

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

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

Dear Sir/Madam,

**Sub: Annual Report for FY 2021-22 and Notice convening the 37<sup>th</sup> Annual General Meeting (“AGM”)**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), we are enclosing the Notice convening the 37<sup>th</sup> AGM and the Annual Report of the Company for the financial year 2021-22.

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice convening the AGM and the Annual Report of the Company for the financial year 2021-22 has been sent to all the Members of the Company whose email addresses are registered with the Company or Depository Participant(s).

The AGM of the Company will be held on Friday, 5<sup>th</sup> August, 2022 at 11.00 a.m. through Video Conferencing / Other Audio Visual Means in accordance with the aforesaid circulars. The Notice of AGM along with the Annual Report for the financial year 2021-22 is also available on the website of the Company at [www.subros.com/investors.html](http://www.subros.com/investors.html).

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,  
For **SUBROS LIMITED**



Shiv Ram Singh  
Company Secretary



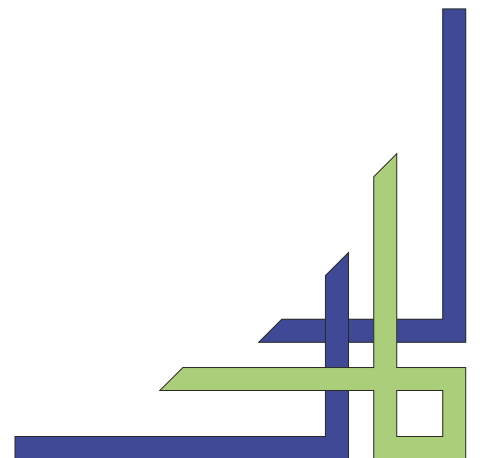
Subros

# ANNUAL REPORT



*Cooling the Planet*

**2021-22**





## Cooling the Planet



### VISION

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



### CORE VALUES

#### *Respect & Humility*

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

#### *Passion & Commitment*

- Inspired minds
- Drive Excellence
- Keeping Promises

#### *Trust*

- Integrity - Personal & Professional
- Transparency

#### *Team work*

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

# WHAT'S INSIDE

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To view our online reports  
please log on to  
[www.subros.com](http://www.subros.com)

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





## Corporate Information

### Chairman Emeritus

Mr. Ramesh Suri

### Board of Directors

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

### CFO & VP Finance

Mr. Hemant Kumar Agarwal

### Company Secretary

Mr. Rakesh Arora

### Statutory Auditors

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

### Cost Auditors

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

### Secretarial Auditor

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

### Registrar & Transfer Agent

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

### Works

#### 1) Central Works

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

#### 2) Subros Technical Centre

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

#### 3) Subros Tool Engineering Centre

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

#### 4) Die Casting Plant

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

#### 5) Manesar Plant

Plot No.395/396 & 403, Sec-8, IMT  
Manesar, Distt. Gurgaon (Haryana)

#### 6) Pune Plant

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

#### 7) Chennai Plant

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

#### 8) Karsanpura Plant

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

#### 9) Nalagarh Plant

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

### Regd. & Corporate Office

#### Subros Limited

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



## From the desk of the Chairperson & Managing Director

The year gone by has been pivotal not only for shaping the way forward for the auto component sector, but for us, as a company, as well. We lost our Founder Chairman Shri. Ramesh Suri on May 12, 2021. Chairman's life was the foundation on which Subros was, and continues, to be built. His vision and commitment to the sector was deep and strong. As an organization, we continue to live by his principles and values.

Sadly, post losing Chairman to COVID-19, we also lost another great patron and shareholder of Subros, Mrs. Ritu Suri. Mrs. Suri was the strength that always supported Chairman. The loss of both of them has left a void, but they continue to give us courage to carry the organization forward based on their guiding philosophies.

### Dear Stakeholders,

It gives me immense pleasure to present the 37<sup>th</sup> Annual Report for the year 2021-22. Mobility today encompasses the aspects of sustainability as well as being driven by the concept of CASE (connected-autonomous-shared-electric). As the CASE revolution picks up pace, all vehicles in the future will become more connected to peoples lives and communities at large. In addition, carbon neutrality is also changing the value systems on which business is being conducted not just at the manufacturing level but throughout the value chain covering sourcing, manufacturing, transportation as well as disposal of products.

The year gone by saw a GDP at 8.7% versus 7.3% in FY 2020-21. During this time the Passenger Vehicle segment witnessed an upside sale of 13.20%, while the Commercial Vehicle segment registered a growth of about 31%. The market as highlighted above is clearly pivoting towards alternate fuels and electric mobility. Having said that, while the 2 and 3-wheeler space is migrating at an extremely fast pace to electric mobility, we believe that the 4-wheeler space will be a mix of electric / hybrid / alternate fuels and ICE engines and we at Subros are drawing up our long-term technology roadmap in conjunction with our partners in line with this trend across all our product lines.

The year ahead is also witnessing an impressive GDP growth, domestic demand continues to be strong. There is a huge emphasis by the government on infrastructure and road development. Enormous impetus being given to industry via various schemes like the extension of the FAME – II and PLI. Having said that, there are some red flags caused by prevailing uncertainties, namely; rising interest rates, geo political issues over central Europe, the lingering impact of covid, the disruption of supply chains, cost escalations across the value chain leading to volatility across the value chain. In this disruptive environment, digital acceleration



and AI based solutions are creating tremendous opportunities for grasping market share and leadership.

We at Subros have been working relentlessly amid these times to chart ourselves a mobility roadmap wherein at the center lies our biggest asset, Our People. Further, we aim to be Carbon Neutral in the near future and have taken several steps in this direction across all locations. The Company's corporate anthem **"Cooling the Planet"** is not just about proving cooling solutions, at the heart of this lies the desire of the organization to be clean and green.

Subros saw a revenue of Rs. 2239 cr (FY 2021-22) which is about 25% above last year. Our PBT stood at 2.03%, which is lower than expectation due to the heavy tail winds that we faced in terms of rising input and logistic costs. In order to mitigate the impact of this volatility, we are en-route on the execution of our localization plan as well as our plan for product and customer diversification across geographies and in line with our long-term strategic intent.

We believe that demand will be strong across all vehicle types both at the OE and the aftermarket / spares segments. The senior leadership team in conjunction with the CEO, along with the Strategic Executive Committee and the Operations Executive Committee are working continuously on the long-term strategic intent and technology roadmap keeping in mind the current and future head and tail winds in the wake of a CASE driven world.

We believe that the year ahead is going to be exciting and we expect strong growth. To this effect, we have invested in technologies across all our product ranges and they will be available to our customers in FY 2022-23. These products are now slimmer, lighter, more sustainable and carry a high level of

local content. Our foray into the residential and commercial thermal space is also now sustaining and we are slowly and steadily increasing market share.

As I have repeatedly stated, consumer behavior is undergoing a tremendous transformation, the demand for an integrated digital experience with a high priority to health and safety backed by sustainability is at the core of the decision-making process. Subros is well placed to meet the demand opportunities that will arise from these important and fundamental shifts.

Our journey would be incomplete without the support of all our stakeholders. On behalf of the entire Board and the Subros team, I would like to express my gratitude for the continuous belief, support and trust in us. A special thank you to our partners Suzuki Motor Corporation, Japan and DENSO Corporation, Japan for believing in us and

continuously supporting us while keeping us ahead in the customer and technology trends. We are grateful to our suppliers, who despite the disruptions and volatility worked with us with utmost patience. A big thank you to our Pan India dealer and service network for working on the ground whilst facing changing consumer needs. We thank our banks and financial institutions, our shareholders in believing in us despite the volatility in the value chain. I am grateful to our Board for guiding us and nudging us to keep trying harder. And lastly, I thank our people, they are at the center of this organization and instrumental in driving us forward from auto to mobility.

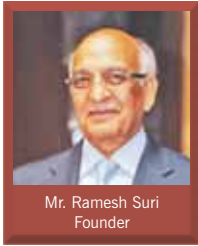
Thank You.



**Shradha Suri**  
Chairperson & Managing Director.



## Chairman Emeritus



Mr. Ramesh Suri  
Founder

## Our Board



Ms. Shradha Suri  
Chairperson &  
Managing Director



Dr. Jyotsna Suri  
Director



Mr. Hidemasa Takahashi  
Representative of  
DENSO Corporation, Japan



Mr. K. Ayukawa  
Representative of Suzuki  
Motor Corporation, Japan



Mr. Tomoaki Yoshimori  
Representative of  
DENSO Corporation, Japan



Mr. Yasuaki Matsunaga  
Alternate Director



Mr. G.N. Mehra  
Independent Director



Mr. K.R. Ramamoorthy  
Independent Director



Mr. M. A. Pathan  
Independent Director



Mr. Shailendra Swarup  
Independent Director



Mrs. Meena Sethi  
Independent Director



Mr. Arvind Kapur  
Independent Director



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

## Top Management



Ms. Shradha Suri  
Chairperson &  
Managing Director



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



Mr. T. Murayama  
Advisor



Mr. Y P Negi  
Chief Operating Officer



Mr. A. Parashar  
SVP Operations, STEC & Service



Mr. D. Srin  
EVP Technical Centre



Mr. Hemant Kumar Agarwal  
CFO & VP Finance



## Subros at a Glance

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

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

## Our Customers

### Passenger Car Segment (AC+ECM)



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



### Railways



### Residential & Commercial



### Refrigeration Trucks



### Tooling





## Awards & Recognitions

Year	Awards & Recognitions
2021-22	<ul style="list-style-type: none"> <li>- Award from Maruti Suzuki in recognition of superior performance in the area of Advanced technology research and development.</li> <li>- Award from Maruti Suzuki in recognition of Overall performance during the year.</li> <li>- Award from Maruti Suzuki in recognition of superior performance in the area of Inner part localization during the year.</li> <li>- National Energy Conservation Award - 2021 ( BEE ) – Ministry of Power (2<sup>nd</sup> price in Plastic Sector)</li> <li>- ACMA Atmanirbhar Excellence Awards (Gold-Safety, HR, Localisation; Silver-Digitisation; Bronze – Manufacturing Excellence)</li> <li>- National award for Manufacturing competitiveness 2021 organised by IRIM</li> <li>- Golden Peacock award in Business Excellence</li> <li>- ACMA Appreciation Award for New Product Design and Development</li> </ul>
2020-21	<ul style="list-style-type: none"> <li>- ACMA Bronze Award for “Excellence in New Product Design &amp; Development”</li> <li>- Golden Peacock Award for “Excellence in Corporate Governance”</li> <li>- CII Awards - Special Jury Awards for "Best holdings the Gains"</li> <li>- CII Awards - " 1<sup>st</sup> Runner Up " and " 2<sup>nd</sup> Runner Up" in 33<sup>rd</sup> CII Quality Circle Competition</li> <li>- CCQC Awards - Gold Award, Silver Award and Bronze Award</li> <li>- NCQC Awards -Par Excellence Award, Excellence Award and Distinguish Award</li> <li>- Award ACMA Award - 3<sup>rd</sup> Poke- Yoke &amp; 7<sup>th</sup> SMED Competition</li> <li>- QCFI- Delhi Chapter - Gold Award and Silver Award</li> </ul>
2019-20	<ul style="list-style-type: none"> <li>- MSIL Awards - Overall Excellence, Inner part localization, Vendor system audit rating</li> <li>- M&amp;M SBCB 2.0 program - Bronze recognition</li> <li>- TML –Lucknow Recognition for delivery support in 2018-19</li> <li>- CII - First Place in Quality Improvement Category</li> <li>- BEE (Govt. of India, Ministry of Power) - National Energy Conservation Award by Bureau of Energy Efficiency</li> <li>- ACMA Award - Winner Poka- Yoke and SMED competition</li> <li>- CII Quality Circle Competition – Winner</li> </ul>



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



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



National award for  
Manufacturing  
competitiveness



Gold-HSS



Gold-HR



Gold-Loc



Silver-Dig



Bronze Mfg



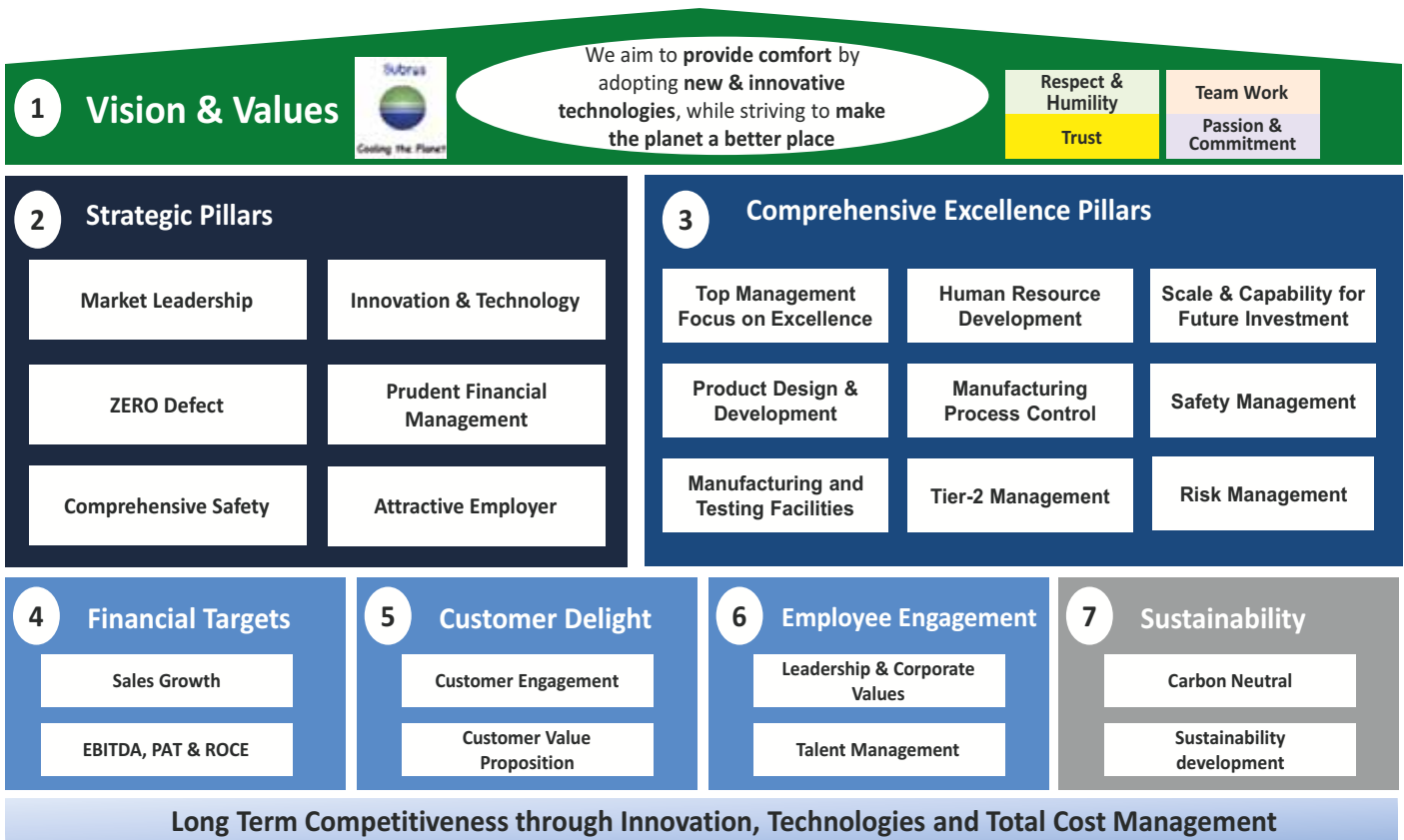
ACMA Appreciation Award for New Product Design and Development

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

## Our Strategy

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

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



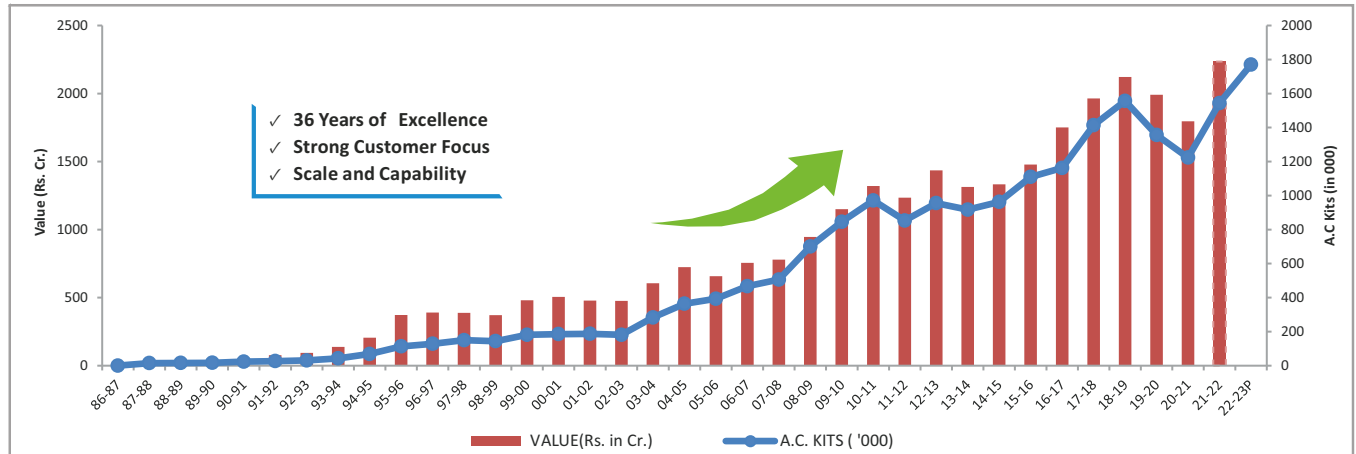
## Subros History



# Our Performance

At Present the Company is operating at a capacity of 2.0 millions units per year and is one of the largest and only integrated

manufacturing unit in India for auto air conditioning systems. The Company has grown by 25% in FY 2021- 22 with CAGR of 8% during FY 2015-22.



- 2010**: Start of Denso Subros Engineering Centre
- 2010**: Completion of 25 years, 1 Million AC kits production completed
- 2012**: Inauguration of Chennai Plant
- 2012**: Capacity 1.5 Million AC kits
- 2013**: Launch of Rail CABAC System
- 2013**: Launch of transport Refrigeration System
- 2014**: Inauguration of STEC (Subros Tool Engineering Centre)
- 2014**: Subros celebrated 30 Years of partnership
- 2015**: Radiator entrustment production started for Denso Chennai Plant becomes operational
- 2015**: 10 million HVAC production completed
- 2015**: Entry into Metro Segment
- 2017**: New customers Bombardier and Medha added
- 2019**: Start of Manufacturing Residential and Commercial Cooling Products
- 2019**: Inauguration of Karsanpura Plant
- 2020**: Introduction of Vane Rotary Compressor
- 2020**: Start of operation at Nalagarh plant
- 2022**: Introduction of SVE08 Compressor
- 2022**: Start of Heat Exchanger production at Karsanpura Plant



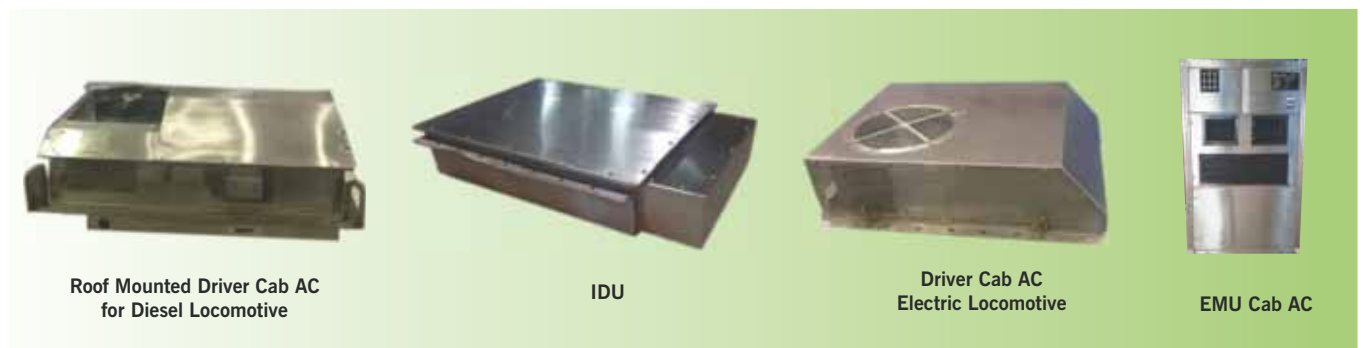
## Product Range - Passenger Vehicle AC

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



## Railway AC

Subros has made its foray into Indian Railways with the development of import substitute for driver cabin AC for diesel locomotives. The 7TR LHB series coach AC units are under advance development & supply stage.





## Transport Refrigeration System

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



## Residential and Commercial Cooling Products

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

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

## Commercial Vehicle - Bus AC

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

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



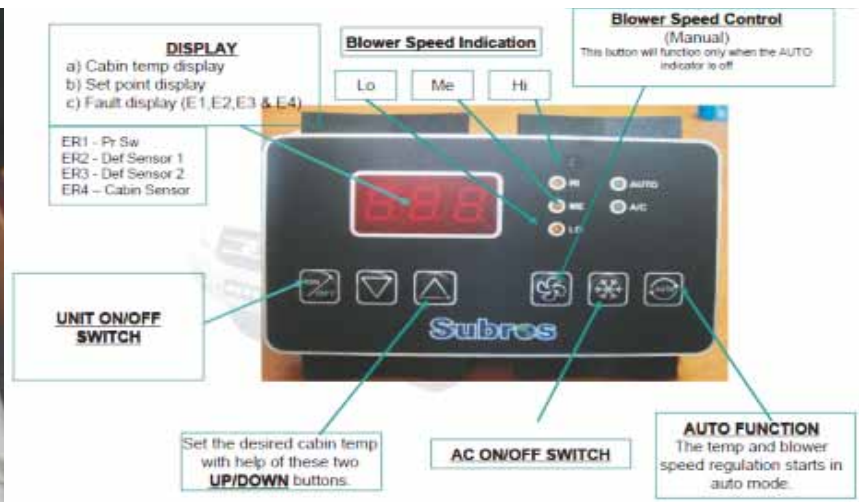
# Electric Bus Air conditioning and Battery Thermal Management Kit Development

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

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

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

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



Integrated Battery Thermal Management & Traction Cooling System Kit





## Our Presence

### MANESAR PLANT

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



### NOIDA PLANT

#### Compressor and Heat Exchanger Plant

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



#### Pressure Die Casting Plant

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



### KARSANPURA PLANT

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



### CHENNAI PLANT

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



## PUNE PLANT

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



## NALAGARH PLANT

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



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

Driven by the need to be self-reliant, reduce product development 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 Thermal Engineering Centre India Private Limited (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

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





## Dojo Centre

**DOJO (Skill Development Centre)** A Miniature of the manufacturing lines are set up in DOJO for the realization of the basic manufacturing practices. Employees are skilled for their respective shop floor processes before their deployment on the line for meeting QCDD & PQCD SME 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.

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

### Noida Dojo Centre (PMKY Certified)



### Manesar Dojo Centre (PMKY Certified)



# Corporate Social Responsibility

Subros is taking the lead in contributing to the sustainable development of society. To contribute to a better world, Subros provides solutions to social issues through its business activities, thus delivering new value to society. The company is using non CFC refrigerant since 2002. We also have an efficient waste recycling plant, rain water harvesting facility and minimal use of paper in the Company.

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

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

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

**Skill up to Bring Financial Independence:** Subros is running successfully Tailoring School in nearby village to empowering the women by providing them skill up opportunities & placement facilities.

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

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

**Environmental Initiatives:** Subros is playing a key role in preserving mother nature. Our philosophy is based around our core purpose of "Cooling the Planet". Subros is not only focusing on the plantation across all the locations & usage of environment friendly technologies but also concerned about the measurement & reduction of emission of carbon footprints. We have done an in-depth carbon footprint measurement study & are committed to bring a considerable reduction by taking up various projects to effectively achieve environmental goals.

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

**Partnership with Foundation for Innovation and Technology Transfer (FITT):** An Engagement with FITT and MOU is done with an initial amount given as start up money. The assessment of work in Progress of Project is tracked on actual basis.



Two "Life Support Ambulances"-fully equipped with latest technology were donated to Civil Hospitals in Haryana (Gurugram) & Uttar Pradesh (Ghaziabad)



Maintaining Greenry



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



Till date 04 batches have been completed successfully. The tenure of the course is two months. Sixtyfive trainees have been trained successfully & either have started their own beautician centres or have joined the already existing beauty parlors.



One batch of three months durations has already been completed with fifteen successful candidates (Out of seventeen admitted).



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





## Management Discussion and Analysis

### 1. Industry Outlook

- 1.1 After two tough years for the automotive industry, FY 2021-22 shifted trends and registered a growth of 1.65% against FY 2020-21. The automobile industry has recovered from the previous year decline of 13.50% to growth of 1.65%<sup>1</sup>. The earlier decline in sales can be attributed to successive waves of the pandemic resulting in consequent lockdowns, disruption in labour supply. It was additionally impacted by shortage of semi-conductor chips and geo political tension around Ukraine and Russia.
- 1.2 Also, to note that the sales are still 12% below the sale in FY 2019-20 (Pre COVID-period), which was also the year impacted by BSIV to BSVI transition. After the pandemic, FY 2021-22 was the first to end on a positive note for passenger vehicle and commercial vehicle. The year did not begin normal. The automobile sector began with another wave of the pandemic, which further spread to tier 2 and 3 cities affecting production/sales, and after market for the automobile sector. The virus spreading to remote areas differentiated the duration, and restrictions of the lockdown as per the state governments. This also hampered the supply chain in the larger business environment.
- 1.3 The industry is still being hampered due to the NBFC crisis, followed by semi-conductor chip shortage and the pandemic to till date. During FY 2021-22 the sale of passenger vehicle increased upto 17.06%<sup>1</sup> (domestic sale increased by 13.20% and export sale rose by 42.90%). In the previous year the passenger vehicle segment registered a de-growth of 9.31% (Domestic + Export sale). The increase in sale of passenger vehicle is majorly driven by increase in utility vehicle, (upward trend of 41.02%) and vans - (upward trend of 4.19%<sup>1</sup>). and passenger car (upward trend of 1.95%<sup>1</sup>). The growth potential in passenger vehicle market exist due to order booking at each OEM. The outlook is promising despite the logistic disruption may continue for few more quarters.
- 1.4 As the COVID relaxations were eased, and non-essential services resumed the demand for commercial vehicles regained momentum. The commercial vehicles segment registered a steep upward trajectory verses passenger vehicle segment. The trend is majorly driven by resumed services in the construction/ public transportation and tourism sector. The commercial vehicle segment witnessed a de-growth of 20.45%<sup>1</sup> in FY 2020-21. During FY 2021-22, the de-growth of commercial vehicle segment regained momentum, and registered a growth rate of 30.70%<sup>1</sup> annually. Additionally, the domestic automobile sales were also affected by the customer shifting from internal combustion to electric vehicles.
- 1.5 On the other hand, to promote the adaption of electric vehicles the government proposed incentive for cars, two-wheelers, goods-carrying commercial vehicles, and passenger-carrying vehicles.
- 1.6 As per the Ministry of Finance, India's GDP growth rate for FY 2022-23 is estimated to vary between 8% to 8.5%<sup>2</sup>. The previous year GDP was 8.7%<sup>2</sup>. The decline in the estimated GDP is driven by worsening supply conditions, and increased inflation parameters due to Russia-Ukraine war. The increased oil and food prices will have a direct impact on the real income of the people. However, India will retain the tag of fastest growing economy.
- 1.7 Indian automobile industry is a key contributor in the overall GDP growth of the country. India enjoys a large pool of talented work force, optimum production requirements, easy availability of raw materials, and an government that promotes domestic production, while eyeing exports. The recent development of the government has been the introduction of the Production Linked Incentive (PLI) scheme, which promotes and rewards domestic manufacturers. Additionally, India enjoys an image of global manufacturer of low cost and high-quality products. It is also considered as a key outsourcing hub by various economies around the globe. Traditionally, the Government has always emphasised on domestic manufacturing and exports orientation of the economy at large. Schemes like "Make in India" –(Manufacture in India), "Atmanirbhar Bharat-(Self-reliant India)" and PLI scheme for large scale manufacturers and many more have been introduced by the government. During the year, the automobile sector contribution towards GDP stood at 7.1%<sup>3</sup>, which also included 35 million employment generation, and 4.7% share in country's exports.
- 1.8 The growth of automobile sector is expected to boost as a consolidated result of rise in middle class income, increase in investments leading to increased exports, government policies like relaxation of FDI, introduction of PLI scheme, NATRIP for setting up R&D centres to match global manufacturing levels, clean tech schemes and flex fuel engines among others.
- 1.9 Constant developments in the vehicle safety and ride quality are expected to drive the industry into a new vertical of automated/driverless cars. It will be aided by introduction of telematics and improvements in the overall ride quality of the car. The ADAS (Advanced Driver Assistance Systems) offers numerous features for safety and ride comfort of the passengers. Adaptive cruise control, adaptive light control, automatic parking, autonomous valet parking, blind spot monitoring, automatic emergency braking, crosswind stabilisation, driver monitoring system among others.
- 1.10 The demand of Electric Vehicle is expected to skew the market by large. The factors leading to increasing EV's automotive sector are growth in demand, relaxation of supply chain inefficiencies, increase in fuel prices, and increasing awareness and adaptability of electric vehicles.



## 2. Financial & Operational Performance

- 2.1 Revenue from operations has increased to INR 2,238.64 crores in FY 2021-22 as compared to INR 1,795.65 crores last year, registering a growth of 24.67%. The complete year was under stress of logistic disruption, semi-conductor shortage, or partial lockdown in some parts of the world.
- 2.2 Your Company successfully navigated the crises through organisational resilience, agility and adaptability. At the heart of it are our people, supported by enabling processes and technologies. We have brought a complete paradigm shift, and transformed our business operations. Our core values of respect and humility passion and commitment, trust and team work have been pivotal in our recovery.
- 2.3 Truck and bus market has not seen a substantial recovery during first half of the year. However, truck segment has seen sharp recovery during the second half. But, bus segment, has still not revived due to poor recovery of travel industry. Customer preference for air-conditioned trucks has started showing marked increase. There is significant impact on truck ROI, since running per day has increased due to driver comfort. This has taken care of business development activities with all OEM's showing healthy progress. We see a bright future of this segment for the Company.
- 2.4 Home Aircon market is also growing rapidly. Commodity price fluctuation, and its impact on price is the key challenge, which has become a deterrent in market growth. Despite all odds, the Company has registered growth of 41% in this segment. The business development activities and product development activities are in place as per market demand. Nalagarh, Himachal Pradesh plant was completed and production has commenced. At present the Company is planning to utilise the plant to its full capacity in view of new businesses awarded, and businesses in the pipeline.
- 2.5 The Company faced challenge of raw material prices going up because of high commodity cost pressure and appreciation in foreign exchange rates. Metal prices have seen a substantial increase this year. Foreign exchange rates of USD/INR and JPY/INR also witnessed a new high further impacting input cost. To mitigate the risk your Company has taken various cost saving measures, which resulted in some comfort by offsetting input cost.
- 2.6 There are several other challenges in supply chain disruption including, high commodity price, significant increase in container cost, rising diesel price, and increasing packing and other operational costs, which has a huge impact on our financials. It especially influences material sales ratio and EBIDTA margin.

## 2.7 Key Financial Ratios

Particulars	FY 2022	FY 2021	Change (%)	Remark
Debtors Turnover Ratio (Times)	10.40	9.13	14	
Inventory Turnover Ratio (Times)	5.55	5.00	11	
Interest Coverage Ratio	14.54	10.10	44	(i)
Debt Equity Ratio	0.08	0.13	-38	(ii)
Current Ratio	1.10	1.07	3	
Operating Profit Margin	7.09	9.14	-22	
Net Profit Margin	2.03	3.10	-35	(iii)
Return on Net Worth	6.63	8.60	-23	
Networth (Rs. in crores)	823.46	794.72	4	

- (i) Better working capital management, lower finance cost and repayment of long term debt.
- (ii) Reduction due to repayment of long term debt(s)
- (iii) Decline in profits due to global crisis comprising of commodity price increase, increase in logistics costs and shortage of semi-conductor chips and its impact on automotive.

## 3. Research & Development

- 3.1 The mobility industry is entering an era of E-Mobility, technology up gradation, and regulatory changes. Each regulatory upgrade calls for product level changes, and stricter validation of products. The Company is upgrading the R&D facilities, and skill set to meet this requirement. We are engaged in the same with the help of our technology partner DENSO Corporation, Japan.
- 3.2 In view of "Make in India" movement, the Company is focusing on "Design in India" and "Manufacturing in India." Under these programs, strong support of DENSO Corporation Japan and DENSO Subros Thermal Engineering Centre India Private Limited (DSEC) is being taken to localise design activities, and develop local skills to design Indian and global products.
- 3.3 Localisation is the key thrust for the Company in view of de-risking ourselves from logistic disruption and foreign exchange volatility. Subros has achieved localisation level of above 80% in all products.
- 3.4 As India moves towards increasing "green" standards, roadmaps for future technologies are focused towards energy-efficient and environment-friendly products. Our dedicated teams are working proactively to meet these anticipated requirements through advanced technologies. Additionally, the Company is happy to have the expertise of collaborators for meeting product demands. Our in-house R&D capabilities helped us to locally design and develop HVAC, battery cooling, traction motor cooling systems, controller systems, and its integration for electric bus segment. As per diversification requirement,



our research team has developed energy efficient and environment friendly refrigerant-based home AC products (R32 refrigerant based Inverter AC range).

- 3.5 As the technology revolution is evolving in the industry, we are continuously bringing new technologies to the domestic market to meet customer requirements. After a successful launch of the new Vane Rotary Compressor (SVE08), new heat exchangers REC (Regional Efficiency Condenser) and RER (Regional Efficient Radiator), now the focus is on the development and launch of EV and Hybrid vehicle products. We are also prepared to launch two zone (High Temperature and Low Temperature) radiator, low permeability hoses, EV HVAC along with battery cooling systems.

#### 4. Information Technology

- 4.1 In view of world moving towards digitisation, the need for strengthening information technology has increased. Virtual reality is the new normal, and threat to information security has also increased.
- 4.2 The Company is also moving towards digitisation and Industry 4.0. Process automation is the key focus. New and emergent technologies bring unprecedented threats to internet connected devices, and data security becomes a growing concern.
- 4.3 Cyber security is the key risk these days. The Company has taken cognisance of vital aspects such as locations of information storage, how can it be moved, access controls, and systems of data processing. In addition, sufficient measures have been taken to safeguard crucial database.
- 4.4 A large number of initiatives have been undertaken to address the risk identified under each element. Substantial investments have been made in advanced IT tools to enhance the Information Security capabilities. The Company also has a clear roadmap for each of the aspects mentioned. Disaster Recovery (DR) has been given significant attention considering the growing dependence on IT systems within the Company.
- 4.5 The Company has envisaged long term IT strategy roadmap based on latest developments in information technology. Infrastructure, application support, data management, security management, and skill competency are major pillars of our IT strategy roadmap.

#### 5. Internal Controls and their Adequacy

- 5.1 The Company has 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 maintenance of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, 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 Further, in order to meet the robust internal control system in the organisation, the Company has adequate policies and procedures in place for its current size, and for growing future needs. These policies and procedures play a pivotal role in the deployment of internal controls. They are reviewed at periodic intervals to ensure relevance and comprehensiveness, and compliance is ingrained into the management review process.

- 5.3 The Company believes that every employee has a role to play in fostering an environment in which compliance with regulations, and ethical behaviour are accorded due importance. Towards this, sessions are periodically held to increase employee awareness on the Company's code of conduct.

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

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

- 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 automotive industry and domestic/ commercial air conditioners demand. General economic conditions that influence the automotive industry, in turn, play a critical role in impacting the operations of the Company.
- 6.2 The competition has been intensified in almost all the segments of the Indian automotive market. The Company is aware of heightened competition and is taking adequate measures to remain competitive in the market place.
- 6.3 In view of economic disruptions, the Company continues to face strong competitive pressures from both, domestic and overseas suppliers. It is also susceptible to financial risk from volatility in interest, foreign exchange rates, and commodity prices. As a result, implementation of processes to sustain cost efficiencies are brought into the system and capacity expansion is being planned to address these changing patterns.
- 6.4 To counter these risks, the Company continues to broaden its product portfolio, increase customer profile, and geographic reach. Keeping this in mind, the Company is continually exploring opportunities to increase its market share in commercial vehicle segment such as bus aircon, railways, refrigerated trucks, and engine cooling module and Home AC Segment. This will enable de-risking, and a reduction of dependency on the passenger car segment.
- 6.5 Enterprise Risk Management framework is the fundament of risk management at Subros. As the business is exposed to many risks (external and internal), the Company has assessed such risks as a proactive measure, and has made mitigation plans against high-risk areas. Since this is an ongoing activity, periodic re-assessment of such

risks is being done based on geo-political and economic environmental changes.

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

## 7. Human Resources

- 7.1 Human skill and leadership development is the key priority for the Company. The emerging technology revolution can be succeeded through requisite human skills only. The Company has started many promotional programs for developing human skills. Building organisational capability through the development of human capital continues to be an area of strategic focus.

- 7.2 For Middle level management development “Lead program” has been going on for the last two years. The Company has seen phenomenal response to this program, and young leadership team for shaping up the future of the Company.

- 7.3 For Senior leadership and succession planning for N-1 and N-2 category, a group is being prepared who are trained in leadership skills, and also multi skilling. This leadership will be positioned strategically on new or important roles in the organisation, which will play a pivotal role in future.

- 7.4 The way forward is through concrete steps for employee engagement, and motivation. The Company has enlisted services of professional firms for assessing and improving employee effectiveness scores. These are assessed through annual surveys leading to focus on refining employee policy deployment and engagement, and strengthening various areas of employee satisfaction.

- 7.5 DOJO development is another key mode of Human Resource Development. The Company has setup DOJO centres in plant locations i.e., Noida, Manesar, Pune, Karsanpura, and Chennai. The training is imparted to the local community for industrial experience. The Company has trained over 8000 young people through skill development at these plants.

- 7.6 For ensuring health and safety of all employees, company wide vaccination program was run during the year. Employees and their families have actively participated in this mission and completed 100% vaccination. This will help the Company fight with COVID 19 pandemic.

## 8. Marketing

- 8.1 Marketing of the products in expanded segment profile is key priority of the organisation. The Company has not only expanded the segment, but also customer profile. The overall strategy of the Company entails increase in commercial vehicle and non-car segment as part of the business expansion, and de-risking agenda. As these segments also have tremendous potential, the Company

has augmented resources to acquire market share in these segments.

- 8.2 In the Railway segment, the Company has emerged as a strong player. We are planning future growth by meeting all cabin air-conditioning requirements of diesel and electric locomotives, and planning expansion in coach AC segment. The Company is expanding in coach AC and for that seeking regulatory approval. The Company also participated in tenders for coach business and won development order.

- 8.3 Developing business in home AC market is another key initiative of the Company. Product development and business development activities are in place and we have good order booking situation in this segment.

- 8.4 The Company has also developed another business segment i.e. Tools and Dies. Utilising the capability of STEC (Subros Tool Engineering Centre). This is an emerging market where all OEMs and Tier 1 suppliers are focussed on localisation of Tools and Dies.

## 9. Corporate Social Responsibility

- 9.1 To empower women for self-entrepreneurship and developing skills for financial independence, the Company is running a skill development centre at a village in Manesar. Subros has provided infrastructure and imparted training to several village women in the vicinity.

- 9.2 The Company has adopted schools around the vicinity of plants and provides improved education. The local communities welcome this initiative. Key focus at this stage is to improve the infrastructure of schools and quality of education.

- 9.3 The Company has partnered with local NGOs under the umbrella programme of CSR for community development and upskilling human resources by supporting education, and socio-psychological well-being of children of incarcerated parents. The Company has also partnered with technological incubators, which are approved by central government for future technology development.

## 10. Roadmap for Future

- 10.1 Subros anticipates a tremendous deal of transformation stemming from consumer preferences and environmental concerns shifting towards a cleaner and economical mode of transportation. The business model, product folio and day to day operations have to be transferred from conventional energy to a greener source of energy.

- 10.2 Proactive in the business space and receptivity to change remain our key approach. Agility, innovation in technology, futuristic product portfolio, product quality, and manufacturing excellence will remain focus areas of the Company. Operational Executive Committee (OEC) that comprises of the functional and division leaders is focussed on operational excellence and execution of the set goals.



10.3 The Company has set the long-term strategic intent upto FY 2025-26 concentrating on growth, diversification, profitability, and people development. Aggressive plans in existing segments, and expansion in new products are key to the strategy.

10.4 Subros will keep ensuring safety and health of employees at workplace. The Company will continue to align with policies of government and health authorities' to help employees remain engaged as they and the organisation navigate through the crisis.

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

11.1 Understanding the importance of E-mobility in the automobile space, the Company has the capability to offer AC kits compatible with electronic vehicles to the commercial and passenger vehicle segment. Several new product development and new technology development projects are underway.

11.2 The Company is also working aggressively to enhance product portfolio for the commercial vehicle segment. Radiator for the segment is already developed and its market development is in process. Besides this, probable introduction of air-conditioning systems, will certainly add to revenues in subsequent years.

11.3 The Company has adopted Sustainable Development Goals (SDG) to achieve a better and sustainable future for all. Projects for realisation of SDG are identified and under execution. Quality of education, gender equality, decent work and economic growth, peace, justice and strong institution, and clean energy are few SDG goals the Company has adopted and both short and long-term plans are laid down for them.

### Cautionary Statement

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

### Sources:

1. SIAM Cumulative Production, Domestic Sales & Exports data
2. Ministry of Finance
3. <https://www.investindia.gov.in/sector/automobile>



## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 37<sup>th</sup> Annual Report of the Company together with the audited financial statements for the year ended March 31, 2022.

### FINANCIAL RESULTS

Particulars	Standalone		Consolidated	
	Current Year 2021-22	Previous Year 2020-21	Current Year 2021-22	Previous Year 2020-21
	(Rs. in Crores)			
Revenue from operations (Net of excise duty)	2238.64	1795.65	2238.64	1795.65
Other income	9.92	10.31	9.54	10.31
<b>Profit before depreciation, interest and tax</b>	<b>158.65</b>	<b>164.09</b>	<b>158.27</b>	<b>164.09</b>
Less: Financial Charges	10.92	16.25	10.91	16.25
Less: Depreciation	102.35	92.11	102.35	92.11
Add: Share of profits/loss of joint venture (equity method)	-	-	0.29	0.68
<b>Profit before Exceptional items</b>	<b>45.38</b>	<b>55.73</b>	<b>45.30</b>	<b>56.41</b>
Less: Exceptional items	-	-	-	-
<b>Net profit before Taxation</b>	<b>45.38</b>	<b>55.73</b>	<b>45.30</b>	<b>56.41</b>
Less: Tax	12.80	9.02	12.80	9.02
<b>Profit after Taxation</b>	<b>32.58</b>	<b>46.71</b>	<b>32.50</b>	<b>47.39</b>
Profit brought forward	449.24	405.82	449.64	405.53
Profit available for appropriation	474.68	449.24	476.78	449.64

### BUSINESS OPERATIONS

The net revenue from operations for the financial year ended March 31, 2022 is Rs. 2238.64 Crores as against Rs. 1795.65 Crores in the previous financial year. However, the net profit before tax is Rs. 45.38 Crores as compared to Rs. 55.73 Crores in the previous financial year.

The second & third wave of Covid-19 pandemic, has led to shortage of semi-conductors, logistic issues and created economic disruption throughout the world including India. The Company's operations have been adversely impacted due to the consequent lockdowns announced by the State Governments due to which the operations were suspended for part of the first quarter and gradually resumed with requisite precautions.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements for the year ended March 31, 2022. While assessing the carrying value of its assets and liabilities, the Company has considered internal and external information available, and based on such information and assessment, has concluded that no further adjustments are required to be made to these financial statements. However, given the evolving scenario and uncertainties with respect to nature and duration, the impact of the pandemic may differ from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions.

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

### EXTERNAL ENVIRONMENT AND ECONOMIC OUTLOOK

COVID-19 wave-2 had moderate impact on the Company's performance. Though there was one month of lock down applied variably in many parts of the country in the month of May, 2021, however, recovery was seen in passenger car segment in Q2, 2021-22 followed by demand pick up in truck segment as well. Semiconductor shortage was observed at most Passenger Vehicle OEMs and their production were not able to return to peak levels to meet rising customer demand due to increased preference for personal mobility in post pandemic period from Q2, 2021-22 onwards. Accordingly, the Company saw high variability and downward pressure on PV segment OEM demand. Extraordinary increase in commodity prices and imported container costs and their availability during the year did have pressure on company's cost. Truck segment has shown good demand in Q3 and Q4, 2021-22 and bus segment has shown demand uptick in Q4, 2021-22 after a gap of almost 2 years of pandemic. Demand for AC ambulances is continuing. Home AC segment demand pick up got impacted due to higher commodity prices, raw material availability and customer side demand fluctuations; but is expected to stabilize.

The semiconductor shortage would continue to impact in the passenger vehicle segment, and is expected to restrict OEM production in first two quarters of FY 2022-23,





though situation is likely to be better than FY 2021-22. Global pandemic and geo political events including lockdowns in China may restrict OEM production due to raw material availability, and needs to be watched for. Semiconductor situation is likely to improve towards Q3/Q4, 2022-23 and is likely to help OEMs return to their peak production towards Q4, 2022-23. Truck segment is likely to show better growth whereas bus segment is likely to return to pre-pandemic levels by end of the FY 2022-23 due to opening of the schools and phased opening of offices and tourism sector, and these segments expected to better than FY 2021-22. The Company expects to begin supplies in Coach AC segment during this year after obtaining regulatory approval. Also split AC production would start in FY 2022-23. Commodity prices are likely to stabilize by Q2, 2022-23 but may continue to put pressure on costs.

### EXPANSION AND FUTURE PROSPECTS

As the industry is growing sharply post Covid-19, the technology enhancement / transition and regulatory compliances which are being enforced by the Government agencies, your Company is gearing to meet these requirements. In line with these, the Company is planning for capacity enhancement at Chennai plant in view of new models launch plan by OEM's along with capacity balancing activities across plants as a regular practice.

To improve margins and de-risking impact of economic factors, there is a continued focus on localization and cost optimization activities in all the product segments. The research and development activities are focussed on new product development and new technology product introduction in Electric & Hybrid vehicles, Passenger vehicles, Commercial vehicles, Off-road vehicles and product range expansion in Home AC and Railways segment. The Company has made long term strategy for upgrading the products to meet enhanced customer requirement for ICE engines and also to meet regulatory requirements. Electric vehicle thermal products are at advanced evaluation stage and these are expected to be introduced soon in the market. New business for upcoming models from various OEM's, programs are progressing as per the milestones..

