





Airconditioning of Cars, Buses, Refrigerated Vans & Trains *you thought its a Child's play!*

Imagine what it takes to become India's **No.1 Automotive Air Conditioning Company** - an experience of more than 25 years, and collaboration with Denso Corp. Japan-Global Leaders in thermal technology. Confidence of 8 million satisfied customers across India. Truly speaking, its not child's play, but a combination of technology, innovation and hard work.

A JV Company of Suri Group, Denso and Suzuki Motors, Japan.



Compressors



HVAC



RS-Evaporator



Condenser



Engine-Cooling



Bus AC



Reefer Container



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Corporate Information

Board of Directors

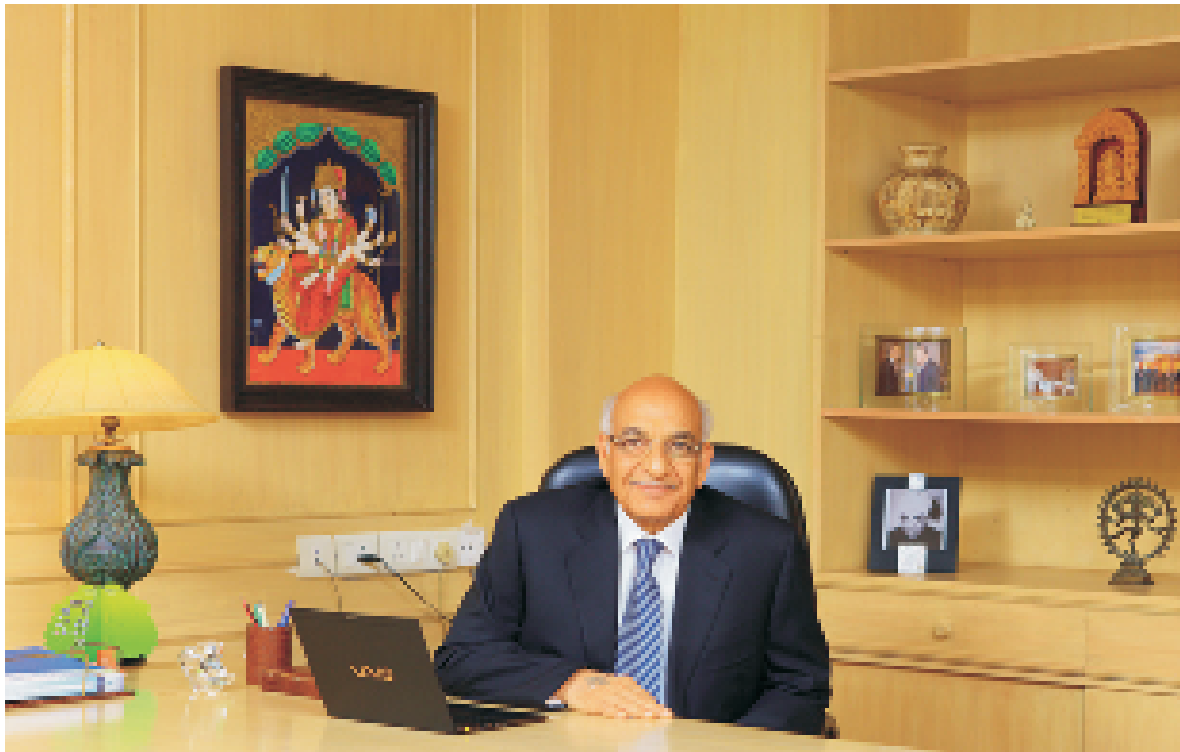
- | | |
|--|--|
| 1. Mr. Ramesh Suri
Chairman | Main Bankers
Canara Bank,
Prime Corporate Branch-2
World Trade Tower, Barakhamba Lane
New Delhi-110 001 |
| 2. Dr. Jyotsna Suri | |
| 3. Ms. Shradha Suri
Managing Director | |
| 4. Mr. D.M. Reddy
Executive Director | Auditors
M/s. V.K. Dhingra & Co.,
Chartered Accountants
1-E/15, Jhandewalan Extension,
New Delhi |
| 5. Mr. S. Nishimura
(Denso Corporation, Japan) | |
| 6. Mr. S. Nakanishi
(Suzuki Motor Corporation, Japan) | |
| 7. Mr. Y Kajita
(Alternate Director to Mr. S Nishimura) | Regd. Office
LGF, World Trade Centre,
Barakhamba Lane,
New Delhi 110 001
Phone No: 011-23414946 - 49
Fax:011-23414945 |
| 8. Mr. P. Sabanayagam
I.A.S. (Retd.) | |
| 9. Mr. G.N. Mehra
I.A.S. (Retd.) | |
| 10. Mr. Shailendra Swarup | |
| 11. Mr. K.R. Ramamoorthy | |
| 12. Mr. Hanuwant Singh | |
| 13. Mrs. Meena Sethi | |



Chairman and Top Management Team



From the desk of the Chairman



Dear Shareholders,

I have the pleasure in presenting the Annual Report along with the audited accounts of your company for the year ended 31st March 2013.

