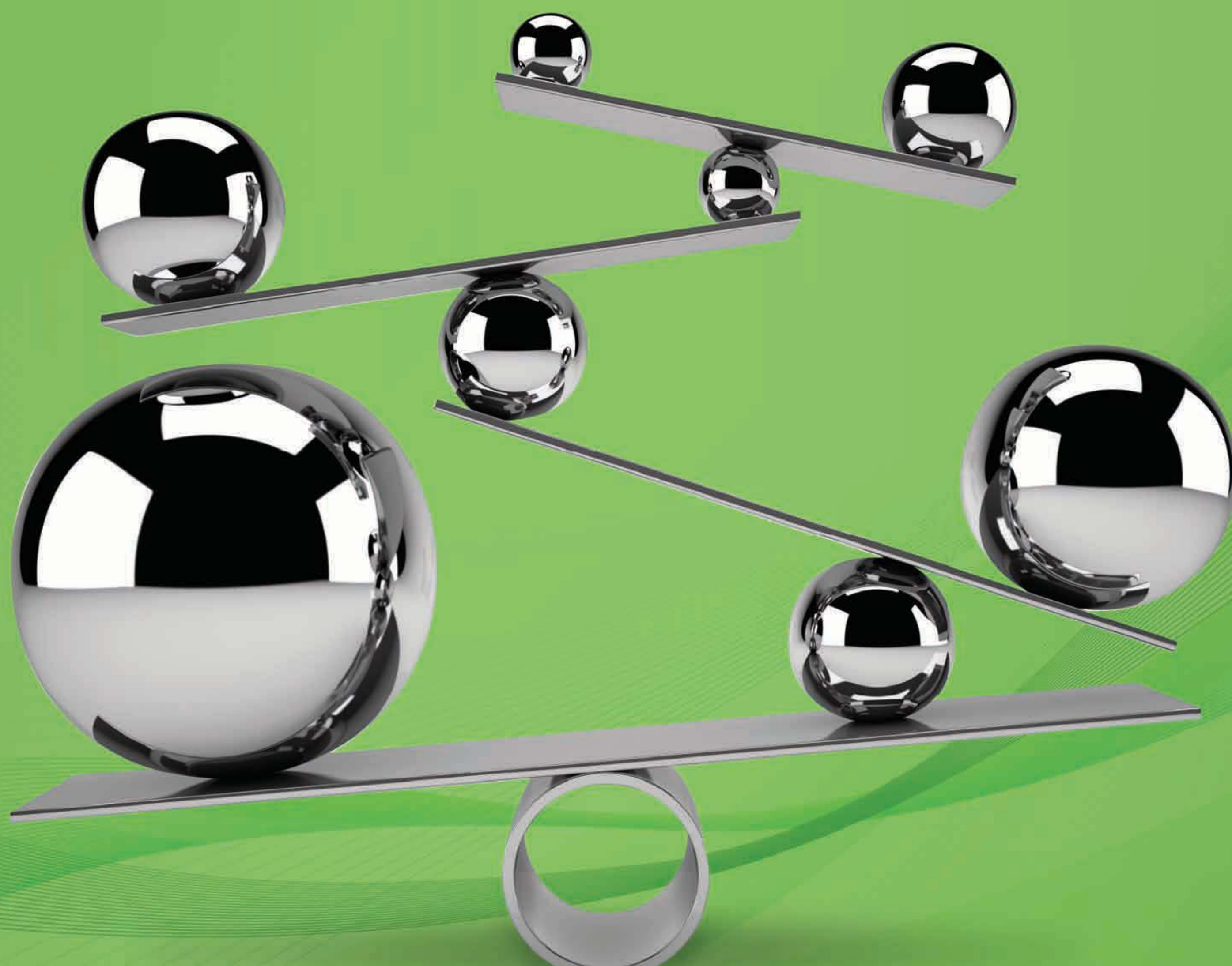
Innovation. Passion. Harmony.



Annual Report 2017-18

Subros

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

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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.

Our Board

Front row - *Dr. Jyotsna Suri, Mr. Y Iida, Mr. Ramesh Suri, Mr. K Ayukawa, Mr. G.N. Mehra*

Back row - *Mr. M.A.Pathan, Mr. Shailendra Swarup, Ms Shradha Suri, Mrs. Meena Sethi, Mr. K .R. Ramamoorthy*

Top Management

Sitting left to right - *Mr Y P Negi, Mr T Murayama, Mr M K Sethi, Mr Ramesh Suri, Ms Shradha Suri, Dr P Kadle, Mr D Srini, and Mr A K Jaiswal*

Standing left to right - *Mr P K Duggal, Mr N Sahani, Mr D Savio, Mr P K Yadav, and Mr A Parashar*

Corporate Information

Board of Directors

1. Mr. Ramesh Suri
   Chairman
2. Dr. Jyotsna Suri
3. Ms. Shradha Suri
   Managing Director
4. Mr Y. Iida
   (Representative of Denso Corporation, Japan)

   Mr. K. Yamauchi
   (Alternate Director to Mr. Y. Iida)
5. Mr. K. Ayukawa
   (Representative of Suzuki Motor Corporation, Japan)
6. Mr. G.N. Mehra
   I.A.S. (Retd.)
7. Mr. Shailendra Swarup
8. Mr. K.R. Ramamoorthy
9. Mrs. Meena Sethi
10. Mr. M A Pathan

Sr VP (Finance)
Manoj K. Sethi

Company Secretary
Rakesh Arora

Main Bankers
Canara Bank,
Prime Corporate Branch-2
World Trade Tower,
Barakhamba Lane
New Delhi-110 001.

Regd. 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

Statutory Auditors
Price Waterhouse Chartered Accountants LLP
Building No. 8, 7-8 Floor,
Tower B, DLF Cyber City
Gurugram 122002

Cost Auditors
M/s. Chandra Wadhwa & Co.,
Cost Accountants
204, Krishna House, 4805/24
Bharat Ram Road, Daryaganj
New Delhi-110002

Secretarial Auditor
RSM & Co.
Company Secretaries
D-63, JFF Complex
Jhandewalan
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, Dist. 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) **Sanand Plant**
   E-1, TML Vendor Park, Sanand (Gujarat)

From the desk of the Chairman

Dear Shareholders,

It gives me immense pleasure to present to you our 33rd Annual Report for the year 2017-18.

We suffered a loss with the passing away of our Director, Mr. Hanuwant Singh in June this year. He was a source of strength to the Board and will be missed greatly. He had joined our Board in 2004 and was also the Chairman of the Nomination Committee.

On July 1, 2017, GST was implemented across the nation. Needless to say, there were some initial hic-ups. However, it is a great step towards strengthening the country and this is reflective in the growth indexes of the nation. Post this implementation, GDP gained momentum and reached 7.2% in the last quarter of 2017-18.

The Auto sector has performed exceedingly well. The Passenger vehicle market grew by 8% and is now touching approximately 3.3 million units. The Commercial vehicle segments also grew by 20%, a reflection of industrial growth. In line with the growth in the Auto segment, we, at Subros, also grew by 25% over last year and are now preparing ourselves in line with the robust plans of the OEMs. We are in the midst of setting up a new Plant in Gujarat. It is expected to start production by April 2019.We are investing heavily in new technology and localisation.

The Government has announced its e-mobility road map 2030, explicitly defining its electrification strategy and we are now preparing ourselves in that direction. Technology will be a key driver for future growth and we are working at strengthening ourselves internally, as well as working with our technology partners to ensure that we are ahead of the game.

Skill development is also an area that we are focusing on. It is our conviction that people will be key drivers for sustained growth and quality in line with global standards. The aim is to be trained and equipped with the growth of the sector and the dramatic shift in technology.

To conclude, I believe that the future is going to be bright and challenging. We will continue to strive to maintain a leadership in our operating domain, while focusing on innovation, skill development, and the environment.

I express my gratitude to all our customers, our partners, and stakeholders for the continued trust and confidence in us.

Thank you

Ramesh Suri
Chairman

From the desk of the Managing Director

Dear Shareholders,

We are in the midst of very exciting times. The digital revolution is gathering pace and we are surrounded by disruption, impacting our daily lives and every sector that we know. The auto sector is no exception, and is currently faced with several challenges, the top few being, electrification of cars, autonomous driving, and aggregation in mobility.

Technology will drive business and that's a reality. Today with IOT gaining momentum, factories can be run effectively and efficiently from a remote location, effective and efficient inventory planning can be implemented with great precision, and without too much human intervention, preventive and predictive machine maintenance can be executed in advance, thus avoiding large breakdowns. All these factors are driving us to do things differently.

The above technology revolution is further enhanced by progressive reforms from our Government. We saw the implementation of GST on July 1, 2017. This has been a game changer for the country and we do believe that today's reforms are targeted towards making us an attractive manufacturing hub. This, in turn, implies immense opportunities for our sector to grow, however, new technology will be an important element in determining the future of the auto sector. The Government has also set the direction of E-mobility and its progressive implementation by 2030. At Subros, we are preparing to align ourselves in this direction.

In line with its progressive reforms, the Government has directed all truck cabins be fitted with Blower/A/C as on January 1, 2018. This was a great opportunity for Subros. Owing to our continuous R & D and established technology road map, we were able to enter this market quickly, and obtain a majority of the business in this sector. Subros is also building capacities in line with industry's growth and customer expansion plans. This year, we started supplying from our Gujarat Plant 1, and are in the process of building our second plan in Gujarat. The scalable capacity of this Plant will be one million units.

The Auto Sector is propelling forward at a high speed, the PV market grew at 8% with MSIL, within the segment, sustaining 51% market share and a growth of 13.8 % over the previous year. The CV segment also performed well registering a growth of 20 % overall.

Subros attained revenue from operations of INR 1,912.89 Crores, an increase of 24.63% over the previous year. As communicated to you earlier, we continued to focus on attaining our strategic intent 2020 and are working aggressively on product and customer diversification, EBIDTA improvement, ROCE, and healthier profits.

We are humbled by the recognition we have received from our various customers for our performance for the last year. These have been recognised in the areas of Innovation, Building Supplier Capability, and Overall Excellence. In the year, we have re-defined our Core Purpose and Vision. We will be focusing on improving comfort through innovative technology while striving to make a healthier planet. We believe that growth must be sustainable, while earning customer respect and trust and so we base our company's vision and the pillars of our values which are Respect, Passion, Commitment, Trust, and Teamwork.

In the end, I would like to express my gratitude to all our customers for their belief in us, our collaborators Denso and Suzuki for supporting us, our employees who work with passion and commitment, our supplier partners for standing by us, our bankers and financial institutions, Government and concerned bodies, and most importantly, our valued shareholders for their unwavering faith in us.

Warm Regards

Shradha Suri

Shradha Suri
Managing Director

Subros DENSO SUZUKI

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

MARUTI SUZUKI, Mahindra, DENSO SUZUKI, TATA, RENAULT NISSAN

Home Ac

Whirlpool, E+D

Commercial Vehicle Segment

DENSO, DAIMLER, TATA, SML ISUZU, FORCE, Mahindra

Railways

MEDHA, BOMBARDIER

Performance Growth

Subros History

- **1985** • Established in 1985
- **1986** • Noida Plant 1 setup
- **1995** • Noida Plant 2 setup
- **2000** • Pressure Die Casting Plant setup
- **2001** • MF Condenser Plant inauguration
- **2002** • SAP implementation, • Launch of MPS Maruti Production system for manufacturing excellence
- **2006** • Start of Operation at ManesarPlant
- **2007** • Start Of Operation at Pune Plant

Subros Milestone and Awards

Year	Milestone	Award/Certification
2017-18	- Introduction of new product - Truck Blower system - Introduction of new Customer SML ISUZU, Bombardier, Medha Ashok Leyland, ICF, Mahindra Truck & Bus Division	- ACMA Award - 6th time for Process Innovation - ACMA Awards - 2nd Time for HR Excellence - ACMA - 3rd time for Excellence in Technology- product innovation. - ACMA awards for Excellence in Supplier development - Best Debutant' Award from Ashok Leyland for Outstanding Support at the Supplier Summit organised by Ashok leyland - TCM - 2nd times CII Level V" ranking. - National Energy Conservation Award. - India Automotive Supply Chain Excellence Award 2017 by Forest & Solven - Merit Award in International safety from British safety council - Supplier Business Capability Building from M&M - Supplier Business Capability Building "Mentoring Zone " Mahindra Supplier Evaluation System (MSES) - "Level B"
2016-17	- Re-Opening of Manesar Plant	- MSIL Shield for Overall Excellence
2014-15	- Inception of STEC (Subros Tool Engineering Centre)	- Certificate for superior performance in the field of "Design & Development" - Certificate for superior performance in the field of "Safety" - Certificate for superior performance in the field of "Spares schedule adherence" - ACMA Silver trophy for Manufacturing Excellence - MSIL Gold trophy for overall performance MSIL shield for quality improvement
2013-14	- Introduction of New Customer "Renault Nissan" - Development of new Product (10SL09) compressor - Chennai Plant becomes operational - New Tool Room being set up at Noida	- MSIL shield for system audit rating - Certificate for inner part localization TCM-CII Level V Ranking (2013) - CII-EXIM bank award for Business Excellence Strong commitment to Excel (2013) - MSIL Gold Trophy for overall performance

Superior Performance Award for 2017-18 from MSIL

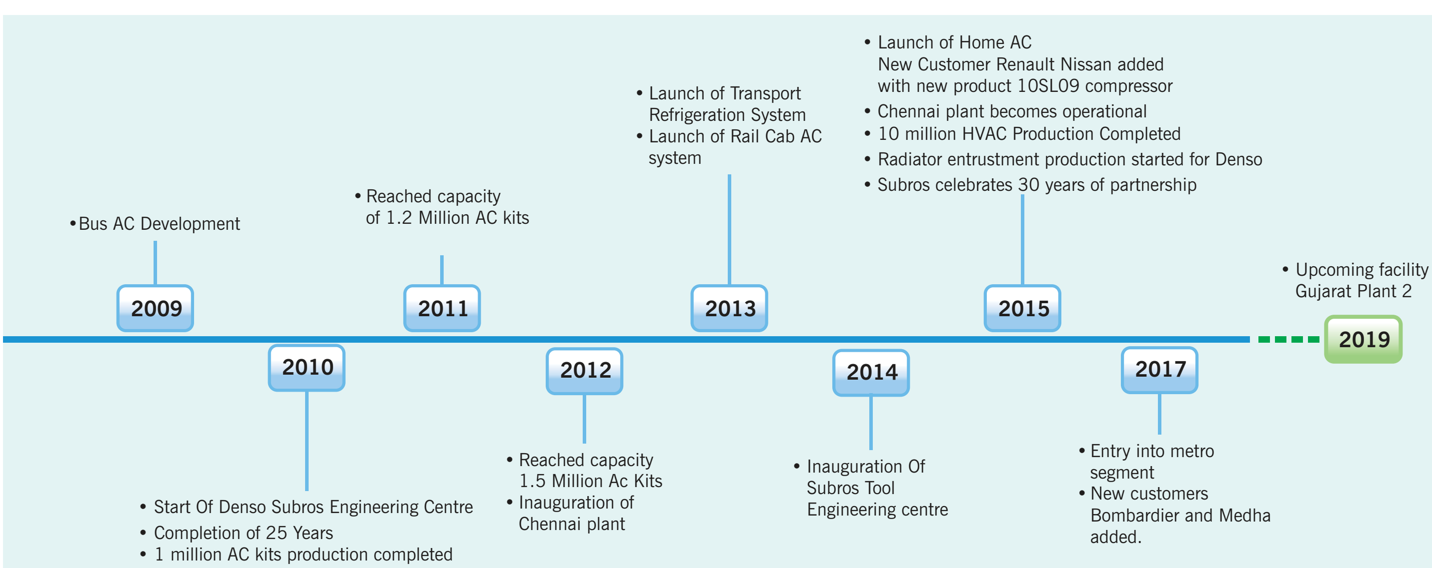
Best Overall Performance Award for 2017-18 from MSIL


Excellence in Technology - Process Innovation

Best Debutant Award from Ashok Leyland


Supplier Excellence Award from Mahindra

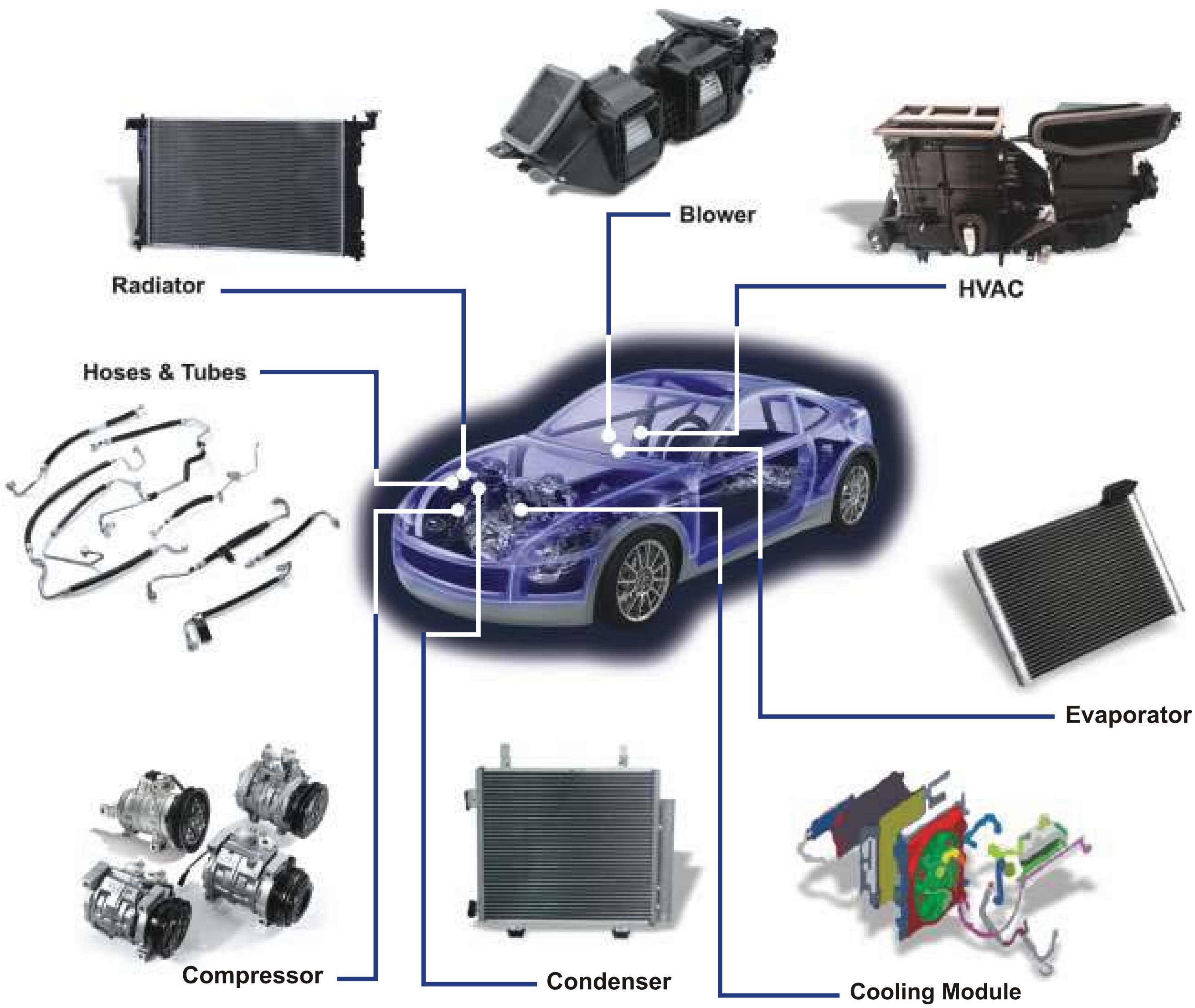

M&M Awards - Supplier Business Capability Building - Mentoring Zone



Product Range

Passenger Vehicle AC

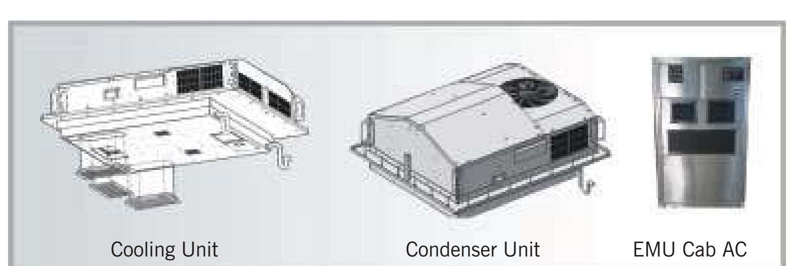
The Company manufactures compressors, HVACs, piping's and heat exchangers to suit various vehicle configurations. Our products are reinforced by the technological expertise of our JV partner Denso who are the world leaders in their domain.



Car Air-contidioning 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



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.

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.

Home AC

Subros has developed condenser for outdoor units and is supplying to customers. We are also in process of developing full outdoor unit and components for indoor unit.

Our Presence

Manufacturing Units	Address	Year of Establishment	Products
Noida 1	B- 188, Noida Phase-II, Dist Gautam Budh Nagar, Noida - 201304, UP, Tel: +91 0120-2562226, 2460135.	1995	Compressor, Compressor Clutch Assembly, Condenser Core Condenser Assembly, Injection Molding, Evaporator Heater Core, Radiator (ECM)
Noida 2	B -216, Phase-II, Noida - 201304, Distt: Gautam Budh Nagar (U.P.), Tel: +91 0120 2562226, 2460135	2000	Pressure & Squeeze Die Casting components, Press Shop - Sheet metal parts
Noida 3	C-51, Phase-II, Noida-201304, Distt: Gautam Budh Nagar (U.P.)	1986	Design Centre
Noida 4	A-16, Sector- 68 Noida - 201301. Distt: Gautam Budh Nagar (U.P.)	2004	Die casting tools, Sheet metal tools, Moulds, Dies, Press Tools
Manesar 1	Plot No. 395-396, Sector-8, Phase-III, IMT Manesar, Gurgaon - 122 050, Tel.: +91 - 124 - 2291764	2006	Compressor Clutch Assembly, Condenser Core Condenser Assembly, Hose/Tube HVAC Assembly, Injection Molding
Manesar 2	Plant 2 Plot No -403, Sector -8, Phase-II, IMT Manesar, Gurgaon	2016	HVAC Assembly, Radiator (ECM)
Pune	B-8 & 9, MIDC-Chakan Ind. Area, Chakan - Talegaon Road, Chakan, Pune - 410 501, Tel.: +91 - 2135 663131	2007	Condenser Assembly, Hose/Tube HVAC Assembly, Injection Molding
Chennai	A 20/1, SIPCOT Industrial Growth Centre, Oragadam, Sriperumbudur (Taluk), Kancheepuram (District), Chennai - 602 105. Tel.: +91-044-27107565	2012	Condenser Core, Condenser Assembly, Hose/Tube HVAC Assembly
Gujarat	Sanand- E-1, TML Vendor Park, Sanand, Ahmedabad - 382170	2011	HVAC Assembly, Hose /Tube, Condenser Assembly

Subros Technical Engineering Centre & Denso Subros Technical Engineering Centre

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 Centre (STEC)

The Subros Tool Room (STEC) is a well-appointed world-class facility equipped with state-of-the-art machinery such as CNC Machining Centre, WireEDM, CNC EDM and CNC Lathe along with other conventional tool room machines. This neoteric facility is also endowed with CAD-CAM facility with Unigraphics NX2, which forms the backbone of this design and development centre. Our qualified and experienced team fulfils all internal tooling requirements such as PDC Dies, Injection Moulds, Sheet Metal Tools, Jigs & Fixtures and Gauges. It has strong tool design office and large tool manufacturing setup to address captive tool and mould requirements. With its competence to handle a dies upto 20 tons, STEC is adept at niche tooling to meet specialty tool requirements for imports substitution and exports.


Dojo Centre

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

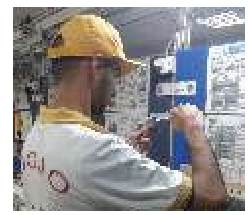
- Developing discipline in new/existing employees, orienting them with 5S production methods. Adherence to rules or compliances, as part of DWM, inculcates an overall improvement in the worker's attitude.
- Development training for 5 Human senses (Eyes, Ear, nose, hand & Tongue) is given to new joinees / 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




Manesar Dojo Centre

Social Responsibilities

To build a sustainable society and to contribute to a better world, Subros provide solutions for social issues through its business activities, thus delivering new value to society.

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.

We work toward this mission by not only developing products that minimize our environmental impact, but by strengthening our relationships with local communities through education, volunteer programs and contributions.

As a part of the long-term policy of "preserving the Earth's environment" and "creating a society that ensures security and safety" we are educating the unprivileged, skilling up human resources, preserving environment and actively propelling community development.

Environmental Activities

Subros' commitment to a cleaner and healthier environment extends to all aspects of corporate activity. 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.

Subros is also part of the Green Delhi NCR campaign and sponsors trees and green areas across the city. The company and its employees proudly take active participation on World Environment Day each year by creating awareness for preserving environment and also by planting trees.

Social Activities

Subros aims to make a difference to mankind. We organize various welfare activities for our people. We regularly organize Blood Donation camps.

As a part of "Promotion of Education" program we have adopted schools, pivoting our focus on improving access to quality education for the underprivileged and providing infrastructural & tutorial support to schools. We are also supporting ITI centres under Pradhan Mantri Rozgar Yojna to meet the trained manpower requirement.

Blood donation camp on Founder's Day

Noida School Adopted by Subros

Social activities around the year

Tree plantation on World Environment Day

Greening at Plants

Management Discussion and Analysis

1. Industry Outlook

1.1 The financial year 2017-18 was marked by a number of key structural initiatives to build strength across macro-economic parameters for sustainable growth in the future. While the Indian economy seems to have turned the corner and economic fundamentals look strong, significant risks may loom on the horizon in the form of rising oil prices, higher interest rates and bond yields, worsening bank balance sheets, weakening trade, and pressure on the currency.

1.2 The growth in the first half of the financial year under review suffered despite global tail winds. However, the weakness seen at the beginning of 2017 seems to have bottomed out as 2018 set in. Currently, the economy seems to be on the path to recovery, with indicators of industrial production, stock market index, auto sales, and exports showing some uptick. After registering GDP growth of over 6.5 per cent in FY 2017-18, the Indian economy is expected to regain its momentum, recovering from disruptions caused by demonetization and implementation of the goods and services tax (GST), to expand at 7.3 per cent in FY 2018-19.

1.3 The automotive industry occupies a prominent place in the economy. It has a strong multiplier effect and is capable of being the driver of economic growth. India has distinct global advantage of being the high quality, low cost producer of auto components. As a result, 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, the growth potential for the Indian auto component industry is promising.

1.4 The FY 2017-18 turned out to be a major success for the Indian automotive industry, as it registered almost double-digit growth. India overtook Germany as the fourth largest global automotive market, right behind China, United States, and Japan. The total vehicle sales in India during FY 2017-18 grew by 9.2 per cent with total sales of 4.02 million units, compared to Germany, which saw a growth of a decent 2.19 per cent, with total sales accounting for 3.81 million. This includes the sale of passenger vehicles, commercial vehicles, sold during FY 2017-18.

1.5 The Indian automotive industry is set to further improve its performance in FY 2018-19, compared to FY 2017-18. The industry forecasts a sales growth of passenger vehicles in FY 2018-19 at 8-10 percent, with utility vehicles growing at 14-15 percent, and cars up between 8-9 percent in the domestic market (source: SIAM).

1.6 Further strengthening the sign of economic recovery with the Government's initiatives to bring in more foreign direct investment into the country, and speedy clearance of infrastructure projects, are key reasons for the Indian auto industry performance picking up. The Government aims to develop India as a global manufacturing as well as 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.

1.7 The Indian auto industry is on the cusp of transformation, moving from BS-IV to BS-VI, and later to electric vehicles. Despite teething troubles like GST and a lack of clarity on the electric vehicle policy, the auto industry recorded a milestone in FY 2017-18.

1.8 Further, big change in fuel price differential between petrol and gasoline and de-regulation in diesel prices has impacted the demand between petrol and diesel based vehicles. This is favorable for our Company. Consumer purchase decisions are majorly impacted by the fuel economy and demand for greater fuel efficiency.

1.9 The automotive industry is already feeling the effects of electrification or e-mobility, both globally and in India. By 2030, electrification could lead to electric vehicles (EVs including battery electric vehicles, plug-in hybrid electric vehicles, and hybrid electric vehicles) holding a substantial share (upto 50 percent of new vehicle sales in a breakthrough scenario) of the global automobile sector. India sees a similar momentum; which will significantly impact manufacturers across the automotive value chain.

1.10 From a medium term perspective, the implementation of GST should lead to efficiency gains through better allocation of factors of production. The improvement of India's economic fundamentals has accelerated in the year with the combined impact of strong Government reforms, Reserve Bank of India (RBI) inflation focus, supported by benign global commodity prices.

2. Financial & Operational Performance

2.1 The Company's gross sales have increased to INR 1,970 crores (including excise duty of one quarter) in 2017-18 (last year INR 1,751 crores including excise duty). Net sales have increased to INR 1,913 crores in 2017-18 (last year INR 1,535 crores) registering an increase of 24.63% over previous year. The operational profit (EBIDTA) has sustained due to operational efficiencies and material cost reduction. Due to various strategic initiatives taken by management, profitability (PBT) has increased to 4.3% in 2017-18, which is a significant improvement as compared to 2.6% in the previous year. The management is focused on further improvement of operating levels and material cost control during 2018-19.

2.2 The regulatory introduction of Blowers in Truck application effective January, 2017 has opened new business avenues for the Company and the business development activities with all OEM's have progressed very well with the Company capturing significant business & production and supplies of Blowers have started during 2017-18. Now the Company is exploiting potential for introduction of air-conditioning in such vehicles, which will certainly add to revenue in subsequent years.

2.3 Business expansion in Railways and Bus air-conditioning is going on as per plan. This year we could add more customers in our profile.

2.4 Post the fire incident in 2016, the plant is now reinstated, and working at full efficiency. The insurance claim process is in progress and likely to be settled during the current financial year.

2.5 In view of fluctuating foreign exchange scenario, the Company has continued its efforts to improve the level of localisation of imported parts. Various VA/VE activities were initiated along with active participation with suppliers to improve efficiency of operations. During the current year, the Company has localised key parts of Compressor and HVAC. This has contributed in reduction of material cost, and our exposure to foreign exchange fluctuation. There are other such localisation projects in implementation stage.

2.6 The Company values the contribution of and its relationship with vendor partners in achieving operational excellence. Supply Chain is given due focus to work closely with vendor partners for long-term strategic direction of the business, and their up-gradation through cluster programs. Tier II up gradation is the key for de-risking and meeting future technology and capacity requirement of the Company.

2.7 Subros Tool Engineering Center (STEC) is a key contributor to the Company's growth strategies. The localisation and captive manufacturing of Tools have not only reduced the investments, but also reduced the lead-time substantially. This is a key differentiator for the Company

2.8 The Company has adopted Indian Accounting Standards ("IND AS") from April 1, 2017 for first time with a transition date of April 1, 2016. Accordingly, the financial statements have been prepared in accordance with IND AS.

3. Research & Development

3.1 Subros Technical Centre (STC), Noida, has enabled the Company to be full-service engineering organization. STC is developing advanced products and technologies that meet customer and regulation requirements. Our technical collaborator, Denso Corporation, Japan facilitates in meeting customer demands for their future vehicle platform. Additionally, our joint venture company Denso Subros Engineering Services India Ltd provides application designs and allied services for new model launches.

3.2 The Company is focused on enhancement of technologies that will meet impending requirements of customers. STC is fully geared up to make Subros “Make in India” designs competitive while meeting global specifications. At present, our new programs have achieved 60 percent localisation (Indian) design content. As India moves towards increasing "green" standards, our roadmaps for future technologies are focused towards making energy-efficient, environmentally-friendly products. We have dedicated teams working proactively on meeting these anticipated requirements through advanced technologies. Additionally, we utilise support of our collaborators as required for meeting customer/product demands.

3.3 The Company maintains continuous investments in state-of-the-art testing facilities for all aspects of vehicle thermal management systems, including vibration, noise, thermal performance etc. Concomitantly, our superior CAE (FEA and CFD) capabilities help us reduce lead times and lets us "Do it right the first time." These capabilities position us as a trusted partner for all of our customers' components and systems validation.

4. Information Technology

4.1 The Company has extensive leverage of Information Technology in its business processes. Many of our business processes in SAP, Design Tools etc. have strong IT enabled processes and Decision Support Systems. This helps generate process efficiencies and streamlines operations. It also helps manage complexity and scale, both, in-house, and with vendors.

4.2 The Company is now enhancing the IT infrastructure in line with geographical expansions, and simultaneously upgrading the software for bringing efficiencies in data processing. In view of the GST implementation, where in Information Technology will play an important role in filing transactions electronically, necessary upgrades in SAP and infrastructure have already been implemented.

4.3 The Company is also using Information Technology for capturing process information, traceability of the components being used in the end product being supplied to customers, digitalisation and customer service modules for capturing customer feedbacks.

4.4 The Company is also working on Information Security and Disaster Recovery Management System by improving the hardware architecture.

5. Internal Controls and their Adequacy

5.1 The Company has an adequate system of internal controls in place. It has documented policies and procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorised use or losses, and compliance with regulations. The Company has continued its efforts to align all its processes and controls with global best practices.

5.2 The Audit Committee of the Board of Directors, comprising of independent directors and functional, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards, etc. The documentation of major business processes and testing thereof including financial closing, computer controls, and entity level controls, is executed as part of the compliance program.

6. Risks and concerns

6.1 The Company is exposed to external and internal risks associated with business. The operations of the Company are directly dependent on the growth of the Indian automotive industry. General economic conditions impact the automotive industry, and, in turn, the operations of the Company.

6.2 Entry of new players and expansion plans of existing competitors has increased intensity of competition in almost all the segments of the Indian automotive market. The Company is aware of increasing competition and is taking adequate measures to remain competitive in the market place.

6.3 The Company continues to face strong competitive pressures from both, domestic and overseas suppliers. It is also exposed to financial risk from changes in interest rates, foreign exchange rates, and commodity prices. The Company also faces challenges with regard to fast-changing technology, reducing life cycle of new vehicles, supply constraints from Tier II suppliers, sustaining cost efficiencies brought into the system, and planning capacity expansion in the wake of changing patterns.

6.4 To counter these risks, the Company continues to broaden its product portfolio, increase customer profile, and geographic reach. Keeping this in mind, the Company has ambitious expansion plans to address the commercial vehicle segment such as Bus Aircon, Railways, Refrigerated Trucks, and Engine Cooling Module. This will de-risk its dependency on the passenger car segment.

6.5 Enterprise Risk Management framework in the Company is well in place and all the key risks are reviewed on a regular basis. The Company has also a Risk Management Committee at the Board level to review the risk framework, all major risks impacting the Company and plan/actions to mitigate such risks.

6.6 In addition to this, there is monitoring for any new risks that may arise due to changes in the external or business environments. While the possibility of negative impact due to one or more such risks cannot be totally ruled out, the Company proactively takes conscious and reasonable steps to mitigate the significant risks that may affect it.

7. Future Plan

7.1 Government of India aims to make automobiles manufacturing the main driver of 'Make in India' initiative; passenger vehicles market is expected to triple to 9.4 million units by 2026, as highlighted in the Auto Mission Plan (AMP) 2016-26. Additionally, the Government also plans to promote eco-friendly cars in the country, i.e., CNG based vehicle, hybrid vehicle, and electric vehicle by 2030.

7.2 The global economic climate continues to be volatile, uncertain, and prone to geo-political risks. In view of the growth opportunities in domestic market and proactively observing the cost pressure of the market, your Company has made extensive localisation plans and VAVE plans for the key components. The objective is to develop capabilities to provide latest technology product to the customer at low costs. Further, this will help the Company to sustain growth profitably and minimise the impact of fluctuation in economic indicators.

7.3 In view of Suzuki Motor Corporation plans in Gujarat future expansion, and to realise the business potential, the Company has decided to use its existing facility at Sanand. Further, the Company is also setting up additional facility in Gujarat to enhance its production capacity and as a de-risking strategy. The Company has acquired land and construction of facility has started.

7.4 The Company has undertaken various new projects ranging from development of new models and new segments. These projects are at various stages of planning and execution. Though the Company employs sophisticated techniques and processes to forecast the demand of new products, yet the same is subject to margin of error. Timely introduction of new products, their acceptability in the market place, and managing complexity of operations across various manufacturing locations would be key to sustain competitiveness.

As per a recent notification issued by the Ministry of State for Road Transport and Highways mandating introduction of Blowers in Commercial Vehicles (N2-3.5 to 12 tonnes and N3-above 12 tonnes) w.e.f. January 1, 2018, the Company has commenced supplies to major OEMs from the last week of December 2017. The Company is enhancing its presence in the commercial vehicle segment to capture more market share.

7.5 Our foot print in Indian Railways cabin AC has also been created in the last 2 years. We have been winning new tenders despite the aggressive competition in this segment. So far the execution of all previous orders have been satisfactory.

7.6 The Company has started business in Home AC segment by supplying condensers to OEMs. Business with E-durable has already started. We are now in discussion with other OEMs for additional business.

7.7 Entrustment production of Engine Cooling Module for Denso is progressing well. Now we have set up 2 lines to meet the customer demand. We are expecting revenue growth in this segment.

8. Human Resources

8.1 Building up human capital continues to be a key area of strategic focus for the Company. We launched new programs for our employees in keeping with the changes in the use of technology in education. Our continuous focus on leadership development programs lays emphasis on enhancing the relevance and effectiveness of learning.

8.2 The Company's Human Resource agenda for the year was focused on strengthening individual and organisational capabilities for future readiness, driving greater employee engagement, and strengthening employee relations further through progressive people practices at the all levels of the organisation.

8.3 The Company is taking steps for employee engagement and motivation. The Company has enlisted services of professional firms for assessing and improving employee effectiveness scores through annual surveys leading to focus on refining employee policy deployment and engagement, and strengthening various areas of employee satisfaction.

8.4 Competency mapping and mitigation of Competency gaps, which are important for customer delivery and quality processes, are key focus areas of the Company. Each function is working on this KPI and ensuring the skill enhancement for all processes.

8.5 For Human resource development, the Company has setup DOJO centers in plant locations i.e. Noida, Manesar, Pune, Sanand 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.

9. Marketing

9.1 The Company is focusing to enhance customer satisfaction through QCDD (Quality, Cost, Delivery and Development) parameters. The Company has a strong belief that with higher customer satisfaction, the market leadership position can be retained in the long term.