### DIVIDEND

Your Company has earned a net profit (after tax) of Rs. 32.58 Crores as against Rs. 46.71 Crores in the previous year. The Board has recommended a dividend of Rs. 0.70 per share (35% on the face value of equity shares of Rs. 2 each) for the financial year ended March 31, 2022, as against Rs. 0.70 per share (35% on the face value of equity shares of Rs. 2 each) in the previous year.

The dividend, if approved by the Members at the ensuing Annual General Meeting, shall absorb a sum of Rs. 4.57 Crores.

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

### TRANSFER TO RESERVES

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

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

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

### CAPITAL STRUCTURE

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

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

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

- i. Late. Mr. Ramesh Suri ceased as Chairman & Whole-time Director with effect from May 12, 2021.
- ii. Ms. Shradha Suri, Managing Director was re-designated as Chairperson & Managing Director with effect from May 26, 2021.
- iii. Mr. Parmod Kumar Duggal was appointed as Chief Executive Officer of the Company with effect from April 1, 2021. Further, he was appointed as Whole-time Director designated as CEO of the Company with effect from August 5, 2021.
- iv. Mr. Hemant Kumar Agarwal was appointed as Chief Financial Officer of the Company with effect from April 1, 2021.
- v. Mr. Fumitaka Taki resigned as Alternate Director to Mr. Hidemasa Takahashi with effect from January 27, 2022.
- vi. Mr. Yasuaki Matsunaga was appointed as Alternate Director to Mr. Hidemasa Takahashi with effect from January 27, 2022.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Kenichi Ayukawa, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. The brief resume of Mr. Kenichi Ayukawa as required under the Listing Regulations and Secretarial Standards is provided in the Notice of the 37<sup>th</sup> Annual General Meeting of the Company. The requisite resolution pertaining to the re-appointment appears at the respective item of the Notice along with the Statement and is recommended to the Members for approval.

### Declaration from Independent Directors:

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

**Board Meeting:**

The Board of Directors met six times during the financial year 2021-22, the details of which are given in the Corporate Governance Report which forms part of this Annual Report. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

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

The policy of the Company on Directors' appointment and remuneration including criteria for determining qualifications, positive attributes and other matters is available on the website [www.subros.com/investors.html](http://www.subros.com/investors.html) of the Company.

**AUDIT COMMITTEE**

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- 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**

DENSO Subros Thermal Engineering Centre India Private Limited, a Joint Venture, achieved revenue of Rs. 17.95 Crores during the FY 2021-22 as against Rs.18.6 Crores in the previous year. The Joint Venture achieved a profit of Rs. 1.11 Crores during the year as against Rs. 2.61 Crores in the previous year. Your Company is holding 26% shares in this Joint Venture.

The Company does not have any subsidiary.

**CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with the Companies Act, 2013 and IND AS 110 - Consolidated Financial Statements read with IND AS 31 - Interest in Joint Ventures, your Directors have pleasure

in attaching the Audited Consolidated Financial Statements, which forms a part of this Annual Report.

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

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

**ANNUAL RETURN**

The Annual Return as on March 31, 2022, in terms of provisions of Section 134(3) and other applicable provisions of the Companies Act, 2013, read with Rules thereto is available on website of the Company [www.subros.com/investors.html](http://www.subros.com/investors.html) and forms integral part of this Annual Report.

**AUDITORS AND AUDITORS' REPORT**

**Statutory Auditors:** M/s. Price Waterhouse Chartered Accountants LLP, Chartered Accountants will hold office till the conclusion of the 37<sup>th</sup> 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.

As per the provisions of Section 139 of the Companies Act, 2013, the Board has recommended the re-appointment of M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants as Statutory Auditors of the Company for the 2<sup>nd</sup> term of 5 years from the conclusion of the 37<sup>th</sup> Annual General Meeting (AGM) till the conclusion of 42<sup>nd</sup> AGM for approval of the Members.

**Cost Auditors:** The Company has re-appointed M/s. Chandra Wadhwa & Company, Cost Accountants, as Cost Auditors of the Company to conduct the audit of cost records maintained by the Company for the FY 2022-23 in accordance with Section 148(1) of the Companies Act, 2013. The ratification of remuneration payable to Cost Auditors for the FY 2022-23 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 FY 2022-23. The Secretarial Audit Report for the financial year ended March 31, 2022 is annexed as Annexure-2 and the same is self-explanatory. The said Secretarial Audit Report does not contain any qualification or adverse remark.

**DEPOSITS**

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

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

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



## INTERNAL FINANCIAL CONTROLS

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

## LOANS, GUARANTEES OR INVESTMENTS

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

## CORPORATE SOCIAL RESPONSIBILITY

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

## RISK MANAGEMENT

The Company has a risk management policy and framework in place to ensure proper identification and treatment of risks. The identification and mitigation of strategic, business, operational and process risks are carried out for all functions. The key strategic risks along with mitigation plan are presented to the risk management committee on half-yearly basis. Few of such risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Annual Report. The implementation of the ERM framework is continuously evolving and has progressed well during the financial year 2021-22.

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

## VIGIL MECHANISM

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

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

## SEXUAL HARASSMENT

The Company has in place a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Internal Committee has been set up to redress complaints

received regarding sexual harassment. During the year the Company did not receive any complaint.

## RELATED PARTY TRANSACTIONS

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

## LISTING

The Equity Shares of your Company continue to be listed on BSE Limited (BSE), National Stock Exchange of India Limited (NSE) and Delhi Stock Exchange Limited (DSE). The listing fees for the year 2021-22 have been paid to the said stock exchanges except to DSE as Securities and Exchange Board of India has withdrawn the recognition granted to DSE on November 19, 2014.

## ANNUAL EVALUATION

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

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

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

## CREDIT RATING

ICRA has assigned / reaffirmed the Long Term Ratings as [ICRA] AA- "Stable" and for Short Terms Ratings as [ICRA] A1+ "Stable".

## PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Disclosure in respect to remuneration and other details as per the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure-5 to this Report.



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

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

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

#### **BUSINESS RESPONSIBILITY REPORT**

A report on adoption of responsible business practices in the interest of the social, governance and environmental perspective are as vital as their financial and operational performance. Conforming to the requirements of the clause (f) of sub-regulation (2) of Regulation 34 of Securities and Exchange Board of India the Business Responsibility Report for Financial Year 2021-22 is annexed herewith and forms integral part of this Report.

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

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

#### **COMPLIANCE WITH SECRETARIAL STANDARDS**

The Company has complied with the Secretarial Standards issued by the Institute of Company Secretaries of India on meetings of Board of Directors, its Committee(s) and General Meetings.

#### **ACKNOWLEDGMENT**

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

Last but not the least the Board wishes to thank all Members, vendors and business associates for their trust and constant support to the Company.

For and on behalf of the Board of Directors

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

Place: New Delhi  
Dated: May 24, 2022



## 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 energy conservation in all key areas related to manufacturing and administrative operations. Various measures are taken to optimize power costs associated with the manufacturing of products. The following are some of the measures initiated / adopted for conservation and optimized utilization of energy during the year under review: <ul style="list-style-type: none"> <li>• Use of low size nozzles on blower operation to reduce compressed air consumption</li> <li>• High Efficiency Motors and Pumps</li> <li>• Installation of LPG manifold</li> <li>• IOT based system for electrical energy, HVAC, for online monitoring</li> </ul>
(ii)	The steps taken by the Company for utilizing alternate sources of energy	<ul style="list-style-type: none"> <li>• Use of solar power (roof top) in following plants <ul style="list-style-type: none"> <li>- Chennai Plant installation in process;</li> <li>- Pune Plant feasibility in progress</li> <li>- Subros Tool Engineering Centre installation in progress.</li> <li>- Supply has commenced at Manesar Plant.</li> </ul> </li> <li>• Solar power supply (under open access – captive use) at Noida Plant 2 &amp; 3 has commenced.</li> </ul>
(iii)	The capital investment on energy conservation equipment	<ul style="list-style-type: none"> <li>• Investment is done for projects where ROI &lt; 1 Yr.</li> </ul>
B) TECHNOLOGY ABSORPTION		
(i)	The efforts made towards technology absorption	<ul style="list-style-type: none"> <li>• New technology products developed to meet future market demand for features like low noise, low weight feature based HVAC, energy efficient and eco-friendly Inverter Home AC's.</li> <li>• New range of energy efficient HVAC products including thermal management systems for Battery Electric Vehicles.</li> <li>• Cost reduction by alternate sourcing and localization in the field of automotive HVAC, Compressor, Heat Exchangers, Pipes &amp; Hoses.</li> <li>• Development of new products based on system level application engineering for ECM, HVAC systems of Car, Bus, Truck &amp; Railways and EVs.</li> </ul>
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution	<ul style="list-style-type: none"> <li>• Cost reduction has been achieved by implementing VAVE ideas and new technology based products.</li> <li>• Import substitution has been achieved by in-house manufacturing of parts, localization of material and parts.</li> </ul>
(iii)	In case of imported:	The Company has been importing technology in collaboration with DENSO Corporation, Japan and Suzuki Motor Corporation, Japan since 1986. Further, the Company has executed Technical Assistance Agreement(s) with DENSO Corporation, Japan for transfer of technology for HVACs, Compressors, Radiators and other thermal products manufactured by the Company.
(a)	Technology (Imported during the last three years reckoned from the beginning of the financial year) the details of technology imported	
(b)	The year of import	
(c)	Whether the technology has been fully absorbed	
(d)	If not fully absorbed, areas where absorption has not taken place, and the reason thereof	Not applicable

(iv)	The expenditure incurred on Research and Development	During the year, various major activities in the field of research and development were carried out by the Company in the areas of New Product Development, Application Engineering, Benchmarking, Participation in National & international SAE Events, IP creation and patent filing, New Technology Development, Domestic AC product design and development, Electric vehicle thermal management solutions, In house testing facility up gradation.	(Rs. in Lakhs)		
			2021-22	2020-21	
			Capital	29.25	304.98
			Recurring	2435.39	2062.01
			Total expenditure	2464.64	2366.99
			Total R&D expenditure as a percentage of net turnover	1.10%	1.32%
<b>C) FOREIGN EXCHANGE EARNINGS AND OUTGO</b>					
			(Rs. in Lakhs)		
			2021-22	2020-21	
			Total foreign exchange earned	24.15	32.97
			Total foreign exchange outgo		
			(i) CIF value of imports (Recurring)	42929.93	31,981.35
			(ii) CIF value of imports (Capital Expenditure)	233.96	935.87
(iii) Expenditure in foreign currency	4752.03	3390.80			



## ANNEXURE-2 TO THE DIRECTORS' REPORT

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2022

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board - Processes and Compliance - Mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2022 according to the provisions of :-

1. The Companies Act, 2013 ("the Act") and rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and bye - laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendment thereon;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendment thereon;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not applicable to the Company during the audit period);
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations 2021, (Not applicable to the Company during the audit period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008. (Not applicable to the Company during the audit period);
  - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) ;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period) and;
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendment thereon;
6. We further report that, having to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test check basis, the Company has complied with the following laws as applicable to the Company:
  - i) The Factories Act 1948, and Rules made there under;
  - ii) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder;
  - iii) The Environment Protection Act, 1986 and Rules made thereunder;
  - iv) The Water (Prevention and Control of Pollution) Act, 1974 and Rules made thereunder;
  - v) The Contract Labour (Regulation & Abolition) Act, 1970 and Rules made thereunder;
  - vi) The Petroleum Act, 1934 and Rules made thereunder;
  - vii) The Explosives Act, 1884 and Rules made thereunder;
  - viii) The Legal Metrology Act, 2009 and Rules made thereunder;

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

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

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

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

8. We further report that:-

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

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

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

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

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

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

For RSM & CO.  
Company Secretaries

CS RAVI SHARMA  
Partner

FCS: 4468 | COP No.: 3666  
UDIN F004468D000359867  
Peer Review No. 978/2020

Place : Delhi  
Date : May 24, 2022

#### Annexure-1

To,  
The Members  
SUBROS LIMITED

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

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

For RSM & CO.  
Company Secretaries

CS RAVI SHARMA  
Partner

FCS: 4468 | COP No.: 3666  
UDIN F004468D000359867  
Peer Review No. 978/2020

Place : Delhi  
Date : May 24, 2022



## ANNEXURE - 3 TO THE DIRECTORS' REPORT

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

1. Brief outline on CSR Policy of the Company

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

2. Composition of CSR Committee:

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

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

3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the company: [www.subros.com/investors.html](http://www.subros.com/investors.html)
4. Provide the details of impact assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**
5. Details of the amount available for set off in pursuance of sub -rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

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

6. Average net profit of the Company as per section 135(5): **Rs. 9704.27 Lakhs**
7. (a) Two percent of average net profit of the company as per section 135(5): **Rs. 194.09 Lakhs**
- (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**
- (c) Amount required to be set off for the financial year, if any: **NIL**
- (d) Total CSR obligation for the financial year (7a+7b-7c): **Rs. 194.09 Lakhs**
8. (a) CSR amount spent or unspent for the financial year:

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

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (Rs.in Lakhs)	(8) Amount spent in the current financial year (Rs.in Lakhs)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (Rs.in Lakhs)	(10) Mode of implementation -Direct (Yes/No)	(11) Mode of implementation -Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Green Plantation	(iv) Ensuring environmental sustainability, ecological balance	Yes	Uttar Pradesh	Gautam Budh Nagar	24 Months	15.53	5.53	-	Yes	NA	NA
2	Education for under-privileged children	(ii) Promoting Education	Yes	Uttar Pradesh	Gautam Budh Nagar	24 Months	62.30	36.30	-	Yes	NA	NA
3	Social Campaign	(iii) Setting up old age homes, day care centers and such other facilities for senior citizens	Yes	Uttar Pradesh	Gautam Budh Nagar	24 Months	18.03	8.03	-	No	Surya Sansthan	CSR00022726
											Foundation for Innovation and Technology Transfer	CSR00001535
											The United Educational and Social Welfare Trust	CSR00000029
4	Preventive Healthcare	(i) Promoting health care including preventive health care	Yes	Uttar Pradesh, Haryana, Tamil Nadu, Gujarat,	Gautam Budh Nagar, Gurugram, Kanchipuram, Ahmedabad	24 Months	102.13	65.63	-	Yes	NA	NA
5	Skills Development	(ii) Employment enhancing vocational skills	Yes	Haryana, Tamil Nadu	Gurugram, Kanchipuram	36 Months	115.00	66.33	-	Yes	NA	NA
<b>TOTAL</b>							<b>312.99</b>	<b>181.82</b>				

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

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project (Rs. in Lakhs)	(7) Mode of implementation -Direct (Yes/No)	(8) Mode of implementation -Through implementing agency	
				State	District			Name	CSR registration number
1	Technology Development	(ix) Contribution to incubators	Yes	Delhi	Delhi	10.00	Yes	NA	NA
<b>TOTAL</b>						<b>10.00</b>			
(d) Amount spent in Administrative Overheads (Rs. in Lakhs)						3.18			
(e) Amount spent on Impact Assessment, if applicable						Not Applicable			
(f) Total amount spent for the Financial Year (8b+8c+8d+8e) (Rs. in Lakhs)						<b>195.00</b>			





(g) Excess amount for set off, if any -

Sl. No.	Particular	Amount (Rs. In lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	194.09
(ii)	Total amount spent for the Financial Year	195.00
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.91
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for setoff in succeeding financial years [(iii)-(iv)]	0.91

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

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

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project (Rs. in Lakhs)	(7) Amount spent on the project in the reporting Financial Year* (Rs. in Lakhs)	(8) Cumulative amount spent at the end of reporting Financial Year (Rs. in Lakhs)	(9) Status of the project – Completed / Ongoing
1	Skills Development	Skills Development	2020-21	36 Months	115.00	66.33	70.00	Ongoing
	<b>TOTAL</b>				<b>115.00</b>	<b>66.33</b>	<b>70.00</b>	

Note:\* The amount shown are excluding administrative overheads.

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

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

Shradha Suri  
(Chairperson & Managing Director)

Meena Sethi  
(Chairperson, CSR Committee)

Place: New Delhi

Date: May 24, 2022



## ANNEXURE - 4 TO THE DIRECTORS' REPORT

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

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

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

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

S. No.	Name (s) of the related party	Nature of relationship	Nature of contracts/ transactions/ arrangements	Duration of contracts/ transactions/ arrangements	Salient terms of contracts/ transactions/ arrangements including, value if any (Rs. in Crores)	Date of approval by the Board/Audit Committee	Amount paid as advance, if any
1	Global Autotech Ltd	Common Director	Sale, Purchase, Transfer or Receipt of Products, Goods, Materials, Assets or Services	Ongoing transactions	195.97	January 28, 2021	Nil



## ANNEXURE – 5 TO THE DIRECTORS' REPORT

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

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

Name of Director & Designation	Ratio to median remuneration
Mr. Ramesh Suri – Chairman*	-
Ms. Shradha Suri– Chairperson & Managing Director**	55.61
Mr. Parmod Kumar Duggal, Whole-time Director & CEO	23.77

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

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

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

Name & Designation	Percentage increase in remuneration
Mr. Ramesh Suri, Chairman	-
Ms. Shradha Suri, Chairperson & Managing Director	-
Mr. Parmod Kumar Duggal, Whole-time Director & CEO	*
Mr. Hemant K. Agarwal, CFO & VP (Finance)	*
Mr. Rakesh Arora, Company Secretary	9%

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

\* Appointed as KMP during the financial year.

- (iii) The percentage increase in the median remuneration of employees in the financial year: **16.01%**
- (iv) The number of permanent employees on the rolls of Company: **2647 as on 31-03-2022**
- (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	31.03.2022
% increase in median salary of employees	16.01%
% increase in average salary of managerial personnel	9%

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

## Report on Corporate Governance for the year ended March 31, 2022

### COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

### BOARD OF DIRECTORS

The Board currently comprises of twelve Directors, out of which ten are Non-Executive Directors (including six Independent Directors). The Independent Directors have submitted declarations that they meet the criteria of "independence" as laid under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as on March 31, 2022. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations.

### Composition of Board of Directors and Directors attendance

The Composition and category of the Board of Directors, attendance, directorship and committee position during the financial year 2021-22 are given below:

Name of the Director	Category	No. of Board Meetings attended	Whether attended last AGM	No. of Directorships in other Companies#	Committees positions held in other Public Companies @	
					Chairperson	Member
Ms. Shradha Suri Chairperson & Managing Director	Non Independent, Executive, Promoter	6 of 6	Yes	6	-	4
Dr. Jyotsna Suri	Non Independent, Non-executive	6 of 6	Yes	5	-	1
Mr. Kenichi Ayukawa	Non Independent, Non-executive, Nominee Director +	6 of 6	No	3	-	1
Mr. Hidemasa Takahashi	Non Independent, Non-executive, Nominee Director ++	-	-	-	-	-
Mr. Fumitaka Taki	Alternate Director to Mr. Hidemasa Takahashi ##	4 of 5	Yes	-	-	-
Mr. Yasuaki Matsunaga		1 of 1	NA	-	-	-
Mr. Tomoaki Yoshimori	Non Independent, Non-executive, Nominee Director ++	5 of 6	Yes	-	-	-
Mr. G.N. Mehra	Independent, Non-executive	6 of 6	Yes	3	5	6
Mr. K.R. Ramamoorthy	Independent, Non-executive	6 of 6	Yes	3	3	5
Mr. M.A. Pathan	Independent, Non-executive	6 of 6	Yes	-	-	1
Mr. Shailendra Swarup	Independent, Non-executive	6 of 6	No	6	1	6



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

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

# Other than Foreign & Private Companies

+ Represents Suzuki Motor Corporation, Japan

+ + Represents Denso Corporation, Japan

## Mr. Yasuaki Matsunaga was appointed as Alternate Director to Mr. Hidemasa Takahashi in place of Mr. Fumitaka Taki w.e.f. January 27, 2022.

\*Appointed as Whole-time Director designated as CEO w.e.f. August 5, 2021.

#### Name of the listed entities where the person is a director and the category of directorship

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

#### Number of Board Meetings

During the year under review, six Board meetings were held on May 26, 2021, June 29, 2021, August 4, 2021, October 22, 2021, January 27, 2022 and March 29, 2022. The intervening gap between any two meetings was within the period prescribed under the Companies Act, 2013.

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

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

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

Amongst the non-executive Directors, Dr. Jyotsna Suri holds 16,19,200 equity shares in the Company. The other non-executive Directors do not hold any equity share. The company has not issued any convertible instruments.

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

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

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

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

#### COMMITTEES OF THE BOARD

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

#### AUDIT COMMITTEE

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

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending the appointment and removal of auditor, fixation of audit fee and also approval for payment for any other services;
- Reviewing with management the annual financial statements and auditor report before submission to the Board;
- Reviewing with management, performance of statutory and internal auditors and adequacy of internal control systems;
- Reviewing with the management the quarterly/half-yearly/annual Financial Statements before submission to Board of Directors for approval;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing seniority, reporting structure coverage & frequency of internal audit;
- Review the functioning of Whistle Blower Policy/Vigil Mechanism.



The Committee reviews the management discussion and analysis of the financial condition and results of operations, statements of significant related party transactions, internal controls and any other matter which may be a part of its terms of reference or referred to by the Board of Directors. The composition of the Audit Committee along with the details of the meeting held and attended by the members of the committee during the financial year 2021-22 are detailed below:

Name of Director(s)	Position	Category	Date of Audit Committee Meeting(s)			
			1	2	3	4
			28.06.2021	03.08.2021	21.10.2021	27.01.2022
Mr. G.N. Mehra	Chairman	Independent, Non-Executive	√	√	√	√
Mr. K.R. Ramamoorthy	Member	Independent, Non-Executive	√	√	√	√
Mr. M.A. Pathan	Member	Independent, Non-Executive	√	√	√	√

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

#### NOMINATION AND REMUNERATION COMMITTEE

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

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

The composition of the Nomination & Remuneration Committee along with the details of the meeting held and attended by the members of the committee during the financial year 2021-22 are detailed below:

Name of Director(s)	Position	Category	Date of Nomination & Remuneration Committee Meeting	
			1	2
			03.08.2021	28.03.2022
Mrs. Meena Sethi	Chairperson	Independent, Non-Executive	√	√
Mr. G.N. Mehra	Member	Independent, Non-Executive	√	√
Mr. Shailendra Swarup	Member	Independent, Non-Executive	√	√

The Committee met two times during the financial year 2021-22.

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

## RISK MANAGEMENT COMMITTEE

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

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

The composition of the Risk Management Committee alongwith the details of the meetings held and attended by the members of the Committee during the financial year 2021-22 are as follows:

Name of Director(s)	Position	Category	Date of Risk Management Committee Meeting(s)	
			1	2
			23.06.2021	21.12.2021
Mr. M. A. Pathan	Chairman	Independent, Non-Executive	√	√
Mr. Shailendra Swarup	Member	Independent, Non-Executive	√	√
Mrs. Meena Sethi	Member	Independent, Non-Executive	-	√

The Risk Management Committee met two times during the financial year 2021-22.

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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

The Composition of CSR Committee along with the details of the meeting held and attended by the members of the committee during the financial year 2021-22 are as follows:

Name of Director(s)	Position	Category	Date of Corporate Social Responsibility Committee Meeting(s)
			1
			25.06.2021
Mrs. Meena Sethi	Chairperson	Independent, Non-Executive	-
Mr. Arvind Kapur	Member	Independent, Non-Executive	√
Ms. Shradha Suri	Member	Non-Independent, Executive	√

The CSR Committee met once during the financial year 2021-22. The CSR Policy of the Company can be viewed on Company's website [www.subros.com/policy.html](http://www.subros.com/policy.html).

## STAKEHOLDERS' RELATIONSHIP COMMITTEE:

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





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

The composition of the Stakeholders Relationship Committee is as under:

Name of Members	Position	Category	No. of meetings attended during 2021-22
Mr. G.N. Mehra	Chairman	Independent, Non-Executive	18 of 18
Ms. Shradha Suri	Member	Non- Independent, Executive	18 of 18
Mrs. Meena Sethi	Member	Independent, Non-Executive	18 of 18

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

### SEBI Complaints Redressal 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 thirty nine complaints was received and disposed off during the year.

### Investor Grievances Redressal

The number of complaints received and redressed during the year 2021-22 is as follows:

S. No.	Nature of complaint	No. of Shareholder's complaint received during 2021-22	Number of complaint during 2021-22 resolved	Number of pending complaints
1	Non-receipt of Annual Report	1	1	0
2	Non-receipt of Dividend	23	23	0
3	Non-receipt of Split Share Certificate	15	15	0

### REMUNERATION OF DIRECTORS

The Non-Executive Directors of the Company are not being paid any remuneration other than the sitting fee(s) for attending the meetings. The details of sitting fee(s) paid during the year 2021-22 is as given below:-

Name of Director	Sitting Fees for Board Meetings (Rs.)	Sitting Fees for other Meetings (Rs.)	Total (Rs.)
Dr. Jyotsna Suri	4,50,000	-	4,50,000
Mr. G.N. Mehra	4,50,000	8,85,000	13,35,000
Mr. Shailendra Swarup	4,50,000	2,85,000	7,35,000
Mrs. Meena Sethi	3,00,000	5,40,000	8,40,000
Mr. M.A. Pathan	4,50,000	4,35,000	8,85,000
Mr. K.R. Ramamoorthy	4,50,000	3,75,000	8,25,000
Mr. Arvind Kapur	3,75,000	20,000	3,95,000
<b>TOTAL</b>	<b>29,25,000</b>	<b>25,40,000</b>	<b>54,65,000</b>

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

The remuneration paid/payable to the Chairperson & Managing Director and Whole-time Director during the year 2021-22 is as given below:

(Rs. in Lakhs)

S. No.	Name of the Director	Salary & Allowances	Contributions (*)	Commission	Other Benefits(**)	Total
1	Late Mr. Ramesh Suri, Chairman***	5.55	-	-	0.04	5.59
2	Ms. Shradha Suri, Chairperson & Managing Director	196.92	10.05	34.86	0.59	242.42
3	Mr. Parmod Kumar Duggal, Whole-time Director & CEO	80.10	2.56	-	6.06	88.72
	<b>Total</b>	<b>282.57</b>	<b>12.61</b>	<b>34.86</b>	<b>6.69</b>	<b>336.73</b>

(\*) represents contribution to Provident Fund

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

(\*\*\*)remuneration details upto May 12, 2021 due to his demise.

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

#### GENERAL BODY MEETINGS

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

S. No.	Particulars	Date	Venue	Time
1	36 <sup>th</sup> AGM (in respect of the year 2020-21)	September 14, 2021	Held through Video Conferencing / Other Audio Visual Means	11.30 a.m.
2	35 <sup>th</sup> AGM (in respect of the year 2019-20)	September 15, 2020	Held through Video Conferencing / Other Audio Visual Means	11.30 a.m.
3	34 <sup>th</sup> AGM (in respect of the year 2018-19)	August 9, 2019	Kamani Auditorium No.1, Copernicus Marg, New Delhi – 110001	11.00 a.m.

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

S. No.	AGM	Subject
1	36 <sup>th</sup> AGM (in respect of the year 2020-21)	-
2	35 <sup>th</sup> AGM (in respect of the year 2019-20)	-
3	34 <sup>th</sup> AGM (in respect of the year 2018-19)	Re-appointment of Ms. Shradha Suri as Managing Director of the Company

#### POSTAL BALLOT

No special resolution was passed through postal ballot last year.

Person who conducted the postal ballot exercise: Not applicable

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

#### MEANS OF COMMUNICATION TO SHAREHOLDERS

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



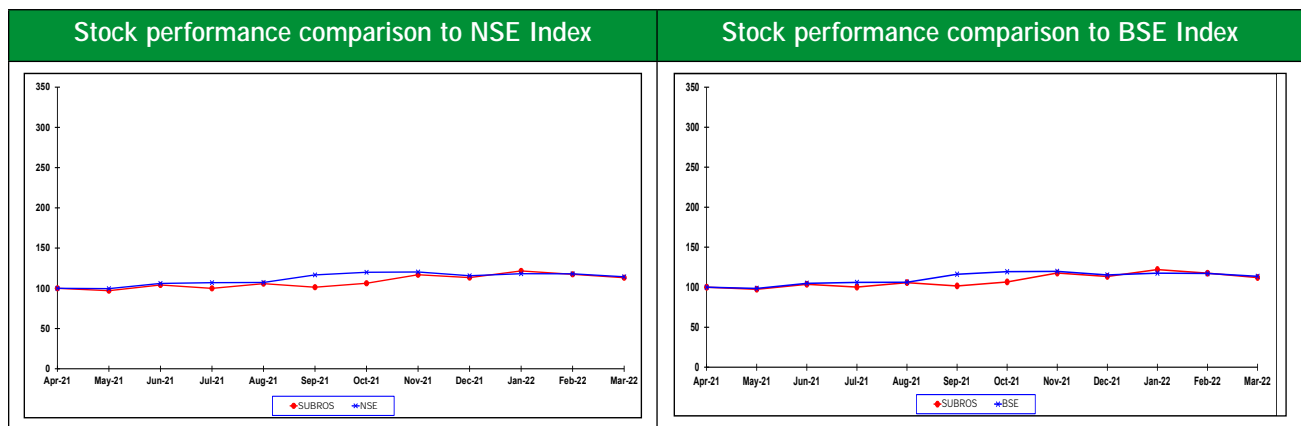
## GENERAL SHAREHOLDER INFORMATION

S. No.	Items	Particulars
(a)	Annual General Meeting for FY 2021-22 Day & Date Time Venue	Friday, the 5 <sup>th</sup> August, 2022 11.00 A.M.  The Company is conducting meeting through VC/ OAVM pursuant to the MCA Circular dated May 5, 2020 January 13, 2021 and May 5, 2022 and other applicable circular. For details kindly refer to the Notice of this AGM
(b)	Financial year	April 1, 2021 to March 31, 2022
(c)	Dividend Payment Date	September 3, 2022
(d)	Name and address of each stock exchange(s)      Listing Fee(s)	BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001  National Stock Exchange of India Ltd., ("NSE") Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai-400051  Delhi Stock Exchange Association Ltd ("DSE") DSE House, 3/1 Asaf Ali Road, New Delhi - 110001  Listing Fee(s) has been paid to BSE and NSE for the FY 2021-22 and 2022-23. The listing fees to DSE is not payable as the Securities and Exchange Board of India has withdrawn the recognition granted to DSE on November 19, 2014
(e)	Stock Code/Symbol  ISIN Code	Bombay Stock Exchange (517168) National Stock Exchange (SUBROS) INE 287B01021

f) Market Price Data: High/Low during each month of 2021-22 on BSE & NSE:

Month	BSE		NSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 2021	329.75	283.40	328.35	287.55
May, 2021	336.30	290.00	339.85	288.00
June, 2021	347.05	295.70	349.00	301.05
July, 2021	341.50	309.35	342.00	308.50
August, 2021	364.50	295.00	364.90	293.95
September, 2021	353.80	296.00	354.15	299.50
October, 2021	418.00	317.05	430.00	320.30
November, 2021	394.65	315.10	395.00	315.10
December, 2021	415.00	340.00	411.90	340.15
January, 2022	408.00	344.65	410.00	341.30
February, 2022	389.00	315.05	376.25	320.00
March, 2022	365.65	309.55	364.80	308.40

## (g) Stock performance comparison to NSE &amp; BSE Index



Note: Both are indexed at 100 as on 31-3-2022

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

## (k) Distribution of Shareholding as on March 31, 2022 (face value of Rs. 2/- per share)

Shareholdings of Nominal Value of Rs.	No. of Shareholders	% of Shareholders	No. of Equity Shares held	% of Shares
0001-500	23349	91.52	1614672	2.48
501-1000	1033	4.05	864660	1.33
1001-2000	658	2.58	1044357	1.60
2001-3000	138	0.54	354845	0.54
3001-4000	96	0.38	333629	0.51
4001-5000	55	0.21	262865	0.40
5001-10000	94	0.37	711902	1.09
10001-50000	48	0.19	949128	1.46
50001-100000	5	0.02	327414	0.50
100001 and above	35	0.14	58772278	90.09
<b>Total</b>	<b>25511</b>	<b>100.00</b>	<b>65235750</b>	<b>100.00</b>

## Shareholding Pattern as on March 31, 2022

Type	No. of Equity Shares in Demat		No. of Equity Shares in Physical	Total
	NSDL (Demat)	CDSL (Demat)		
Promoters	24000000	0	0	24000000
Foreign Collaborators	20847150	0	0	20847150
Mutual Funds/ UT	7604321	479449	0	8083770
Alternate Investment Funds	0	0	0	0
Foreign Institutional Investors	456828	0	2500	459328
Corporate Bodies	2899464	71256	2392100	5362820
Non -Resident Indian	369727	26402	0	396129
Trust & Foundations	1000	0	0	1000
Indian Public	3919128	1490545	413406	5823079
IEPF Account	0	262474	0	262474
<b>TOTAL</b>	<b>60097618</b>	<b>2330126</b>	<b>2808006</b>	<b>65235750</b>



S. No.	Items	Particulars
(l)	Dematerialisation of shares & liquidity	As at March 31, 2022 Demat: - 23,669 Shareholders (92.78% of the Total Shareholders) Demat: - 6,24,27,744 Shares (95.70% of the Total Shares)
(m)	Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity.	Not Applicable
(n)	Commodity price risk or foreign exchange risk and hedging activities	The Company has in place a Policy on Foreign Exchange Hedging to minimise the financial impact of fluctuating foreign currency exchange rates.
(o)	Plant locations	Noida, Manesar, Pune, Chennai, Karsanpura and Nalagarh
(p)	Address for correspondence	Registered & Corporate Office: LGF, World Trade Centre, Barakhamba Lane, New Delhi 110001.
(q)	Credit Rating	ICRA has reaffirmed the Long Term Ratings as [ICRA] AA- "Stable" and for Short Terms Ratings as [ICRA] A1+ "Stable".

#### OTHER DISCLOSURES

- (a) The Company has formulated a policy on dealing with the Related Party Transactions and necessary approval of the Audit Committee and Board of Directors are taken wherever required in accordance with the Policy. The Related Party Transaction details are enclosed as Annexure-4 to this Report.
- (b) The Company has duly complied with the requirement of Listing Agreements with Bombay Stock Exchange, National Stock Exchange, Delhi Stock Exchange, Listing Regulations and other statutory authority of all matters. No penalty has been imposed on the Company by any of the Stock Exchange or SEBI, or any other statutory authority during the last 3 years relating to the above.
- (c) Pursuant to Section 177(9) of the Companies Act, 2013 the Company has established Vigil Mechanism/ Whistle Blower Policy for its Employees, Vendors, Suppliers and Directors of the Company. The purpose and objective of this Policy is to cover serious concerns that would have a larger impact on image and values of the Company due to incorrect financial reporting or serious improper conduct. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company [www.subros.com/policy.html](http://www.subros.com/policy.html). It is confirmed that no personnel has been denied access to the Audit Committee.
- (d) The Company has complied with all mandatory requirements prescribed under Regulation 27 of the Listing Regulations. The Company has not adopted any non- mandatory requirements of Regulation 27 of the Listing Regulations.
- (e) The Company has not adopted a policy on material subsidiaries as there is no operating subsidiary company.
- (f) The policy on related party is available on the website of the Company [www.subros.com/policy.html](http://www.subros.com/policy.html)
- (g) The Company has not carried out any material commodity hedging activities and accordingly no disclosures of commodity price risk and commodity hedging activities are being made.
- (h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not applicable
- (i) A certificate of Company Secretary in practice confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of Companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed herewith as part of this report.
- (j) Where the board had not accepted any recommendation of any committee of the board with is mandatorily required, in the relevant financial year: Not applicable
- (k) The details of fees paid to the Statutory Auditors are given in Note 21(a) to the Standalone Financial Statements and Note 21(a) to the Consolidated Financial Statements.
- (l) Disclosures of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
  - (a) Number of complaints filed during the financial year : NIL
  - (b) Number of complaints disposed of during the financial year :NIL

(c) Number of complaints pending as of end the financial year :NIL

(m) The Company does not have any subsidiary. Details of Loans & Advances in the nature of Loans given by the Company to firms /companies in which directors are interested : NIL

#### **NON COMPLIANCE OF ANY REQUIREMENT OF CGR**

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

#### **DISCRETIONARY REQUIREMENT**

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

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

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

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

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

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

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

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

All Directors and senior management personnel of the Company have affirmed compliance with Company's Code of Conduct for the financial year ended March 31, 2022

Parmod Kumar Duggal  
Chief Executive Officer

Place: New Delhi

Dated: May 24, 2022





**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

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

In our opinion and to the best of our information and according to the verification (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company for the Financial Year ended on 31<sup>st</sup> March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs, or any such other Statutory Authority.

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

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

**CS RAVI SHARMA**  
Partner  
FCS NO.4468, C.P. NO. 3666  
UDIN F004468D000359812  
Peer Review No 978/2020

Dated: May 24, 2022  
Place: Delhi

**COMPLIANCE CERTIFICATE ON CONDITIONS OF CORPORATE GOVERNANCE**

To,  
The Members of  
**SUBROS LIMITED**

We have examined the compliance of conditions of Corporate Governance by SUBROS LIMITED for the year ended 31<sup>st</sup> March 2022, as stipulated in SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 ("Listing Regulations").

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

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

**CS RAVI SHARMA**  
Partner  
FCS NO.4468, C.P. NO. 3666  
UDIN F004468D000359845  
Peer Review No 978/2020

Dated: May 24, 2022  
Place: Delhi

## Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY		
1	Corporate Identity Number (CIN) of the Company	L74899DL1985PLC020134
2	Name of the Company	Subros Limited
3	Registered address	LGF, World Trade Centre, Barakhamba Lane, New Delhi – 110 001
4	Website	<a href="http://www.subros.com">www.subros.com</a>
5	E-mail id	<a href="mailto:rakesh.arora@subros.com">rakesh.arora@subros.com</a>
6	Financial year reported	April 1, 2021 to March 31, 2022
7	Sector(s) that the Company is engaged in (industrial activity code- wise)	29301 – Automotive Air-conditioning Kits
8	List three key products/services that the Company manufactures/provides (as in balance sheet)	Compressors, HVAC System and Radiator
9	Total number of locations where business activity is undertaken by the Company (a) Number of International Locations (Provide details of major 5) (b) Number of National Locations	NIL 9
10	Markets served by the Company – Local/State/National/International	All over India
SECTION B: FINANCIAL DETAILS OF THE COMPANY		
1	Paid up Capital (INR)	13.05 Crores
2	Total Turnover (INR)	2238.64 Crores
3	Total profit after taxes (INR)	32.58 Crores
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2% (as per applicable provisions)
5	List of activities in which expenditure in 4 above has been incurred:-	a) Environmental sustainability b) Promoting education c) Healthcare, eradicating hunger and Malnutrition d) Enhancing Vocational Skills e) Technology Development
SECTION C: OTHER DETAILS		
1	Does the Company have any Subsidiary Company/Companies	No
2	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not applicable
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	The Company has presently not mandated other entities eg. its suppliers etc. to participate in the BR initiatives of the Company.  However, they are encouraged to adopt BR Initiatives and conduct their business in a transparent manner.



**SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION**

1(a)	Details of Director/Director responsible for implementation of the BR policy/policies	
	DIN Number (if applicable)	00176902
	Name	Ms. Shradha Suri
	Designation	Chairperson & Managing Director
1(b)	Details of the BR head	
	DIN Number (if applicable)	02382912
	Name	Mr. Parmod Kumar Duggal
	Designation	Chief Executive Officer
	Telephone number	0120-4021000
	e-mail id	<a href="mailto:pduggal@subros.com">pduggal@subros.com</a>

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

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

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

P3 Businesses should promote the wellbeing of all employees

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

P5 Businesses should respect and promote human rights

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

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

P8 Businesses should support inclusive growth and equitable development

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

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

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

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

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

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

### 3. Governance related to BR

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

Annually

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

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

#### SECTION E: PRINCIPLE-WISE PERFORMANCE

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

- Does the policy relating to ethics, bribery and corruption cover only the company?  
No.
- Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?  
Yes, it covers all related stakeholders
- How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.  
The Company did not receive any complaint in this regard.

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

- List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.  
The Company is engaged in the manufacturing of automotive air-conditioning equipments as well as air-conditioning systems for cars, bus, railways and home. All of its products e.g. compressors, radiators and HVAC systems pass through rigid quality standards and are highly energy efficient. Also the Company adheres to the statutory compliance norms in this regard. The lists of few products are as under:
  - Compact, light weight, energy efficient rotary compressors for Car AC
  - AC kit and thermal management system for Electric Vehicles
  - Battery thermal management systems for Electric Vehicles
  - Home AC: With Latest BEE ratings & Environment Friendly Refrigerant
  - Home AC: Inverter models to provide energy efficient cooling solutions
  - New Technology based Reefer kit (Electric, Phase change plate based) for transport
- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):  
The Company always makes efforts towards optimum utilization of all resources.
- Does the Company have procedures in place for sustainable sourcing (including transportation)?  
Yes  
If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.  
As a part of our procurement strategy, the process and procedure for end to end supply chain are in place. Some key process include supplier selection - Complete evaluation of supplier on management / technology & design control / process / quality control / process control, APQP cycle for complete development to SOP and vendor monitoring on Quality, Cost, Delivery and Development (QCDD) aspect.
- Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?  
The Company regularly undertakes initiatives to support its vendors in the entire supply chain. The Company procures goods and services from MSME sector also and have been regularly imparting training, technical knowledge upgradation, quality initiatives towards improvement their capacity and capabilities.  
The following steps were taken to procure goods & services from local & small producers
  - Vendor upgradation through cluster activities
  - Technology support - Proving knowledge of process / design of jig and fixture / implementation of low cost automation and poka yoke
  - Other support - Tooling and Raw material support from Subros for capacity and infrastructure enhancement.
- Does the Company have a mechanism to recycle products and waste?  
There is no significant process waste and the Company recycles products and wastes, wherever possible. The waste, which cannot be re-used, is disposed off in an effective manner.



**PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELLBEING OF ALL EMPLOYEES**

- Please indicate the total number of employees.  
As on March 31, 2022 the total number of employees was 2647.
- Please indicate the Total number of employees hired on temporary / contractual / casual basis.  
The total contractual / temporary manpower employed as on 31-3-2022 were 1467. This is excluding security and housekeeping manpower.
- Please indicate the Number of permanent women employees.  
There were 83 permanent women employees as on 31-3-2022.
- Please indicate the Number of permanent employees with disabilities  
There were 16 permanent employees with disabilities as on 31-3-2022.
- Do you have an employee association that is recognized by management.  
Yes
- What percentage of your permanent employees is members of this recognized employee association?  
It is around 7% as on 31-3-2022.
- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No	Category	No. of complaints received during the financial year	No. of complaints pending as on 31-3-2022
1	Child labour/forced labour/involuntary labour	None	None
2	Sexual harassment	None	None
3	Discriminatory employment	None	None

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

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

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

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

**PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**

- Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?  
The Company is committed to respect for human rights and extend to our suppliers and other stakeholders.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
No stakeholder complaint was received during the financial year 2021-22.

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

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



3. Does the Company identify and assess potential environmental risks? Y/N  
Yes
4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?  
No
5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy etc. Y/N? If yes, please give hyperlink for web page etc.
  - i) One of the major initiatives is tapping roof-top solar power generation unit at manufacturing plants.
  - ii) The Company is also taking initiatives for development of air-conditioning systems for electric passenger and commercial vehicles.
  - iii) Solar power supply (under open access – captive use) at Noida Plant 2 & 3 has commenced and approximately 40% of total power used for these plants is now green power.
6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?  
Yes all the Emissions/Waste generated by the Company are within the permissible limits given by the regulatory bodies.
7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.  
Nil

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

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
  - (a) Automotive Component Manufacturers Association (ACMA)
  - (b) Confederation of Indian Industry (CII)
2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No;  
Yes

**PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.  
The Company is committed to programmes and initiatives with regard to education, green plantation, eradication of hunger and malnutrition, enhancing vocational skills and disaster management.
2. Are the programmes/ projects undertaken through in-house team/own foundation/ external NGO / government structures / any other organization?  
The programmes/ projects are undertaken through in-house team as well as external NGO's.
3. Have you done any impact assessment of your initiative?  
Yes
4. What is your Company's direct contribution to community development projects - Amount in INR and the details of the projects undertaken?  
Rs. 195.00 Lakhs during the financial year ended on 31-3-2022.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.  
CSR Team regularly interacts with the local administration and nearby village/community. The Company has adopted nearby government schools as well as initiated a tailoring school in order to benefit village/community. Also as a part of skill development program under National Apprenticeship Promotion Scheme (NAPS) hiring diploma & ITI apprentices are made on regular basis.

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

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.  
The Company promptly addresses all consumer complaints and there are no consumer case pending on the end of the 31-3-2022.
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)  
No
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and /or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.  
No
4. Did your Company carry out any consumer survey/ consumer satisfaction trends?  
Yes, the Company periodically conducts customer satisfaction surveys.



