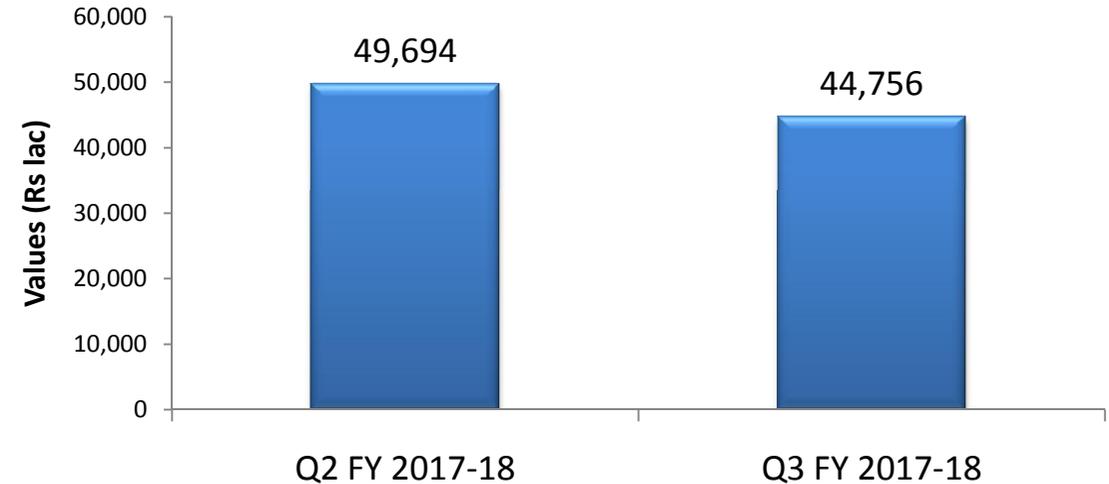
Increase in PAT by 9% over Previous Quarter to Rs 1638 lacs



Net Profit



Sales



Realisation of EBIDTA Level of 11.59% vs 11.52%

Lower sales due to maintenance closure at the quarter end by customer MSIL.

Exceptional Expenses of Rs. Nil incurred during the period

Tender from Indian Railways (Driver Cabin) awarded and executed partially during the quarter

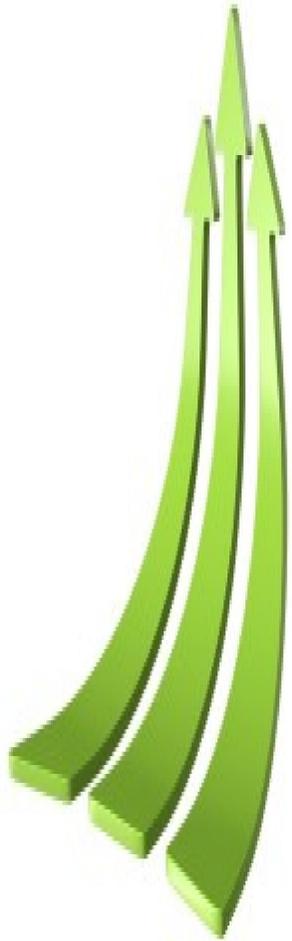


Indicators	Q3- FY17-18	Q2- FY17-18	Change	Status
<i>Net Sales (Rs. in Lacs)</i>	44,756	49,694	(4,938)	■
<i>Material Cost</i>	69.37%	71.48%	(2.12)	■
<i>Employee Cost</i>	10.64%	9.03%	1.61	■
<i>Other Expenses</i>	9.62%	8.59%	1.03	■
<i>Op EBIDTA</i>	11.59%	11.52%	0.07	■
<i>Finance Cost</i>	2.27%	2.05%	0.21	■
<i>Depreciation</i>	5.35%	4.59%	0.76	■
<i>PBT (before exceptional item)</i>	4.00%	4.89%	(0.89)	■
<i>PAT</i>	3.67%	3.03%	0.64	■

- Lower sales due to maintenance closure at the quarter end by customer MSIL.
- Production during customer shut down continues contributing moderate increase on expenses.
- Manesar reinstatement post fire completed 100% resulting increase in depreciation .