9.2 The Company is working very closely with its existing customers and new customers to meet demand in terms of capacity and technology.

9.3 Business development strategies are being directed to grow market share in non-car segments. This has led to recent success in new customer additions such as, Bombardier, E-durables, Whirlpool, and Ashok Leyland.

9.4 The Company has entered the Indian Railways Driver cabin business in the past years. The business is progressing well and we are able to secure future tenders because of our sustained delivery, quality, and cost efficient performance. The Company has emerged as a strong player in this segment, and plans future growth by meeting all air conditioning requirements of Diesel Locomotive and Electric Engine Cabins.

9.5 Overall strategy of the Company enables increase in the commercial vehicle or non-Car segment as part of our business expansion and de-risking agenda. As this segment has tremendous potential, the Company has augmented resources to capture the market.

10. Product Range

10.1 The Company is the only backward integrated company for all air-conditioning systems and components in the country. The Company has a wide range of products, which include complete thermal solution for Cars, Buses, Refrigeration Vehicles, Railways, Home AC's, Tractors, and Trucks. Due to strong Research and Development capabilities, we are able to develop products based on emerging needs of the customers.

11. Corporate Social Responsibility

11.1 As an automotive thermal and energy management solutions provider, the Company is committed to driving positive change that brings value to people, customers, environment, and communities. At the same time, the Company maintains outstanding professional, operational, and environmental standards, and strives to understand and incorporate stakeholders' interests in areas of strategy. We aim to build a positive and sustainable future for all involved.

11.2 The Company has adopted schools around the vicinity of plants and provides improved education. This initiative is welcomed by the local communities.

11.3 Your Company is socially active with various initiatives taken for Green Delhi, Tree guarding, and activities under the "Swachh Bharat Program." The Company also encourages blood donation camps across all plants.

12.0 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. Geographical expansion, product positioning, and efficiency improvement are the key aspect for future growth in the face of competition.

12.2 Based on customer demands, the Company is working on new technology development in-house or by acquiring it from our technology partner. Long-term technology roadmap is already planned to meet emerging customer expectation and work is in progress to launch them at an opportune moment.

12.3 Competency build up to meet the future technology challenge is another strategic aspect wherein the Company is working aggressively. Leadership development programs and middle level management development will be key focus areas.

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.

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 33rd Annual Report of the Company together with the audited financial statements for the year ended March 31, 2018.

FINANCIAL RESULTS

PARTICULARS	Standalone		Consolidated	
	Current year 2017-18 (₹ in Lakhs)	Previous year 2016-17 (₹ in Lakhs)	Current year 2017-18 (₹ in Lakhs)	Previous year 2016-17 (₹ in Lakhs)
Revenue from operations (Net of excise duty)	**191289**	153493	**191289**	153492
Other income	**743**	728	**738**	727
Profit before depreciation, interest and tax	**21741**	**17503**	**21724**	**17491**
Less: Financial Charges	**4121**	4791	**4121**	4791
Less: Depreciation	**9200**	8791	**9200**	8791
Add: Share of profits of joint venture (equity method)	-	-	**11**	2
Profit before Exceptional items	**8420**	**3921**	**8414**	**3911**
Less: Exceptional Items	**182**	3103	**182**	3103
Net profit before Taxation	**8238**	**818**	**8232**	**808**
Less: Tax	**2176**	-515	**2176**	-510
Profit after Taxation	**6062**	**1333**	**6056**	**1318**
Profit brought forward	**21755**	21178	**21701**	21156
Profit Available for appropriation	**26051**	21755	**25988**	21701

BUSINESS OPERATIONS

The net revenue from operations (net of excise duty) for the financial year ended March 31, 2018 at Rs. 1913 crores was higher by 24.63% over the previous year (Rs. 1,535 crores in financial year ended March 31, 2017). In line with Company's growth plans, there is continued focused approach towards building additional capacities, introduction of efficient technologies in manufacturing process, new product development and localization.

With the concerted efforts of the Company, the Manesar Plant has been fully reinstated and is operational after the fire incident. An interim claim amount has been received from the insurance company and the final claim is under settlement.

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.

EXPANSION AND FUTURE PROSPECTS

The Company is setting-up a greenfield plant in Gujarat to meet supplies to the Suzuki Motor Gujarat Pvt Ltd. The Company expects growth in coming years due to increased share of business from its existing customers and expansion of business in new domains like commercial vehicles, bus and rail air- conditioning.

DIVIDEND

Your Company has earned a net profit (after tax) of Rs. 60.62 crores as against Rs. 13.33 crores in the previous year. The Board has recommend a dividend of Rs. 1.10 per share (55% on the face value of equity shares of Rs. 2 each) for the financial year ended March 31, 2018 as against Rs. 0.50 per share (25% 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. 794.20 Lakhs (approx), including dividend tax.

TRANSFER TO RESERVES

Your Company proposes to transfer Rs. 150 Lakhs to the General Reserve and Rs.1250 Lakhs to the Debenture Redemption Reserve.

EVENTS SUBSEQUENT TO THE DATE OF FINANCIAL STATEMENTS

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

(i) During the year under review Mr. Hanuwant Singh, Independent Director passed away on June 30, 2017 and the Board deeply mourns this irreparable loss.

(ii) Pursuant to the provisions of Section 152 of the Companies Act, 2013 Dr. Jyotsna Suri, Non Executive 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 is provided in the Notice of the 33rd Annual General Meeting of the Company. The requisite resolution pertaining to the re-appointment appears at the respective items of the Notice along with the Statement and is recommended to the Members for approval.

(iii) **Declaration from Independent Director:** The Company has received necessary declaration(s) from all the Independent Directors 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.

(iv) **Board Evaluation:** In compliance with the provisions of the Companies Act, 2013, the Board has formulated a framework, inter alia, for a formal mechanism of evaluation of its performances as well as that of its committees and Directors, including the Chairman of the Board. The Nomination & Remuneration Committee (NRC) has approved the formats for the evaluation of the Board, Directors and Chairman of the Company considering qualification, expertise, attributes and various parameters based on which evaluation of the Board has to be carried out by the Company. There are no specific observations on the board evaluation carried out during the year as well as for the previous year. However, the Members of the NRC noted the exceptional sagacity shown by Mr. Ramesh Suri, Chairman relating to the reinstatement of the Manesar Plant after the fire mishap had fully gutted it. The Members of NRC also unanimously commended the performance of Ms. Shradha Suri, Managing Director in providing guidance and directions during the fire crisis in the Manesar Plant and re-instating within the shortest possible time.

(v) **Board Meeting:** The Board of Directors met five times during the financial year 2017-18, 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.

(iv) **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 are available on the website (www.subros.com/investors) 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:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) 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;

(c) 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;

(d) The Directors have prepared the annual accounts on a going concern basis;

(e) 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

(f) 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

Thai Subros Limited, the subsidiary company in Thailand, did not have any business operations during the year and incurred a loss of THB 8.62 Lakhs as against THB 6.73 Lakhs. As the business of the subsidiary is not forthcoming, the Board has approved the closure of Thai Subros Limited.

Denso Subros Thermal Engineering Centre India Limited, a Joint Venture, achieved consistent revenue of Rs. 1557 Lakhs. The Company earned a marginal increase in profit after tax at Rs. 41.25 Lakhs during the year as against profit of Rs.7.34 Lakhs in the previous year. Your Company is holding 26% share in this Joint Venture.

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

Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of annual return in Form MGT-9, is annexed as Annexure-2 to this report and forms integral part of this Report.

AUDITORS AND AUDITOR'S REPORT

Statutory Auditors: M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants, 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 2018-19. The ratification of remuneration payable to Cost Auditors for the financial year 2018-19 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 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed as Annexure-3 and the same is self-explanatory. The said Secretarial Audit Report does not contain any qualification or adverse remark.

FIXED 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 orders were 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 investment during the year.

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 - 4 and forms integral part of this Report.

RISK MANAGEMENT

The Company has a well defined 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. Some of the 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 has progressed well.

VIGIL MECHANISM

Pursuant to Section 177(9) of the Companies Act, 2013, the Company has established a Vigil Mechanism for directors, employees, suppliers, contractors and other stakeholders of the Company. The same is also intended to cover the Whistle Blower Policy under the Listing Regulations. 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.

The Statutory Auditors, Cost Auditors or Secretarial Auditors of the Company 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. One Complaint was received under the Policy during the year and the same was disposed off.

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-5 and forms integral parts of this Report.

LISTING

The Equity Shares of your Company continue to be listed on BSE Limited (BSE), NSE Limited (NSE) and Delhi Stock Exchange Limited (DSE). The listing fees for the year 2017-18 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

The Board has carried out an annual evaluation of its own performance, board committees and individual directors in accordance with the provisions of the Companies Act, 2013, SEBI Listing Regulations and Guidance Note issued by SEBI. In a separate meeting of independent directors, the performance of non-independent directors, Chairman and Managing Director and Board as a whole was evaluated taking into account the view of all the board members. The Board members have adequate expertise drawn from diverse industries like Banking, Administration and Technical and bring specific competencies relevant to the Company's business. Information flow from Management to the Board and Committees are timely and of acceptable quality. The Board deliberations and participation of members were found to be quite satisfactory and the Board's overall functioning is effective.

NON-CONVERTIBLE DEBENTURES

The Company has allotted Secured Redeemable Non-Convertible Debentures (NCDs) on private placement basis for an amount of Rs. 50 crores on August 22, 2018. The issue of NCDs were approved vide Postal Ballot notice dated March 29, 2017, details of which are given in the Corporate Governance Report which forms part of this Report.

CREDIT RATING

ICRA has reaffirmed/assiagned the Long Term and Short Term Ratings at [ICRA] A+ and [ICRA] A1+. The NCD Program has been assigned a rating of [ICRA]A+.

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.

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- 6 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 first 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.

OTHER DISCLOSURES

The Company has complied with the secretarial standards issued by the Institute of Company Secretaries of India on meetings of Board of Directors and General Meetings.

ACKNOWLEDGMENT

Your Board of Directors 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, Canara 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 unstinted 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 continuous support to the Company.

For and on behalf of the Board of Directors

RAMESH SURI
Chairman
(DIN: 00176488)

Place: New Delhi
Dated: 28th May, 2018

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	The Company is working consistently towards the energy conservation in all the areas related to manufacturing operations. Various measures are taken to optimize the power cost associated with the manufacturing of the product. Following are the measures initiated/ adopted for conservation & optimize utilization of energy during the year under review: • Synchronization of cooling towers followed by optimization of the header to reduce energy consumption based on cooling requirement • Calendar timer on the Air conditioners & exhaust fan blower to optimize the usage • Installation of Air shut off valves on the assembly lines to avoid even small air leakages • Auto switching of blowers, lights & fan on brazing booths • Booster installation on machines with high pressure requirement followed by optimization of pressure at generating end
(ii)	The steps taken by the Company for utilizing alternate sources of energy	• Use of LED lights in the office area/shop floor • Controlled the lights in daylight area using LDR (Light Dependent Resistor) • Usage of solar street lights across outer periphery
(iii)	The capital investment on energy conservation equipments	• All the energy conservation measures have been initiated without any major capital investments.
B)	**TECHNOLOGY ABSORPTION**	
(i)	The efforts made towards technology absorption	**[A] Implementation of new VA/VE ideas & alternate sourcing and localization in the field of** 1. Bus AC relay size optimization 2. Lip seal localization for compressors 3. Armature raw material localization for compressors 4. Fan Blower raw material localization 5. Condenser shroud fan localization 6. Compressor oil packaging size optimization 7. Rotor material development by alternate sourcing 8. Condenser, Heater, Evaporator fin material new source development 9. Condenser tube new source development 10. Connector Extrusion alternate sourcing **[B] Development of new product based on benchmarking and application engineering for** 1. Trucks blower / Ventilation and AC units 2. New HVAC development for SUV's 3. New HVAC for Small CV's 4. New HVAC for Car segment (Packaging for New Cockpit) 5. New HVAC system for off road / Tractor application 6. New variant of compressors for Car AC and small CV's 7. New Model of Domestic AC condenser 8. Pipe and hoses for new models 9. Rail AC product **[C] New technology development to meet future market demand for products like** 1. New Rotary vane compressor production 2. New Model of Light weight and high efficiency Radiators 3. Demister for Bus 4. Off Road Vehicle condenser 5. Domestic AC condenser design suitable for new refrigerants
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	[A] New product(s) for truck application has helped to meet market requirement of light weight, economical and high performance products. [B] A segment light weight high efficiency rotary vane compressor is able to meet customer energy efficiency requirement. [C] Cost reduction has been achieved by implementing VA/VE ideas and new technology based products. [D] Import substitution has been achieved by in-house manufacturing of AC system parts, localization of TXV, evaporator and condenser fin & tube material and higher value compressor child parts.

(iii) (a)	**In case of imported** Technology (Imported during the last three years reckoned from the beginning of the financial year) The details of technology imported	The Company has imported technology in collaboration with Denso Corporation, Japan since 1986. Further, the Company has also executed/executing new Technical Assistance Agreement(s) with Denso Corporation, Japan for transfer of technology of condenser, compressor and HVAC for new models, RER Radiators, Bus AC, etc
(b)	The year of import	1986 onwards
(c)	Whether the technology has been fully absorbed	The technology has been absorbed within the period of applicable Technical Assistance Agreement(s). For new models of AC system, Rotary vane compressor technology is being implemented
(d)	If not fully absorbed, areas where absorption has not taken place, and the reasons 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 company in the areas of: • New Product Development • Application Engineering • Presentations in National & international SAE Events • IP creation and patent filing • New Technology Development • Internal heat Exchanger • Domestic AC Condenser • Rotary vane compressor • In house testing facility up gradation
C)	**FOREIGN EXCHANGE EARNINGS AND OUTGO**	

(Rs. In Lakhs)

		2017-18	2016-17
(i)	**Capital**	**57.77**	7.65
(ii)	**Recurring**	**2361.90**	2,031.76
(iii)	**Total Expenditure**	**2419.67**	2,039.41
(iv)	**Total R&D Expenditure** As a percentage of Net Turnover (Excluding excise duty)	**1.26%**	1.32%

(Rs. In Lakhs)

		2017-18	2016-17
	Total foreign exchange earned	**42.75**	41.84
	Total foreign exchange outgo		
(i)	CIF value of imports (Recurring)	**38,022.04**	44,826.97
(ii)	CIF value of imports (Capital Expenditure)	**2,249.17**	3,295.79
(iii)	Expenditure in foreign currency	**3,782.68**	5,227.51

ANNEXURE - 2 TO THE DIRECTORS' REPORT

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31.03.2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i)	CIN	:	L74899DL1985PLC020134
ii)	Registration Date	:	February 14, 1985
iii)	Name of the Company	:	Subros Limited
iv)	Category / Sub-Category of the Company	:	Public Company Limited by shares
v)	Address of the Registered office and contact details	:	LGF, World Trade Centre Barakhamba Lane New Delhi-110 001 Tel. No.: 011-23414946-49
vi)	Whether listed company	:	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	:	MCS Share Transfer Agent Limited Srivenkatesh Bhavan, F-65,Okhla Industrial Area Phase-I, New Delhi - 110 020. Tel. No.: 011-4140-6148

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:

S.No.	Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the company
1.	Automotive A.C. parts & Accessories of Automotive System	B-13-374.8	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the company	CIN/Registration No.	Holding/ Subsidiary/Associate	% of shares held	Applicable Section
1.	Thai Subros Ltd 88/23 MU 15, Bang Sao Thong, Samut Prakan,Thailand	0-1155-51007-18-8	Subsidiary	100%	2(87)
2.	Denso Subros Thermal Engineering Centre India Limited B-1/D-4, Ground Floor Mohan Co-operative Industrial Estate, Mathura Road, New Delhi 110 044	U93000DL2011FLC212269	Associate	26%	2(6)

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
1. Indian									
a) Individual/ HUF	72,06,240	--	72,06,240	12.00	72,06,240	--	72,06,240	12.00	--
b) Central Govt	--	--	--	--	--	--	--	--	--
c) State Govt(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corp.	167,93,760	--	167,93,760	28.00	167,93,760	--	167,93,760	28.00	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub-total (A) (1)	**240,00,000**	**--**	**240,00,000**	**40.00**	**240,00,000**	**--**	**240,00,000**	**40.00**	**--**
2. Foreign									
a) NRIs-Individuals	--	--	--	--	--	--	--	--	--
b) Other-Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other	--	--	--	--	--	--	--	--	--
Sub-total (A) (2)	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Total Share-holding of Promoters (A) = (A) (1) + (A) (2)	**240,00,000**	**--**	**240,00,000**	**40.00**	**240,00,000**	**--**	**240,00,000**	**40.00**	**--**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	36,27,462	--	36,27,462	6.05	39,72,666	--	39,72,666	6.62	0.57
b) Banks/FI	230	--	230	--	1,547	--	1,547	--	--
c) Central Govt.	--	--	--	--	1,95,383	--	1,95,383	0.33	0.33
d) State Govt (s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	37,018	--	37,018	0.06	--	--	--	--	-0.06
g) FIIs	79,947	6,000	85,947	0.14	2,56,965	2,500	2,59,465	0.43	0.29
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
Sub-total (B) (1)	**37,44,657**	**6,000**	**37,50,657**	**6.25**	**44,26,561**	**2,500**	**44,29,061**	**7.38**	**1.13**
2. Non-Institutions									
a) Bodies Corp.									
i. Indian	28,14,872	34,17,860	62,32,732	10.39	25,44,574	34,11,610	59,56,184	9.93	-0.46
ii. Overseas									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
b) Individuals									
i. Individual shareholders holding nominal share capital upto Rs.1 lakh	6376180	960399	7336579	12.23	64,44,053	7,36,280	71,80,333	11.98	-0.26
ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh	1844700	768640	2613340	4.36	16,62,540	7,68,640	24,31,180	4.06	-0.30
c) Others (specify)									
i. NRI	454292	--	454292	0.76	3,76,042	--	3,76,042	0.63	-0.13
ii. Foreign Collaborator	78,00,000	78,00,000	156,00,000	26.00	78,00,000	78,00,000	156,00,000	26.00	0.01
iii. Clearing Members									
iv. Trust & Foundations	1,000	--	1,000	0.01	15,800	--	15,800	0.03	0.02
Sub-total (B) (2)	**192,91,044**	**129,46,899**	**322,37,943**	**53.75**	**188,43,009**	**127,16,530**	**315,59,539**	**52.62**	**-1.13**
Total Public Shareholding (B) = (B) 1+(B) 2	230,35,701	129,52,899	359,88,600	60.00	232,69,570	127,19,030	359,88,600	60.00	--
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)	**470,35,701**	**129,52,899**	**599,88,600**	**100.0**	**472,69,570**	**127,19,030**	**599,88,600**	**100.0**	**--**

ii) Shareholding of Promoters

Name of shareholders	Share holding at the beginning of the year			Share holding at the end of the year			% Change during the year
	No. of Shares	% of total Shares Shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total Shares Shares of the Company	% of Shares pledged/ encumbered to total shares	
Deeksha Holding Ltd	10137760	16.90	--	10137760	16.90	--	--
Jyotsna Holding Pvt. Ltd	3448000	5.75	--	3448000	5.75	--	--
RR Holdings Pvt. Ltd	3208000	5.35	--	3208000	5.35	--	--
Ramesh Suri (HUF)	3040000	5.06	--	3040000	5.06	--	--
Dr. Jyotsna Suri	1619200	2.70	--	1619200	2.70	--	--
Mr. Ramesh Suri	1419040	2.36	--	1419040	2.36	--	--
Ms. Ritu Suri	1128000	1.88	--	1128000	1.88	--	--
Total	**24000000**	**40.00**	**--**	**24000000**	**40.00**	**--**	**--**

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	No Change in the Promoters Shareholding during the year			
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.				
3.	At the End of the year				

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters are holders of GDRs & ADRs)

Sl. No.	Shareholding						Cumulative Shareholding at during the year	
	Name of the Shareholder	No of Shares at the beginning of the year	% of total Shares of the company	Date	Increase/ Decrease in shareholding	Reason for Change	No. of Shares	% of total Shares of the company
1	Suzuki Motor Corporation	7800000	13.00	31.03.17	-	-	7800000	13.00
2	Denso Corporation	7800000	13.00	31.03.17	-	-	7800000	13.00
3	DSP Blackrock Small Cap Fund	1693511	2.82	31.03.17	-	-	1693511	2.82
				28.04.17	163574	Purchase	1857085	3.10
				05.05.17	13012	Purchase	1870097	3.12
				09.06.17	3117	Purchase	1873214	3.12
				01.09.17	14670	Purchase	1887884	3.15
				29.09.17	38585	Purchase	1926469	3.21
				06.10.17	9986	Purchase	1936455	3.23
				15.12.17	123886	Purchase	2060341	3.43
				22.12.17	145137	Purchase	2205478	3.68
				05.01.18	6727	Purchase	2212205	3.69
				12.01.18	3258	Purchase	2215463	3.69
				02.03.18	-133126	Sale	2082337	3.47
4	Canara HSBC Oriental Bank Of Commerce Life Insurance Company Ltd	974458	1.62	31.03.17	-	-	974458	1.62
				07.04.17	3337	Purchase	977795	1.63
				14.04.17	2787	Purchase	980582	1.63
				21.04.17	9145	Purchase	989727	1.65
				05.05.17	-12030	Sale	977697	1.63
				12.05.17	-5452	Sale	972245	1.62
				19.05.17	-2049	Sale	970196	1.62
				26.05.17	-12307	Sale	957889	1.60
				09.06.17	3043	Purchase	960932	1.60
				23.06.17	-10255	Sale	950677	1.58
				30.06.17	3471	Purchase	954148	1.59
				07.07.17	-6594	Sale	947554	1.58
				14.07.17	-928	Sale	946626	1.58
				21.07.17	-1321	Sale	945305	1.58
				28.07.17	-2869	Sale	942436	1.57
				04.08.17	-7678	Sale	934758	1.56
				11.08.17	7975	Purchase	942733	1.57
				18.08.17	250	Purchase	942983	1.57
				25.08.17	2607	Purchase	945590	1.58
				01.09.17	-7586	Sale	938004	1.56
				08.09.17	-854	Sale	937150	1.56

S. No.	Shareholding						Cumulative Shareholding at end of the year	
	Name of the Shareholder	No of Shares at as on beginning of year	% of total Shares of the company	Date	Increase/ Decrease in shareholding	Reason for Change	No. of Shares	% of total Shares of the company
				15.09.17	-15043	Sale	922107	1.54
				22.09.17	-9420	Sale	912687	1.52
				29.09.17	-4229	Sale	908458	1.51
				06.10.17	-10164	Sale	898294	1.50
				13.10.17	4964	Purchase	903258	1.51
				20.10.17	-3281	Sale	899977	1.50
				31.10.17	-1510	Sale	898467	1.50
				10.11.17	1411	Purchase	899878	1.50
				17.11.17	-1409	Sale	898469	1.50
				24.11.17	-760	Sale	897709	1.50
				01.12.17	-4349	Sale	893360	1.49
				08.12.17	7798	Purchase	901158	1.50
				15.12.17	-7581	Purchase	893577	1.49
				22.12.17	-170	Sale	893407	1.49
				05.01.18	6989	Purchase	900396	1.50
				12.01.18	2964	Purchase	903360	1.51
				19.01.18	-15305	Sale	888055	1.48
				26.01.18	276	Purchase	888331	1.48
				02.02.18	-1971	Sale	886360	1.48
				09.02.18	12484	Purchase	898844	1.50
				16.02.18	-1087	Sale	897757	1.50
				23.02.18	-1602	Sale	896155	1.49
				02.03.18	5848	Purchase	902003	1.50
				09.03.18	5173	Purchase	907176	1.51
				16.03.18	293	Purchase	907469	1.51
				23.03.18	253	Purchase	907722	1.51
				31.03.18	5578	Purchase	913300	1.52
5	Ajay Upadhyaya	449423	0.75	31.03.17	-	-	449423	0.75
				19.5.17	-1100	Sale	448323	0.75
				11.8.17	265000	Purchase	713323	1.19
				18.8.17	-713323	Sale	0	0.00
				18.8.17	725000	Purchase	725000	1.21
				22.09.17	10000	Purchase	735000	1.23
				02.02.18	-77383	Sale	657617	1.10
6	UTI Transportation And Logistics Fund	547823	0.91	31.03.17	-	-	547823	0.91
				22.09.17	69000	Purchase	616823	1.05
				29.09.17	15000	Purchase	631823	1.05
7	IFB Automotive Private Limited	467490	0.78	31.3.17	-	-	467490	0.78
8	Jayant Nanda	166060	0.28	31.03.17	-	-	166060	0.28
9	Sundaram Mutual Fund A/c Sundaram Select Microcap Series VII	139154	0.23	31.03.17	-	-	139154	0.23
				12.01.18	-4048	Sale	135106	0.23
				19.01.18	-235	Sale	134871	0.22
10	Sundaram Mutual Fund A/c Sundaram Select Microcap Series I	106252	0.18	31.03.17	-	-	106252	0.18
				02.06.17	-10698	Sale	95554	0.16
				29.12.17	41490	Purchase	137044	0.23
				12.01.18	-3809	Sale	133235	0.22
				19.01.18	-221	Sale	133014	0.22

v) **Shareholding of Directors and Key Managerial Personnel**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Mr. Ramesh Suri Chairman	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	14,19,040	2.36	14,19,040	2.36
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.	—	—	—	—
3.	At the End of the year	14,19,040	2.36	14,19,040	2.36

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	Dr. Jyotsna Suri Director	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	16,19,200	2.70	16,19,200	2.70
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity, etc.	—	—	—	—
3.	At the End of the year	16,19,200	2.70	16,19,200	2.70

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs. Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	30,397.44	10,044.87	--	40,442.31
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	151.09	--		151.09
Total (i+ii+iii)	**30,548.53**	**10,044.87**	--	**40,593.40**
Change in Indebtedness during the financial year				
• Addition	--	3602.76	--	3602.76
• Reduction	-5540.72	--	--	-5540.72
Net Change	**-5540.72**	**3602.76**	--	**-1937.96**
Indebtedness at the end of the financial year				
i) Principal Amount	24883.40	13627.83	--	38,511.23
ii) Interest due but not paid	--	--		--
iii) Interest accrued but not due	124.41	19.80	--	144.21
Total (i+ii+iii)	**25007.81**	**13647.63**	--	**38655.44**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of MD/WTD/Manger		Total Amount
		Mr. Ramesh Suri (Chairman)	**Ms. Shradha Suri** (Managing Director)	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	48,00,000	198,82,236	246,82,236
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	79,200	79,200	1,58,400
	(c) Profits in lieu of salary under section 17(3) Income - Tax Act, 1961	--	--	--
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission • As a % of profit • Others, specify	80,00,000 --	30,00,000 --	110,00,000 --
5.	Others (Gratuity)	--	--	--
	TOTAL (A)	**128,79,200**	**229,61,436**	**358,40,636**
	Ceiling as per the Act (Rs. In Lakhs)*	**866.03**		

** Being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.*

B. Remuneration to other Directors
Independent Directors

(in Rs.)

S. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. G.N.Mehra	Mr. Hanuwant Singh	Mr. K.R.Rama-moorthy	Mr. Shailendra Swarup	Ms. Meena Sethi	Mr. M.A. Pathan	
1	• Fee for attending Board/Committee Meetings • Commission • Others, please specify	11,20,000 -- --	1,20,000 -- --	5,00,000 -- --	4,40,000 -- --	7,20,000 -- --	4,90,000 -- 20,000	33,90,000 -- 20,000
	TOTAL (1)	**11,40,000**	**1,20,000**	**5,00,000**	**4,40,000**	**7,20,000**	**5,10,000**	**34,10,000**

Other Non-Executive Directors

S. No.	Particulars of Remuneration	Name of Directors	Total Amount (in Rs.)
		Dr. Jyotsna Suri	
2.	• Fee for attending Board/Committee Meetings • Commission • Others, please specify	2,50,000 -- --	2,50,000 -- --
	TOTAL (2)	**2,50,000**	**2,50,000**
	TOTAL (B) = 1+2		*****36,60,000**
	Total Managerial Remuneration		***395,00,636**
	Overall Ceiling as per the Act	**Rs. 952.64 Lakhs ****	

** Total remuneration to Managing Director, Whole-Time Director and other Directors (being the total of A and B).*
*** Being 11% of the Net profits of the Company calculated as per section 198 of the Companies Act, 2013.*
****The total amount of Rs.36,60,000 paid sitting fee for Board and Committee/other meetings which is not the part of 1% ceiling as per the Act.*

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

S.No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. Manoj K. Sethi (CFO)	**Mr. Rakesh Arora** (Company Secretary)	**Total Amount (in Rs.)**
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961 (b) Value of perquisites u/s 17(2) Income -Tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income - Tax Act, 1961	72,24,935 28,800 --	36,46,938 -- --	108,71,873 28,800 --
2.	Stock Option	--	--	--
3.	Sweat Equity	--	--	--
4.	Commission • As a % of profit • Others, specify	-- --	-- --	-- --
5.	Others, please specify	--		--
	TOTAL (A)	**72,53,735**	**36,46,938**	**109,00,673**

PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made, if any
A. COMPANY					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

ANNEXURE - 3 TO THE DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2018

[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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 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, 2018 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;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the audit period);
   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations 2014, notified on 28th October 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;
   (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act, 2013 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

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 applicable laws/rules made thereunder /regulations of the acts listed below:
   (i) Factories Act, 1948;
   (ii) The Air (Prevention and Control of Pollution) Act, 1981;
   (iii) The Environment Protection Act, 1986;
   (iv) The Water (Prevention and Control of Pollution) Act, 1974;
   (v) Contract Labour (Regulation & Abolition) Act, 1970;
   (vi) Petroleum Act, 1934;
   (vii) Explosives Act, 1884 and Explosives Rules, 2008;
   (viii) The Legal Metrology Act, 2009

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 have also examined the compliances with the applicable clauses to the following:-
   (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
   (ii) Securities & Exchange Board of India (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.

9. 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 Meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications 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.

10. We further report that during the audit period, there were no instances of :-
   (i) Public / Rights / Preferential Issue of Shares/ Sweat Equity, except for issue of Non-convertible Debentures during the year and for which the company has complied with the provisions of the applicable Act;
   (ii) Redemption / Buy-back of Securities;
   (iii) Merger / Amalgamation / Reconstruction etc.;

For RSM & CO.
Company Secretaries

CS RAVI SHARMA
PARTNER
FCS NO. 4468, C.P. NO. 3666

Dated: 28th May, 2018
Place: New Delhi

ANNEXURE - 4 TO THE DIRECTORS' REPORT

THE ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken**
   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 our CSR policy is to actively contribute to the social, environmental & economic development of the society.

2. **Composition of CSR Committee:** Mr. Ramesh Suri, Ms. Shradha Suri and Ms. Meena Sethi

3. **Average net profit of the company for last three financial years: Rs. 1,867 Lakhs**

4. **Prescribed CSR Expenditure: Rs. 37.34 Lakhs**

5. **Details of CSR spent during the financial year.**
   a) Total amount to be spent for the financial year: Rs. 37.34 Lakhs
   b) Total amount spent during the financial year: Rs. 39.29 Lakhs
   c) Amount unspent, if any: NIL
   d) Manner in which the amount spent during the financial year is detailed below:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No	CSR project or activity identified.	Sector in which the Project iscovered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programswise	Amount spent on the projects or Programs Subheads: (1) Direct expenditure on projects orprograms. (2) Overheads: (₹ in Lakhs)	Cumulative expenditure upto to the reporting period (₹ in Lakhs)	Amount spent: Direct or through implementing agency (₹ in Lakhs)
1	Green plantations	Environmental Sustainability	Delhi, Noida, Manesar	Program wise	20.97	20.97	Direct
	Conservation	Environmental Sustainability	Pune, Manesar, Noida	Program wise	1.78	1.78	Direct
2	Education for under- privileged children	Promoting education	Noida and Manesar	Program wise	15.38	15.38	Direct
3	National sports promotion	Promote nationally recognized Sports	Pune, Maharashtra	Program wise	1.16	1.16	Direct
	TOTAL				**39.29**	**39.29**	

6. **Reasons for not spending the Amount:** Not applicable

7. The CSR Committee confirms that the implementation and monitoring of CSR Policy, in compliance with CSR objectives and Policy of the Company.

Meena Sethi
Chairperson
CSR Committee

ANNEXURE - 5 TO THE DIRECTORS' REPORT

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

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

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	Sale, Purchase of material and assets	Ongoing transactions	245.50	January, 31, 2017	Nil

ANNEXURE - 6 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	42.57
Ms. Shradha Suri - Managing Director	75.90

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

Name & Designation	Percentage increase in remuneration
Mr. Ramesh Suri - Chairman	-
Ms. Shradha Suri - Managing Director	5%
Mr. Manoj Kumar Sethi - SVP & CFO	8.4%
Mr. Rakesh Arora - Company Secretary	7.4%

Note: The remuneration paid to Independent Directors/Non-Executive Director which includes sitting fees is proportionate to their attendance in Board and Committee meetings.

(iii) the percentage increase in the median remuneration of employees in the financial year: 9.49%

(iv) the number of permanent employees on the rolls of Company: 2210

(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	31.03.18
% increase in median salary of employees'	9.49%
% increase in average salary of managerial personnel	6.93%

(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

Corporate Governance Report

(1) COMPANY PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Subros Limited 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 and as per 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.

(2) BOARD OF DIRECTORS

The Board currently comprises of 10 Directors and out of which 8 are Non-Executive Directors (including 5 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, 2018. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations.

Composition of Board of Directors and Directors attendance record

The Composition of the Board of Directors, attendance, Directorship and Committee position during the financial year 2017-18 is given below:

Name	Category	No. of Board Meetings held during 2017-18	No. of Board Meetings attended during 2017-18	Whether attended AGM	No. of Directorships in other Companies#	Committees @ Position held in Public Companies as	
						Chairperson	Member
Mr. Ramesh Suri, Chairman	Not Independent & Executive/Promoter	5	5	Yes	2	2	3
Ms. Shradha Suri Managing Director	Not Independent & Executive	5	5	Yes	2	2	-
Dr. Jyotsna Suri	Not Independent & Non-Executive	5	5	Yes	1	1	-
Mr. M.A. Pathan	Independent & Non-Executive	5	5	No	1	1	-
Mr. G.N. Mehra	Independent & Non-Executive	5	5	Yes	4	2	5
Mr. Shailendra Swarup	Independent & Non-Executive	5	5	Yes	4	2	-
Mr. K.R. Ramamoorthy	Independent & Non-Executive	5	5	No	4	2	3
Mr. Hanuwant Singh *	Independent & Non-Executive	1	1	-	-	-	-
Ms. Meena Sethi	Independent & Non-Executive	5	4	Yes	1	1	-
Mr. Kenichi Ayukawa	Not Independent & Non-Executive/ Nominee Director	5	3	No	2	2	-
Mr. Y. Iida	Not Independent & Non-Executive/ Nominee Director	5	0	No	1	-	-
Mr. Keiichi Yamauchi	Not Independent & Non-Executive/ Alternate Director to Mr. Y Iida	5	4	Yes	-	-	-

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

Other than Foreign & Private Companies

* *Mr. Hanuwant Singh demised on 30th June, 2017*

Number of Board Meetings

During the year under review five Board Meetings were held on May 23, 2017, August 10, 2017, November 1, 2017, January 30, 2018 and March 29, 2018. The time-gap between any two consecutive meetings did not exceed one hundred and twenty days.

Disclosure of relationships between directors inter-se

Except Mr. Ramesh Suri, 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 shares or convertible instruments in the Company.

The familiarisation programme(s) imparted to independent Directors from time to time is available at www.subros.com/investors

The 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.

(3) 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 is as follows:

Sl. No.	Name of Members	Position	Category	No. of Meetings	
				Held during 2017-18	Attended during 2017-18
1.	Mr. G.N. Mehra	Chairman	Independent/Non-Executive	4	4
2.	Mr. K.R. Ramamoorthy	Member	Independent/Non-Executive	4	4
3.	Mr. Hanuwant Singh*	Member	Independent/Non-Executive	1	1
4.	Mr. M.A. Pathan	Member	Independent/Non-Executive	3	3

*Mr. Hanuwant Singh demised on 30th June, 2017 and Mr. M.A. Pathan was appointed as a Member of the Committee.

The Committee met 4 times during the financial year 2017-18 on May 23, 2017; August 9, 2017; October 31, 2017 and January 29, 2018. The Statutory Auditors and Senior Executives of the Company are invited to the Meetings for deliberations. The Company Secretary acts as a Secretary to the Committee.

(4) NOMINATION AND REMUNERATION COMMITTEE

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

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

The composition of the Nomination & Remuneration Committee is as follows:

Sl. No.	Name of Members	Position	Category	No. of Meetings	
				Held during 2017-18	Attended during 2017-18
1.	Mr. G.N. Mehra	Chairman	Independent/ Non-Executive	2	2
2.	Ms. Meena Sethi	Member	Independent/ Non-Executive	2	1
3.	Mr. Shailendra Swarup	Member	Independent/ Non-Executive	2	2

Mr. Hanuwant Singh demised on 30th June, 2017 and Ms. Meena Sethi was appointed as a Member of the Committee.

The Committee met 2 times during the financial year 2017-18 on August 10, 2017 and March 29, 2018.

The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. To that end, the Nomination & Remuneration Committee has established the following processes for evaluation of performance of Independent Director(s):

(i) Once a year, the Board will conduct an evaluation of Independent Directors. It is the responsibility of the Nomination & Remuneration Committee, supported by the Company Secretary, to organise the evaluation process and act on its outcome;

(ii) The Committee has formulated evaluation criteria for the Independent Directors (based on guidance 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.

OTHER COMMITTEES

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 is as follows:

Sl. No.	Name of Members	Position	Category	No. of Meetings	
				Held during 2017-18	Attended during 2017-18
1.	Mr. M. A. Pathan	Chairman	Independent/ Non-Executive	2	2
2.	Mr. Hanuwant Singh*	Member	Independent/ Non-Executive	1	1
3.	Mr. Shailendra Swarup	Member	Independent/ Non-Executive	2	2
4.	Ms. Meena Sethi	Member	Independent/Non-Executive	1	1

*Mr. Hanuwant Singh demised on 30th June, 2017 and Ms. Meena Sethi was appointed as a Member of the Committee.

The Risk Management Committee held two meetings on May 20, 2017 and October 31, 2017.