## Independent Auditor's Report

To the Members of Subros Limited

Report on the Audit of the Standalone Financial Statements

### Opinion

- We have audited the accompanying Standalone Financial Statements of Subros Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.
- In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the Standalone Financial Statements" section

of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

- We draw your attention to Note 38 to the Standalone Financial Statements, which describes the management's assessment of the impact of outbreak of Coronavirus (Covid-19) on the business operations of the Company. The management believes that no adjustments, other than those already considered, are required in the Standalone Financial Statements, however, in view of the highly uncertain economic environment, a definitive assessment of the impact on subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

### Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Appropriateness of capitalisation of internal development costs in relation to intangible assets under development</b></p> <p>[Refer note 2(c) (significant accounting policies) and note 4 (intangible assets under development) to the Standalone Financial Statements]</p> <p>During the year ended March 31, 2022, the Company has capitalized significant costs incurred on internal development of Intangible Assets amounting to Rs. 3,664.48 lakhs under the head 'Intangible assets under development'. These intangible assets are predominantly in relation to the projects awarded by original equipment manufacturers. The costs mainly comprise technical knowhow, employees' payroll and other costs.</p> <p>The capitalization of internal development costs was a key audit matter due to the amount of the internal development costs capitalized and judgement involved in assessing whether the criteria for capitalisation set out in the Indian Accounting Standard (Ind AS) 38 "Intangible Assets" had been met.</p> <p>Significant judgement was made by the management in the determination of –</p> <p>i) whether the costs incurred is towards development of product or in the nature of research,</p> <p>ii) the costs, including payroll costs, were directly attributable to relevant projects, and</p> <p>iii) key assumptions such as future revenue, margins and the discount rate used to assess the future cash flows from the expected use of such assets once developed and capitalised.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Understood and evaluated the design and tested the operating effectiveness of the Company's internal financial controls relating to the capitalisation of internal development costs in relation to intangible assets under development.</li> <li>- Assessed the appropriateness of capitalization of product development costs with the criteria to capitalize product development costs and held inquiries with the management to understand their assessment to support the product's commercial viability.</li> <li>- Tested the accuracy and allocation of capitalized payroll and other costs and assessed whether these are directly attributable to the development as against research.</li> <li>- Assessed appropriateness of the assumptions underlying cash flow forecasts including the future revenue, expected margins to be achieved with reference to historical data and management approved margins in the AOP (Annual Operating Plan), inputs used by the Management to calculate the discount rate applied by comparing this to the cost of capital for the Company. We also involved specialists to evaluate the reasonability of cost of capital of the Company used to discount the future cash flows expected from the asset once developed and capitalised.</li> <li>- Performed a sensitivity analysis over the key assumptions which included assessing the impact of change in those assumptions that would be required for future economic benefits falling short of the carrying value of capitalized internal development costs.</li> </ul> <p>As a result of the above procedures, the capitalisation of internal development costs by the Company was considered to be appropriate.</p>

## Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of Management and Those Charged With Governance for the Standalone Financial Statements

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

9. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Standalone Financial Statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



- 12 We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

14. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
  - On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - With respect to the adequacy of the internal financial controls with reference to Standalone Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
  - With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 26 to the Standalone Financial Statements;
    - The Company was not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as it does not have any material foreseeable losses on long-term contracts. The Company did not have any long-term derivative contracts as at March 31, 2022.
- 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.
- iv. (a) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 32 to the Standalone Financial Statements);
- (b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to the Standalone Financial Statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other person(s) or entity(ies) identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 32 to the Standalone Financial Statements); and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Rajib Chatterjee  
Partner  
Membership Number 057134  
UDIN: 22057134AJMAOH4099

Place of the Signature: Gurugram  
Date: May 24, 2022



## Annexure A to Independent Auditor's Report

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Subros Limited on the Standalone Financial Statements for the year ended March 31, 2022

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

1. We have audited the internal financial controls with reference to Standalone Financial Statements of Subros Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditor's Responsibility

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

control system with reference to Standalone Financial Statements.

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

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

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

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

### Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial control system with reference to Standalone Financial Statements and such internal financial controls with reference to Standalone Financial Statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI. Also refer paragraph 4 of the main audit report.

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

Rajib Chatterjee  
Partner  
Membership Number 057134  
UDIN: 22057134AJMAOH4099  
Date : May 24, 2022  
Place of the Signature: Gurugram



## Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of Subros Limited on the Standalone Financial Statements as of and for the year ended March 31, 2022

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

Name of the Banks	Aggregate working capital limits sanctioned (Amount in Lakhs)	Nature of current assets offered as Security	Nature of current assets/liabilities where differences were observed	Quarter ended	Amount disclosed as per quarterly return/statement (Amount in lakhs)	Amount as per books of account (Amount in lakhs)	Difference (Amount in Lakhs)	Reasons for difference
HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	27,500	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	June 2021	25,553.47	30,429.78	(4,876.31)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
			Trade receivables		15,816.70	16,388.50	(571.80)	Trade receivables overdue more than 90 days and reclassification of credit balance in trade receivable account considered in the books of account but not considered in return submitted to banks.
			Trade payables		35,799.85	46,950.38	(11,150.53)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	27,500	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	September 2021	27,443.61	31,871.85	(4,428.24)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
			Trade receivables		14,334.59	14,846.93	(512.34)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
			Trade payables		35,544.26	46,139.22	(10,594.96)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.

HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	27,500	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	December 2021	27,678.28	30,383.28	(2,705.00)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
			Trade receivables		10,680.82	11,156.32	(475.50)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
			Trade payables		31,952.07	44,794.98	(12,842.91)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	27,500	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	March 2022	26,768.37	31,750.51	(4,982.14)	Goods in transit inventory and provision for obsolete inventory not considered in return submitted to banks.
			Trade receivables		22,343.35	22,636.20	(292.85)	Trade receivables overdue more than 90 days and loss allowance not considered in return submitted to banks.
			Trade payables		40,129.63	48,878.86	(8,749.23)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.

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

Particulars	Loans (Amount in Lakhs)
Aggregate amount granted during the year - Others (employees)	117.81
Balance outstanding as a balance sheet date in respect of the above case - Others (employees)	81.32

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

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

- In respect of the aforesaid loans (which are interest free), the terms and conditions under which such loans were granted are not prejudicial to the Company's interest considering that these have been granted to employees.
- In respect of the aforesaid loans, the schedule of repayment of principal has been stipulated, and the parties are repaying the principal amounts, as stipulated.
- In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
- There were no loans which fell due during the year and were renewed/extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.
- There were no loans/advances in nature of loans which were granted during the year, which are repayable on demand or where no schedule for repayment of

principal has been stipulated by the Company.

- The Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186. Therefore, the reporting under clause 3(iv) of the Order are not applicable to the Company.
- The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- 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.
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance and professional tax, though there has been a slight delay in a few cases, and is regular in depositing the undisputed statutory dues, including goods and services tax, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also, refer note 37 to the Standalone Financial Statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of service tax, provident fund, employees' state insurance, professional tax and cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 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	Remarks, if any
The Income Tax Act, 1961	Income Tax	135.23	-	Assessment Year 2003-04	Hon'ble High Court of Delhi	None
The Income Tax Act, 1961	Income Tax	2.26	-	Assessment year 2014-15	Income Tax Appellate Tribunal, New Delhi	None
The Income Tax Act, 1961	Income Tax	19.41	19.41	Assessment year 2015-16	Commissioner of Income Tax (Appeals)	None
The Income Tax Act, 1961	Income Tax	23.40	4.68	Assessment year 2016-17	Commissioner of Income Tax (Appeals)	None
The Income Tax Act, 1961	Income Tax	166.35	6.11	Assessment year 2017-18	Commissioner of Income Tax (Appeals)	None
The Income Tax Act, 1961	Income Tax	1,072.17	-	Assessment year 2018-19	Commissioner of Income Tax (Appeals)	None
The Customs Act, 1962	Custom Duty	1,183.82	-	June 2012 to July 2017	Hon'ble Customs, Excise and Service Tax Appellate Tribunal, Allahabad	None
The Customs Act, 1962	Custom Duty	15.19	-	July 2017 to March 2019	Commissioner of Customs, Maharashtra	None
The Andhra Pradesh General Sales Tax Act, 1957	Sales Tax	79.74	79.74	2002-03 to 2004-05	Hon'ble High Court of Andhra Pradesh	None
The Central Excise Act, 1944	Central Excise Duty	75.81	-	December 2013 to May 2016	Joint Commissioner, Pune	None
The Central Excise Act, 1944	Central Excise Duty	3,992.18	-	2013-14 to 2017-18	Directorate General Goods & Service Tax Intelligence (Gurugram)	None
The Central Goods and Services Tax Act, 2017	Goods and Services Tax	9.24	-	2017-18	Superintendent of CGST and Central Excise, Chennai	None

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.
- (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained any term loans during the year. In respect of the term loans outstanding at the year end, which were taken in prior years, there were no unutilized balances.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the Standalone Financial Statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the Standalone Financial Statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint venture. The company does not have any subsidiary or associate, and hence this clause is not applicable to that extent.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its joint venture. The Company does not have any subsidiary or associate, and hence this clause is not applicable to that extent.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company,



noticed or reported during the year, nor have we been informed of any such case by the Management.

- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Standalone Financial Statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) As represented by the management of the Company, Internal Audit for the period January 1, 2022 to March 31, 2022 is in progress. Accordingly, the Internal Audit Reports have been considered by us for the purpose of our audit only upto the period ended December 31, 2021.
- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi) (a) of the Order is not applicable to the Company.
- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

- (d) The Company does not have any subsidiary or associate. However, based on the information and explanations provided by the management of the Company, the Group\* does not have any CICs, which are part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete. Accordingly, the reporting under clause 3(xvi)(d) of the Order is not applicable to the Company.

\* as interpreted in accordance with Notification No. DNBS. (PD) 219/CGM(US)-2011 dated January 5, 2011 issued by Reserve Bank of India.

- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 33 to the Standalone Financial Statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. As at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

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

Rajib Chatterjee  
Partner  
Membership Number 057134  
UDIN: 22057134AJMAOH4099

Place of the Signature: Gurugram  
Date : May 24, 2022





CIN:L74899DL1985PLC020134

**BALANCE SHEET AS AT MARCH 31, 2022***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Note no	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	57,560.78	59,516.82
Right-of-use assets	27	1,870.91	2,030.45
Capital work-in-progress	3	2,237.72	1,343.99
Intangible assets	4	13,178.54	12,944.88
Intangible assets under development	4	3,895.29	4,016.63
Investment in joint venture	5(a)(i)	176.80	176.80
Financial assets			
i) Investment	5(a)(ii)	299.98	299.98
ii) Loans	5(e)	25.41	16.99
iii) Other financial assets	5(f)	919.66	849.84
Non-current tax assets (net)	9	190.67	67.97
Other non-current assets	7	1,122.61	488.42
<b>Total non-current assets</b>		<b>81,478.37</b>	<b>81,752.77</b>
<b>Current assets</b>			
Inventories	8	31,750.51	28,140.69
Financial assets			
i) Trade receivables	5(b)	22,636.20	20,426.65
ii) Cash and cash equivalents	5(c)	3,130.58	3,276.25
iii) Bank balances other than (ii) above	5(d)	8,727.33	8,640.35
iv) Loans	5(e)	55.91	49.86
v) Other financial assets	5(f)	117.31	296.16
Other current assets	7	2,545.76	2,312.47
<b>Total current assets</b>		<b>68,963.60</b>	<b>63,142.43</b>
<b>TOTAL ASSETS</b>		<b>150,441.97</b>	<b>144,895.20</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10(a)	1,304.71	1,304.71
Other equity	10(b)	81,040.87	78,167.23
<b>Total equity</b>		<b>82,345.58</b>	<b>79,471.94</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	11(a)	1,335.80	2,496.51
- Lease liabilities	27	648.71	791.84
Provisions	12	1,041.16	1,109.12
Deferred tax liabilities (net)	6	2,287.34	1,774.08
Other non-current liabilities	11(e)	76.79	-
<b>Total non-current liabilities</b>		<b>5,389.80</b>	<b>6,171.55</b>
<b>Current liabilities</b>			
Financial liabilities			
i) Borrowings	11(b)	1,167.47	1,769.33
ii) Lease liabilities	27	167.18	129.20
iii) Supplier's credit	11(f)	3,518.63	5,381.32
iv) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	11(d)	228.77	170.14
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	11(d)	48,650.09	45,920.20
v) Other financial liabilities	11(c)	3,406.06	2,665.49
Contract liabilities	13(a)	2,654.40	532.44
Provisions	12	579.34	673.53
Other current liabilities	13(b)	2,334.65	2,010.06
<b>Total current liabilities</b>		<b>62,706.59</b>	<b>59,251.71</b>
<b>TOTAL LIABILITIES</b>		<b>68,096.39</b>	<b>65,423.26</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>150,441.97</b>	<b>144,895.20</b>

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

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

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

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

Rajib Chatterjee  
Partner  
Membership No :057134Shradha Suri  
Chairperson &  
Managing Director  
DIN : 00176902Parmod Kumar Duggal  
Director &  
Chief Executive Officer  
DIN : 02382912Place : Gurugram  
Date : May 24, 2022Hemant Kumar Agarwal  
Chief Financial Officer &  
Vice President (Finance)Rakesh Arora  
Company Secretary  
ICSI Membership No:- A8193Place : New Delhi  
Date : May 24, 2022

CIN:L74899DL1985PLC020134

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022***(All amounts in Rs. Lakhs, unless otherwise stated)*

	Particulars	Note no	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from operations	14	223,864.30	179,565.20
II	Other income	15	992.43	1,031.27
III	<b>Total income (I + II)</b>		<b>224,856.73</b>	<b>180,596.47</b>
IV	<b>Expenses</b>			
	Cost of material consumed	16	168,411.45	130,354.78
	Changes in inventories of finished goods and work-in-progress	17	(2,302.87)	(1,339.95)
	Employee benefits expense	18	22,704.87	18,752.35
	Finance costs	19	1,091.49	1,624.71
	Depreciation and amortization expense	20	10,235.18	9,210.77
	Other expenses	21	20,178.43	16,420.57
	<b>Total expenses (IV)</b>		<b>220,318.55</b>	<b>175,023.23</b>
V	<b>Profit before tax ( III - IV)</b>		<b>4,538.18</b>	<b>5,573.24</b>
VI	Tax expense:	6		
	-Current tax		806.07	815.89
	-Deferred tax		474.32	86.10
	<b>Total tax expense (VI)</b>		<b>1,280.39</b>	<b>901.99</b>
VII	<b>Profit for the year (V-VI)</b>		<b>3,257.79</b>	<b>4,671.25</b>
VIII	<b>Other comprehensive income</b>			
	<i>Items that will not be reclassified to profit or loss</i>			
	Gain / (Loss) on remeasurements of post employment benefit obligations	28	111.44	143.30
	Income tax relating to the above item	6	(38.94)	(50.07)
	<b>Other comprehensive income for the year, net of tax (VIII)</b>		<b>72.50</b>	<b>93.23</b>
IX	<b>Total comprehensive income for the year (VII + VIII)</b>		<b>3,330.29</b>	<b>4,764.48</b>
	Earning per equity share (in Rs.) [Face value Rs. 2 each (March 31, 2021: Rs. 2 each)]	30		
	Basic and Diluted		4.99	7.16

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

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

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

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

**Rajib Chatterjee**  
Partner  
Membership No :057134**Shradha Suri**  
Chairperson &  
Managing Director  
DIN : 00176902**Parmod Kumar Duggal**  
Director &  
Chief Executive Officer  
DIN : 02382912Place : Gurugram  
Date : May 24, 2022**Hemant Kumar Agarwal**  
Chief Financial Officer &  
Vice President (Finance)**Rakesh Arora**  
Company Secretary  
ICSI Membership No:- A8193Place : New Delhi  
Date : May 24, 2022

CIN:L74899DL1985PLC020134

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022****A. Equity share capital***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Note no	Amount
Balance as at March 31, 2020	10(a)	1,304.71
Changes in equity share capital during 2020-21		-
Balance as at March 31, 2021		1,304.71
Changes in equity share capital during 2021-22		-
Balance as at March 31, 2022		1,304.71

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

Particulars	Note no	Reserves and surplus				Total
		Securities premium	General reserve	Debenture redemption reserve	Retained earnings	
Balance as at March 31, 2020	10(b)	20,817.44	12,275.48	250.00	40,581.72	73,924.64
Profit for the year		-	-	-	4,671.25	4,671.25
Other comprehensive Income		-	-	-	143.30	143.30
Gain / (Loss) on remeasurements of post employment benefit obligations					(50.07)	(50.07)
Income tax relating to the above item					(50.07)	(50.07)
<b>Total comprehensive income for the year</b>		-	-	-	<b>4,764.48</b>	<b>4,764.48</b>
Transactions with owners in their capacity as owners						
Dividends paid		-	-	-	(521.89)	(521.89)
Transfer to/(from) retained earnings		-	150.00	-	(150.00)	-
Transfer (to)/from debenture redemption reserve		-	-	(250.00)	250.00	-
Balance as at March 31, 2021		20,817.44	12,425.48	-	44,924.31	78,167.23
Balance as at April 1, 2021		20,817.44	12,425.48	-	44,924.31	78,167.23
Profit for the year		-	-	-	3,257.79	3,257.79
Other comprehensive Income					111.44	111.44
Gain / (Loss) on remeasurements of post employment benefit obligations					(38.94)	(38.94)
Income tax relating to the above item					(38.94)	(38.94)
<b>Total comprehensive income for the year</b>		-	-	-	<b>3,330.29</b>	<b>3,330.29</b>
Transactions with owners in their capacity as owners						
Dividends paid		-	-	-	(456.65)	(456.65)
Transfer to/(from) retained earnings		-	150.00	-	(150.00)	-
Transfer (to)/from debenture redemption reserve		-	-	-	-	-
Balance as at March 31, 2022		20,817.44	12,575.48	-	47,647.95	81,040.87

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

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

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

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

Rajib Chatterjee  
Partner  
Membership No :057134Shradha Suri  
Chairperson &  
Managing Director  
DIN : 00176902Parmod Kumar Duggal  
Director &  
Chief Executive Officer  
DIN : 02382912Place : Gurugram  
Date : May 24, 2022Hemant Kumar Agarwal  
Chief Financial Officer &  
Vice President (Finance)Rakesh Arora  
Company Secretary  
ICSI Membership No:- A8193Place : New Delhi  
Date : May 24, 2022

CIN:L74899DL1985PLC020134

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Note no	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from operating activities</b>			
<b>Profit before tax</b>		<b>4,538.18</b>	<b>5,573.24</b>
<b>Adjustments for:</b>			
Depreciation and amortization expense	20	10,235.18	9,210.77
Net loss on disposal of property, plant and equipment	21	73.70	34.10
Interest income on financial assets at amortized cost and others	15	(397.03)	(526.06)
Finance costs	19	1,091.49	1,624.71
Provision for inventory obsolescence written back	8	(142.48)	(5.77)
Unrealized foreign currency (gain)/loss (net)		467.38	(842.85)
Loss allowance made / (written back)	5(b)	(38.13)	189.41
Dividend income from investment in joint venture	15	(37.58)	-
Fair value changes on derivatives	15	(208.33)	938.13
<b>Operating profit before working capital changes</b>		<b>15,582.38</b>	<b>16,195.68</b>
<b>Adjustments for changes in working capital:</b>			
(Increase)/ Decrease in loans (non-current)		(8.42)	(7.09)
(Increase)/ Decrease in other financial assets (non-current)		(69.82)	102.17
(Increase)/ Decrease in inventories		(3,467.34)	(4,711.80)
(Increase)/ Decrease in trade receivables		(2,171.42)	(1,687.34)
(Increase)/ Decrease in loans (current)		(6.05)	(21.79)
(Increase)/ Decrease in bank balances other than cash and cash equivalents		(89.48)	11.34
(Increase)/ Decrease in other financial assets (current)		12.25	37.04
(Increase)/ Decrease in other current assets		(233.29)	(713.55)
Increase/ (Decrease) in non-current provisions		43.48	147.74
Increase/ (Decrease) in trade payables		2,321.14	8,313.18
Increase/ (Decrease) in contract liabilities		2,121.96	(24.51)
Increase/ (Decrease) in other financial liabilities (current)		1,668.69	(1,627.56)
Increase/ (Decrease) in other current liabilities		324.59	881.75
Increase/ (Decrease) in Other non-current liabilities		76.79	-
Increase/ (Decrease) in current provisions		(94.19)	(284.17)
<b>Cash generated from operations</b>		<b>16,011.27</b>	<b>16,611.09</b>
Income tax paid (net)		(928.77)	(1,161.43)
<b>Net cash inflow from operating activities</b>		<b>15,082.50</b>	<b>15,449.66</b>
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development		(10,597.43)	(6,352.02)
Payment for purchase of investment		-	(299.98)
Proceeds from sale of property, plant and equipment		31.57	128.20
Dividend received from joint venture		37.58	-
Interest received		563.63	687.25
<b>Net cash (outflow) from investing activities</b>		<b>(9,964.65)</b>	<b>(5,836.55)</b>



Particulars	Note no	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from financing activities</b>			
Proceeds from long term borrowings		-	1,500.00
Repayment of long term borrowings		(1,691.97)	(2,642.91)
Principal element of lease payment		(105.15)	(91.86)
Repayment of short term borrowings		-	(8,981.93)
Increase/(decrease) in supplier's credit		(1,862.69)	5,381.32
Interest paid		(1,147.06)	(1,416.56)
Dividend paid	10(b)(iii)	(456.65)	(521.89)
<b>Net cash (outflow) from financing activities</b>		<b>(5,263.52)</b>	<b>(6,773.83)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(145.67)</b>	<b>2,839.28</b>
Cash and cash equivalents at the beginning of the financial year	5(c)	3,276.25	436.97
<b>Cash and cash equivalents at the end of the financial year [refer note 5(c)]</b>		<b>3,130.58</b>	<b>3,276.25</b>
<b>Cash and cash equivalents as per above comprise of the following:</b>			
Cash on hand	5(c)	8.67	4.39
Balance with banks	5(c)	3,121.91	3,271.86
		<b>3,130.58</b>	<b>3,276.25</b>

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

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

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

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

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

**Rajib Chatterjee**  
Partner  
Membership No :057134

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

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

Place : Gurugram  
Date : May 24, 2022

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

**Rakesh Arora**  
Company Secretary  
ICSI Membership No:- A8193

Place : New Delhi  
Date : May 24, 2022



## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### 1. Corporate Information

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

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

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

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

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

##### (ii) Historical cost convention

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

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

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

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 01, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures and Ind AS 116, Leases

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

##### (iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian

Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

##### (v) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021.

Consequent to above, the Company has changed the classification/presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year.

The current maturities of long-term borrowings (including interest accrued) has now been included in the “Current borrowings” line item. Previously, current maturities of long-term borrowings and interest accrued were included in ‘other financial liabilities’ line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in ‘other financial assets’ line item. Previously, these deposits were included in ‘loans’ line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance Sheet (extract)	March 31, 2021 (as previously reported)	Increase/ (Decrease)	March 31, 2021 (restated)
Other financial liabilities (current)	4,434.82	(1,769.33)	2,665.49
Current borrowings	-	1,769.33	1,769.33
Loans (non-current)	866.83	(849.84)	16.99
Other financial assets (non-current)	-	849.84	849.84
Loans (current)	79.45	(29.59)	49.86
Other financial assets (current)	266.57	29.59	296.16

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

The preparation of the standalone financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities on the date of the standalone financial statements and reported amounts of revenues and expenses for the years presented. Accounting estimates could change from period to period. Actual results could differ from those estimates. Estimates

and underlying assumptions are reviewed at each balance sheet date. Appropriate changes in estimates are made as the management becomes aware of the changes in circumstances surrounding the estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods affected.

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

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

## 2(c). Significant accounting policies

### i) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related production overheads. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

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

#### Transition to Ind AS

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

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as prescribed in Schedule II of

the Companies Act, 2013 except in respect of the below mentioned assets where useful life is determined through technical evaluation and is different than those prescribed in schedule II of the Companies Act, 2013.

Plant and machinery : 5-20 years

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

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

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

### ii) Intangible assets

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

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

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

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

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand competition and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

#### Research and development

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

#### Transition to Ind AS

On transition to Ind AS, the Company has elected to measure all its intangible assets at the Previous GAAP

carrying amount as its deemed cost on the date of transition to Ind AS i.e., April 1, 2016.

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

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

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

**iv) Investment in Joint Venture**

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

**v) Inventories**

Raw material and spares, work in progress, stores and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials and spares and stores comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average cost basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**vi) Cash and cash equivalents**

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

**vii) Financial Instruments**

**Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized

when the Company becomes a party to the contractual provisions of the instrument.

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

**Classification and subsequent measurement**

**Financial assets**

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

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

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

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

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

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

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

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



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

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

#### Derecognition:

##### Financial assets

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

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

##### Financial liabilities

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

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

#### Equity instruments

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

#### Impairment of financial assets:

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

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

#### Offsetting:

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

#### viii) Borrowings

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

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

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

#### ix) Borrowing cost

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

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

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

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

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle



the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

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

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

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

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

Functional and presentation currency:

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

Transactions and balances:

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

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

#### **xii) Revenue recognition and other income**

##### **A. Revenue from contracts with customers**

Revenue is recognized based on the price specified in the contract with customers, net of returns, rebates and

discounts. Revenue excludes Goods & Services Tax, where applicable on the supply of goods and services.

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

##### **a) Sale of goods**

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

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

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

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

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

##### **b) Sale of services**

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

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

##### **c) Financing component**

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer





exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

#### B. Other income

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

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

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

#### xiii) Employee Benefits

##### a. Short term obligations:

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

##### b. Post-employment obligations

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

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

###### Superannuation:

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

###### Gratuity:

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

The liability or asset recognized in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The Company's liability is actuarially determined (using the Projected

Unit Credit method) at the end of each year. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Past-service costs are recognized immediately in profit or loss.

##### c. Compensated absences:

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

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

#### xiv) Leases

##### As a lessee

Leases are recognized as right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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

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

- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

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

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

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

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

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

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

#### As a lessor

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

#### xv) Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based

on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences.

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

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

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

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

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiary and joint venture where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

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

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

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The



Company recognizes MAT credit available as deferred tax asset only to the extent it is probable that sufficient taxable profit will be available to allow all or part of MAT credit to be utilized during the specified period i.e., the period for which such credit is allowed to be utilized.

**xvi) Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method, less loss allowance.

**xvii) Trade and other payables**

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

**xviii) Earnings per share**

Basic earnings per share:

Basic earnings per share is calculated by dividing:

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

Diluted earnings per share:

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

- a) the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and

- b) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**xix) Dividends**

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

**xx) Segment Reporting**

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

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Refer note 23 for segment information presented.

**xxi) Government grants**

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

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

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

**xxii) Rounding of amounts**

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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

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

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total	Capital work-in-progress (CWIP)
<b>Gross carrying amount</b>								
Balance as at March 31, 2020	3,913.95	19,877.42	52,257.61	520.55	579.83	1,079.28	78,228.64	3,969.54
Additions	225.24	-	-	14.93	35.74	211.26	487.17	2,968.03
Transfer from CWIP	-	1,334.78	4,258.80	-	-	-	5,593.58	(5,593.58)
Disposals / adjustments	-	(7.50)	(589.25)	(1.29)	(186.34)	(117.18)	(901.56)	-
<b>Balance as at March 31, 2021</b>	<b>4,139.19</b>	<b>21,204.70</b>	<b>55,927.16</b>	<b>534.19</b>	<b>429.23</b>	<b>1,173.36</b>	<b>83,407.83</b>	<b>1,343.99</b>
Additions	-	-	-	14.11	99.88	194.68	308.67	5,316.39
Transfer from CWIP	-	127.66	4,293.67	-	-	1.33	4,422.66	(4,422.66)
Disposals / adjustments	-	-	(599.10)	(17.73)	(97.76)	(433.15)	(1,147.74)	-
<b>Balance as at March 31, 2022</b>	<b>4,139.19</b>	<b>21,332.36</b>	<b>59,621.73</b>	<b>530.57</b>	<b>431.35</b>	<b>936.22</b>	<b>86,991.42</b>	<b>2,237.72</b>
<b>Accumulated depreciation</b>								
As at March 31, 2020	-	1,719.18	16,559.84	160.49	164.66	458.17	19,062.34	-
Depreciation charge during the year	-	649.16	4,593.70	46.70	72.98	205.41	5,567.95	-
Disposals / adjustments	-	(7.43)	(448.56)	(0.82)	(170.74)	(111.73)	(739.28)	-
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>2,360.91</b>	<b>20,704.98</b>	<b>206.37</b>	<b>66.90</b>	<b>551.85</b>	<b>23,891.01</b>	<b>-</b>
Depreciation charge during the year	-	683.93	5,571.36	46.38	70.00	210.43	6,582.10	-
Disposals / adjustments	-	-	(540.37)	(10.99)	(76.82)	(414.29)	(1,042.47)	-
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>3,044.84</b>	<b>25,735.97</b>	<b>241.76</b>	<b>60.08</b>	<b>347.99</b>	<b>29,430.64</b>	<b>-</b>
<b>Net carrying amount</b>								
As at March 31, 2021	4,139.19	18,843.79	35,222.18	327.82	362.33	621.51	59,516.82	1,343.99
As at March 31, 2022	4,139.19	18,287.52	33,885.76	288.81	371.27	588.23	57,560.78	2,237.72

#### Notes-

- Depreciation pertaining to machineries used for manufacture of moulds has been capitalized during the year amounting to Rs. 25.29 Lakhs (Previous year Rs. 44.62 Lakhs).
- Capital work-in-progress mainly comprises of building and plant and machinery.
- Refer note 25 to these Standalone Financial Statements for disclosure of contractual commitments for the acquisition of property, plant and equipment.



iv) The Carrying Amount of Assets Pledged as Security for Current and non-current borrowings [refer not 11 (a) & (b)] are as Follows:

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

Particulars	Note no	As at March 31, 2022	As at March 31, 2021
<b>Current:</b>			
<b>First Charge</b>			
Inventories	8	31,750.51	28,140.69
Financial assets			
- Trade receivables	5(b)	22,636.20	20,426.65
- Cash and cash equivalents	5(c)	3,130.58	3,276.25
- Other bank balances	5(d)	8,688.91	8,600.00
- Loans	5(e)	55.91	49.86
- Other financial assets	5(f)	117.31	296.16
Other current assets	7	2,545.76	2,312.47
<b>Total current assets offered as security*</b>		<b>68,925.18</b>	<b>63,102.08</b>
<b>Non current:</b>			
<b>First charge</b>			
Property, plant and equipment	3	34,762.80	36,171.51
<b>Total non-current assets offered as security</b>		<b>34,762.80</b>	<b>36,171.51</b>
<b>Total assets offered as security</b>		<b>103,687.98</b>	<b>99,273.59</b>

\* The Company has working capital limits which have not been availed as at March 31, 2022 and March 31, 2021.

v) Capital work-in-progress

(a) Ageing:

As at March 31, 2022

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

As at March 31, 2021

Particulars	Amount in CWIP for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,111.77	151.64	34.27	46.31	1,343.99
Projects temporarily suspended	-	-	-	-	-

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

As at March 31, 2022

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Projects pertaining to development of new models for *					
- Heating, ventilation, and air conditioning (HVAC) system	25.22	-	-	-	25.22
- Compressor	-	-	-	-	-
- Hose & Tubes	60.33	-	-	-	60.33
- Railways	-	-	-	-	-
- Condensor	10.00	-	-	-	10.00
- Home AC	-	-	-	-	-
<b>Total</b>	<b>95.55</b>	-	-	-	<b>95.55</b>

\* The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.

As at March 31, 2021

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Projects pertaining to development of new models for *					
- Heating, ventilation, and air conditioning (HVAC) system	39.30	-	-	-	39.30
- Compressor	11.23	-	-	-	11.23
- Hose & Tubes	53.80	-	-	-	53.80
- Condensor	109.70	-	-	-	109.70
- Rear air conditioning system	78.31	-	-	-	78.31
- Others	1.04	-	-	-	1.04
<b>Total</b>	<b>293.38</b>	-	-	-	<b>293.38</b>

\*The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.

vi) Significant estimate

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors such as the stability of the industry and known technological advances. The Company reviews the useful life of property, plant and equipment at the end of each reporting period.



## 4. Intangible assets and intangible assets under development

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

Particulars	Specialized softwares	Technical know how	Development cost [Refer note (ii)]	Total	Intangible assets under development
<b>Gross carrying amount</b>					
Balance as at March 31, 2020	336.50	11,074.16	17,761.05	29,171.71	2,625.83
Additions	18.99	-	-	18.99	2,731.80
Transfer from intangible assets under development	10.95	436.35	822.00	1,269.30	(1,269.30)
Disposals / adjustments	(39.65)	-	-	(39.65)	(71.70)
<b>Balance as at March 31, 2021</b>	<b>326.79</b>	<b>11,510.51</b>	<b>18,583.05</b>	<b>30,420.35</b>	<b>4,016.63</b>
Additions	55.50	-	-	55.50	3,664.48
Transfer from intangible assets under development	18.80	1,948.69	1,731.28	3,698.77	(3,698.77)
Disposals / adjustments	(13.78)	-	-	(13.78)	(87.05)
<b>Balance as at March 31, 2022</b>	<b>387.31</b>	<b>13,459.20</b>	<b>20,314.33</b>	<b>34,160.84</b>	<b>3,895.29</b>
<b>Accumulated amortization</b>					
As at March 31, 2020	236.29	5,113.11	8,638.47	13,987.87	-
Amortization charge for the year	61.56	1,335.34	2,130.33	3,527.23	-
Disposals / adjustments	(39.63)	-	-	(39.63)	-
<b>Balance as at March 31, 2021</b>	<b>258.22</b>	<b>6,448.45</b>	<b>10,768.80</b>	<b>17,475.47</b>	-
Amortization charge for the year	51.87	1,317.73	2,151.01	3,520.61	-
Disposals / adjustments	(13.78)	-	-	(13.78)	-
<b>Balance as at March 31, 2022</b>	<b>296.31</b>	<b>7,766.18</b>	<b>12,919.81</b>	<b>20,982.30</b>	-
<b>Net carrying amount</b>					
As at March 31, 2021	68.57	5,062.06	7,814.25	12,944.88	4,016.63
As at March 31, 2022	91.00	5,693.02	7,394.52	13,178.54	3,895.29

## Notes-

- Amortization pertaining to software used for manufacture of moulds has been capitalized during the year amounting to Rs. 1.78 Lakhs (Previous year Rs. 3.14 Lakhs).
- Consists of capitalised development costs being an internally generated intangible asset.
- Intangible assets under development comprises of technical know how and product development cost incurred by the Company.
- Intangible assets under development

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

## (a) Ageing:

As at March 31, 2022

Particulars	Amount in intangible assets under development for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,861.24	770.70	219.31	44.04	3,895.29
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2,861.24</b>	<b>770.70</b>	<b>219.31</b>	<b>44.04</b>	<b>3,895.29</b>

As at March 31, 2021

Particulars	Amount in intangible assets under development for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,217.58	1,021.29	294.72	454.22	3,987.81
Projects temporarily suspended	-	0.08	15.95	12.79	28.82
<b>Total</b>	<b>2,217.58</b>	<b>1,021.37</b>	<b>310.67</b>	<b>467.01</b>	<b>4,016.63</b>

\*The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.



(b) Completion schedule for intangible assets under development whose completion is overdue compared to its original plan:

As at March 31, 2022

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Projects pertaining to development of new models for *					
- Air conditioning kit	524.97	-	-	-	524.97
- Heating, ventilation, and air conditioning (HVAC) system	278.20	-	15.27	-	293.47
- Compressor	-	-	8.90	-	8.90
- Hose & Tubes	47.00	-	-	-	47.00
- Condensor	509.03	-	-	-	509.03
- Rear air conditioning system	-	-	-	33.33	33.33
<b>Total</b>	<b>1,359.20</b>	<b>-</b>	<b>24.17</b>	<b>33.33</b>	<b>1,416.70</b>

\*The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.

As at March 31, 2021

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Projects pertaining to development of new models for *					
- Air conditioning kit	434.69	60.80	-	-	495.49
- Heating, ventilation, and air conditioning (HVAC) system	617.55	-	15.27	-	632.82
- Compressor	312.77	458.73	-	-	771.50
- Hose & Tubes	23.62	-	-	-	23.62
- Condensor	95.52	-	-	-	95.52
- Internal Heat Exchanger (IHx)	-	132.27	-	-	132.27
- Radiator	0.15	-	-	-	0.15
- Rear air conditioning system	74.07	-	-	-	74.07
Projects pertaining to development of softwares	34.80	-	-	-	34.80
<b>Projects temporarily suspended</b>					
Projects pertaining to development of new models for *					
- Heating, ventilation, and air conditioning (HVAC) system	8.33	-	-	-	8.33
- Condensor	4.65	-	-	-	4.65
<b>Total</b>	<b>1,606.15</b>	<b>651.80</b>	<b>15.27</b>	<b>-</b>	<b>2,273.22</b>

\*The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.

#### Significant estimates:

##### A. Appropriateness of capitalization of internal development costs related to Intangible assets under development

In relation to capitalisation of internal development costs in relation to intangible assets under development, significant judgement has been made by the management in the determination of –

- whether the costs incurred is towards development of product or in the nature of research,
- the costs, including payroll costs, were directly attributable to relevant projects, and
- key assumptions such as future revenue, margins and the discount rate used to assess the future cash flows from the expected use of such assets once developed and capitalised.

##### B. Estimated useful life of intangible assets

The estimated useful lives of intangible assets are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) to obtain the expected future cash flows from the asset. The Company reviews the useful life of intangible assets at the end of each reporting period.

## 5(a). Investments

## (i). Investment in joint venture

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

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in equity instruments (fully paid- up)		
Unquoted Investment in joint venture (carried at cost) "Denso Subros Thermal Engineering Centre India Private Limited (formerly known as Denso Subros Thermal Engineering Centre India Limited)" 1,767,999 (March 31, 2021: 1,767,999) Fully paid up equity shares of Rs. 10 each	176.80	176.80
<b>Total investments</b>	<b>176.80</b>	<b>176.80</b>
<b>Aggregate value of unquoted investments</b>	<b>176.80</b>	<b>176.80</b>
<b>Aggregate amount of impairment in the value of investments</b>	<b>-</b>	<b>-</b>

## (ii). Other investment in equity instruments

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in equity instruments (at fair value through profit or loss)		
Unquoted (fully paid- up) Amplus Green Power Private Limited 1,719,061 (March 31, 2021: 1,719,061) Fully paid up equity shares of Rs. 17.45 each	299.98	299.98
<b>Total investments</b>	<b>299.98</b>	<b>299.98</b>
<b>Aggregate value of unquoted investments</b>	<b>299.98</b>	<b>299.98</b>
<b>Aggregate amount of impairment in the value of investments</b>	<b>-</b>	<b>-</b>

## 5(b). Trade receivables

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

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables from contract with customers - billed	19,927.57	19,391.62
Trade receivables from contract with customers - unbilled*	2,848.99	1,154.26
Receivables from related parties (Refer note 24)	10.92	70.18
Less: Loss allowance	(151.28)	(189.41)
<b>Total trade receivables</b>	<b>22,636.20</b>	<b>20,426.65</b>
Current portion	22,636.20	20,426.65
Non-current portion	-	-

\* The receivable is unbilled because Company has not yet issued an invoice, however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

## Breakup of security details

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

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	22,662.97	20,426.65
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	124.51	189.41
<b>Total</b>	<b>22,787.48</b>	<b>20,616.06</b>
Loss allowance	(151.28)	(189.41)
<b>Total trade receivables</b>	<b>22,636.20</b>	<b>20,426.65</b>

## Ageing of Trade Receivables as on March 31, 2022

Particulars	Outstanding for following periods from the due date							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
- considered good	2,848.99	17,100.24	2,545.90	62.66	78.10	18.91	8.17	22,662.97
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	21.01	10.39	31.40
Disputed trade receivables								
- considered good	-	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	93.11	93.11
<b>Total</b>	<b>2,848.99</b>	<b>17,100.24</b>	<b>2,545.90</b>	<b>62.66</b>	<b>78.10</b>	<b>39.92</b>	<b>111.67</b>	<b>22,787.48</b>



## Ageing of Trade Receivables as on March 31, 2021

Particulars	Outstanding for following periods from the due date							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
- considered good	1,154.26	17,044.33	1,792.78	134.15	135.41	69.26	96.46	20,426.65
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
- considered good	-	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	90.00	64.94	34.47	189.41
<b>Total</b>	<b>1,154.26</b>	<b>17,044.33</b>	<b>1,792.78</b>	<b>134.15</b>	<b>225.41</b>	<b>134.20</b>	<b>130.93</b>	<b>20,616.06</b>

## 5(c). Cash and cash equivalents

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

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- In current accounts	3,121.91	3,271.86
Cash on hand	8.67	4.39
<b>Total cash and cash equivalents</b>	<b>3,130.58</b>	<b>3,276.25</b>

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

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Earmarked balances with banks</b>		
Deposits with original maturity of more than three months but less than 12 months*	12.52	11.95
Unpaid dividend account	25.90	28.40
<b>Others</b>		
Deposits with original maturity of more than three months but less than 12 months	8,688.91	8,600.00
<b>Total bank balances other than cash and cash equivalents</b>	<b>8,727.33</b>	<b>8,640.35</b>

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

## 5(e). Loans

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
Loans to employees	55.91	25.41	49.86	16.99
<b>Total loans</b>	<b>55.91</b>	<b>25.41</b>	<b>49.86</b>	<b>16.99</b>

## Breakup of security details

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

Particulars	As at March 31, 2022	As at March 31, 2021
Loans considered good - Secured	-	-
Loans considered good - Unsecured	81.32	66.85
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total</b>	<b>81.32</b>	<b>66.85</b>
Loss allowance	-	-
<b>Total loans</b>	<b>81.32</b>	<b>66.85</b>

## 5(f) Other financial assets

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
Security deposits				
Related parties (refer note 24)	-	263.37	-	192.17
Others	17.34	656.29	29.59	657.67
Interest accrued on bank deposits	99.97	-	266.57	-
<b>Total other financial assets</b>	<b>117.31</b>	<b>919.66</b>	<b>296.16</b>	<b>849.84</b>

## 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, 2022	For the year ended March 31, 2021
<b>a) Tax expense</b>		
<i>Current tax</i>		
Current tax on profits for the year	804.35	990.42
Adjustments for current tax of prior periods	1.72	(174.53)
<b>Total current tax expense</b>	<b>806.07</b>	<b>815.89</b>
<i>Deferred tax</i>		
Minimum Alternate Tax (MAT) credit utilisation	1,203.32	955.95
Adjustment of MAT credits for earlier years	(199.26)	-
Decrease / (increase) in deferred tax assets	91.14	36.95
(Decrease) / increase in deferred tax liabilities	(620.88)	(906.80)
<b>Total deferred tax expense / (benefit)</b>	<b>474.32</b>	<b>86.10</b>
<b>Total tax expense / (credit)</b>	<b>1,280.39</b>	<b>901.99</b>

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

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Accounting Profit before tax</b>	<b>4,538.18</b>	<b>5,573.24</b>
Computed tax expense at applicable tax rate of 34.944% (previous year 34.944%)	1,585.81	1,947.51
Tax effect of :		
Tax effects of the amounts which are not deductible in calculating taxable income	73.02	74.99
Adjustment on account of remeasurement (Refer note 2 below)	(180.90)	(945.98)
Adjustment of MAT credit of earlier years	(199.26)	-
Income tax provision reversal of prior year	1.72	(174.53)
<b>Tax expense recognized in Statement of Profit and Loss</b>	<b>1,280.39</b>	<b>901.99</b>

The tax impact of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

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

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





Particulars	Opening balance	Recognized in Profit or loss- Credit/(charge)	Recognized in Other Comprehensive Income -Credit/(charge)	Closing Balance
<b>2021-22</b>				
<b>Deferred tax liability in relation to:</b>				
Property, plant and equipment and intangible assets	9,011.25	386.14	-	8,625.11
Right-of-use assets	223.60	53.84	-	169.76
Adjustment on account of remeasurement (net) (Refer note 2 below)	(945.98)	180.90	-	(1,126.88)
<b>Total deferred tax liability(A)</b>	<b>8,288.87</b>	<b>620.88</b>	<b>-</b>	<b>7,667.99</b>
<b>Deferred tax assets in relation to:</b>				
Expenses deductible in future years	578.75	(54.40)	-	524.35
Lease liabilities	321.85	(36.74)	-	285.11
Remeasurement of post employment benefit obligations	184.61	-	(38.94)	145.67
<b>Total deferred tax assets (B)</b>	<b>1,085.21</b>	<b>(91.14)</b>	<b>(38.94)</b>	<b>955.13</b>
<b>Deferred tax liability(net) (C) = (A) - (B)</b>	<b>7,203.66</b>	<b>529.74</b>	<b>(38.94)</b>	<b>6,712.86</b>
<b>Minimum alternate tax credit (D)</b>	<b>5,429.58</b>	<b>(1,004.06)</b>	<b>-</b>	<b>4,425.52</b>
<b>Deferred tax liabilities/(assets) (net) (C) -(D)</b>	<b>1,774.08</b>	<b>(474.32)</b>	<b>(38.94)</b>	<b>2,287.34</b>

## Note

- Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.
- In the financial year 2019-20, the tax laws were amended, providing an option to pay tax at 22% plus applicable surcharge and cess ("New Rate") effective April 1, 2019, with a condition that the Company will need to surrender specified deductions / incentives. Based on the assessment of future taxable profits, the Company decided to continue with the rate of 30% plus applicable surcharge and cess until the Minimum Alternate Tax (MAT) credit asset balance is utilised and opt for the New Rate thereafter. The Company re-measured its deferred tax balances accordingly.

## Significant estimate:

The deferred tax asset mainly comprises of Minimum Alternate Tax (MAT) credit which can be carried forward for a period of 15 years as per the provisions of the Income Tax Act, 1961. The Company has been consistently earning profits and is currently liable to pay Income Tax under normal provisions of Income Tax Act, 1961. The Company has concluded that the deferred tax asset will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

## 7. Other assets

(unsecured and considered good, unless otherwise stated)

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
Capital advances	-	1,122.61	-	488.42
Advance to suppliers				
-Related party (refer note 24)	2.17	-	88.22	-
-Others	795.96	-	694.34	-
Prepaid expenses	631.35	-	710.75	-
Recoverable from statutory authorities	1,116.28	-	819.16	-
<b>Total other assets</b>	<b>2,545.76</b>	<b>1,122.61</b>	<b>2,312.47</b>	<b>488.42</b>

## 8. Inventories

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

Particulars	As at March 31, 2022	As at March 31, 2021
Raw material and spares *	23,075.66	21,927.93
Work-in progress	5,033.74	2,689.46
Finished goods	852.38	893.79
Stores	2,788.73	2,629.51
<b>Total Inventories</b>	<b>31,750.51</b>	<b>28,140.69</b>

\* Net of provision for inventory obsolescence amounting to Rs. 428.34 Lakhs as at March 31, 2022 (March 31, 2021: Rs. 570.82 Lakhs). An amount of Rs. 142.48 lakhs has been written back during the year ended March 31, 2022 (Rs. 5.77 Lakhs during the year ended March 31, 2021) and included in 'cost of material consumed' in Statement of Profit and Loss.

## Inventory includes in transit inventory of:-

Raw material and spares	4,831.59	3,348.36
Finished goods	449.00	379.58

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

## Significant estimate:

The provision for inventory obsolescence is based on assumptions about usability / saleability of inventory. The Company reviews the provision for inventory obsolescence at the end of each reporting period.