**Green Indicator is Positive , Yellow is moderate and Red indicator is negative.*

Q3 FY 2017-18
VS
Q3 FY 2016-17



**Recorded net sales of Rs.447.56 Crs in Q3 2017-18
(with growth of over 22% over corresponding Quarter)**

Improvement in EBIDTA by 21% over corresponding quarter

Application of new Indian Accounting Standard (IND AS) w.e.f. April,17

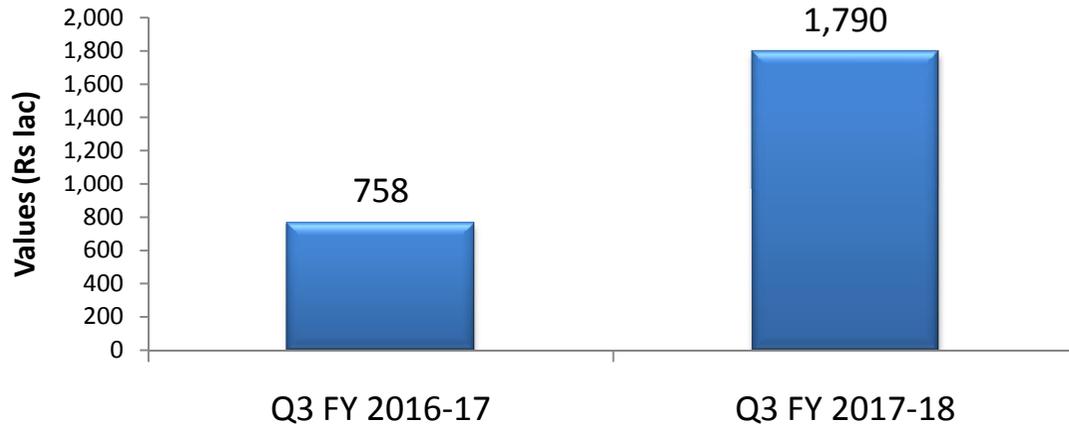
Effective GST implementation w.e.f. 01st July,2017

**Improvement in PBT (before exceptional exp.) by 236 % over corresponding
Quarter.**

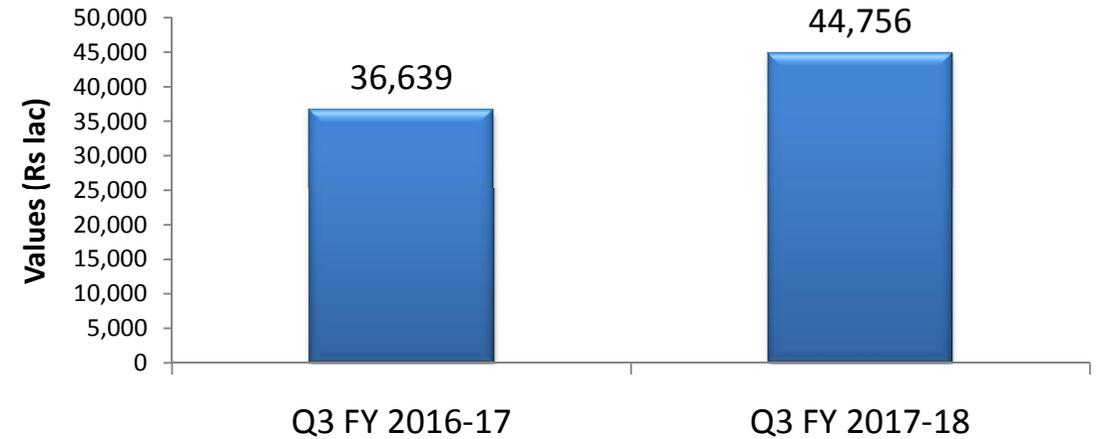
No exceptional Expenses during the quarter .



Net Profit



Sales



Realisation of EBIDTA Level of 11.59%

Commencement of supplies to Suzuki Motors, Gujarat from Sanand Plant

Exceptional Expenses of Rs. Nil Lacs incurred during the period

Production of ECM (Engine Cooling Module) Restarted

Tender from Indian Railways (Driver Cabin) awarded and executed partially during the quarter



Indicators	Q3- FY17-18	Q3- FY16-17	Change	Status
<i>Net Sales (Rs. in Lacs)</i>	44,756	36,639	8,117	■
<i>Material Cost</i>	69.37%	69.33%	0.04	■
<i>Employee Cost</i>	10.64%	10.73%	(0.09)	■
<i>Other Expenses</i>	9.62%	9.31%	0.31	■
<i>Op EBIDTA</i>	11.59%	11.62%	(0.03)	■
<i>Finance Cost</i>	2.27%	3.91%	(1.65)	■
<i>Depreciation</i>	5.35%	5.73%	(0.38)	■
<i>PBT (before exceptional item)</i>	4.00%	2.07%	1.93	■
<i>PAT</i>	3.67%	0.23%	3.44	■

Material cost is increased due to change in product mix, increased commodity prices, sales of new models compensated with cost optimization initiatives.