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 and monitoring implementation of the framework of Corporate Social Responsibility Policy. The terms of reference of the CSR Committee are as under:

- To formulate and recommend to the Board a 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 is as under:

Sl. No.	Name of Members	Position	Category	No. of Meetings	
				Held during 2017-18	Attended during 2017-18
1.	Ms. Meena Sethi	Chairperson	Independent / Non-Executive	1	1
2.	Mr. Ramesh Suri	Member	Not-Independent / Executive	1	1
3.	Ms. Shradha Suri	Member	Not-Independent / Executive	1	1

The CSR Policy of the Company has been uploaded and can be viewed on Company's website www.subros.com. During the year one Meeting of CSR Committee was held on May 23, 2017.

(5) REMUNERATION OF DIRECTORS

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 2017-18 is as given below:-

S. N o.	Name of Director	Sitting Fee for Board Meetings (Rs.)	Sitting Fee for other Meetings (Rs.)	Total (Rs.)
1	Dr. Jyotsna Suri	2,50,000	-	2,50,000
2	Mr. Hanuwant Singh*	50,000	70,000	1,20,000
3	Mr. G.N. Mehra	2,50,000	8,70,000	11,20,000
4	Mr. Shailendra Swarup	2,50,000	1,90,000	4,40,000
5	Ms. Meena Sethi	2,00,000	5,20,000	7,20,000
6	Mr. M.A. Pathan	2,50,000	2,60,000	5,10,000
7	Mr. K.R. Ramamoorthy	2,50,000	2,50,000	5,00,000
	TOTAL			**36,60,000**

**Mr. Hanuwant Singh demised on 30th June, 2017*

Except 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 2017-18 is as given below:

(₹ in Lakhs)

S. No.	Name of the Director	Salary & Allowances	Contributions (*)	Commission	Other Benefits	Total
1	Mr. Ramesh Suri Chairman	48.00	—	80.00	—	128.00
2	Ms. Shradha Suri Managing Director	198.82	10.47	30.00	—	239.29
	TOTAL	**246.82**	**10.47**	**110.00**	—	**367.29**

(*) represents contribution to Provident Fund.

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 any of its Directors.

(6) STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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

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

The composition of the Stakeholders Relationship Committee is as under:

Sl. No.	Name of Members	Position	No. of Meetings	
			Held during 2017-18	Attended during 2017-18
1.	Mr. G.N. Mehra	Chairman	26	26
2.	Mr. Ramesh Suri	Member	26	26
3.	Mr. Hanuwant Singh*	Member	7	-
4.	Ms. Meena Sethi	Member	19	19

**Mr. Hanuwant Singh demised on 30th June, 2017 and Ms. Meena Sethi was appointed as a Member of the Committee.*

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 Redress Systems (SCORES)

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: centralized web-based complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the Compliant and its current status. All the requests and complaints received from the shareholders were attended to within the stipulated time and no complaint was pending for disposal at the end of the year.

Investor Grievances Redressal

The number of complaints received and redressed during the year 2017-18 is as follows:

Sl. No.	Nature of complaint	No. of Shareholder's Complaint received during 2017-18	Number resolved	Number of pending complaints
1	Non-receipt of Annual Report	7	7	0

(7) GENERAL BODY MEETINGS

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

Sl. No.	AGM Particulars	Date	Venue	Time
1.	32nd AGM in respect of the year (2016-17)	September 18, 2017	Kamani Auditorium No.1, Copernicus Marg, New Delhi - 110001	11.00 a.m.
2.	31st AGM in respect of the year (2015-16)	August 8, 2016	Kamani Auditorium No.1, Copernicus Marg, New Delhi - 110001	11.00 a.m.
3.	30th AGM in respect of the year (2014-15)	July 27, 2015	FICCI Golden Jubilee Auditorium, Tansen Marg, New Delhi - 110001	11.00 a.m.

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

AGM/EGM	Subject
32nd AGM in respect of the year (2016-17)	a) To approve the material related party contracts/arrangements/transactions with M/s Global Autotech Ltd. b) To increase Authorised Share Capital
31st AGM in respect of the year (2015-16)	a) Re-appointment of Managing Director b) To approve the material related party contracts/arrangements/transactions with M/s Global Autotech Ltd.
30th AGM in respect of the year (2014-15)	a) Re-appointment of Executive Director b) To approve continuation of Chairman c) Re-appointment of Chairman d) To approve the material related party contracts/transactions e) To approve the material related party contracts/arrangements/transactions with M/s Global Autotech Ltd.

POSTAL BALLOTS

During the previous three years, the Company have sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot. The details of same are as follows:

(i) Postal ballot notice dated March 29, 2017 for approval of a Special resolution for issue of secured, redeemable, non-convertible debentures on private placement basis for an aggregate amount not exceeding Rs. 150 crores.

(ii) Mr. Ravi Sharma (FCS 4468 and CP No.3666), Partner RSM & Co, Practicing Company Secretary was appointed as the Scrutinizer for carrying out postal ballot process.

(iii) The voting period commenced from April 12, 2017 to May 11, 2017 and the results were declared on May 13, 2017.

(iv) The special resolution was passed by requisite majority. 45949787 equity shares votes were in favour of the resolution and 11588 equity share votes were against the resolution.

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

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

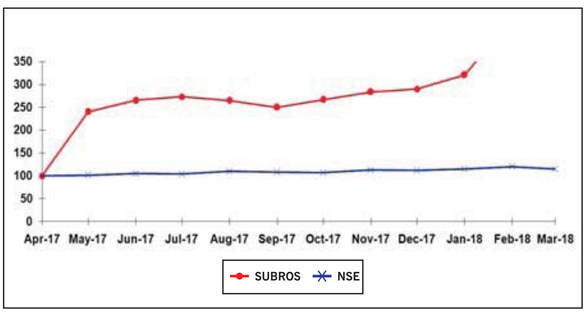
(9) GENERAL SHAREHOLDER INFORMATION

S.No.	Items	Particulars
(a)	**AGM Date** **AGM Time** **AGM Venue**	Thursday, the August 9, 2018 11.00 A.M. KAMANI AUDITORIUM, 1, Copernicus Marg, NEW DELHI - 110001
(b)	**Financial year**	April 1, 2017 to March 31, 2018
(c)	**Dividend Payment Date**	September 8, 2018
(d)	**Name and address of each stock exchange(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)	Listing Fee(s) has been paid to BSE and NSE for the FY 2017-18 and 2018-19. 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**	517168 - Bombay Stock Exchange SUBROS - National Stock Exchange 5824 - Delhi Stock Exchange
	Demat ISIN No for NSDL /CDSL	INE 287B01021

f) Market Price Data: High/Low during each month of 2017-18 on BSE & NSE

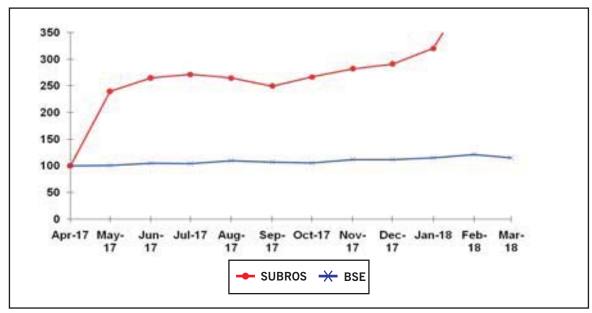
Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
APRIL, 2017	239.75	211.50	239.90	212.20
MAY, 2017	264.85	227.70	265.05	228.75
JUNE, 2017	271.95	234.00	273.00	237.05
JULY, 2017	265.00	237.00	264.90	236.50
AUGUST, 2017	249.85	213.00	250.00	212.10
SEPTEMBER, 2017	267.10	218.40	266.80	218.55
OCTOBER, 2017	282.45	235.10	283.25	235.00
NOVEMBER, 2017	291.00	239.50	290.00	239.25
DECEMBER, 2017	320.60	248.55	321.00	247.60
JANUARY, 2018	442.00	301.40	444.00	302.60
FEBRUARY, 2018	380.60	292.60	380.30	288.00
MARCH, 2018	343.00	280.10	345.00	281.00

(g) Stock performance comparison to NSE S&P CNX NIFTY



Note: Both prices are indexed at 100 as on 31-3-2018

Stock performance comparison to BSE Index



NOTE: - Both prices are indexed at 100 as on 31-3-2018

(h)	**Trading of Securities**	The securities of the Company are actively traded on BSE and NSE
(i)	**Registrar & Share Transfer Agents**	M/s. MCS Share Transfer Agent Limited, F- 65, 1st Floor, Okhla Industrial Area, Phase I, New Delhi - 110 020.
(j)	**Share Transfer System**	Shares lodged in physical form are processed and returned, duly transferred, within 14 days normally, except in the cases where litigation is involved. 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

Distribution of Shareholding as on March 31, 2018 (Face Value Rs. 2/- per share)

No. of Shares	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shares
0001-0500	39876	93.34	1866971	3.11
0501-01000	1298	3.04	1108924	1.85
01001-02000	843	1.97	1337387	2.23
02001-03000	193	0.45	498761	0.83
03001-04000	144	0.34	505889	0.84
04001-05000	93	0.22	448712	0.75
05001-10000	134	0.32	999754	1.67
10001-50000	82	0.19	1661487	2.77
50001-100000	22	0.05	1580245	2.63
100001 and above	35	0.08	49980470	83.32
Total	**42720**	**100.00**	**59988600**	**100.00**

Shareholding Pattern as on March 31, 2018

Type	NSDL (Demat)	CDSL (Demat)	Physical	Total Shares
Promoters	24000000	—	—	24000000
Foreign Collaborators	7800000	—	7800000	15600000
Mutual Funds and UTI	3972666	—	—	3972666
Financial Institutions/Bank	1547	—	—	1547
Insurance Co's	—	—	—	—
Foreign Institutional Investors	256965	—	2500	259465
Corporate Bodies	2235817	308757	3411610	5956184
Non-Resident Indian	357228	18814	—	376042
Trust and Fund	15000	800	—	15800
Indian Public	5999164	2107429	1504920	9611513
IEPF Account	—	195383	—	195383
TOTAL	**44638387**	**2631183**	**12719030**	**59988600**

S.No.	Items	Particulars
(l)	**Dematerialisation of shares & liquidity**	As at March 31, 2018 Demat: - 20185 Shareholders (47.25% of the Total Shareholders) Demat: - 4,72,69,570 Shares (78.80% 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 or hedging activities**	There is no commodity price risk hedging activities undertaken by the Company. Further, the Company hedges the foreign exchange as per the approved foreign exchange risk policy.
(o)	**Plant locations**	**Noida:-** C-51 Phase II, Noida, B-188 Phase II, Noida B-198 Phase II, Noida, B-216 Phase II Noida and A-16, Sec-68, Noida **Manaser:** Plot No.395/396 & 403, Sector-8, IMT Manesar (Haryana). **Pune:** B- 8 & 9, MIDC Industrial Area, Chakan Talegaon Road, Chakan Pune (Maharastra) **Sanand:** E-1, TML Vendor Park, Sanand (Gujarat) **Chennai:** A-20/1, SIPCOT Industrial Growth Centre, Oragadam, Chennai (Tamil Nadu)
(p)	**Address for correspondence**	**Registered Office:** LGF, World Trade Centre, Barakhamba Lane, New Delhi 110001.
(q)	**Debt Securities** **Demat ISIN No for NSDL**	956831- BSE INE287B07010 The listing fee in respect of NCDs for the financial year 2018-19 has been paid to BSE.
(r)	**Name of Debenture Trustee**	Catalyst Trusteeship Ltd 83-87, 8th Floor, Mittal Tower, B-Wing, Nariman Point, Mumbai 400 021 Tel: 022-49220555, Fax: 022-49220505 Email:dt@ctltrustee.co

(10) OTHER DISCLOSURES

(a) Material significant related party transaction, pecuniary or business relationship with the Company.

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 policy is disseminated in the website of the Company and the details of Related Party Transaction enclosed as Annexure-5 to this Report.

(b) Compliance by the Company

The Company has duly complied with the requirement of Listing Agreements with Bombay Stock Exchange, National Stock Exchange, Delhi Stock Exchange, SEBI and other statutory authority of all matters during the last 3 years. No penalty has been imposed on the Company by any of the Stock Exchange or SEBI, or any other statutory authority relating to the above.

(c) Whistle Blower Policy

Pursuant to Section 177(9) of the Companies Act, 2013 the Company has established vigil mechanism for its Employees, Vendors, Suppliers and Directors of the Company. The same is covered under the Whistle Blower Policy. 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. 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 except for the constitution of the Risk Management Committee.

(e) The Company has not adopted a policy on material subsidiaries.

Compliance Certificate on Conditions of Corporate Governance

To,
The Members of
SUBROS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by SUBROS LIMITED for the year ended 31st March, 2018, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')

2. 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.

3. 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.

4. 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
Firm Registration No. P1997DE017000

CS RAVI SHARMA
PARTNER
FCS NO. 4468, C.P. NO. 3666

Dated: 28th May, 2018
Place: New Delhi

Independent Auditors' Report

TO THE MEMBERS OF SUBROS LIMITED

Report on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **Subros Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

5. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by 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, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated May 23, 2017 and May 26, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.
   Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. 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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

   i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its standalone Ind AS financial statements Refer Note 26;
   ii. The Company has long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses.
   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
   iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

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

Rajib Chatterjee
Partner
Membership Number 057134

Place: New Delhi
Date: May 28, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Subros Limited on the standalone financial statements for the year ended March 31, 2018

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, 2018 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 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, 2018, 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.

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

Rajib Chatterjee
Partner
Membership Number 057134

Place: New Delhi
Date: May 28, 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of Subros Limited on the standalone financial statements as of and for the year ended March 31, 2018

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets 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 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 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, except for dues in respect of works contract tax, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs , duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities. The extent of the arrears of statutory dues outstanding as at March 31, 2018, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs)	Period to which the amount relates	Due date	Date of Payment
Haryana Value Added Tax Act, 2003	Works Contract Tax	70.70	June 2017	July 15, 2017	Rs 34.15 Lakhs paid on April 05, 2018 and Rs 36.55 Lakhs paid on May 03, 2018

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of excise, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, service tax, duty of customs, value added tax as at March 31, 2018 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
Income Tax Act, 1961	Income Tax	135.23	-	Assessment year 2003-04	Hon'ble High Court of Delhi
Income Tax Act, 1961	Income Tax	80.90	70.99	Assessment year 2014-15	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	19.41	-	Assessment year 2015-16	Commissioner of Income Tax (Appeals)
The Customs Act, 1962	Custom Duty	566.91	-	June 2012 to July 2017	Commissioner of Customs, Noida
Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	79.74	59.80	2002-03 to 2004-05	Hon'ble High Court of Andhra Pradesh
Central Sales Tax Act, 1956	Sales Tax	1.33	-	1995-96	Hon'ble High Court of Mumbai
Bombay Sales Tax Act, 1959	Sales Tax	4.50	-	1997-98	Hon'ble High Court of Mumbai
Bombay Sales Tax Act, 1959	Sales Tax	8.51	-	1998-99	Hon'ble High Court of Mumbai
Bombay Sales Tax Act, 1959	Sales Tax	12.30	-	1999-00	Hon'ble High Court of Mumbai

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
Bombay Sales Tax Act, 1959	Sales Tax	19.73	-	2000-01	Hon'ble High Court of Mumbai
Bombay Sales Tax Act, 1959	Sales Tax	26.50	-	2001-02	Hon'ble High Court of Mumbai
Bombay Sales Tax Act, 1959	Sales Tax	6.90	-	2002-03	Hon'ble High Court of Mumbai
Finance Act, 1994	Service Tax	31.71	-	July 2009 to March 2014	Customs, Excise & Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	70.40	-	2006-07	Commissioner, Customs & Excise, Noida
Finance Act, 1994	Service Tax	3.39	-	April 2010 to December 2010	Assistant Commissioner, Customs & Excise, Noida
Finance Act, 1994	Service Tax	2.33	-	September 2009 to March 2010	Assistant Commissioner, Customs & Excise, Noida
Finance Act, 1994	Service Tax	15.67	-	2016-17	Deputy Commissioner, Central Excise, Noida
Finance Act, 1994	Service Tax	0.23	-	January 2014 to September 2014	Deputy Commissioner, Central Excise, Noida
Finance Act, 1994	Service Tax	0.29	-	October 2012 to April 2013	Assistant Commissioner, Customs & Central Excise, Noida
Finance Act, 1994	Service Tax	0.32	-	May 2013 to December 2013	Assistant Commissioner, Customs & Central Excise, Noida
Finance Act, 1994	Service Tax	0.75	-	2007-08	Assistant Commissioner, Customs & Central Excise, Noida
Finance Act, 1994	Service Tax	0.97	-	January 2010 to August 2010	Assistant Commissioner, Customs & Central Excise, Noida
Finance Act, 1994	Service Tax	0.97	-	October 2015 to March 2016	Deputy Commissioner, Central Excise, Noida
Finance Act, 1994	Service Tax	1.11	-	April 2015 to September 2015	Deputy Commissioner, Central Excise, Noida
Finance Act, 1994	Service Tax	1.26	-	January 2011 to June 2011	Assistant Commissioner, Customs & Central Excise, Noida
Finance Act, 1994	Service Tax	2.72	-	April 2012 to September 2012	Assistant Commissioner, Customs & Central Excise, Noida
Finance Act, 1994	Service Tax	0.67	-	October 2014 to March 2015	Assistant Commissioner, Customs & Central Excise, Noida

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 for the purposes for which they were obtained. However, there is an unutilized balance of a term loan raised during the year as at Balance Sheet date as follows:

Nature of the fund raised	Purpose for which funds raised	Total amount raised (Rs. In Lakhs)	Amount utilized for the other purpose	Unutilized balance as at Balance Sheet date
Term Loan	Capital expenditure for new set-up in Gujarat	1,500	Nil	105*

* An amount of Rs 1,264 lakhs have been spent by the Company for capital expenditure relating to purchase of land for their project in Gujarat out of existing funds available with the Company. The term loan which has been disbursed subsequently is for the same purpose.

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.

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
Membership Number 057134

Place: New Delhi
Date: May 28, 2018

BALANCE SHEET

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

Particulars	Notes no	As at March 31, 2018	As at March 31,2017	As at April 1,2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	52,892.31	33,374.56	41,020.11
Capital work-in-progress	3	4,685.36	12,412.60	4,328.20
Intangible assets	4	14,074.49	16,342.54	15,291.67
Intangible assets under development	4	4,298.24	2,502.00	1,085.59
Investments in subsidiary and joint venture	5(a)	250.00	250.00	250.00
Financial assets				
i) Loans	5(e)	937.89	808.39	768.34
ii) Other financial assets	5(f)	175.28	451.39	148.44
Deferred tax assets (net)	6	1,141.46	1,528.56	812.00
Non-current tax assets (net)	9	210.40	179.43	153.72
Other non-current assets	7	2,617.87	2,122.29	1,131.27
Total non-current assets		**81,283.30**	**69,971.76**	**64,989.34**
Current assets				
Inventories	8	23,962.61	20,522.90	17,661.55
Financial assets				
i) Trade receivables	5(b)	16,139.53	13,020.59	9,855.59
ii) Cash and cash equivalents	5(c)	1,497.74	201.23	94.99
iii) Bank balances other than (ii) above	5(d)	485.89	179.58	455.28
iv) Loans	5(e)	38.21	60.48	87.06
v) Other financial assets	5(f)	3,279.67	3,159.05	463.68
Other current assets	7	3,099.51	5,443.56	3,859.05
Total current assets		**48,503.16**	**42,587.39**	**32,477.20**
TOTAL ASSETS		**1,29,786.46**	**1,12,559.15**	**97,466.54**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10 (a)	1,199.77	1,199.77	1,199.77
Other equity	10 (b)	39,277.04	33,581.24	32,853.03
Total equity		**40,476.81**	**34,781.01**	**34,052.80**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Borrowings	11 (a)	15,259.84	15,676.35	19,045.47
Provisions	12	240.56	91.86	74.31
Total non-current liabilities		**15,500.40**	**15,768.21**	**19,119.78**
Current liabilities				
Financial liabilities				
i) Borrowings	11 (b)	16,284.79	17,013.36	10,797.25
ii) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	11 (d)	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	11 (d)	40,992.49	23,987.57	18,053.57
iii) Other financial liabilities	11 (c)	12,629.48	16,170.50	11,880.90
Other current liabilities	13	2,773.49	4,376.51	3,181.51
Provisions	12	708.18	461.99	380.73
Current tax liabilities	11 (e)	420.82	-	-
Total current liabilities		**73,809.25**	**62,009.93**	**44,293.96**
TOTAL LIABILITIES		**89,309.65**	**77,778.14**	**63,413.74**
TOTAL EQUITY AND LIABILITIES		**1,29,786.46**	**1,12,559.15**	**97,466.54**

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

Rajib Chatterjee
Partner
Membership No :057134

Place : New Delhi
Date : May 28, 2018

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

Ramesh Suri
Chairman
DIN : 00176488

Shradha Suri
Managing Director
DIN : 00176902

Manoj K Sethi
Sr VP (Finance)

H.K. Agarwal
Sr. GM (Finance)

Rakesh Arora
Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : May 28, 2018

STATEMENT OF PROFIT AND LOSS

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

	Particulars	Notes no.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations	14	1,96,956.34	1,74,120.38
II	Other income	15	742.51	727.63
III	Total income (I + II)		**1,97,698.85**	**1,74,848.01**
IV	**Expenses**			
	Cost of material consumed	16	1,33,449.88	1,07,090.23
	Changes in inventories of finished goods and work-in-progress	17	44.74	(395.20)
	Excise duty		5,667.00	20,628.83
	Employee benefits expense	18	18,811.96	15,372.32
	Finance costs	19	4,121.11	4,790.67
	Depreciation and amortization expense	20	9,199.73	8,791.09
	Other expenses	21	17,984.29	14,648.14
	Total expenses (IV)		**1,89,278.71**	**1,70,926.08**
V	**Profit before exceptional items and tax (III - IV)**		**8,420.14**	**3,921.93**
VI	Exceptional items	34	182.00	3,103.14
VII	**Profit before tax (V-VI)**		**8,238.14**	**818.79**
VIII	Tax expense:	6		
	- Current tax		1,787.21	194.28
	- Deferred tax		388.60	(709.04)
	Total tax expense (VII)		**2,175.81**	**(514.76)**
IX	**Profit for the year (VII-VIII)**		**6,062.33**	**1,333.55**
X	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss			
	Loss on remeasurements of post employment benefit obligations		(7.03)	(35.25)
	Income tax relating to the above item		1.50	7.52
	Other Comprehensive Income for the year, net of tax (X)		**(5.53)**	**(27.73)**
XI	**Total comprehensive income for the year (IX + X)**		**6,056.80**	**1,305.82**
	Earning per equity share (in Rs.) [Face value Rs. 2 each (March 31, 2017 : Rs. 2 each)]	**31**		
	Basic and Diluted		10.11	2.22

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

Rajib Chatterjee
Partner
Membership No :057134

Place : New Delhi
Date : May 28, 2018

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

Ramesh Suri
Chairman
DIN : 00176488

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Sr VP (Finance)

H.K. Agarwal
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Rakesh Arora
Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : May 28, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity share capital

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

Particulars	Notes no	Amount
Balance at April 1, 2016	10 (a)	**1,199.77**
Changes in equity share capital		-
Balance at March 31, 2017		**1,199.77**
Changes in equity share capital		-
Balance at March 31, 2018		**1,199.77**

B. Other Equity

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

Particulars	Notes no	Reserves and Surplus			Total
		General Reserve	Debenture redemption reserve	Retained Earnings	
Balance as at April 1, 2016	**10 (b)**	**11,675.48**	**-**	**21,177.55**	**32,853.03**
Profit for the year		-	-	1,333.55	1,333.55
Other comprehensive income		-	-	(27.73)	(27.73)
Total comprehensive income for the year		**-**	**-**	**1,305.82**	**1,305.82**
Dividends paid		-	-	(479.91)	(479.91)
Dividend distribution tax		-	-	(97.70)	(97.70)
Transfer to/(from) retained earnings		150.00	-	(150.00)	-
Balance as at March 31, 2017		**11,825.48**	**-**	**21,755.76**	**33,581.24**
Profit for the year		-	-	6,062.33	6,062.33
Other comprehensive income		-	-	(5.53)	(5.53)
Total comprehensive income for the year		**-**	**-**	**6,056.80**	**6,056.80**
Dividends paid		-	-	(299.94)	(299.94)
Dividend distribution Tax		-	-	(61.06)	(61.06)
Transfer to/(from) retained earnings		150.00	-	(150.00)	-
Transfer to debenture redemption reserve		-	1,250.00	(1,250.00)	-
Balance as at March 31, 2018		**11,975.48**	**1,250.00**	**26,051.56**	**39,277.04**

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

Rajib Chatterjee
Partner
Membership No :057134

Place : New Delhi
Date : May 28, 2018

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

Ramesh Suri
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DIN : 00176488

Shradha Suri
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DIN : 00176902

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Sr VP (Finance)

H.K. Agarwal
Sr. GM (Finance)

Rakesh Arora
Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : May 28, 2018

CASH FLOW STATEMENT

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities		
Profit before tax	**8,238.14**	**818.79**
Adjustments for:		
Depreciation and amortization expense	9,199.73	8,791.09
Net loss on disposal of property, plant and equipment	16.73	1.25
Interest income on financial assets at amortized cost and others	(67.96)	(297.82)
Finance costs	4,121.11	3,935.25
Provision for inventory obsolescence made / written back	30.94	(59.85)
Unrealized foreign currency (gain) / loss (net)	776.28	(839.72)
Fair value changes on derivatives	(111.94)	855.42
Operating profit before working capital changes	**22,203.03**	**13,204.41**
Adjustments for Changes in working capital:		
(Increase)/ Decrease in loans (non-current)	(129.50)	(40.05)
(Increase)/ Decrease in other financial assets (non-current)	276.11	(302.95)
(Increase)/ Decrease in inventories	(3,470.65)	(2,801.50)
(Increase)/ Decrease in trade receivables	(3,118.94)	(3,165.00)
(Increase)/ Decrease in loans (current)	22.27	26.58
(Increase)/ Decrease in bank balances other than cash and cash equivalents	(307.59)	276.53
(Increase)/ Decrease in other financial assets (current)	6.05	(2,692.38)
(Increase)/ Decrease in other current assets	2,344.05	(1,584.51)
Increase/ (Decrease) in non-current provisions	141.67	(17.70)
Increase/ (Decrease) in trade payables	16,837.95	6,376.83
Increase/ (Decrease) in other financial liabilities (current)	(495.55)	745.34
Increase/ (Decrease) in other current liabilities	(1,603.02)	1,195.00
Increase/ (Decrease) in current provisions	246.19	81.26
Cash generated from operations	**32,952.07**	**11,301.86**
Income tax paid (net)	(1,397.36)	(219.99)
Net cash inflow from operating activities	**31,554.71**	**11,081.87**
Cash flow from investing activities		
Payments for property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development	(23,143.82)	(15,428.67)
Proceeds from sale of property, plant and equipment [including insurance claim March 31, 2018 : Nil, March 31, 2017: Rs. 7,565.44 Lakhs (refer note 34)]	26.77	7,619.62
Interest received	53.23	294.83
Net cash (outflow) from investing activities	**(23,063.82)**	**(7,514.22)**
Cash flow from financing activities		
Proceeds from long term borrowings	6,500.00	5,000.00
Repayment of long term borrowings	(7,726.28)	(9,609.76)
Proceeds / (repayment) of short term borrowings	(833.98)	6,471.29
Interest paid	(4,773.12)	(4,745.33)
Dividend paid	(299.94)	(479.91)
Dividend distribution tax	(61.06)	(97.70)
Net cash (outflow) from financing activities	**(7,194.38)**	**(3,461.41)**
Net increase in cash and cash equivalents	1,296.51	106.24
Cash and cash equivalents at the beginning of the financial year	201.23	94.99
Cash and cash equivalents at the end of the financial year [refer note 5(c)]	**1,497.74**	**201.23**
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	17.53	11.26
Balance with banks	1,480.21	189.97
	1,497.74	**201.23**

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

Rajib Chatterjee
Partner
Membership No :057134

Place : New Delhi
Date : May 28, 2018

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

Ramesh Suri
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Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : May 28, 2018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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 manufacture and sale of auto air conditioning system to automotive original equipment manufacturers. The Company is a joint venture with 40% ownership by Suri family of India and 13% ownership by Denso Corporation, Japan & Suzuki Motor Corporation, Japan each.

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.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 35 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(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) Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on March 28, 2018 which includes Ind AS 115 'Revenue from Contracts with Customers', Appendix B to Ind AS 21, Foreign currency transactions and advance consideration and amendments to Ind AS 12, Income taxes regarding recognition of deferred tax assets on unrealized losses. The new standard and amendments will come into effect for the annual reporting periods beginning on or after April 01, 2018. The nature of changes of new standard and amendments are as follows:

a. Ind AS 115, Revenue from contracts with customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

A new five-step process must be applied before revenue can be recognized:

1. identify contracts with customers
2. identify the separate performance obligation
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations, and
5. recognize the revenue as each performance obligation is satisfied.

The new standard is mandatory for financial years commencing on or after April 1, 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

b. Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactionsand advance consideration. The appendix clarifies determination of the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognizes the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

The appendix can be applied:

1. retrospectively for each period presented applying Ind AS 8;
2. prospectively to items in scope of the appendix that are initially recognized on or after the beginning of the reporting period in which the appendix is first applied (i.e. April 1, 2018 for entities with March year-end); or from the beginning of a prior reporting period presented as comparative information (i.e. April 1, 2017 for entities with March year-end).

c. Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealized losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

1. A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
2. The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.
3. Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
4. Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate

the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

An entity shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

The Company is currently assessing the impact of the application of Ind AS 115, Appendix B to Ind AS 21 and amendments to Ind AS 12 on the financial statements of the Company.

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 : 15-20 years

Leasehold land is depreciated over the period of lease.

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).

Depreciation was historically calculated using the written down value method up to March 31, 2017. However, Company has reviewed the useful lives of various property, plant and equipment and also the method of charging depreciation. On such reviews, it was found that few assets need change in useful lives to align the future economic benefits of various assets with their pattern of consumption. Accordingly, method of charging depreciation has been changed from written down value to straight line method w.e.f. April 1, 2017. Refer note 3 for impact of such change.

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) Investments in Subsidiary and Joint Venture

Investments in subsidiary and joint venture are 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 investments in subsidiary and joint venture, the difference between net disposal proceeds and the carrying amounts are recognized in the Statement of Profit and Loss.

Transition to Ind AS

On transition to Ind AS, the Company has elected to measure its investments in subsidiary and joint venture at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2016.

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 Companyderecognizes 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.

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 as other gains/(losses).

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

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and goods and service tax (GST).Revenue from sale of goods is recognized when the amount of revenue can be reliably measured, all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

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

Income from services rendered is recognized based on agreements/ arrangements with the customers on the performance of service in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably. Revenue from services is recognized in the accounting period in which the services are rendered.

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 out flows using interest rates of government bonds. Re-measurement 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 inequity 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

Lease of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or if lower the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of return on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

Leases in which significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases.

Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

xv) Income tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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 recognizedinitially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

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) 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, 2018

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 & fixtures	Vehicles	Office equipments	Total	Capital work-in -progress (CWIP)
Gross carrying amount									
Deemed cost as at April 01, 2016	718.31	1,323.52	6,532.71	31,508.03	263.50	352.06	321.98	**41,020.11**	**4,328.20**
Additions	-	-	275.72	-	164.54	148.71	152.83	**741.80**	**14,309.11**
Transfer from CWIP	-	-	-	5,194.00	-	-	-	**5,194.00**	**(5,194.00)**
Adjustments (refer note 34)	-	-	(2,110.53)	(4,538.17)	(89.14)	-	-	**(6,737.84)**	**(1,030.71)**
Disposals	-	-	-	(26.08)	(0.28)	(14.70)	(14.37)	**(55.43)**	-
Balance as at March 31, 2017	**718.31**	**1,323.52**	**4,697.90**	**32,137.78**	**338.62**	**486.07**	**460.44**	**40,162.64**	**12,412.60**
Additions	1,393.44	-	-	-	110.10	147.62	426.07	**2,077.23**	**13,995.14**
Transfer from CWIP	-	-	8,563.57	13,158.81	-	-	-	**21,722.39**	**(21,722.38)**
Disposals	-	-	-	(329.44)	(2.40)	(48.47)	(24.27)	**(404.58)**	-
Balance as at March 31,2018	**2,111.75**	**1,323.52**	**13,261.47**	**44,967.15**	**446.32**	**585.22**	**862.24**	**63,557.67**	**4,685.36**
Accumulated depreciation	-	-	-	-	-	-	-	**-**	-
As at April 01, 2016									
Depreciation charge during the year	-	14.85	496.00	6,092.76	54.12	133.19	200.27	**6,991.19**	-
Adjustments (refer note 34)	-	-	(50.38)	(148.95)	(3.78)	-	-	**(203.11)**	-
Disposals	-	-	-	-	-	-	-	**-**	-
Balance as at March 31, 2017	**-**	**14.85**	**445.62**	**5,943.81**	**50.34**	**133.19**	**200.27**	**6,788.08**	**-**
Depreciation charge during the year	-	14.86	253.95	3,751.36	37.34	61.82	119.03	**4,238.36**	-
Disposals	-	-	-	(290.87)	(2.39)	(44.40)	(23.42)	**(361.08)**	-
Balance as at March 31,2018	**-**	**29.71**	**699.57**	**9,404.30**	**85.29**	**150.61**	**295.88**	**10,665.36**	**-**
Net carrying amount As at March 31, 2017	**718.31**	**1,308.67**	**4,252.28**	**26,193.97**	**288.28**	**352.88**	**260.17**	**33,374.56**	**12,412.60**
Net carrying amount As at March 31, 2018	**2,111.75**	**1,293.81**	**12,561.90**	**35,562.85**	**361.03**	**434.61**	**566.36**	**52,892.31**	**4,685.36**

Notes-

i) Depreciation pertaining to machineries used for manufacture of moulds has been capitalized during the year amounting to Rs. 94.54 Lakhs (Previous year Rs. 228.07 Lakhs).

ii) Capital work-in-progress mainly comprises of building and plant and machinery.

iii) In terms of IND AS - 16 on "Property, plant and equipment", the Company has reviewed the useful lives of various tangible assets and also the method of charging depreciation. On such reviews, it was found that few assets need change in useful lives to align the future economic benefits of various assets with their pattern of consumption. Accordingly, 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. 3,441 Lakhs during the year ended March 31, 2018.

iv) Refer note 25 to these financial statements for disclosure of contractual commitments for the acquisition of property, plant and equipment.

v) Leasehold land represents land obtained on long term lease from various government authorities and considered as finance lease. (refer note 27)

vi) 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	Notes no	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Current:				
First Charge				
Inventories	8	23,962.61	20,522.90	17,661.55
Financial assets				
- Trade receivables	5(b)	16,139.53	13,020.59	9,855.59
- Cash and cash equivalents	5(c)	1,497.74	201.23	94.99
- Loans	5(e)	38.21	60.48	87.06
- Other financial assets	5(f)	3,279.67	3,159.05	463.68
Other current assets	7	3,099.51	5,443.56	3,859.05
Total current assets pledged as security		**48,017.27**	**42,407.81**	**32,021.92**
Non current:				
First charge				
Freehold land (Manesar)	3	-	718.31	718.31
Leasehold land (Pune)	3	-	475.38	481.24
Buildings (Manesar and Pune)	3	-	1,237.62	3,275.37
Plant and Machinery	3	35,562.85	26,193.97	31,508.03
Total non-current assets pledged as security		**35,562.85**	**28,625.28**	**35,982.95**
Total assets pledged as security		**83,580.12**	**71,033.09**	**68,004.87**

4. Intangible assets *(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Specialized Softwares	Technical know how	Development cost	Total	Intangible assets under development
Gross carrying amount					
Deemed cost as at April 01, 2016	119.05	4,804.59	10,368.03	15,291.67	1085.59
Additions	33.96	-	-	33.96	4461.29
Transfer from intangible assets under development		2,404.14	640.74	3,044.88	(3,044.88)
Disposals	-	-	-	-	
Balance as at March 31, 2017	**153.01**	**7,208.73**	**11,008.77**	**18,370.51**	**2,502.00**
Additions	55.54	-	-	55.54	4,528.56
Transfer from intangible assets under development		1,090.43	1,641.89	2,732.32	(2,732.32)
Disposals	-	-	-	-	-
Balance as at March 31,2018	**208.55**	**8,299.16**	**12,650.66**	**21,158.37**	**4,298.24**
Accumulated amortization					
As at April 01, 2016	-	-	-	-	-
Amortization charge for the year	68.65	570.63	1,388.69	2,027.97	-
Disposals	-	-	-	-	-
Balance as at March 31, 2017	**68.65**	**570.63**	**1,388.69**	**2,027.97**	**-**
Amortization charge for the year	55.44	1,929.08	3,071.39	5,055.91	-
Disposals	-	-	-	-	-
Balance as at March 31,2018	**124.09**	**2,499.71**	**4,460.08**	**7,083.88**	**-**
Net carrying amount As at March 31, 2017	**84.36**	**6,638.10**	**9,620.08**	**16,342.54**	**2,502.00**
Net carrying amount As at March 31, 2018	**84.46**	**5,799.45**	**8,190.58**	**14,074.49**	**4,298.24**

Notes-

i) Intangible assets under development comprises of technical know how and product development cost incurred by the Company.

ii) In terms of IND AS - 38 on "Intangible Assets", the Company has reviewed the useful lives of various intangible assets. Based on the technical evaluation and market considerations, the Company has revised the estimated life of certain intangible assets w.e.f. April 01, 2017. The impact of such change was increase in "Depreciation and amortization expense" and consequent impact on "Profit Before Tax" by Rs. 2,854 Lakhs during the year ended March 31, 2018.