## 9. Non-current tax assets (net)

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

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax (net of provisions - March 31, 2022: Rs 9,691.85 Lakhs; March 31, 2021: Rs 8,885.78 Lakhs)	190.67	67.97
<b>Total non-current tax assets</b>	<b>190.67</b>	<b>67.97</b>

## 10. Equity

## 10(a). Equity share capital

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorized share capital</b>		
125,000,000 (as at March 31, 2021 : 125,000,000) equity shares of Rs. 2 each	2,500.00	2,500.00
<b>Issued share capital</b>		
65,241,450 (as at March 31, 2021 : 65,241,450) equity shares of Rs. 2 each	1,304.83	1,304.83
<b>Subscribed and paid up share capital</b>		
65,235,750 (as at March 31, 2021 : 65,235,750) equity shares of Rs. 2 each, fully paid up	1,304.71	1,304.71
<b>Total</b>	<b>1,304.71</b>	<b>1,304.71</b>

## A. Reconciliation of the shares outstanding at the beginning and at the end of the year

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

Equity shares	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	65,235,750	1,304.71	65,235,750	1,304.71
Add: Shares issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>65,235,750</b>	<b>1,304.71</b>	<b>65,235,750</b>	<b>1,304.71</b>

## B. Rights, preferences and restrictions attached to shares

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, 2022		As at March 31, 2021	
	Number of shares held	% of holding	Number of shares held	% of holding
Deeksha Holding Limited	10,137,760	15.54%	10,137,760	15.54%
Jyotsna Holding Private Limited	3,448,000	5.28%	3,448,000	5.28%
R R Holdings Private Limited	3,208,000	4.92%	3,208,000	4.92%
Ramesh Suri	-	0.00%	4,459,040	6.84%
Shradha Suri	5,587,040	8.57%	-	0.00%
Denso Corporation	13,047,150	20.00%	13,047,150	20.00%
Suzuki Motor Corporation	7,800,000	11.96%	7,800,000	11.96%

## D. Details of shareholding of promoters:

Name of the promoter	As at March 31, 2022			As at March 31, 2021		
	Number of shares	% total shares	% Change during the year	Number of shares	% total shares	% Change during the year
Ramesh Suri	-	0.00%	-100.00%	4,459,040	6.84%	0.00%
Ritu Suri	-	0.00%	-100.00%	1,128,000	1.73%	0.00%
Shradha Suri	5,587,040	8.57%	100.00%	-	0.00%	0.00%
Deeksha Holding Limited	10,137,760	15.54%	0.00%	10,137,760	15.54%	0.00%
Jyotsna Holding Private Limited	3,448,000	5.28%	0.00%	3,448,000	5.28%	0.00%
R.R. Holdings Private Limited	3,208,000	4.92%	0.00%	3,208,000	4.92%	0.00%
Jyotsna Suri	1,619,200	2.48%	0.00%	1,619,200	2.48%	0.00%



## 10(b). Other equity

## Reserves and surplus

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

Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium	20,817.44	20,817.44
General reserve	12,575.48	12,425.48
Debenture redemption reserve	-	-
Retained earnings	47,647.95	44,924.31
<b>Total other equity</b>	<b>81,040.87</b>	<b>78,167.23</b>

## i) Securities premium

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	20,817.44	20,817.44
Issue of equity shares	-	-
<b>Closing balance</b>	<b>20,817.44</b>	<b>20,817.44</b>

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013

## ii) General reserve

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	12,425.48	12,275.48
Transfer from retained earnings	150.00	150.00
<b>Closing balance</b>	<b>12,575.48</b>	<b>12,425.48</b>

General reserve is the retained earnings of a Company which is kept aside out of the Company's profits to meet future (known or unknown) obligations.

## iii) Retained earnings

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	44,924.31	40,581.72
Add: Profit for the year	3,257.79	4,671.25
Less: Remeasurement gain / (loss) on post employment benefit obligation, net of tax	72.50	93.23
Less: Appropriations		
Transfer to general reserve	(150.00)	(150.00)
Transfer from debenture redemption reserve	-	250.00
Dividend on equity shares	(456.65)	(521.89)
<b>Closing balance</b>	<b>47,647.95</b>	<b>44,924.31</b>

During the year, a dividend of Rs. 0.70 per share, total dividend Rs. 456.65 Lakhs (previous year: Rs. 0.80 per share, total dividend Rs. 521.89 Lakhs) was paid to equity shareholders.

The Board of Directors recommended a final dividend of Rs. 0.70 per share (nominal value of Rs. 2 per share) for the financial year 2021-22. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these Standalone Financial Statements. The total estimated dividend to be paid is Rs. 456.65 Lakhs.

## iv) Debenture redemption reserve (DRR)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	-	250.00
Transfer to retained earnings	-	(250.00)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

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, 2022	As at March 31, 2021
<b>Secured</b>		
Term loans		
Foreign currency loans from banks	-	691.54
Indian Rupee loans from banks	2,503.27	3,574.30
<b>Total Non-current borrowings</b>	<b>2,503.27</b>	<b>4,265.84</b>
Less: Current maturities of long term debt [included in note 11(b)]	1,160.72	1,753.66
Less: Interest accrued [included in note 11(b)]	6.75	15.67
<b>Non-current borrowings</b>	<b>1,335.80</b>	<b>2,496.51</b>

Borrowings	Security	As at March 31, 2022	As at March 31, 2021	Maturity date	Terms of repayment	Coupon/ Interest rate
<b>Foreign currency loans from banks</b>						
FC Loan 1	Exclusive charge over specific movable fixed assets	-	414.30	Not applicable (March 31, 2021: September, 2021)	Not applicable (March 31, 2021: Sixteen quarterly instalments commencing from December 2017)	Not applicable (March 31, 2021: USD 3.25% p.a)
FC Loan 2	Exclusive charge over specific movable fixed assets	-	277.24	Not applicable (March 31, 2021: September, 2021)	Not applicable (March 31, 2021: Sixteen quarterly instalments commencing from December 2017)	Not applicable (March 31, 2021: USD 3.32% p.a)
<b>Indian Rupee loans from banks</b>						
Loan 1 (Refer note below)	First charge on movable fixed assets other than exclusive charge created for other loans	1,284.49	2,074.00	August, 2023	Fourteen quarterly equal instalments commencing from November, 2019	REPO + 200 bps (March 31, 2021 : REPO + 200 bps)
Loan 2	Exclusive charge over specific movable fixed assets	1,218.78	1,500.30	June, 2025	Sixteen quarterly equal instalments commencing from September, 2021	3 Month MIBOR (March 31, 2021 : 3 Month MIBOR)
<b>Total</b>		<b>2,503.27</b>	<b>4,265.84</b>			

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

## 11(b). Current borrowings

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
From banks		
<b>Current maturities of long term debt*</b>	<b>1,167.47</b>	<b>1,769.33</b>
<b>Total current borrowings</b>	<b>1,167.47</b>	<b>1,769.33</b>

\* Includes interest accrued on long-term borrowings.

Note: The Company has working capital limits which have not been availed as at March 31, 2022 and March 31, 2021. (Refer note 3 for details of current assets offered as security).



## 11(c). Other financial liabilities

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

Particulars	As at March 31, 2022	As at March 31, 2021
Capital creditors*	552.49	1,284.81
Interest accrued**	5.51	44.06
Security deposit received		
-Related party (refer note 24)	6.14	6.14
-Others	44.49	43.49
Unclaimed dividend***	25.90	28.40
Derivative liability	399.54	554.29
Others		
Due to directors (refer note 24)	39.18	-
Payable to employees	2,332.81	704.30
<b>Total</b>	<b>3,406.06</b>	<b>2,665.49</b>

\* Includes Rs. 45.61 Lakhs (March 31, 2021: Rs. 346.17) payable to related parties. Refer note 24.

\*\* Includes Nil (March 31, 2021: Rs. 26.03 Lakhs) due to micro enterprises and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006. Refer note 36.

\*\*\* The Company has deposited an amount of Rs. 4.40 Lakhs (Previous year Rs. 4.24 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, 2022	As at March 31, 2021
<b>Current</b>		
Trade payables: micro and small enterprises (refer Note 36)	228.77	170.14
Trade payables: others	46,396.74	43,966.44
Trade payables to related parties (refer note 24)	2,253.35	1,953.76
<b>Total</b>	<b>48,878.86</b>	<b>46,090.34</b>

## Ageing of trade payables as at March 31, 2022

Particulars	Outstanding for the following periods from the due date						Total
	Unbilled	Not Due	less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
- Micro and small enterprises	16.20	212.54	0.03	-	-	-	228.77
- Others	3,725.94	34,340.82	10,470.12	29.98	2.93	80.30	48,650.09
Disputed trade payables							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
<b>Total</b>	<b>3,742.14</b>	<b>34,553.36</b>	<b>10,470.15</b>	<b>29.98</b>	<b>2.93</b>	<b>80.30</b>	<b>48,878.86</b>

## Ageing of trade payables as at March 31, 2021

Particulars	Outstanding for the following periods from the due date						Total
	Unbilled	Not Due	less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
- Micro and small enterprises	-	170.14	-	-	-	-	170.14
- Others	3,881.75	36,142.58	5,833.22	5.49	57.16	-	45,920.20
Disputed trade payables							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
<b>Total</b>	<b>3,881.75</b>	<b>36,312.72</b>	<b>5,833.22</b>	<b>5.49</b>	<b>57.16</b>	<b>-</b>	<b>46,090.34</b>



## 11(e). Other non-current liabilities

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

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Government grants</b>		
Opening balance	-	-
Grants during the year	76.79	-
Less: Released to profit or loss	-	-
<b>Closing balance</b>	<b>76.79</b>	<b>-</b>
Current portion	-	-
Non-current portion	76.79	-

Note: Pertains to government grant received from Ozone Cell (Ministry of Environment, Forest and Climate Change, Government of India) during the year related to property, plant and equipment to be procured at Nalagarh plant under the scheme 'India HCFC Phase-out Management Plan Stage II' to phase out the consumption of HCFCs. As on March 31, 2022, the Company is yet to comply with the conditions attached to this grant with respect to procurement of property, plant and equipment and other conditions stated in the scheme.

The Company has also benefited from other forms of government assistance as mentioned in note 18.

## 11(f). Supplier's credit

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

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Supplier's credit	3,518.63	5,381.32
<b>Total</b>	<b>3,518.63</b>	<b>5,381.32</b>

Note: Supplier's credit represents the arrangement where suppliers of goods and services are initially paid by Receivables Exchange of India/ bank and settlement with the Receivables Exchange of India/bank are normally effected within a period of 90 days.

## 12. Provisions

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits:				
Provision for leave encashment (refer note 28)	330.55	-	331.69	-
Provision for gratuity (refer note 28)	-	875.30	-	881.22
Provision for warranty	248.79	165.86	341.84	227.90
<b>Total</b>	<b>579.34</b>	<b>1,041.16</b>	<b>673.53</b>	<b>1,109.12</b>

## i) Information about individual provisions and critical estimates

## Provision for employee benefits:

The provision for employee benefits include leave encashment and gratuity (refer note 2(c)(xiii) and 28).

## Provision for warranty:

Significant estimate: Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. The Company generally offers 24 months warranties for its products. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. The assumptions made in relation to the current period are consistent with those in the prior years. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives.

## ii) Movement in provision for warranty

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

<b>As at March 31, 2020</b>	<b>559.59</b>
Charged/(credited) to profit or loss	
Additional provisions recognized	151.68
Unwinding of discount on provision for warranty	8.48
Discounting of additional provision recognized	(18.98)
Amounts utilized during the year	(131.03)
<b>As at March 31, 2021</b>	<b>569.74</b>
Charged/(credited) to profit or loss	
Additional provisions recognized	150.36
Unwinding of discount on provision for warranty	8.48
Discounting of additional provision recognized	(17.48)
Amounts written back during the year (Refer note 15)	(225.18)
Amounts utilized during the year	(71.27)
<b>As at March 31, 2022</b>	<b>414.65</b>

## Sensitivity analysis

As at March 31, 2022, provision for warranty had a carrying amount of Rs. 414.65 Lakhs (March 31, 2021: Rs. 569.74 Lakhs). Were warranty claim costs to differ by 10% of the management's estimates, the provision would be an estimated Rs. 41.47 Lakhs higher or lower (March 31, 2021: Rs. 56.97 Lakhs higher or lower).



## 13 (a). Contract liabilities

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

Particulars	As at March 31, 2022	As at March 31, 2021
Contract liabilities	2,654.40	532.44
<b>Total</b>	<b>2,654.40</b>	<b>532.44</b>

Notes:

a) Contract liabilities represent payments received from the customers in excess of the goods sold by the Company.

b) During the year ended March 31, 2022, the Company recognised revenue of Rs. 91.94 Lakhs arising from opening contract liabilities as of April 01, 2021. During the previous year, the Company recognised revenue of Rs. 317.71 Lakhs arising from opening contract liabilities as at April 01, 2020.

## 13 (b). Other current liabilities

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

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	2,334.65	2,010.06
<b>Total</b>	<b>2,334.65</b>	<b>2,010.06</b>

## 14. Revenue from operations

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from contracts with customers		
- Sale of products	223,416.73	179,000.56
- Sale of services	74.42	332.42
Other operating revenues		
- Sale of scrap	373.15	232.22
<b>Total</b>	<b>223,864.30</b>	<b>179,565.20</b>

Note 1: Unsatisfied contracts:

The following table shows unsatisfied performance obligation resulting from contracts:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at reporting date	2,654.40	532.44

Management expects that transaction price allocated to unsatisfied contracts as of March 31, 2022 will be recognized as revenue during the next reporting period.

Note 2: Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract Price	225,148.37	180,574.95
Adjustments for:		
- Rebate/discounts	(1,284.07)	(1,009.75)
<b>Revenue from Operations</b>	<b>223,864.30</b>	<b>179,565.20</b>

Note 3: The Company has disaggregated revenue from contracts with customers based on nature of revenue i.e. sale of products and sale of services. The Company does not have reportable segment. Refer note 23.

Note 4: The company derives revenue from transfer of goods and services at a point of time after acceptance from customers.

Note 5: No significant judgements have been made by the Company in applying Ind AS 115 that significantly affect the determination of the amount and timing of revenue from contracts with customers.

## 15. Other Income

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on:		
a) Financial assets at amortized cost	386.41	512.90
b) Others	5.72	10.28
Exchange variation on foreign currency transactions (net)	-	1,245.81
Fair value changes on derivatives	208.33	(938.13)
Unwinding of discount on financial asset	4.90	2.88
Rental income	64.66	45.74
Dividend income from investment in joint venture	37.58	-
Provision written back to the extent no longer required (Refer note 12)	225.18	-
Other miscellaneous income*	59.65	151.79
<b>Total</b>	<b>992.43</b>	<b>1,031.27</b>

\* The Company has applied practical expedient under IndAS 116 Leases to all qualifying rent concessions and accordingly disclosed the rent concessions received during the year amounting to Nil (March 31, 2021: Rs. 19.16 Lakhs) under Other miscellaneous income.

## 16. Cost of material consumed

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Raw material and spares</b>		
Raw material and spares at the beginning of the year	21,927.93	18,420.02
Add: Purchase of raw material and spares	169,559.18	133,862.69
Less: Raw material and spares at the end of the year	23,075.66	21,927.93
<b>Total</b>	<b>168,411.45</b>	<b>130,354.78</b>

## 17. Changes in inventories of finished goods and work in progress

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Finished goods</b>		
Closing balance	852.38	893.79
Less:- Opening balance	893.79	625.43
	<b>(41.41)</b>	<b>268.36</b>
<b>Work-in-progress</b>		
Closing balance	5,033.74	2,689.46
Less:- Opening balance	2,689.46	1,617.87
	<b>2,344.28</b>	<b>1,071.59</b>
<b>(Increase) / decrease</b>	<b>(2,302.87)</b>	<b>(1,339.95)</b>

## 18. Employee benefits expense

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus*	19,820.08	16,600.65
Contribution to provident and other funds (refer note 28)**	888.46	813.29
Gratuity (refer note 28)	258.32	257.66
Staff welfare expenses	1,738.01	1,080.75
<b>Total</b>	<b>22,704.87</b>	<b>18,752.35</b>

Note: Government grants

\* Net of government grants related to refund of 50% of minimum stipend prescribed by Board of Apprenticeship Training (Northern Region) amounting to Rs. 171.43 Lakhs (March 31, 2021: Rs. 38.28 Lakhs).

\*\* Net of government grants related to payment of employer's contribution towards Employees Provident Fund and Employees Pension Scheme for the new employment, paid by government of India under the Pradhan Mantri Rojgar Protsahan Yojana amounting to Rs. 25.27 Lakhs (March 31, 2021: Rs. 33.75 Lakhs).

There are no unfulfilled conditions or other contingencies attached to these grants. The Company did not benefit directly from any other forms of government assistance except as disclosed in Note 11(e).



## 19. Finance costs

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest costs:		
- Loans from banks	284.77	993.85
- Loans from others	304.16	170.20
Exchange differences regarded as an adjustment to borrowing costs	230.98	95.18
Interest on lease liabilities (refer note 27)	79.15	88.14
Fair value changes on derivatives	53.58	182.90
Other finance costs*	138.85	94.44
<b>Total</b>	<b>1,091.49</b>	<b>1,624.71</b>

\* Net of Rs. 26.03 Lakhs written back to the extent no longer required based on confirmations received from micro and small enterprises confirming that no interest under the Micro, Small and Medium Enterprises Development Act, 2006 is payable to them (March 31, 2021: Rs. 5.72 Lakhs accrued for interest due to micro enterprises and small enterprises)(refer Note 36).

## 20. Depreciation and amortization expense

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment (refer note 3)	6,556.81	5,523.33
Depreciation of right-of-use assets (refer note 27)	159.54	163.35
Amortization of intangible assets (refer note 4)	3,518.83	3,524.09
<b>Total</b>	<b>10,235.18</b>	<b>9,210.77</b>

## 21. Other expenses

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores	4,169.03	3,568.49
Power and fuel	3,169.72	2,772.14
Rent (refer note 27)	415.71	304.03
Repair and maintenance: Building	455.11	353.77
Repair and maintenance: Plant and machinery	1,799.29	1,343.53
Repair and maintenance: Others	295.50	192.34
Rates, taxes and fees	57.39	55.65
Insurance	638.73	499.90
Royalty	2,567.99	1,984.86
Warranty expenses	132.88	132.70
Selling and distribution expenses	3,585.45	2,566.30
Legal and professional charges	391.71	444.21
Vehicle running and maintenance	145.28	129.48
Travelling and conveyance	272.03	148.42
Payment to auditors [refer note 21(a) below]	49.11	46.42
Exchange variation on foreign currency transactions (net)	114.03	-
Net loss on disposal of property, plant and equipment	73.70	34.10
Corporate social responsibility expenses [refer note 21(b) below]	195.00	213.94
Director's sitting fees	54.65	65.50
Other miscellaneous expenses	1,596.12	1,564.79
<b>TOTAL</b>	<b>20,178.43</b>	<b>16,420.57</b>

## 21(a). Details of payment to auditors

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Payment to auditors*</b>		
<b>As auditor:</b>		
Audit fees (including limited review)	46.50	41.40
Tax audit fee	1.50	1.15
<b>In other capacities:</b>		
Other services	0.50	3.25
Reimbursement of expenses	0.61	0.62
<b>Total</b>	<b>49.11</b>	<b>46.42</b>

\* Excluding applicable taxes

## 21(b). Corporate social responsibility expenses

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contribution to green plantations	5.53	28.53
Contribution to education for under-privileged children	36.30	81.92
Contribution to skills developments	69.51	4.15
Contribution to social campaign	8.03	90.93
Contribution to disaster management	-	8.41
Contribution to preventive healthcare	65.63	-
Contribution to technology development	10.00	-
Accrual towards unspent obligations in relation to:		
Ongoing project	-	-
Other than ongoing projects	-	-
<b>Total</b>	<b>195.00</b>	<b>213.94</b>
<i>Amount required to be spent as per Section 135 of the Act</i>	<b>194.09</b>	<b>213.94</b>
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(i) On purpose other than above	195.00	213.94
<b>Total</b>	<b>195.00</b>	<b>213.94</b>

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

Balance as at April 1, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2022	
With the Company	In Separate CSR Unspent account		From the Company's bank account	From Separate CSR Unspent account	With the Company	In Separate CSR Unspent account
-	-	185.00	185.00	-	-	-

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

Balance unspent as at April 1, 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2022
-	-	10.00	10.00	-

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

Balance excess spent as at April 1, 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2022
-	-	-	-

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

Balance as at April 1, 2020		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2021	
With the Company	In Separate CSR Unspent account		From the Company's bank account	From Separate CSR Unspent account	With the Company	In Separate CSR Unspent account
-	-	133.94	133.94	-	-	-





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

Balance unspent as at April 1, 2020	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2021
-	-	80.00	80.00	-

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

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

## 22. Financial instruments and risk management

## 22(a). Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2022 is as follows:

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

Particulars	FVOCI	FVTPL	Amortized cost	Total
<b>Financial assets</b>				
i) Investment	-	299.98	-	299.98
ii) Trade receivables	-	-	22,636.20	22,636.20
iii) Cash and cash equivalents	-	-	3,130.58	3,130.58
iv) Bank balance other than cash and cash equivalents	-	-	8,727.33	8,727.33
v) Loans	-	-	81.32	81.32
vi) Other financial assets	-	-	1,036.97	1,036.97
<b>Total financial assets</b>	-	<b>299.98</b>	<b>35,612.40</b>	<b>35,912.38</b>
<b>Financial liabilities</b>				
i) Borrowings	-	-	2,503.27	2,503.27
ii) Supplier's credit	-	-	3,518.63	3,518.63
iii) Trade payables	-	-	48,878.86	48,878.86
iv) Other financial liabilities	-	399.54	3,006.52	3,406.06
<b>Total financial liabilities</b>	-	<b>399.54</b>	<b>57,907.28</b>	<b>58,306.82</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2021 is as follows:

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

Particulars	FVOCI	FVTPL	Amortized cost	Total
<b>Financial assets</b>				
i) Investment	-	299.98	-	299.98
ii) Trade receivables	-	-	20,426.65	20,426.65
iii) Cash and cash equivalents	-	-	3,276.25	3,276.25
iv) Bank balance other than cash and cash equivalents	-	-	8,640.35	8,640.35
v) Loans	-	-	66.85	66.85
vi) Other financial assets	-	-	1,146.00	1,146.00
<b>Total financial assets</b>	-	<b>299.98</b>	<b>33,556.10</b>	<b>33,856.08</b>
<b>Financial liabilities</b>				
i) Borrowings	-	-	4,265.84	4,265.84
ii) Supplier's credit	-	-	5,381.32	5,381.32
iii) Trade payables	-	-	46,090.34	46,090.34
iv) Other financial liabilities	-	554.29	2,111.20	2,665.49
<b>Total financial liabilities</b>	-	<b>554.29</b>	<b>57,848.70</b>	<b>58,402.99</b>

The following tables provides an analysis of financial assets and liabilities that are measured at fair value - recurring fair value measurements, grouped into level 1 to level 3, as described below:

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

Particulars	Notes No.	As at March 31, 2022			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investment	5(a)(ii)	-	-	299.98	299.98
<b>Total financial assets</b>		-	-	<b>299.98</b>	<b>299.98</b>
<b>Financial liabilities</b>					
Derivative liability	11(c)	-	399.54	-	399.54
<b>Total financial liabilities</b>		-	<b>399.54</b>	-	<b>399.54</b>

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

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

The following tables provides an analysis of financial assets and liabilities that are measured at amortized cost for which fair values are disclosed, grouped into level 1 to level 3, as described below:

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

Particulars	Notes No.	As at March 31, 2022			
		Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Security deposits	5(f)	-	-	937.00	937.00
Loans to employees	5(e)	-	-	81.32	81.32
Trade receivables	5(b)	-	-	22,636.20	22,636.20
Cash and cash equivalents	5(c)	-	-	3,130.58	3,130.58
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	8,701.43	8,701.43
Unpaid dividend account	5(d)	-	-	25.90	25.90
Interest accrued on bank deposits	5(f)	-	-	99.97	99.97
<b>Total financial assets</b>		-	-	<b>35,612.40</b>	<b>35,612.40</b>

<b>Financial liabilities</b>					
Borrowings	11(a) & 11(b)	-	-	2,503.27	2,503.27
Supplier's credit	11(f)	-	-	3,518.63	3,518.63
Trade payables	11(d)	-	-	48,878.86	48,878.86
Capital creditors	11(c)	-	-	552.49	552.49
Interest accrued	11(c)	-	-	5.51	5.51
Security deposit received	11(c)	-	-	50.63	50.63
Unclaimed dividend	11(c)	-	-	25.90	25.90
Others					
Due to directors	11(c)	-	-	39.18	39.18
Payable to employees	11(c)	-	-	2,332.81	2,332.81
<b>Total financial liabilities</b>		-	-	<b>57,907.28</b>	<b>57,907.28</b>



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

Particulars	Notes No.	As at March 31, 2021			Total
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Security deposits	5(f)	-	-	879.43	879.43
Loans to employees	5(e)	-	-	66.85	66.85
Trade receivables	5(b)	-	-	20,426.65	20,426.65
Cash and cash equivalents	5(c)	-	-	3,276.25	3,276.25
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	8,611.95	8,611.95
Unpaid dividend account	5(d)	-	-	28.40	28.40
Interest accrued on bank deposits	5(f)	-	-	266.57	266.57
<b>Total financial assets</b>		-	-	<b>33,556.10</b>	<b>33,556.10</b>
<b>Financial liabilities</b>					
Borrowings	11(a) & 11(b)	-	-	4,265.84	4,265.84
Supplier's credit	11(f)	-	-	5,381.32	5,381.32
Trade payables	11(d)	-	-	46,090.34	46,090.34
Capital creditors	11(c)	-	-	1,284.81	1,284.81
Interest accrued	11(c)	-	-	44.06	44.06
Security deposit received	11(c)	-	-	49.63	49.63
Unclaimed dividend	11(c)	-	-	28.40	28.40
Others					
Due to directors	11(c)	-	-	-	-
Payable to employees	11(c)	-	-	704.30	704.30
<b>Total financial liabilities</b>		-	-	<b>57,848.70</b>	<b>57,848.70</b>

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, 2022 and March 31, 2021.

Valuation technique used to determine fair value : The Company has entered into variety of foreign currency forward contracts and swaps to manage its exposure to fluctuations in foreign exchange rates. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data. Further, Investment in equity shares included in Level 3 of the fair value hierarchy have been valued using the income approach to arrive at their fair value. In this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of this investment.

All short term financial assets and liabilities like trade receivables, cash and cash equivalents, deposit with banks, trade payables, supplier's credit, capital creditors, security deposit received, payable to employees are stated at amortized cost which is approximately equal to their fair value.

The fair value of borrowings is estimated by discounting expected future cash flows, using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of similar maturity.

The fair value of loans to employees and security deposits are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

## 22(b). Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk. In order to minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimize operating, financial and strategic risks. The note explains the sources of risk which the entity is exposed to and how the entity manages the risks :

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, deposits with banks, trade receivables, derivative financial instruments, other financial assets measured at amortized cost.	Ageing analysis, credit rating	Diversification of bank deposits, factoring of trade receivables, credit limits and letter of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- foreign exchange	Future commercial transactions Recognized financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk- interest rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps

#### Credit risk

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

For banks and financial institutions, only high rated banks/institutions are accepted. The Company has deposited liquid funds at various banking institutions. Primary banking institutions are major Indian and foreign banks. In long term credit ratings, these banking institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognized commercial banks and are not past due.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian automobile manufacturers and Air-conditioner manufacturer (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of payment due dates is closely monitored on an on-going basis for all customers, thereby practically eliminating the risk of default.

A default on a financial asset is when the counterparty, fails to make contractual payments within the agreed number of days of when they fall due. This definition is determined by considering the business environment in which entity operates and other macro-economic factors. The Company's historical experience of collecting receivables, supported by the level of default, is that credit risk is low. All customer balances which are overdue for more than 180 days are evaluated for provisioning and considered for impairment on an individual basis. The customer balances are written-off as bad debts, when legal remedies available to the Company are exhausted and / or it becomes certain that said balances will not be recovered.

#### Reconciliation of loss allowance - Trade receivables:

Particulars	As at March 31, 2022	As at March 31, 2021
Loss allowance at the beginning of the year	189.41	-
Add / (Less): Changes during the year	(38.13)	189.41
<b>Loss allowance at the end of the year</b>	<b>151.28</b>	<b>189.41</b>

Significant estimate: The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### Liquidity risk

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, the Company's finance division monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet the operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Company raises short term rupee borrowings for cash flow mismatches and hence carries no significant liquidity risk.

#### (i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	As at March 31, 2022	As at March 31, 2021
Floating rate:		
-Expiring within one year (cash credit, working capital loans and other facilities)	34,242.35	35,951.79
-Expiring beyond one year (bank loans)	4,650.74	4,650.74



**(ii) Maturities of financial liabilities**

The table below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities:

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

Particulars	Upto 1 year	1-5 Years	More than 5 years	Total
<b>As at March 31, 2022</b>				
Borrowings (including interest)	1,281.89	1,410.89	-	2,692.78
Supplier's credit	3,518.63	-	-	3,518.63
Trade payables	48,878.86	-	-	48,878.86
Other financial liabilities	3,006.52	-	-	3,006.52
Lease liabilities (including interest)	173.30	387.75	995.33	1,556.38
<b>Total</b>	<b>56,859.20</b>	<b>1,798.64</b>	<b>995.33</b>	<b>59,653.17</b>
<b>As at March 31, 2021</b>				
Borrowings (including interest)	1,927.65	2,711.15	-	4,638.80
Supplier's credit	5,381.32	-	-	5,381.32
Trade payables	46,090.34	-	-	46,090.34
Other financial liabilities	2,111.20	-	-	2,111.20
Lease liabilities (including interest)	184.30	536.48	1,019.90	1,740.68
<b>Total</b>	<b>55,694.81</b>	<b>3,247.63</b>	<b>1,019.90</b>	<b>59,962.34</b>

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

The Company has exposure to foreign currency risk on account of its payables and loans. The Company has a foreign currency exchange risk policy to mitigate this risk by entering into appropriate hedging instruments depending on the future outlook on currencies as considered necessary from time to time for which it has entered into derivative financial instruments such as foreign exchange forward contracts.

**Foreign currency derivative contracts outstanding as at the end of the reporting period:**

Particulars/Purpose	Amount	As at March 31, 2022	As at March 31, 2021
Hedge of foreign currency loans	USD (In Lakhs)	-	9.34
	Rs. (in Lakhs)	-	625.00
Hedge of foreign currency payables	USD (In Lakhs)	70.00	44.00
	Rs. (in Lakhs)	5,349.90	3,242.58
	JPY (in Lakhs)	10,716.85	13,121.25
	Rs. (in Lakhs)	6,781.60	8,818.76
Cross currency swap	USD (In Lakhs)	5.00	15.00
	JPY (in Lakhs)	608.16	1,657.84

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

Particulars/Purpose	Amount	As at March 31, 2022	As at March 31, 2021
Trade payables	Euro (in Lakhs)	0.04	0.04
	Rs. (in Lakhs)	3.71	3.77

**Foreign currency sensitivity analysis**

The Company is mainly exposed to EURO since it is unhedged as at reporting date.

The following table details the Company's sensitivity to a 10% increase and decrease in the INR against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and vice-versa.

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

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	INR strengthens by 10%	INR weakens by 10%	INR strengthens by 10%	INR weakens by 10%
Impact on profit for the year				
EURO impact	0.37	(0.37)	0.38	(0.38)



**(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, 2022	As at March 31, 2021
Variable rate borrowings	2,503.27	4,265.84
Fixed rate borrowings	-	-

Note: The Company had foreign currency loans with floating interest rate which were repaid during the year. 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, 2022		
	Weighted average interest rate %	Balance	% of total loans
Foreign currency loans from bank, Rupee loans from bank and cash credit	6.19	2,503.27	100%
Interest rate swaps (notional principal amount)		-	
Net exposure to cash flow interest rate risk		2,503.27	

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

**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, 2022	For the year ended March 31, 2021
Interest rates - increase by 50 basis points	8.14	11.63
Interest rates - decrease by 50 basis points	(8.14)	(11.63)

**(iii) Price risk**

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the Company. Due to the competitive market, major OEMs 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 objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors Net Debt to EBITDA ratio i.e., Net Debt (total borrowings (including supplier's credit) and lease liabilities net of cash and cash equivalents) divided by EBITDA (Profit before tax plus depreciation and amortization expense plus finance cost).

The Company strategy is to ensure that the Net Debt to EBITDA is managed at an optimal level considering the above factors. The Net Debt to EBITDA ratios were as follows:



Particulars	March 31, 2022	March 31, 2021
Net Debt (In Lakhs)	3,707.21	7,291.95
EBIDTA (In Lakhs)	15,864.85	16,408.72
<b>Net Debt to EBITDA</b>	<b>0.23</b>	<b>0.44</b>

The Net debt to EBITDA ratio for the current year decreased from 0.44 to 0.23 due to repayment of borrowings during the year ended March 31, 2022.

#### Loan covenants

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

#### Dividends

Particulars	As at March 31, 2022	As at March 31, 2021
<b>On Equity shares of Rs. 2 each</b>		
<b>Final dividend</b>		
Dividend paid (Rs. In Lakhs)	456.65	521.89
Dividend per equity share	0.70	0.80

The Board of Directors recommended a final dividend of Rs. 0.70 per share (nominal value of Rs. 2 per share) for the financial year 2021-22. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these Standalone Financial Statements. The total estimated dividend to be paid is Rs. 456.65 Lakhs.

#### 23. Segment information

The Company is primarily in the business of manufacturing of thermal products.

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore, there is no reportable segment for the Company. Export sales constitute an insignificant portion of total business of the Company. Hence, there is no geographical segment as well.

#### Entity wide disclosures

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

	Domestic	Overseas	Total
<b>Revenue from operations</b>			
For the year ended March 31, 2022	223,840.15	24.15	<b>223,864.30</b>
For the year ended March 31, 2021	179,532.23	32.97	<b>179,565.20</b>
<b>Non current segment assets</b>			
As at March 31, 2022	79,865.85	-	<b>79,865.85</b>
As at March 31, 2021	80,341.19	-	<b>80,341.19</b>

- Domestic information includes sales and services rendered to customers located in India.
- Overseas information includes sales and services rendered to customers located outside India.
- Non current segment assets includes property, plant and equipment, right-of-use assets, capital work-in-progress, intangible assets, intangible assets under development and capital advances.
- Revenue from transactions with a single external customer amounting to 10 per cent or more of the Company's revenues is 47% from one customer (previous year: 57%) and 34% from second customer (previous year: 27%).

#### 24. Related party disclosures

##### Entity having significant influence over the Company

Denso Corporation, Japan

##### Joint venture

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

##### Key management personnel

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

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

Mr. Parmod Kumar Duggal, Chief Executive Officer (From April 01, 2021) and Whole Time Director (From August 5, 2021)

Ms. Jyotsna Suri, Director

Mr. Yasuhiro Iida, Nominee Director (Upto March 30, 2021)

Mr. Mohammed Asad Pathan, Independent Director  
 Mr. Kuttalam Rajagopalan Ramamoorthy, Independent Director  
 Mr. Girish Narain Mehra, Independent Director  
 Mr. Shailendra Swarup, Independent Director  
 Ms. Meena Sethi, Independent Director  
 Mr. Arvind Kapur, Independent Director  
 Mr. Kenichi Ayukawa, Nominee Director  
 Mr. Toshihiro Saida, Nominee Director (Upto December 11, 2020)  
 Mr. Tomoaki Yoshimori, Nominee Director (From December 12, 2020)  
 Mr. Hidemasa Takahashi, Nominee Director (From March 30, 2021)  
 Mr. Fumitaka Taki, Alternate Director (Upto January 27, 2022)  
 Mr. Yasuaki Matsunaga, Alternate Director (From January 27, 2022)  
 Mr. Manoj Kumar Sethi, Executive Vice President – Finance (Upto March 31, 2021)  
 Mr. Hemant Kumar Agarwal, Chief Financial Officer (From April 01, 2021)  
 Mr. Rakesh Arora, Company Secretary

#### Relatives of key management personnel

Ms. Ritu Suri, Wife of Mr. Ramesh Suri (Demised on January 21, 2022)  
 Mr. Keshav Suri, Son of Ms. Jyotsna Suri

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

SHS Transport Private Limited, India  
 Rohan Motors Limited, India  
 Hemkunt Service Station Private Limited, India  
 Tempo Automobiles Private Limited, India  
 Primatel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)  
 Prima Infratech Private Limited, India  
 Fibcom India Limited, India (Merged in Primatel Fibcom Limited, India during the year)  
 Deeksha Holding Limited, India  
 Jyotsna Holding Private Limited, India  
 RR Holdings Private Limited, India

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

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

#### Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties:

##### (a) Transactions with related parties

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

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Entity having significant influence over the Company</b>			
Denso Corporation	Sale of goods	24.15	32.97
	Reimbursement of expenses paid	51.66	128.69
	Royalty paid	2,500.79	1,856.86
	Receipt of technical services	1,388.32	1,043.12
	Dividend paid	91.33	104.38
<b>Joint venture</b>			
Denso Subros Thermal Engineering Centre India Private Limited (formerly known as Denso Subros Thermal Engineering Centre India Limited)	Purchase of intangible assets (Technical knowhow)	570.87	589.37
	Rental income	28.26	29.13
	Other Income	3.49	-
	Reimbursement of expenses received	11.11	13.02
	Reimbursement of expenses paid	4.36	-
	Dividend received	37.58	-



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

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Key management personnel</b>			
Ms. Shradha Suri	Short term benefits	232.57	162.30
	Rent paid	12.08	7.28
	Post employment benefits	9.86	8.30
Late Mr. Ramesh Suri	Short term benefits	5.59	36.90
	Dividend paid	-	35.67
Ms. Jyotsna Suri	Sitting fees	4.50	3.75
	Rent paid	30.00	30.00
	Dividend paid	11.33	12.95
Mr. Mohammed Asad Pathan	Sitting fees	8.85	10.55
Mr. Ramamoorthy Rajagopalan Kuttalam	Sitting fees	8.25	9.75
Mr. Girish Narain Mehra	Sitting fees	13.35	15.80
Mr. Shailendra Swarup	Sitting fees	7.35	8.10
Ms. Meena Sethi	Sitting fees	8.40	12.30
Mr. Arvind Kapur	Sitting fees	3.95	5.25
Mr. Manoj Kumar Sethi	Short term benefits	-	67.66
	Post employment benefits	-	3.89
Mr Parmod Kumar Duggal	Short term benefits	85.48	-
	Post employment benefits	3.23	-
Mr Hemant Kumar Agarwal	Short term benefits	62.69	-
	Post employment benefits	1.90	-
Mr. Rakesh Arora	Short term benefits	47.41	37.79
	Post employment benefits	1.71	2.08
	Other long term employee benefits	-	0.76
<b>Relatives of key management personnel</b>			
Late Ms. Ritu Suri	Rent paid	26.50	31.80
	Dividend paid	39.11	9.02
Mr. Keshav Suri	Rent paid	0.50	-
<b>Contribution to funds</b>			
Subros Employees Group Gratuity Cum Life Assurance Trust	Employer's contribution towards gratuity fund	9.58	19.72
<b>Entities over which key management personnel and/or their relatives have control or joint control</b>			
Fibcom India Limited, India (Merged in Primatel Fibcom Limited, India during the year)	Purchase of materials	-	0.51
Hemkunt Service Station Private Limited	Purchase of materials	9.93	6.15
Prima Infratech Private Limited	Rent paid	241.55	196.02
Prima Infratech Private Limited	Reimbursement of expenses paid	0.34	0.34
Primatel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)	Reimbursement of expenses paid	-	0.21
Primatel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)	Purchase of property, plant and equipment	19.28	-
Rohan Motors Limited	Receiving of services	22.04	19.32
Rohan Motors Limited	Rent paid	16.02	16.02
Rohan Motors Limited	Dividend paid	0.04	0.05
Rohan Motors Limited	Sale of goods	3.27	2.77
SHS Transport Private Limited	Receiving of services	738.49	855.33
SHS Transport Private Limited	Rent paid	4.67	4.67
Tempo Automobiles Private Limited	Receiving of services	39.70	-
Tempo Automobiles Private Limited	Sale of goods	6.25	-
Deeksha Holding Limited	Dividend paid	70.96	81.10
Jyotsna Holding Private Limited	Dividend paid	24.14	27.58
RR Holdings Private Limited	Dividend paid	22.46	25.66

## (b) Outstanding balances :

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

Relation	Particulars	As at March 31, 2022	As at March 31, 2021
<b>Entity having significant influence over the Company</b>			
Denso Corporation	Trade payables	2,096.75	1,654.94
	Trade receivables	2.14	6.66
<b>Joint venture</b>			
Denso Subros Thermal Engineering Centre India Private Limited	Trade payables	1.96	-
	Trade receivables	2.22	2.39
(formerly known as Denso Subros Thermal Engineering Centre India Limited)	Other financial liabilities (Capital creditors)	45.61	346.17
	Other financial liabilities (security deposit)	6.14	6.14
<b>Key management personnel:</b>			
Ms. Shradha Suri	Other financial liabilities (due to directors)	39.18	-
Ms. Shradha Suri	Other financial assets (security deposit)	3.30	3.30
	Trade payables	-	-
<b>Relatives of key management personnel</b>			
Late Ms. Ritu Suri	Other financial assets (security deposit)	14.41	14.41
<b>Entities over which key management personnel and/or their relatives have control or joint control:</b>			
Rohan Motors Limited	Trade payables	1.06	4.85
SHS Transport Private Limited	Trade payables	147.49	273.28
Hemkunt Service Station Private Limited	Trade payables	1.45	0.54
Prima Infratech Private Limited	Trade payables	0.91	20.15
Primateel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)	Trade payables	3.73	-
Rohan Motors Limited	Trade receivables	0.38	2.04
Tempo Automobiles Private Limited	Trade receivables	6.18	1.40
Primateel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)	Trade receivables	-	57.69
Primateel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)	Other assets (advances to suppliers)	1.54	-
Fibcom India Limited, India (Merged in Primateel Fibcom Limited, India during the year)	Other assets (advances to suppliers)	-	18.64
Prima Infratech Private Limited	Other assets (advances to suppliers)	0.06	68.53
Rohan Motors Limited	Other assets (advances to suppliers)	-	0.46
SHS Transport Private Limited	Other financial assets (security deposit)	2.33	2.33
Rohan Motors Limited	Other financial assets (security deposit)	6.57	6.57
Prima Infratech Private Limited	Other financial assets (security deposit)	236.76	165.56
<b>Post employment benefit plan of the Company:</b>			
Subros Employees Group Superannuation Cum Life Assurance Trust, India	Other assets (advances to suppliers)	0.54	0.54
Subros Employees Group Gratuity Cum Life Assurance Trust, India	Other assets (advances to suppliers)	0.03	0.05

Terms and conditions:

- All transactions with related parties are in ordinary course of business and on arm's length basis.
- All outstanding balances are unsecured and will be settled in cash.
- All transactions are exclusive of applicable taxes for which input credit is allowed.

**25. Capital commitments**

Estimated value of contracts on capital account remaining to be executed and not provided for (net of advances) amounting to Rs. 3,596.99 Lakhs (March 31, 2021: Rs. 1,323.21 Lakhs).

**26. Contingent liabilities****(a) Claims against the Company not acknowledged as debts**

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

	As at March 31, 2022	As at March 31, 2021
Sales tax matters	88.98	79.74
Excise matters	4,067.99	4,067.99
Custom matters	15.19	15.19
Income tax matters	1,283.59	1,283.59
Claims made by workmen	583.99	370.27
Property tax	61.60	61.60

Notes:

- It is not practicable for the Company to estimate the timings and amount of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.





ii. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Significant estimate: The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events requires best judgement by management considering the probability of exposure to potential loss. Judgement includes consideration of experts opinion, facts of the matter, underlying documentation and historical experience. Changes in assumptions about these factors could affect the reported value of contingencies and provisions.

(b) Guarantees issued by banks on behalf of the Company amounting to Rs. 3,236.84 Lakhs (March 31, 2021: Rs. 501.39 Lakhs).

(c) Outstanding commitments under letter of credit established by the Company aggregate to Rs. 7,933.20 Lakhs (March 31, 2021: Rs. 9,764.52 Lakhs).

## 27. Leases

### The Company as a lessee

This note provides information for leases where the Company is a lessee. The Company leases certain premises and plant and machinery. The lease term is for 11 months - 35 years except in case of leasehold lands where lease term is upto 99 years, but may have an extension option as described in (ii)(b) below:

#### (i) Amounts recognised in Balance Sheet

The balance sheet shows the following amounts relating to leases:

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Right-of-use assets</b>		
Leasehold land	1,217.71	1,233.78
Buildings	653.20	796.67
<b>Total</b>	<b>1,870.91</b>	<b>2,030.45</b>

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Lease liabilities</b>		
Current	167.18	129.20
Non-current	648.71	791.84
<b>Total</b>	<b>815.89</b>	<b>921.04</b>

Additions to the right-of-use assets during the current financial year were Rs. Nil (March 31, 2021: Rs. Nil)

#### (ii) Amount recognised in the Statement of profit and loss

The Statement of Profit and Loss shows the following amounts relating to leases:

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Depreciation of right-of-use assets (refer note 20)</b>		
Leasehold land	16.07	16.13
Buildings	143.47	147.22
<b>Total</b>	<b>159.54</b>	<b>163.35</b>

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense (included in finance costs - refer note 19)	79.15	88.14
Expense relating to short term leases (included in other expenses - refer note 21)	415.71	304.03
<b>Total</b>	<b>494.86</b>	<b>392.17</b>

The total cash outflow for leases (including interest on lease liabilities) for the year ended March 31, 2022 was Rs. 600.01 Lakhs. (March 31, 2021: Rs. 484.03 Lakhs)

#### (a) Variable lease payments

The Company does not have any leases with variable lease payments.

#### (b) Extension and termination options

Extension and termination options are included in number of leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

#### (c) Residual value guarantees

The Company does not provide any residual value guarantee in relation to its leases.

### The Company as a lessor

One office premise and one leased factory premise is let out by the Company on operating lease and its cancellable in nature. Lease rental income is set out in note 15 to these Standalone Financial Statements as "Rental income" in "Other income".

**28. Employee benefits**

The various benefits provided to employees by the Company are as under:

**Defined contribution plans**

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss :

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's contribution to Provident Fund*	762.71	704.61
Employer's contribution to Employees State Insurance Scheme*	125.75	108.68

\* Included in "Contribution to provident and other funds" in Note 18.