**Green Indicator is Positive , Yellow is moderate and Red indicator is negative.*

Nine Months FY 2017-18
VS
Nine Months FY 2016-17



**Recorded Net sales of Rs.1359.01 Crs in Nine Months 2017-18
(with growth of over 21% over corresponding Nine Months)**

Improvement in EBIDTA by 23% over corresponding Half Year

Application of new Indian Accounting Standard (IND AS) w.e.f. April,17

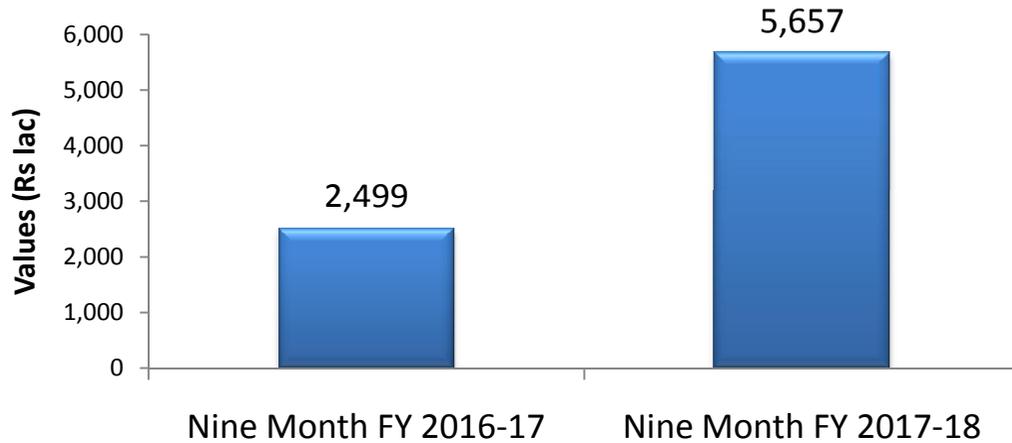
Effective GST implementation w.e.f. 01st July,2017

**Improvement in PBT (before exceptional exp) by 227% over
corresponding Nine Months**

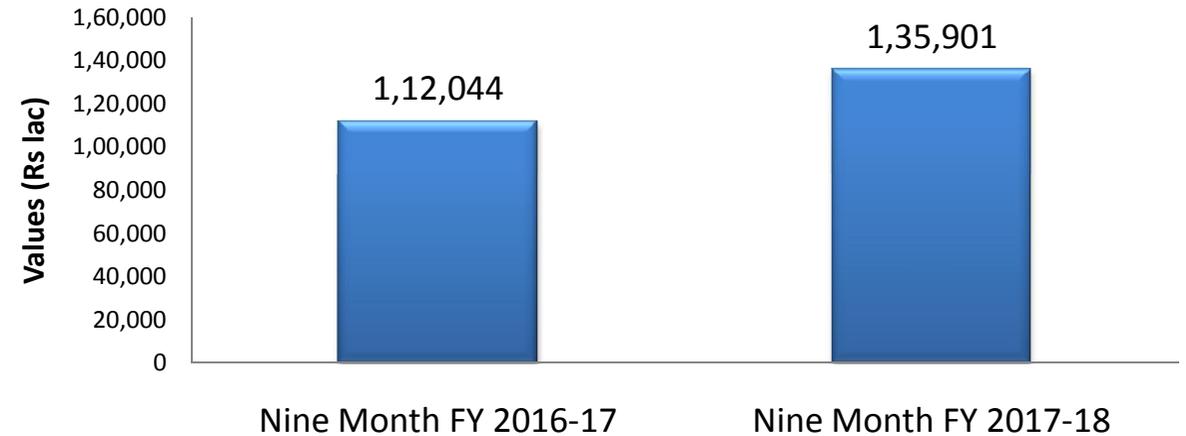
**Exceptional Expenses during the period Rs 182 only as against Rs 2428 lacs in corresponding
period. PBT post exceptional stands at 4.03% as against 0.06%**



Net Profit



Sales



Realisation of EBIDTA Level of 11.33% during Nine Months,2017-18

Supplies to Suzuki Motors, Gujarat from Sanand Plant is in full swing.

Exceptional Expenses of Rs. 182 Lacs incurred during the period

Production of ECM (Engine Cooling Module) Restarted in Q1,2017-18

Tender from Indian Railways (Driver Cabin) awarded and executed



Indicators	Nine Month- FY17-18	Nine Month - FY16-17	Change	Status
<i>Net Sales (Rs. in Lacs)</i>	1,35,901	1,12,044	23,857	■
<i>Material Cost</i>	70.15%	69.91%	0.25	■
<i>Employee Cost</i>	9.85%	10.14%	(0.29)	■
<i>Other Expenses</i>	9.36%	9.92%	(0.56)	■
<i>Op EBIDTA</i>	11.33%	11.16%	0.17	■
<i>Finance Cost</i>	2.19%	3.07%	(0.88)	■
<i>Depreciation</i>	4.99%	5.90%	(0.91)	■
<i>PBT (before exceptional item)</i>	4.16%	2.23%	1.93	■
<i>PAT</i>	3.09%	0.38%	2.71	■

Material cost is increased due to change in product mix, increased commodity prices, sales of new models, GST impact in after market sales compensated with cost optimization initiatives.

**Green Indicator is Positive , Yellow is moderate and Red indicator is negative.*



Customer supplies are reinstated in full

Insurance claim filed with the Insurance Company & interim payment received

Building :

Construction of Building has been completed in full.

Plant & Machinery :

Major machines have been installed or put to use.



Market and Revenue Potential

- Growth in Line with Indian Car and CV Segment (Double Digit Growth in 2017-18)
- Business Expansion in Bus, Railways, Truck AC, Home AC Segment (Growth >10% over last year)
- Business Expansion in ECM entrustment expansion (Annual plan >200Cr in 2017-18)

Operational Aspects

- Mitigating Impact of Foreign Exchange Fluctuations (Consistent Hedging Policy)
- Material Cost Down thru VA/VE, Alternate sourcing (Focus on Localisation for De-risking FE Impact)
- Improvement in EBIDTA and ROCE
- Settlement of Insurance Claim

Thank You
www.subros.com