In line with the increasing demand for its products, Subros is investing in the Automobile manufacturing Hubs of Pune and Chennai. Construction work at the Chennai plant is in its final stage and operations are slated to start from Q2 of FY 14.

I would like to express my special thanks and deep appreciation to all the employees of Subros for their commitment and dedication to meet the Company's goals. I would like to express my gratitude to my customers and JV partners for their continued support and guidance. Finally, I would also like to express my deep appreciation to you, our shareholders, for your continuing interest in Subros business activities and assure you that your company will, as always, live up to your expectations.

Ramesh Suri
Chairman



From the desk of the Managing Director



Dear Shareholders,

The Year 2012-2013 was a year of challenges for the industry and for us at Subros as well, we were faced with high volatility in commodity and fuel prices as well as in foreign exchange, this was backed by low growth and sluggish sales at the customer end thus putting the entire automotive Industry under pressure in India. Despite these issues your company grew at 14% top line with a strong positive outlook for the coming year. Subros has outperformed the growth of industry for passenger vehicles, which grew only at 4%. The reason for this was our decision to have deeper penetration at existing customers and at the same time focus on strategic expansion in key market segments.

In terms of Profits, your company's EBITDA grew to 10.46% from 9.72% due to successful localization program for various Heat Exchangers. However the PBT has remained stagnant primarily due to impact of appreciating Yen vs. US dollar during the past 2 years. Your company has had some achievements in terms of various recognitions from the Customers and External and Independent evaluating bodies.

As part of our long-term strategy, your company has decided to diversify its product and customer portfolio. During the year, we have made significant progress in this area, by launching a range of Bus ACs, Refrigerated Containers for Trucks and Rail Engine ACs. Further, Subros is now set to commence operations at its plant in Chennai in the current calendar year which will cater to the needs of its customers in the southern

part of the country largely commercial vehicles, aftermarket and passenger car manufactures in the south as we have already started receiving new business from the region from Renault-Nissan, Ashok Leyland-Nissan and Bharat Benz for Passenger Car and Commercial Vehicle AC components.

Your company has also made significant progress in technology development in line with its long-term product roadmap by investing in design and development of new Heat Exchangers and Compressors. These efforts are in addition to the Transfer of Technology from Denso for new

generation products. Besides this, The Subros Tool Room has achieved a significant milestone by starting supplies of heavy tools and moulds to Denso Subsidiaries. This will pave the way for significant business development in areas of Production Tooling's.

So while the year has had its challenges we have been able to stay above and ahead of the Market. However we know that the year ahead will be equally tough as industry is pegged to grow only marginally and this will be backed by continuous volatility in currency and commodities. In order to have sustained growth and improved profitability your Company will continue to focus on material cost reduction by localization and business cost reduction via enhancing productivity. The focus will also be on leveraging IT and R&D for profitable growth backed by stronger training and talent building within the company. The aim is to make a lean and agile organization that can sustain the nuances and variations of the internal and external environment.

Since inception your company has focused on continued customer satisfaction and cost leadership and we will continue to strive to achieve these and have added "GROWTH with PROFITABILITY" as a major area of focus.

I would like to once again thank all our stakeholders for their continued support and belief in the company and its values.

Shradha Suri Marwah
Managing Director



Company Update

Subros Limited, founded in 1985, is a joint venture public limited company with 40% ownership by Suri family of India and 13% ownership each by Denso Corporation & Suzuki Motor Corporation of Japan, is the leading manufacturer of thermal products for automotive applications in India, in technical collaboration with Denso.