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Investment in equity instruments (fully paid- up)			
Unquoted			
Investment in Subsidiary (Carried at cost)			
Thai Subros Limited	73.20	73.20	73.20
999,300 (March 31, 2017: 993,300, April 1, 2016: 993,300)			
Fully paid up equity shares of Bhat 5 each			
Investment in Joint venture (carried at cost)			
Denso Subros Thermal Engineering Centre India Limited	176.80	176.80	176.80
1,767,999 (March 31, 2017: 17,67,999, April 1, 2016: 17,67,999)			
Fully paid up equity shares of Rs. 10 each			
Total investments	**250.00**	**250.00**	**250.00**
Aggregate value of unquoted investments	**250.00**	**250.00**	**250.00**
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, 2018	As at March 31,2017	As at April 1,2016
Trade receivables	16,121.04	12,990.35	9,809.66
Receivables from related parties (Refer note 24)	18.49	30.24	45.93
Less: Allowance for doubtful debts	-	-	-
Total trade receivables	**16,139.53**	**13,020.59**	**9,855.59**
Current portion	16,139.53	13,020.59	9,855.59
Non-current portion	-	-	-

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Secured, considered good	-	-	-
Unsecured, considered good	16,139.53	13,020.59	9,855.59
Doubtful	-	-	-
Total	**16,139.53**	**13,020.59**	**9,855.59**
Allowance for doubtful debts	-	-	-
Total trade receivables	**16,139.53**	**13,020.59**	**9,855.59**

5(c). Cash and cash equivalents

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Balances with banks			
- In current accounts	1,480.21	189.97	77.89
Cash on hand	17.53	11.26	17.10
Total Cash and cash equivalents	**1,497.74**	**201.23**	**94.99**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

5(d) Bank balances other than cash and cash equivalents

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Earmarked balances with banks*			
Deposits with original maturity of more than three months but less than 12 months	453.49	145.90	422.43
Unpaid dividend account	32.40	33.68	32.85
Total bank balances other than cash and cash equivalents	**485.89**	**179.58**	**455.28**

** Held as security with the banks 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, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Unsecured, considered good						
Security deposits						
Related parties (Refer note 24)	-	239.09	-	240.59	-	240.02
Others	-	657.90	-	552.18	-	502.22
Loans to employees	38.21	40.90	60.48	15.62	87.06	26.10
Total loans	**38.21**	**937.89**	**60.48**	**808.39**	**87.06**	**768.34**

5(f) Other financial assets

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Deposits with maturity of more than 12 months*	-	175.28	-	451.39	-	148.44
Interest accrued on bank deposits	40.24	-	25.51	-	22.52	-
Derivatives assets	24.19	-	-	-	441.16	-
Due on account of factoring arrangement	2,277.18	-				
Insurance claim recoverable (refer note 34)	938.06	-	3,133.54	-	-	-
Total other financial assets	**3,279.67**	**175.28**	**3,159.05**	**451.39**	**463.68**	**148.44**

** 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, 2018	For the year ended March 31, 2017
a) Tax expense		
Current tax		
Current tax on profits for the year	1,784.90	194.00
Adjustments for current tax of prior periods	2.31	0.28
Total current tax expense	**1,787.21**	**194.28**
Deferred tax		
MAT credit entitlement	(1,784.90)	(194.00)
Decrease / (increase) in deferred tax assets	1,070.55	(850.59)
(Decrease) / increase in deferred tax liabilities	1,102.95	335.55
Total deferred tax expense / (benefit)	**388.60**	**(709.04)**
Total tax expense / (credit)	**2,175.81**	**(514.76)**

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, 2018	For the year ended March 31, 2017
Accounting Profit before tax	**8,238.14**	**818.79**
Computed tax expense at applicable tax rate of 34.608% (previous year 34.608%)	2,851.06	283.37
Tax effect of :		
Expenses disallowed	46.07	47.01
Difference in tax rates and MAT credit	(2,894.82)	(330.10)
Incremental deferred tax asset on account of financial assets and other items	1,070.55	(850.59)
Incremental deferred tax liability on account of tangible and intangible assets	1,102.95	335.55
Tax expense recognized in Statement of Profit and Loss	**2,175.81**	**(514.76)**

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 (charge)	Recognized in Profit or loss-Credit/(charge)	Recognized in Other Comprehensive Income-Credit/(charge)	Closing Balance
2016-17				
Deferred tax liability in relation to:				
Property, plant and equipment and intangible assets	4,637.48	(335.55)	-	4,973.03
Total deferred tax liability(A)	**4,637.48**	**(335.55)**	**-**	**4,973.03**
Deferred tax assets in relation to:				
Expenses deductible in future years	240.60	(6.01)	-	234.59
Remeasurement of post employment benefit obligations	-	-	7.52	7.52
Unabsorbed depreciation	1,485.95	819.04	-	2,304.99
Other items	68.36	37.56	-	105.92
Total deferred tax assets (B)	**1,794.91**	**850.59**	**7.52**	**2,653.02**
Deferred tax liability(net) (C) = (A) - (B)	**2,842.57**	**515.04**	**7.52**	**2,320.01**
Minimum alternate tax credit (D)	**3,654.57**	**194.00**	**-**	**3,848.57**
Deferred tax liabilities/(assets) (net) (C) -(D)	**(812.00)**	**709.04**	**7.52**	**(1,528.56)**
2017-18				
Deferred tax liability in relation to:				
Property, plant and equipment and intangible assets	4,973.03	(1,102.95)	-	6,075.98
Total deferred tax liability (A)	**4,973.03**	**(1,102.95)**	**-**	**6,075.98**
Deferred tax assets in relation to:				
Expenses deductible in future years	234.59	143.82	-	378.41
Remeasurement of post employment benefit obligations	7.52	-	1.50	9.02
Unabsorbed depreciation	2,304.99	(1,210.94)	-	1,094.05
Other items	105.92	(3.43)	-	102.49
Total deferred tax assets (B)	**2,653.02**	**(1,070.55)**	**1.50**	**1,583.97**
Deferred tax liability(net) (C) = (A) - (B)	**2,320.01**	**(2,173.50)**	**1.50**	**4,492.01**
Minimum alternate tax credit (D)	**3,848.57**	**1,784.90**	**-**	**5,633.47**
Deferred tax liabilities/(assets) (net) (C) - (D)	**(1,528.56)**	**(388.60)**	**1.50**	**(1,141.46)**

Note

1. Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.
2. In view of the Company's past financial performance and future profit projections, the Company expects that it shall generate sufficient future taxable income to fully recover the deferred tax assets.

7. Other assets

(unsecured and considered good, unless otherwise stated) *(All amounts in Rs. Lakhs, unless otherwise stated)*

Name of shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Capital advances						
-Related party (refer note 24)	-	-	-	8.00	-	8.97
-Others	-	2,617.87	-	2,114.29	-	1,122.30
Advance to suppliers						
-Related party (refer note 24)	133.09	-	143.08	-	148.90	-
-Others	703.09	-	885.63	-	229.57	-
Gratuity fund (refer note 28)	-	-	0.63		88.44	
Prepaid expenses	324.49	-	629.18	-	442.26	-
Recoverable from statutory authorities	1,938.84	-	3,785.04	-	2,949.88	-
Total other assets	**3,099.51**	**2,617.87**	**5,443.56**	**2,122.29**	**3,859.05**	**1,131.27**

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Raw material & spares *	19,265.36	16,197.05	13,520.22
Work-in progress	1,548.36	1,806.00	1,473.21
Finished goods	505.27	292.37	229.96
Stores	2,643.62	2,227.48	2,438.16
Total Inventories	**23,962.61**	**20,522.90**	**17,661.55**

Inventory includes in transit inventory of:-

Raw material & spares	**2,664.00**	**52.85**	**133.11**
Finished goods	**74.49**	**-**	**-**

* Net of provision for inventory obsolescence amounting to Rs. 244.14 Lakhs as at March 31, 2018 (March 31, 2017: Rs. 213.20 Lakhs, April 1, 2016 Rs. 273.05 Lakhs). An amount of Rs. 30.94 Lakhs has been recognized as an expense during the year (Rs. 59.85 Lakhs written back during the year ended March 31, 2017) 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, 2018	As at March 31,2017	As at April 1,2016
Advance tax (net of provisions - March 31, 2018: Rs. 2,091.23 Lakhs; March 31, 2017: Rs. 2,089.72 Lakhs; April 01, 2016: Rs. 1,895.44 Lakhs)	210.40	179.43	153.72
Total non-current tax assets	**210.40**	**179.43**	**153.72**

10. Equity

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Authorized share capital			
125,000,000 (as at March 31, 2017 : 75,000,000; as at April 1,2016 : 75,000,000) equity shares of Rs. 2 each	2,500.00	1,500.00	1,500.00
Issued share capital			
59,994,300 (as at March 31, 2017 : 59,994,300; as at April 1,2016 : 59,994,300) equity shares of Rs. 2 each	1,199.89	1,199.89	1,199.89
Subscribed and paid up share capital			
59,988,600 (as at March 31, 2017 : 59,988,600; as at April 1,2016 : 59,988,600) equity shares of Rs. 2 each, fully paid up	1,199.77	1,199.77	1,199.77
Total	**1,199.77**	**1,199.77**	**1,199.77**

A. Reconciliation of the shares outstanding at the beginning and at the end of the year *(All amounts in Rs. Lakhs, unless otherwise stated)*

Name of shareholder	For the year ended March 31, 2018		For the year ended March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	5,99,88,600	1,199.77	5,99,88,600	1,199.77
Add: Shares issued/ (bought back) during the year	-	-	-	-
Balance at the end of the year	**5,99,88,600**	**1,199.77**	**5,99,88,600**	**1,199.77**

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, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares held	% of holding	Number of shares held	% of holding	Number of shares held	% of holding
Deeksha Holding Limited	1,01,37,760	16.90%	1,01,37,760	16.90%	1,01,37,760	16.90%
Jyotsna Holding Private Limited	34,48,000	5.74%	34,48,000	5.74%	34,48,000	5.74%
R R Holdings Private Limited	32,08,000	5.35%	32,08,000	5.35%	32,08,000	5.35%
Ramesh Suri (HUF)	30,40,000	5.07%	30,40,000	5.07%	30,40,000	5.07%
Denso Corporation	78,00,000	13.00%	78,00,000	13.00%	78,00,000	13.00%
Suzuki Motor Corporation	78,00,000	13.00%	78,00,000	13.00%	78,00,000	13.00%

10(b) Other equity

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
General reserve	11,975.48	11,825.48	11,675.48
Debenture redemption reserve	1,250.00	-	-
Retained earnings	26,051.56	21,755.76	21,177.55
Total other equity	**39,277.04**	**33,581.24**	**32,853.03**

i) General reserve *(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	11,825.48	11,675.48
Transfer from retained earnings	150.00	150.00
Closing balance	**11,975.48**	11,825.48

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.

ii) Retained earnings *(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	21,755.76	21,177.55
Add: Profit for the year	6,062.33	1,333.55
Less: Remeasurement loss on post employment benefit obligation, net of tax	(5.53)	(27.73)
Less: Appropriations		
Transfer to general reserve	(150.00)	(150.00)
Transfer to debenture redemption Reserve	(1,250.00)	-
Dividend on equity shares including related income tax	(361.00)	(577.61)
Closing balance	**26,051.56**	**21,755.76**

During the year, a dividend of Rs. 0.50 per share, total dividend Rs. 299.94 Lakhs (previous year: Rs. 0.80 per share, total dividend Rs. 479.91 Lakhs) was paid to equity shareholders.

The Board of Directors recommended a final dividend of Rs. 1.10 per share (nominal value of Rs. 2 per share) for the financial year 2017-18. 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. 794.20 Lakhs including dividend distribution tax of Rs. 134.33 Lakhs.

iii) Debenture redemption reserve(DRR)

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	-	-
Transfer from retained earnings	1,250.00	-
Closing balance	**1,250.00**	**-**

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, 2018	As at March 31,2017	As at April 1,2016
Secured			
Debentures			
8.50% Non-convertible redeemable debentures	5,000.00	-	-
Term loans			
Foreign currency loans from banks	6,278.20	8,903.07	8,823.08
Indian Rupee loans from banks	10,122.81	12,843.64	17,347.30
Term loans from other than banks	949.84	1,833.33	2,741.21
Total Non-current borrowings	**22,350.85**	**23,580.04**	**28,911.59**
Less: Current maturities of long term debt [included in note 11(c)]	**6,966.60**	7,752.60	9,711.26
Less: Interest accrued [included in note 11(c)]	**124.41**	151.09	154.86
Non-current borrowings	**15,259.84**	**15,676.35**	**19,045.47**

Borrowings	Security	As at March 31, 2018	As at March 31,2017	As at April 1,2016	Maturity date	Terms of repayment	Coupon/ Interest rate
8.50% Non-convertible redeemable debentures	First charge on movable fixed assets of company	5,000.00	-	-	April, 2020	Three yearly instalment commencing from April 2018	8.50% p.a. (March 31, 2017: Not applicable, April 1, 2016: Not applicable)

Borrowings	Security	As at March 31, 2018	As at March 31,2017	As at April 1,2016	Maturity date	Terms of repayment	Coupon/ Interest rate
Foreign currency loans from banks							
FC Loan 1	Exclusive charge on specific machineries	-	-	1,832.20	March, 2017	Sixteen quarterly instalments commencing from June 2013	USD 3M LIBOR+Margin of 2.15% p.a
FC Loan 2	Exclusive charge over specific assets	2,570.18	2,926.46	-	September, 2021	Sixteen quarterly instalments commencing from December 2017	USD 3.25% p.a
FC Loan 3	Exclusive charge over specific assets	1,719.78	1,958.22	-	September, 2021	Sixteen quarterly instalments commencing from December 2017	USD 3.32% p.a
FC Loan 4	Exclusive charge on movable fixed assets and sub-servient charge over movable fixed assets	-	1,387.37	3,662.20	September, 2017	Seven half yearly instalments commencing from September 2014	JPY 6M LIBOR + Margin of 2.25% p.a
FC Loan 5	Exclusive charge on movable fixed assets and sub-servient charge over movable fixed assets	1,988.24	2,631.02	3,328.68	March, 2020	Eight half yearly instalments commencing from September 2016	USD 6M LIBOR+Margin of 2.1% p.a
Total		**6,278.20**	**8,903.07**	**8,823.08**			

Borrowings	Security	As at March 31, 2018	As at March 31,2017	As at April 1,2016	Maturity date	Terms of repayment	Coupon/ Interest rate
Indian Rupee loans from banks							
Loan 1	First charge on specific machineries in Noida, Pune and Manesar and equitable mortgage on Pune land and building	-	625.00	1,875.00	August, 2017	Sixteen quarterly equal instalments commencing from November 2013	10.40% p.a. (March 31, 2017 : 10.40%, April 1, 2016: 10.40%)
Loan 2	First charge on movable fixed assets (March 31, 2017 and April 1, 2016 : Equitable mortgage on Manesar land and building)	3,020.87	4,534.48	6,050.05	March, 2020	Twenty quarterly equal instalments commencing from June 2015	8.35% p.a. (March 31, 2017: 8.95%, April 1, 2016: 9.85%)
Loan 3	First charge on movable fixed assets (March 31, 2017 and April 1, 2016 : Equitable mortgage on Manesar land and building)	-	379.05	1,134.39	September, 2017	Sixteen quarterly equal instalments commencing from December 2013	8.70% p.a. (March 31, 2017: 8.95%, April 1, 2016: 9.85%)
Loan 4	First charge on movable fixed assets (March 31, 2017 and April 1, 2016 : Equitable mortgage on Manesar land and building)	2,769.13	3,778.50	4,786.92	December, 2020	Twenty quarterly equal instalments commencing from March 2016	8.35% p.a. (March 31, 2017: 8.95%, April 1, 2016: 9.85%)
Loan 5	First charge on movable fixed assets (March 31, 2017 and April 1, 2016 : Equitable mortgage on Manesar land and building)	2,820.30	3,526.61	3,500.94	March, 2022	Twenty quarterly equal instalments commencing from June 2017	8.35% p.a. (March 31, 2017: 8.95%, April 1, 2016: 9.85%)
Loan 6	First charge on movable fixed assets	1,512.51	-	-	November, 2022	Fourteen quarterly equal installments commencing from Aug 2019	MCLR + 20 bps (March 31, 2017 : Not applicable, April 1, 2016: Not applicable)
Total		**10,122.81**	**12,843.64**	**17,347.30**			

Borrowings	Security	As at March 31, 2018	As at March 31,2017	As at April 1,2016	Maturity date	Terms of repayment	Coupon/ Interest rate
Term loans from other than banks							
Loan 1	Exclusive charge on specific fixed assets	949.84	1,833.33	2,741.21	May, 2019	Eighteen quarterly instalment commencing from February 2014	9.25% p.a. (March 31, 2017: 9.70%, April 1, 2016: 10.05%)

11(b). Current borrowings

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Secured			
From banks			
Cash credit	2,377.26	3,850.24	836.49
Buyers' credit	279.70	3,118.25	-
	2,656.96	**6,968.49**	**836.49**
Unsecured			
Working capital loan from banks	8,365.16	4,500.00	4,402.55
Buyers' credit	2,824.35	597.66	3,089.99
Commercial paper	2,458.12	4,947.21	2,468.22
	13,647.63	**10,044.87**	**9,960.76**
Total current borrowings	**16,304.59**	**17,013.36**	**10,797.25**
Less: Interest accrued [(included in note 11(c)]	19.80	-	-
Total current borrowings	**16,284.79**	**17,013.36**	**10,797.25**

Borrowings	Security	As at March 31, 2018	As at March 31,2017	As at April 1,2016	Coupon/ Interest rate	Maturity date	Terms of repayment
Secured							
Cash credit	First charge on current assets of the Company	2,377.26	3,850.24	836.49	1yr MCLR(8.40%) + 50 BPS (March 31, 2017: 1yr MCLR + 50 BPS, April 1, 2016: Base rate + 1.5%)	Payable on Demand	Payable on Demand
Buyers' credit	First charge on current assets of the Company	279.70	3,118.25	-	LIBOR + 36 BPS (March 31, 2017: LIBOR + 40 BPS to 68 BPS, April 1, 2016: Not applicable)	180 days from the date of availment	180 days from the date of availment
Unsecured							
Working capital loan from bank	Not applicable	3,345.36	4,500.00	4,402.55	7.90% to 8.50% (March 31, 2017: 8.45% to 8.50%, April 1, 2016: 9.95%)	75 days from the date of availment	75 days from the date of availment
Working capital loan from bank	Not applicable	2,502.82	-	-	8.25% (March 31, 2017: Not applicable, April 1, 2016 : Not applicable)	June 25, 2018	90 days from the date of availment
Working capital loan from bank	Not applicable	2,516.98	-	-	8.00% (March 31, 2017: Not applicable, April 1, 2016 : Not applicable)	May 24, 2018	90 days from the date of availment
Buyers' credit from bank	Not applicable	2,824.35	597.66	3,089.99	LIBOR + 40 BPS to 68 BPS (March 31, 2017: LIBOR + 40 BPS to 68 BPS, April 1, 2016 : LIBOR + 40 BPS to 68 BPS)	180 days from the date of availment	180 days from the date of availment
Commercial paper	Not applicable	2,458.12	4,947.21	2,468.22	7.90% (March 31, 2017: 7%, April 1, 2016 : 8.40%)	June 4, 2018	90 days from the date of issue
Total		**16,304.59**	**17,013.36**	**10,797.25**			

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Current maturities of long term debt	6,966.60	7,752.60	9,711.26
Capital creditors	3,195.96	5,447.27	796.83
Interest accrued	144.21	151.09	154.86
Security deposit received			
-Related party (refer note 24)	5.34	5.34	-
-Others	41.24	68.24	42.08
Unclaimed dividend*	32.40	33.68	32.85
Derivative liability	-	1,403.94	-
Others			
Due to director (refer note 24)	110.00	8.85	39.74
Payable to employees	2,133.73	1,299.49	1,103.28
Total	**12,629.48**	**16,170.50**	**11,880.90**

* *The Company has deposited an amount of Rs 4.00 Lakhs (Previous year Rs. 3.72 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, 2018	As at March 31,2017	As at April 1,2016
Total outstanding dues of micro enterprises and small enterprises*	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	40,992.49	23,987.57	18,053.57
Total	**40,992.49**	**23,987.57**	**18,053.57**

* *The Company, based on the information available with the management on the status of the suppliers, does not have any dues to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006.*

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Opening balance	-		
Current tax payable on profit and other comprehensive income for the year	1,785.71	-	-
Less:- Taxes paid	1,364.89	-	-
Closing balance	**420.82**	**-**	**-**

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

Name of shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Provision for employee benefits:						
Provision for leave encashment (refer note 28)	460.09		324.19	-	269.27	-
Provision for gratuity (refer note 28)	-	75.17	-	-	-	-
Provision for warranty	248.09	165.39	137.80	91.86	111.46	74.31
Total	**708.18**	**240.56**	**461.99**	**91.86**	**380.73**	**74.31**

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 April 1, 2016	**185.77**
Charged/(credited) to profit or loss	
Additional provisions recognized	160.73
Unwinding of discount on provision for warranty	6.00
Discounting of additional provision recognized	(4.68)
Amounts utilized during the year	(118.16)
As at March 31, 2017	**229.66**
Charged/(credited) to profit or loss	
Additional provisions recognized	275.65
Unwinding of discount on provision for warranty	8.79
Discounting of additional provision recognized	(12.63)
Amounts utilized during the year	(87.99)
As at March 31, 2018	**413.48**

Sensitivity analysis

As at March 31, 2018, provision for warranty had a carrying amount of Rs. 413.48 Lakhs (March 31, 2017: Rs. 229.66 Lakhs; April 1, 2016: Rs. 185.77 Lakhs). Were warranty claim costs to differ by 10% of the management's estimates, the provision would be an estimated Rs. 41.35 Lakhs higher or lower (March 31, 2017: Rs. 22.97 Lakhs higher or lower; April 1, 2016: Rs. 18.58 Lakhs higher or lower).

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Statutory dues	1,510.18	1,233.22	1,025.69
Advances from customers	1,263.31	3,143.29	2,155.82
Total	**2,773.49**	**4,376.51**	**3,181.51**

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products (including excise duty)	1,96,418.58	1,73,673.24
Other operating revenues		
Sale of services	400.54	362.54
Sale of scrap	137.22	84.60
Total	**1,96,956.34**	**1,74,120.38**

Note 1: Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind-AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the ended March 31, 2018 by Rs. 5,667 Lakhs (Rs. 20,635.77 Lakhs for previous year). There is no impact on total equity and profit.

Note 2: Revenue from operations for current year upto June 30, 2017 include excise duty, which is discontinued effective July 01, 2017 upon implementation of Goods and Services Tax (GST) in India. In view of the aforesaid restructuring of indirect taxes, revenue from sale of products and revenue from operations for the year ended March 31, 2018 are not comparable with the previous year. The following additional information is being provided to facilitate such understanding.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	1,96,956.34	1,74,120.38
Less : Excise duty	5,667.00	20,635.77
Revenue from operations excluding excise duty	**1,91,289.34**	**1,53,484.61**

15. Other Income

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on:		
a) Financial assets at amortized cost	63.95	280.58
b) Others	4.01	17.24
Exchange variation on foreign currency transactions(net)	434.02	381.29
Fair value changes on derivatives	111.94	-
Rental income	48.57	46.13
Other miscellaneous income	80.02	2.39
Total	**742.51**	**727.63**

16. Cost of material consumed

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw material and spares*		
Raw material and spares at the beginning of the year	16,197.05	13,520.22
Add: Purchase of raw material & spares	1,36,518.19	1,09,767.06
Less: Raw material & spares at the end of the year	19,265.36	16,197.05
Total	**1,33,449.88**	**1,07,090.23**

** Also refer note 34.*

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, 2018	For the year ended March 31, 2017
Finished goods		
Closing balance	505.27	292.37
Less:- Opening balance	292.37	229.96
	212.90	**62.41**
Work-in-progress		
Closing balance	1,548.36	1,806.00
Less:- Opening balance	1,806.00	1,473.21
	(257.64)	**332.79**
Increase / (decrease)	**(44.74)**	**395.20**

18. Employee benefits expense

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	16,095.38	13,053.80
Contribution to provident and other funds	857.96	695.17
Staff welfare expenses	1,858.62	1,623.35
Total	**18,811.96**	**15,372.32**

19. Finance costs

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest costs:		
- Loans from banks	2,740.38	2,822.28
- Loans from others	272.43	258.59
Exchange differences regarded as an adjustment to borrowing costs	1,273.30	1,084.38
Fair value changes on derivatives	-	855.42
	4,286.11	**5,020.67**
Less:- Amount Capitalized*	165.00	230.00
Total	**4,121.11**	**4,790.67**

** 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 8.73% (March 31, 2017 9.65%)*

20. Depreciation and amortization expense

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on property, plant and equipment (refer note 3)	4,143.82	6,763.12
Amortization of intangible assets (refer note 4)	5,055.91	2,027.97
Total	**9,199.73**	**8,791.09**

21. Other expenses

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores	4,342.56	3,527.18
Power and fuel	3,077.56	2,517.59
Rent	530.97	350.07
Repair and maintenance: Building	339.78	298.24
Repair and maintenance: Plant and machinery	1,509.62	1,324.58
Repair and maintenance: Others	224.42	235.09
Rates, taxes and fees	68.79	117.76
Insurance	451.01	313.98
Royalty	1,703.83	1,395.00
Warranty expenses	180.98	156.05
Selling and distribution expenses	2,912.49	2,007.68
Legal and professional charges	316.80	313.77
Vehicle running and maintenance	187.66	204.09
Travelling and conveyance	530.58	456.63
Payment to auditors [refer note 21 (a) below]	40.60	35.46
Net loss on disposal of property, plant and equipment	16.73	1.25
Corporate social responsibility expenses [refer note 21 (b) below]	39.29	44.15
Director's sitting fees	36.66	43.90
Other miscellaneous expenses	1,473.96	1,305.67
TOTAL	**17,984.29**	**14,648.14**

21(a) Details of payment to auditors

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Payment to auditors*		
As auditor:		
Audit fees (including limited review)	35.30	23.69
Tax audit fee	1.00	2.12
In other capacities:		
Taxation matters	-	5.35
Other services	2.05	3.05
Reimbursement of expenses	2.25	1.25
Total	**40.60**	**35.46**

* *Excluding applicable taxes*

21(b) Corporate social responsibility expenses

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Contribution to green plantations	22.75	26.40
Contribution to education for under- privileged children	15.38	0.80
Contribution to skills developments	1.16	16.95
Total	**39.29**	**44.15**
Amount required to be spent as per Section 135 of the Act	37.34	43.95
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(i) On purpose other than above	39.29	44.15
Total	**39.29**	**44.15**

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, 2018 is as follows:

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

Particulars	FVOCI	FVTPL	Amortized cost	Total
Financial assets				
i) Trade receivables	-	-	16,139.53	16,139.53
ii) Cash and cash equivalents	-	-	1,497.74	1,497.74
iii) Bank balance other than cash and cash equivalents	-	-	485.89	485.89
iv) Loans	-	-	976.10	976.10
v) Other financial assets	-	24.19	3,430.76	3,454.95
Total financial assets	**-**	**24.19**	**22,530.02**	**22,554.21**
Financial liabilities				
i) Borrowings	-	-	31,544.63	31,544.63
ii) Trade payables	-	-	40,992.49	40,992.49
iii) Other financial liabilities	-	-	12,629.48	12,629.48
Total financial liabilities	**-**	**-**	**85,166.60**	**85,166.60**

The carrying value and fair value of financial instruments by categories as of March 31, 2017 is as follows:

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

Particulars	FVOCI	FVTPL	Amortized cost	Total
Financial assets				
i) Trade receivables	-	-	13,020.59	13,020.59
ii) Cash and cash equivalents	-	-	201.23	201.23
iii) Bank balance other than cash and cash equivalents	-	-	179.58	179.58
iv) Loans	-	-	868.87	868.87
v) Other financial assets	-	-	3,610.44	3,610.44
Total financial assets	**-**	**-**	**17,880.71**	**17,880.71**
Financial liabilities				
i) Borrowings	-	-	32,689.71	32,689.71
ii) Trade payables	-	-	23,987.57	23,987.57
iii) Other financial liabilities	-	1,403.94	14,766.56	16,170.50
Total financial liabilities	**-**	**1,403.94**	**71,443.84**	**72,847.78**

The carrying value and fair value of financial instruments by categories as of April 1, 2016 is as follows:

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

Particulars	FVOCI	FVTPL	Amortized cost	Total
Financial assets				
i) Trade receivables	-	-	9,855.59	9,855.59
ii) Cash and cash equivalents	-	-	94.99	94.99
iii) Bank balance other than cash and cash equivalents	-	-	455.28	455.28
v) Loans	-	-	855.40	855.40
v) Other financial assets	-	441.16	170.96	612.12
Total financial assets	**-**	**441.16**	**11,432.22**	**11,873.38**
Financial liabilities				
i) Borrowings	-	-	29,842.72	29,842.72
ii) Trade payable	-	-	18,053.57	18,053.57
iii) Other financial liabilities	-	-	11,880.90	11,880.90
Total financial liabilities	**-**	**-**	**59,777.19**	**59,777.19**

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)

	As at March 31, 2018				
Particulars	**Notes No.**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Derivatives assets	5(f)	-	24.19	-	24.19
Total financial assets		**-**	**24.19**	**-**	**24.19**
Financial liabilities		**-**	**-**	**-**	**-**
Total financial liabilities		**-**	**-**	**-**	**-**

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

Particulars	As at March 31, 2017				
	Notes No.	Level 1	Level 2	Level 3	Total
Financial assets		-	-	-	-
Total financial assets		-	-	-	-
Financial liabilities					
Derivative liabilities	11(c)	-	1,403.94	-	-
Total financial liabilities		-	**1,403.94**	-	**1,403.94**

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

Particulars	As at April 01, 2016				
	Notes No.	Level 1	Level 2	Level 3	Total
Financial assets					
Derivatives assets	5(f)	-	441.16	-	441.16
Total financial assets		-	**441.16**	-	**441.16**
Financial liabilities		-	-	-	-
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, 2018				
	Note no	Level 1	Level 2	Level 3	Total
Financial assets					
Security Deposits	5(e)	-	-	896.99	896.99
Loans to employees	5(e)	-	-	79.11	79.11
Trade receivables	5(b)	-	-	16,139.53	16,139.53
Cash and cash equivalents	5(c)	-	-	1,497.74	1,497.74
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	453.49	453.49
Deposits with maturity of more than 12 months	5(f)	-	-	175.28	175.28
Unpaid dividend account	5(d)	-	-	32.40	32.40
Interest accrued on bank deposits	5(f)	-	-	40.24	40.24
Due on account of Factoring arrangement	5(f)	-	-	2,277.18	2,277.18
Insurance claim recoverable	5(f)	-	-	938.06	938.06
Total financial assets		-	-	**22,530.02**	**22,530.02**
Financial liabilities					
Borrowings	11(a) & 11(b)	-	-	31,544.63	31,544.63
Trade Payables	11(d)	-	-	40,992.49	40,992.49
Current maturities of long term debt	11(c)	-	-	6,966.60	6,966.60
Capital creditors	11(c)	-	-	3,195.96	3,195.96
Interest accrued	11(c)	-	-	144.21	144.21
Security deposit received	11(c)	-	-	46.58	46.58
Unclaimed dividend	11(c)	-	-	32.40	32.40
Others					
Due to director		-	-	110.00	110.00
Payable to employees		-	-	2,133.73	2,133.73
Total financial liabilities		-	-	**85,166.60**	**85,166.60**

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

Particulars	As at March 31, 2017				
	Note no	Level 1	Level 2	Level 3	Total
Financial assets					
Security Deposits	5(e)	-	-	792.77	792.77
Loans to employees	5(e)	-	-	76.10	76.10
Trade receivables	5(b)	-	-	13,020.59	13,020.59
Cash and cash equivalents	5(c)	-	-	201.23	201.23
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	145.90	145.90
Deposits with maturity of more than 12 months	5(f)	-	-	451.39	451.39
Unpaid dividend account	5(d)	-	-	33.68	33.68
Interest accrued on bank deposits	5(f)	-	-	25.51	25.51
Insurance claim recoverable	5(f)	-	-	3,133.54	3,133.54
Total financial assets		-	-	**17,880.71**	**17,880.71**
Financial liabilities					
Borrowings	11(a) & 11(b)	-	-	32,689.71	32,689.71
Trade Payables	11(d)	-	-	23,987.57	23,987.57
Current maturities of long term debt	11(c)	-	-	7,752.60	7,752.60
Capital creditors	11(c)	-	-	5,447.27	5,447.27
Interest accrued	11(c)	-	-	151.09	151.09
Security deposit received	11(c)	-	-	73.58	73.58
Unclaimed dividend	11(c)	-	-	33.68	33.68
Others					
Due to director	11(c)	-	-	8.85	8.85
Payable to employees	11(c)	-	-	1,299.49	1,299.49
Total financial liabilities		-	-	**71,443.84**	**71,443.84**

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

Particulars	As at April 1, 2016				
	Note no	Level 1	Level 2	Level 3	Total
Financial assets					
Security Deposits	5(e)	-	-	742.24	742.24
Loans to employees	5(e)	-	-	113.16	113.16
Trade receivables	5(b)	-	-	9,855.59	9,855.59
Cash and cash equivalents	5(c)	-	-	94.99	94.99
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	422.43	422.43
Deposits with maturity of more than 12 months	5(f)	-	-	148.44	148.44
Unpaid dividend account	5(d)	-	-	32.85	32.85
Interest accrued on bank deposits	5(f)	-	-	22.52	22.52
Total financial assets		**-**	**-**	**11,432.22**	**11,432.22**
Financial liabilities					
Borrowings	11(a) & 11(b)	-	-	29,842.72	29,842.72
Trade Payables	11(d)	-	-	18,053.57	18,053.57
Current maturities of long term debt	11(c)	-	-	9,711.26	9,711.26
Capital creditors	11(c)	-	-	796.83	796.83
Interest accrued	11(c)	-	-	154.86	154.86
Security deposit received	11(c)	-	-	42.08	42.08
Unclaimed dividend	11(c)	-	-	32.85	32.85
Others					
Due to director	11(c)	-	-	39.74	39.74
Payable to employees	11(c)	-	-	1,103.28	1,103.28
Total financial liabilities		**-**	**-**	**59,777.19**	**59,777.19**

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 31,2018, March 31, 2017 and as at April 01, 2016.

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.

All short term financial assets and liabilities like trade receivables, cash and cash equivalents, deposit with banks, recoverable from factoring arrangements, insurance claim recoverable, 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, derivatives 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 Recognised 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 (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.

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, 2018	As at March 31,2017	As at April 1,2016
Floating rate:			
- Expiring within one year (cash credit, working capital loans and other facilities)	19,703.68	30,462.63	41,435.69
- Expiring beyond one year (bank loans)	6,000.00	-	-

(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, 2018				
Borrowings (including interest)*	24,911.40	16,810.65	-	41,722.05
Trade payables	40,992.49	-	-	40,992.49
Other financial liabilities	5,662.88	-	-	5,662.88
Total	**71,566.77**	**16,810.65**	**-**	**88,377.42**
As at March 31, 2017				
Borrowings (including interest)*	26,365.92	18,018.25	-	44,384.17
Trade payables	23,987.57	-	-	23,987.57
Other financial liabilities	7,013.96	-	-	7,013.96
Total	**57,367.45**	**18,018.25**	**-**	**75,385.70**
As at April 1, 2016				
Borrowings (including interest)*	22,529.76	21,195.29	-	43,725.05
Trade payables	18,053.57	-	-	18,053.57
Other financial liabilities	2,169.64	-	-	2,169.64
Total	**42,752.97**	**21,195.29**	**-**	**63,948.26**

* 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 external commercial borrowings. 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, 2018	As at March 31,2017	As at April 1,2016
Hedge of External commercial borrowings	USD (In Lakhs)	95.39	114.74	77.50
	₹ (in Lakhs)	6,347.80	7,630.40	4,683.63
	JPY (in Lakhs)	-	2,375.00	6,175.00
	₹ (in Lakhs)	-	1,354.78	3,522.44
Hedge of foreign currency payables	USD (In Lakhs)	33.83	147.20	143.50
	₹ (in Lakhs)	2,227.43	9,541.02	9,615.13
	JPY (in Lakhs)	13,924.18	10,944.10	1,750.00
	₹ (in Lakhs)	8,729.15	6,343.40	1,033.90
Cross currency swap	USD (in Lakhs)	22.58	75.25	74.19
	JPY (in Lakhs)	2,373.26	8,418.10	8,306.80

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

Particulars/Purpose	Amount	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Buyer's Credit and Trade payables	USD (in Lakhs)	10.60	-	0.07
	₹ (in Lakhs)	667.11	-	5.06
	JPY (in Lakhs)	3,430.81	-	983.20
	₹ (in Lakhs)	1,947.10	-	587.46
	GBP (in Lakhs)	0.02	0.01	-
	₹ (in Lakhs)	2.13	0.71	-
	Euro (in Lakhs)	1.13	0.48	0.64
	₹ (in Lakhs)	91.22	32.96	48.89

Foreign currency sensitivity analysis

The Company is mainly exposed to USD, JPY, GBP and 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)

	For the year ended March 31, 2018		For the year ended March 31, 2017	
Particulars	INR strengthens by 10%	INR weakens by 10%	INR strengthens by 10%	INR weakens by 10%
Impact on profit or loss for the year				
USD impact	66.71	(66.71)	-	-
JPY impact	194.71	(194.71)	-	-
GBP impact	0.21	(0.21)	0.07	(0.07)
EURO impact	9.12	(9.12)	3.30	(3.30)

(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, 2018	As at March 31, 2017	As at April 1, 2016
Variable rate borrowings	22,832.16	30,521.19	30,963.07
Fixed rate borrowings	15,823.28	10,072.21	8,745.77
Total	**38,655.44**	**40,593.40**	**39,708.84**

Note: The Company has external commercial borrowings 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, 2018		
	Weighted average interest rate %	Balance	% of total loans
External commercial borrowings, bank loans, cash credit and buyers' credit	8.75	22,832.16	59%
Interest rate swaps (notional principal amount)	9.26	(6,278.20)	
Net exposure to cash flow interest rate risk		**16,553.96**	

Particulars	As at March 31, 2017		
	Weighted average interest rate %	**Balance**	**% of total loans**
External commercial borrowings, bank loans, cash credit and buyers' credit	9.24	30,521.19	75%
Interest rate swaps (notional principal amount)	9.29	(8,903.07)	
Net exposure to cash flow interest rate risk		21,618.12	
Particulars	**As at April 01, 2016**		
	Weighted average interest rate %	**Balance**	**% of total loans**
External commercial borrowings, bank loans, cash credit and buyers' credit	9.79	30,963.07	78%
Interest rate swaps (notional principal amount)	9.49	(8,823.08)	
Net exposure to cash flow interest rate risk		22,139.99	

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, 2018	**For the year ended March 31, 2017**
Interest rates - increase by 50 basis points	65.11	85.02
Interest rates - Decrease by 50 basis points	(65.11)	(85.02)

(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:

a) 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

b) 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 net of cash and cash equivalents) divided by EBIDTA (Profit before tax plus depreciation and amortisation 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 EBIDTA ratios were as follows:

Particulars	March 31, 2018	March 31,2017
Net Debt (In Lakhs)	38,655.44	40,593.40
EBIDTA (after exceptional items) (In Lakhs)	21,558.98	14,400.55
Net Debt to EBITDA (after exceptional items)	**1.79**	**2.82**
EBIDTA (before exceptional items) (In Lakhs)	21,740.98	17,503.69
Net Debt to EBITDA (before exceptional items)	**1.78**	**2.32**

Loan convenants

Under the terms of the major borrowings facilities, the Company is required to comply with certain financial convenants and the Company has complied with those convenants throughout the reporting period.