**Defined benefit plans and other long term benefits**

a) **Contribution to gratuity funds** - The Company provides for gratuity for employees as per The Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and Company makes contribution to recognized funds in India.

b) **Leave encashment/compensated absence** - The leave obligations cover the Company's liability for earned leave, sick leave and casual leave. The entire amount of the provisions of Rs. 330.55 Lakhs (March 31, 2021: Rs. 331.69 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, 2022	As at March 31, 2021
Leave obligations not expected to be settled within the next 12 months	289.78	283.73

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

**Investment risk**

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

**Interest risk**

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

**Longevity risk**

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

**Salary risk**

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

PARTICULARS	Gratuity (Funded)
<b>As at March 31, 2022</b>	
Discount rate (per annum)	7.32%
Rate of increase in compensation level (per annum)	7.00%
<b>As at March 31, 2021</b>	
Discount rate (per annum)	6.88%
Rate of increase in compensation level (per annum)	7.00%

Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Components of expenses recognized in the Statement of Profit and Loss in respect of:

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2022</b>	
Current service cost	197.69
Past service cost	-
Actuarial loss/(gain)	-
Net interest cost/(income) or the net defined benefit liability/(asset)	60.63
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>258.32</b>
<b>For the year ended March 31, 2021</b>	
Current service cost	198.21
Past service cost	-
Actuarial loss/(gain)	-
Net interest cost/(income) or the net defined benefit liability/(asset)	59.45
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>257.66</b>



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

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

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2022</b>	<b>111.44</b>
Actuarial gains/(loss) on:	
-changes in demographic assumptions	-
-changes in financial assumptions	87.86
-experience variance	19.44
-plan asset	4.14
<b>For the year ended March 31, 2021</b>	<b>143.30</b>
Actuarial gains/(loss) on:	
-changes in demographic assumptions	-
-changes in financial assumptions	25.77
-experience variance	126.24
-plan asset	(8.71)

Actuarial (gain) / loss on obligations

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

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2022</b>	
Actuarial (gain) / loss arising from change in demographic assumption	-
Actuarial (gain) / loss arising from change in financial assumption	(87.86)
Actuarial (gain) / loss arising from experience adjustment	(19.44)
<b>For the year ended March 31, 2021</b>	
Actuarial (gain) / loss arising from change in demographic assumption	-
Actuarial (gain) / loss arising from change in financial assumption	(25.77)
Actuarial (gain) / loss arising from experience adjustment	(126.24)

Actuarial gain / (loss) on plan assets

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

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2022</b>	
Return on plan assets, excluding amount recognized in net interest expense	89.57
Remeasurement for actuarial (gain)/loss arising because of change in effect of asset ceiling	(93.71)
Component of defined benefit costs recognized in other comprehensive income	(4.14)
<b>For the year ended March 31, 2021</b>	
Return on plan assets, excluding amount recognized in net interest expense	82.65
Remeasurement for actuarial (gain)/loss arising because of change in effect of asset ceiling	(73.94)
Component of defined benefit costs recognized in other comprehensive income	8.71

The current service cost and the interest expense for the year are included in the "Employee benefits expense" in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

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

PARTICULARS	Gratuity (Funded)
<b>As at March 31, 2022</b>	
Present value of obligation	2,270.97
Fair value of plan assets	1,395.67
<b>Surplus/(deficit)</b>	<b>(875.30)</b>
Asset ceiling	-
<b>Net asset/(liability)</b>	<b>(875.30)</b>
<b>As at March 31, 2021</b>	
Present value of obligation	2,183.18
Fair value of plan assets	1,301.96
<b>Surplus/(deficit)</b>	<b>(881.22)</b>
Asset ceiling	-
<b>Net asset/(liability)</b>	<b>(881.22)</b>

Note: The Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions.

Movement in the present value of the defined benefit obligation are as follows:

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

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2022</b>	
Present value of the obligation as at the beginning	2,183.18
Current service cost	197.69
Interest cost	150.20
Remeasurement (or actuarial) (gain)/loss arising from:	
-Change in demographic assumptions	(87.86)
-Change in financial assumptions	(19.44)
-experience variance	-
Past service cost	-
Benefits paid	(152.80)
<b>Present value of the obligation as at the end</b>	<b>2,270.97</b>
<b>For the year ended March 31, 2021</b>	
Present value of the obligation as at the beginning	2,105.23
Current service cost	198.21
Interest cost	142.10
Remeasurement (or actuarial) (gain)/loss arising from:	
-Change in demographic assumptions	(25.77)
-Change in financial assumptions	(126.24)
-experience variance	-
Past service cost	-
Benefits paid	(110.35)
<b>Present value of the obligation as at the end</b>	<b>2,183.18</b>

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

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2022</b>	
Fair value of plan assets at the beginning	1,301.96
Interest income	93.71
Employer contribution	-
Benefits paid	-
Actuarial gain/(loss) on plan assets	-
<b>Fair value of plan assets at the end</b>	<b>1,395.67</b>
<b>For the year ended March 31, 2021</b>	
Fair value of plan assets at the beginning	1,224.39
Interest income	73.93
Employer contribution	3.64
Benefits paid	-
Actuarial gain/(loss) on plan assets	-
<b>Fair value of plan assets at the end</b>	<b>1,301.96</b>

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

PARTICULARS	Gratuity (Funded)
<b>As at March 31, 2022</b>	
Funds managed by insurer	100%
<b>Total</b>	<b>100%</b>
<b>As at March 31, 2021</b>	
Funds managed by insurer	100%
<b>Total</b>	<b>100%</b>

Since it is a funded plan with insurer, hence break up of investment by insurer is not available with the Company, hence not given.

#### Sensitivity analysis

Significant actuarial assumptions for the determination of employee defined benefit obligation using projected unit credit method are discount rate and expected salary growth rate. The sensitivity analysis below has been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant. Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated. The method and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.



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

PARTICULARS	Gratuity (Funded)
<b>As at March 31, 2022</b>	
	<b>Change in defined benefit obligation</b>
Increase in discount rate by 0.5%	Decrease by 93.72
Decrease in discount rate by 0.5%	Increase by 101.07
Increase in expected salary growth rate by 0.5%	Increase by 98.00
Decrease in expected salary growth rate by 0.5%	Decrease by 91.77
<b>As at March 31, 2021</b>	
	<b>Change in defined benefit obligation</b>
Increase in discount rate by 0.5%	Decrease by 95.08
Decrease in discount rate by 0.5%	Increase by 102.72
Increase in expected salary growth rate by 0.5%	Increase by 98.99
Decrease in expected salary growth rate by 0.5%	Decrease by 92.66

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, 2022 is 13.69 years (March 31, 2021 is 13.54 years).

The Company expects that benefit paid during the next financial year would be Rs. 288.29 Lakhs (March 31, 2021: Rs. 289.12 Lakhs).

#### Maturity Profile of Defined Benefit Obligation

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

Year	Gratuity (Funded)
<b>As at March 31, 2022</b>	
April 1, 2022 - March 31, 2023	173.97
April 1, 2023 - March 31, 2024	166.22
April 1, 2024 - March 31, 2025	133.42
April 1, 2025 - March 31, 2026	125.34
April 1, 2026 - March 31, 2027	138.42
April 1, 2027 - March 31, 2028	212.77
April 1, 2028 Onwards	1,320.83
<b>Total</b>	<b>2,270.97</b>
<b>As at March 31, 2021</b>	
April 1, 2021 - March 31, 2022	149.38
April 1, 2022 - March 31, 2023	117.97
April 1, 2023 - March 31, 2024	150.51
April 1, 2024 - March 31, 2025	121.78
April 1, 2025 - March 31, 2026	115.40
April 1, 2026 - March 31, 2027	137.99
April 1, 2027 Onwards	1,390.15
<b>Total</b>	<b>2,183.18</b>

Significant estimate: Employee benefit obligations are determined using actuarial valuation. An actuarial valuation involves making appropriate assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### 29. Research and development expenses

The Company has 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, 2022		For the year ended March 31, 2021	
	Noida	Pune	Noida	Pune
Capital expenditure	29.25	-	304.98	-
Revenue expenditure - charged to Statement of Profit and Loss*	1,050.76	1.48	944.02	0.80
Revenue expenditure - towards development cost	1,383.15	-	1,117.19	-
<b>Total</b>	<b>2,463.16</b>	<b>1.48</b>	<b>2,366.19</b>	<b>0.80</b>

\* Net of contract research income

Provision for taxation has been made after taking into account the benefit available on expenditure incurred on Research and Development Centres. Such expenditure is subject to approval of appropriate authorities.



**30. Earnings Per Share**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic earnings per share (Rs.)	4.99	7.16
Diluted earnings per share (Rs.)	4.99	7.16
Profit attributable to the equity holders of the Company used in calculating basic earnings per shares and diluted earnings per share (Rs. Lakhs)	3,257.79	4,671.25
Weighted average number of equity shares for the purpose of basic earnings per share and diluted earnings per share (numbers)	65,235,750	65,235,750

**31. Expenses capitalized**

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

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and other amenities to staff	1,302.27	1,193.83
Power and fuel	117.46	91.66
Rent	53.72	79.45
Repair and maintenance	78.03	77.18
Depreciation	27.08	47.76
Other overheads	249.58	260.56
<b>Total</b>	<b>1,828.14</b>	<b>1,750.44</b>

**32. Additional regulatory information required by Schedule III****(i) Details of benami property held**

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**(ii) Borrowing secured against current assets**

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts subject to reconciliations. Refer Note 34 for the reconciliations.

**(iii) Wilful defaulter**

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**(iv) Relationship with struck off companies**

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**(v) Compliance with number of layers of companies**

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

**(vi) Compliance with approved scheme(s) of arrangements**

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**(vii) Utilisation of borrowed funds and share premium**

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries

**(viii) Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(ix) Details of crypto currency or virtual currency**

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.



**(x) Valuation of property, plant and equipment and intangible assets**

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

**(xi) Loans and advances to promoters, directors, Key management personnel (KMPs) and related parties**

The Company has not granted any loans and advances to promoters, directors, KMPs and related parties during the current or previous year.

**Other regulatory information****(i) Title deeds of immovable properties held in name of the company**

The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in note 3 to the Standalone Financial Statements, are held in the name of the company.

**(ii) Registration of charges or satisfaction with Registrar of Companies**

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period.

**(iii) Utilisation of borrowings availed from banks and financial institutions**

The borrowings obtained by the Company from banks have been applied for the purposes for which such loans were taken. There are no borrowings obtained from financial institutions.

**33. Financial ratios**

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

Ratios	Note	Numerator		Denominator		Ratio		% Variance	Reason for variance
		March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021		
(a) Current ratio = Current assets / Current liabilities		68,963.60	63,142.43	62,706.59	59,251.71	1.10	1.07	3%	-
(b) Debt-equity ratio = Total debt / Shareholder's equity	Note (i)	6,837.79	10,568.20	82,345.58	79,471.94	0.08	0.13	-38%	Reduction due to repayment of debts during the year
(c) Debt service coverage ratio = Earnings available for debt service / Debt service	Note (ii)	15,786.91	16,718.86	2,009.33	3,076.99	7.86	5.43	45%	Increase due to higher repayment of debt made in previous year compared to current year
(d) Return on equity ratio = Profits for the year / Average shareholder's equity		3,257.79	4,671.25	80,908.76	77,350.64	4.03%	6.04%	-33%	Decline in profits during the current year due to global crisis comprising of commodity price increase, increase in logistics costs and shortage of semi conductor chips and its impact on automotive industries
(e) Inventory turnover ratio = Cost of goods sold / Average inventory		166,108.58	129,014.83	29,945.60	25,781.91	5.55	5.00	11%	-
(f) Trade receivables turnover ratio = Revenue from operations / Average trade receivables		223,864.30	179,565.20	21,531.43	19,677.69	10.40	9.13	14%	-
(g) Trade payables turnover ratio = Total purchases / Average trade payables	Note (iii)	188,882.84	149,420.77	47,484.60	42,302.82	3.98	3.53	13%	-
(h) Net capital turnover ratio = Revenue from operations / Working capital		223,864.30	179,565.20	6,257.02	3,890.72	35.78	46.15	-22%	-
(i) Net profit ratio = Profit for the year / Revenue from operations		3,257.79	4,671.25	223,864.30	179,565.20	1.46%	2.60%	-44%	Decline in profits during the current year due to global crisis comprising of commodity price increase, increase in logistics costs and shortage of semi conductor chips and its impact on automotive industries

(j) Return on capital employed = Earning before Interest & taxes / Capital employed	Note (iv)	5,629.67	7,197.95	72,525.98	72,822.26	7.76%	9.88%	-21%	-
(k) Return on Investment = Earning before Interest & taxes / Total assets		5,629.67	7,197.95	150,441.97	144,895.20	3.74%	4.97%	-25%	Decline in profits during the current year due to global crisis comprising of commodity price increase, increase in logistics costs and shortage of semi conductor chips and its impact on automotive industries

**Notes:**

(i) Debt-equity ratio = Total debt / Shareholder's equity

Total debt = Borrowings + Lease liability + Supplier's credit

(ii) Debt service coverage ratio = Earnings available for debt service / Debt service

Earnings available for debt service = Profit for the year + Finance costs + Depreciation and amortization expense +/- Fair value changes on derivatives - Unwinding of discount on financial asset - Provision written back to the extent no longer required + Net loss on disposal of property, plant and equipment - Provision for inventory obsolescence written back +/- Unrealized foreign currency (gain)/loss (net) +/- Loss allowance made / (written back)

Debt service = Interest payments + Lease payments + principal repayment of long term debt

(iii) Trade payables turnover ratio

Total purchases = Purchase of raw material and spares + Purchase of stores + Other expenses (excluding - Consumption of stores, Insurance, Warranty expenses, Exchange variation on foreign currency transactions (net), Net loss on disposal of property, plant and equipment and Director's sitting fees)

(iv) Return on capital employed = Earning before Interest & Taxes / Capital employed

Capital employed = Tangible net worth + total debt + deferred tax liability

Tangible net worth = Total assets - total Liabilities- Intangible assets - Right-of-use assets

**34. Reconciliation of stock statements with Standalone Financial Statements**

For the year ended March 31, 2022

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

Quarter	Name of banks	Particulars of securities provided	Nature of current assets/liabilities where differences were observed	Amount as reported in the quarterly return/statement	Amount as per books of account	Amount of difference	Reason for material discrepancies
June 2021	HDFC Bank / ICICI Bank / Kotak	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	25,553.47	30,429.78	(4,876.31)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
June 2021	Mahindra Bank / State Bank of India	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Trade receivables	15,816.70	16,388.50	(571.80)	Trade receivables overdue more than 90 days and reclassification of credit balance in trade receivable account considered in the books of account but not considered in return submitted to banks.
June 2021			Trade payables	35,799.85	46,950.38	(11,150.53)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
September 2021	HDFC Bank / ICICI Bank / Kotak	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	27,443.61	31,871.85	(4,428.24)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
September 2021	Mahindra Bank / State Bank of India		Trade receivables	14,334.59	14,846.93	(512.34)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
September 2021			Trade payables	35,544.26	46,139.22	(10,594.96)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
December 2021	HDFC Bank / ICICI Bank / Kotak	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	27,678.28	30,383.28	(2,705.00)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
December 2021	Mahindra Bank / State Bank of India		Trade receivables	10,680.82	11,156.32	(475.50)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
December 2021			Trade payables	31,952.07	44,794.98	(12,842.91)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.

Quarter	Name of banks	Particulars of securities provided	Nature of current assets/liabilities where differences were observed	Amount as reported in the quarterly return/statement	Amount as per books of account	Amount of difference	Reason for material discrepancies
March 2022	HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	26,768.37	31,750.51	(4,982.14)	Goods in transit inventory and provision for obsolete inventory not considered in return submitted to banks.
March 2022			Trade receivables	22,343.35	22,636.20	(292.85)	Trade receivables overdue more than 90 days and loss allowance not considered in return submitted to banks.
March 2022			Trade payables	40,129.63	48,878.86	(8,749.23)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.

**For the year ended March 31, 2021**

Quarter	Name of banks	Particulars of securities provided	Nature of current assets/liabilities where differences were observed	Amount as reported in the quarterly return/statement	Amount as per books of account	Amount of difference	Reason for material discrepancies
June 2020	HDFC Bank / ICICI Bank / Kotak Mahindra Bank / Yes Bank	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	25,151.41	24,812.78	338.63	Provision for obsolete inventory not considered in return submitted to banks.
June 2020			Trade receivables	10,947.82	11,126.88	(179.06)	Trade receivables overdue more than 90 days and reclassification of credit balance in trade receivable account considered in the books of account but not considered in return submitted to banks.
June 2020			Trade payables	20,238.24	27,039.76	(6,801.52)	Payables in respect of services received etc. considered in the books of account but not considered in return submitted to banks.
September 2020	HDFC Bank / ICICI Bank / Kotak Mahindra Bank / Yes Bank	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	20,810.61	24,108.98	(3,298.37)	Goods in transit inventory and provision for obsolete inventory not considered in return submitted to banks.
September 2020			Trade receivables	12,294.00	13,118.81	(824.81)	Trade receivables overdue more than 90 days and reclassification of credit balance in trade receivable account considered in the books of account but not considered in return submitted to banks.
September 2020			Trade payables	26,352.50	34,618.03	(8,265.53)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
December 2020	HDFC Bank / ICICI Bank / Kotak Mahindra Bank / Yes Bank	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	21,563.80	25,238.21	(3,674.41)	Goods in transit inventory and provision for obsolete inventory not considered in return submitted to banks.
December 2020			Trade receivables	14,626.28	15,035.98	(409.70)	Trade receivables overdue more than 90 days and reclassification of credit balance in trade receivable account considered in the books of account but not considered in return submitted to banks.
December 2020			Trade payables	33,789.99	42,886.26	(9,096.27)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
March 2021	HDFC Bank / ICICI Bank / Kotak Mahindra Bank / State Bank of India	Inventories, Trade receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Inventories	24,879.35	28,140.69	(3,261.34)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
March 2021			Trade receivables	19,928.18	20,426.65	(498.47)	Trade receivables overdue more than 90 days and reclassification of credit balance in trade receivable account considered in the books of account but not considered in return submitted to banks.
March 2021			Trade payables	42,509.33	46,090.34	(3,581.01)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks. Further, supplier's credit has been considered in return submitted to banks but not considered in the books of account.

**35. Net debt reconciliation**

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	3,130.58	3,276.25
Non-current borrowings (including current maturities of long term debt and interest)	(2,503.27)	(4,265.84)
Supplier's credit	(3,518.63)	(5,381.32)
Lease liabilities	(815.89)	(921.04)
<b>Net debt</b>	<b>(3,707.21)</b>	<b>(7,291.95)</b>

Description	Other assets Cash & cash equivalents	Liabilities from financing activities				Net debt
		Current borrowings (Excluding current maturities of long term debt)	Non-current borrowings (Including current maturities of long term debt and interest)	Supplier's credit	Lease liabilities	
As at March 31, 2020	436.97	(8,981.93)	(5,501.33)	-	(1,012.90)	(15,059.19)
Cash flows	2,839.28	8,981.93	1,043.65	(5,381.32)	91.86	7,575.40
Foreign exchange adjustments	-	-	176.21	-	-	176.21
Interest expense	-	(748.82)	(326.59)	(148.23)	(88.14)	(1,311.78)
Interest paid	-	748.82	342.22	148.23	88.14	1,327.41
As at March 31, 2021	3,276.25	-	(4,265.84)	(5,381.32)	(921.04)	(7,291.95)
Cash flows	(145.67)	-	1,691.97	1,862.69	105.15	3,514.14
Foreign exchange adjustments	-	-	61.67	-	-	61.67
Interest expense	-	(483.60)	(203.29)	(263.39)	(79.15)	(1,029.43)
Interest paid	-	483.60	212.22	263.39	79.15	1,038.36
As at March 31, 2022	3,130.58	-	(2,503.27)	(3,518.63)	(815.89)	(3,707.21)

**36. Dues to micro and small enterprises**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows:- [Refer note 11(d)]

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

Particulars	March 31, 2022	March 31, 2021
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	228.77	170.14
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end (Refer note below)	-	26.03
(iii) Principal amount paid to suppliers registered under the MSMED ACT, beyond the appointed day during the year (Refer note below)	-	667.62
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year (Refer note below)	-	-
(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year (Refer note below)	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act for payments already made (Refer note below)	-	3.14
(vii) Further interest remaining due and payable for earlier years (Refer note below)	-	20.31

Note: Interest outstanding as on March 31, 2021 has been written back during the year based on confirmations received from MSME vendors confirming that no interest under the MSMED Act is payable to them and accordingly no further accrual of interest has also been made, where applicable.

37. The Supreme Court of India has passed an order dated February 28, 2019 in the matter of The Regional Provident Fund Commissioner (II) West Bengal vs. Vivekananda Vidyamandir & Ors in Civil Appeal No. 6221 of 2011 and few other linked cases. In the said order, the Supreme Court has clarified the definition of the Basic Wage under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant financial impact and accordingly, no provision has been made in these Standalone Financial Statements. The Company will continue to monitor and evaluate its position based on future events and developments.



38. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these Standalone Financial Statements for the year ended March 31, 2022. While assessing the carrying value of its assets and liabilities, the Company has considered internal and external information available, and based on such information and assessment, has concluded that no further adjustments are required to be made to these Standalone Financial Statements. However, given the evolving scenario and uncertainties with respect to nature and duration, the impact of the pandemic may differ from that estimated as at the date of approval of these Standalone Financial Statements. The Company will continue to closely monitor any material changes to future economic conditions.
39. The Standalone Financial Statements were approved by the Board of Directors and authorized for issue on May 24, 2022.
40. Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year classifications.

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

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

**Rajib Chatterjee**  
Partner  
Membership No :057134

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

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

Place : Gurugram  
Date : May 24, 2022

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

**Rakesh Arora**  
Company Secretary  
ICSI Membership No:- A8193

Place : New Delhi  
Date : May 24, 2022





## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures

### Part "A": Subsidiaries

Sl. No.	(Information in respect of each subsidiary to be presented with amounts in Lakhs )	
1	Name of the subsidiary	The Company does not have any subsidiary

- Notes:-
- Names of subsidiaries which are yet to commence operations. **NA**
  - Names of subsidiaries which have been liquidated or sold during the year. **NA**

### Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	Name of Associates /Joint Ventures	Denso Subros Thermal Engineering Centre India Private Limited (Rs. in Lakhs)
1	Latest audited Balance Sheet Date	31-03-2022
2	Shares of Associate/Joint Ventures held by the Company on the year end (nos.)	1767999
	Amount of Investment in Associates/Joint Venture	176.80
	Extent of Holding %	26%
3	Description of how there is significant influence	Joint Venture
4	Reason why the associate/joint venture is not consolidated	NA
5	Networth attributable to Shareholding as per latest audited Balance Sheet	205.04
6	Profit / Loss for the year	
	i. Considered in Consolidation	28.23
	i. Not Considered in Consolidation	-

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



## INDEPENDENT AUDITOR'S REPORT

### To the Members of Subros Limited Report on the Audit of the Consolidated Financial Statements Opinion

1. We have audited the accompanying Consolidated Financial Statements of Subros Limited (hereinafter referred to as the "Company") and its joint venture (refer Note 35 to the attached Consolidated Financial Statements), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company and its joint venture as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

#### Basis for Opinion

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

report. We are independent of the Company and its joint venture in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in sub-paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

4. We draw your attention to Note 38 to the Consolidated Financial Statements, which describes the management's assessment of the impact of outbreak of Coronavirus (Covid-19) on the business operations of the Company and its joint venture. The management believes that no adjustments, other than those already considered, are required in the Consolidated Financial Statements, however, in view of the highly uncertain economic environment, a definitive assessment of the impact on subsequent periods is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

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

Key audit matter	How our audit addressed the key audit matter
<p><b>Appropriateness of capitalisation of internal development costs</b></p> <p>[Refer note 2(d) (significant accounting policies) and note 4 (intangible assets under development) to the Consolidated Financial Statements]</p> <p>During the year ended March 31, 2022, the Company has capitalized significant costs incurred on internal development of Intangible Assets amounting to Rs. 3,664.48 lakhs under the head 'Intangible assets under development'. These intangible assets are predominantly in relation to the projects awarded by original equipment manufacturers. The costs mainly comprise technical knowhow, employees' payroll and other costs.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>- Understood and evaluated the design and tested the operating effectiveness of the Company's internal financial controls relating to the capitalisation of internal development costs in relation to intangible assets under development.</li> <li>- Assessed the appropriateness of capitalization of product development costs with the criteria to capitalize product development costs and held inquiries with the management to understand their assessment to support the product's commercial viability.</li> <li>- Tested the accuracy and allocation of capitalized payroll and other costs and assessed whether these are directly attributable to the development as against research.</li> </ul>

The capitalization of internal development costs was a key audit matter due to the amount of the internal development costs capitalized and judgement involved in assessing whether the criteria for capitalisation set out in the Indian Accounting Standard (Ind AS) 38 "Intangible Assets" had been met.

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

- i) whether the costs incurred is towards development of product or in the nature of research,
- ii) the costs, including payroll costs, were directly attributable to relevant projects, and
- iii) key assumptions such as future revenue, margins and the discount rate used to assess the future cash flows from the expected use of such assets once developed and capitalised.

- Assessed appropriateness of the assumptions underlying cash flow forecasts including the future revenue, expected margins to be achieved with reference to historical data and management approved margins in the AOP (Annual Operating Plan), inputs used by the Management to calculate the discount rate applied by comparing this to the cost of capital for the Company. We also involved specialists to evaluate the reasonability of cost of capital of the Company used to discount the future cash flows expected from the asset once developed and capitalised.

- Performed a sensitivity analysis over the key assumptions which included assessing the impact of change in those assumptions that would be required for future economic benefits falling short of the carrying value of capitalized internal development costs.

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

### Other Information

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

7. The Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and consolidated changes in equity of the Company including its joint venture in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the Company and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate

internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Company, as aforesaid.

8. In preparing the Consolidated Financial Statements, the respective Board of Directors of the Company and of its joint venture are responsible for assessing the ability of the Company and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors of the Company and of its joint venture are responsible for overseeing the financial reporting process of the Company and of its joint venture.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its joint venture to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its joint venture to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entity included in the Consolidated Financial Statements, which has been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.
12. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
- Other Matters**
15. The Consolidated Financial Statements include the Company's share of total comprehensive income (comprising of profit and other comprehensive income) of Rs. 28.23 Lakhs for the year ended March 31, 2022 as considered in the Consolidated Financial Statements, in respect of a joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditor whose report has been furnished to us by the Management, and our opinion on the Consolidated Financial Statements insofar as it relates to the amounts and disclosures included in respect of the joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid joint venture, is based solely on the report of the other auditor.
- Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.
- Report on Other Legal and Regulatory Requirements**
16. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors of the Company and its joint venture in their CARO 2020 reports issued in respect of the Standalone Financial Statements of the companies which are included in these Consolidated Financial Statements.
17. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears

from our examination of those books and the report of the other auditor.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the Consolidated Financial Statements.
- (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the Board of Directors of the Company and the report of the statutory auditor of its joint venture incorporated in India, none of the directors of the Company and its joint venture incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of internal financial controls with reference to Consolidated Financial Statements of the Company and its joint venture and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Consolidated Financial Statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Company and its joint venture – Refer Note 26 to the Consolidated Financial Statements.
  - ii. The Company and its joint venture were not required to recognise a provision as at March 31, 2022 under the applicable law or accounting standards, as they do not have any material foreseeable losses on long-term contracts. The Company and its joint venture do not have any long-term derivative contracts as at March 31, 2022.
  - 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, 2022, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the joint venture incorporated in India.
  - iv. (a) The respective Managements of the Company and its joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such joint venture respectively that, to the best of their knowledge and belief, as disclosed in the notes to the Consolidated Financial Statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds

or share premium or any other sources or kind of funds) by the Company or such joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or such joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 32 to the Consolidated Financial Statements).

- (b) The respective Managements of the Company and its joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such joint venture respectively that, to the best of their knowledge and belief, as disclosed in the notes to the Consolidated Financial Statements, no funds (which are material either individually or in the aggregate) have been received by the Company or such joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or such joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 32 to the Consolidated Financial Statements).
- (c) Based on the audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditor of the joint venture which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditor to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The dividend declared and paid during the year by the Company and its joint venture, is in compliance with Section 123 of the Act.

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

For Price Waterhouse Chartered Accountants LLP  
 Firm Registration Number: 012754N/N500016  
 Rajib Chatterjee  
 Partner  
 Membership Number 057134  
 UDIN: 22057134AJMAPH9341  
 Place of the Signature: Gurugram  
 Date: May 24, 2022





## Annexure A to Independent Auditor's Report

Referred to in paragraph 17(f) of the Independent Auditor's Report of even date to the members of Subros Limited on the Consolidated Financial Statements for the year ended March 31, 2022

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

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to financial statements of Subros Limited (hereinafter referred to as "the Company") and its joint venture, which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Company and its joint venture, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial control system with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of

internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial control system with reference to Consolidated Financial Statements.

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

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

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

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



**Opinion**

8. In our opinion, the Company and its joint venture, which are companies incorporated in India, have, in all material respects, an adequate internal financial control system with reference to Consolidated Financial Statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI. Also refer paragraph 4 of the main audit report.

**Other Matter**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated

Financial Statements insofar as it relates to the joint venture, which is a company incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India. Our opinion is not modified in respect of this matter.

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

**Rajib Chatterjee**

Partner

Membership Number: 057134

UDIN: 22057134AJMAPH9341

Place of the Signature: Gurugram

Date: May 24, 2022



CIN:L74899DL1985PLC020134

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Note no	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	57,560.78	59,516.82
Right-of-use assets	27	1,870.91	2,030.45
Capital work-in-progress	3	2,237.72	1,343.99
Intangible assets	4	13,178.54	12,944.88
Intangible assets under development	4	3,895.29	4,016.63
Investment accounted for using the equity method	5(a)(ii)	205.04	214.39
Financial assets			
i) Investment	5(a)(i)	299.98	299.98
ii) Loans	5(e)	25.41	16.99
iii) Other financial assets	5(f)	919.66	849.84
Non-current tax assets (net)	9	190.67	67.97
Other non-current assets	7	1,122.61	488.42
<b>Total non-current assets</b>		<b>81,506.61</b>	<b>81,790.36</b>
<b>Current assets</b>			
Inventories	8	31,750.51	28,140.69
Financial assets			
i) Trade receivables	5(b)	22,636.20	20,426.65
ii) Cash and cash equivalents	5(c)	3,130.58	3,276.25
iii) Bank balances other than (ii) above	5(d)	8,727.33	8,640.35
iv) Loans	5(e)	55.91	49.86
v) Other financial assets	5(f)	117.31	296.16
Other current assets	7	2,545.76	2,312.47
<b>Total current assets</b>		<b>68,963.60</b>	<b>63,142.43</b>
<b>TOTAL ASSETS</b>		<b>150,470.21</b>	<b>144,932.79</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10 (a)	1,304.71	1,304.71
Other equity	10 (b)	81,071.03	78,206.74
<b>Total equity</b>		<b>82,375.74</b>	<b>79,511.45</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
- Borrowings	11 (a)	1,335.80	2,496.51
- Lease liabilities	27	648.71	791.84
Provisions	12	1,041.16	1,109.12
Deferred tax liabilities (net)	6	2,285.42	1,772.16
Other non-current liabilities	11 (e)	76.79	-
<b>Total non-current liabilities</b>		<b>5,387.88</b>	<b>6,169.63</b>
<b>Current liabilities</b>			
Financial liabilities			
i) Borrowings	11 (b)	1,167.47	1,769.33
ii) Lease liabilities	27	167.18	129.20
iii) Supplier's credit	11 (f)	3,518.63	5,381.32
iv) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	11 (d)	228.77	170.14
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	11 (d)	48,650.09	45,920.20
v) Other financial liabilities	11 (c)	3,406.06	2,665.49
Contract liabilities	13 (a)	2,654.40	532.44
Provisions	12	579.34	673.53
Other current liabilities	13 (b)	2,334.65	2,010.06
<b>Total current liabilities</b>		<b>62,706.59</b>	<b>59,251.71</b>
<b>TOTAL LIABILITIES</b>		<b>68,094.47</b>	<b>65,421.34</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>150,470.21</b>	<b>144,932.79</b>

The accompanying notes are an integral part of these Consolidated Financial Statements  
This is the Consolidated Balance Sheet referred to in our report of even date

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

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

**Rajib Chatterjee**  
Partner  
Membership No :057134

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

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

Place : Gurugram  
Date : May 24, 2022

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

**Rakesh Arora**  
Company Secretary  
ICSI Membership No:- A8193

Place : New Delhi  
Date : May 24, 2022

CIN:L74899DL1985PLC020134

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

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

	Particulars	Note no	For the year ended March 31, 2022	For the year ended March 31, 2021
I	Revenue from operations	14	223,864.30	179,565.20
II	Other income	15	954.85	1,031.27
III	<b>Total income (I + II)</b>		<b>224,819.15</b>	<b>180,596.47</b>
IV	<b>Expenses</b>			
	Cost of material consumed	16	168,411.45	130,354.78
	Changes in inventories of finished goods and work-in-progress	17	(2,302.87)	(1,339.95)
	Employee benefits expense	18	22,704.87	18,752.35
	Finance costs	19	1,091.49	1,624.71
	Depreciation and amortization expense	20	10,235.18	9,210.77
	Other expenses	21	20,178.43	16,420.57
	<b>Total expenses (IV)</b>		<b>220,318.55</b>	<b>175,023.23</b>
V	<b>Profit before share of net profits of joint venture accounted for using equity method and tax ( III - IV)</b>		<b>4,500.60</b>	<b>5,573.24</b>
VI	Share of net profit of joint venture accounted for using equity method	5(a)(ii)	28.94	67.86
VII	<b>Profit before tax (V+VI)</b>		<b>4,529.54</b>	<b>5,641.10</b>
VIII	Tax expense:	6		
	-Current tax		806.07	815.89
	-Deferred tax		474.32	86.10
	<b>Total tax expense (VIII)</b>		<b>1,280.39</b>	<b>901.99</b>
IX	<b>Profit for the year (VII-VIII)</b>		<b>3,249.15</b>	<b>4,739.11</b>
X	<b>Other comprehensive income</b>			
	<i>Items that will not be reclassified to profit or loss</i>			
	Gain / (Loss) on remeasurements of post employment benefit obligations	28	111.44	143.30
	Share of other comprehensive income of joint venture accounted for using equity method	5(a)(ii)	(0.71)	0.68
	Income tax relating to the above item	6	(38.94)	(50.31)
	<b>Other comprehensive income for the year, net of tax (X)</b>		<b>71.79</b>	<b>93.67</b>
XI	<b>Total comprehensive income for the year (IX + X)</b>		<b>3,320.94</b>	<b>4,832.78</b>
	Earning per equity share (in Rs.) [Face value Rs. 2 each (March 31, 2021 : Rs. 2 each)]	30		
	Basic and Diluted		4.98	7.26

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

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

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

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

**Rajib Chatterjee**  
Partner  
Membership No :057134

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

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

Place : Gurugram  
Date : May 24, 2022

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

**Rakesh Arora**  
Company Secretary  
ICSI Membership No:- A8193

Place : New Delhi  
Date : May 24, 2022



CIN:L74899DL1985PLC020134

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

### A. Equity share capital

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

Particulars	Note no	Amount
Balance at March 31, 2020	10 (a)	1,304.71
Changes in equity share capital during 2020-21		-
Balance at March 31, 2021		1,304.71
Changes in equity share capital during 2021-22		-
Balance at March 31, 2022		1,304.71

### B. Other equity

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

Particulars	Note no	Reserves and surplus				Total
		Securities Premium	General reserve	Debenture redemption reserve	Retained earnings	
Balance as at March 31, 2020	10 (b)	20,817.44	12,275.48	250.00	40,552.93	73,895.85
Profit for the year		-	-	-	4,739.11	4,739.11
Other comprehensive Income						
Gain / (Loss) on remeasurements of post employment benefit obligations					143.30	143.30
Share of other comprehensive income of joint venture accounted for using equity method					0.68	0.68
Income tax relating to the above item					(50.31)	(50.31)
<b>Total comprehensive income for the year</b>		-	-	-	<b>4,832.78</b>	<b>4,832.78</b>
Transactions with owners in their capacity as owners						
Dividends paid		-	-	-	(521.89)	(521.89)
Transfer to/(from) retained earnings		-	150.00	-	(150.00)	-
Transfer (to)/from debenture redemption reserve		-	-	(250.00)	250.00	-
<b>Balance as at March 31, 2021</b>		<b>20,817.44</b>	<b>12,425.48</b>	<b>-</b>	<b>44,963.82</b>	<b>78,206.74</b>
Balance as at April 1, 2021		20,817.44	12,425.48	-	44,963.82	78,206.74
Profit for the year		-	-	-	3,249.15	3,249.15
Other comprehensive income						
Gain / (Loss) on remeasurements of post employment benefit obligations					111.44	111.44
Share of other comprehensive income of joint venture accounted for using equity method					(0.71)	(0.71)
Income tax relating to the above item					(38.94)	(38.94)
<b>Total comprehensive income for the year</b>		-	-	-	<b>3,320.94</b>	<b>3,320.94</b>
Transactions with owners in their capacity as owners						
Dividends paid		-	-	-	(456.65)	(456.65)
Transfer to/(from) retained earnings		-	150.00	-	(150.00)	-
Transfer (to)/from debenture redemption reserve		-	-	-	-	-
<b>Balance as at March 31, 2022</b>		<b>20,817.44</b>	<b>12,575.48</b>	<b>-</b>	<b>47,678.11</b>	<b>81,071.03</b>

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

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

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

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

Rajib Chatterjee  
Partner  
Membership No :057134Shradha Suri  
Chairperson &  
Managing Director  
DIN : 00176902Parmod Kumar Duggal  
Director &  
Chief Executive Officer  
DIN : 02382912Place : Gurugram  
Date : May 24, 2022Hemant Kumar Agarwal  
Chief Financial Officer &  
Vice President (Finance)Rakesh Arora  
Company Secretary  
ICSI Membership No:- A8193Place : New Delhi  
Date : May 24, 2022

CIN:L74899DL1985PLC020134

**CONSOLIDATED OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2022***(All amounts in Rs. Lakhs, unless otherwise stated)*

Particulars	Note no	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from operating activities</b>			
Profit before tax		4,529.54	5,641.10
<b>Adjustments for:</b>			
Depreciation and amortization expense	20	10,235.18	9,210.77
Net loss on disposal of property, plant and equipment	21	73.70	34.10
Interest income on financial assets at amortized cost and others	15	(397.03)	(526.06)
Finance costs	19	1,091.49	1,624.71
Provision for inventory obsolescence written back	8	(142.48)	(5.77)
Unrealized foreign currency (gain)/loss (net)		467.38	(842.85)
Loss allowance made / (written back)	5(b)	(38.13)	189.41
Fair value changes on derivatives	15	(208.33)	938.13
Share of net loss of joint venture accounted for using equity method	5(a)(ii)	(28.94)	(67.86)
<b>Operating profit before working capital changes</b>		<b>15,582.38</b>	<b>16,195.68</b>
<b>Adjustments for Changes in working capital:</b>			
(Increase)/ Decrease in loans (non-current)		(8.42)	(7.09)
(Increase)/ Decrease in other financial assets (non-current)		(69.82)	102.17
(Increase)/ Decrease in inventories		(3,467.34)	(4,711.80)
(Increase)/ Decrease in trade receivables		(2,171.42)	(1,687.34)
(Increase)/ Decrease in loans (current)		(6.05)	(21.79)
(Increase)/ Decrease in Bank balances other than cash and cash equivalents		(89.48)	11.34
(Increase)/ Decrease in other financial assets (current)		12.25	37.04
(Increase)/ Decrease in other current assets		(233.29)	(713.55)
Increase/ (Decrease) in non-current provisions		43.48	147.74
Increase/ (Decrease) in trade payables		2,321.14	8,313.18
Increase/ (Decrease) in Contract liabilities		2,121.96	(24.51)
Increase/ (Decrease) in other financial liabilities (current)		1,668.69	(1,627.56)
Increase/ (Decrease) in other current liabilities		324.59	881.75
Increase/ (Decrease) in Other non-current liabilities		76.79	-
Increase/ (Decrease) in current provisions		(94.19)	(284.17)
<b>Cash generated from operations</b>		<b>16,011.27</b>	<b>16,611.09</b>
Income tax paid (net)		(928.77)	(1,161.43)
<b>Net cash inflow from operating activities</b>		<b>15,082.50</b>	<b>15,449.66</b>
<b>Cash flow from investing activities</b>			
Payments for property, plant and equipment, capital work-in-progress, intangible assets and intangible assets under development		(10,597.43)	(6,352.02)
Payment for purchase of investment		-	(299.98)
Proceeds from sale of property, plant and equipment		31.57	128.20
Dividend received from joint venture		37.58	-
Interest received		563.63	687.25
<b>Net cash (outflow) from investing activities</b>		<b>(9,964.65)</b>	<b>(5,836.55)</b>



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

Particulars	Note no	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from financing activities</b>			
Proceeds from long term borrowings		-	1,500.00
Repayment of long term borrowings		(1,691.97)	(2,642.91)
Principal element of lease payment		(105.15)	(91.86)
Repayment of short term borrowings		-	(8,981.93)
Increase/(decrease) in supplier's credit		(1,862.69)	5,381.32
Interest paid		(1,147.06)	(1,416.56)
Dividend paid	10(b) (iii)	(456.65)	(521.89)
<b>Net cash (outflow) from financing activities</b>		<b>(5,263.52)</b>	<b>(6,773.83)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(145.67)</b>	<b>2,839.28</b>
Cash and cash equivalents at the beginning of the financial year	5(c)	3,276.25	436.97
<b>Cash and cash equivalents at the end of the financial year [refer note 5(c)]</b>		<b>3,130.58</b>	<b>3,276.25</b>
<b>Cash and cash equivalents as per above comprise of the following:</b>			
Cash on hand	5(c)	8.67	4.39
Balance with banks	5(c)	3,121.91	3,271.86
		<b>3,130.58</b>	<b>3,276.25</b>

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

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

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

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

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

**Rajib Chatterjee**  
Partner  
Membership No :057134

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

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

Place : Gurugram  
Date : May 24, 2022

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

**Rakesh Arora**  
Company Secretary  
ICSI Membership No:- A8193

Place : New Delhi  
Date : May 24, 2022



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

### 1. Corporate Information

Subros Limited (the Company) and its joint venture are engaged in the following businesses:

- i. Subros Limited is the leading manufacturer of thermal products for automotive applications in India, in technical collaboration with Denso Corporation Japan. The Company is engaged primarily in the business of manufacturing and sale of thermal products for automotive and home air-conditioning original equipment manufacturers.
- ii. Joint venture is engaged in the business of providing application design services primarily to Subros Limited and to other entities related to the Denso Group.

Subros Limited is a public limited company incorporated in 1985 and domiciled in India, listed on the Bombay Stock Exchange (BSE) Limited and the National Stock Exchange of India Limited (NSE). The address of its registered office is LGF, World Trade Centre, Barakhamba Lane, New Delhi – 110001. The Company is a joint venture with 36.79% ownership by Suri family of India, 20% ownership by Denso Corporation, Japan & 11.96% ownership by Suzuki Motor Corporation, Japan.

### 2(a). Basis of preparation

#### (i) Compliance with Ind AS

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

#### (ii) Historical cost convention

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

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

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

The Company has applied the following amendments for the first time for their annual reporting period commencing April 01, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures and Ind AS 116, Leases

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

#### (iv) New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 1, 2022. These amendments are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

#### (v) Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 1, 2021.

Consequent to above, the Company has changed the classification/presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year.

The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The Company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance Sheet (extract)	March 31, 2021 (as previously reported)	Increase/ (Decrease)	March 31, 2021 (restated)
Other financial liabilities (current)	4,434.82	(1,769.33)	2,665.49
Current borrowings	-	1,769.33	1,769.33
Loans (non-current)	866.83	(849.84)	16.99
Other financial assets (non-current)	-	849.84	849.84
Loans (current)	79.45	(29.59)	49.86
Other financial assets (current)	266.57	29.59	296.16

**2(b). Principles of equity accounting****Joint Venture**

Interest in joint venture is accounted for using equity method, after initially being recognized at cost in the consolidated balance sheet.

Under the equity method of accounting, the investment is initially recognized at cost and adjusted thereafter to recognize the Company's share of the post-acquisition profits or losses of the investee in profit or loss, and the Company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture are recognized as a reduction in carrying amount of the investment.

When the Company's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the equity accounted investee have been changed where necessary to ensure consistency with the policies adopted by the Company.

The carrying amount of equity accounted investment is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount.

**2(c). Key accounting estimates and judgments**

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

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

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

**2(d). Significant accounting policies****i) Property, plant and equipment**

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items. The cost of self-generated assets comprises of raw material, components, direct labour, other direct cost and related production overheads. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

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

**Transition to Ind AS**

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

Depreciation methods, estimated useful lives and residual value

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

Plant and machinery : 5-20 years

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

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

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

## ii) Intangible assets

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

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

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

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

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand competition and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

### Research and development

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

### Transition to Ind AS

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

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

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

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use,

the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

## iv) Inventories

Raw material and spares, work in progress, stores and finished goods are stated at the lower of cost and net realizable value. Cost of raw materials and spares and stores comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct material, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## v) Cash and cash equivalents

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

## vi) Financial Instruments

### Recognition and initial measurement

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

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

### Classification and subsequent measurement

#### Financial assets

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

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

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

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



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

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

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

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

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

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

**Derecognition:**

**Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual

cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

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

**Financial liabilities**

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

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

**Equity instruments**

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

**Impairment of financial assets:**

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

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

**Offsetting:**

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

**vii) Borrowings**

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of





the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

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

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

#### viii) Borrowing costs

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

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

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

#### ix) Provisions, Contingent liabilities and Contingent assets

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

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

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

to settle the obligation or a reliable estimate of the amount cannot be made.

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

#### x) Foreign Currency Translation

Functional and presentation currency:

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

Transactions and balances:

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

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

#### xi) Revenue recognition and other income

##### A. Revenue from contracts with customers

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

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

##### a) Sale of goods

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



has accepted the goods in accordance with the sales contract.

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

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

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

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

#### b) Sale of services

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

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

#### c) Financing component

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

#### B. Other income

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

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

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

#### xii) Employee Benefits

##### a. Short term obligations:

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting

period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### b. Post-employment obligations

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

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

##### Superannuation:

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

##### Gratuity:

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

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

#### c. Compensated absences:

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



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

### xiii) Leases

#### As a lessee

Leases are recognized as right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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

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

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss

over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

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

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

#### As a lessor

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

### xiv) Income tax

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

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

Deferred income tax is provided in full, using the liability method, on the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other



than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

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

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiary and joint venture where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

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

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

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

#### xv) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method, less loss allowance.

#### xvi) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12

months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

#### xvii) Earnings per share

Basic earnings per share:

Basic earnings per share is calculated by dividing:

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

Diluted earnings per share:

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

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

#### xviii) Dividends

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

#### xix) Segment Reporting

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

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicator of the Company as a single unit. Refer note 23 for segment information presented.