OUR CUSTOMERS

MARUTI  **SUZUKI**



NISSAN



Mahindra REVA

Performance Growth



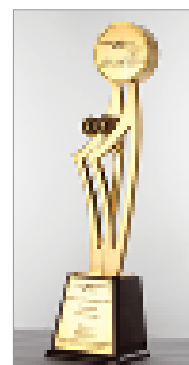


Milestones & Recognitions

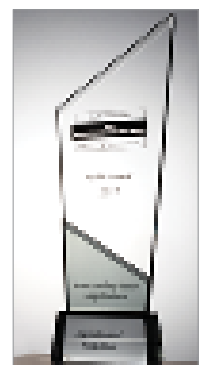
YEAR	MILESTONES	AWARDS/ CERTIFICATION
2012-13	<ul style="list-style-type: none"> Subros launches Transport Refrigeration Systems 	<ul style="list-style-type: none"> MSIL Gold Trophy for overall performance MSIL Shield for System Audit Rating MSIL Shield for Focused Cost Down MSIL Certificate for Inner Part Localization The Economic Times Gold Award for India Manufacturing Excellence
2011-12	<ul style="list-style-type: none"> Capacity 1.5 Million AC Kits 1 Lakh AC Kits delivered in March Bhoomi Poojan of Chennai Plant 	<ul style="list-style-type: none"> MSIL Gold Trophy for overall excellence and Awards for R&D Set up in India, Special support by vendor to MSIL, Warranty Performance, Design & Development and certificate for Incoming Quality. TML Award for excellence in Cost efficiency. ACMA Gold Award for Manufacturing Excellence (Noida Plant) ACMA Silver Award for Excellence in Technology
2010-11	<ul style="list-style-type: none"> Capacity 1.2 Million AC kits Start of Denso Subros Engineering Centre India Limited (A JV of Denso & Subros) Localization of RS Evaporator 	<ul style="list-style-type: none"> MSIL Gold Trophy for overall excellence and Awards for Warranty Improvement Tier 2 - Supplier Upgradation, VA/VE &, Timely Capacity Addition TML Award for Cost Efficiency Mahindra & Mahindra Award for SPDPerformance sustainability. Gold Award in Auto Ancillary Sector (Large category) from India Manufacturing Excellence Award (IMEA) ACMA Bronze Award for Excellence in Manufacturing



Ms Shraddha Suri MD Subros receiving Gold trophy for Overall performance from Ayukawa San MD MSIL



MSIL Gold trophy for Overall performance



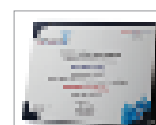
ET Gold Award for India Manufacturing Excellence



Mr. D M Reddy President & ED Subros receiving Certificate for inner part localization from Mr. Maitra, Sr MEO MSIL



Mr. D M Reddy President & ED Subros receiving Shield for focused cost down from K Asai San Director Engineering MSIL



MSIL Certificate for Inner Part Localization



MSIL Shield for Focused Cost Down & System Audit Rating





Product Range

Subros' product range spans across Auto Air-conditioning and Engine Cooling systems for Passenger as well as Commercial vehicles. The company manufactures compressors, HVACs, pipings and heat exchangers to suit various vehicle configurations.

Subros products are backed by technology from its JV partner Denso who are the world leaders in their domain.





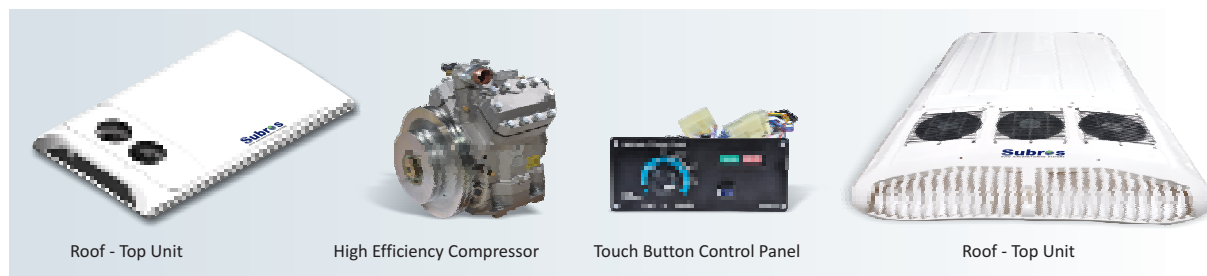
Commercial Vehicle AC

Subros provide a complete range of Bus Air conditioners & Transport Refrigeration Solutions.

Bus AC



Subros provides complete range of Air conditioners ranging from 4 KW to 36 KW capacity suitable for ambulances and buses (4m to 12m). High cooling performance and air flow volume have been achieved by the introduction of highly efficient evaporator and condenser, and lowering air flow resistance. Fuel saving has been achieved by increased refrigeration cycle efficiency with the introduction of new multi-flow condensers. All Subros ACs use environment friendly R-134a refrigerant.