Dividends

Particulars	As at March 31, 2018	As at March 31,2017
On Equity shares of Rs. 2 each		
Final dividend		
Dividend paid (Rs. In Lakhs)	299.94	479.91
Dividend Distribution tax (Rs. In Lakhs)	61.06	97.70
Dividend per equity share	0.50	0.80

The Board of Directors recommended a final dividend of Rs. 1.10 per share (nominal value of Rs. 2 per share) for the financial year 2017-18. 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. 794.20 Lakhs including dividend distribution tax of Rs. 134.33 Lakhs.

23. Segment information

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

	Domestic	Overseas	Total
Revenue from operations			
2017-18	196,913.59	42.75	196,956.34
2016-17	174,078.54	41.84	174,120.38
Non current segment assets			
As at March 31, 2018	78,568.27	-	78,568.27
As at March 31, 2017	66,753.99	-	66,753.99
As at April 1, 2016	62,856.84	-	62,856.84

a) Domestic information includes sales and services rendered to customers located in India.

b) Overseas information includes sales and services rendered to customers located outside India.

c) Non current segment assets includes property, plant and equipment, capital work - in - progress, intangible assets, intangible assets under development and capital advances.

d) Revenue from transactions with a single external customer amounting to 10 per cent or more of the Company's revenues is 60% from one customer (previous year: 74%) and 11% from another customer (previous year: 3%).

24. Related party disclosure

Subsidiary of the Company

Thai Subros Limited, Thailand

Joint venture

Denso Subros Thermal Engineering Centre India Limited (DSEC), India

Key management personnel

Mr. Ramesh Suri, Chairman
Ms. Shradha Suri, Managing Director
Ms. Jyotsna Suri, Director
Mr. Keiichi Yamauchi, Alternate Director
Mr. Kenichi Ayukawa, Nominee 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. Hanuwant Singh, Independent Director (upto June 30, 2017)
Mr. Y. Kajita, Alternate Director (upto August 8, 2016)
Mr. T. Nagata, Alternate Director (upto March 29, 2017)
Mr. Manoj Kumar Sethi, Senior Vice President –Finance
Mr. Rakesh Arora, Company Secretary (from August 08, 2016)
Mr. Hemant Kumar Agarwal, Deputy Company Secretary (upto August 07, 2016)

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

M/s Ramesh Suri (HUF)

Prima Telecom Limited

Prima Infratech Private Limited

Fibcom India 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, 2018	For the year ended March 31, 2017
Joint venture			
Denso Subros Thermal Engineering Centre India Limited (DSEC)	Purchase of intangible assets (Technical knowhow)	230.40	426.96
	Sale of services	14.04	10.49
	Rental income	24.57	22.13
	Reimbursement of expenses received	11.01	10.81

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

Relation	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Key management personnel*			
Ms. Shradha Suri	Short term benefits	229.61	137.12
	Post employment benefits	10.35	0.34
Mr. Ramesh Suri	Short term benefits	128.79	56.85
Ms. Jyotsna Suri	Sitting fees	2.50	2.50
	Rent paid	30.00	30.00
Mr. Kenichi Ayukawa	Sitting fees	-	3.00
Mr. Mohammed Asad Pathan	Sitting fees	5.60	3.90
Mr. Ramamoorthy Rajagopalan Kuttalam	Sitting fees	5.00	5.00
Mr. Girish Narain Mehra	Sitting fees	11.20	11.40
Mr. Shailendra Swarup	Sitting fees	4.40	4.70
Ms. Meena Sethi	Sitting fees	7.20	2.50
Mr. Hanuwant Singh	Sitting fees	0.70	9.90
Mr. Y. Kajita	Sitting fees	-	0.50
Mr. T. Nagata	Sitting fees	-	0.50
Mr. Manoj Kumar Sethi	Short term benefits	73.58	66.19
	Post employment benefits	5.20	0.32
	Other long term employee benefits	0.35	0.49

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

Relation	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Mr. Rakesh Arora	Short term benefits	37.47	22.55
	Post employment benefits	1.76	0.44
	Other long term employee benefits	0.32	0.30
Mr. Hemant Agarwal	Short term benefits	-	15.55
	Post employment benefits	-	0.26
	Other long term employee benefits	-	0.12
Relatives of key management personnel			
Ms. Ritu Suri	Rent paid	28.80	27.45
Ms. Ritu Suri	Security deposit advance refunded	-	1.50
Contribution to funds			
Subros Employees Group Gratuity Cum Life Assurance Trust	Employer's contribution towards gratuity fund	73.16	46.33
	Employer's contribution towards life insurance premium of employees	8.44	9.00
Subros Employees Group Superannuation Cum Life Assurance Trust	Employer's contribution towards superannuation fund	-	2.08
Entities over which key management personnel and/or their relatives have control or joint control:			
Fibcom India Limited	Purchase of materials	0.51	0.08
Hemkunt Service Station Private Limited	Purchase of materials	17.71	21.44
Prima Infratech Private Limited	Rent paid	273.18	248.34
Prima Telecom Limited	Sale of goods	6.74	18.52
Prima Telecom Limited	Purchase of materials	30.78	114.68
Prima Telecom Limited	Purchase of property, plant and equipment	32.79	31.12
M/s Ramesh Suri (HUF)	Rent paid	10.27	9.79
Rohan Motors Limited	Purchase of property, plant and equipment	21.81	25.66
Rohan Motors Limited	Receiving of services	14.89	17.63
Rohan Motors Limited	Rent paid	16.31	13.62
Rohan Motors Limited	Sale of goods	7.87	11.23
Rohan Motors Limited	Sale of property, plant and equipment	-	0.69
SHS Transport Private Limited	Receiving of services	867.24	940.72
SHS Transport Private Limited	Rent paid	4.67	4.45
Tempo Automobiles Private Limited	Receiving of services	0.78	2.37
Tempo Automobiles Private Limited	Sale of goods	32.88	84.71

(b) Outstanding balances :

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

Relation	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Subsidiary	Trade payables	45.82	45.96	47.03
Joint venture	Trade payables	148.95	121.13	58.97
	Trade receivables	7.78	4.89	-
	Other financial liability (security deposit)	5.34	5.34	-
Key management personnel	Other financial liability (due to Directors)	110.00	8.85	39.74
	Other financial asset (security deposit)	-	1.50	1.50
Relatives of key management personnel	Other financial asset (security deposit)	13.05	13.05	13.05
Entities over which key management personnel and/or their relatives have control or joint control	Trade payables	98.50	139.59	83.35
	Trade receivable	10.71	25.35	45.93
	Other assets (capital advances)	-	8.00	8.97
	Other assets (advances to suppliers)	133.09	143.08	148.90
	Other financial asset (security deposit)	226.04	226.04	225.47

Terms and conditions:

a) All transactions with related parties are in ordinary course of business and on arm's length basis.

b) All outstanding balances are unsecured and will be settled in cash.

c) 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. 644.09 Lakhs (March 31, 2017: Rs. 6,223.24 Lakhs, April 01, 2016: Rs. 1,178.88 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, 2018	As at March 31,2017	As at April 1,2016
Sales tax matters	148.71	139.36	139.36
Service tax matters	132.68	-	-
Income tax matters	29.32	9.91	24.40
Claims made by workmen	194.95	133.65	119.10

Note:

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. 358.40 Lakhs (March 31, 2017: Rs. 682.34 Lakhs, April 01, 2016: Rs. 1,463.14 Lakhs).

(c) Outstanding commitments under letter of credit established by the Company aggregate to Rs. 2,020.88 Lakhs (March 31, 2017: Rs. 4,788.88 Lakhs, April 01, 2016: Rs. 3,235.28 Lakhs).

27. Leases

1. Operating lease arrangements

The Company as a lessee

Certain premises and plant and machinery are obtained by the Company on operating lease. The lease term is for 1-3 years and renewable for further period on mutually agreeable terms and also include escalation clauses. The rent is not based on any contingencies. Lease rental expense is set out in note 21 to these financial statements as "Rent" in "Other expenses". There are no restrictions imposed by lease arrangements. The leases are cancellable in nature.

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 restated financial statements as "Rental income" in "Other income".

II. Finance lease arrangements

The Company has taken land on long term finance lease from various government authorities in India.

The present value of minimum lease payments (MLP) under finance lease is as follows:-

Present value of future minimum lease payments	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Disclosed under long term borrowings	-	-	-

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, 2018	For the year ended March 31,2017
Employer's contribution to Provident Fund*	509.23	441.22
Employer's contribution to Superannuation Fund*	-	2.08
Employer's contribution to Employees State Insurance Scheme*	199.25	117.74

** Included in "Contribution and 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. 460.09 Lakhs (March 31, 2017: Rs. 324.19 Lakhs, April 01, 2016: Rs. 269.27 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, 2018	As at March 31,2017	As at March 31,2016
Leave obligations not expected to be settled within the next 12 months	344.47	296.57	243.55

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, 2018	
Discount rate (per annum)	7.71%
Rate of increase in compensation level (per annum)	5.50%
As at March 31, 2017	
Discount rate (per annum)	7.54%
Rate of increase in compensation level (per annum)	5.50%
As at April 01, 2016	
Discount rate (per annum)	7.75%
Rate of increase in compensation level (per annum)	5.50%

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 recognised in the statement of Profit and Loss in respect of:

PARTICULARS	Gratuity (Funded)
For the year ended March 31, 2018	
Current service cost	118.53
Past service cost	23.44
Actuarial loss/(gain)	-
Net interest cost/(income) or the net defined benefit liability/(asset)	(0.05)
Expenses recognized in Statement of Profit and Loss	**141.92**
For the year ended March 31, 2017	
Current service cost	105.74
Past service cost	-
Actuarial loss/(gain)	-
Net interest cost/(income) or the net defined benefit liability/(asset)	(6.85)
Expenses recognized in Statement of Profit and Loss	**98.89**

Components of expenses recognised 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, 2018	**(7.03)**
Actuarial gains/(loss) on:	-
- changes in demographic assumptions	-
- changes in financial assumptions	17.00
- experience variance	(24.00)
- plan asset	(0.03)
For the year ended March 31, 2017	**(35.25)**
Actuarial gains/(loss) on:	-
- changes in demographic assumptions	-
- changes in financial assumptions	(18.38)
- experience variance	(21.38)
- plan asset	4.51

Actuarial (gain) / loss on obligations

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

PARTICULARS	Gratuity (Funded)
For the year ended March 31, 2018	
Actuarial (gain) / loss on arising from change in demographic assumption	-
Actuarial (gain) / loss on arising from change in financial assumption	(17.00)
Actuarial (gain) / loss on arising from experience adjustment	**24.00**
For the year ended March 31, 2017	
Actuarial (gain) / loss on arising from change in demographic assumption	-
Actuarial (gain) / loss on arising from change in financial assumption	18.38
Actuarial (gain) / loss on arising from experience adjustment	**21.38**

Actuarial gain / (loss) on plan assets

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

PARTICULARS	Gratuity (Funded)
For the year ended March 31, 2018	
Return on plan assets, excluding amount recognised in net interest expense	73.86
Remeasurement for actuarial (gain)/loss arising because of change in effect of asset ceiling	(73.90)
Component of defined benefit costs recognised in other comprehensive income	**(0.04)**
For the year ended March 31, 2017	
Return on plan assets, excluding amount recognised in net interest expense	74.29
Remeasurement for actuarial (gain)/loss arising because of change in effect of asset ceiling	(69.77)
Component of defined benefit costs recognised in other comprehensive income	**4.52**

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 comprehesive 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, 2018	
Present value of obligation	1,130.69
Fair value of plan assets	1,055.52
Surplus/(deficit)	**(75.17)**
Asset ceiling	-
Net asset/(liability)	**(75.17)**
As at March 31, 2017	
Present value of obligation	979.47
Fair value of plan assets	980.10
Surplus/(deficit)	**0.63**
Asset ceiling	-
Net asset/(liability)	**0.63**
As at April 1, 2016	
Present value of obligation	811.84
Fair value of plan assets	900.28
Surplus/(deficit)	**88.44**
Asset ceiling	-
Net asset/(liability)	**88.44**

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, 2018	
Present value of the obligation as at the beginning	**979.47**
Current service cost	118.53
Interest cost	73.85
Remeasurement (or actuarial) (gain)/loss arising from:	
- Change in demographic assumptions	-
- Change in financial assumptions	(17.00)
- experience variance	24.00
Past service cost	23.44
Benefits paid	(71.60)
Present value of the obligation as at the end	**1,130.69**
For the year ended March 31, 2017	
Present value of the obligation as at the beginning	**811.84**
Current service cost	105.74
Interest expense or cost	62.93
Remeasurement (or actuarial) (gain)/loss arising from:	
- Change in demographic assumptions	-
- Change in financial assumptions	18.38
- experience variance	21.38
Past service cost	-
Benefits paid	(40.80)
Present value of the obligation as at the end	**979.47**

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

Particulars	Gratuity (Funded)
Year ended March 31, 2018	
Fair value of plan assets at the beginning	**980.10**
Interest income	73.90
Employer contribution	73.16
Benefits paid	(71.60)
Actuarial gain/(loss) on plan assets	(0.04)
Fair value of plan assets at the end	**1,055.52**
For the year ended March 31, 2017	
Fair value of plan assets at the beginning	**900.28**
Interest income	69.77
Employer contribution	46.33
Benefits paid	(40.80)
Actuarial gain/(loss) on plan assets	4.52
Fair value of plan assets at the end	**980.10**

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

PARTICULARS	Gratuity (Funded)
As at March 31, 2018	
Funds managed by insurer	100%
Total	**100%**
As at March 31, 2017	
Funds managed by insurer	100%
Total	**100%**
As at April 1, 2016	
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 obligation using projected unit credit method are discount rate and expected salary growth rate. The sensitivity analysis below have 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, 2018	
	Change in defined benefit obligation
Increase in discount rate by 0.5%	Decrease by 48.12
Decrease in discount rate by 0.5%	Increase by 51.79
Increase in expected salary growth rate by 0.5%	Increase by 51.47
Decrease in expected salary growth rate by 0.5%	Decrease by 48.45
As at March 31, 2017	
	Change in defined benefit obligation
Increase in discount rate by 0.5%	Decrease by 43.23
Decrease in discount rate by 0.5%	Increase by 46.55
Increase in expected salary growth rate by 0.5%	Increase by 47.25
Decrease in expected salary growth rate by 0.5%	Decrease by 44.24
As at April 01, 2016	
	Change in defined benefit obligation
Increase in discount rate by 0.5%	Decrease by 37.24
Decrease in discount rate by 0.5%	Increase by 40.09
Increase in expected salary growth rate by 0.5%	Increase by 40.78
Decrease in expected salary growth rate by 0.5%	Decrease by 38.19

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, 2018 is 13.88 years (March 31, 2017 is 13.75 years, April 1, 2016: 13.33 years).

The Company expects to make a contribution of Rs. 143.90 Lakhs (March 31, 2018: Rs. 120.95 Lakhs, April 1, 2016: Rs. 97.33 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, 2018	
April 1, 2018 - March 31, 2019	78.57
April 1, 2019 - March 31, 2020	37.27
April 1, 2020 - March 31, 2021	60.62
April 1, 2021 - March 31, 2022	50.18
April 1, 2022 - March 31, 2023	69.02
April 1, 2023 - March 31, 2024	69.07
April 1, 2024 Onwards	765.96
Total	**1,130.69**
As at March 31, 2017	
April 1, 2017 - March 31, 2018	53.42
April 1, 2018 - March 31, 2019	20.12
April 1, 2019 - March 31, 2020	20.53
April 1, 2020 - March 31, 2021	65.81
April 1, 2021 - March 31, 2022	43.12
April 1, 2022 - March 31, 2023	48.44
April 1, 2023 Onwards	728.03
Total	**979.47**
As at April 01, 2016	
April 1, 2016 - March 31, 2017	50.80
April 1, 2017 - March 31, 2018	19.76
April 1, 2018 - March 31, 2019	31.24
April 1, 2019 - March 31, 2020	56.24
April 1, 2020 - March 31, 2021	35.20
April 1, 2021 - March 31, 2022	41.67
April 1, 2022 Onwards	576.93
Total	**811.84**

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, 2018		For the year ended March 31,2017	
	Noida	Pune	Noida	Pune
Capital expenses	57.77	-	7.65	-
Revenue expenses (net of contract research income)	2,288.34	73.56	1,945.81	85.95
Total	**2,346.11**	**73.56**	**1,953.46**	**85.95**

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. Disclosure on Specified Bank Notes (SBNs)

Disclosure for Specified Bank Notes (SBN's) as required by notification no. G.S.R 308 (E) issued by Ministry of Corporate Affairs is not applicable to the Company for the year ended March 31, 2018. Corresponding amounts as appearing in the audited financial statements for the year ended March 31, 2017 have been disclosed as given below:

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

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	**34,04,500**	**3,49,310**	**37,53,810**
(+) Permitted receipts	-	13,24,466	13,24,466
(-) Permitted payments	-	9,77,463	9,77,463
(-) Amount deposited in bank	34,04,500	-	34,04,500
Closing cash in hand as on December 30, 2016	**-**	**6,96,313**	**6,96,313**

31. Earning Per Share

Particulars	For the year ended at March 31, 2018	For the year ended at March 31,2017
Basic earnings per share (Rs.)	10.11	2.22
Diluted earnings per share (Rs.)	10.11	2.22
Profit attributable to the equity holders of the Company used in calculating basic earning per shares and diluted earnings per share	6,062.33	1,333.55
Weighted average number of equity shares for the purpose of basic earnings per share and diluted earning per share (numbers)	5,99,88,600	5,99,88,600

32. Expenses capitalized

Following construction/development period expenses (other than borrowing cost) incurred on making dies and tools and building and developing new product/technology have been capitalized or clubbed with capital work –in-progress, as the case may be :-

Particulars	For the year ended March 31, 2018	For the year ended March 31,2017
Salaries, wages and other amenities to staff	2,342.61	2,437.75
Power and fuel	218.21	191.14
Rent	269.05	224.36
Repair and maintenance	87.97	137.13
Depreciation	94.54	228.06
Other overheads	548.87	888.69
Total	**3,561.25**	**4,107.13**

33. Borrowing costs

Borrowing cost amounting to Rs. 165 Lakhs (Previous Year: Rs. 230 Lakhs) has been capitalized with the cost of property, plant and equipment as per Indian Accounting Standard (Ind AS) 23 on "Borrowing Costs".

34. Exceptional items

There was a major fire incident in one of the plants of the Company situated at Manesar on May 29, 2016. The fire has severally impacted the inventories, building, plant and machinery. These assets were adequately insured with reinstatement clause and a claim has been made with the insurance company. Special/urgent actions to restart supplies to the customer post fire incident has temporarily resulted into additional costs which have been included in exceptional items in the Statement of Profit and Loss. The Company has already received the final insurance claim of Rs. 6,324.97 Lakhs with respect to inventories in the previous year. However, insurance claim settlement in respect of property, plant and equipment is in progress and an interim amount of Rs. 2,199.41 Lakhs (March 31, 2017: Rs. 7,498 Lakhs) has been received net of reinstatement premium from the insurance company against loss of property, plant and equipment and additional expenditure incurred to restore supplies. The detail of exceptional items under major heads is as under:-

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

Particulars	For the year ended March 31, 2018	For the year ended March 31,2017
A. Loss of inventories by fire:		
Carrying value of inventories	-	7,193.05
Less: Insurance claim including sale of scrap recovered	-	(6,841.05)
Net loss (A)	-	**352.00**
B. Loss of property, plant and equipment by fire:		
Carrying value of Property, plant and equipment	-	7,565.44
Additional expenditure incurred to restore supplies	-	3,073.36
Less: Insurance claim recovered / recoverable	-	(10,638.80)
Net loss (B)	-	-
C. Additional expenses incurred:		
Material cost	182.00	1,726.92
Staff welfare expenses	-	58.53
Freight and cartage (outward)	-	783.03
Rent		110.31
Other expenses	-	72.35
Total additional expenses incurred (C)	**182.00**	**2,751.14**
Total exceptional items (A+B+C)	**182.00**	**3,103.14**

35. First time adoption of Ind AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

Deemed Cost of Property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets.

Accordingly, the Company has elected to measure items all its property, plant and equipment and intangible assets at their carrying value as per previous GAAP at the transition date. There are no decommissioning liabilities of the Company.

Investments in subsidiary and joint venture in separate financial statements

There is an option to measure investments in subsidiary and joint venture at cost in accordance with Ind AS 27 at either fair value on date of transition or previous GAAP carrying values. The Company has decided to use the previous GAAP carrying values and not to fair value its investments in subsidiary and joint venture as on the date of transition.

Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

A.2 Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind ASs at the date of transition shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The Company made estimate for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as this was not required under previous GAAP.

Derecognition of financial assets and financial liabilities

Ind 101 requires a first time adopter to apply the derecognition provisions of Ind As 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently, the Company has assessed the classification and measurement of financial assets on the basis of facts and circumstances that existed at the date of transition to Ind AS.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at April 1, 2016 and March 31, 2017:

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

Particulars	Notes to first-time adoption	As at April 1, 2016	As at March 31, 2017
Total equity (shareholder's fund) as per previous GAAP		**33,536.55**	**34,940.11**
Adjustments:			
Gain/(loss) arising on recognition and measurement of financial liability at amortized cost	iii	(578.44)	139.55
Gain/(loss) on fair value accounting of derivatives	iv	425.79	(429.63)
Loss arising on recognition of financial asset (loans to employees) at amortized cost	i	(9.52)	(6.40)
Loss arising on recognition of financial asset (security deposits) at amortized cost	ii	(14.69)	(14.37)
Gain arising on discounting and/or unwinding of discount on warranty provision	v	12.56	11.24
Proposed dividend and related distribution tax	viii	577.61	-
Tax effects of adjustments	vi	102.94	140.51
Total adjustments		**516.25**	**(159.10)**
Total equity as per Ind AS		**34,052.80**	**34,781.01**

Reconciliation of total comprehensive income for the year ended March 31, 2017

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

Particulars	Notes to first-time adoption	For the year ended March 31, 2017
Profit after tax as per previous GAAP		**1,403.56**
Adjustments:		
Interest income on financial assets (employee loans)	i	6.82
Interest income on financial assets (security deposits)	ii	9.08
Remeasurement loss on post employment benefit obligation	vii	35.25
Fair valuation of financial assets (employee loans)	i	(3.70)
Unwinding of discount on warranty provision	v	(6.00)
Discounting of warranty provision	v	4.68
Gain arising on recognition and measurement of financial liability at amortized cost	iii	717.99
Loss on fair valuation of derivatives	iv	(855.42)
Fair valuation of financial assets (security deposits)	ii	(8.76)
Deferred tax adjustments	vi	30.05
Total adjustments		**(70.01)**
Profit after tax as per Ind AS		**1,333.55**
Other comprehensive income		
Remeasurement loss on post employment benefit obligation, net of tax	vii	(27.73)
Total other comprehensive income (net of tax)		**(27.73)**
Total comprehensive income as per Ind AS		**1,305.82**

Impact of Ind AS adoption on the statement of cash flows for the year ended March 31, 2017

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

Particulars	Previous GAAP	Adjustments*	Ind AS
Net cash flow from operating activities	11,116.86	(34.99)	11,081.87
Net cash flow from financing activities	(3,405.60)	(55.81)	(3,461.41)
Net cash flow from investing activities	(7,605.02)	90.80	(7,514.22)
Net increase in cash and cash equivalents	**106.24**	**-**	**106.24**
Cash and cash equivalents as at April 1, 2016	94.99	-	94.99
Cash and cash equivalents as at March 31, 2017	**201.23**	**-**	**201.23**

C. Notes to first time adoption

(i) Loan to employees

Under the previous GAAP, interest free loans to employees are recorded at their transaction value. Under Ind AS, all financial assets are required to be initially recognized at fair value and subsequently at amortized value. Accordingly, the Company has fair valued these loans and the difference between fair value and transaction value has been recognized as employee benefits expense. As a result, the amount of employee loans as at March 31, 2017 decreased by Rs. 6.40 Lakhs (April 1, 2016 - Rs. 9.52 Lakhs) and the profit for the year ended March 31, 2017 increased by Rs. 3.12 Lakhs due to employee benefits expense of Rs 3.70 Lakhs on account of difference between fair value and transaction value of new loans provided during the year offsetted by notional interest income of Rs. 6.82 Lakhs on such loans. The decrease in employee loan as at April 1, 2016 has been adjusted with retained earnings as on that date.

(ii) Loan - security deposits

Under the previous GAAP, interest free security deposits for leased assets (that are refundable in cash on completion of the lease terms) are recorded at their transaction value. Under Ind AS, all financial assets are required to be initially recognized at fair value and subsequently at amortized value. Accordingly, the Company has fair valued these security deposits and the difference between fair value and transaction value has been recognized as rent expense. As a result, the amount of security deposits as at March 31, 2017 decreased by Rs. 14.37 Lakhs (April 1, 2016 - Rs. 14.69 Lakhs) and the profit for the year ended March 31, 2017 increased by Rs. 0.32 Lakhs due to rent expense of Rs. 8.76 Lakhs on account of difference between fair value and transaction value of new security deposits provided during the year offsetted by notional interest income of Rs. 9.08 Lakhs on such deposits. The decrease in security deposit as at April 1, 2016 has been adjusted with retained earnings as on that date.

(iii) Non-current borrowings

Under Ind AS, financial liabilities are recorded at fair value on initial recognition / transition date and subsequently recorded at amortized cost using effective interest rate method. Accordingly, the non-current borrowings have increased by Rs. 578.44 Lakhs as at April 1, 2016 and reduced by Rs. 139.55 Lakhs as at March 31, 2017 with consequent impact on profit for the year ended March 31, 2017 by Rs. 717.99 Lakhs. The increase in non-current borrowings as at April 1, 2016 has been adjusted with retained earnings as at that date.

(iv) Fair valuation of derivatives

The Company has entered into certain derivative contracts to hedge foreign currency and interest rate risk. Such contracts are accounted for at fair value through profit or loss. The gain/loss on fair valuation of derivatives is recorded as derivative asset/derivative liability under other financial asset (current) / other financial liability (current). Accordingly, the Company has recorded derivative liability of Rs. 429.63 Lakhs as at March 31, 2017 (derivative assets of Rs. 425.79 Lakhs as at April 1, 2016). As a result of this change, the profit for the year ended March 31, 2017 decreased by Rs. 855.42 Lakhs. The net impact of Rs. 425.79 Lakhs as at April 1, 2016 has been adjusted with retained earnings as at that date.

(v) Provisions

Under the previous GAAP, discounting of provisions was not allowed. Under Ind AS, provisions are measured at discounted amounts, if the effect of time value is material. Accordingly, non current portion of warranty provision has been discounted to its present values. As a result, the warranty provisions as at March 31, 2017 reduced by Rs. 11.24 Lakhs (April 1, 2016- Rs.12.56 Lakhs) and the profit for the year ended March 31, 2017 reduced by Rs. 1.32 Lakhs as a result of finance cost of Rs. 6 Lakhs on account of unwinding of discount on provision for warranty offsetted with discounting of additional warranty provision recognized during the year of Rs. 4.68 Lakhs. The net impact of Rs. 12.56 Lakhs as at April 1, 2016 has been adjusted with retained earnings as at that date.

(vi) Deferred tax adjustments

Deferred tax has been recognized on the adjustments made on transition to Ind AS. As a result, there is decrease in deferred tax liability as at March 31, 2017 by Rs. 140.51 Lakhs (April 1, 2016 - Rs.102.94 Lakhs) and increase in the profits for the year ended March 31, 2017 by Rs. 37.57 Lakhs out of which Rs. 7.52 Lakhs is reclassified to other comprehensive income. The impact of Rs. 102.94 Lakhs as at April 1, 2016 has been adjusted with retained earnings as at that date.

(vii) Remeasurement gain/loss on post-employment benefit obligation

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change actuarial loss of Rs. 35.25 Lakhs was reclassified during March 31, 2017, from the profit or loss to other comprehensive income and corresponding deferred tax on the same of Rs. 7.52 Lakhs is also reclassified to other comprehensive income. There is no impact on the total equity as at April 1, 2016.

(viii) Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the Balance Sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognized as a liability. Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of Rs. 577.61 Lakhs as at April 01, 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

(ix) Current borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition, earlier they were shown as prepaid expenses. Accordingly, the Company has netted off commercial papers balance as at March 31, 2017 with prepaid interest of Rs. 52.79 Lakhs (April 1, 2016- Rs. 31.78 Lakhs). There is no impact on the opening retained earnings and profit for the year ended March 31, 2017.

(x) Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind-AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the ended March 31, 2017 by Rs. 20,635.77 Lakhs. There is no impact on profit for the year ended March 31, 2017.

36. 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, 2018	As at March 31, 2017
Cash and cash equivalents	1,497.74	201.23
Current borrowings	(16,304.59)	(17,013.36)
Non-current borrowings	(22,350.85)	(23,580.04)
Net debt	**(37,157.70)**	**(40,392.17)**

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

Description	Cash & cash equivalents	Current borrowings (Incl interest)	Non-current borrowings (Incl current maturities and interest)	Net debt
As at April 1, 2016	**94.99**	**(10,797.25)**	**(28,911.59)**	**(39,613.85)**
Cash flows	106.24	(6,216.11)	5,186.07	(923.80)
Foreign exchange adjustments	-	-	141.71	141.71
Interest expense	-	(1,069.53)	(2,011.34)	(3,080.87)
Interest paid	-	1,069.53	2,015.11	3,084.64
As at March 31, 2017	**201.23**	**(17,013.36)**	**(23,580.04)**	**(40,392.17)**
Cash flows	1,296.51	728.57	1,706.41	3,731.49
Foreign exchange adjustments	-	-	(503.90)	(503.90)
Interest expense	-	(1,440.00)	(1,572.81)	(3,012.81)
Interest paid	-	1,420.20	1,599.49	3,019.69
As at March 31, 2018	**1,497.74**	**(16,304.59)**	**(22,350.85)**	**(37,157.70)**

37. Managerial remuneration paid to the managing director for the year ended March 31, 2017 was in excess by an amount of Rs. 78.70 Lakhs as per limits allowed under section 197 read with Schedule V to the Companies Act, 2013. Subsequent to the year end, the Company has received the required approval for such excess remuneration paid, from the Central Government.

38. The financial statements were approved by the Board of Directors and authorized for issue on May 28, 2018.

39. As required by Ind AS, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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

Rajib Chatterjee
Partner
Membership No :057134

Place : New Delhi
Date : May 28, 2018

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

Ramesh Suri
Chairman
DIN : 00176488

Shradha Suri
Managing Director
DIN : 00176902

Manoj K Sethi
Sr VP (Finance)

H.K. Agarwal
Sr. GM (Finance)

Rakesh Arora
Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : May 28, 2018

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 Rs. In Lakhs)	
1	Name of the Subsidiary	**Thai Subros Limited**
2	Reporting period for the subsidiary concerned	No
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in case of foreign subsidiary.	THB (Thai Baht) Exc Rate Closing as on 31/03/2018 1 THB= Rs2.0861
4	Share capital (Paid up Share Capital)	104.30
5	Reserves & surplus	(44.38)
6	Total assets	62.70
7	Total Liabilities	62.70
8	Investments	0.00
9	Turnover	0.00
10	Profit before taxation * (At average rate)	(17.33)
11	Provision for taxation	0.00
12	Profit after taxation * (At average rate)	(17.33)
13	Other Comprehensive Income	(1.85)
14	Total Comprehensive Income	(19.18)
15	Proposed Dividend	0.00
16	% of shareholding	100%

* Average exchange rate for 2017-18 1THB = Rs. 1.9526

Notes:- 1. Names of subsidiaries which are yet to commence operations **NA**
2. 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 Limited (INR in Lakhs)
1	Latest audited Balance Sheet Date	31-03-2018
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	Consolidated
5	Networth attributable to Shareholding as per latest audited Balance Sheet	157.84
6	Profit / (Loss) for the year	
	i. Considered in Consolidation	10.64
	ii. Not Considered in Consolidation	-

Notes:- 1. Names of associates or joint ventures which are yet to commence operations **NA**
2. Names of associates or joint ventures which have been liquidated or sold during the year. **NA**

Directors' Report - Thai Subros Limited

To
The Members

Your Directors are pleased to present the Tenth Annual Report of the Company together with the audited accounts for the year ended on 31st March, 2018.

FINANCIAL RESULTS

During the financial year, the Company has gross revenue (other income) of THB 0.068 Lakhs as against THB 0.098 Lakhs during the previous year. The Company has reported loss before tax of THB 8.62 Lakhs as against loss of THB 6.74 Lakhs during the previous year.

During the year, Company has no operation due to sluggish demand from customers and loss incurred is on account of fixed administrative expenses.

The Directors do not recommend the payment of dividend for the year under review.

FUTURE PROSPECTS

There are no business operations during the year under review as orders are not forthcoming from the customers. The director therefore wishes to voluntarily wind up the Thailand operations and the same will be executed in the subsequent financial year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation of financial statement. For preparing those financial Statement,

(a) the Directors have selected suitable accounting policy and then applied them consistently and made judgments and estimates that are reasonable and prudent;

(b) They are also responsible for safeguarding the assets of the company and hence taken the reasonable steps for preventing and detecting fraud and other irregularities;

(c) the Directors had prepared the annual accounts on a going concern basis;

AUDITORS

C.A. International Audit Limited were appointed as Statutory Auditor of the Company and being recommended for re-appointment for the next financial year. The notes to accounts referred to in then Auditor's Report are self explanatory. The Auditor's report does not contain any qualification or adverse remark.

ACKNOWLEDGMENT

Your Board of Directors wishes and thanks all Members, Customers, Vendors, Business Associates and Employees for their continued support, cooperation and confidence reposed in the Company.

Your Directors also acknowledge the co-operation and support extended by Company's Bank, Siam Commercial Bank, Thailand.

For and on behalf of Board of Directors

Dated: 28th May, 2018

(RAMESH SURI)
Chairman

Independent Auditor's Report - Thai Subros Limited

To the Shareholders of Thai Subros Limited

Opinion

I have audited the financial statements of **Thai Subros Limited** which comprise the statement of financial position as at March 31, 2018, the statements of income and statements of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Thai Subros Limited** as at March 31, 2018 and its financial performance for the year then ended in accordance with the Thai Financial Reporting Standards for Non-Publicly Accountable Entities (TFRS for NPAEs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of His Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards for Non-Publicly Accountable Entities, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

(Mr. Chatchawat Setthee)
C.P.A. Registration No. 5535

Dated: 4th May, 2018

Thai Subros Limited – Statements of Financial Position

AS AT MARCH 31, 2018 AND 2017

ASSETS

Particulars	Note	(Baht) 2018	(Baht) 2017
CURRENT ASSETS			
Cash and cash equivalents	4	7,87,188.25	14,60,485.25
Trade and other receivables	5	22,04,692.60	24,27,390.35
TOTAL CURRENT ASSETS		**29,91,880.85**	**38,87,875.60**
NON - CURRENT ASSETS			
Equipment	6	165.14	579.24
Intangible assets	7	13,751.47	17,251.45
TOTAL NON - CURRENT ASSETS		13,916.61	17,830.69
TOTAL ASSETS		**30,05,797.46**	**39,05,706.29**

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

LIABILITIES AND SHAREHOLDERS' EQUITY

Particulars	Note	(Baht) 2018	(Baht) 2017
CURRENT LIABILITIES			
Other payables	8	**1,37,732.00**	**1,96,686.80**
TOTAL CURRENT LIABILITIES		1,37,732.00	1,96,686.80
NON - CURRENT LIABILITIES			
Employee benefit obligations	9	50,498.75	29,925.19
TOTAL NON - CURRENT LIABILITIES		50,498.75	29,925.19
TOTAL LIABILITIES		**1,88,230.75**	**2,26,611.99**
SHAREHOLDERS' EQUITY			
Share capital			
Authorized share capital			
1,000,000 ordinary shares of par Baht 5 each		50,00,000.00	50,00,000.00
Paid - up share capital			
1,000,000 ordinary shares of par Baht 5 each		50,00,000.00	50,00,000.00
Retained earnings (Deficits)		(21,82,433.29)	(13,20,905.70)
TOTAL SHAREHOLDERS' EQUITY		**28,17,566.71**	**36,79,094.30**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**30,05,797.46**	**39,05,706.29**

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

Thai Subros Limited – Statements of Income

FOR THE YEARS ENDED MARCH 31, 2018 AND 2017

Particulars	(Baht) 2018	(Baht) 2017
REVENUES		
Other income	6,832.50	9,806.60
Total Revenues	**6,832.50**	**9,806.60**
EXPENSES		
Administrative expenses	6,41,420.87	6,28,492.73
Loss on exchange rate	2,26,939.22	55,195.35
Total Expenses	**8,68,360.09**	**6,83,688.08**
NET PROFIT (LOSS) FOR THE YEARS	**(8,61,527.59)**	**(6,73,881.48)**

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

Thai Subros Limited – Statements of Changes in Shareholders' Equity

FOR THE YEARS ENDED MARCH 31, 2018 AND 2017

(Unit : Baht)

Particulars	Note	Paid-up share capital	Retained Earnings (Deficits)	Total
Balance as at March 31, 2016		50,00,000.00	(6,47,024.22)	**43,52,975.78**
Net Profit (Loss) for the year 2016		-	(6,73,881.48)	(6,73,881.48)
Balance as at March 31, 2017		50,00,000.00	(13,20,905.70)	**36,79,094.30**
Net Profit (Loss) for the year 2017		-	(8,61,527.59)	(8,61,527.59)
Balance as at March 31, 2018		50,00,000.00	(21,82,433.29)	**28,17,566.71**

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

Thai Subros Limited – Statements of Cash Flows

FOR THE YEARS ENDED MARCH 31, 2017 AND 2018

Particulars	(Baht)	
	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	(8,61,527.59)	(6,73,881.48)
Adjustment to reconcile profit (loss) to net cash		
Depreciation	414.10	2,448.78
Amortization	3,499.98	3,499.98
Unrealized (gain) loss on exchange rate	2,26,939.22	55,195.35
Operating assets decrease (increase)		
Trade and other accounts receivable	(4,241.47)	98,569.81
Inventories	—	—
Other non - current assets	—	—
Operating liabilities increase (decrease)		
Trade and other accounts payable	(58,954.80)	(80,356.35)
Employee benefits obligations	20,573.56	3,740.65
Net cash from (used in) operating activities	**(6,73,297.00)**	**(5,90,783.26)**
CASH FLOW FROM INVESTING ACTIVITIES		
Machinery and equipment	—	—
Net cash (used in) investing activities	**—**	**—**
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of long-term loans from directors and related companies	—	—
Cash received from increased share capital	—	—
Net cash from (used in) investing activities	**—**	**—**
NET INCREASED (DECREASED) IN CASH AND CASH EQUIVALENTS	**(6,73,297.00)**	**(5,90,783.26)**
CASH AND CASH EQUIVALENTS AT END OF YEAR	**14,60,485.25**	**20,51,268.51**
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**7,87,188.25**	**14,60,485.25**

Thai Subros Limited – Detailed Statements of Administrative Expenses

FOR THE YEARS ENDED MARCH 31, 2018 AND 2017

Particulars	(Baht)	
	2018	2017
Salary & other allowances	4,80,972.00	4,80,972.00
Bonus	32,000.00	32,000.00
Social security	9,000.00	9,000.00
Workmen compensation	450.00	892.50
Audit fee	25,000.00	25,000.00
Professional & consultant fee	67,000.00	67,000.00
Bank charges	950.00	200.00
Legal fee	-	100.00
Postage & courier	838.92	2,878.17
Miscellaneous expenses	701.31	701.12
Depreciation and amortization	3,914.08	5,948.76
Non-deductible expenses	-	59.53
Uncalimable input vat	21.00	-
Employee benefits	20,573.56	3,740.65
Total Administrative Expenses	**6,41,420.87**	**6,28,492.73**

Thai Subros Limited – Notes to Financial Statements for the years ended March 31, 2018 and 2017

1. GENERAL INFORMATION

Registration	:	The Company was registered as a limited company on July 21, 2008. Registration No. 0-1155-51007-18-8
Registered Office	:	No. 88/23, Moo 15, Tambol Bangsaothong, Amphur Bangsaothong, Samutprakarn.
Type of business	:	Importing and exporting of parts and equipment to be used for car air conditioner, and all types of vehicles parts and equipment. (The Company did not operate in this accounting period)

2. BASIS FOR FINANCIAL STATEMENTS PREPARATION

The financial statements have been prepared in accordance with financial reporting standard applicable to non - publicly accountable entities as issued by the Federation of Accounting Professions and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 28 September 2011, issued under the Accounting Act B.E. 2543.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues recognition

Sales

Sales of goods are recognized when significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are the invoiced value, excluding value added tax and discounts.