#### xx) Government grants

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

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

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

#### xxi) Rounding of amounts

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

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

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

Particulars	Freehold land	Buildings	Plant and machinery	Furniture and fixtures	Vehicles	Office equipments	Total	Capital work-in-progress (CWIP)
<b>Gross carrying amount</b>								
Balance as at March 31, 2020	3,913.95	19,877.42	52,257.61	520.55	579.83	1,079.28	78,228.64	3,969.54
Additions	225.24	-	-	14.93	35.74	211.26	487.17	2,968.03
Transfer from CWIP	-	1,334.78	4,258.80	-	-	-	5,593.58	(5,593.58)
Disposals / adjustments	-	(7.50)	(589.25)	(1.29)	(186.34)	(117.18)	(901.56)	-
<b>Balance as at March 31, 2021</b>	<b>4,139.19</b>	<b>21,204.70</b>	<b>55,927.16</b>	<b>534.19</b>	<b>429.23</b>	<b>1,173.36</b>	<b>83,407.83</b>	<b>1,343.99</b>
Additions	-	-	-	14.11	99.88	194.68	308.67	5,316.39
Transfer from CWIP	-	127.66	4,293.67	-	-	1.33	4,422.66	(4,422.66)
Disposals / adjustments	-	-	(599.10)	(17.73)	(97.76)	(433.15)	(1,147.74)	-
<b>Balance as at March 31, 2022</b>	<b>4,139.19</b>	<b>21,332.36</b>	<b>59,621.73</b>	<b>530.57</b>	<b>431.35</b>	<b>936.22</b>	<b>86,991.42</b>	<b>2,237.72</b>
<b>Accumulated depreciation As at March 31, 2020</b>	-	1,719.18	16,559.84	160.49	164.66	458.17	19,062.34	-
Depreciation charge during the year	-	649.16	4,593.70	46.70	72.98	205.41	5,567.95	-
Disposals / adjustments	-	(7.43)	(448.56)	(0.82)	(170.74)	(111.73)	(739.28)	-
<b>Balance as at March 31, 2021</b>	-	<b>2,360.91</b>	<b>20,704.98</b>	<b>206.37</b>	<b>66.90</b>	<b>551.85</b>	<b>23,891.01</b>	-
Depreciation charge during the year	-	683.93	5,571.36	46.38	70.00	210.43	6,582.10	-
Disposals / adjustments	-	-	(540.37)	(10.99)	(76.82)	(414.29)	(1,042.47)	-
<b>Balance as at March 31, 2022</b>	-	<b>3,044.84</b>	<b>25,735.97</b>	<b>241.76</b>	<b>60.08</b>	<b>347.99</b>	<b>29,430.64</b>	-
<b>Net carrying amount As at March 31, 2021</b>	<b>4,139.19</b>	<b>18,843.79</b>	<b>35,222.18</b>	<b>327.82</b>	<b>362.33</b>	<b>621.51</b>	<b>59,516.82</b>	<b>1,343.99</b>
<b>Net carrying amount As at March 31, 2022</b>	<b>4,139.19</b>	<b>18,287.52</b>	<b>33,885.76</b>	<b>288.81</b>	<b>371.27</b>	<b>588.23</b>	<b>57,560.78</b>	<b>2,237.72</b>

## Notes-

i) Depreciation pertaining to machineries used for manufacture of moulds has been capitalized during the year amounting to Rs. 25.29 Lakhs (Previous year Rs. 44.62 Lakhs).

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

iii) Refer note 25 to these Consolidated Financial Statements for disclosure of contractual commitments for the acquisition of property, plant and equipment.



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

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

Particulars	Note no	As at March 31, 2022	As at March 31, 2021
<b>Current:</b>			
<b>First Charge</b>			
Inventories	8	31,750.51	28,140.69
Financial assets			
- Trade receivables	5(b)	22,636.20	20,426.65
- Cash and cash equivalents	5(c)	3,130.58	3,276.25
- Other bank balances	5(d)	8,688.91	8,600.00
- Loans	5(e)	55.91	49.86
- Other financial assets	5(f)	117.31	296.16
Other current assets	7	2,545.76	2,312.47
<b>Total current assets offered as security*</b>		<b>68,925.18</b>	<b>63,102.08</b>
<b>Non current:</b>			
<b>First charge</b>			
Property, plant and equipment	3	34,762.80	36,171.51
<b>Total non-current assets offered as security</b>		<b>34,762.80</b>	<b>36,171.51</b>
<b>Total assets offered as security</b>		<b>103,687.98</b>	<b>99,273.59</b>

\* The Company has working capital limits which have not been availed as at March 31, 2022 and March 31, 2021.

v) Capital work-in-progress

(a) Ageing:

As at March 31, 2022

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

As at March 31, 2021

Particulars	Amount in CWIP for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,111.77	151.64	34.27	46.31	1,343.99
Projects temporarily suspended	-	-	-	-	-

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

As at March 31, 2022

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Projects pertaining to development of new models for *					
- Heating, ventilation, and air conditioning (HVAC) system	25.22	-	-	-	25.22
- Hose & Tubes	60.33	-	-	-	60.33
- Condensor	10.00	-	-	-	10.00
<b>Total</b>	<b>95.55</b>	-	-	-	<b>95.55</b>

\*The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.

As at March 31, 2021

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Projects pertaining to development of new models for *					
- Heating, ventilation, and air conditioning (HVAC) system	39.30	-	-	-	39.30
- Compressor	11.23	-	-	-	11.23
- Hose & Tubes	53.80	-	-	-	53.80
- Condensor	109.70	-	-	-	109.70
- Rear air conditioning system	78.31	-	-	-	78.31
- Others	1.04	-	-	-	1.04
<b>Total</b>	<b>293.38</b>	-	-	-	<b>293.38</b>

\* The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.

vi) Significant estimate

The estimated useful lives of property, plant and equipment are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors such as the stability of the industry and known technological advances. The Company reviews the useful life of property, plant and equipment at the end of each reporting period.

## 4. Intangible assets and intangible assets under development

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

Particulars	Specialized softwares	Technical know how	Development cost [Refer note (ii)]	Total	Intangible assets under development
<b>Gross carrying amount</b>					
Balance as at March 31, 2020	336.50	11,074.16	17,761.05	29,171.71	2,625.83
Additions	18.99	-	-	18.99	2,731.80
Transfer from intangible assets under development	10.95	436.35	822.00	1,269.30	(1,269.30)
Disposals / adjustments	(39.65)	-	-	(39.65)	(71.70)
<b>Balance as at March 31, 2021</b>	<b>326.79</b>	<b>11,510.51</b>	<b>18,583.05</b>	<b>30,420.35</b>	<b>4,016.63</b>
Additions	55.50	-	-	55.50	3,664.48
Transfer from intangible assets under development	18.80	1,948.69	1,731.28	3,698.77	(3,698.77)
Disposals / adjustments	(13.78)	-	-	(13.78)	(87.05)
<b>Balance as at March 31, 2022</b>	<b>387.31</b>	<b>13,459.20</b>	<b>20,314.33</b>	<b>34,160.84</b>	<b>3,895.29</b>
<b>Accumulated amortization</b>					
As at March 31, 2020	236.29	5,113.11	8,638.47	13,987.87	-
Amortization charge for the year	61.56	1,335.34	2,130.33	3,527.23	-
Disposals / adjustments	(39.63)	-	-	(39.63)	-
<b>Balance as at March 31, 2021</b>	<b>258.22</b>	<b>6,448.45</b>	<b>10,768.80</b>	<b>17,475.47</b>	<b>-</b>
Amortization charge for the year	51.87	1,317.73	2,151.01	3,520.61	-
Disposals / adjustments	(13.78)	-	-	(13.78)	-
<b>Balance as at March 31, 2022</b>	<b>296.31</b>	<b>7,766.18</b>	<b>12,919.81</b>	<b>20,982.30</b>	<b>-</b>
<b>Net carrying amount</b>					
As at March 31, 2021	68.57	5,062.06	7,814.25	12,944.88	4,016.63
As at March 31, 2022	91.00	5,693.02	7,394.52	13,178.54	3,895.29

## Notes-

- Amortization pertaining to software used for manufacture of moulds has been capitalized during the year amounting to Rs. 1.78 Lakhs (Previous year Rs. 3.14 Lakhs).
- Consists of capitalised development costs being an internally generated intangible asset.
- Intangible assets under development comprises of technical know how and product development cost incurred by the Company.
- Intangible assets under development
  - Ageing:

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

As at March 31, 2022

Particulars	Amount in intangible assets under development for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,861.24	770.70	219.31	44.04	3,895.29
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>2,861.24</b>	<b>770.70</b>	<b>219.31</b>	<b>44.04</b>	<b>3,895.29</b>

As at March 31, 2021

Particulars	Amount in intangible assets under development for				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2,217.58	1,021.29	294.72	454.22	3,987.81
Projects temporarily suspended	-	0.08	15.95	12.79	28.82
<b>Total</b>	<b>2,217.58</b>	<b>1,021.37</b>	<b>310.67</b>	<b>467.01</b>	<b>4,016.63</b>

\* The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.



(b) Completion schedule for intangible assets under development whose completion is overdue compared to its original plan:

As at March 31, 2022

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Projects pertaining to development of new models for *					
- Air conditioning kit	524.97	-	-	-	524.97
- Heating, ventilation, and air conditioning (HVAC) system	278.20	-	15.27	-	293.47
- Compressor	-	-	8.90	-	8.90
- Hose & Tubes	47.00	-	-	-	47.00
- Condensor	509.03	-	-	-	509.03
- Rear air conditioning system	-	-	-	33.33	33.33
<b>Total</b>	<b>1,359.20</b>	<b>-</b>	<b>24.17</b>	<b>33.33</b>	<b>1,416.70</b>

\*The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.

As at March 31, 2021

Particulars	To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>Projects in progress</b>					
Projects pertaining to development of new models for *					
- Air conditioning kit	434.69	60.80	-	-	495.49
- Heating, ventilation, and air conditioning (HVAC) system	617.55	-	15.27	-	632.82
- Compressor	312.77	458.73	-	-	771.50
- Hose & Tubes	23.62	-	-	-	23.62
- Condensor	95.52	-	-	-	95.52
- Internal Heat Exchanger (IHx)	-	132.27	-	-	132.27
- Radiator	0.15	-	-	-	0.15
- Rear air conditioning system	74.07	-	-	-	74.07
Projects pertaining to development of softwares	34.80	-	-	-	34.80
<b>Projects temporarily suspended</b>					
Projects pertaining to development of new models for *					
- Heating, ventilation, and air conditioning (HVAC) system	8.33	-	-	-	8.33
- Condensor	4.65	-	-	-	4.65
<b>Total</b>	<b>1,606.15</b>	<b>651.80</b>	<b>15.27</b>	<b>-</b>	<b>2,273.22</b>

\*The individual names of projects have not been provided as these are related to future projects of original equipment manufacturers and are confidential in nature.

#### Significant estimates:

##### A. Appropriateness of capitalization of internal development costs related to Intangible assets under development

In relation to capitalisation of internal development costs in relation to intangible assets under development, significant judgement has been made by the management in the determination of –

- whether the costs incurred is towards development of product or in the nature of research,
- the costs, including payroll costs, were directly attributable to relevant projects, and
- key assumptions such as future revenue, margins and the discount rate used to assess the future cash flows from the expected use of such assets once developed and capitalised.

##### B. Estimated useful life of intangible assets

The estimated useful lives of intangible assets are based on a number of factors including the effects of obsolescence, demand, competition, internal assessment of user experience and other economic factors (such as the stability of the industry, and known technological advances) to obtain the expected future cash flows from the asset. The Company reviews the useful life of intangible assets at the end of each reporting period.



## 5 (a) Investments

## (i). Other investment in equity instruments

Particulars	As at March 31, 2022	As at March 31, 2021
Investment in equity instruments (at fair value through profit or loss)		
Unquoted (fully paid- up)		
Amplus Green Power Private Limited	299.98	299.98
1,719,061 (March 31, 2021: 1,719,061) Fully paid up equity shares of Rs. 17.45 each		
<b>Total investments</b>	<b>299.98</b>	<b>299.98</b>
<b>Aggregate value of unquoted investments</b>	<b>299.98</b>	<b>299.98</b>
<b>Aggregate amount of impairment in the value of investments</b>	<b>-</b>	<b>-</b>

## (ii) Investment accounted for using the equity method\*

Name of the entity and equity contribution	Place of business/ country of incorporation	% of ownership interest	Accounting method	Principal activities	Carrying amount as at March 31, 2022	Carrying amount as at March 31, 2021
Denso Subros Thermal Engineering Centre India Private Limited (formerly known as Denso Subros Thermal Engineering Centre India Limited) [1,767,999 (March 31, 2021: 1,767,999) fully paid up equity shares of Rs. 10 each]	India	26%	Equity method	Providing application design services primarily to Subros Limited and to other entities related to the Denso Group.	214.39	145.85
Add:- Share of net profit of joint venture accounted for using equity method					28.94	67.86
Add:- Share of other comprehensive income of joint venture accounted for using equity method					(0.71)	0.68
Less: Dividend income received during the year					(37.58)	-
<b>Total equity accounted investment</b>					<b>205.04</b>	<b>214.39</b>

\* Unlisted entity - no quoted price available.

## Summarized financial information for joint venture

The table below provide summarized financial information for joint venture. The information disclosed reflects the amounts presented in the financial statements of joint venture.

## Summarized Balance Sheet of:-

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

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

Description	As at March 31, 2022	As at March 31, 2021
<b>Current assets</b>		
Financial assets		
(i) Trade receivables	158.41	457.18
(ii) Cash and cash equivalents	808.83	618.01
(iii) Other financial assets	1.65	0.04
Other current assets	93.09	136.31
Other tax assets (net)	-	11.97
Employee benefits	6.87	9.11
<b>Total current assets</b>	<b>1,068.85</b>	<b>1,232.62</b>
<b>Total non-current assets</b>	<b>197.48</b>	<b>184.44</b>
<b>Current liabilities</b>		
Financial liabilities		
(i) Trade payables	116.73	181.50
(ii) Other financial liabilities	65.88	143.20
Other current liabilities	56.26	39.46
Short-term provisions	182.61	178.89
<b>Total current liabilities</b>	<b>421.48</b>	<b>543.05</b>
<b>Total non-current liabilities</b>	<b>56.29</b>	<b>49.47</b>
<b>Net assets</b>	<b>788.56</b>	<b>824.54</b>



## Reconciliation to carrying amounts

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

Description	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening net assets	824.54	560.94
Profit for the year	111.30	260.99
Other comprehensive income	(2.74)	2.61
Dividend paid on equity shares	(144.54)	-
<b>Closing net assets</b>	<b>788.56</b>	<b>824.54</b>
Company's share in %	26%	26%
Company's share in INR	205.04	214.39
<b>Carrying amount</b>	<b>205.04</b>	<b>214.39</b>

## Summarized Statement of Profit and Loss

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

Description	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from operations	1,795.03	1,864.98
Other income	63.39	44.57
Employee benefits expense	(1,149.29)	(1,040.14)
Depreciation and amortization expense	(41.46)	(36.90)
Other expenses	(507.02)	(479.97)
Income tax expenses	(49.35)	(91.55)
<b>Profit for the year</b>	<b>111.30</b>	<b>260.99</b>
Other comprehensive income	(2.74)	2.61
<b>Total comprehensive income</b>	<b>108.56</b>	<b>263.60</b>

Note: There are no contingent liabilities and commitments related to joint venture as on March 31, 2022 and March 31, 2021.

## 5(b). Trade receivables

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

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables from contract with customers - billed	19,927.57	19,391.62
Trade receivables from contract with customers - unbilled*	2,848.99	1,154.26
Receivables from related parties (Refer note 24)	10.92	70.18
Less: Loss allowance	(151.28)	(189.41)
<b>Total trade receivables</b>	<b>22,636.20</b>	<b>20,426.65</b>
Current portion	22,636.20	20,426.65
Non-current portion	-	-

\* The receivable is unbilled because Company has not yet issued an invoice, however, the balance has been included under trade receivables (as opposed to contract assets) because it is an unconditional right to consideration.

## Breakup of security details

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

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables considered good - Secured	-	-
Trade receivables considered good - Unsecured	22,662.97	20,426.65
Trade receivables which have significant increase in credit risk	-	-
Trade receivables - credit impaired	124.51	189.41
<b>Total</b>	<b>22,787.48</b>	<b>20,616.06</b>
Loss allowance	(151.28)	(189.41)
<b>Total trade receivables</b>	<b>22,636.20</b>	<b>20,426.65</b>

## Ageing of Trade Receivables as on March 31, 2022

Particulars	Outstanding for following periods from the due date							Total
	Unbilled	Not Due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
- considered good	2,848.99	17,100.24	2,545.90	62.66	78.10	18.91	8.17	22,662.97
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	21.01	10.39	31.40
Disputed trade receivables								
- considered good	-	-	-	-	-	-	-	-
- which have significant increase in credit risk	-	-	-	-	-	-	-	-
- credit impaired	-	-	-	-	-	-	93.11	93.11
<b>Total</b>	<b>2,848.99</b>	<b>17,100.24</b>	<b>2,545.90</b>	<b>62.66</b>	<b>78.10</b>	<b>39.92</b>	<b>111.67</b>	<b>22,787.48</b>

## Ageing of Trade Receivables as on March 31, 2021

Particulars	Outstanding for following periods from the due date							Total
	Unbilled	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables								
– considered good	1,154.26	17,044.33	1,792.78	134.15	135.41	69.26	96.46	20,426.65
– which have significant increase in credit risk	-	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	-	-	-	-
Disputed trade receivables								
– considered good	-	-	-	-	-	-	-	-
– which have significant increase in credit risk	-	-	-	-	-	-	-	-
– credit impaired	-	-	-	-	90.00	64.94	34.47	189.41
<b>Total</b>	<b>1,154.26</b>	<b>17,044.33</b>	<b>1,792.78</b>	<b>134.15</b>	<b>225.41</b>	<b>134.20</b>	<b>130.93</b>	<b>20,616.06</b>

## 5(c). Cash and cash equivalents

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

Particulars	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- In current accounts	3,121.91	3,271.86
Cash on hand	8.67	4.39
<b>Total cash and cash equivalents</b>	<b>3,130.58</b>	<b>3,276.25</b>

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

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

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Earmarked balances with banks</b>		
Deposits with original maturity of more than three months but less than 12 months*	12.52	11.95
Unpaid dividend account	25.90	28.40
<b>Others</b>		
Deposits with original maturity of more than three months but less than 12 months	8,688.91	8,600.00
<b>Total bank balances other than cash and cash equivalents</b>	<b>8,727.33</b>	<b>8,640.35</b>

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

## 5(e). Loans

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
Loans to employees	55.91	25.41	49.86	16.99
<b>Total loans</b>	<b>55.91</b>	<b>25.41</b>	<b>49.86</b>	<b>16.99</b>

## Breakup of security details

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

Particulars	As at March 31, 2022	As at March 31, 2021
Loans considered good - Secured	-	-
Loans considered good - Unsecured	81.32	66.85
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
<b>Total</b>	<b>81.32</b>	<b>66.85</b>
Loss allowance	-	-
<b>Total loans</b>	<b>81.32</b>	<b>66.85</b>



## 5(f) Other financial assets

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
Security deposits				
Related parties (refer note 24)	-	263.37	-	192.17
Others	17.34	656.29	29.59	657.67
Interest accrued on bank deposits	99.97	-	266.57	-
<b>Total other financial assets</b>	<b>117.31</b>	<b>919.66</b>	<b>296.16</b>	<b>849.84</b>

## 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, 2022	For the year ended March 31, 2021
<b>a) Tax expense</b>		
<i>Current tax</i>		
Current tax on profits for the year	804.35	990.42
Adjustments for current tax of prior periods	1.72	(174.53)
<b>Total current tax expense</b>	<b>806.07</b>	<b>815.89</b>
<i>Deferred tax</i>		
Minimum Alternate Tax (MAT) credit utilisation	1,203.33	955.95
Adjustment of MAT credits for earlier years	(199.26)	-
Decrease / (increase) in deferred tax assets	91.14	36.95
(Decrease) / increase in deferred tax liabilities	(620.88)	(906.80)
<b>Total deferred tax expense / (benefit)</b>	<b>474.33</b>	<b>86.10</b>
<b>Total tax expense / (credit)</b>	<b>1,280.40</b>	<b>901.99</b>

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

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Accounting Profit before tax</b>	<b>4,529.54</b>	<b>5,641.10</b>
Computed tax expense at applicable tax rate of 34.944% (previous year 34.944%)	1,582.81	1,971.23
Tax effect of :		
Tax effects of the amounts which are not deductible in calculating taxable income	76.02	51.27
Adjustment on account of remeasurement (Refer note 2 below)	(180.90)	(945.98)
Adjustment of MAT credit of earlier years	(199.26)	-
Income tax provision reversal of prior year	1.72	(174.53)
<b>Tax expense recognized in Statement of Profit and Loss</b>	<b>1,280.39</b>	<b>901.99</b>

The tax of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

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

Particulars	Opening balance	Recognized in Profit or loss-Credit/(charge)	Recognized in Other Comprehensive Income -Credit/(charge)	Closing Balance
<b>2020-21</b>				
<b>Deferred tax liability in relation to:</b>				
Property, plant and equipment and intangible assets	8,916.90	(94.35)	-	9,011.25
Right-of-use assets	278.77	55.17	-	223.60
Adjustment on account of remeasurement (net) (Refer note 2 below)	-	945.98		(945.98)
<b>Total deferred tax liability(A)</b>	<b>9,195.67</b>	<b>906.80</b>	<b>-</b>	<b>8,288.87</b>
<b>Deferred tax assets in relation to:</b>				
Expenses deductible in future years	583.60	(4.85)	-	578.75
Lease liabilities	353.95	(32.10)	-	321.85
Remeasurement of post employment benefit obligations	236.84	-	(50.31)	186.53
<b>Total deferred tax assets(B)</b>	<b>1,174.39</b>	<b>(36.95)</b>	<b>(50.31)</b>	<b>1,087.13</b>
<b>Deferred tax liability(net) (C) = (A) - (B)</b>	<b>8,021.28</b>	<b>869.85</b>	<b>(50.31)</b>	<b>7,201.74</b>
<b>Minimum alternative tax credit (D)</b>	<b>6,385.53</b>	<b>(955.95)</b>	<b>-</b>	<b>5,429.58</b>
<b>Deferred tax liabilities/(assets) (net) (C) -(D)</b>	<b>1,635.75</b>	<b>(86.10)</b>	<b>(50.31)</b>	<b>1,772.16</b>
<b>2021-22</b>				
<b>Deferred tax liability in relation to:</b>				
Property, plant and equipment and intangible assets	9,011.25	386.14	-	8,625.11
Right-of-use assets	223.60	53.84	-	169.76
Adjustment on account of remeasurement (net) (Refer note 2 below)	(945.98)	180.90		(1,126.88)
<b>Total deferred tax liability(A)</b>	<b>8,288.87</b>	<b>620.88</b>	<b>-</b>	<b>7,667.99</b>
<b>Deferred tax assets in relation to:</b>				
Expenses deductible in future years	578.75	(54.40)	-	524.35
Lease liabilities	321.85	(36.74)	-	285.11
Remeasurement of post employment benefit obligations	186.53	-	(38.94)	147.59
<b>Total deferred tax assets(B)</b>	<b>1,087.13</b>	<b>(91.14)</b>	<b>(38.94)</b>	<b>957.05</b>
<b>Deferred tax liability(net) (C) = (A) - (B)</b>	<b>7,201.74</b>	<b>529.74</b>	<b>(38.94)</b>	<b>6,710.94</b>
<b>Minimum alternative tax credit (D)</b>	<b>5,429.58</b>	<b>(1,004.06)</b>	<b>-</b>	<b>4,425.52</b>
<b>Deferred tax liabilities/(assets) (net) (C) -(D)</b>	<b>1,772.16</b>	<b>(474.32)</b>	<b>(38.94)</b>	<b>2,285.42</b>

Note:

- Deferred tax assets and deferred tax liabilities have been offset to the extent they relate to the same governing taxation laws.
- In the financial year 2019-20, the tax laws were amended, providing an option to pay tax at 22% plus applicable surcharge and cess ("New Rate") effective April 1, 2019, with a condition that the Company will need to surrender specified deductions / incentives.

Based on the assessment of future taxable profits, the Company decided to continue with the rate of 30% plus applicable surcharge and cess until the Minimum Alternate Tax (MAT) credit asset balance is utilised and opt for the New Rate thereafter. The Company re-measured its deferred tax balances accordingly.

Significant estimate:

The deferred tax asset mainly comprises of Minimum Alternate Tax (MAT) credit which can be carried forward for a period of 15 years as per the provisions of the Income Tax Act, 1961. The Company has been consistently earning profits and is currently liable to pay Income Tax under normal provisions of Income Tax Act, 1961. The Company has concluded that the deferred tax asset will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

## 7. Other assets

(unsecured and considered good, unless otherwise stated)

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non-current	Current	Non-current
Capital advances	-	1,122.61	-	488.42
Advance to suppliers				
-Related party (refer note 24)	2.17	-	88.22	-
-Others	795.96	-	694.34	-
Prepaid expenses	631.35	-	710.75	-
Recoverable from statutory authorities	1,116.28	-	819.16	-
<b>Total other assets</b>	<b>2,545.76</b>	<b>1,122.61</b>	<b>2,312.47</b>	<b>488.42</b>



## 8. Inventories

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

Particulars	As at March 31, 2022	As at March 31, 2021
Raw material and spares *	23,075.66	21,927.93
Work-in progress	5,033.74	2,689.46
Finished goods	852.38	893.79
Stores	2,788.73	2,629.51
<b>Total Inventories</b>	<b>31,750.51</b>	<b>28,140.69</b>

\* Net of provision for inventory obsolescence amounting to Rs. 428.34 Lakhs as at March 31, 2022 (March 31, 2021: Rs. 570.82 Lakhs). An amount of Rs. 142.48 lakhs has been written back during the year ended March 31, 2022 (Rs. 5.77 Lakhs during the year ended March 31, 2021) and included in 'cost of material consumed' in Statement of Profit and Loss.

## Inventory includes in transit inventory of:-

Raw material and spares	4,831.59	3,348.36
Finished goods	449.00	379.58

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

## Significant estimate:

The provision for inventory obsolescence is based on assumptions about usability / saleability of inventory. The Company reviews the provision for inventory obsolescence at the end of each reporting period.

## 9. Non-current tax assets (net)

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

Particulars	As at March 31, 2022	As at March 31, 2021
Advance tax (net of provisions - March 31, 2022: Rs 9,691.85 Lakhs; March 31, 2021: Rs 8,885.78 Lakhs)	190.67	67.97
<b>Total non-current tax assets</b>	<b>190.67</b>	<b>67.97</b>

## 10. Equity

## 10(a). Equity share capital

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Authorized share capital</b> 125,000,000 (as at March 31, 2021 : 125,000,000) equity shares of Rs. 2 each	2,500.00	2,500.00
<b>Issued share capital</b> 65,241,450 (as at March 31, 2021 : 65,241,450) equity shares of Rs. 2 each	1,304.83	1,304.83
<b>Subscribed and paid up share capital</b> 65,235,750 (as at March 31, 2021 : 65,235,750) equity shares of Rs. 2 each, fully paid up	1,304.71	1,304.71
<b>Total</b>	<b>1,304.71</b>	<b>1,304.71</b>

## A. Reconciliation of the shares outstanding at the beginning and at the end of the year

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

Equity shares	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	65,235,750	1,304.71	65,235,750	1,304.71
Add: Shares issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>65,235,750</b>	<b>1,304.71</b>	<b>65,235,750</b>	<b>1,304.71</b>

## B. Rights, preferences and restrictions attached to shares

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, 2022		As at March 31, 2021	
	Number of shares held	% of holding	Number of shares held	% of holding
Deeksha Holding Limited	10,137,760	15.54%	10,137,760	15.54%
Jyotsna Holding Private Limited	3,448,000	5.28%	3,448,000	5.28%
R R Holdings Private Limited	3,208,000	4.92%	3,208,000	4.92%
Ramesh Suri	-	0.00%	4,459,040	6.84%
Shradha Suri	5,587,040	8.57%	-	0.00%
Denso Corporation	13,047,150	20.00%	13,047,150	20.00%
Suzuki Motor Corporation	7,800,000	11.96%	7,800,000	11.96%

## D. Details of shareholding of promoters :

Name of the promoter	As at March 31, 2022			As at March 31, 2021		
	Number of shares	% total shares	% Change during the year	Number of shares	% total shares	% Change during the year
Ramesh Suri	-	0.00%	-100.00%	4,459,040	6.84%	0.00%
Ritu Suri	-	0.00%	-100.00%	1,128,000	1.73%	0.00%
Shradha Suri	5,587,040	8.57%	100.00%	-	0.00%	0.00%
Deeksha Holding Limited	10,137,760	15.54%	0.00%	10,137,760	15.54%	0.00%
Jyotsna Holding Private Limited	3,448,000	5.28%	0.00%	3,448,000	5.28%	0.00%
R.R. Holdings Private Limited	3,208,000	4.92%	0.00%	3,208,000	4.92%	0.00%
Jyotsna Suri	1,619,200	2.48%	0.00%	1,619,200	2.48%	0.00%

## 10(b). Other equity

## Reserves and surplus

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

Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium	20,817.44	20,817.44
General reserve	12,575.48	12,425.48
Debenture redemption reserve	-	-
Retained earnings	47,678.11	44,963.82
<b>Total other equity</b>	<b>81,071.03</b>	<b>78,206.74</b>

## i) Securities premium

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	20,817.44	20,817.44
Issue of equity shares	-	-
<b>Closing balance</b>	<b>20,817.44</b>	<b>20,817.44</b>

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

## ii) General reserve

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	12,425.48	12,275.48
Transfer from retained earnings	150.00	150.00
<b>Closing balance</b>	<b>12,575.48</b>	<b>12,425.48</b>

General reserve is the retained earnings of a Company which is kept aside out of the Company's profits to meet future (known or unknown) obligations.



## iii) Retained earnings

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	44,963.82	40,552.93
Add: Profit for the year	3,249.15	4,739.11
Less: Remeasurement gain / (loss) on post employment benefit obligation, net of tax	71.79	93.67
Less: Appropriations		
Transfer to general reserve	(150.00)	(150.00)
Transfer from debenture redemption reserve	-	250.00
Dividend on equity shares	(456.65)	(521.89)
<b>Closing balance</b>	<b>47,678.11</b>	<b>44,963.82</b>

During the year, a dividend of Rs. 0.70 per share, total dividend Rs. 456.65 Lakhs (previous year: Rs. 0.80 per share, total dividend Rs. 521.89 Lakhs) was paid to equity shareholders.

The Board of Directors recommended a final dividend of Rs. 0.70 per share (nominal value of Rs. 2 per share) for the financial year 2021-22. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these Consolidated Financial Statements. The total estimated dividend to be paid is Rs. 456.65 Lakhs.

## iv) Debenture redemption reserve (DRR)

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	-	250.00
Transfer to retained earnings	-	(250.00)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

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, 2022	As at March 31, 2021
<b>Secured</b>		
Term loans		
Foreign currency loans from banks	-	691.54
Indian Rupee loans from banks	2,503.27	3,574.30
<b>Total Non-current borrowings</b>	<b>2,503.27</b>	<b>4,265.84</b>
Less: Current maturities of long term debt [included in note 11(b)]	1,160.72	1,753.66
Less: Interest accrued [included in note 11(b)]	6.75	15.67
<b>Non-current borrowings</b>	<b>1,335.80</b>	<b>2,496.51</b>

Borrowings	Security	As at March 31, 2022	As at March 31, 2021	Maturity date	Terms of repayment	Coupon/ Interest rate
<b>Foreign currency loans from banks</b>						
FC Loan 1	Exclusive charge over specific movable fixed assets	-	414.30	Not applicable (March 31, 2021: September, 2021)	Not applicable (March 31, 2021: Sixteen quarterly instalments commencing from December 2017)	Not applicable (March 31, 2021: USD 3.25% p.a)
FC Loan 2	Exclusive charge over specific movable fixed assets	-	277.24	Not applicable (March 31, 2021: September, 2021)	Not applicable (March 31, 2021: Sixteen quarterly instalments commencing from December 2017)	Not applicable (March 31, 2021: USD 3.32% p.a)

Borrowings	Security	As at March 31, 2022	As at March 31, 2021	Maturity date	Terms of repayment	Coupon/ Interest rate
<b>Indian Rupee loans from banks</b>						
Loan 1 (Refer note below)	First charge on movable fixed assets other than exclusive charge created for other loans	1,284.49	2,074.00	August, 2023	Fourteen quarterly equal instalments commencing from November, 2019	REPO + 200 bps (March 31, 2021 : REPO + 200 bps)
Loan 2	Exclusive charge over specific movable fixed assets	1,218.78	1,500.30	June, 2025	Sixteen quarterly equal instalments commencing from September, 2021	3 Month MIBOR (March 31, 2021 : 3 Month MIBOR)
<b>Total</b>		<b>2,503.27</b>	<b>4265.84</b>			

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

#### 11(b). Current borrowings

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Secured</b>		
From banks		
<b>Current maturities of long term debt*</b>	1,167.47	1,769.33
<b>Total current borrowings</b>	<b>1,167.47</b>	<b>1,769.33</b>

\* Includes interest accrued on long-term borrowings.

Note: The Company has working capital limits which have not been availed as at March 31, 2022 and March 31, 2021. (Refer note 3 for details of current assets offered as security).

#### 11(c). Other financial liabilities

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

Particulars	As at March 31, 2022	As at March 31, 2021
Capital creditors*	552.49	1,284.81
Interest accrued**	5.51	44.06
Security deposit received		
-Related party (refer note 24)	6.14	6.14
-Others	44.49	43.49
Unclaimed dividend***	25.90	28.40
Derivative liability	399.54	554.29
Others		
Due to director (refer note 24)	39.18	-
Payable to employees	2,332.81	704.30
<b>Total</b>	<b>3,406.06</b>	<b>2,665.49</b>

\* Includes Rs. 45.61 Lakhs (March 31, 2021: Rs. 346.17) payable to related parties. Refer note 24.

\*\* Includes Nil (March 31, 2021: Rs. 26.03 Lakhs) due to micro enterprises and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006. Refer note 36.

\*\*\* The Company has deposited an amount of Rs. 4.40 Lakhs (Previous year Rs. 4.24 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, 2022	As at March 31, 2021
<b>Current</b>		
Trade payables: micro and small enterprises (refer Note 36)	228.77	170.14
Trade payables: others	46,396.74	43,966.44
Trade payables to related parties (refer note 24)	2,253.35	1,953.76
<b>Total</b>	<b>48,878.86</b>	<b>46,090.34</b>



## Ageing of trade payables as at March 31, 2022

Particulars	Outstanding for the following periods from the due date						Total
	Unbilled	Not Due	less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
- Micro and small enterprises	16.20	212.54	0.03	-	-	-	228.77
- Others	3,725.94	34,340.82	10,470.12	29.98	2.93	80.30	48,650.09
Disputed trade payables							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
<b>Total</b>	<b>3,742.14</b>	<b>34,553.36</b>	<b>10,470.15</b>	<b>29.98</b>	<b>2.93</b>	<b>80.30</b>	<b>48,878.86</b>

## Ageing of trade payables as at March 31, 2021

Particulars	Outstanding for the following periods from the due date						Total
	Unbilled	Not Due	less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade payables							
- Micro and small enterprises	-	170.14	-	-	-	-	170.14
- Others	3,881.75	36,142.58	5,833.22	5.49	57.16	-	45,920.20
Disputed trade payables							
- Micro and small enterprises	-	-	-	-	-	-	-
- Others	-	-	-	-	-	-	-
<b>Total</b>	<b>3,881.75</b>	<b>36,312.72</b>	<b>5,833.22</b>	<b>5.49</b>	<b>57.16</b>	<b>-</b>	<b>46,090.34</b>

## 11(e). Other non-current liabilities

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Government grants</b>		
Opening balance	-	-
Grants during the year	76.79	-
Less: Released to profit or loss	-	-
<b>Closing balance</b>	<b>76.79</b>	<b>-</b>
Current portion	-	-
Non-current portion	76.79	-

Note: Pertains to government grant received from Ozone Cell (Ministry of Environment, Forest and Climate Change, Government of India) during the year related to property, plant and equipment to be procured at Nalagarh plant under the scheme 'India HCFC Phase-out Management Plan Stage II' to phase out the consumption of HCFCs. As on March 31, 2022, the Company is yet to comply with the conditions attached to this grant with respect to procurement of property, plant and equipment and other conditions stated in the scheme.

The Company has also benefited from other forms of government assistance as mentioned in note 18.

## 11 (f). Supplier's credit

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

Particulars	As at March 31, 2022	As at March 31, 2021
Supplier's credit	3,518.63	5,381.32
<b>Total</b>	<b>3,518.63</b>	<b>5,381.32</b>

Note: Supplier's credit represents the arrangement where suppliers of goods and services are initially paid by Receivables Exchange of India/bank and settlement with the Receivables Exchange of India/bank are normally effected within a period of 90 days.

## 12. Provisions

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

Particulars	As at March 31, 2022		As at March 31, 2021	
	Current	Non- Current	Current	Non- Current
Provision for employee benefits:				
Provision for leave encashment (refer note 28)	330.55	-	331.69	-
Provision for gratuity (refer note 28)	-	875.30	-	881.22
Provision for warranty	248.79	165.86	341.84	227.90
<b>Total</b>	<b>579.34</b>	<b>1,041.16</b>	<b>673.53</b>	<b>1,109.12</b>

## i) Information about individual provisions and significant estimates

## Provision for employee benefits:

The provision for employee benefits include leave encashment and gratuity (refer note 2(d)(xii) and 28).

## Provision for warranty:

Significant estimate: Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. The Company generally offers 24 months warranties for its products. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts. The assumptions made in relation to the current period are consistent with those in the prior years. Factors that could impact the estimated claim information include the success of the Company's productivity and quality initiatives.

## ii) Movement in provision for warranty

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

<b>As at March 31, 2020</b>	<b>559.59</b>
Charged/(credited) to profit or loss	
Additional provisions recognized	151.68
Unwinding of discount on provision for warranty	8.48
Discounting of additional provision recognized	(18.98)
Amounts utilized during the year	(131.03)
<b>As at March 31, 2021</b>	<b>569.74</b>
Charged/(credited) to profit or loss	
Additional provisions recognized	150.36
Unwinding of discount on provision for warranty	8.48
Discounting of additional provision recognized	(17.48)
Amounts written back during the year (Refer note 15)	(225.18)
Amounts utilized during the year	(71.27)
<b>As at March 31, 2022</b>	<b>414.65</b>

## Sensitivity analysis

As at March 31, 2022, provision for warranty had a carrying amount of Rs. 414.65 Lakhs (March 31, 2021: Rs. 569.74 Lakhs). Were warranty claim costs to differ by 10% of the management's estimates, the provision would be an estimated Rs. 41.47 Lakhs higher or lower (March 31, 2021: Rs. 56.97 Lakhs higher or lower).

## 13 (a). Contract liabilities

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

Particulars	As at March 31, 2022	As at March 31, 2021
Contract liabilities	2,654.40	532.44
<b>Total</b>	<b>2,654.40</b>	<b>532.44</b>

## Notes:

- Contract liabilities represent payments received from the customers in excess of the goods sold by the Company.
- During the year ended March 31, 2022, the Company recognised revenue of Rs. 91.94 Lakhs arising from opening contract liabilities as of April 01, 2021. During the previous year, the Company recognised revenue of Rs. 317.71 Lakhs arising from opening contract liabilities as at April 01, 2020.



## 13 (b). Other current liabilities

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

Particulars	As at March 31, 2022	As at March 31, 2021
Statutory dues	2,334.65	2,010.06
<b>Total</b>	<b>2,334.65</b>	<b>2,010.06</b>

## 14. Revenue from operations

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from contracts with customers		
- Sale of products	223,416.73	179,000.56
- Sale of services	74.42	332.42
Other operating revenues		
- Sale of scrap	373.15	232.22
<b>Total</b>	<b>223,864.30</b>	<b>179,565.20</b>

Note 1: Unsatisfied contracts:

The following table shows unsatisfied performance obligation resulting from contracts:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at reporting date	2,654.40	532.44

Management expects that transaction price allocated to unsatisfied contracts as of March 31, 2022 will be recognized as revenue during the next reporting period.

Note 2: Reconciliation of revenue recognised with contract price:

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contract Price	225,148.37	180,574.95
Adjustments for:		
- Rebate/discounts	(1,284.07)	(1,009.75)
<b>Revenue from Operations</b>	<b>223,864.30</b>	<b>179,565.20</b>

Note 3: The Company has disaggregated revenue from contracts with customers based on nature of revenue i.e. sale of products and sale of services. The Company does not have reportable segment. Refer note 23.

Note 4: The Company derives revenue from transfer of goods and services at a point of time after acceptance from customers.

Note 5: No significant judgements have been made by the Company in applying Ind AS 115 that significantly affect the determination of the amount and timing of revenue from contracts with customers.

## 15. Other Income

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on:		
a) Financial assets at amortized cost	386.41	512.90
b) Others	5.72	10.28
Exchange variation on foreign currency transactions (net)	-	1,245.81
Fair value changes on derivatives	208.33	(938.13)
Unwinding of discount on financial asset	4.90	2.88
Rental income	64.66	45.74
Provision written back to the extent no longer required (Refer note 12)	225.18	-
Other miscellaneous income*	59.65	151.79
<b>Total</b>	<b>954.85</b>	<b>1,031.27</b>

\* The Company has applied practical expedient under IndAS 116 Leases to all qualifying rent concessions and accordingly disclosed the rent concessions received during the year amounting to Nil (March 31, 2021: Rs. 19.16 Lakhs) under Other miscellaneous income.



## 16. Cost of material consumed

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Raw material and spares</b>		
Raw material and spares at the beginning of the year	21,927.93	18,420.02
Add: Purchase of raw material and spares	169,559.18	133,862.69
Less: Raw material and spares at the end of the year	23,075.66	21,927.93
<b>Total</b>	<b>168,411.45</b>	<b>130,354.78</b>

## 17. Changes in inventories of finished goods and work in progress

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Finished goods</b>		
Closing balance	852.38	893.79
Less:- Opening balance	893.79	625.43
	<b>(41.41)</b>	<b>268.36</b>
<b>Work-in-progress</b>		
Closing balance	5,033.74	2,689.46
Less:- Opening balance	2,689.46	1,617.87
	<b>2,344.28</b>	<b>1,071.59</b>
<b>(Increase) / decrease</b>	<b>(2,302.87)</b>	<b>(1,339.95)</b>

## 18. Employee benefits expense

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus*	19,820.08	16,600.65
Contribution to provident and other funds (refer note 28)**	888.46	813.29
Gratuity (refer note 28)	258.32	257.66
Staff welfare expenses	1,738.01	1,080.75
<b>Total</b>	<b>22,704.87</b>	<b>18,752.35</b>

Note: Government grants

\* Net of government grants related to refund of 50% of minimum stipend prescribed by Board of Apprenticeship Training (Northern Region) amounting to Rs. 171.43 Lakhs (March 31, 2021: Rs. 38.28 Lakhs).

\*\* Net of government grants related to payment of employer's contribution towards Employees Provident Fund and Employees Pension Scheme for the new employment, paid by government of India under the Pradhan Mantri Rojgar Protsahan Yojana amounting to Rs. 25.27 Lakhs (March 31, 2021: Rs. 33.75 Lakhs).

There are no unfulfilled conditions or other contingencies attached to these grants. The Company did not benefit directly from any other forms of government assistance except as disclosed in Note 11(e).

## 19. Finance costs

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Interest costs:</b>		
- Loans from banks	284.77	993.85
- Loans from others	304.16	170.20
Exchange differences regarded as an adjustment to borrowing costs	230.98	95.18
Interest on lease liabilities (refer note 27)	79.15	88.14
Fair value changes on derivatives	53.58	182.90
Other finance costs*	138.85	94.44
<b>Total</b>	<b>1,091.49</b>	<b>1,624.71</b>

\* Net of Rs. 26.03 Lakhs written back to the extent no longer required based on confirmations received from micro and small enterprises confirming that no interest under the Micro, Small and Medium Enterprises Development Act, 2006 is payable to them (March 31, 2021: Rs. 5.72 Lakhs accrued for interest due to micro enterprises and small enterprises)(refer Note 36).