Service income

Service income is recognized when services rendered based on percentage of completion.

Interest income

Interest income is recognized on an accrual basis based on the effective rate.

3.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank deposits , and highly liquid short-term investment with an original maturity of 3 months or less, and not subject to withdrawal restriction.

3.3 Account receivable

Account receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experiences and analysis of debtor aging.

3.4 Equipment

Equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any). Depreciation for all assets are calculated on the straight-line basis over the estimated useful lifes as follows:

Assets	**Number of Years**
Office Equipment	5

3.5 Foreign Currency Transactions

Transactions in foreign currencies throughout the year are recorded in Baht at rates prevailing at the dates of transactions. Assets and liabilities nominated in foreign currencies at the statement of financial position date are converted to Baht at the rates prevailing at that date. Gains or losses from the translation are credited or charged to current operations.

3.6 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and allowance for loss on impairment (if any). Intangible assets are amortised as expenses in the income statements on a straight-line basis over the economic useful life. The amortisation of computer software are expensed over the period 10 years.

3.7 Provisions

Provisions are recognized when the Company has a present 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.

The employee benefits obligations for severance payment as imposed by the labor law are calculated based on amount of employees salaries at the report date, working period and employee turnover.

3.8 Use of accounting estimates

Preparation of financial statements in conformity with financials reporting principles for NPAEs requires the Company to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent assets and liabilities. Actual result may differ from those estimates.

4. CASH AND CASH EQUIVALENTS

	(Baht) 2018	2017
Cash in Banks - Current Account	7,87,188.25	14,60,485.25
Total	**7,87,188.25**	**14,60,485.25**

5. TRADE AND OTHER RECEIVABLES

	(Baht) 2018	2017
Trade accounts receivable	21,83,161.72	24,10,100.94
Other receivables		
- Prepaid expenses	337.50	337.50
- A/R-Revenue Department	20,045.38	12,751.91
- Input vat	350.00	-
Deferred input vat	798.00	4,200.00
TOTAL	**22,04,692.60**	**24,27,390.35**

6. EQUIPMENT

(Baht)

	As at April 1, 2017	Movement during the year Addition	Deduction	As at March 31, 2018
Cost:				
Office equipment	33,210.56	-	-	33,210.56
Total	**33,210.56**	**-**	**-**	**33,210.56**
Accumulated Depreciation:				
Office equipment	32,631.32	414.10	-	33,045.42
TOTAL	**32,631.32**	**414.10**	**-**	**33,045.42**
Net	579.24			165.14
Depreciation (included in statements of income)				
Year 2018				414.10
Year 2017				2,448.78

7. INTANGIBLE ASSETS

	(Baht) 2018	2017
Computer Software	35,000.00	35,000.00
Less - Accumulated amortization	(21,248.53)	(17,748.55)
Intangible assets - net	13,751.47	17,251.45

8. TRADE AND OTHER PAYABLES

		(Baht) 2018	2017
Other payable	- Accrued expenses	1,33,198.00	1,92,216.00
	- Withholding tax remittable	752.00	540.40
	- Accrued social security	1,500.00	1,500.00
	- Others	2,282.00	2,430.40
Total		**1,37,732.00**	**1,96,686.80**

9. EMPLOYEE BENEFIT OBLIGATIONS

The Company has changed the estimate of provisions as follows.

	(Baht)	
	2018	2017
Employee benefit obligations at beginning of year	29,925.19	26,184.54
Increase	20,573.56	3,740.65
(Decrease)	-	-
Employee benefit obligations at end of year	50,498.75	29,925.19

The provisions represent the Company's obligations payable to its employees when they reach a retirement age. They are determined based on the employee's age, length of employment services and other information.

10. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the financial statements for the year ended March 31, 2017 have been reclassified to conform with the presentation of accounts in the financial statements for the year ended March 31, 2018 without any effect on profit (loss) or shareholders' equity as previously reported.

11. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized and issued by the authorized directors of the Company.

Independent Auditors' Report

TO THE MEMBERS OF SUBROS LIMITED

Report on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying consolidated Ind AS financial statements of Subros Limited ("hereinafter referred to as the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") and its joint venture; (refer Note 36 to the attached consolidated financial statements), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Cash Flow Statement for the year then ended and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows and changes in equity of the Group including its joint venture in accordance with accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. The respective Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.

4. We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group and its joint venture as at March 31, 2018, and their consolidated total comprehensive income (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

Other Matter

8. We did not audit the financial statements of the subsidiary whose financial statements reflect total assets of Rs. 62.70 Lakhs and net assets of Rs. 58.78 Lakhs as at March 31, 2018, total revenue of Rs. 0.01 Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (16.82) Lakhs and net cash flows amounting to Rs. (13.15) Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 10.64 Lakhs for the year ended March 31, 2018 as considered in the consolidated Ind AS financial statements, in respect of joint venture whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS financial statements in so far as it relates to the amounts and disclosures included in respect of the subsidiary and joint venture and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary and joint venture, is based solely on the reports of the other auditors.

9. The financial statements of the subsidiary located outside India, included in the consolidated financial statements, which constitute total assets of Rs. 62.70 Lakhs and net assets of Rs. 58.78 Lakhs as at March 31, 2018, total revenue of Rs. 0.01 Lakhs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (16.82) Lakhs and net cash flows amounting to Rs. (13.15) Lakhs for the year then ended, have been prepared in accordance with accounting principles generally accepted in its respective country and have been audited by other auditors under generally accepted auditing standards applicable in their respective country. The Company's management has converted the financial statements of such subsidiary located outside India from the accounting principles generally accepted in its respective country to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

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

10. The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor, who expressed an unmodified opinion vide reports dated May 23, 2017 and May 26, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Group on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by Section143(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 Ind AS financial statements.
    (b) In our opinion, proper books of account as required by law maintained by the Holding Company and its joint venture incorporated in India including relevant records relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other auditors.
    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company and its joint venture incorporated in India including relevant records relating to the preparation of the consolidated Ind AS financial statements.
    (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its joint venture incorporated in India, none of the directors of the Holding Company and joint venture incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its joint venture incorporated in India 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 Auditors' 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 consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as at March 31, 2018 on the consolidated financial position of the Group and its joint venture Refer Note 26 to the consolidated Ind AS financial statements.
        ii. The Group and its joint venture had long-term contracts including derivative contracts as at March 31, 2018 for which there were no material foreseeable losses.
        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2018. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the joint venture incorporated in India during the year ended March 31, 2018.
        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group and its joint venture for the year ended March 31, 2018.

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

Rajib Chatterjee
Partner
Membership Number 057134

Place: New Delhi
Date: May 28, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the members of Subros Limited on the consolidated financial statements for the year ended March 31, 2018

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, 2018, we have audited the internal financial controls with reference to financial statements of Subros Limited (hereinafter referred to as “the Holding Company”) and its jointly controlled company, 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 Holding company and its jointly controlled company, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company and jointly controlled company, 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, 2018, 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.

Other Matters

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 unaudited jointly controlled company, which is company incorporated in India, is based on the corresponding reports 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

Place: New Delhi
Date: May 28, 2018

CONSOLIDATED BALANCE SHEET

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

Particulars	Notes No	As at March 31, 2018	As at March 31,2017	As at April 1,2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	52,892.31	33,374.57	41,020.16
Capital work-in-progress	3	4,685.36	12,412.60	4,328.20
Intangible assets	4	14,074.78	16,342.86	15,292.06
Intangible assets under development	4	4,298.24	2,502.00	1,085.59
Investment accounted for using the equity method	5(a)(ii)	157.84	147.20	145.77
Financial assets				
i) Loans	5(e)	937.89	808.39	768.34
ii) Other financial assets	5(f)	175.28	451.39	148.74
Deferred tax assets (net)	6	1,141.46	1,528.56	812.00
Non-current tax assets (net)	9	210.40	179.43	153.72
Other non-current assets	7	2,617.87	2,122.29	1,131.27
Total non-current assets		**81,191.43**	**69,869.29**	**64,885.85**
Current assets				
Inventories	8	23,962.61	20,522.90	17,661.55
Financial assets				
i) Trade receivables	5(b)	16,139.53	13,020.59	9,855.59
ii) Cash and cash equivalents	5(c)	1,514.16	228.81	133.46
iii) Bank balances other than (ii) above	5(d)	485.89	179.58	455.28
iv) Loans	5(e)	38.21	60.51	87.09
v) Other financial assets	5(f)	3,279.67	3,159.05	463.68
Other current assets	7	3,099.96	5,444.46	3,861.42
Total current assets		**48,520.03**	**42,615.90**	**32,518.07**
TOTAL ASSETS		**1,29,711.46**	**1,12,485.19**	**97,403.92**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10 (a)	1,199.77	1,199.77	1,199.77
Other equity	10 (b)	39,244.76	33,548.21	32,831.25
Total equity		**40,444.53**	**34,747.98**	**34,031.02**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Borrowings	11 (a)	15,259.84	15,676.35	19,045.47
Provisions	12	240.56	91.86	74.31
Total non-current liabilities		**15,500.40**	**15,768.21**	**19,119.78**
Current liabilities				
Financial liabilities				
i) Borrowings	11 (b)	16,284.79	17,013.36	10,797.25
ii) Trade payables				
- Total outstanding dues of micro enterprises and small enterprises	11 (d)	-	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	11 (d)	40,948.62	23,945.58	18,011.51
iii) Other financial liabilities	11 (c)	12,630.58	16,171.52	11,882.07
Other current liabilities	13	2,773.54	4,376.55	3,181.56
Provisions	12	708.18	461.99	380.73
Current tax liabilities	11 (e)	420.82	-	-
Total current liabilities		**73,766.53**	**61,969.00**	**44,253.12**
TOTAL LIABILITIES		**89,266.93**	**77,737.21**	**63,372.90**
TOTAL EQUITY AND LIABILITIES		**1,29,711.46**	**1,12,485.19**	**97,403.92**

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

Rajib Chatterjee
Partner
Membership No :057134

Place : New Delhi
Date : May 28, 2018

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

Ramesh Suri
Chairman
DIN : 00176488

Shradha Suri
Managing Director
DIN : 00176902

Manoj K Sethi
Sr VP (Finance)

H.K. Agarwal
Sr. GM (Finance)

Rakesh Arora
Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : May 28, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

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

	Particulars	Note no.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	Revenue from operations	14	1,96,956.36	1,74,120.56
II	Other income	15	738.20	726.59
III	**Total income (I + II)**		**1,97,694.56**	**1,74,847.15**
IV	**Expenses**			
	Cost of material consumed	16	1,33,449.88	1,07,090.23
	Changes in inventories of finished goods and work-in-progress	17	44.74	(395.20)
	Excise duty		5,667.00	20,628.83
	Employee benefits expense	18	18,822.57	15,382.23
	Finance costs	19	4,121.11	4,790.67
	Depreciation and amortization expense	20	9,199.81	8,791.20
	Other expenses	21	17,986.14	14,649.94
	Total expenses (IV)		**1,89,291.25**	**1,70,937.90**
V	**Profit before exceptional items, share of net profits of joint venture accounted for using equity method and tax (III - IV)**		**8,403.31**	**3,909.25**
VI	Share of net profits of joint venture accounted for using equity method	5(a)(ii)	10.73	1.91
VII	**Profit before exceptional items and tax (V + VI)**		**8,414.04**	**3,911.16**
VIII	Exceptional items	34	182.00	3,103.14
IX	**Profit before tax (VII-VIII)**		**8,232.04**	**808.02**
X	Tax expense:	6		
	-Current tax		1,787.71	198.93
	-Deferred tax		388.60	(709.04)
	Total tax expense (X)		**2,176.31**	**(510.11)**
XI	**Profit for the year (IX-X)**		**6,055.73**	**1,318.13**
XII	**Other comprehensive income**			
	Items that may be reclassified to profit or loss			
	Exchange differences on translation of foreign operations		(2.35)	(21.77)
	Income tax relating to the above item		0.50	4.65
	Items that will not be reclassified to profit or loss			
	Loss on remeasurements of post employment benefit obligations		(7.03)	(35.25)
	Share of other comprehensive income of joint venture accounted for using equity method	5(a)(ii)	(0.09)	(0.48)
	Income tax relating to the above item		1.50	7.52
	Other comprehensive income for the year, net of tax (XII)		**(7.47)**	**(45.33)**
XIII	**Total comprehensive income for the year (XI + XII)**		**6,048.26**	**1,272.80**
	Earning per equity share (in Rs.) [Face value Rs. 2 each (March 31, 2017 : Rs. 2 each)]	**31**		
	Basic and Diluted		10.09	2.20

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

Rajib Chatterjee
Partner
Membership No :057134

Place : New Delhi
Date : May 28, 2018

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

Ramesh Suri
Chairman
DIN : 00176488

Shradha Suri
Managing Director
DIN : 00176902

Manoj K Sethi
Sr VP (Finance)

H.K. Agarwal
Sr. GM (Finance)

Rakesh Arora
Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : May 28, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity share capital

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

Particulars	Notes no	Amount
Balance at April 1, 2016	**10 (a)**	**1,199.77**
Changes in equity share capital		-
Balance at March 31, 2017		**1,199.77**
Changes in equity share capital		-
Balance at March 31, 2018		**1,199.77**

B. Other Equity

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

Particulars	Notes no	Reserves and Surplus			Other reserves	Total
		General reserve	Debenture redemption reserve	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2016	**10 (b)**	**11,675.48**	**-**	**21,155.77**	**-**	**32,831.25**
Profit for the year		-	-	1,318.13	-	1,318.13
Other comprehensive income		-	-	(45.33)	-	(45.33)
Total comprehensive income for the year		**-**	**-**	**1,272.80**	**-**	**1,272.80**
Dividends paid		-	-	(479.91)	-	(479.91)
Dividend distribution tax		-	-	(97.70)	-	(97.70)
Exchange differences on translation of foreign operations		-	-	-	21.77	21.77
Transfer to/(from) retained earnings		150.00	-	(150.00)	-	-
Balance as at March 31, 2017		**11,825.48**	**-**	**21,700.96**	**21.77**	**33,548.21**
Profit for the year		-	-	6,055.73	-	6,055.73
Other comprehensive income		-	-	(7.47)	-	(7.47)
Total comprehensive income for the year		**-**	**-**	**6,048.26**	**-**	**6,048.26**
Dividends paid		-	-	(299.94)	-	(299.94)
Dividend distribution tax		-	-	(61.06)	-	(61.06)
Exchange differences on translation of foreign operations		-	-	-	9.29	9.29
Transfer to/(from) retained earnings		150.00	-	(150.00)	-	-
Transfer to debenture redemption reserve		-	1,250.00	(1,250.00)	-	-
Balance as at March 31, 2018		**11,975.48**	**1,250.00**	**25,988.22**	**31.06**	**39,244.76**

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

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

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

Rajib Chatterjee
Partner
Membership No :057134

Place : New Delhi
Date : May 28, 2018

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

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Chairman
DIN : 00176488

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DIN : 00176902

Manoj K Sethi
Sr VP (Finance)

H.K. Agarwal
Sr. GM (Finance)

Rakesh Arora
Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : May 28, 2018

CONSOLIDATED CASH FLOW STATEMENT

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities		
Profit before tax	**8,232.04**	**808.02**
Adjustments for:		
Depreciation and amortization expense	9,199.81	8,791.20
Net loss on disposal of property, plant and equipment	16.73	1.25
Interest income on financial assets at amortized cost and others	(67.86)	(297.82)
Finance costs	4,121.11	3,935.25
Provision for inventory obsolescence made / written back	30.94	(59.85)
Unrealized foreign currency (gain) / loss (net)	783.22	(839.72)
Fair value changes on derivatives	(111.94)	855.42
Share of net profit of joint venture accounted for using equity method	(10.73)	(1.91)
Operating profit before working capital changes	**22,193.32**	**13,191.84**
Adjustments for Changes in working capital:		
(Increase)/ Decrease in loans (non-current)	(129.50)	(40.05)
(Increase)/ Decrease in other financial assets (non-current)	276.11	(302.65)
(Increase)/ Decrease in inventories	(3,470.65)	(2,801.50)
(Increase)/ Decrease in trade receivables	(3,118.94)	(3,165.00)
(Increase)/ Decrease in loans (current)	22.30	26.58
(Increase)/ Decrease in other financial assets (current)	6.05	(2,692.38)
(Increase)/ Decrease in Bank balances other than cash and cash equivalents	(307.59)	276.53
(Increase)/ Decrease in other current assets	2,344.50	(1,583.04)
Increase/ (Decrease) in non-current provisions	141.67	(17.70)
Increase/ (Decrease) in trade payables	16,836.07	6,376.90
Increase/ (Decrease) in other financial liabilities (current)	(495.47)	745.19
Increase/ (Decrease) in other current liabilities	(1,603.01)	1,194.99
Increase/ (Decrease) in current provisions	246.19	81.26
Cash generated from operations	**32,941.05**	**11,290.97**
Income tax paid (net)	(1,397.36)	(219.99)
Net cash inflow from operating activities	**31,543.69**	**11,070.98**
Cash flow from investing activities		
Payments for property, plant and equipment, capital work in progress, intangible assets and intangible assets under development	(23,143.86)	(15,428.67)
Proceeds from sale of property, plant and equipment [including insurance claim March 31, 2018 : Nil, March 31, 2017: Rs. 7,565.44 Lakhs (refer note 34)]	26.77	7,619.62
Interest received	53.13	294.83
Net cash (outflow) from investing activities	**(23,063.96)**	**(7,514.22)**
Cash flow from financing activities		
Proceeds from long term borrowings	6,500.00	5,000.00
Repayment of long term borrowings	(7,726.28)	(9,609.76)
Proceeds / (repayment) of short term borrowings	(833.98)	6,471.29
Interest paid	(4,773.12)	(4,745.33)
Dividend paid	(299.94)	(479.91)
Dividend distribution tax	(61.06)	(97.70)
Net cash (outflow) from financing activities	**(7,194.38)**	**(3,461.41)**
Net increase in cash and cash equivalents	1,285.35	95.35
Cash and cash equivalents at the beginning of the financial year	228.81	133.46
Cash and cash equivalents at the end of the financial year [refer note 5(c)]	**1,514.16**	**228.81**
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	17.53	11.26
Balance with banks	1,496.63	217.55
	1,514.16	**228.81**

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

Rajib Chatterjee
Partner
Membership No :057134

Place : New Delhi
Date : May 28, 2018

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

Ramesh Suri
Chairman
DIN : 00176488

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Manoj K Sethi
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Sr. GM (Finance)

Rakesh Arora
Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : May 28, 2018

Consolidated IND AS Financial Statements
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1. Corporate Information

Subros Limited (the Company), its subsidiary (collectively called as "Group")and 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 manufacture and sale of auto air conditioning system to automotive original equipment manufacturers.

ii. Subsidiary is engaged in import and export of parts and equipment to be used for car air conditioner, and all types of vehicle parts and equipment.

iii. 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 40% ownership by Suri family of India and 13% ownership by Denso Corporation, Japan & Suzuki Motor Corporation, Japan each.

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.

The consolidated financial statements up to year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These consolidated financial statements are the first consolidated financial statements of the group under Ind AS. Refer note 35 for an explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows.

(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 group'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 group has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

(iii) Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 on March 28, 2018 which includes Ind AS 115 'Revenue from Contracts with Customers', Appendix B to Ind AS 21, Foreign currency transactions and advance consideration and amendments to Ind AS 12, Income taxes regarding recognition of deferred tax assets on unrealized losses. The new standard and amendments will come into effect for the annual reporting periods beginning on or after April 01, 2018. The nature of changes of new standard and amendments are as follows:

a. Ind AS 115, Revenue from contracts with customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

A new five-step process must be applied before revenue can be recognized:

1. identify contracts with customers
2. identify the separate performance obligation
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations, and
5. recognize the revenue as each performance obligation is satisfied.

The new standard is mandatory for financial years commencing on or after April 1, 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

b. Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

The MCA has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies determination of the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognizes the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

The appendix can be applied:

1. retrospectively for each period presented applying Ind AS 8;

2. prospectively to items in scope of the appendix that are initially recognized on or after the beginning of the reporting period in which the appendix is first applied (i.e. April 1, 2018 for entities with March year-end); or from the beginning of a prior reporting period presented as comparative information (i.e. April 1, 2017 for entities with March year-end).

c. Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealized losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

1. A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
2. The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.
3. Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
4. Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

An entity shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognized in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

The group is currently assessing the impact of the application of Ind AS 115, Appendix B to Ind AS 21 and amendments to Ind AS 12 on the financial statements of the group.

2(b). Principles of consolidation and equity accounting

i. Subsidiary

Subsidiary is an entity over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the group. It is deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiary line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiary is shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and consolidated balance sheet respectively.

ii. 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 group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group'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 group'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 group 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 group and its joint venture are eliminated to the extent of the group'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 group.

The carrying amount of equity accounted investmentis tested for impairment in accordance with the policy described in Note 2(d)(iii) below.

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 group 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 group 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 : 15-20 years

Leasehold land is depreciated over the period of lease.

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).

In respect of property, plant and equipment owned by the subsidiary company, depreciation is charged on straight line basis over the estimated useful life as follows:-

Office equipment : 5 years

In case of Subros Limited, depreciation was historically calculated using the written down value method up to March 31, 2017. However, the Company reviewed the useful lives of various property, plant and equipment and also the method of charging depreciation. On such reviews, it was found that few assets need change in useful lives to align the future economic benefits of various assets with their pattern of consumption. Accordingly, method of charging depreciation has been changed from written down value to straight line method w.e.f. April 1, 2017. Refer note 3 for impact of such change.

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 group 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 group 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.

In respect of intangible assets owned by the subsidiary company, amortization is charged on straight line basis over the estimated useful life as follows:-

Softwares	:	10 years

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

At the end of each reporting period, the Group 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 group 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 Group 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 group 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 group 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 de-recognition 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 Group 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 group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group 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 Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Group 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.

Impairment of financial assets:

The group 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 group 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 Group 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.

i) 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 as other gains/(losses).

Borrowings are classified as current liabilities unless the group 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 Group 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 Group 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 thefinancial statements of each of the group's entities 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.

Group Companies:

The results and financial position of foreign operations (none of which has the currency of a hyper inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of that balance sheet
- Income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognized in other comprehensive income

On consolidation, exchange differences arising from the translation of any net investment in foreign entities are recognized in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as per of the gain or loss on sale.

xi) Revenue recognition and other income

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and goods and service tax (GST). Revenue from sale of goods is recognized when the amount of revenue can be reliably measured, all the significant risks and rewards of ownership in the goods are transferred to the buyer as per the terms of the contract, there is no continuing managerial involvement with the goods and the group retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

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

Income from services rendered is recognized based on agreements/ arrangements with the customers on the performance of service in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably. Revenue from services is recognized in the accounting period in which the services are rendered.

Interest income 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 group 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 out flows using interest rates of government bonds. Re-measurement 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 inequity 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

Lease of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or if lower the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of return on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which significant portion of the risks and rewards of ownership are not transferred to the group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit and Loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the group is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

xiv) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction 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. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiary and joint venture where the group 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 Group

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 recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

xvii) Trade and other payables

These amounts represent liabilities for goods and services provided to the group 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 group 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 group, which has been identified as being the chief operating decision maker (CODM), evaluates the group's performance, allocate resources based on the analysis of the various performance indicator of the group as a single unit. Refer note 23 for segment information presented.

xx) 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, 2018

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 & Fixtures	Vehicles	Office Equipments	Total	Capital work-in -progress (CWIP)
Gross carrying amount									
Deemed cost as at April 01, 2016	**718.31**	**1,323.52**	**6,532.71**	**31,508.03**	**263.50**	**352.06**	**322.03**	**41,020.16**	**4,328.20**
Additions	-	-	275.72	-	164.54	148.71	152.83	741.80	14,309.11
Transfer from CWIP	-	-	-	5,194.00	-	-	-	5,194.00	(5,194.00)
Adjustments (refer note 34)	-	-	(2,110.53)	(4,538.17)	(89.14)	-	-	(6,737.84)	(1,030.71)
Disposals	-	-	-	(26.08)	(0.28)	(14.70)	(14.37)	(55.43)	-
Balance as at March 31, 2017	**718.31**	**1,323.52**	**4,697.90**	**32,137.78**	**338.62**	**486.07**	**460.49**	**40,162.69**	**12,412.60**
Additions	1,393.44	-	-	-	110.10	147.62	426.07	2,077.23	13,995.14
Transfer from CWIP	-	-	8,563.57	13,158.81	-	-	-	21,722.38	(21,722.38)
Disposals	-	-	-	(329.44)	(2.40)	(48.47)	(24.27)	(404.58)	-
Balance as at March 31,2018	**2,111.75**	**1,323.52**	**13,261.47**	**44,967.15**	**446.32**	**585.22**	**862.29**	**63,557.72**	**4,65.36**
Accumulated depreciation									
As at April 01, 2016	-	-	-	-	-	-	-	-	-
Depreciation charge during the year	-	14.85	496.00	6,092.76	54.12	133.19	200.31	6,991.23	-
Adjustments (refer note 34)	-	-	(50.38)	(148.95)	(3.78)	-	-	(203.11)	-
Disposals	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	**-**	**14.85**	**445.62**	**5,943.81**	**50.34**	**133.19**	**200.31**	**6,788.12**	**-**
Depreciation charge during the year	-	14.86	253.95	3,751.36	37.34	61.82	119.04	4,238.37	-
Disposals	-	-	-	(290.87)	(2.39)	(44.40)	(23.42)	(361.08)	-
Balance as at March 31, 2018	**-**	**29.71**	**699.57**	**9,404.30**	**85.29**	**150.61**	**295.93**	**10,665.41**	**-**
Net carrying amount As at									
March 31, 2017	**718.31**	**1,308.67**	**4,252.28**	**26,193.97**	**288.28**	**352.88**	**260.18**	**33,374.57**	**12,412.60**
Net carrying amount As at March 31, 2018	**2,111.75**	**1,293.81**	**12,561.90**	**35,562.85**	**361.03**	**434.61**	**566.36**	**52,892.31**	**4,685.36**

Notes-

i) Depreciation pertaining to machineries used for manufacture of moulds has been capitalised during the year amounting to Rs.94.54 Lakhs (Previous year Rs 228.07 Lakhs)

ii) Capital work-in-progress mainly comprises of building and plant and machinery.

iii) In terms of IND AS - 16 on "Property, plant and equipment", the group has reviewed the useful lives of various tangible assets and also the method of charging depreciation. On such reviews, it was found that few assets need change in useful lives to align the future economic benefits of various assets with their pattern of consumption. Accordingly, 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. 3,441 Lakhs during the year ended March 31, 2018.

iv) Refer note 25 to these financial statements for disclosure of contractual commitments for the acquisition of property, plant and equipment.

v) Leasehold land represents land obtained on long term lease from various government authorities and considered as finance lease. (refer note 27)

vi) 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	Notes no	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Current:				
First Charge				
Inventories	8	23,962.61	20,522.90	17,661.55
Financial assets				
- Trade receivables	5(b)	16,139.53	13,020.59	9,855.59
- Cash and cash equivalents	5(c)	1,514.16	228.81	133.46
- Loans	5(e)	38.21	60.51	87.09
- Other financial assets	5(f)	3,279.67	3,159.05	463.68
Other current assets	7	3,099.96	5,444.46	3,861.42
Total current assets pledged as security		**48,034.14**	**42,436.32**	**32,062.79**
Non current:				
First charge				
Freehold land (Manesar)	3	-	718.31	718.31
Leasehold land (Pune)	3	-	475.38	481.24
Buildings (Manesar and Pune)	3	-	1,237.62	3,275.37
Plant and Machinery	3	35,562.85	26,193.97	31,508.03
Total non-current assets pledged as security		**35,562.85**	**28,625.28**	**35,982.95**
Total assets pledged as security		**83,596.99**	**71,061.60**	**68,045.74**

4. Intangible assets

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

Particulars	Specialized Softwares	Technical know how	Development Cost	Total	Intangible assets under development
Gross carrying amount					
Deemed cost as at April 01, 2016	119.44	4,804.59	10,368.03	15,292.06	1085.59
Additions	33.96	-	-	33.96	4461.29
Transfer from intangible assets under development	-	2,404.14	640.74	3,044.88	(3,044.88)
Disposals	-	-	-	-	-
Balance as at March 31, 2017	**153.40**	**7,208.73**	**11,008.77**	**18,370.90**	**2,502.00**
Additions	55.58	-	-	55.58	4,528.56
Transfer from intangible assets under development	-	1,090.43	1,641.89	2,732.32	(2,732.32)
Disposals	-	-	-	-	-
Balance as at March 31,2018	**208.98**	**8,299.16**	**12,650.66**	**21,158.80**	**4,298.24**
Accumulated amortization					
As at April 01, 2016	**-**	**-**	**-**	**-**	**-**
Amortization charge for the year	68.72	570.63	1,388.69	2,028.04	-
Disposals	-	-	-	-	-
Balance as at March 31, 2017	**68.72**	**570.63**	**1,388.69**	**2,028.04**	**-**
Amortization charge for the year	55.51	1,929.08	3,071.39	5,055.98	-
Disposals	-	-	-	-	-
Balance as at March 31,2018	**124.23**	**2,499.71**	**4,460.08**	**7,084.02**	**-**
Net carrying amount As at March 31, 2017	**84.68**	**6,638.10**	**9,620.08**	**16,342.86**	**2,502.00**
Net carrying amount As at March 31, 2018	**84.75**	**5,799.45**	**8,190.58**	**14,074.78**	**4,298.24**

Notes-

i) Intangible assets under development comprises of technical know how and product development cost incurred by the group.

ii) In terms of IND AS - 38 on "Intangible Assets", the group has reviewed the useful lives of various intangible assets. Based on the technical evaluation and market considerations, the group has revised the estimated life of certain intangible assets w.e.f. April 01,2017. The impact of such change was increase in "Depreciation and amortization expense" and consequent impact on "Profit Before Tax" by Rs. 2,854 lakhs during the year ended March 31, 2018.

5 (a) Interest in other entities

(i) Interest in subsidiary

Name of the entity & Equity Contribution	Place of business/country of incorporation	Ownership interest as at March 31, 2018	Ownership interest as at March 31, 2017	Ownership as at April 1, 2016	Principal activities
Thai Subros Limited [999,300 (March 31, 2017: 999,300, April 1, 2016: 999,300) fully paid up equity shares of Baht 5 each]	Thailand	100%	100%	100%	Importing and exporting of parts and equipment to be used for car air conditioner and all types of vehicles parts and equipments.

(ii) Investment accounted for using the equity method*

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

Name of the entity and Equity Contribution	Place of business/ incorporation	% of ownership Interest	Accounting method	Carrying amount as at March 31, 2018	Carrying amount as at March 31, 2017	Carrying amount as at April 1, 2016	Principal activities
Denso Subros Thermal Engineering Centre India Limited [1,767,999 (March 31, 2017: 1,767,999, April 1, 2016: 1,767,999) fully paid up equity shares of Rs. 10 each]	India	26%	Equity Method	147.20	145.77	145.77	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				10.64	1.43	-	
Total equity accounted				**157.84**	**147.20**	**145.77**	

** 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 Limited

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

Description	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Current assets			
Financial assets			
(i) Trade receivables	290.19	324.82	312.74
(ii) Cash and cash equivalents	339.93	174.22	141.72
(iii) Other current financial assets	0.71	5.19	4.84
Other current assets	41.39	69.87	96.79
Total current assets	**672.22**	**574.10**	**556.09**
Total Non-current assets	**262.40**	**344.68**	**328.00**
Current liabilities			
Financial liabilities			
(i) Trade payables	79.65	114.03	83.76
(ii) Other financial liabilities	181.43	180.54	185.94
Other current liabilities	38.15	30.44	27.04
Short-term provisions	3.67	3.59	3.50
Total current liabilities	**302.90**	**328.60**	**300.24**
Total Non-current liabilities	**24.65**	**24.02**	**23.20**
Net Assets	**607.07**	**566.16**	**560.65**

Reconciliation to Carrying amounts

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

Description	For the year ended March 31, 2018	For the year ended March 31,2017
Opening net assets	566.16	560.65
Profit for the year	41.25	7.34
Other Compresive Income	(0.34)	(1.83)
Closing net assets	**607.07**	**566.16**
Group's share in %	26%	26%
Group's share in INR	157.84	147.20
Carrying amount	**157.84**	**147.20**

Summarized Statement of Profit and Loss

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

Description	For the year ended March 31, 2018	For the year ended March 31,2017
Revenue	1,574.76	1,565.37
Employee benefits expense	(1,031.25)	(1,035.83)
Depreciation and amortisation expense	(32.20)	(31.60)
Other expenses	(441.32)	(481.29)
Income tax expenses	(28.74)	(9.31)
Profit for the year	41.25	7.34
Other comprehensive income	(0.34)	(1.83)
Total comprehensive income	**40.91**	**5.51**

Note: There are no contingent liabilities and commitments related to joint venture as on March 31, 2018, March 31, 2017 and April 01, 2016.

5(b). Trade receivables

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Trade receivables	16,121.04	12,990.35	9,809.66
Receivables from related parties (refer note 24)	18.49	30.24	45.93
Less: Allowance for doubtful debts	-	-	-
Total trade receivables	**16,139.53**	**13,020.59**	**9,855.59**
Current portion	16,139.53	13,020.59	9,855.59
Non-current portion	-	-	-

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Secured, considered good	-	-	-
Unsecured, considered good	16,139.53	13,020.59	9,855.59
Doubtful	-	-	-
Total	**16,139.53**	**13,020.59**	**9,855.59**
Allowance for doubtful debts	-	-	-
Total trade receivables	**16,139.53**	**13,020.59**	**9,855.59**

5(c). Cash and cash equivalents

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with banks			
- In current accounts	1,496.63	217.55	116.36
Cash on hand	17.53	11.26	17.10
Total Cash and cash equivalents	**1,514.16**	**228.81**	**133.46**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

5(d) Bank balances other than cash and cash equivalents

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Earmarked balances with banks*			
Deposits with original maturity of more than three months but less than 12 months	453.49	145.90	422.43
Unpaid dividend account	32.40	33.68	32.85
Total bank balances other than cash and cash equivalents	**485.89**	**179.58**	**455.28**

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

5(e) Loans *(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Unsecured, considered good						
Security deposits						
Related parties (refer note 24)	-	239.09	-	240.59	-	240.02
Others	-	657.90	-	552.18	-	502.22
Loans to employees	38.21	40.90	60.51	15.62	87.09	26.10
Total loans	**38.21**	**937.89**	**60.51**	**808.39**	**87.09**	**768.34**

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Deposits with maturity of more than 12 months*	-	175.28	-	451.39	-	148.74
Interest accrued on bank deposits	40.24	-	25.51	-	22.52	-
Derivatives assets	24.19	-	-	-	441.16	-
Due on account of factoring arrangement	2,277.18	-				
Insurance claim recoverable (refer note 34)	938.06	-	3,133.54	-	-	-
Total other financial assets	**3,279.67**	**175.28**	**3,159.05**	**451.39**	**463.68**	**148.74**

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

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, 2018	For the year ended March 31, 2017
a) Tax expense		
Current tax		
Current tax on profits for the year	1,785.40	198.65
Adjustments for current tax of prior periods	2.31	0.28
Total current tax expense	**1,787.71**	**198.93**
Deferred tax		
MAT credit entitlement	(1,784.90)	(194.00)
Decrease / (increase) in deferred tax assets	1,070.55	(850.59)
(Decrease) / increase in deferred tax liabilities	1,102.95	335.55
Total deferred tax expense / (benefit)	**388.60**	**(709.04)**
Total tax expense / (credit)	**2,176.31**	**(510.11)**

b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Accounting Profit before tax	8,232.02	808.02
Computed tax expense at applicable tax rate of 34.608% (previous year 34.608%)	2,848.94	279.64
Tax effect of :		
Expenses disallowed	46.45	46.92
Difference in tax rates and MAT credit	(2,892.58)	(321.63)
Incremental deferred tax asset on account of financial assets and other items	1,070.55	(850.59)
Incremental deferred tax liability on account of tangible and intangible assets	1,102.95	335.55
Tax expense recognized in Statement of Profit and Loss	**2,176.31**	**(510.11)**

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	Recognised in Profit or loss-Credit/(charge)	Recognized in Other Comprehensive Income-Credit/(charge)	Adjustments	Closing Balance
2016-17					
Deferred tax liability in relation to:					
Property, plant and equipment and intangible assets	4,637.48	(335.55)	-	-	4,973.03
Total deferred tax liability (A)	**4,637.48**	**(335.55)**	**-**	-	**4,973.03**
Deferred tax assets in relation to:					
Expenses deductible in future years	240.60	(6.01)	-	-	234.59
Remeasurement of post employment benefit obligations	-	-	12.17	(4.65)	12.17
Deduction allowable on unabsorbed depreciation	1,485.95	819.04	-	-	2,304.99
Other items	68.36	37.56	-	-	105.92
Total deferred tax assets(B)	**1,794.91**	**850.59**	**12.17**	**(4.65)**	**2,653.02**
Deferred tax liability(net) (C) = (A) - (B)	**2,842.57**	**515.04**	**12.17**	**(4.65)**	**2,320.01**
Minimum alternative tax credit (D)	**3,654.57**	**194.00**	**-**	-	**3,848.57**
Deferred tax liability/(asset) (net) (C) -(D)	**(812.00)**	**709.04**	**12.17**	**(4.65)**	**(1,528.56)**
2017-18					
Deferred tax liability in relation to:					
Property, plant and equipment and intangible assets	4,973.03	(1,102.95)	-	-	6,075.98
Total deferred tax liability(A)	**4,973.03**	**(1,102.95)**	**-**	-	**6,075.98**
Deferred tax assets in relation to:					
Expenses deductible in future years	234.59	143.82	-	-	378.41
Remeasurement of post employment benefit obligations	7.52	-	2.00	(0.50)	9.02
Deduction allowable on unabsorbed depreciation	2,304.99	(1,210.94)	-	-	1,094.05
Other items	105.92	(3.43)	-	-	102.49
Total deferred tax assets(B)	**2,653.02**	**(1,070.55)**	**2.00**	**(0.50)**	**1,583.97**
Deferred tax liability(net) (C)	**2,320.01**	**(2,173.50)**	**2.00**	**(0.50)**	**4,492.01**
Minimum alternative tax credit (D)	**3,848.57**	**1,784.90**	**-**	-	**5,633.47**
Deferred tax liability/(asset) (net) (C) -(D)	**(1,528.56)**	**(388.60)**	**2.00**	**(0.50)**	**(1,141.46)**

Note

1. Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.
2. In view of the group's past financial performance and future profit projections, the group expects that it shall generate sufficient future taxable income to fully recover the deferred tax assets.