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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Depreciation on property, plant and equipment (refer note 3)	6,556.81	5,523.33
Depreciation of right-of-use assets (refer note 27)	159.54	163.35
Amortization of intangible assets (refer note 4)	3,518.83	3,524.09
<b>Total</b>	<b>10,235.18</b>	<b>9,210.77</b>

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Consumption of stores	4,169.03	3,568.49
Power and fuel	3,169.72	2,772.14
Rent (refer note 27)	415.71	304.03
Repair and maintenance: Building	455.11	353.77
Repair and maintenance: Plant and machinery	1,799.29	1,343.53
Repair and maintenance: Others	295.50	192.34
Rates, taxes and fees	57.39	55.65
Insurance	638.73	499.90
Royalty	2,567.99	1,984.86
Warranty expenses	132.88	132.70
Selling and distribution expenses	3,585.45	2,566.30
Legal and professional charges	391.71	444.21
Vehicle running and maintenance	145.28	129.48
Travelling and conveyance	272.03	148.42
Payment to auditors [refer note 21(a) below]	49.11	46.42
Exchange variation on foreign currency transactions (net)	114.03	-
Net loss on disposal of property, plant and equipment	73.70	34.10
Corporate social responsibility expenses [refer note 21(b) below]	195.00	213.94
Director's sitting fees	54.65	65.50
Other miscellaneous expenses	1,596.12	1,564.79
<b>TOTAL</b>	<b>20,178.43</b>	<b>16,420.57</b>

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Payment to auditors*</b>		
<b>As auditor:</b>		
Audit fees (including limited review)	46.50	41.40
Tax audit fee	1.50	1.15
<b>In other capacities:</b>		
Other services	0.50	3.25
Reimbursement of expenses	0.61	0.62
<b>Total</b>	<b>49.11</b>	<b>46.42</b>

\* Excluding applicable taxes

## 21(b). Corporate social responsibility expenses

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Contribution to green plantations	5.53	28.53
Contribution to education for under- privileged children	36.30	81.92
Contribution to skills developments	69.51	4.15
Contribution to social campaign	8.03	90.93
Contribution to disaster management	-	8.41
Contribution to preventive healthcare	65.63	-
Contribution to technology development	10.00	-
Accrual towards unspent obligations in relation to:		
Ongoing project	-	-
Other than ongoing projects	-	-
<b>Total</b>	<b>195.00</b>	<b>213.94</b>
<i>Amount required to be spent as per Section 135 of the Act</i>	<b>194.09</b>	<b>213.94</b>
Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than above	195.00	213.94
<b>Total</b>	<b>195.00</b>	<b>213.94</b>

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

Balance as at April 1, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2022	
With the Company	In Separate CSR Unspent account		From the Company's bank account	From Separate CSR Unspent account	With the Company	In Separate CSR Unspent account
-	-	185.00	185.00	-	-	-

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

Balance unspent as at April 1, 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2022
-	-	10.00	10.00	-

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

Balance excess spent as at April 1, 2021	Amount required to be spent during the year	Amount spent during the year	Balance excess spent as at March 31, 2022
-	-	-	-

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

Balance as at April 1, 2020		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2021	
With the Company	In Separate CSR Unspent account		From the Company's bank account	From Separate CSR Unspent account	With the Company	In Separate CSR Unspent account
-	-	133.94	133.94	-	-	-

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

Balance unspent as at April 1, 2020	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2021
-	-	80.00	80.00	-

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

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



## 22. Financial instruments and risk management

## 22(a). Financial instruments by category

The carrying value and fair value of financial instruments by categories as of March 31, 2022 is as follows:

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

Particulars	FVOCI	FVTPL	Amortized cost	Total
<b>Financial assets</b>				
i) Investment	-	299.98	-	299.98
ii) Trade receivables	-	-	22,636.20	22,636.20
iii) Cash and cash equivalents	-	-	3,130.58	3,130.58
iv) Bank balance other than cash and cash equivalents	-	-	8,727.33	8,727.33
v) Loans	-	-	81.32	81.32
vi) Other financial assets	-	-	1,036.97	1,036.97
<b>Total financial assets</b>	-	<b>299.98</b>	<b>35,612.40</b>	<b>35,912.38</b>
<b>Financial liabilities</b>				
i) Borrowings	-	-	2,503.27	2,503.27
ii) Supplier's credit	-	-	3,518.63	3,518.63
iii) Trade payables	-	-	48,878.86	48,878.86
iv) Other financial liabilities	-	399.54	3,006.52	3,406.06
<b>Total financial liabilities</b>	-	<b>399.54</b>	<b>57,907.28</b>	<b>58,306.82</b>

The carrying value and fair value of financial instruments by categories as of March 31, 2021 is as follows:

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

Particulars	FVOCI	FVTPL	Amortized cost	Total
<b>Financial assets</b>				
i) Investment	-	299.98	-	299.98
ii) Trade receivables	-	-	20,426.65	20,426.65
iii) Cash and cash equivalents	-	-	3,276.25	3,276.25
iv) Bank balance other than cash and cash equivalents	-	-	8,640.35	8,640.35
v) Loans	-	-	66.85	66.85
vi) Other financial assets	-	-	1,146.00	1,146.00
<b>Total financial assets</b>	-	<b>299.98</b>	<b>33,556.10</b>	<b>33,856.08</b>
<b>Financial liabilities</b>				
i) Borrowings	-	-	4,265.84	4,265.84
ii) Supplier's credit	-	-	5,381.32	5,381.32
iii) Trade payables	-	-	46,090.34	46,090.34
iv) Other financial liabilities	-	554.29	2,111.20	2,665.49
<b>Total financial liabilities</b>	-	<b>554.29</b>	<b>57,848.70</b>	<b>58,402.99</b>

The following tables provides an analysis of financial assets and liabilities that are measured at fair value - recurring fair value measurements, grouped into level 1 to level 3, as described below:

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

Particulars	As at March 31, 2022				
	Notes No.	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Investment	5(a)(i)	-	-	299.98	299.98
<b>Total financial assets</b>		-	-	<b>299.98</b>	<b>299.98</b>
<b>Financial liabilities</b>					
Derivative liability	11(c)	-	399.54	-	399.54
<b>Total financial liabilities</b>		-	<b>399.54</b>	-	<b>399.54</b>

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

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

The following tables provides an analysis of financial assets and liabilities that are measured at amortized cost for which fair values are disclosed, grouped into level 1 to level 3, as described below:

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

Particulars	As at March 31, 2022				
	Notes No.	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Security deposits	5(f)	-	-	937.00	937.00
Loans to employees	5(e)	-	-	81.32	81.32
Trade receivables	5(b)	-	-	22,636.20	22,636.20
Cash and cash equivalents	5(c)	-	-	3,130.58	3,130.58
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	8,701.43	8,701.43
Unpaid dividend account	5(d)	-	-	25.90	25.90
Interest accrued on bank deposits	5(f)	-	-	99.97	99.97
<b>Total financial assets</b>		-	-	<b>35,612.40</b>	<b>35,612.40</b>
<b>Financial liabilities</b>					
Borrowings	11(a) & 11(d)	-	-	2,503.27	2,503.27
Supplier's credit	11(f)	-	-	3,518.63	3,518.63
Trade payables	11(d)	-	-	48,878.86	48,878.86
Capital creditors	11(c)	-	-	552.49	552.49
Interest accrued	11(c)	-	-	5.51	5.51
Security deposit received	11(c)	-	-	50.63	50.63
Unclaimed dividend	11(c)	-	-	25.90	25.90
Others					
Due to directors	11(c)	-	-	39.18	39.18
Payable to employees	11(c)	-	-	2,332.81	2,332.81
<b>Total financial liabilities</b>		-	-	<b>57,907.28</b>	<b>57,907.28</b>

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

Particulars	As at March 31, 2021				
	Notes No.	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Security deposits	5(f)	-	-	879.43	879.43
Loans to employees	5(e)	-	-	66.85	66.85
Trade receivables	5(b)	-	-	20,426.65	20,426.65
Cash and cash equivalents	5(c)	-	-	3,276.25	3,276.25
Deposits with original maturity of more than three months but less than 12 months	5(d)	-	-	8,611.95	8,611.95
Unpaid dividend account	5(d)	-	-	28.40	28.40
Interest accrued on bank deposits	5(f)	-	-	266.57	266.57
<b>Total financial assets</b>		-	-	<b>33,556.10</b>	<b>33,556.10</b>
<b>Financial liabilities</b>					
Borrowings	11(a) & 11(d)	-	-	4,265.84	4,265.84
Supplier's credit	11(f)	-	-	5,381.32	5,381.32
Trade payables	11(d)	-	-	46,090.34	46,090.34
Capital creditors	11(c)	-	-	1,284.81	1,284.81
Interest accrued	11(c)	-	-	44.06	44.06
Security deposit received	11(c)	-	-	49.63	49.63
Unclaimed dividend	11(c)	-	-	28.40	28.40
Others					
Due to directors	11(c)	-	-	-	-
Payable to employees	11(c)	-	-	704.30	704.30
<b>Total financial liabilities</b>		-	-	<b>57,848.70</b>	<b>57,848.70</b>

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, 2022 and March 31, 2021.



Valuation technique used to determine fair value : The Company has entered into variety of foreign currency forward contracts and swaps to manage its exposure to fluctuations in foreign exchange rates. These financial exposures are managed in accordance with the Company's risk management policies and procedures. Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data. Further, Investment in equity shares included in Level 3 of the fair value hierarchy have been valued using the income approach to arrive at their fair value. In this approach the discounted cash flow method is used to capture the present value of the expected future economic benefits to be derived from the ownership of this investment.

All short term financial assets and liabilities like trade receivables, cash and cash equivalents, deposit with banks, trade payables, supplier's credit, capital creditors, security deposit received, payable to employees are stated at amortized cost which is approximately equal to their fair value.

The fair value of borrowings is estimated by discounting expected future cash flows, using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of similar maturity.

The fair value of loans to employees and security deposits are calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

## 22(b). Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk. In order to minimize any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures and interest rate swaps to hedge variable interest rate exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

The regulations, instructions, implementation rules and in particular, the regular communication throughout the tightly controlled management process consisting of planning, controlling and monitoring collectively form the risk management system used to define, record and minimize operating, financial and strategic risks. The note explains the sources of risk which the entity is exposed to and how the entity manages the risks :

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, deposits with banks, trade receivables, derivative financial instruments, other financial assets measured at amortized cost.	Ageing analysis, credit rating	Diversification of bank deposits, factoring of trade receivables, credit limits and letter of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk- foreign exchange	Future commercial transactions Recognized financial assets and liabilities not denominated in Indian Rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk- interest rate	Borrowings at variable rates	Sensitivity analysis	Interest rate swaps

### Credit risk

The credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations towards the Company and arises principally from the Company's receivables from customers and deposits with banking institutions. The maximum amount of the credit exposure is equal to the carrying amounts of these receivables.

For banks and financial institutions, only high rated banks/institutions are accepted. The Company has deposited liquid funds at various banking institutions. Primary banking institutions are major Indian and foreign banks. In long term credit ratings, these banking institutions are considered to be investment grade. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognized commercial banks and are not past due.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are major Indian automobile manufacturers and Air-conditioner manufacturer (OEMs) with good credit ratings. Non-OEM clients are subjected to credit assessments as a precautionary measure, and the adherence of payment due dates is closely monitored on an on-going basis for all customers, thereby practically eliminating the risk of default.

A default on a financial asset is when the counterparty, fails to make contractual payments within the agreed number of days of when they fall due. This definition is determined by considering the business environment in which entity operates and other macro-economic factors. The Company's historical experience of collecting receivables, supported by the level of default, is that credit risk is low. All customer balances which are overdue for more than 180 days are evaluated for provisioning and considered for impairment on an individual basis. The customer balances are written-off as bad debts, when legal remedies available to the Company are exhausted and / or it becomes certain that said balances will not be recovered.



**Reconciliation of loss allowance - Trade receivables:**

Particulars	As at March 31, 2022	As at March 31, 2021
Loss allowance at the beginning of the year	189.41	-
Add / (Less): Changes during the year	(38.13)	189.41
<b>Loss allowance at the end of the year</b>	<b>151.28</b>	<b>189.41</b>

Significant estimate: The impairment provisions for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

**Liquidity risk**

The liquidity risk encompasses any risk that the Company cannot fully meet its financial obligations. To manage the liquidity risk, the Company's finance division monitors rolling forecasts of its liquidity requirements to ensure it has sufficient cash to meet the operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. The Company raises short term rupee borrowings for cash flow mismatches and hence carries no significant liquidity risk.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

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

	As at March 31, 2022	As at March 31, 2021
Floating rate:		
-Expiring within one year (cash credit, working capital loans and other facilities)	34,242.35	35,951.79
-Expiring beyond one year (bank loans)	4,650.74	4,650.74

**(ii) Maturities of financial liabilities**

The table below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities:

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

Particulars	Upto 1 year	1-5 Years	More than 5 years	Total
<b>As at March 31, 2022</b>				
Borrowings (including interest)	1,281.89	1,410.89	-	2,692.78
Supplier's credit	3,518.63	-	-	3,518.63
Trade payables	48,878.86	-	-	48,878.86
Other financial liabilities	3,006.52	-	-	3,006.52
Lease liabilities (including interest)	173.30	387.75	995.33	1,556.38
<b>Total</b>	<b>56,859.20</b>	<b>1,798.64</b>	<b>995.33</b>	<b>59,653.17</b>
<b>As at March 31, 2021</b>				
Borrowings (including interest)	1,927.65	2,711.15	-	4,638.80
Supplier's credit	5,381.32	-	-	5,381.32
Trade payables	46,090.34	-	-	46,090.34
Other financial liabilities	2,111.20	-	-	2,111.20
Lease liabilities (including interest)	184.30	536.48	1,019.90	1,740.68
<b>Total</b>	<b>55,694.81</b>	<b>3,247.63</b>	<b>1,019.90</b>	<b>59,962.34</b>

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

The Company has exposure to foreign currency risk on account of its payables and loans. The Company has a foreign currency exchange risk policy to mitigate this risk by entering into appropriate hedging instruments depending on the future outlook on currencies as considered necessary from time to time for which it has entered into derivative financial instruments such as foreign exchange forward contracts.



## Foreign currency derivative contracts outstanding as at the end of the reporting period:

Particulars/Purpose	Amount	As at	
		March 31, 2022	March 31, 2021
Hedge of foreign currency loans	USD (In Lakhs)	-	9.34
	INR (in Lakhs)	-	625.00
Hedge of foreign currency payables	USD (In Lakhs)	70.00	44.00
	INR (in Lakhs)	5,349.90	3,242.58
	JPY (in Lakhs)	10,716.85	13,121.25
	INR (in Lakhs)	6,781.60	8,818.76
Cross currency swap	USD (In Lakhs)	5.00	15.00
	JPY (in Lakhs)	608.16	1,657.84

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

Particulars/Purpose	Amount	As at	
		March 31, 2022	March 31, 2021
Trade payables	Euro (in Lakhs)	0.04	0.04
	INR (in Lakhs)	3.71	3.77

## Foreign currency sensitivity analysis

The Company is mainly exposed to EURO since it is unhedged as at reporting date.

The following table details the Company's sensitivity to a 10% increase and decrease in the INR against the relevant foreign currencies. The sensitivity analysis includes only outstanding foreign currency denominated monetary items as tabulated above and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and vice-versa.

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

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	INR strengthens by 10%	INR weakens by 10%	INR strengthens by 10%	INR weakens by 10%
Impact on profit or loss for the year EURO impact	0.37	(0.37)	0.38	(0.38)

## (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, 2022	March 31, 2021
Variable rate borrowings	2,503.27	4,265.84
Fixed rate borrowings	-	-

Note: The Company had foreign currency loans with floating interest rate which were repaid during the year. 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, 2022		
	Weighed average interest rate %	Balance	% of total loans
Foreign currency loans from bank, Rupee loans from bank and cash credit	6.19	2,503.27	100%
Interest rate swaps (notional principal amount)	-	-	-
Net exposure to cash flow interest rate risk	-	2,503.27	-

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

## 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, 2022	For the year ended March 31, 2021
Interest rates - increase by 50 basis points	8.14	11.63
Interest rates - decrease by 50 basis points	(8.14)	(11.63)

**(iii) Price risk**

Fluctuation in commodity price in global market affects directly and indirectly the price of raw material and components used by the Company. Due to the competitive market, major OEMs demands price cuts which in turn may affect the profitability of the Company.

The Company has arrangements with its major customers for passing on the price impact. The Company is regularly taking initiatives like VA VE (value addition, value engineering) to reduce its raw material costs to meet targets set up by its customers for cost downs. In respect of customer nominated parts, the Company has back to back arrangements for cost savings with its suppliers.

**22(c). Capital management**

The Company's objective when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Company monitors Net Debt to EBIDTA ratio i.e., Net Debt (total borrowings (including supplier's credit) and lease liabilities net of cash and cash equivalents) divided by EBIDTA (Profit before tax plus depreciation and amortization expense plus finance 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, 2022	March 31, 2021
Net Debt (In Lakhs)	3,707.21	7,291.95
EBIDTA (In Lakhs)	15,856.21	16,476.58
<b>Net Debt to EBIDTA</b>	<b>0.23</b>	<b>0.44</b>

The Net debt to EBIDTA ratio for the current year decreased from 0.44 to 0.23 due to repayment of borrowings during the year ended March 31, 2022.

**Loan covenants**

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

**Dividends**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>On Equity shares of Rs. 2 each</b>		
<b>Final dividend</b>		
Dividend paid (Rs. In Lakhs)	456.65	521.89
Dividend per equity share	0.70	0.80

The Board of Directors recommended a final dividend of Rs. 0.70 per share (nominal value of Rs. 2 per share) for the financial year 2021-22. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been accounted as liability in these Consolidated Financial Statements. The total estimated dividend to be paid is Rs. 456.65 Lakhs.

**23. Segment information**

The Company is primarily in the business of manufacturing of thermal products.

The Board of Directors of the Company, which has been identified as being the chief operating decision maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore, there is no reportable segment for the Company. Export sales constitute an insignificant portion of total business of the Company. Hence, there is no geographical segment as well.

**Entity wide disclosures**

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

Particulars	Domestic	Overseas	Total
<b>Revenue from operations</b>			
For the year ended March 31, 2022	223,840.15	24.15	223,864.30
For the year ended March 31, 2021	179,532.23	32.97	179,565.20
<b>Non current segment assets</b>			
As at March 31, 2022	79,865.85	-	79,865.85
As at March 31, 2021	80,341.19	-	80,341.19

- Domestic information includes sales and services rendered to customers located in India.
- Overseas information includes sales and services rendered to customers located outside India.
- Non current segment assets includes property, plant and equipment, right-of-use assets, capital work-in-progress, intangible assets, intangible assets under development and capital advances.
- Revenue from transactions with a single external customer amounting to 10 per cent or more of the Company's revenues is 47% from one customer (previous year: 57%) and 34% from second customer (previous year: 27%).



**24. Related party disclosures****Entity having significant influence over the Company**

Denso Corporation, Japan

**Joint venture**

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

**Key management personnel**

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

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

Mr. Parmod Kumar Duggal, Chief Executive Officer (From April 01, 2021) and Whole Time Director (From August 5, 2021)

Ms. Jyotsna Suri, Director

Mr. Yasuhiro Iida, Nominee Director (Upto March 30, 2021)

Mr. Mohammed Asad Pathan, Independent Director

Mr. Kuttalam Rajagopalan Ramamoorthy, Independent Director

Mr. Girish Narain Mehra, Independent Director

Mr. Shailendra Swarup, Independent Director

Ms. Meena Sethi, Independent Director

Mr. Arvind Kapur, Independent Director

Mr. Kenichi Ayukawa, Nominee Director

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

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

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

Mr. Fumitaka Taki, Alternate Director (Upto January 27, 2022)

Mr. Yasuaki Matsunaga, Alternate Director (From January 27, 2022)

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

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

Mr. Rakesh Arora, Company Secretary

**Relatives of key management personnel**

Ms. Ritu Suri, Wife of Mr. Ramesh Suri (Demised on January 21, 2022)

Mr. Keshav Suri, Son of Ms. Jyotsna Suri

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

SHS Transport Private Limited, India

Rohan Motors Limited, India

Hemkunt Service Station Private Limited, India

Tempo Automobiles Private Limited, India

Primatel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)

Prima Infratech Private Limited, India

Fibcom India Limited, India (Merged in Primatel Fibcom Limited, India during the year)

Deeksha Holding Limited, India

Jyotsna Holding Private Limited, India

RR Holdings Private Limited, India

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

Subros Employees Group Gratuity Cum Life Assurance Trust, India

Subros Employees Group Superannuation Cum Life Assurance Trust, India

Details of transactions, in the ordinary course of business at commercial terms, and balances with related parties:

(a) Transactions with related parties

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

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Entity having significant influence over the Company</b>			
Denso Corporation	Sale of goods	24.15	32.97
	Reimbursement of expenses paid	51.66	128.69
	Royalty paid	2,500.79	1,856.86
	Receipt of technical services	1,388.32	1,043.12
	Dividend paid	91.33	104.38
<b>Joint venture</b>			
Denso Subros Thermal Engineering Centre India Private Limited (formerly known as Denso Subros Thermal Engineering Centre India Limited)	Purchase of intangible assets (Technical knowhow)	570.87	589.37
	Rental income	28.26	29.13
	Other Income	3.49	-
	Reimbursement of expenses received	11.11	13.02
	Reimbursement of expenses paid	4.36	-
	Dividend received	37.58	-

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

Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Key management personnel</b>			
Ms. Shradha Suri	Short term benefits	232.57	162.30
	Rent paid	12.08	7.28
	Post employment benefits	9.86	8.30
Late Mr. Ramesh Suri	Short term benefits	5.59	36.90
	Dividend paid	-	35.67
Ms. Jyotsna Suri	Sitting fees	4.50	3.75
	Rent paid	30.00	30.00
	Dividend paid	11.33	12.95
Mr. Mohammed Asad Pathan	Sitting fees	8.85	10.55
Mr. Ramamoorthy Rajagopalan Kuttalam	Sitting fees	8.25	9.75
Mr. Girish Narain Mehra	Sitting fees	13.35	15.80
Mr. Shailendra Swarup	Sitting fees	7.35	8.10
Ms. Meena Sethi	Sitting fees	8.40	12.30
Mr. Arvind Kapur	Sitting fees	3.95	5.25
Mr. Manoj Kumar Sethi	Short term benefits	-	67.66
	Post employment benefits	-	3.89
Mr. Parmod Kumar Duggal	Short term benefits	85.48	-
	Post employment benefits	3.23	-
Mr. Hemant Kumar Agarwal	Short term benefits	62.69	-
	Post employment benefits	1.90	-
Mr. Rakesh Arora	Short term benefits	47.41	37.79
	Post employment benefits	1.71	2.08
	Other long term employee benefits	-	0.76
<b>Relatives of key management personnel</b>			
Late Ms. Ritu Suri	Rent paid	26.50	31.80
	Dividend paid	39.11	9.02
Mr. Keshav Suri	Rent paid	0.50	-



Particulars		For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Contribution to funds</b>			
Subros Employees Group Gratuity Cum Life Assurance Trust	Employer's contribution towards gratuity fund	9.58	19.72
<b>Entities over which key management personnel and/or their relatives have control or joint control:</b>			
Fibcom India Limited, India (Merged in Primatel Fibcom Limited, India during the year)	Purchase of materials	-	0.51
Hemkunt Service Station Private Limited	Purchase of materials	9.93	6.15
Prima Infratech Private Limited	Rent paid	241.55	196.02
Prima Infratech Private Limited	Reimbursement of expenses paid	0.34	0.34
Primatel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)	Reimbursement of expenses paid	-	0.21
Primatel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)	Purchase of property, plant and equipment	19.28	-
Rohan Motors Limited	Receiving of services	22.04	19.32
Rohan Motors Limited	Rent paid	16.02	16.02
Rohan Motors Limited	Dividend paid	0.04	0.05
Rohan Motors Limited	Sale of goods	3.27	2.77
SHS Transport Private Limited	Receiving of services	738.49	855.33
SHS Transport Private Limited	Rent paid	4.67	4.67
Tempo Automobiles Private Limited	Receiving of services	39.70	-
Tempo Automobiles Private Limited	Sale of goods	6.25	-
Deeksha Holding Limited	Dividend paid	70.96	81.10
Jyotsna Holding Private Limited	Dividend paid	24.14	27.58
RR Holdings Private Limited	Dividend paid	22.46	25.66

## (b) Outstanding balances :

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

Relation	Particulars	As at March 31, 2022	As at March 31, 2021
<b>Entity having significant influence over the Company</b>			
Denso Corporation	Trade payables	2,096.75	1,654.94
	Trade receivables	2.14	6.66
<b>Joint venture</b>			
Denso Subros Thermal Engineering Centre India Private Limited	Trade payables	1.96	-
	Trade receivables	2.22	2.39
(formerly known as Denso Subros Thermal Engineering Centre India Limited)	Other financial liabilities (Capital creditors)	45.61	346.17
	Other financial liabilities (security deposit)	6.14	6.14
<b>Key management personnel:</b>			
Ms. Shradha Suri	Other financial liabilities (due to directors)	39.18	-
Ms. Shradha Suri	Other financial assets (security deposit)	3.30	3.30
<b>Relatives of key management personnel</b>			
Late Ms. Ritu Suri	Other financial assets (security deposit)	14.41	14.41
<b>Entities over which key management personnel and/or their relatives have control or joint control:</b>			
Rohan Motors Limited	Trade payables	1.06	4.85
SHS Transport Private Limited	Trade payables	147.49	273.28
Hemkunt Service Station Private Limited	Trade payables	1.45	0.54
Prima Infratech Private Limited	Trade payables	0.91	20.15
Primatel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)	Trade payables	3.73	-
Rohan Motors Limited	Trade receivables	0.38	2.04
Tempo Automobiles Private Limited	Trade receivables	6.18	1.40
Primatel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)	Trade receivables	-	57.69



Relation	Particulars	As at March 31, 2022	As at March 31, 2021
Primatel Fibcom Limited, India (Formerly known as Prima Telecom Limited, India)	Other assets (advances to suppliers)	1.54	-
Fibcom India Limited, India (Merged in Primatel Fibcom Limited, India during the year)	Other assets (advances to suppliers)	-	18.64
Prima Infratech Private Limited	Other assets (advances to suppliers)	0.06	68.53
Rohan Motors Limited	Other assets (advances to suppliers)	-	0.46
SHS Transport Private Limited	Other financial assets (security deposit)	2.33	2.33
Rohan Motors Limited	Other financial assets (security deposit)	6.57	6.57
Prima Infratech Private Limited	Other financial assets (security deposit)	236.76	165.56
<b>Post employment benefit plan of the Company:</b>			
Subros Employees Group Superannuation Cum Life Assurance Trust, India	Other assets (advances to suppliers)	0.54	0.54
Subros Employees Group Gratuity Cum Life Assurance Trust, India	Other assets (advances to suppliers)	0.03	0.05

Terms and conditions:

- All transactions with related parties are in ordinary course of business and on arm's length basis.
- All outstanding balances are unsecured and will be settled in cash.
- All transactions are exclusive of applicable taxes for which input credit is allowed.

#### 25. Capital commitments

Estimated value of contracts on capital account remaining to be executed and not provided for (net of advances) amounting to Rs. 3,596.99 Lakhs (March 31, 2021: Rs. 1,323.21 Lakhs).

#### 26. Contingent liabilities

##### (a) Claims against the Company not acknowledged as debts

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

	As at March 31, 2022	As at March 31, 2021
Sales tax matters	88.98	79.74
Excise matters	4,067.99	4,067.99
Custom matters	15.19	15.19
Income tax matters	1,283.59	1,283.59
Claims made by workmen	583.99	370.27
Property tax	61.60	61.60

Notes:

- It is not practicable for the Company to estimate the timings and amount of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- The Company does not expect any reimbursements in respect of the above contingent liabilities.

Significant estimate: The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events requires best judgement by management considering the probability of exposure to potential loss. Judgement includes consideration of experts opinion, facts of the matter, underlying documentation and historical experience. Changes in assumptions about these factors could affect the reported value of contingencies and provisions.

(b) Guarantees issued by banks on behalf of the Company amounting to Rs. 3,236.84 Lakhs (March 31, 2021: Rs. 501.39 Lakhs).

(c) Outstanding commitments under letter of credit established by the Company aggregate to Rs. 7,933.20 Lakhs (March 31, 2021: Rs. 9,764.52 Lakhs).

#### 27. Leases

##### The Company as a lessee

This note provides information for leases where the Company is a lessee. The Company leases certain premises and plant and machinery. The lease term is for 11 months - 35 years except in case of leasehold lands where lease term is upto 99 years, but may have an extension option as described in (ii)(b) below:

##### (i) Amounts recognised in Balance Sheet

The balance sheet shows the following amounts relating to leases:

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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Right-of-use assets</b>		
Leasehold land	1,217.71	1,233.78
Buildings	653.20	796.67
<b>Total</b>	<b>1,870.91</b>	<b>2,030.45</b>



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

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Lease liabilities</b>		
Current	167.18	129.20
Non-current	648.71	791.84
<b>Total</b>	<b>815.89</b>	<b>921.04</b>

Additions to the right-of-use assets during the current financial year were Rs. Nil (March 31, 2021: Rs. Nil)

**(ii) Amount recognised in the Statement of profit and loss**

The statement of profit and loss shows the following amounts relating to leases:

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Depreciation of right-of-use assets (refer note 20)</b>		
Leasehold land	16.07	16.13
Buildings	143.47	147.22
<b>Total</b>	<b>159.54</b>	<b>163.35</b>

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest expense (included in finance costs - refer note 19)	79.15	88.14
Expense relating to short term leases (included in other expenses - refer note 21)	415.71	304.03
<b>Total</b>	<b>494.86</b>	<b>392.17</b>

The total cash outflow for leases (including interest on lease liabilities) for the year ended March 31, 2022 was Rs. 600.01 Lakhs. (March 31, 2021: Rs. 484.03 Lakhs)

**(a) Variable lease payments**

The Company does not have any leases with variable lease payments.

**(b) Extension and termination options**

Extension and termination options are included in number of leases across the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

**(c) Residual value guarantees**

The Company does not provide any residual value guarantee in relation to its leases.

**The Company as a lessor**

One office premise and one leased factory premise is let out by the Company on operating lease and its cancellable in nature. Lease rental income is set out in note 15 to these Consolidated Financial Statements as "Rental income" in "Other income".

**28. Employee benefits**

The various benefits provided to employees by the Company are as under:

**Defined contribution plans**

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss:

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Employer's contribution to Provident Fund*	762.71	704.61
Employer's contribution to Employees State Insurance Scheme*	125.75	108.68

\* Included in "Contribution to provident and other funds" in Note 18.

**Defined benefit plans and other long term benefits**

a) **Contribution to gratuity funds** - The Company provides for gratuity for employees as per The Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a funded plan and Company makes contribution to recognized funds in India.

- b) **Leave encashment/compensated absence** - The leave obligations cover the Company's liability for earned leave, sick leave and casual leave. The entire amount of the provisions of Rs. 330.55 Lakhs (March 31, 2021: Rs. 331.69 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, 2022	As at March 31, 2021
Leave obligations not expected to be settled within the next 12 months	289.78	283.73

These plans typically expose the Company to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

#### Investment risk

The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

#### Interest risk

The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

#### Longevity risk

The present value of defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

#### Salary risk

The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

The principal assumptions used for the purpose of the actuarial valuations were as follows:

PARTICULARS	Gratuity (Funded)
<b>As at March 31, 2022</b>	
Discount rate (per annum)	7.32%
Rate of increase in compensation level (per annum)	7.00%
<b>As at March 31, 2021</b>	
Discount rate (per annum)	6.88%
Rate of increase in compensation level (per annum)	7.00%

Estimate of future increases considered in actuarial valuation takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Components of expenses recognized in the Statement of Profit and Loss in respect of:

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2022</b>	
Current service cost	197.69
Past service cost	-
Actuarial loss/(gain)	-
Net interest cost/(income) or the net defined benefit liability/(asset)	60.63
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>258.32</b>
<b>For the year ended March 31, 2021</b>	
Current service cost	198.21
Past service cost	-
Actuarial loss/(gain)	-
Net interest cost/(income) or the net defined benefit liability/(asset)	59.45
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>257.66</b>

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

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

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2022</b>	<b>111.44</b>
Actuarial gains/(loss) on:	
-changes in demographic assumptions	-
-changes in financial assumptions	87.86
-experience variance	19.44
-plan asset	4.14



<b>For the year ended March 31, 2021</b>	<b>143.30</b>
Actuarial gains/(loss) on:	
-changes in demographic assumptions	-
-changes in financial assumptions	25.77
-experience variance	126.24
-plan asset	(8.71)

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

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2022</b>	
Actuarial (gain) / loss arising from change in demographic assumption	-
Actuarial (gain) / loss arising from change in financial assumption	(87.86)
Actuarial (gain) / loss arising from experience adjustment	(19.44)
<b>For the year ended March 31, 2021</b>	
Actuarial (gain) / loss arising from change in demographic assumption	-
Actuarial (gain) / loss arising from change in financial assumption	(25.77)
Actuarial (gain) / loss arising from experience adjustment	(126.24)

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

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2022</b>	
Return on plan assets, excluding amount recognized in net interest expense	89.57
Remeasurement for actuarial (gain)/loss arising because of change in effect of asset ceiling	(93.71)
<b>Component of defined benefit costs recognized in other comprehensive income</b>	<b>(4.14)</b>
<b>For the year ended March 31, 2021</b>	
Return on plan assets, excluding amount recognized in net interest expense	82.65
Remeasurement for actuarial (gain)/loss arising because of change in effect of asset ceiling	(73.94)
<b>Component of defined benefit costs recognized in other comprehensive income</b>	<b>8.71</b>

The current service cost and the interest expense for the year are included in the "Employee benefits expense" in the Statement of Profit and Loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

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

PARTICULARS	Gratuity (Funded)
<b>As at March 31, 2022</b>	
Present value of obligation	2,270.97
Fair value of plan assets	1,395.67
<b>Surplus/(deficit)</b>	<b>(875.30)</b>
Asset ceiling	-
<b>Net asset/(liability)</b>	<b>(875.30)</b>
<b>As at March 31, 2021</b>	
Present value of obligation	2,183.18
Fair value of plan assets	1,301.96
<b>Surplus/(deficit)</b>	<b>(881.22)</b>
Asset ceiling	-
<b>Net asset/(liability)</b>	<b>(881.22)</b>

Note: The Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one off contributions.

Movement in the present value of the defined benefit obligation are as follows:

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

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2022</b>	
Present value of the obligation as at the beginning	2,183.18
Current service cost	197.69
Interest cost	150.20
Remeasurement (or actuarial) (gain)/loss arising from:	
-Change in demographic assumptions	(87.86)
-Change in financial assumptions	(19.44)
-experience variance	-
Past service cost	-
Benefits paid	(152.80)
<b>Present value of the obligation as at the end</b>	<b>2,270.97</b>
<b>For the year ended March 31, 2021</b>	
Present value of the obligation as at the beginning	2,105.23
Current service cost	198.21
Interest cost	142.10
Remeasurement (or actuarial) (gain)/loss arising from:	
-Change in demographic assumptions	(25.77)
-Change in financial assumptions	(126.24)
-experience variance	-
Past service cost	-
Benefits paid	(110.35)
<b>Present value of the obligation as at the end</b>	<b>2,183.18</b>

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

PARTICULARS	Gratuity (Funded)
<b>For the year ended March 31, 2022</b>	
Fair value of plan assets at the beginning	1,301.96
Interest income	93.71
Employer contribution	-
Benefits paid	-
Actuarial gain/(loss) on plan assets	-
<b>Fair value of plan assets at the end</b>	<b>1,395.67</b>
<b>For the year ended March 31, 2021</b>	
Fair value of plan assets at the beginning	1,224.39
Interest income	73.93
Employer contribution	3.64
Benefits paid	-
Actuarial gain/(loss) on plan assets	-
<b>Fair value of plan assets at the end</b>	<b>1,301.96</b>

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

PARTICULARS	Gratuity (Funded)
<b>As at March 31, 2022</b>	
Funds managed by insurer	100%
<b>Total</b>	<b>100%</b>
<b>As at March 31, 2021</b>	
Funds managed by insurer	100%
<b>Total</b>	<b>100%</b>

Since it is a funded plan with insurer, hence break up of investment by insurer is not available with the Company, hence not given.

#### Sensitivity analysis

Significant actuarial assumptions for the determination of employee defined benefit obligation using projected unit credit method are discount rate and expected salary growth rate. The sensitivity analysis below has been determined based on reasonably possible changes in respective assumption occurring at the end of reporting period, while holding all other assumptions constant. Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated. The method and types of assumptions used in preparing the sensitivity analysis did not change compared to prior period.



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

PARTICULARS	Gratuity (Funded)
<b>As at March 31, 2022</b>	
	<b>Change in defined benefit obligation</b>
Increase in discount rate by 0.5%	Decrease by 93.72
Decrease in discount rate by 0.5%	Increase by 101.07
Increase in expected salary growth rate by 0.5%	Increase by 98.00
Decrease in expected salary growth rate by 0.5%	Decrease by 91.77
<b>As at March 31, 2021</b>	
	<b>Change in defined benefit obligation</b>
Increase in discount rate by 0.5%	Decrease by 95.08
Decrease in discount rate by 0.5%	Increase by 102.72
Increase in expected salary growth rate by 0.5%	Increase by 98.99
Decrease in expected salary growth rate by 0.5%	Decrease by 92.66

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, 2022 is 13.69 years (March 31, 2021 is 13.54 years).

The Company expects that benefit paid during the next financial year would be Rs. 288.29 Lakhs (March 31, 2021: Rs. 289.12 Lakhs).

#### Maturity Profile of Defined Benefit Obligation

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

Year	Gratuity (Funded)
<b>As at March 31, 2022</b>	
April 1, 2022 - March 31, 2023	173.97
April 1, 2023 - March 31, 2024	166.22
April 1, 2024 - March 31, 2025	133.42
April 1, 2025 - March 31, 2026	125.34
April 1, 2026 - March 31, 2027	138.42
April 1, 2027 - March 31, 2028	212.77
April 1, 2028 Onwards	1,320.83
<b>Total</b>	<b>2,270.97</b>
<b>As at March 31, 2021</b>	
April 1, 2021 - March 31, 2022	149.38
April 1, 2022 - March 31, 2023	117.97
April 1, 2023 - March 31, 2024	150.51
April 1, 2024 - March 31, 2025	121.78
April 1, 2025 - March 31, 2026	115.40
April 1, 2026 - March 31, 2027	137.99
April 1, 2027 Onwards	1,390.15
<b>Total</b>	<b>2,183.18</b>

Significant estimate: Employee benefit obligations are determined using actuarial valuation. An actuarial valuation involves making appropriate assumptions that may differ from actual developments in the future. These include the determination of the discount rate and future salary increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

#### 29. Research and development expenses

The Company has 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 :-

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Noida	Pune	Noida	Pune
Capital expenditure	29.25	-	304.98	-
Revenue expenditure - charged to Statement of Profit and Loss*	1,050.76	1.48	944.02	0.80
Revenue expenditure - towards development cost	1,383.15	-	1,117.19	-
<b>Total</b>	<b>2,463.16</b>	<b>1.48</b>	<b>2,366.19</b>	<b>0.80</b>

\* Net of contract research income

Provision for taxation has been made after taking into account the benefit available on expenditure incurred on Research and Development Centres. Such expenditure is subject to approval of appropriate authorities.



**30. Earnings Per Share**

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Basic earnings per share (Rs.)	4.98	7.26
Diluted earnings per share (Rs.)	4.98	7.26
Profit attributable to the equity holders of the Company used in calculating basic earnings per share and diluted earnings per share (Rs. Lakhs)	3,249.15	4,739.11
Weighted average number of equity shares for the purpose of basic earnings per share and diluted earnings per share (numbers)	65,235,750	65,235,750

**31. Expenses capitalized**

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

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

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and other amenities to staff	1,302.27	1,193.83
Power and fuel	117.46	91.66
Rent	53.72	79.45
Repair and maintenance	78.03	77.18
Depreciation	27.08	47.76
Other overheads	249.58	260.56
<b>Total</b>	<b>1,828.14</b>	<b>1,750.44</b>

**32. Additional regulatory information required by Schedule III****(i) Details of benami property held**

No proceedings have been initiated on or are pending against the Company and its joint venture for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

**(ii) Borrowing secured against current assets**

The Company has borrowings from banks on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts subject to reconciliations. Refer Note 33 for the reconciliations.

The joint venture does not have any borrowings from banks or financial institutions on the basis of security of current assets.

**(iii) Wilful defaulter**

The Company and its joint venture have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**(iv) Relationship with struck off companies**

The Company and its joint venture have no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

**(v) Compliance with number of layers of companies**

The Company and its joint venture have complied with the number of layers prescribed under the Companies Act, 2013.

**(vi) Compliance with approved scheme(s) of arrangements**

The Company and its joint venture have not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

**(vii) Utilisation of borrowed funds and share premium**

The Company and its joint venture have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company and its joint venture (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company and its joint venture have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company and its joint venture shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries



**(viii) Undisclosed income**

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

**(ix) Details of crypto currency or virtual currency**

The Company and its joint venture have not traded or invested in crypto currency or virtual currency during the current or previous year.

**(x) Valuation of property, plant and equipment and intangible assets**

The Company and its joint venture have not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

**(xi) Loans and advances to promoters, directors, Key management personnel (KMPs) and related parties**

The Company and its joint venture have not granted any loans and advances promoters, directors, KMPs and related parties during the current or previous year.

**33. Reconciliation of stock statements with Consolidated Financial Statements**

For the year ended March 31, 2022

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

Quarter	Name of banks	Particulars of securities provided	Nature of current assets/liabilities where differences were observed	Amount as reported in the quarterly return/statement	Amount as per books of account	Amount of difference	Reason for material discrepancies
June 2021	HDFC Bank / ICICI Bank	Inventories, Trade receivables,	Inventories	25,553.47	30,429.78	(4,876.31)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
June 2021	/ Kotak Mahindra Bank / State Bank of India	Cash and cash equivalents, other bank balances, loans and other financial assets	Trade receivables	15,816.70	16,388.50	(571.80)	Trade receivables overdue more than 90 days and reclassification of credit balance in trade receivable account considered in the books of account but not considered in return submitted to banks.
June 2021			Trade payables	35,799.85	46,950.38	(11,150.53)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
September 2021	HDFC Bank / ICICI Bank	Inventories, Trade receivables,	Inventories	27,443.61	31,871.85	(4,428.24)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
September 2021	/ Kotak Mahindra Bank / State Bank of India	Cash and cash equivalents, other bank balances, loans and other financial assets	Trade receivables	14,334.59	14,846.93	(512.34)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
September 2021			Trade payables	35,544.26	46,139.22	(10,594.96)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
December 2021	HDFC Bank / ICICI Bank	Inventories, Trade receivables,	Inventories	27,678.28	30,383.28	(2,705.00)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
December 2021	/ Kotak Mahindra Bank / State Bank of India	Cash and cash equivalents, other bank balances, loans and other financial assets	Trade receivables	10,680.82	11,156.32	(475.50)	Trade receivables overdue more than 90 days not considered in return submitted to banks.
December 2021			Trade payables	31,952.07	44,794.98	(12,842.91)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
March 2022	HDFC Bank / ICICI Bank	Inventories, Trade receivables,	Inventories	26,768.37	31,750.51	(4,982.14)	Goods in transit inventory and provision for obsolete inventory not considered in return submitted to banks.
March 2022	/ Kotak Mahindra Bank / State Bank of India	Cash and cash equivalents, other bank balances, loans and other financial assets	Trade receivables	22,343.35	22,636.20	(292.85)	Trade receivables overdue more than 90 days and loss allowance not considered in return submitted to banks.
March 2022			Trade payables	40,129.63	48,878.86	(8,749.23)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.

For the year ended March 31, 2021

Quarter	Name of banks	Particulars of securities provided	Nature of current assets/liabilities where differences were observed	Amount as reported in the quarterly return/statement	Amount as per books of account	Amount of difference	Reason for material discrepancies
June 2020	HDFC Bank /	Inventories, Trade	Inventories	25,151.41	24,812.78	338.63	Provision for obsolete inventory not considered in return submitted to banks.
June 2020	ICICI Bank / Kotak Mahindra Bank / Yes Bank	receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Trade receivables	10,947.82	11,126.88	(179.06)	Trade receivables overdue more than 90 days and reclassification of credit balance in trade receivable account considered in the books of account but not considered in return submitted to banks.
June 2020			Trade payables	20,238.24	27,039.76	(6,801.52)	Payables in respect of services received etc. considered in the books of account but not considered in return submitted to banks.
September 2020	HDFC Bank /	Inventories, Trade	Inventories	20,810.61	24,108.98	(3,298.37)	Goods in transit inventory and provision for obsolete inventory not considered in return submitted to banks.
September 2020	ICICI Bank / Kotak Mahindra Bank / Yes Bank	receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Trade receivables	12,294.00	13,118.81	(824.81)	Trade receivables overdue more than 90 days and reclassification of credit balance in trade receivable account considered in the books of account but not considered in return submitted to banks.
September 2020			Trade payables	26,352.50	34,618.03	(8,265.53)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
December 2020	HDFC Bank /	Inventories, Trade	Inventories	21,563.80	25,238.21	(3,674.41)	Goods in transit inventory and provision for obsolete inventory not considered in return submitted to banks.
December 2020	ICICI Bank / Kotak Mahindra Bank / Yes Bank	receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Trade receivables	14,626.28	15,035.98	(409.70)	Trade receivables overdue more than 90 days and reclassification of credit balance in trade receivable account considered in the books of account but not considered in return submitted to banks.
December 2020			Trade payables	33,789.99	42,886.26	(9,096.27)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks.
March 2021	HDFC Bank /	Inventories, Trade	Inventories	24,879.35	28,140.69	(3,261.34)	Goods in transit inventory and provision for slow moving/non moving inventory not considered in return submitted to banks.
March 2021	ICICI Bank / Kotak Mahindra Bank / State Bank of India	receivables, Cash and cash equivalents, other bank balances, loans and other financial assets	Trade receivables	19,928.18	20,426.65	(498.47)	Trade receivables overdue more than 90 days and reclassification of credit balance in trade receivable account considered in the books of account but not considered in return submitted to banks.
March 2021			Trade payables	42,509.33	46,090.34	(3,581.01)	Payables in respect of goods in transit inventory, services received etc. considered in the books of account but not considered in return submitted to banks. Further, supplier's credit has been considered in return submitted to banks but not considered in the books of account.

#### 34. Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

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

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents	3,130.58	3,276.25
Non-current borrowings (including current maturities of long term debt and interest)	(2,503.27)	(4,265.84)
Supplier's credit	(3,518.63)	(5,381.32)
Lease liabilities	(815.89)	(921.04)
<b>Net debt</b>	<b>(3,707.21)</b>	<b>(7,291.95)</b>



Description	Other assets Cash & cash equivalents	Liabilities from financing activities				Net debt
		Current borrowings (Excluding current maturities of long term debt)	Non-current borrowings (including current maturities of long term debt and interest)	Supplier's credit	Lease liabilities	
As at March 31, 2020	436.97	(8,981.93)	(5,501.33)	-	(1,012.90)	(15,059.19)
Cash flows	2,839.28	8,981.93	1,043.65	(5,381.32)	91.86	7,575.40
Foreign exchange adjustments	-	-	176.21	-	-	176.21
Interest expense	-	(748.82)	(326.59)	(148.23)	(88.14)	(1,311.78)
Interest paid	-	748.82	342.22	148.23	88.14	1,327.41
As at March 31, 2021	3,276.25	-	(4,265.84)	(5,381.32)	(921.04)	(7,291.95)
Cash flows	(145.67)	-	1,691.97	1,862.69	105.15	3,514.14
Foreign exchange adjustments	-	-	61.67	-	-	61.67
Interest expense	-	(483.60)	(203.29)	(263.39)	(79.15)	(1,029.43)
Interest paid	-	483.60	212.22	263.39	79.15	1,038.36
As at March 31, 2022	3,130.58	-	(2,503.27)	(3,518.63)	(815.89)	(3,707.21)

## 35. Additional Information required by Schedule III

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

Name of the entities	Net Assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total com- prehensive income	Amount
<b>Company</b>								
Subros Limited								
March 31, 2022	99.75%	82,170.70	99.11%	3,220.21	101.99%	72.50	99.15%	3,292.71
March 31, 2021	99.73%	79,297.06	98.57%	4,671.25	99.28%	92.99	98.58%	4,764.24
<b>Joint Venture (Investment as per equity method) - Indian</b>								
Denso Subros Thermal Engineering Centre India Private Limited (formerly known as Denso Subros Thermal Engineering Centre India Limited)								
March 31, 2022	0.25%	205.04	0.89%	28.94	-0.99%	(0.71)	0.85%	28.23
March 31, 2021	0.27%	214.39	1.43%	67.86	0.72%	0.68	1.42%	68.54
<b>Total</b>								
March 31, 2022	100.00%	82,375.74	100.00%	3,249.15	100.00%	71.79	100.00%	3,320.94
March 31, 2021	100.00%	79,511.45	100.00%	4,739.11	100.00%	93.67	100.00%	4,832.78

Refer note 5(a)(ii) for details of interest in joint venture company consolidated using equity method of accounting.

## 36. Dues to micro and small enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows:- [Refer note 11(d)]

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

Particulars	March 31, 2022	March 31, 2021
(i) Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	228.77	170.14
(ii) Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end (Refer note below)	-	26.03
(iii) Principal amount paid to suppliers registered under the MSMED ACT, beyond the appointed day during the year (Refer note below)	-	667.62
(iv) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year (Refer note below)	-	-

(v) Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year (Refer note below)	-	-
(vi) Interest due and payable towards suppliers registered under MSMED Act for payments already made (Refer note below)	-	3.14
(vii) Further interest remaining due and payable for earlier years (Refer note below)	-	20.31

Note: Interest outstanding as on March 31, 2021 has been written back during the year based on confirmations received from MSME vendors confirming that no interest under the MSMED Act is payable to them and accordingly no further accrual of interest has also been made, where applicable.

37. The Supreme Court of India has passed an order dated February 28, 2019 in the matter of The Regional Provident Fund Commissioner (II) West Bengal vs. Vivekananda Vidyamandir & Ors in Civil Appeal No. 6221 of 2011 and few other linked cases. In the said order, the Supreme Court has clarified the definition of the Basic Wage under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant financial impact and accordingly, no provision has been made in these Consolidated Financial Statements. The Company and its joint venture will continue to monitor and evaluate its position based on future events and developments.

38. The Company and its joint venture have considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these Consolidated Financial Statements for the year ended March 31, 2022. While assessing the carrying value of its assets and liabilities, the Company and its joint venture have considered internal and external information available, and based on such information and assessment, have concluded that no further adjustments are required to be made to these Consolidated Financial Statements. However, given the evolving scenario and uncertainties with respect to nature and duration, the impact of the pandemic may differ from that estimated as at the date of approval of these Consolidated Financial Statements. The Company and its joint venture will continue to closely monitor any material changes to future economic conditions.

39. The Consolidated Financial Statements were approved by the Board of Directors and authorized for issue on May 24, 2022.

40. Previous year figures have been regrouped and reclassified wherever necessary to conform to the current year classifications.

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

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

**Rajib Chatterjee**  
Partner  
Membership No :057134

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

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

Place : Gurugram  
Date : May 24, 2022

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

**Rakesh Arora**  
Company Secretary  
ICSI Membership No:- A8193

Place : New Delhi  
Date : May 24, 2022





## Our Plants



Noida Plant - 1



Noida Plant - 2



Pune Plant



Manesar Plant - 1



Manesar Plant - 2



Chennai Plant



Karsanpura



Nalagarh

## Our Technical Centres



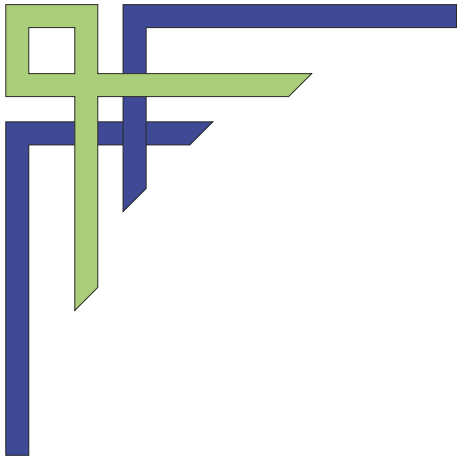
Subros Technical Engineering Centre



Subros Tool Engineering Centre



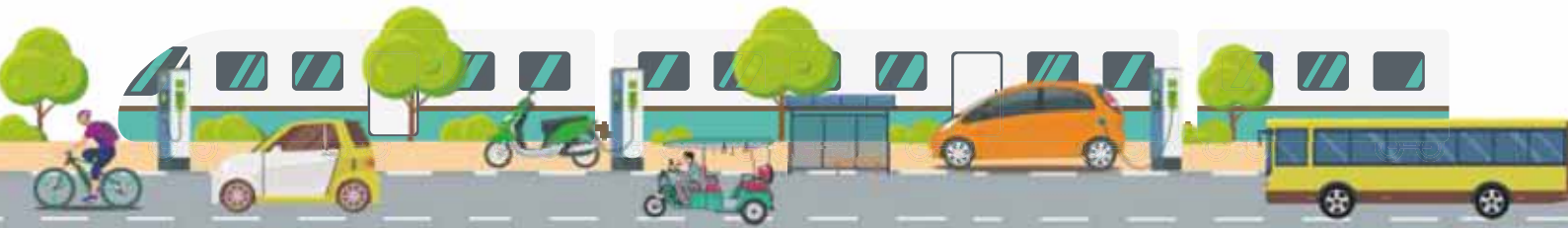




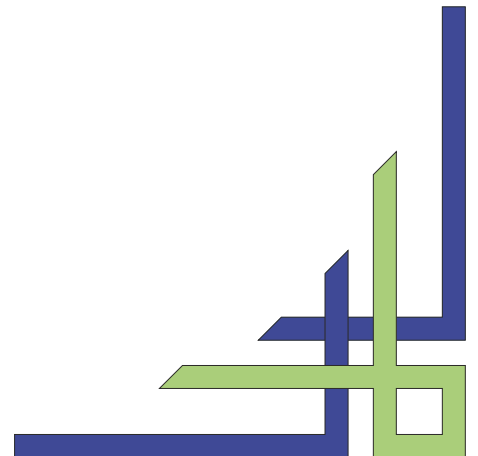
***DENSO***

**Subros**

**SUZUKI**



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



**SUBROS LIMITED**

Regd. Office: LGF, World Trade Centre, Barakhamba Lane, New Delhi-110001  
(CIN:- L74899DL1985PLC020134)

Phone: 011-23414946-49 Fax: 011-23414945 E-mail: [rakesh.arora@subros.com](mailto:rakesh.arora@subros.com), Website: [www.subros.com](http://www.subros.com)

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the **37<sup>th</sup> Annual General Meeting** of the Members of SUBROS LIMITED will be held on **Friday the 5<sup>th</sup> August, 2022 at 11.00 a.m.** IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company.

**ORDINARY BUSINESS**

- To receive, consider and adopt:
  - Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 together with the reports of the Board of Directors and the Auditors thereon; and
  - Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with the report of the Auditors thereon.
- To declare dividend on equity shares for the financial year ended on March 31, 2022.
- To appoint a Director in place of Mr. Kenichi Ayukawa (DIN: 02262755), who retires by rotation and, being eligible, offers himself for re-appointment.
- To re-appoint Statutory Auditors of the Company**

To consider and, if thought fit, to pass with or without modification(s), the following as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications(s)/ re-enactment thereof), M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants (Firm Registration No. 012754N/N500016) having offered themselves for re-appointment, be and are hereby re-appointed as the Statutory Auditors of the Company for a second term of five consecutive years to hold office from the conclusion of this (37<sup>th</sup>) Annual General Meeting till the conclusion of the 42<sup>nd</sup> Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** approval be and is hereby accorded for payment of statutory audit fees/remuneration of Rupees Fifty Two Lakhs plus applicable taxes, out of pocket expenses and other services to M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants, for the financial year 2022-23 and the Board of Directors of the Company be and are hereby authorised to increase and pay such statutory audit fees/remuneration as recommended by the Audit Committee and as they may deem fit for the remaining tenure of their appointment.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution the Board of Directors (including the Audit Committee of the Board or any other person(s) authorised by the Board in this regard), be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose including but not limited to determination of roles and responsibilities/scope of work of the Statutory Auditors, negotiating, finalising, amending, signing, delivering, executing, the terms of appointment including any contracts or documents in this regard, without being required to seek any further consent or approval of the Members of the Company."

**SPECIAL BUSINESS**

- To ratify and approve remuneration of Cost Auditors of the Company**

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval / ratification of the Members be and is hereby accorded to the remuneration as set out in the statement annexed to this Notice and payable to the Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2023.

**RESOLVED FURTHER THAT** the Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts and things as may be considered necessary and expedient for the purpose of giving effect to this resolution."

- To approve re-appointment of Ms. Shradha Suri (DIN: 00176902) as Chairperson & Managing Director of the Company**

To consider and if, thought fit to pass with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and other applicable provisions and rules of the Companies Act, 2013 and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof,

for the time being in force), approval of the Members of the Company be and is hereby accorded for the re-appointment of Ms. Shradha Suri as Chairperson & Managing Director of the Company (not liable to retire by rotation) for a period of 3 (three) years with effect from 12<sup>th</sup> May, 2022 and such other applicable statutes, rules, regulations and guidelines, on the remuneration and terms and conditions as detailed below:

### Terms and Conditions of Appointment

Term of Appointment: 3 years from 12<sup>th</sup> May, 2022 to 11<sup>th</sup> May 2025.

- (i) Salary: Rs. 7,61,771/- (Rupees Seven Lakhs Sixty One Thousand Seven Hundred Seventy One only) per month.
- (ii) Special Allowance(s) : 60% (Sixty percent) of Salary.
- (iii) Superannuation allowance: 15% (Fifteen percent) of Salary as per Company Policy.
- (iv) Commission: Not exceeding 2% (two percent) of the net profits of the Company for each financial year or part thereof computed in the manner laid down under Section 198 of the Companies Act, 2013, not exceeding overall ceiling on remuneration laid down in Section 197 read with Schedule V of the Companies Act, 2013.
- (v) Perquisites: Classified into three Categories A, B and C restricted to an amount equal to the annual salary.

### CATEGORY A

- (a) Housing: (i) The expenditure incurred by the Company on hiring accommodation for the Chairperson & Managing Director will be subject to 60% of the Salary; and (ii) Where the Company does not provide accommodation for the Chairperson & Managing Director, House Rent Allowance will be paid by the Company subject to ceiling laid down in clause (a)(i) above.
- (b) Medical Reimbursement: Actual medical expenses incurred by the Chairperson & Managing Director for self and family.
- (c) Leave Travel Concession: First class return Air fare with boarding & lodging for self and family once a year where leave may be spent in home country or abroad.
- (d) Personal Accident Insurance: For self and family members as per rules of the Company.
- (e) Club Fees: Fee of clubs, subject to a ceiling of two clubs. This will not include admission and life membership fees.

For the purpose of this part 'Family' means spouse and the dependent children.

### CATEGORY B

- a) Contribution to Provident Fund or annuity fund as per Company's policy and these will not be included in the computation of the ceiling on perquisites to the extent, these either singly or put together are not taxable under the Income Tax Act.
- b) Gratuity payable shall not exceed half a month's Salary for each completed year of service.

### CATEGORY C

- (a) Provision of Conveyance as per the rules of the Company. Also provision for use of chauffer driven company car for official duties.
- (b) Free Telephone facility (including at residence) as per rules of the Company.
- (c) Leave: As per rules of the Company and other perquisites, allowances, benefits, reimbursements and amenities as per the service rules of the Company, as applicable from time to time.

**RESOLVED FURTHER THAT** the aforesaid remuneration shall be payable as minimum remuneration in the event of loss and / inadequacy of profits in any of the financial year during the aforesaid period.

**RESOLVED FURTHER THAT** pursuant to Regulation 17(6)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force), approval of the Members be and is hereby accorded for payment of remuneration to Ms. Shradha Suri, Chairperson & Managing Director notwithstanding that the remuneration payable to Ms. Shradha Suri in any year exceeds Rs. 5 Crores (Rupees Five Crores only) or 2.5% of the net profits of the Company, whichever is higher or the aggregate annual remuneration of all the executive directors exceeds 5% of the net profits of the Company, during tenure of her appointment.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to vary terms and conditions of appointment and to do all such acts, deeds and things, to enter into such agreement(s), deed(s) of amendment(s) or any such document(s), as the Board may, in its absolute discretion, consider necessary, expedient or desirable including power to sub-delegate, in order to give effect to this resolution or as otherwise considered fit by the Board to be in the best interest of the Company, as it may deem fit."

### 7. To approve material related party transactions with Global Autotech Limited

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the Members be and is hereby accorded to enter into contract(s)/ arrangement(s)/ transaction(s) with Global Autotech Limited, a related party for (i) sale, purchase, lease and/ or transfer of components, parts,



products, goods, materials, assets, services or resources, ii) reimbursement of expenses including towards availing/ providing for sharing/ usage of each other's resources and iii) transfer of any resources, services or obligations to meet their business requirements during the financial year 2022-23 and upto the date of next annual general meeting of the Company for a sum upto Rs. 525 Crores (Rupees Five Hundred Twenty Five Crores only).

**RESOLVED FURTHER THAT** the Board of Directors/ Audit Committee of the Company be and is hereby authorised to do all such acts and deeds as may be deemed necessary or expedient and to take all such actions/ steps as may be required in this regard including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board/ Audit Committee in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

8. **To approve material related party transactions with Denso Haryana Pvt. Ltd.**

To consider and if thought fit, to pass with or without modification(s), if any, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, approval of the Members be and is hereby accorded to enter into contract(s)/ arrangement(s)/ transaction(s) with Denso Haryana Pvt. Ltd., a related party for (i) sale, purchase, lease and/ or transfer of components, parts, products, goods, materials, services or resources, ii) reimbursement of expenses including towards availing/ providing for sharing/ usage of each other's resources and iii) transfer of any resources, services or obligations to meet its business requirements during the financial year 2022-23 and upto the date of next annual general meeting of the Company for a sum upto Rs. 450 Crores (Rupees Four Hundred Fifty Crores only).

**RESOLVED FURTHER THAT** the Board of Directors/ Audit Committee of the Company be and is hereby authorised to do all such acts and deeds as may be deemed necessary or expedient and to take all such actions/ steps as may be required in this regard including finalizing and

executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise and to take all such decisions from powers herein conferred to, without being required to seek further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board/ Audit Committee in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

**By Order of the Board**

Rakesh Arora  
Company Secretary  
M. No. ACS8193

Place: New Delhi  
Dated: May 24, 2022

**IMPORTANT NOTES**

1. A statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the Meeting, is annexed hereto.
2. **IN VIEW OF COVID-19 PANDEMIC, PURSUANT TO THE CIRCULAR NO. 14/2020 DATED APRIL 08, 2020; CIRCULAR NO. 17/2020 DATED APRIL 13, 2020; CIRCULAR NO. 20/2020 DATED MAY 5, 2020, CIRCULAR NO. 02/2021, DATED JANUARY 13, 2021, CIRCULAR NO. 19/ 2021 DATED DECEMBER 12, 2021, CIRCULAR NO. 2/2022; DATED MAY 5, 2022 AND ALL OTHER RELEVANT CIRCULARS ISSUED FROM TIME TO TIME BY THE MINISTRY OF CORPORATE AFFAIRS, PHYSICAL ATTENDANCE OF THE MEMBERS IN THE ANNUAL GENERAL MEETING ("AGM") IS NOT REQUIRED AND GENERAL MEETING BE HELD THROUGH VIDEO CONFERENCING (VC) OR OTHER AUDIO VISUAL MEANS (OAVM). HENCE, MEMBERS CAN ATTEND AND PARTICIPATE IN THE ENSUING AGM THROUGH VC/ OAVM.**
3. **AS THE AGM SHALL BE CONDUCTED THROUGH VC / OAVM, THE FACILITY FOR APPOINTMENT OF PROXY BY THE MEMBERS IS NOT AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP INCLUDING ROUTE MAP ARE NOT ANNEXED TO THIS NOTICE.**
4. Corporate/ Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) intending to attend the AGM pursuant to Section 113 of the Act, can upload their Board Resolution/ Power of Attorney/ Authority Letter etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-Voting" tab in their login or email the same to [rakesh.arora@subros.com](mailto:rakesh.arora@subros.com).
5. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, January 13, 2021 and

**Procedure for dispatch of annual report**



May 13, 2022, notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories.

6. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.subros.com](http://www.subros.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.
7. Members may also note that the Annual Report for 2021-22 will also be available on the Company's website for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office at New Delhi for inspection during normal business hours on working days. Even after registering for e-communication, Members are entitled to receive such communication in e-mail / physical form, upon making a request for the same, by post free of cost.
8. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:
  - a. For shares held in electronic form: to their Depository Participants (DPs)
  - b. For shares held in physical form: to the Company/ Registrar and Transfer Agent in prescribed Form ISR-1 and other forms pursuant to SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021. The Company has sent letters along with Business Reply Envelopes (BRE) for furnishing the required details. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at [www.subros.com/noticetoshareholders.html](http://www.subros.com/noticetoshareholders.html) and on the website of the Company's Registrar and Transfer Agents, MCS Share Transfer Agent Ltd. at [www.mcsregistrars.com/downloads.php](http://www.mcsregistrars.com/downloads.php). It may be noted that any service request can be processed only after the folio is KYC Compliant.

Further, SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of

securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. For any assistance/ support in this regard the Members may contact the Company or the Company's Registrar and Transfer Agents, MCS Share Transfer Agent Ltd.

9. Members seeking any information with regard to any matter to be placed at the AGM, are requested to write to the Company through an email on [rakesh.arora@subros.com](mailto:rakesh.arora@subros.com).

#### **Procedure for attending / joining the AGM through VC / OAVM**

10. NSDL will be providing facility for voting through remote e-Voting, for participation in the 37<sup>th</sup> AGM through VC / OAVM facility and e-Voting during the 37<sup>th</sup> AGM.
11. Members may note that the VC / OAVM facility, allows participation of at least 1,000 Members on a first come-first-served basis.
12. Members will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com> by using their remote e-voting login credentials and selecting the link available against the EVEN for Company's AGM.
13. Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned below in the Notice.
14. **Facility of joining the AGM through VC/ OAVM shall open 30 minutes before the time scheduled for the AGM and will be available for Members on first-come first-served basis.**
15. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or toll free no.1800-1020-990.
16. Members attending the AGM through VC /OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

#### **Procedure for raising questions / clarifications**

17. Members are encouraged to express their views / send their queries in advance mentioning their name demat account number / folio number, email id, mobile number at [rakesh.arora@subros.com](mailto:rakesh.arora@subros.com). Questions / queries received by the Company till 5.00 p.m. on, 30<sup>th</sup> July, 2022 shall only be considered and responded during the AGM.
18. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time for the AGM.

#### **Procedure for remote e-voting and e-voting at the AGM**

19. (i) All the shareholders of the Company including retail individual investors, institutional investors, etc. are





encouraged to attend and vote in the AGM to be held through VC / OAVM.

- (ii) In compliance with the provisions of Section 108 of the Act read with Rule 20 of Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations (including any statutory modification(s) and/or re-enactment(s) thereof for the time being in force), Members are provided with the following alternatives by which they may cast their votes by electronic means through the remote e-Voting platform provided by the National Securities Depository Limited (NSDL).

(iii) **The remote e-Voting period will commence on 2<sup>nd</sup> August, 2022 at 9.00 am and will end on 4<sup>th</sup> August, 2022 at 5.00 pm. The remote e-Voting module will be disabled by NSDL for voting thereafter. Instructions and information relating to e-Voting are as follows:**

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**


In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.


**Login method for Individual shareholders holding securities in demat mode is given below:**



Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “ <b>Beneficial Owner</b> ” icon under “ <b>Login</b> ” which is available under ‘ <b>IDeAS</b> ’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “ <b>Access to e-Voting</b> ” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

2. If you are not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select “**Register Online for IDeAS Portal**” or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
4. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.

**NSDL Mobile App is available on**





Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>2. After successful login of Easi/ Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> </ol>
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	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800-1020-990 and 1800-22-44-30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 022-23058542-43

**B) Login method for e-Voting and joining virtual meeting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- (i) Visit the e-Voting website of NSDL. Open web browser by typing the following URL:<https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- (ii) Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section.

- (iii) A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- (iv) Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- (v) Password details for shareholders other than individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
- c) How to retrieve your ‘initial password’?
  - i. If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mail box. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.



- ii. If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
- (vi) If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on **“Forgot User Details/Password?”** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number / folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- (vii) After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
- (viii) Now, you will have to click on “Login” button.
- (ix) After you click on the “Login” button, Home page of e-Voting will open.

### **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system**

#### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

- (i) After successful login at Step1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
- (ii) Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
- (iii) Now you are ready for e-Voting as the Voting page opens.
- (iv) Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
- (v) Upon confirmation, the message “Vote cast successfully” will be displayed.
- (vi) You can also take the printout of the votes cast by you by clicking on the print option on the

confirmation page.

- (vii) Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General information/guidelines**

- a) Institutional Shareholders / Corporate Members (i.e. other than individuals, HUF, NRI, etc.) are requested to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorised signatory(ies) who are authorised to vote, to the Scrutinizer by email to [contact@csrsm.com](mailto:contact@csrsm.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on **“Upload Board Resolution / Authority Letter”** displayed under **“e-Voting”** tab in their login.
- b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or at 8376913413.

#### **Process for those Shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

- (i) In case shares are held in physical mode please provide Folio No., Name of Shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), Aadhaar (self attested scanned copy of Aadhaar Card) by email to [rakesh.arora@subros.com](mailto:rakesh.arora@subros.com).
- (ii) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account Statement, PAN (self attested scanned copy of PAN card), Aadhaar (self attested scanned copy of Aadhaar Card) to [rakesh.arora@subros.com](mailto:rakesh.arora@subros.com). If you are individual shareholders holding securities in demat mode, you are requested to refer to the login method explained

**at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

- (iii) Alternatively Shareholder / Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- (iv) In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**The instructions for Members for E-voting on the day of the AGM are as under:-**

- I. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- II. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- III. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- IV. The details of the person who may be contacted or any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**Instructions for Members for attending the AGM through VC/OAVM are as under:**

- a. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General Meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- b. Members are encouraged to join the Meeting through Laptops for better experience.

- c. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- e. Members who have cast their votes by remote e-Voting prior to the AGM may also attend/participate in the Meeting through VC/ OAVM but they shall not be titled to cast their vote again.
- f. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital in the Company as on the cut-off date i.e. 29<sup>th</sup> July, 2022.
- g. Any person, who acquires shares of the Company and becomes Member of the Company after the Company sends the Notice of the 37<sup>th</sup> AGM by email and holds shares as on the cut-off date i.e. cut-off date i.e. 29<sup>th</sup> July, 2022, may obtain the User ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- h. Shri Ravi Sharma, Practicing Company Secretary (Membership No. FCS-4468 & CP No. 3666), Partner, M/s. RSM & Co., Company Secretaries have been appointed as the Scrutinizer for providing facility to the Members of the Company to scrutinize the e-voting process in a fair and transparent manner.
- i. The Chairperson shall, at the AGM, allow voting with the assistance of Scrutinizer, by use of electronic voting for all those Members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
- j. The Scrutinizer shall after the conclusion of voting at the AGM, declare the results not later than two working days of the conclusion of the AGM, along with a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairperson or a person authorized by her in writing, who shall countersign the same and declare the result of the voting forthwith. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.subros.com](http://www.subros.com) and on the website of



NSDL, BSE Ltd. and National Stock Exchange of India Ltd.

- k. Documents open for inspection: All the documents referred to in the accompanying notice and the statement pursuant to Section 102 (1) of the Companies Act, 2013 shall be available for inspection through electronic mode. Members are requested to write to the Company on [rakesh.arora@subros.com](mailto:rakesh.arora@subros.com) for inspection of said documents; and the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members during the AGM, upon Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com>.

#### Dividend related information

**20. The Register of Members and the Share Transfer Books of the Company will remain closed from 30<sup>th</sup> July, 2022 (Saturday) to 5<sup>th</sup> August, 2022 (Friday) (both days inclusive) for the purpose of payment of dividend for the financial year ended March 31, 2022 and the Annual General Meeting.**

21. Dividend of Rs. 0.70 per equity share as recommended by the Board of Directors for the year ended March 31, 2022 is subject to the approval by the Members at the ensuing Annual General Meeting.
22. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change in bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form are requested to register their bank particulars or changing bank particulars already registered against their respective folios for payment of dividend and are requested to inform the Company / RTA.
23. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company for any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
24. Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested submit their PAN/ bank details to the Company

/ Registrar & Transfer Agent. Also SEBI has informed that securities of listed companies can be transferred only in dematerialised form. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise equity shares held by them in physical format the earliest.

- 25. TDS ON DIVIDEND:** Pursuant to the Income-tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of Members with effect from 1<sup>st</sup> April, 2020 and therefore, the Company shall be required to deduct tax at source (TDS) from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories, Members are requested to refer to the Finance Act, 2020 and amendments thereof.

Members are requested to update their Permanent Account Number ("PAN") with the Company and depositories (in case of shares held in demat mode).

For Resident Shareholders, tax shall be deducted at source under Section 194 of the Income-tax Act, 1961 @ 10% on the amount of Dividend declared and paid by the Company during the Financial Year ("FY") 2021-22 provided PAN is provided by the shareholder. **If PAN is not submitted, TDS would be deducted @ 20% as per Section 206AA of the Income-Tax Act, 1961.** However, no TDS shall be deducted on the Dividend payable to a resident Individual if the total dividend to be received during FY 2022-23 does not exceed Rs.5,000. Separately, in cases where the shareholder provides Form 15G (applicable to any person other than a Company or a Firm)/Form 15H (applicable to an Individual above the age of 60 years), no tax at source shall be deducted provided that the eligibility conditions are being met. Needless to say, PAN is mandatory. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

In order to provide exemption from withholding of tax, the following organizations must provide a self-declaration as listed below:

- **Insurance Companies:** A declaration that they are beneficial owners of shares held.
- **Mutual Funds:** A declaration that they are governed by the provisions of Section 10(23D) of the Act along with copy of registration documents (self-attested).

Other categories may provide requisite documents in accordance with the Income-Tax Act, 1961.

For Non-resident Shareholders, taxes are required to be withheld in accordance with the provisions of section 195 of the Income Tax Act, 1961 at the applicable rates in force. As per the relevant provisions of section 195 of the said Act, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) on the amount of Dividend payable to them. In case of Foreign Portfolio Investors / Foreign Institutional Investors, the withholding tax shall be as per the rates specified in Section 196C and 196D of the Act respectively plus applicable surcharge and cess on the amount of Dividend payable to them. However, as per Section 90 read with Section 195 of the Income-Tax Act, the non-resident shareholder has the



option to be governed by the provisions of the Double Tax Avoidance Agreement (“DTAA”) between India and the country of tax residence of the shareholder, if they are more beneficial to them. For this purpose, i.e. to avail the Tax Treaty benefits, the non-resident shareholder will have to provide the following:

- (a) Self-attested true copy of Tax Residency Certificate (“TRC”) obtained from the tax authorities of the country of which the shareholder is resident for the Financial Year 2021-22;
- (b) Self declaration in Form10F;
- (c) Self-attested true copy of the PAN Card if allotted by the Indian Income Tax authorities;
- (d) Self-declaration, certifying that the (i) Shareholder is and will continue to remain a tax resident of the country of its residence during the Financial Year 2022-23;(ii) Shareholder is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on dividend declared by the Company; (iii)Shareholder has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner; (iv) Shareholder does not have a taxable presence or a Permanent Establishment (“PE”) in India during the Financial Year 2022-23. In any case, the amounts paid/payable to the Shareholder are not attributable or effectively connected to the PE or fixed base, if any, which may have got constituted otherwise; (v) Shareholder is the ultimate beneficial owner of its shareholding in the Company and dividend receivable from the Company; and (vi) Non-resident shareholder is satisfying the Principle Purpose Test as per the respective tax treaty effective 1<sup>st</sup> April, 2020 (if applicable).

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by the Non-Resident shareholder. Members may submit the aforementioned documents to the Company on or before 29<sup>th</sup> July, 2022 in order to enable the Company to determine and deduct appropriate tax. No communication on the tax determination/ deduction may be entertained post 29<sup>th</sup> July, 2022.

It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents from the Shareholders, there would still be an option available with the Shareholders to file the return of income and claim an appropriate refund, if eligible.

The Company may arrange to email the soft copy of TDS certificate to the Shareholders at the registered email ID in due course, post payment of the said Dividend.

26. The Company has transferred the unpaid or unclaimed dividends declared upto financial year 2013-14, from

time to time, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company as on the date of the previous Annual General Meeting on the website of the Company and the same can be accessed through the link: [www.subros.com](http://www.subros.com). The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, during financial year 2021-22, transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer. Details of shares transferred to the IEPF Authority are available on the website of the Company and the same can be accessed through the link: [www.subros.com](http://www.subros.com). The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: [www.iepf.gov.in](http://www.iepf.gov.in).

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned Members are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> or contact the Registrar & Transfer Agent for lodging claim for refund of shares and/ or dividend from the IEPF Authority.

27. M/s Price Waterhouse Chartered Accountants LLP, Chartered Accountants (Firm Registration No. 012754N/ N500016) has been proposed to be re-appointed as the Statutory Auditors of the Company for a second term of five consecutive years.
28. Additional information pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards in respect of the Director(s) seeking appointment/re-appointment at the Annual General Meeting is annexed hereto and forms integral part of the Notice.

#### **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No.4**

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The Members at the 32<sup>nd</sup> Annual General Meeting (“AGM”) of the Company held on September 18, 2017, had approved the appointment of M/s Price Waterhouse Chartered Accountants LLP (“PwC”), Chartered Accountants (Firm Registration No.: 012754N/ N500016), as Statutory Auditors of the Company, to hold office till the conclusion of the 37<sup>th</sup> AGM.

After evaluating and considering various factors such



as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on May 24, 2022, proposed the re-appointment of PwC, Chartered Accountants (Firm Registration No.: 012754N/N500016), as the Statutory Auditors of the Company, for a second term of five consecutive years from the conclusion of 37<sup>th</sup> AGM till the conclusion of 42<sup>nd</sup> AGM of the Company, at a remuneration of Rs. 52,00,000/- (Rupees Fifty Two Lakhs only) excluding applicable taxes, other services and out of pocket expenses for the financial year 2022-23. The other terms & conditions for the entire term and remuneration including, inter-alia, the expenses for remaining tenure of the Statutory Auditors will be decided by the Board of Director.

PwC have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

PwC is a member firm of the Price Waterhouse India Network of Firms and is registered with the Institute of Chartered Accountants of India. PwC is more than 100 years old in India and have offices in around 8 cities. The registered office is at Sucheta Bhawan, 11A, Vishnu Digambar Marg, New Delhi 110002. PwC audits various companies listed on stock exchanges in India.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

#### **Item No.5**

The Board on the recommendation of the Audit Committee has approved the re-appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31,2023 as per the following details:

Name of the Cost Auditor	Industry	Audit Fees
M/s. Chandra Wadhwa & Co.	Automotive	Rs. 3.50 Lakhs

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified / approved by the Members of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2023.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice.

The Board of Directors recommends passing of the resolution as set out at Item No. 5 of this Notice as an Ordinary Resolution.

#### **Item No. 6**

Ms. Shradha Suri was initially appointed as Managing Director of the Company with effect from May 12, 2008 for a period of 5 years. Thereafter, she was re-appointed as Managing Director for a period of 3 years in year 2013, 2016 and 2019.

She was re-designated as Chairperson & Managing Director by the Board of Directors in its meeting held on 26<sup>th</sup> May, 2021.

It is now proposed to re-appoint Ms. Shradha Suri as Chairperson & Managing Director for a further period of three years w.e.f. 12<sup>th</sup> May, 2022 on the terms and conditions, inter alia, as set out in the proposed resolution which is in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Nomination & Remuneration Committee in its meeting held on 28<sup>th</sup> March, 2022 recommended her re-appointment & remuneration for the period of 3 (three) years with effect from May 12, 2022. The Board of Directors in its meeting held on 29<sup>th</sup> March 2022, on the recommendation of Nomination & Remuneration Committee approved her reappointment & remuneration, subject to approval of Members for a period three years commencing from May 12, 2022.

Ms. Shradha Suri is Master of Science in International Marketing Management, London (U.K) and Master of Science in Information Systems from LSE (U.K). Ms. Shradha Suri has been an active player in the Automotive Industry. During her tenure as the Chairperson & Managing Director, the Company has made significant all round growth and progress including planning, production process, operations and also forayed into Home AC segment. Ms. Shradha Suri has been pursuing the goal of building a world-class Auto Component Manufacturing Company and the Company has achieved substantially under her able leadership. Ms. Shradha Suri possesses high business acumen and the Company has achieved a phenomenal growth under her leadership. Your Directors recommend her re-appointment for a further period of 3 years as Chairperson & Managing Director. In terms of Regulation 17(6)(e) of the Listing Regulations the approval of Members by way of Special Resolution is sought for paying remuneration in the event the same during the term of appointment exceed the stipulated ceilings.

### **1. GENERAL INFORMATION**

- (i) **Nature of the Industry:** The Company is a part of Indian Auto Ancillary Components Manufacturing Industry and is engaged in the business of manufacturing Automotive Air Conditioning Systems for its various customers viz. Maruti Suzuki, Tata Motors, Mahindra & Mahindra, Renault Nissan and Force Motors etc. at its plants located in Noida, Manesar, Pune, Karsanpura, Chennai and



Nalagarh. The auto ancillary industry is a high technology industry with continuous advancement of technology.

- (ii) **Date of commencement of commercial production:** October 1, 1985
- (iii) **Financial Performance:** The financial performance (Standalone) of the Company (audited) during last three years is as under:

(Rs. in Crores)

Financial parameters	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022
Revenue from operations (excluding excise duty)	1992.80	1795.65	2238.64
Net profit before taxation	123.67	55.73	45.38
%age of Dividend	40%	35%	35%

- (iv) **Foreign investments or collaborations:** The Company has entered into a Joint Venture with Denso Corporation, Japan, and Suzuki Motor Corporation, Japan, for the manufacture of Automotive Air Conditioning Systems in the year 1985. Denso Corporation, Japan and Suzuki Motor Corporation, Japan holds 20 percent and 11.96 percent respectively in the equity share capital of the Company.

## 2. INFORMATION ABOUT THE APPOINTEE

- (i) **Background Details:** The appointee is a Master of Science in International Marketing Management, London (U K) and Master of Science in Information Systems from LSE (U K). She has experience of over 24 years in the Air-conditioning, Automotive Components Manufacturing, Process Control, Design, Quality Assurance, Marketing and Research & Development. Ms. Shradha Suri's functional expertise lies in area of technology, marketing, corporate planning, strategy formulation and its implementation.
- (ii) **Past Remuneration:** Rs. 242.42 Lakhs during the FY 2021-22.
- (iii) **Recognition or awards:** The Company has won numerous awards and accolades from customers and external agencies.
- (iv) **Job profile and suitability:** The appointee will be re-appointed as Chairperson & Managing Director of the Company and is responsible for the management of the whole of affairs of the Company. Keeping in view of her experience and knowledge, she is best suited for the position.
- (v) **Remuneration Proposed:** As per details mentioned in the resolution.
- (vi) **Comparative remuneration profile with respect to industry, size, profile of the position and**

**person:** The appointee is a Master of Science in International Marketing Management, London (UK) and Master of Science in Information Systems from LSE (UK). She has experience of over 24 years in the manufacture of Automotive Air-conditioning Systems, Automotive Components, Process Control, Design and Quality. She has proved her expertise in very effective manner and drove the Company towards the growth over a period of time and also successfully sailed the Company through Covid -19 pandemic. Hence, the remuneration proposed is justified and commensurate with other companies in the auto sector.

- (vii) **Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any:** Except to the extent of her employment with the Company, receipt of rent and dividend, she does not have any pecuniary relationship directly or indirectly with the Company or has any relationship with the managerial personnel.

### 3. OTHER INFORMATION: Not applicable

### 4. DISCLOSURE

The disclosure has been mentioned in the Board of Director's Report under the heading "Corporate Governance".

None of the Directors / Key Managerial Personnel of the Company / their relatives are, except herself and Dr. Jyotsna Suri are in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 6 of the Notice.

The Board recommends passing of the resolution as set out in Item No. 6 of this Notice as a Special Resolution.

#### Item No. 7

The Securities and Exchange Board of India ("SEBI"), vide its notification dated November 9, 2021, has notified SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ("Amendments") introducing amendments to the provisions pertaining to the Related Party Transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The aforesaid amendments inter-alia include replacing of current threshold of 10% of the annual consolidated turnover of the listed entity for determination of material Related Party Transactions requiring prior Shareholders' approval with the threshold of lower of Rs. 1,000 Crores (Rupees One thousand Crores) or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. The amended provisions have become applicable w.e.f April 1, 2022. Further, SEBI vide its circular dated 08.04.2022 clarified that, the omnibus approval of material related party transactions, obtained from Shareholders in an AGM shall be valid upto the date of the next AGM for a period not exceeding fifteen months.



Global Autotech Limited is 'related party' within the meaning of Section 2(76) of the Companies Act, 2013 and Listing Regulations. Therefore, in terms of the provisions of Section 188 of the Companies Act, 2013 and the Listing Regulations the contracts/ arrangements/ transactions as mentioned in the resolution to be entered into with Global Autotech Limited which are likely to exceed 10% (ten percent) of the annual consolidated turnover of the Company ("Material Related Party Transactions") requires prior approval of the Shareholders of the Company by way of an Ordinary Resolution.

The particulars of the Material Related Party Contracts/ Arrangements/ Transactions are as under:

Name of the related party: Global Autotech Limited.

Name of the Director or KMP who is related and relationship: Dr. Jyotsna Suri, Director and Ms. Shradha Suri, Chairperson & Managing Director.

Material terms of the Contracts/Arrangements/ Transactions: The transactions are on a continuous basis (on arm's length basis and in ordinary course of business) during the period commencing from April 1, 2022 till next Annual General Meeting.

Monetary Value: The value of transactions/ proposed transactions are expected to be Rs. 525 Crores upto the next AGM.

Other information: Global Autotech Limited is a vendor and all prices are agreed based on market competitiveness at the arm's length basis and the transactions are in ordinary course of business.

The material Contracts/ Arrangements/ Transactions with Global Autotech Ltd. have been approved by the Audit Committee and Board of Directors of the Company.

None of the Directors or Key Managerial Personnel of the Company (except Dr. Jyotsna Suri and Ms. Shradha Suri, Directors) are concerned or interested, financial or otherwise, in the Resolution set out at Item No. 7 of the Notice.

The Board of Directors recommends passing of the resolution as set out at Item No. 7 of this Notice as an Ordinary Resolution.

#### **Item No. 8**

The Securities and Exchange Board of India ("SEBI"), vide its notification dated November 9, 2021, has notified SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021 ("Amendments") introducing amendments to the provisions pertaining to the Related Party Transactions under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). The aforesaid amendments inter-alia include replacing of current threshold of 10% of the annual consolidated turnover of the listed entity

for determination of material Related Party Transactions requiring prior Shareholders' approval with the threshold of lower of Rs. 1,000 Crores (Rupees One Thousand Crores) or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity. The amended provisions have become applicable w.e.f April 1, 2022. Further, SEBI vide its circular dated 08.04.2022 clarified that, the omnibus approval of material related party transactions, obtained from Shareholders in an AGM shall be valid upto the date of the next AGM for a period not exceeding fifteen months.

Denso Haryana Private Limited is 'related party' within the meaning of Section 2(76) of the Companies Act, 2013 and Listing Regulations. Therefore, in terms of the provisions of Section 188 of the Companies Act, 2013 and the Listing Regulations the contracts/ arrangements/ transactions as mentioned in the resolution to be entered into with Denso Haryana Private Limited which are likely to exceed 10% (ten percent) of the annual consolidated turnover of the Company ("Material Related Party Transactions") requires prior approval of the Members of the Company by way of an ordinary resolution.

The particulars of the Material Related Party Contracts/ Arrangements/ Transactions are as under:

Name of the related party: Denso Haryana Private Limited.

Name of the Director or KMP who is related and relationship: Mr. Yasuaki Matsunaga, Director is a common Director.

Material terms of the Contracts/Arrangements/ Transactions: The transactions are on a continuous basis (on arm's length basis and in ordinary course of business) during the period commencing from April 1, 2022 till next Annual General Meeting.

Monetary Value: The value of transactions/ proposed transactions are expected to be Rs. 450 Crores upto the next AGM.

Other information: All prices are agreed based on market competitiveness at the arm's length basis and the transactions are in ordinary course of business.

The material Contracts/ Arrangements/ Transactions with Denso Haryana Private Limited have been approved by the Audit Committee and Board of Directors.

None of the Directors or Key Managerial Personnel of the Company, except Mr. Yasuaki Matsunaga, Director, is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 8 of this Notice.

The Board of Directors recommends passing of the resolution as set out at Item 8 of this Notice as an Ordinary Resolution.



The relevant information pursuant to SEBI circular vide. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021 in respect of Resolution No. 7 and 8 are given below:

S. No	Particulars	Resolution No. 7	Resolution No. 8
a.	Type, material terms and particulars of the proposed transactions	<p>Transactions with respect to:</p> <p>(i) sale, purchase, lease and/ or transfer of components, parts, products, goods, materials, assets, services or resources</p> <p>(ii) reimbursement of expenses including towards availing / providing for sharing/ usage of each other's resources and</p> <p>(iii) transfer of any resources, services or obligations to meet their business requirements.</p> <p>The transactions are being entered on regular basis at the arm's length basis and are in ordinary course of business.</p>	<p>Transactions with respect to:</p> <p>(i) sale, purchase, lease and/ or transfer of components, parts, products, goods, materials, assets, services or resources</p> <p>(ii) reimbursement of expenses including towards availing / providing for sharing/ usage of each other's resources and</p> <p>(iii) transfer of any resources, services or obligations to meet their business requirements.</p> <p>The transactions are being entered on regular basis at the arm's length basis and are in ordinary course of business.</p>
b.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Global Autotech Limited (Shareholding)	Denso Haryana Private Limited (Common directorship)
c.	Tenure of the proposed transactions	April 1, 2022 till next Annual General Meeting.	April 1, 2022 till next Annual General Meeting.
d.	Value of the proposed transactions	Rs. 525 Crores (Rs. 350 Crores for FY 2022-23 and Rs. 175 Crores from end of FY 2022-23 till the next AGM)	Rs. 450 Crores (Rs. 300 Crores for FY 2022-23 and Rs. 150 Crores from end of FY 2022-23 till the next AGM)
e.	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transactions (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided)	15.63% (pro rata for the financial year)	13.4% (pro rata for the financial year)
f.	<p>If the transactions relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary</p> <p>i) details of the source of funds in connection with the proposed transactions</p> <p>ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments</p> <p>- nature of indebtedness</p> <p>- cost of funds</p> <p>- tenure</p> <p>iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security</p> <p>iv) the purpose for which the funds will be utilised by the ultimate beneficiary of such funds pursuant to the RPTs</p>	Not Applicable	Not Applicable



S. No	Particulars	Resolution No. 7	Resolution No. 8
g.	Justification as to why the RPTs are in the interest of the listed entity	Global Autotech Limited is a vendor and has required capacity and is a leading supplier to various OEMs and has requisite manufacturing competency to supply the components. It helps the Company to ensure timely supply of quality and critical components at competitive prices based on market competitiveness at the arm's length basis and the transactions are in ordinary course of business.	Denso Haryana Private Limited. part of Denso Group, Japan has required manufacturing capacity and competency to supply the components. It will help the Company to ensure timely supply of high quality parts/ components. The prices are agreed based on market competitiveness at the arm's length basis and the transactions are in ordinary course of business.
h.	A copy of the valuation or other external party report, if any such report has been relied upon	The transaction do not contemplate any valuation	The transaction do not contemplate any valuation
i.	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transactions will be made available through the registered email address of the shareholders	Not Applicable	Not Applicable
j.	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPTs on a voluntary basis	Nil	Nil
k.	Any other information that may be relevant	<p>(i) prices are agreed based on market competitiveness at the arm's length basis and the transactions are in ordinary course of business.</p> <p>(ii) None of the Directors, Key Managerial Personnel of the Company or their respective relatives (except Dr. Jyotsna Suri and Ms. Shradha Suri) are concerned or interested financially or otherwise in Item No. 7 of the Notice except to the extent of their shareholding, if any, in the Company.</p> <p>(iii) All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.</p>	<p>(i) prices are agreed based on market competitiveness at the arm's length basis and the transactions are in ordinary course of business.</p> <p>(ii) None of the Directors, Key Managerial Personnel of the Company or their respective relatives (except Mr. Yasuaki Matsunaga) is concerned or interested financially or otherwise in Item No. 8 of the Notice.</p> <p>(iii) All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.</p>

**By Order of the Board**

Rakesh Arora  
Company Secretary  
M. No. ACS8193

Place: New Delhi  
Dated: May 24, 2022

**Registered Office:**

Lower Ground Floor, World Trade Centre, Barakhamba Lane,  
New Delhi 110 001  
(CIN: L74899DL1985PLC020134)  
Email: [rakesh.arora@subros.com](mailto:rakesh.arora@subros.com)  
Website: [www.subros.com](http://www.subros.com)

Additional information on Director recommended for re-appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard-2		
Particulars	Mr. Kenichi Ayukawa (DIN:02262755)	Ms. Shradha Suri (DIN:00176902)
Age (years)	66	44
Qualification	Law graduate from Osaka University, Japan	Master of Science in International Marketing Management, London (U.K) and Master of Science in Information Systems from LSE (U.K)
Experience and expertise	Over 42 years. He joined Suzuki Motor Corporation, Japan in 1980 and worked at various levels there including General Manager, Overseas Marketing, Administration Department and Managing Director of Pak Suzuki Motor Company Limited. He joined the Board of Maruti Suzuki India Limited in 2008 as a non-executive director and appointed as Managing Director on 1 <sup>st</sup> April, 2013. Thereafter, he was appointed as Whole-time Director designated as Executive Vice-Chairman for a period of six months with effect from 1 <sup>st</sup> April, 2022.	She has experience of over 24 years in the Air-conditioning, Automotive Components Manufacturing, Process Control, Design, Quality Assurance, Marketing and Research & Development. Ms. Shradha Suri's functional expertise lies in area of technology, marketing, corporate planning, strategy formulation and its implementation.
Terms & Conditions of appointment/ Reappointment	Liable to retire by rotation.	As detailed in the resolution and explanatory statement
Details of Remuneration sought to be paid	N.A.	As detailed in the resolution and explanatory statement
Remuneration last drawn	Nil	As per existing terms and conditions
Date of first appointment on the Board	29.07.2013	12.05.2000
Shareholding in the Company (including shareholding as a beneficial owner)	Nil	5587040
Relationship with other Directors, Manager and Key Managerial Personnel	None	None
Number of board meeting(s) attended during the year	Six	Six
Other directorships	<p><b>Public Companies:</b> Maruti Suzuki India Limited Krishna Maruti Limited SKH Metals Limited</p> <p><b>Private Companies:</b> Maruti Suzuki Toyotsu India Private Limited Denso India Private Limited</p>	<p><b>Public Companies:</b> Asahi India Glass Ltd. Rohan Motors Ltd. Uniparts India Ltd. Prime Cellular Ltd Primatel Fibcom Ltd. Sona BLW Precision Forgings Ltd.</p> <p><b>Private Companies:</b> Prima Infratech Pvt. Ltd. GLOBALYDK Electric Pvt. Ltd R.R. Holdings Pvt. Ltd.</p> <p><b>Other Companies:</b> Automotive Component Manufacturers Association of India</p>
Memberships / Chairpersonship of committees	<p><b>Maruti Suzuki India Limited</b> Member - Stakeholders' Relationship Committee Member - CSR Committee Member - Risk Management Committee</p>	<p><b>Asahi India Glass Ltd.</b> Member - Stakeholders' Relationship Committee Member - Audit Committee Member - Nomination &amp; Remuneration Committee Member - Risk Management Committee</p> <p><b>Sona BLW Precision Forgings Ltd.</b> Chairperson - Nomination &amp; Remuneration Committee Member - Corporate Social Responsibility Committee</p> <p><b>Primatel Fibcom Ltd.</b> Member - Audit Committee</p>
Name of listed entities from where the person has resigned in the past three years	None	None