7. Other assets

(unsecured and considered good, unless otherwise stated) *(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Capital advances						
-Related party (refer note 24)	-	-	-	8.00	-	8.97
-Others	-	2,617.87	-	2,114.29	-	1,122.30
Advance to suppliers						
-Related party (refer note 24)	133.09	-	143.08	-	148.90	-
-Others	703.09	-	885.63	-	229.57	-
Gratuity fund (refer note 28)	-	-	0.63		88.44	
Prepaid expenses	324.50	-	629.76	-	442.47	-
Recoverable from statutory authorities	1,939.28	-	3,785.36	-	2,952.04	-
Total other assets	**3,099.96**	**2,617.87**	**5,444.46**	**2,122.29**	**3,861.42**	**1,131.27**

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Raw material & spares *	19,265.36	16,197.05	13,520.22
Work-in progress	1,548.36	1,806.00	1,473.21
Finished goods	505.27	292.37	229.96
Stores	2,643.62	2,227.48	2,438.16
Total Inventories	**23,962.61**	**20,522.90**	**17,661.55**

Inventory includes in transit inventory of:-

Raw material & spares	2,664.00	52.85	133.11
Finished goods	74.49	-	-

* Net of provision for inventory obsolescence amounting to Rs. 244.14 Lakhs as at March 31, 2018 (March 31, 2017: Rs. 213.20 Lakhs, April 1, 2016 Rs. 273.05 Lakhs). An amount of Rs. 30.94 Lakhs has been recognized as an expense during the year (Rs. 59.85 Lakhs written back during the year ended March 31, 2017) 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 group.

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Advance tax (net of provisions - March 31, 2018: Rs. 2,091.23 Lakhs; March 31, 2017: Rs. 2,089.72 Lakhs; April 01, 2016: Rs. 1,895.44 Lakhs)	210.40	179.43	153.72
Total non-current tax assets	**210.40**	**179.43**	**153.72**

10. Equity

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Authorized share capital			
125,000,000 (as at March 31, 2017 : 75,000,000; as at April 1,2016 : 75,000,000) Equity shares of Rs. 2 each	2,500.00	1,500.00	1,500.00
Issued share capital			
59,994,300 (as at March 31, 2017 : 59,994,300; as at April 1,2016 : 59,994,300) Equity shares of Rs. 2 each	1,199.89	1,199.89	1,199.89
Subscribed and paid up share capital			
59,988,600 (as at March 31, 2017 : 59,988,600; as at April 1,2016 : 59,988,600) Equity shares of Rs. 2 each, fully paid up	1,199.77	1,199.77	1,199.77
Total	**1,199.77**	**1,199.77**	**1,199.77**

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, 2018		For the year ended March 31, 2017	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	5,99,88,600	1,199.77	5,99,88,600	1,199.77
Add: Shares issued/ (bought back) during the year	-	-	-	-
Balance at the end of the year	**5,99,88,600**	**1,199.77**	**5,99,88,600**	**1,199.77**

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

Name of shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Number of shares held	% of holding	Number of shares held	% of holding	Number of shares held	% of holding
Deeksha Holding Limited	1,01,37,760	16.90%	1,01,37,760	16.90%	1,01,37,760	16.90%
Jyotsna Holding Private Limited	34,48,000	5.74%	34,48,000	5.74%	34,48,000	5.74%
R R Holdings Private Limited	32,08,000	5.35%	32,08,000	5.35%	32,08,000	5.35%
Ramesh Suri (HUF)	30,40,000	5.07%	30,40,000	5.07%	30,40,000	5.07%
Denso Corporation	78,00,000	13.00%	78,00,000	13.00%	78,00,000	13.00%
Suzuki Motor Corporation	78,00,000	13.00%	78,00,000	13.00%	78,00,000	13.00%

10(b) Other equity

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
General reserve	11,975.48	11,825.48	11,675.48
Debenture redemption reserve	1,250.00	-	-
Retained earnings	25,988.22	21,700.96	21,155.77
Total reserves and surplus	**39,213.70**	**33,526.44**	**32,831.25**

i) General reserve *(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	11,825.48	11,675.48
Transfer from retained earnings	150.00	150.00
Closing balance	**11,975.48**	**11,825.48**

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.

ii) Retained earnings *(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	**21,700.96**	**21,155.77**
Add: Profit for the year	6,055.73	1,318.13
Add: Other comprehensive income	(7.47)	(45.33)
Less: Appropriations		
Transfer to general reserve	(150.00)	(150.00)
Transfer to debenture redemption reserve	(1,250.00)	-
Dividend on equity shares including related income tax	(361.00)	(577.61)
Closing balance	**25,988.22**	**21,700.96**

During the year, a dividend of Rs. 0.50 per share, total dividend Rs. 299.94 Lakhs (previous year: Rs. 0.80 per share, total dividend Rs. 479.91 Lakhs) was paid to equity shareholders.

The Board of Directors recommended a final dividend of Rs. 1.10 per share (nominal value of Rs. 2 per share) for the financial year 2017-18. 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. 794.20 Lakhs including dividend distribution tax of Rs. 134.33 Lakhs.

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening balance	-	-
Transfer from retained earnings	1,250.00	-
Closing balance	**1,250.00**	-

The Companies Act 2013 requires that where a group issues debentures, it shall create a debenture redemption reserve out of profits of the group available for payment of dividend. The group 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 group 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, 2018	For the year ended March 31, 2017
Opening balance	**21.77**	-
Additions during the year	9.29	21.77
Closing balance	**31.06**	**21.77**

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. The cumulative amount is reclassified to profit or loss when the net investment is disposed off.

11. Financial liabilities

11(a) Non-current borrowings

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Secured			
Debentures			
8.50% Non-convertible redeemable debentures	**5,000.00**	-	-
Term loans			
Foreign currency loans from banks	**6,278.20**	8,903.07	8,823.08
Indian Rupee loans from banks	**10,122.81**	12,843.64	17,347.30
Term loans from other than banks	**949.84**	1,833.33	2,741.21
Total Non-current borrowings	**22,350.85**	**23,580.04**	**28,911.59**
Less: Current maturities of long term debt [included in note 11(c)]	**6,966.60**	7,752.60	9,711.26
Less: Interest accrued [included in note 11(c)]	**124.41**	151.09	154.86
Non-current borrowings	**15,259.84**	**15,676.35**	**19,045.47**

Borrowings	Security	As at March 31, 2018	As at March 31,2017	As at April 1,2016	Maturity date	Terms of repayment	Coupon/ Interest rate
8.50% Non-convertible redeemable debenture	First charge on movable fixed assets of company	5,000.00	-	-	April, 2020	Three yearly instalments commencing from April 2018	8.50% p.a. (March 31, 2017 : Not applicable, April 1, 2016: Not applicable)
Borrowings	**Security**	**As at March 31, 2018**	**As at March 31,2017**	**As at April 1,2016**	**Maturity date**	**Terms of repayment**	**Coupon/ Interest rate**
Foreign currency loans from banks							
FC Loan 1	Exclusive charge on specific machineries	-	-	1,832.20	March, 2017	Sixteen quarterly instalments commencing from June 2013	USD 3M LIBOR+Margin of 2.15% p.a
FC Loan 2	Exclusive charge over specific assets	2,570.18	2,926.46	-	September, 2021	Sixteen quarterly instalments commencing from December 2017	USD 3.25% p.a
FC Loan 3	Exclusive charge over specific assets	1,719.78	1,958.22	-	September, 2021	Sixteen quarterly instalments commencing from December 2017	USD 3.32% p.a
FC Loan 4	Exclusive charge on movable fixed assets and sub-servient charge over movable fixed assets	-	1,387.37	3,662.20	September, 2017	Seven half yearly instalments commencing from September 2014	JPY 6M LIBOR + Margin of 2.25% p.a
FC Loan 5	Exclusive charge on movable fixed assets and sub-servient charge over movable fixed assets	1,988.24	2,631.02	3,328.68	March, 2020	Eight half yearly instalments commencing from September 2016	USD 6M LIBOR+Margin of 2.1% p.a
Total		**6,278.20**	**8,903.07**	**8,823.08**			

Borrowings	Security	As at March 31, 2018	As at March 31,2017	As at April 1,2016	Maturity date	Terms of repayment	Coupon/ Interest rate
Indian Rupee loans from banks							
Loan 1	First charge on specific machineries in Noida, Pune and Manesar and equitable mortgage on Pune land & building	-	625.00	1,875.00	August, 2017	Sixteen quarterly equal instalments commencing from November 2013	10.40% p.a. (March 31, 2017 : 10.40%, April 1, 2016: 10.40%)
Loan 2	First charge on movable fixed assets (March 31, 2017 and April 1, 2016 : Equitable mortgage on Manesar land and building)	3,020.87	4,534.48	6,050.05	March, 2020	Twenty quarterly equal instalment commencing from June 2015	8.35% p.a. (March 31, 2017: 8.95%, April 1, 2016: 9.85%)
Loan 3	First charge on movable fixed assets (March 31, 2017 and April 1, 2016 : Equitable mortgage on Manesar land and building)	-	379.05	1,134.39	September, 2017	Sixteen quarterly equal instalments commencing from December 2013	8.70% p.a. (March 31, 2017: 8.95%, April 1, 2016: 9.85%)
Loan 4	First charge on movable fixed assets (March 31, 2017 and April 1, 2016 : Equitable mortgage on Manesar land and building)	2,769.13	3,778.50	4,786.92	December, 2020	Twenty quarterly equal instalment commencing from March 2016	8.35% p.a. (March 31, 2017: 8.95%, April 1, 2016: 9.85%)
Loan 5	First charge on movable fixed assets (March 31, 2017 and April 1, 2016 : Equitable mortgage on Manesar land and building)	2,820.30	3,526.61	3,500.94	March, 2022	Twenty quarterly equal instalment commencing from June 2017	8.35% p.a. (March 31, 2017: 8.95%, April 1, 2016: 9.85%)
Loan 6	First charge on movable fixed assets	1,512.51	-	-	November, 2022	Fourteen quarterly equal installments commencing from Aug 2019	MCLR + 20 bps (March 31, 2017 : Not applicable, April 1, 2016: Not applicable)
Total		**10,122.81**	**12,843.64**	**17,347.30**			

Borrowings	Security	As at March 31, 2018	As at March 31,2017	As at April 1,2016	Maturity date	Terms of repayment	Coupon/ Interest rate
Term loans from other than banks							
Loan 1	Exclusive charge on specific fixed assets	949.84	1,833.33	2,741.21	May, 2019	Eighteen quarterly instalment commencing from February 2014	9.25% p.a. (March 31, 2017: 9.70%, April 1, 2016: 10.05%)

11(b). Current borrowings

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Secured			
From banks			
Cash credit	2,377.26	3,850.24	836.49
Buyers' credit	279.70	3,118.25	-
	2,656.96	**6,968.49**	**836.49**
Unsecured			
Working capital loan from banks	8,365.16	4,500.00	4,402.55
Buyers' credit	2,824.35	597.66	3,089.99
Commercial paper	2,458.12	4,947.21	2,468.22
	13,647.63	**10,044.87**	**9,960.76**
Total current borrowings	**16,304.59**	**17,013.36**	**10,797.25**
Less: Interest accrued [included in note 11(c)]	19.80	-	-
Total current borrowings	**16,284.79**	**17,013.36**	**10,797.25**

Borrowings	Security	As at March 31, 2018	As at March 31,2017	As at April 1,2016	Coupon/ Interest rate	Maturity date	Terms of repayment
Secured							
Cash credit	First charge on current assets of the company	2,377.26	3,850.24	836.49	1yr MCLR(8.40%) + 50 BPS (March 31, 2017: 1yr MCLR + 50 BPS, April 1, 2016: base rate + 1.5%)	Payable on Demand	Payable on Demand
Buyers' credit	First charge on current assets of the company	279.70	3,118.25	-	LIBOR + 36 BPS (March 31, 2017: LIBOR + 40 BPS to 68 BPS, April 1, 2016: Not applicable)	180 days from the date of availment	180 days from the date of availment
Unsecured							
Working capital loan from bank	Not applicable	3,345.36	4,500.00	4,402.55	7.90% to 8.50% (March 31, 2017: 8.45% to 8.50%, April 1, 2016: 9.95%)	75 days from the date of availment	75 days from the date of availment
Working capital loan from bank	Not applicable	2,502.82	-	-	8.25% (March 31, 2017: Not applicable, April 1, 2016 : Not applicable)	June 25, 2018	90 days from the date of availment
Working capital loan from bank	Not applicable	2,516.98	-	-	8.00% (March 31, 2017: Not applicable, April 1, 2016 : Not applicable)	May 24, 2018	90 days from the date of availment
Buyers' credit from bank	Not applicable	2,824.35	597.66	3,089.99	LIBOR + 40 BPS to 68 BPS (March 31, 2017: LIBOR + 40 BPS to 68 BPS, April 1, 2016 : LIBOR + 40 BPS to 68 BPS)	180 days from the date of availment	180 days from the date of availment
Commercial paper	Not applicable	2,458.12	4,947.21	2,468.22	7.90% (March 31, 2017: 7%, April 1, 2016 : 8.40%)	June 4, 2018	90 days from the date of issue
Total		**16,304.59**	**17,013.36**	**10,797.25**			

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Secured			
Current maturities of long term debt	6,966.60	7,752.60	9,711.26
Capital creditors	3,195.96	5,447.27	796.83
Interest accrued	144.21	151.09	154.86
Security deposit received			
-Related party (refer note 24)	5.34	5.34	-
-Others	41.24	68.24	42.08
Unclaimed dividend*	32.40	33.68	32.85
Derivative liability	-	1,403.94	-
Others			
Due to director (refer note 24)	110.00	8.85	39.74
Payable to employees	2,134.83	1,300.51	1,104.45
Total	**12,630.58**	**16,171.52**	**11,882.07**

** The group has deposited an amount of Rs. 4.00 Lakhs (Previous year Rs. 3.72 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, 2018	As at March 31,2017	As at April 1,2016
Total outstanding dues of micro enterprises and small enterprises*	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	40,948.62	23,945.58	18,011.51
Total	**40,948.62**	**23,945.58**	**18,011.51**

** The group, based on the information available with the management on the status of the suppliers, does not have any dues to enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006.*

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Opening balance	-		
Current tax payable on profit and other comprehensive income for the year	1,785.71	-	-
Less:- Taxes paid	1,364.89	-	-
Closing balance	**420.82**	**-**	**-**

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Current	Non-current	Current	Non-current	Current	Non-current
Provision for employee benefits:						
Provision for leave encashment (refer note 28)	460.09		324.19	-	269.27	-
Provision for gratuity (refer note 28)	-	75.17	-	-	-	-
Provision for warranty	248.09	165.39	137.80	91.86	111.46	74.31
Total	**708.18**	**240.56**	461.99	91.86	380.73	74.31

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 group 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 furture 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 group productivity and quality initiatives.

ii) Movement in provision for warranty *(All amounts in Rs. Lakhs, unless otherwise stated)*

As at April 1, 2016	**185.77**
Charged/(credited) to profit or loss	
Additional provisions recognised	160.73
Unwinding of discount on provision for warranty	6.00
Discounting of additional provision recognised	(4.68)
Amounts utilized during the year	(118.16)
As at March 31, 2017	**229.66**
Charged/(credited) to profit or loss	
Additional provisions recognised	275.65
Unwinding of discount on provision for warranty	8.79
Discounting of additional provision recognised	(12.63)
Amounts utilized during the year	(87.99)
As at March 31, 2018	**413.48**

Sensitivity Analysis

As at March 31, 2018, provision for warranty had a carrying amount of Rs. 413.48 Lakhs (March 31, 2017: Rs. 229.66 Lakhs; April 1, 2016: Rs. 185.77 Lakhs). Were warranty claim costs to differ by 10% of the management's estimates, the provision would be an estimated Rs. 41.35 Lakhs higher or lower (March 31, 2017: Rs. 22.97 Lakhs higher or lower; April 1, 2016: Rs. 18.58 Lakhs higher or lower).

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Statutory dues	1,510.23	1,233.26	1,025.74
Advances from customers	1,263.31	3,143.29	2,155.82
Total	**2,773.54**	**4,376.55**	**3,181.56**

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of products (including excise duty)	1,96,418.58	1,73,673.24
Other operating revenues		
Sale of services	400.54	362.54
Sale of scrap	137.24	84.78
Total	**1,96,956.36**	1,74,120.56

Note 1: Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind-AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the ended March 31, 2018 by Rs. 5,667 Lakhs (Rs. 20,635.77 Lakhs for previous year). There is no impact on total equity and profit.

Note 2: Revenue from operations for current year upto June 30, 2017 include excise duty, which is discontinued effective July 01, 2017 upon implementation of Goods and Services Tax (GST) in India. In view of the aforesaid restructuring of indirect taxes, revenue from sale of products and revenue from operations for the year ended March 31, 2018 are not comparable with the previous year. The following additional information is being provided to facilitate such understanding.

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from operations	1,96,956.36	1,74,120.56
Less : Excise duty	5,667.00	20,635.77
Revenue from operations excluding excise duty	**1,91,289.36**	1,53,484.79

15. Other Income

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on:		
a) Financial assets at amortized cost	63.95	280.58
b) Others	3.91	17.24
Exchange variation on foreign currency transactions (net)	429.58	380.25
Fair value changes on derivatives	111.94	-
Rental income	48.57	46.13
Other miscellaneous income	80.25	2.39
Total	**738.20**	**726.59**

16. Cost of material consumed

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Raw material and spares*		
Raw material & spares at the beginning of the year	16,197.05	13,520.22
Add: Purchase of raw material & spares	1,36,518.19	1,09,767.06
Less: Raw material & spares at the end of the year	19,265.36	16,197.05
Total	**1,33,449.88**	**1,07,090.23**

* Also refer note 34.

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, 2018	For the year ended March 31, 2017
Finished goods		
Closing balance	505.27	292.37
Less:- Opening balance	292.37	229.96
	212.90	**62.41**
Work-in-progress		
Closing balance	1,548.36	1,806.00
Less:- Opening balance	1,806.00	1,473.21
	(257.64)	**332.79**
Increase / (decrease)	**(44.74)**	**395.20**

18. Employee benefits expense

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	16,105.81	13,063.54
Contribution to provident and other funds	858.14	695.34
Staff welfare expenses	1,858.62	1,623.35
Total	**18,822.57**	**15,382.23**

19. Finance costs

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest costs:		
- Loans from banks	2,740.38	2,822.28
- Loans from others	272.43	258.59
Exchange differences regarded as an adjustment to borrowing costs	1,273.30	1,084.38
Fair value changes on derivatives	-	855.42
	4,286.11	**5,020.67**
Less:- Amount Capitalised*	165.00	230.00
Total	**4,121.11**	**4,790.67**

** The capitalization rate used to determine the amount of borrowing costs to be capitalized is the weighted average interest rate applicable to the group's general borrowings during the year, in this case 8.73% (March 31, 2017 9.65%)*

20. Depreciation and amortisation expense

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation on property, plant and equipment (refer note 3)	4,143.83	6,763.16
Amortization of intangible assets (refer note 4)	5,055.98	2,028.04
Total	**9,199.81**	**8,791.20**

21. Other expenses

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores	4,342.56	3,527.18
Power & fuel	3,077.56	2,517.59
Rent	530.97	350.07
Repair and maintenance: Building	339.78	298.24
Repair and maintenance: Plant and machinery	1,509.62	1,324.58
Repair and maintenance: Others	224.42	235.09
Rates, taxes and fees	68.79	117.76
Insurance	451.01	313.98
Royalty	1,703.83	1,395.00
Warranty expenses	180.98	156.05
Selling & distribution expenses	2,912.49	2,007.68
Legal and professional charges	318.11	315.03
Vehicle running and maintenance	187.66	204.09
Travelling and conveyance	530.58	456.63
Payment to auditors (Refer note 21 (a) below)	41.09	35.93
Net loss on disposal of property, plant and equipment	16.73	1.25
Corporate social responsibility expenses (Refer note 21 (b) below)	39.29	44.15
Director's sitting fees	36.66	43.90
Other miscellaneous expenses	1,474.01	1,305.74
TOTAL	**17,986.14**	**14,649.94**

21(a) Details of payment to auditors

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Payment to auditors*		
As auditor:		
Audit fees (including limited review)	35.79	24.16
Tax audit fee	1.00	2.12
In other capacities:		
Taxation matters	-	5.35
Other services	2.05	3.05
Reimbursement of expenses	2.25	1.25
Total	**41.09**	**35.93**

* Excluding applicable taxes

21(b) Corporate social responsibility expenses

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Contribution to green plantations	22.75	26.40
Contribution to education for under- priviledged children	15.38	0.80
Contribution to skills developments	1.16	16.95
Total	39.29	44.15
Amount required to be spent as per Section 135 of the Act	37.34	43.95
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(i) On purpose other than above	**39.29**	44.15
Total	**39.29**	**44.15**

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, 2018 is as follows:

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

Particulars	FVOCI	FVTPL	Amortized cost	Total
Financial assets				
i) Trade receivables	-	-	16,139.53	16,139.53
ii) Cash and cash equivalents	-	-	1,514.16	1,514.16
iii) Bank balance other than cash and cash equivalents	-	-	485.89	485.89
iv) Loans	-	-	976.10	976.10
v) Other financial assets	-	24.19	3,430.76	3,454.95
Total financial assets	**-**	**24.19**	**22,546.44**	**22,570.63**
Financial liabilities				
i) Borrowings	-	-	31,544.63	31,544.63
ii) Trade payables	-	-	40,948.62	40,948.62
iii) Other financial liabilities	-	-	12,630.58	12,630.58
Total financial liabilities	**-**	**-**	**85,123.83**	**85,123.83**

The carrying value and fair value of financial instruments by categories as of March 31, 2017 is as follows:

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

Particulars	FVOCI	FVTPL	Amortised cost	Total
Financial assets				
i) Trade receivables	-	-	13,020.59	13,020.59
ii) Cash and cash equivalents	-	-	228.81	228.81
iii) Bank balance other than cash and cash equivalents	-	-	179.58	179.58
iv) Loans	-	-	868.90	868.90
v) Other financial assets	-	-	3,610.44	3,610.44
Total financial assets	**-**	**-**	**17,908.32**	**17,908.32**
Financial liabilities				
i) Borrowings	-	-	32,689.71	32,689.71
ii) Trade payables	-	-	23,945.58	23,945.58
iii) Other financial liabilities	-	1,403.94	14,767.58	16,171.52
Total financial liabilities	**-**	**1,403.94**	**71,402.87**	**72,806.81**

The carrying value and fair value of financial instruments by categories as of April 1, 2016 is as follows:

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

Particulars	FVOCI	FVTPL	Amortised cost	Total
Financial assets				
i) Trade receivables	-	-	9,855.59	9,855.59
ii) Cash and cash equivalents	-	-	133.46	133.46
iii) Bank balance other than cash and cash equivalents	-	-	455.28	455.28
iv) Loans	-	-	855.43	855.43
v) Other financial assets	-	441.16	171.26	612.42
Total financial assets	**-**	**441.16**	**11,471.02**	**11,912.18**
Financial liabilities				
i) Borrowings	-	-	29,842.72	29,842.72
ii) Trade payable	-	-	18,011.51	18,011.51
iii) Other financial liabilities	-	-	11,882.07	11,882.07
Total financial liabilities	**-**	**-**	**59,736.30**	**59,736.30**

The following tables provides an analysis of financial assets and liabilities that are measured at fair value - recurring fair value measurements, grouped into level 1 to level 3, as described below:

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

Particulars	Notes no.	As at March 31, 2018			
		Level 1	Level 2	Level 3	Total
Financial assets					
Derivatives assets	5(f)	-	24.19	-	24.19
Total financial assets		**-**	**24.19**	**-**	**24.19**
Financial liabilities		-	-	-	-
Total financial liabilities		-	-	-	-

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

Particulars	Notes no.	As at March 31, 2017			
		Level 1	Level 2	Level 3	Total
Financial assets		-	-	-	-
Total financial assets		**-**	**-**	**-**	**-**
Financial liabilities		-	-	-	-
Derivative liability	11(c)		1,403.94		1,403.94
Total financial liabilities		**-**	**1,403.94**	**-**	**1,403.94**

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

Particulars	Notes no.	As at March 31, 2016			
		Level 1	Level 2	Level 3	Total
Financial assets					
Derivatives assets	5(f)	-	441.16	-	441.16
Total financial assets		**-**	**441.16**	**-**	**441.16**
Financial liabilities		-	-	-	-
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	Notes no.	As at March 31, 2018			
		Level 1	Level 2	Level 3	Total
Financial assets					
Security deposits	5(e)	-	-	896.99	896.99
Loans to employees	5(e)	-	-	79.11	79.11
Trade receivables	5(b)	-	-	16,139.53	16,139.53
Cash and cash equivalents	5(c)	-	-	1,514.16	1,514.16
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	453.49	453.49
Deposits with maturity of more than 12 months	5(f)	-	-	175.28	175.28
Unpaid dividend account	5(d)	-	-	32.40	32.40
Interest accrued on bank deposits	5(f)	-	-	40.24	40.24
Due on account of factoring arrangement	5(f)	-	-	2,277.18	2,277.18
Insurance claim recoverable	5(f)	-	-	938.06	938.06
Total financial assets		**-**	**-**	**22,546.44**	**22,546.44**
Financial liabilities					
Borrowings	11(a) & 11(b)	-	-	31,544.63	31,544.63
Trade payables	11(d)	-	-	40,948.62	40,948.62
Current maturities of long term debt	11(c)	-	-	6,966.60	6,966.60
Capital creditors	11(c)	-	-	3,195.96	3,195.96
Interest accrued	11(c)	-	-	144.21	144.21
Security deposit received	11(c)	-	-	46.58	46.58
Unclaimed dividend	11(c)	-	-	32.40	32.40
Others					
Due to director	11(c)	-	-	110.00	110.00
Payable to employees	11(c)	-	-	2,134.83	2,134.83
Total financial liabilities		**-**	**-**	**85,123.83**	**85,123.83**

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

Particulars	Notes no.	As at March 31, 2017			
		Level 1	Level 2	Level 3	Total
Financial assets					
Security deposits	5(e)	-	-	792.77	792.77
Loans to employees	5(e)	-	-	76.13	76.13
Trade receivables	5(b)	-	-	13,020.59	13,020.59
Cash and cash equivalents	5(c)	-	-	228.81	228.81
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	145.90	145.90
Deposits with maturity of more than 12 months	5(f)	-	-	451.39	451.39
Unpaid dividend account	5(d)	-	-	33.68	33.68
Interest accrued on bank deposits	5(f)	-	-	25.51	25.51
Insurance claim recoverable	5(f)	-	-	3,133.54	3,133.54
Total financial assets		**-**	**-**	**17,908.32**	**17,908.32**
Financial liabilities					
Borrowings	11(a) & 11(b)	-	-	32,689.71	32,689.71
Trade payables	11(d)	-	-	23,945.58	23,945.58
Current maturities of long term debt	11(c)	-	-	7,752.60	7,752.60
Capital creditors	11(c)	-	-	5,447.27	5,447.27
nterest accrued	11(c)	-	-	151.09	151.09
Security deposit received	11(c)	-	-	73.58	73.58
Unclaimed dividend	11(c)	-	-	33.68	33.68
Others					
Due to director	11(c)	-	-	8.85	8.85
Payable to employees	11(c)	-	-	1,300.51	1,300.51
Total financial liabilities		**-**	**-**	**71,402.87**	**71,402.87**

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

Particulars	Notes no.	As at March 31, 2016			
		Level 1	Level 2	Level 3	Total
Financial assets					
Security deposits	5(e)	-	-	742.24	742.24
Loans to employees	5(e)	-	-	113.19	113.19
Trade receivables	5(b)	-	-	9,855.59	9,855.59
Cash and cash equivalents	5(c)	-	-	133.46	133.46
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	422.43	422.43
Deposits with maturity of more than 12 months	5(f)	-	-	148.74	148.74
Unpaid dividend account	5(d)	-	-	32.85	32.85
Interest accrued on bank deposits	5(f)	-	-	22.52	22.52
Total financial assets		**-**	**-**	**11,471.02**	**11,471.02**
Financial liabilities					
Borrowings	11(a) & 11(b)	-	-	29,842.72	29,842.72
Trade payables	11(d)	-	-	18,011.51	18,011.51
Current maturities of long term debt	11(c)	-	-	9,711.26	9,711.26
Capital creditors	11(c)	-	-	796.83	796.83
Interest accrued	11(c)	-	-	154.86	154.86
Security deposit received	11(c)	-	-	42.08	42.08
Unclaimed dividend	11(c)	-	-	32.85	32.85
Others					
Due to director	11(c)	-	-	39.74	39.74
Payable to employees	11(c)	-	-	1,104.45	1,104.45
Total financial liabilities		**-**	**-**	**59,736.30**	**59,736.30**

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 31,2018, March 31, 2017 and as at April 01, 2016.

Valuation technique used to determine fair value : The group 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 group'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.

All short term financial assets and liabilities like trade receivables, cash and cash equivalents, deposit with banks, recoverable from factoring arrangements, insurance claim recoverable, 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 group 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 group'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 group, 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 forecast	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 group if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the group and arises principally from the group'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 group 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 group has developed guidelines for the management of credit risk from trade receivables. The group's primary customers are major Indian automobile manufacturers (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 group'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 group are exhausted and / or it becomes certain that said balances will not be recovered.

Liquidity risk

The liquidity risk encompasses any risk that the group cannot fully meet its financial obligations. To manage the liquidity risk, the group'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 group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The group raises short term rupee borrowings for cash flow mismatches and hence carries no significant liquidity risk.

(i) Financing arrangements

The group 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, 2018	As at March 31,2017	As at April 1,2016
Floating rate:			
-Expiring within one year (cash credit, working capital loans and other facilities)	19,703.68	30,462.63	41,435.69
-Expiring beyond one year (bank loans)	6,000.00	-	-

(ii) Maturities of financial liabilities

The table below analyze the group'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)

Contractual maturities of financial liabilities	Upto 1 year	1-5 Years	More than 5 years	Total
As at March 31, 2018				
Borrowings (including interest)*	24,911.40	16,810.65	-	41,722.05
Trade payables	40,948.62	-	-	40,948.62
Other financial liabilities	5,663.98	-	-	5,663.98
Total	**71,524.00**	**16,810.65**	**-**	**88,334.65**
As at March 31, 2017				
Borrowings (including interest)*	26,365.92	18,018.25	-	44,384.17
Trade payables	23,945.58	-	-	23,945.58
Other financial liabilities	7,014.98	-	-	7,014.98
Total	**57,326.48**	**18,018.25**	**-**	**75,344.73**
As at April 1, 2016				
Borrowings (including interest)*	22,529.76	21,195.29	-	43,725.05
Trade payables	18,011.51	-	-	18,011.51
Other financial liabilities	2,170.81	-	-	2,170.81
Total	**42,712.08**	**21,195.29**	**-**	**63,907.37**

* 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 group has exposure to foreign currency risk on account of its payables and external commercial borrowings. The group 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: *(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars/Purpose	Currency	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Hedge of External commercial borrowings	USD (In Lakhs)	95.39	114.74	77.50
	INR (in Lakhs)	6,347.80	7,630.40	4,683.63
	JPY (in Lakhs)	-	2,375.00	6,175.00
	INR (in Lakhs)	-	1,354.78	3,522.44
Hedge of foreign currency payables	USD (In Lakhs)	33.83	147.20	142.50
	INR (in Lakhs)	2,227.43	9,541.02	9,615.13
	JPY (in Lakhs)	13,924.18	10,944.10	1,750.00
	INR (in Lakhs)	8,729.15	6,343.40	1,033.90
Cross currency swap	USD (in Lakhs)	22.58	75.25	74.19
	JPY (in Lakhs)	2,373.26	8,418.10	8,306.80

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

Particulars/Purpose	Currency	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Buyer's Credit and Trade payables	USD (in Lakhs)	9.90	-	0.07
	INR (in Lakhs)	621.29	-	5.06
	JPY (in Lakhs)	3,430.81	-	983.20
	INR (in Lakhs)	1,947.10	-	587.46
	GBP (in Lakhs)	0.02	0.01	-
	INR (in Lakhs)	2.13	0.71	-
	Euro (in Lakhs)	1.13	0.48	0.64
	INR (in Lakhs)	91.22	32.96	48.89

Foreign currency sensitivity analysis

The group is mainly exposed to USD, JPY, GBP and EURO.

The following table details the group'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)

	For the year ended March 31, 2018		For the year ended March 31, 2017	
Particulars	**INR strengthens by 10%**	**INR weakens by 10%**	**INR strengthens by 10%**	**INR weakens by 10%**
Impact on profit or loss for the year				
USD impact	62.13	(62.13)	-	-
JPY impact	194.71	(194.71)	-	-
GBP impact	0.21	(0.21)	0.07	(0.07)
EURO impact	9.12	(9.12)	3.30	(3.30)

(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:

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
Variable rate borrowings	22,832.16	30,521.19	30,963.07
Fixed rate borrowings	15,823.28	10,072.21	8,745.77
Total	**38,655.44**	**40,593.40**	**39,708.84**

Note: The group has external commercial borrowings 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 group had the following variable rate borrowings and interest rate swap contracts outstanding:

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

Particulars	As at March 31, 2018		
	Weighted average interest rate %	**Balance**	**% of total loans**
External commercial borrowings, Bank loans, Cash credit and Buyers' Credit	8.75	22,832.16	59%
Interest rate swaps (notional principal amount)	9.26	(6,278.20)	
Net exposure to cash flow interest rate risk		**16,553.96**	

Particulars	As at March 31, 2017		
	Weighted average interest rate %	**Balance**	**% of total loans**
External commercial borrowings, bank loans, cash credit and buyers' credit	9.24	30,521.19	75%
Interest rate swaps (notional principal amount)	9.29	(8,903.07)	
Net exposure to cash flow interest rate risk		**21,618.12**	
Particulars	**As at March 31, 2016**		
	Weighted average interest rate %	**Balance**	**% of total loans**
External commercial borrowings, Bank loans, Cash credit and Buyers' Credit	9.79	30,963.07	78%
Interest rate swaps (notional principal amount)	9.49	(8,823.08)	
Net exposure to cash flow interest rate risk		**22,139.99**	

b) Sensitivity

Profit or loss is sensitive to higher / lower interest expense from borrowings as a result of changes in interest rates.

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

Particulars	Impact on profit after tax	
	For the year ended March 31, 2018	**For the year ended March 31, 2017**
Interest rates - increase by 50 basis points	65.11	85.02
Interest rates - Decrease by 50 basis points	(65.11)	(85.02)

(iii) Price risk

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the group in its various products segment. Due to the competitive market, major OEMs demands price cuts which in turn may affect the profitability of the group.

The group has arrangements with its major customers for passing on the price impact. The group 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 group has back to back arrangements for cost savings with its suppliers.

22(c) Capital management

The group's objective when managing capital are to:

a) 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

b) maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the group monitors Net Debt to EBIDTA ratio i.e, Net Debt (total borrowings net of cash and cash equivalents) divided by EBIDTA (Profit before tax plus depreciation and amortization expense plus finance cost).

The group strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBIDTA ratios were as follows:

Particulars	As at March 31, 2018	As at March 31,2017
Net Debt (In Lakhs)	38,655.44	40,593.40
EBIDTA (In lakhs)	21,558.98	14,400.55
Net Debt to EBITDA (after exceptional items)	**1.79**	**2.82**
EBIDTA (before exceptional items) (In Lakhs)	21,734.96	17,493.03
Net Debt to EBITDA (before exceptional items)	**1.78**	**2.32**

Loan convenants

Under the terms of the major borrowings facilities, the group is required to comply with certain financial covenants and the group has complied with those covenants throughout the reporting period.

Dividends

Particulars	As at March 31, 2018	As at March 31,2017
On Equity shares of Rs. 2 each		
Final dividend		
Dividend paid (Rs. In Lakhs)	299.94	479.91
Dividend Distribution tax (Rs. In Lakhs)	61.06	97.70
Dividend per equity share	0.50	0.80

The Board of Directors recommended a final dividend of Rs. 1.10 per share (nominal value of Rs. 2 per share) for the financial year 2017-18. 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. 794.20 Lakhs including dividend distribution tax of Rs. 134.33 Lakhs.

23. Segment information

The group 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 group, which has been identified as being the chief operating decision maker (CODM), evaluates the group's performance, allocate resources based on the analysis of the various performance indicator of the group as a single unit. Therefore, there is no reportable segment for the group. Export sales constitute an insignificant portion of total business of the group. Hence, there is no geographical segment as well.

Entity wide disclosure *(All amounts in Rs. Lakhs, unless otherwise stated)*

	Domestic	Overseas	Total
Revenue from operations			
2017-18	1,96,913.61	42.75	1,96,956.36
2016-17	1,74,078.72	41.84	1,74,120.56
Non current segment assets			
As at March 31, 2018	78,568.57	-	78,568.57
As at March 31, 2017	66,754.32	-	66,754.32
As at April 1, 2016	62,857.28	-	62,857.28

a) Domestic information includes sales and services rendered to customers located in India.

b) Overseas information includes sales and services rendered to customers located outside India.

c) Non current segment assets includes property, plant and equipment, capital work- in- progress, intangible assets, intangible assets under development and capital advances.

d) Revenue from transactions with a single external customer amounting to 10 per cent or more of the group's revenues is 60% from one customer (previous year: 74%) and 11% from another customer (previous year: 3%).

24. Related party disclosure

Joint venture

Denso Subros Thermal Engineering Centre India Limited (DSEC), India

Key management personnel

Mr. Ramesh Suri, Chairman
Ms. Shradha Suri, Managing Director
Ms. Jyotsna Suri, Director
Mr. Keiichi Yamauchi, Alternate Director
Mr. Kenichi Ayukawa, Nominee 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. Hanuwant Singh, Independent Director (upto June 30, 2017)
Mr. Y. Kajita, Alternate Director (upto August 8, 2016)
Mr. T. Nagata, Alternate Director (upto March 29, 2017)
Mr. Manoj Kumar Sethi, Senior Vice President –Finance
Mr. Rakesh Arora, Company Secretary (from Aug 08, 2016)
Mr. Hemant Kumar Agarwal, Deputy Company Secretary (upto Aug 07, 2016)

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
M/s Ramesh Suri (HUF)
Prima Telecom Limited
Prima Infratech Private Limited
Fibcom India Limited

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

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	Year ended March 31, 2018	Year ended March 31, 2018
Joint Venture			
Denso Subros Thermal	Purchase of Intangible assets (Technical knowhow)	230.40	426.96
Engineering Centre India Limited (DSEC)	Sale of services	14.04	10.49
	Rental income	24.57	22.13
	Reimbursement of expenses received	11.01	10.81

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

Relation	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Key management personnel*			
Ms. Shradha Suri	Short term benefits	229.61	137.12
	Post employment benefits	10.35	0.34
Mr. Ramesh Suri	Short term benefits	128.79	56.85
Ms. Jyotsna Suri	Sitting fees	2.50	2.50
	Rent paid	30.00	30.00
Mr. Kenichi Ayukawa	Sitting fees	-	3.00
Mr. Mohammed Asad Pathan	Sitting fees	5.60	3.90
Mr. Ramamoorthy Rajagopalan Kuttalam	Sitting fees	5.00	5.00
Mr. Girish Narain Mehra	Sitting fees	11.20	11.40
Mr. Shailendra Swarup	Sitting fees	4.40	4.70
Ms. Meena Sethi	Sitting fees	7.20	2.50
Mr. Hanuwant Singh	Sitting fees	0.70	9.90
Mr. Y. Kajita	Sitting fees	-	0.50
Mr. T. Nagata	Sitting fees	-	0.50
Mr. Manoj Kumar Sethi	Short term benefits	73.58	66.19
	Post employment benefits	5.20	0.32
	Other long term employee benefits	0.35	0.49
Mr. Rakesh Arora	Short term benefits	37.47	22.55
	Post employment benefits	1.76	0.44
	Other long term employee benefits	0.32	0.30
Mr. Hemant Agarwal	Short term benefits	-	15.55
	Post employment benefits	-	0.26
	Other long term employee benefits	-	0.12
Relatives of key management personnel			
Ms. Ritu Suri	Rent paid	28.80	27.45
Ms. Ritu Suri	Security deposit advance refunded	-	1.50
Contribution to funds			
Subros Employees Group Gratuity Cum Life Assurance Trust	Employer's contribution towards gratuity fund	73.16	46.33
	Employer's contribution towards life insurance premium of employees	8.44	9.00
Subros Employees Group Superannuation Cum Life Assurance Trust	Employer's contribution towards superannuation fund	-	2.08
Entities over which key management personnel and/or their relatives have control or joint control:			
Fibcom India Limited	Purchase of materials	0.51	0.08
Hemkunt Service Station Private Limited	Purchase of materials	17.71	21.44
Prima Infratech Private Limited	Rent paid	273.18	248.34
Prima Telecom Limited	Sale of goods	6.74	18.52
Prima Telecom Limited	Purchase of materials	30.78	114.68
Prima Telecom Limited	Purchase of property, plant and equipment	32.79	31.12
M/s Ramesh Suri (HUF)	Rent paid	10.27	9.79
Rohan Motors Limited	Purchase of property, plant and equipment	21.81	25.66
Rohan Motors Limited	Receiving of services	14.89	17.63
Rohan Motors Limited	Rent paid	16.31	13.62
Rohan Motors Limited	Sale of goods	7.87	11.23
Rohan Motors Limited	Sale of property, plant and equipment	-	0.69
SHS Transport Private Limited	Receiving of services	867.24	940.72
SHS Transport Private Limited	Rent paid	4.67	4.45
Tempo Automobiles Private Limited	Receiving of services	0.78	2.37
Tempo Automobiles Private Limited	Sale of goods	32.88	84.71

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

Relation	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Joint venture	Trade payables	148.95	121.13	58.97
	Trade receivables	7.78	4.89	-
	Other financial liability (security deposit)	5.34	5.34	-
Key management personnel	Other financial liability (due to Directors)	110.00	8.85	39.74
	Other financial asset (security deposit)	-	1.50	1.50
Relatives of key management	Other financial asset (security deposit)	13.05	13.05	13.05
Entities over which key management personnel and/or their relatives have control or joint control	Trade payables	98.50	139.59	83.35
	Trade receivable	10.71	25.35	45.93
	Other assets (capital advances)	-	8.00	8.97
	Other assets (advances to suppliers)	133.09	143.08	148.90
	Other financial asset (security deposit)	226.04	226.04	225.47

Terms and conditions:

a) All transactions with related parties are in ordinary course of business and on arm's length basis.

b) All outstanding balances are unsecured and will be settled in cash.

c) 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. 644.09 Lakhs (March 31, 2017: Rs. 6,223.24 Lakhs, April 01, 2016: Rs. 1,178.88 Lakhs).

26. Contingent liabilities

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

Particulars	As at March 31, 2018	As at March 31,2017	As at April 1,2016
Sales tax matters	148.71	139.36	139.36
Service tax matters	132.68	-	-
Income tax matters	29.32	9.91	24.40
Claims made by workmen	194.95	133.65	119.10

Note:

i. It is not practicable for the group to estimate the timings and amount of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

ii. The group does not expect any reimbursements in respect of the above contingent liabilities.

(b) Guarantees issued by banks on behalf of the group amounting to Rs. 358.40 Lakhs (March 31, 2017: Rs. 682.34 Lakhs, April 01, 2016: Rs. 1,463.14 Lakhs).

(c) Outstanding commitments under letter of credit established by the group aggregate to Rs. 2,020.88 Lakhs (March 31, 2017: Rs. 4,788.88 Lakhs, April 01, 2016: Rs. 3,235.28 Lakhs).

27. Leases

I. Operating lease arrangements

The group as a lessee

Certain premises and plant and machinery are obtained by the group on operating lease. The lease term is for 1-3 years and renewable for further period on mutually agreeable terms and also include escalation clauses. The rent is not based on any contingencies. Lease rental expense is set out in note 21 to these financial statements as "Rent" in "Other expenses". There are no restrictions imposed by lease arrangements. The leases are cancellable in nature.

The group as a lessor

One office premise is let out by the group 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".

II. Finance lease arrangements

The group has taken land on long term finance lease from various government authorities in India.

The present value of minimum lease payments (MLP) under finance lease is as follows:-

Present value of future minimum lease payments	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Disclosed under long term borrowings	—	—	—

28. Employee benefits

The various benefits provided to employees by the group are as under:

Defined contribution plans

During the year, the group has recognized the following amounts in the Statement of Profit and Loss :

PARTICULARS	As at March 31, 2018	As at March 31, 2017
Employer's contribution to Provident Fund*	509.72	441.39
Employer's contribution to Superannuation Fund*	-	2.08
Employer's contribution to Employees State Insurance Scheme*	199.25	117.74

** Included in "Contribution and provident and other funds" in Note 18.*

Defined benefit plans and other long term benefits

a) **Contribution to gratuity funds -** The group 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 group makes contribution to recognized funds in India.

b) **Leave encashment -** The leave obligations cover the group's liability for earned leave, sick leave and casual leave. The entire amount of the provisions of Rs. 460.09 Lakhs (March 31, 2017: Rs. 324.19 Lakhs, April 01, 2016: Rs. 269.27 Lakhs) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to avail the full amount of accrued leave or require payment for such leave within the next 12 months.

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

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Leave obligations not expected to be settled within the next 12 months	344.47	296.57	243.55

These plans typically expose the group 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 group 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, 2018	
Discount rate (per annum)	7.71%
Rate of increase in compensation level (per annum)	5.50%
As at March 31, 2017	
Discount rate (per annum)	7.54%
Rate of increase in compensation level (per annum)	5.50%
As at April 01, 2016	
Discount rate (per annum)	7.75%
Rate of increase in compensation level (per annum)	5.50%

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.

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)
Year ended March 31, 2018	
Current service cost	118.53
Past service cost	23.44
Actuarial loss/(gain)	-
Net interest cost/(income) or the net defined benefit liability/(asset)	(0.05)
Expenses recognised in statement of profit or loss	141.92
Year ended March 31, 2017	
Current service cost	105.74
Past service cost	-
Actuarial loss/(gain)	-
Net interest cost/(income) or the net defined benefit liability/(asset)	(6.85)
Expenses recognised in statement of profit or loss	98.89

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

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

Particulars	Gratuity (Funded)
Year ended March 31, 2018	**(7.03)**
Actuarial gains/(loss) on:	
- changes in demographic assumptions	-
- changes in financial assumptions	17.00
- experience variance	(24.00)
- plan asset	(0.03)
Year ended March 31, 2017	**(35.25)**
Actuarial gains/(loss) on:	
changes in demographic assumptions	-
- changes in financial assumptions	(18.38)
- experience variance	(21.38)
- plan asset	4.51

Actuarial (gain) / loss on obligations

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

Particulars	Gratuity (Funded)
Year ended March 31, 2018	
Actuarial (gain) / loss on arising from change in demographic assumption	-
Actuarial (gain) / loss on arising from change in financial assumption	(17.00)
Actuarial (gain) / loss on arising from experience adjustment	24.00
Year ended March 31, 2017	
Actuarial (gain) / loss on arising from change in demographic assumption	-
Actuarial (gain) / loss on arising from change in financial assumption	18.38
Actuarial (gain) / loss on arising from experience adjustment	21.38

Actuarial gain / (loss) on plan assets

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

Particulars	Gratuity (Funded)
Year ended March 31, 2018	
Return on plan assets, excluding amount recognised in net interest expense	73.86
Remeasurement for actuarial (gain)/loss arising because of change in effect of asset ceiling	(73.90)
Component of defined benefit costs recognised in other comprehensive income	(0.04)
Year ended March 31, 2017	
Return on plan assets, excluding amount recognised in net interest expense	74.29
Remeasurement for actuarial (gain)/loss arising because of change in effect of asset ceiling	(69.77)
Component of defined benefit costs recognised in other comprehensive income	4.52

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, 2018	
Present value of obligation	1,130.69
Fair value of plan assets	1,055.52
Surplus/(deficit)	(75.17)
Asset ceiling	-
Net asset/(liability)	**(75.17)**
As at March 31, 2017	
Present value of obligation	979.47
Fair value of plan assets	980.10
Surplus/(deficit)	0.63
Asset ceiling	-
Net asset/(liability)	**0.63**
As at April 1, 2016	
Present value of obligation	811.84
Fair value of plan assets	900.28
Surplus/(deficit)	88.44
Asset ceiling	-
Net asset/(liability)	**88.44**

Note: The group 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)
Year ended March 31, 2018	
Present value of the obligation as at the beginning	979.47
Current service cost	118.53
Interest cost	73.85
Remeasurement (or actuarial) (gain)/loss arising from:	
- Change in demographic assumptions	-
- Change in financial assumptions	(17.00)
- experience variance	24.00
Past service cost	23.44
Benefits paid	(71.60)
Present value of the obligation as at the end	**1,130.69**
Year ended March 31, 2017	
Present value of the obligation as at the beginning	**811.84**
Current service cost	105.74
Interest expense or cost	62.93
Remeasurement (or actuarial) (gain)/loss arising from:	
- Change in demographic assumptions	-
- Change in financial assumptions	18.38
- experience variance	21.38
Past service cost	-
Benefits paid	(40.80)
Present value of the obligation as at the end	**979.47**

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

Particulars	Gratuity (Funded)
Year ended March 31, 2018	
Fair value of plan assets at the beginning	**980.10**
Interest income	73.90
Employer contribution	73.16
Benefits paid	(71.60)
Actuarial gain/(loss) on plan assets	(0.04)
Fair value of plan assets at the end	**1,055.52**
Year ended March 31, 2017	
Fair value of plan assets at the beginning	**900.28**
Interest income	69.77
Employer contribution	46.33
Benefits paid	(40.80)
Actuarial gain/(loss) on plan assets	4.52
Fair value of plan assets at the end	**980.10**

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

Particulars	Gratuity (Funded)
As at March 31, 2018	
Funds managed by insurer	100%
Total	**100%**
As at March 31, 2017	
Funds managed by insurer	100%
Total	**100%**
As at April 1, 2016	
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 group, hence not given.

Sensitivity analysis

Significant actuarial assumptions for the determination of employee defined obligation using projected unit credit method are discount rate and expected salary growth rate. The sensitivity analysis below have 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, 2018	
	Change in defined benefit obligation
Increase in discount rate by 0.5%	Decrease by 48.12
Decrease in discount rate by 0.5%	Increase by 51.79
Increase in expected salary growth rate by 0.5%	Increase by 51.47
Decrease in expected salary growth rate by 0.5%	Decrease by 48.45
As at March 31, 2017	
	Change in defined benefit obligation
Increase in discount rate by 0.5%	Decrease by 43.23
Decrease in discount rate by 0.5%	Increase by 46.55
Increase in expected salary growth rate by 0.5%	Increase by 47.25
Decrease in expected salary growth rate by 0.5%	Decrease by 44.24
As at March 31, 2016	
	Change in defined benefit obligation
Increase in discount rate by 0.5%	Decrease by 37.24
Decrease in discount rate by 0.5%	Increase by 40.09
Increase in expected salary growth rate by 0.5%	Increase by 40.78
Decrease in expected salary growth rate by 0.5%	Decrease by 38.19

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, 2018 is 13.88 years (March 31, 2017 is 13.75 years, April 1, 2016: 13.33 years).

The group expects to make a contribution of Rs. 143.90 Lakhs (March 31, 2018: Rs. 120.95 Lakhs, April 1, 2016: Rs. 97.33 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
As at March 31, 2018	
April 1, 2018 - March 31, 2019	78.57
April 1, 2019 - March 31, 2020	37.27
April 1, 2020 - March 31, 2021	60.62
April 1, 2021 - March 31, 2022	50.18
April 1, 2022 - March 31, 2023	69.02
April 1, 2023 - March 31, 2024	69.07
April 1, 2024 Onwards	765.96
Total	**1,130.69**
As at March 31, 2017	
April 1, 2017 - March 31, 2018	53.42
April 1, 2018 - March 31, 2019	20.12
April 1, 2019 - March 31, 2020	20.53
April 1, 2020 - March 31, 2021	65.81
April 1, 2021 - March 31, 2022	43.12
April 1, 2022 - March 31, 2023	48.44
April 1, 2023 Onwards	728.03
Total	**979.47**
As at April 01, 2016	
April 1, 2016 - March 31, 2017	50.80
April 1, 2017 - March 31, 2018	19.76
April 1, 2018 - March 31, 2019	31.24
April 1, 2019 - March 31, 2020	56.24
April 1, 2020 - March 31, 2021	35.20
April 1, 2021 - March 31, 2022	41.67
April 1, 2022 Onwards	576.93
Total	**811.84**

29. Research and development expenses

The group 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, 2018		For the year ended March 31,2017	
	Noida	**Pune**	**Noida**	**Pune**
Capital expenses	57.77	-	7.65	-
Revenue expenses (net of contract research income)	2,288.34	73.56	1,945.81	85.95
Total	**2,346.11**	**73.56**	**1,953.46**	**85.95**

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. Disclosure on Specified Bank Notes (SBNs)

Disclosure for Specified Bank Notes (SBN's) as required by notification no. G.S.R 308 (E) issued by Ministry of Corporate Affairs is not applicable to the group for the year ended March 31, 2018. Corresponding amounts as appearing in the audited financial statements for the year ended March 31, 2017 have been disclosed as given below:

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

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 08, 2016	**34,04,500**	**3,49,310**	**37,53,810**
(+) Permitted receipts	-	13,24,466	13,24,466
(-) Permitted payments	-	9,77,463	9,77,463
(-) Amount deposited in bank	34,04,500	-	34,04,500
Closing cash in hand as on December 30, 2016	**-**	**6,96,313**	**6,96,313**

31. Earning Per Share

Particulars	For the year ended at March 31, 2018	For the year ended at March 31,2017
Basic earnings per share (Rs.)	10.09	2.20
Diluted earnings per share (Rs.)	10.09	2.20
Profit attributable to the equity holders of the group used in calculating basic earning per shares and diluted earnings per share	6,055.73	1,318.13
Weighted average number of equity shares for the purpose of basic earnings per share and diluted earning per share (numbers)	5,99,88,600	5,99,88,600

32. Expenses capitalized

Following construction/development period expenses (other than borrowing cost) incurred on making dies and tools and building and developing new product/technology have been capitalized or clubbed with capital work –in-progress, as the case may be :-

Particulars	For the year ended March 31, 2018	For the year ended March 31,2017
Salaries, wages and other amenities to staff	2,342.61	2,437.75
Power and fuel	218.21	191.14
Rent	269.05	224.36
Repair and maintenance	87.97	137.13
Depreciation	94.54	228.06
Other overheads	548.87	888.69
Total	**3,561.25**	**4,107.13**

33. Borrowing costs

Borrowing cost amounting to Rs. 165 Lakhs (Previous Year: Rs. 230 Lakhs) has been capitalized with the cost of property, plant and equipment as per Indian Accounting Standard (Ind AS) 23 on "Borrowing Costs".

34. Exceptional items

There was a major fire incident in one of the plants of the group situated at Manesar on May 29, 2016. The fire has severally impacted the inventories, building, plant and machinery. These assets were adequately insured with reinstatement clause and a claim has been made with the insurance company. Special/urgent actions to restart supplies to the customer post fire incident has temporarily resulted into additional costs which have been included in exceptional items in the Statement of Profit and Loss. The group has already received the final insurance claim of Rs. 6,324.97 Lakhs with respect to inventories in the previous year. However, insurance claim settlement in respect of property, plant and equipment is in progress and an interim amount of Rs. 2,199.41 Lakhs (March 31, 2017: Rs. 7,498 Lakhs) has been received net of reinstatement premium from the insurance company against loss of property, plant and equipment and additional expenditure incurred to restore supplies. The detail of exceptional items under major heads is as under:-

Particulars	For the year ended March 31, 2018	For the year ended March 31,2017
A. Loss of inventories by fire:		
Carrying value of inventories	-	7,193.05
Less: Insurance claim including sale of scrap recovered	-	(6,841.05)
Net loss (A)	-	352.00
B. Loss of property, plant and equipment by fire:		
Carrying value of Property, plant and equipment	-	7,565.44
Additional expenditure incurred to restore supplies	-	3,073.36
Less: Insurance claim recovered / recoverable	-	(10,638.80)
Net loss (B)	-	-
C. Additional expenses incurred:		
Material cost	182.00	1,726.92
Staff welfare expenses	-	58.53
Freight and cartage (outward)	-	783.03
Rent	-	110.31
Other expenses	-	72.35
Total additional expenses incurred (C)	**182.00**	**2,751.14**
Total exceptional items (A+B+C)	**182.00**	**3,103.14**

35. First time adoption of Ind AS

These are the group's first consolidated financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 1, 2016 (the group's date of transition). In preparing its opening Ind AS Balance Sheet, the group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

Deemed Cost of Property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible assets.

Accordingly, the group has elected to measure items all its property, plant and equipment and intangible assets at their carrying value as per previous GAAP at the transition date. There are no decommissioning liabilities of the group.

Foreign currency translation reserve

Ind AS 101 permits foreign currency translation reserve to be reset to zero at the transition date. This provides relief from determining foreign currency translation reserve in accordance with Ind AS 21 from the date a subsidiary was formed or acquired.

Accordingly the group has elected to reset the foreign currency translation reserve to zero by transferring it to opening retained earnings at its transition date.

Business Combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated.

Joint Venture

Ind AS 101 provides an exemption for changing from proportionate consolidation to the equity method. As per the exemption, when changing from proportionate consolidation to the equity method, an entity should recognize its investment in the joint venture at transition date to Ind AS. That initial investment should be measured as the aggregate of the carrying amounts of the assets and liabilities that the entity had previously proportionately consolidated, including any goodwill arising from acquisition. The balance of the investment in joint venture at the date of transition to Ind AS, determined in accordance with the above is regarded as the deemed cost of the investment at initial recognition.

The group has elected to apply this exemption for its joint venture.

A.2 Ind AS mandatory exceptions

Estimates

A group's estimates in accordance with Ind ASs at the date of transition shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

The group made estimate for impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as this was not required under previous GAAP.

Derecognition of financial assets and financial liabilities

Ind 101 requires a first time adopter to apply the derecognition provisions of Ind As 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The group has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Consequently, the group has assessed the classification and measurement of financial assets on the basis of facts and circumstances that existed at the date of transition to Ind AS.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Reconciliation of equity as at April 1, 2016 and March 31, 2017:

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

Particulars	Notes to first-time adoption	As at April 1, 2016	As at March 31, 2017
Total equity (shareholder's fund) as per previous GAAP		**33,507.67**	**34,903.41**
Adjustments:			
Gain/(loss) arising on recognition and measurement of financial liability at amortized cost	iii	(578.44)	139.55
Gain/(loss) on fair value accounting of derivatives	iv	425.79	(429.63)
Loss arising on recognition of financial asset (loans to employees) at amortized cost	I	(9.52)	(6.40)
Loss arising on recognition of financial asset (security deposits) at amortized cost	ii	(14.69)	(14.37)
Gain arising on discounting and/or unwinding of discount on warranty provision	v	12.56	11.24
Proposed dividend and related distribution tax	viii	577.61	-
Adjustment in reserves of joint venture on account of Ind AS transition		7.10	3.68
Tax effects of adjustments	vi	102.94	140.50
Total adjustments		**523.35**	**(155.43)**
Total equity as per Ind AS		**34,031.02**	**34,747.98**

Reconciliation of total comprehensive income for the year ended March 31, 2017 *(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Notes to first-time adoption	For the year ended March 31, 2017
Profit after tax as per previous GAAP		**1,395.47**
Adjustments:		
Interest income on financial assets (employee loans)	I	6.82
Interest income on financial assets (security deposits)	ii	9.08
Premeasurement loss on post employment benefit obligation	vii	35.25
Fair valuation of financial assets (employee loans)	I	(3.70)
Unwinding of discount on warranty provision	v	(6.00)
Discounting of warranty provision	v	4.68
Gain arising on recognition and measurement of financial liability at amortized cost	iii	717.99
Loss on fair valuation of derivatives	iv	(855.42)
Fair valuation of financial assets (security deposits)	ii	(8.76)
Change in share of profit of joint venture on account of Ind AS adjustment		(2.67)
Deferred tax adjustments	**vi**	**25.39**
Total adjustments		**(77.34)**
Profit after tax as per Ind AS		**1,318.13**
Other comprehensive income		
Remeasurement loss on post employment benefit obligation, net of tax	vii	(27.73)
Share of other comprehensive income of Joint Venture accounted for using equity method	xiii	(0.48)
Exchange differences on translation of foreign operations	xii	(17.12)
Total other comprehensive income (net of tax)		**(45.33)**
Total comprehensive income as per Ind AS		**1,272.80**

Impact of Ind AS adoption on the statements of cash flows for the year ended March 31, 2017 *(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Previous GAAP	Adjustments*	Ind AS
Net cash flow from operating activities	11,120.04	(49.06)	11,070.98
Net cash flow from financing activities	(3,405.58)	(55.83)	(3,461.41)
Net cash flow from investing activities	(7,611.12)	96.90	(7,514.22)
Net increase in cash and cash equivalents	**103.34**	**(7.99)**	**95.35**
Cash and cash equivalents as at April 1, 2016	133.46	-	133.46
Decrease in cash and cash equivalent due to equity method	(7.99)	7.99	-
Cash and cash equivalents as at March 31, 2017	**228.81**	**-**	**228.81**

C. Notes to first time adoption

(i) Loan to employees

Under the previous GAAP, interest free loans to employees are recorded at their transaction value. Under Ind AS, all financial assets are required to be initially recognized at fair value and subsequently at amortized value. Accordingly, the group has fair valued these loans and the difference between fair value and transaction value has been recognized as employee benefits expense. As a result, the amount of employee loans as at March 31, 2017 decreased by Rs. 6.40 Lakhs (April 1, 2016 - Rs. 9.52 Lakhs) and the profit for the year ended March 31, 2017 increased by Rs. 3.12 Lakhs due to employee benefits expense of Rs. 3.70 Lakhs on account of difference between fair value and transaction value of new loans provided during the year offsetted by notional interest income of Rs. 6.82 Lakhs on such loans. The decrease in employee loan as at April 1, 2016 has been adjusted with retained earnings as on that date.

(ii) Loans - security deposits

Under the previous GAAP, interest free security deposits for leased assets (that are refundable in cash on completion of the lease terms) are recorded at their transaction value. Under Ind AS, all financial assets are required to be initially recognized at fair value and subsequently at amortized value. Accordingly, the group has fair valued these security deposits and the difference between fair value and transaction value has been recognized as rent expense. As a result, the amount of security deposits as at March 31, 2017 decreased by Rs. 14.37 Lakhs (April 1, 2016 - Rs. 14.69 Lakhs) and the profit for the year ended March 31, 2017 increased by Rs. 0.32 Lakhs due to rent expense of Rs. 8.76 Lakhs on account of difference between fair value and transaction value of new security deposits provided during the year offsetted by notional interest income of Rs. 9.08 Lakhs on such deposits. The decrease in security deposit as at April 1, 2016 has been adjusted with retained earnings as on that date.

(iii) Non-current borrowings

Under Ind AS, financial liabilities are recorded at fair value on initial recognition / transition date and subsequently recorded at amortized cost using effective interest rate method. Accordingly, the non-current borrowings have increased by Rs. 578.44 Lakhs as at April 1, 2016 and reduced by Rs. 139.55 Lakhs as at March 31, 2017 with consequent impact on profit for the year ended March 31, 2017 by Rs. 717.99 Lakhs. The increase in non-current borrowings as at April 1, 2016 has been adjusted with retained earnings as at that date.

(iv) Fair valuation of derivatives

The Company has entered into certain derivative contracts to hedge foreign currency and interest rate risk. Such contracts are accounted for at fair value through profit or loss. The gain/loss on fair valuation of derivatives is recorded as derivative asset/derivative liability under other financial asset (current) / other financial liability (current). Accordingly, the group has recorded derivative liability of Rs. 429.63 Lakhs as at March 31, 2017 (derivative assets of Rs. 425.79 Lakhs as at April 1, 2016). As a result of this change, the profit for the year ended March 31, 2017 decreased by Rs. 855.42 Lakhs. The net impact of Rs. 425.79 Lakhs as at April 1, 2016 has been adjusted with retained earnings as at that date.

(v) Provisions

Under the previous GAAP, discounting of provisions was not allowed. Under Ind AS, provisions are measured at discounted amounts, if the effect of time value is material. Accordingly, non current portion of warranty provision has been discounted to its present values. As a result, the warranty provisions as at March 31, 2017 reduced by Rs. 11.24 Lakhs (April 1, 2016- Rs.12.56 Lakhs) and the profit for the year ended March 31, 2017 reduced by Rs. 1.32 Lakhs as a result of finance cost of Rs. 6 Lakhs on account of unwinding of discount on provision for warranty offsetted with discounting of additional warranty provision recognized during the year of Rs. 4.68 Lakhs. The net impact of Rs. 12.56 Lakhs as at April 1, 2016 has been adjusted with retained earnings as at that date.

(vi) Deferred tax adjustments

Deferred tax has been recognized on the adjustments made on transition to Ind AS. As a result, there is decrease in deferred tax liability as at March 31, 2017 by Rs. 140.50 Lakhs (April 1, 2016 - Rs.102.94 Lakhs) and increase in the profits for the year ended March 31, 2017 by Rs.37.56 Lakhs out of which Rs.12.17 Lakhs is reclassified to other comprehensive income. The impact of Rs. 102.94 Lakhs as at April 1, 2016 has been adjusted with retained earnings as at that date.

(vii) Remeasurement gain/loss on post-employment benefit obligation

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognized in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change actuarial loss of Rs.35.25 Lakhs was reclassified during March 31, 2017, from the profit or loss to other comprehensive income and corresponding deferred tax on the same of Rs. 7.52 Lakhs is also reclassified to other comprehensive income. There is no impact on the total equity as at April 1, 2016.

(viii) Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the Balance Sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognized as a liability. Under Ind AS, such dividends are recognized when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend of Rs. 577.61 Lakhs as at April 01, 2016 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

(ix) Current borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition, earlier they were shown as prepaid expenses. Accordingly, the group has netted off commercial papers balance as at March 31, 2017 with prepaid interest of Rs. 52.79 Lakhs (April 1, 2016- Rs. 31.78 Lakhs). There is no impact on the opening retained earnings and profit for the year ended March 31, 2017.

(x) Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind-AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the ended March 31, 2017 by Rs. 20,635.77 Lakhs. There is no impact on profit for the year ended March 31, 2017.

(xi) Joint Venture

Under previous GAAP, Denso Subros Thermal Engineering Centre India Ltd. (DSEC) was classified as jointly controlled entity and accounted for using the proportionate consolidation method. Under Ind-AS, DSEC has been classified as a joint venture and accounted for using the equity method since the Company is a limited liability Company whose legal form offers separation of the Company from the investors. The parties to the joint arrangements do not have direct rights to the assets and liabilities of DSEC.For the purpose of applying the equity method, the investment in DSEC of Rs. 176.80 lacs, as at the date of transition, has been measured as the aggregate of the carrying amount of assets and liabilities that the Group has previously proportionately consolidated. An impairment assessment has been performed as at 1st April 2016 and no impairment provision is considered necessary.

(i) The following assets and liabilities of DSEC were previously proportionately consolidated under previous GAAP:

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

Particulars	As at March 31,2017 Proportionate share of assets and liabilities	As at April 1,2016 Proportionate share of assets and liabilities
Non-current assets		
Property, plant and equipment	10.42	12.53
Intangible assets	7.17	6.64
Other non financial assets	3.06	3.80
Deferred Tax Assets (Net)	15.71	17.06
Tax assets (net)	53.26	45.24
Total non-current assets	**89.62**	**85.27**
Current assets		
Trade Receivables	84.45	81.31
Cash and cash equivalents	45.30	36.85
Other financial asset	1.35	1.26
Other current assets	18.17	25.17
Total current assets	**149.27**	**144.59**
TOTAL ASSETS	**238.89**	**229.86**
LIABILITIES		
Non-Current Liabilities		
Provision	6.25	6.03
Total Non-Current Liabilities	**6.25**	**6.03**
Current liabilities		
Trade payables	29.65	21.78
Other financial liabilities	46.94	48.35
Other current liabilities	7.91	7.03
Provision	0.94	0.90
Total current liabilities	**85.44**	**78.06**
Share of net assets recognized under equity method	**147.20**	**145.77**

(ii) The following items of income and expenditure were previously proportionately consolidated under previous GAAP:

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

Particulars	For the year ended March 31, 2017
Revenue from Operations	405.49
Other Income	1.51
Total Revenue	**407.00**
Expenses	
Employees benefit expense	269.32
Depreciation and amortization expense	8.22
Other expenses	125.13
Total expenses	**402.67**
Profit before tax	**4.33**
Tax expense	
Current tax	1.07
Deferred tax credit (incl MAT)	1.35
Profit after tax	**1.91**
Other comprehensive income	(0.48)
Total comprehensive income for the year	**1.43**

(iii) Summarized statement of cash flows of DSEC for the year ended March 31, 2017 not considered under Ind AS in the consolidated statement of cash flows:

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

Particulars	For the year ended March 31, 2017
Opening cash and cash equivalents	**36.85**
Cash flow from operating activities	17.39
Cash flow from investing activities	(8.93)
Cash flow from financing activities	-
Closing cash and cash equivalents	**45.30**

36. Additional Information required by Schedule III

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

Name of the entity in the group	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
Parent								
Subros Limited								
March 31, 2018	99.58%	40,272.63	100.11%	6,062.33	74.04%	(5.53)	100.14%	6,056.80
March 31, 2017	99.51%	34,576.97	101.16%	1,333.55	61.17%	(27.73)	102.60%	1,305.82
Subsidiary - Foreign								
Thai Subros Ltd								
March 31, 2018	0.03%	14.06	-0.29%	(17.33)	24.78%	(1.85)	-0.32%	(19.18)
March 31, 2017	0.07%	23.81	-1.30%	(17.33)	37.77%	(17.12)	-2.71%	(34.45)
Joint Venture (Investment as per equity method) - Indian								
Denso Subros Thermal Engineering Centre India Ltd.								
March 31, 2018	0.39%	157.84	0.18%	10.73	1.18%	(0.09)	0.18%	10.64
March 31, 2017	0.42%	147.20	0.14%	1.91	1.06%	(0.48)	0.11%	1.43
Total								
March 31, 2018	**100.00%**	**40,444.53**	**100.00%**	**6,055.73**	**100.00%**	**(7.47)**	**100.00%**	**6,048.26**
March 31, 2017	**100.00%**	**34,747.98**	**100.00%**	**1,318.13**	**100.00%**	**(45.33)**	**100.00%**	**1,272.80**

Refer note 5 (a)(i) for details of subsidiary which has been consolidated and refer note 5 (a)(ii) for details of interest in joint venture company consolidated using equity method of accounting.

37. Net debt reconciliation

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

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents	1,514.16	228.81
Current borrowings	(16,304.59)	(17,013.36)
Non-current borrowings	(22,350.85)	(23,580.04)
Net debt	**(37,141.28)**	**(40,364.59)**

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

Description	Cash & cash equivalents	Current borrowings (Incl interest)	Non-current borrowings (Incl current maturities and interest)	Net debt
As at April 1, 2016	**133.46**	**(10,797.25)**	**(28,911.59)**	**(39,575.38)**
Cash flows	95.35	(6,216.11)	5,186.07	(934.69)
Foreign exchange adjustments	-	-	141.71	141.71
Interest expense	-	(1,069.53)	(2,011.34)	(3,080.87)
Interest paid	-	1,069.53	2,015.11	3,084.64
As at March 31, 2017	**228.81**	**(17,013.36)**	**(23,580.04)**	**(40,364.59)**
Cash flows	1,285.35	728.57	1,706.41	3,720.33
Foreign exchange adjustments	-	-	(503.90)	(503.90)
Interest expense	-	(1,440.00)	(1,572.81)	(3,012.81)
Interest paid	-	1,420.20	1,599.49	3,019.69
As at March 31, 2018	**1,514.16**	**(16,304.59)**	**(22,350.85)**	**(37,141.28)**

38. Managerial remuneration paid to the managing director for the year ended March 31, 2017 was in excess by an amount of Rs. 78.70 Lakhs as per limits allowed under section 197 read with Schedule V to the Companies Act, 2013. Subsequent to the year end, the Company has received the required approval for such excess remuneration paid, from the Central Government.

39. The financial statements were approved by the Board of Directors and authorized for issue on May 28, 2018.

40. As required by Ind AS, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

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

Rajib Chatterjee
Partner
Membership No :057134

Place : New Delhi
Date : May 28, 2018

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

Ramesh Suri
Chairman
DIN : 00176488

Shradha Suri
Managing Director
DIN : 00176902

Manoj K Sethi
Sr VP (Finance)

H.K. Agarwal
Sr. GM (Finance)

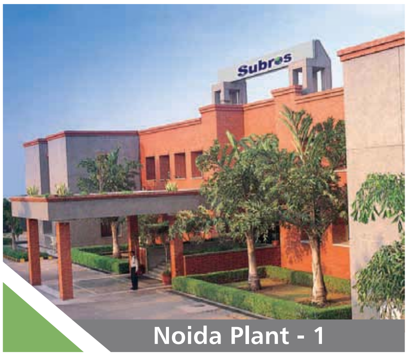
Rakesh Arora
Company Secretary
ICSI Membership No:- A8193

Place : New Delhi
Date : May 28, 2018

NOTES

NOTES

Our Plants



Noida Plant - 1

Noida Plant - 2

Pune Plant


Manesar Plant - 1


Manesar Plant - 2


Chennai Plant

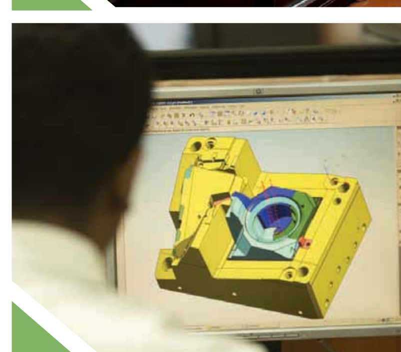
Gujarat Plant - 1


Gujarat Plant - 2 (Upcoming)

Our Technical Centres

Subros Technical Engineering Centre


Subros Tool Engineering Centre



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