Transport Refrigeration Solutions

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





Social Responsibilities

Subros as a responsible corporate citizen is committed to the social, environmental and economic development of the communities in which it operates and in doing so build a better, greener and sustainable way of life for present and future generations.

Environmental Activities

Subros's commitment to a cleaner and healthier environment extends to all aspects of corporate activity. The company is using non-CFC Refrigerant since 2002. We also have an efficient waste recycling plant, rain water harvesting facility and minimal use of paper in the company. Subros is also part of the Green Delhi NCR campaign and sponsors trees and green areas across the city. This initiative has now been extended to all Metros.

Social Activities

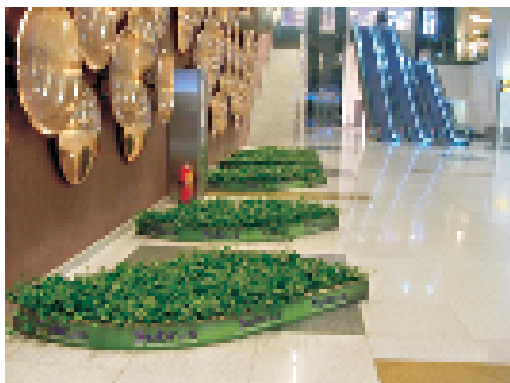
Subros aims to make a difference to mankind. We organize various welfare activities for our people. The company also has sponsored treatment to various young children suffering from cancer.



Tree plantation on World Environment Day, 5th June



Blood donation camp on Founder's Day



Noida: Clothes distribution drive



Greening at Indira Gandhi International Airport



Greening at Manesar IMT



Greening at Noida



Management Discussion and Analysis

1. Industry Outlook

Despite turbulence, the Indian economy has shown a moderate growth of approx 5% (as per data released by the Central Statistics Office (CSO)) in 2012-13 and projected to grow at approx 6% growth in 2013-14 on the back of higher savings and investment rates, even as most of the Asia-Pacific economies are likely to expand at a slower pace.

Similar to last two years, Indian Auto Industry has shown unparallel slower trend of growth as compared to economic growth, which is approx 3% due to many economic and industrial reasons. The 2013-14 outlook for the Indian auto industry is also looking stressed, driven by the expectation that the credit metrics of most companies, though may weaken, will continue to be in line with values expected during a cyclical downturn.

However, inflation rates, volatile Foreign Exchange fluctuation, unbalanced fuel price scenario and unstable political economic scenario are a concern area which has impact on our industry through control actions taken by the financial institutions. Though Foreign exchange especially Yen is improved a lot which has been a positive for the business, also the gap between petrol price and Diesel price is also narrowing down and will have favorable impact on our business.

Our top customer Maruti Suzuki India Limited despite all turbulence due to their Industrial relation issues have managed to register moderate growth of 3% in 2012-13. Mahindra and Mahindra has been able to register an unprecedented growth of 27% in this year. This is encouraging sign for the company. However, MSIL has set target for 2013-14 to catch up the shortfall of past year and has a growth target of 8-10%.

Regarding the commercial vehicles (CVs) segment, it is likely to register overall volume growth of 8-10% in 2013-14, driven largely by the sales of light commercial vehicles (LCVs). This high volume will come as CVs are more dependent on consumer non-discretionary activities and less on industrial activity.

While the industry has made big strides over the last decade towards improving internal efficiency and thereby partially offsetting input cost pressures, efficiency alone may be insufficient going forward for players to use as a lever to combat cost headwinds. In view of this, the Management believes that annual average growth in automobile industry in next 5 years would be around 8-10%. Auto Sector will remain stable even as competition-led pricing pressure amid muted sales will lead to a drop in operating profitability and a consequent weakening of coverage and leverage indicators. It is expected that Indian Auto industry shall touch 5 million vehicle production mark by 2016-17.



2 Business Performance

Despite the turbulent time, Company's Gross Sales increased from Rs. 1235 crores in 2011-12 to Rs. 1435 crores in 2012-13 an increase of 16% over the previous year and the volume has increased to 955850 HVAC kits during the year 2012-13 as against 852925 HVAC kits during the last year 2011-12, having an increase of 12%.

Earnings Before Interest Tax and Amortization (EBITA) has increased from 9.72% of net sales in the year 2011-12 to 10.46% of net sales in the year 2012-13. However, the operational profit of the company was impacted due to high Interest cost, commodity price and foreign exchange fluctuation.

In view of high foreign exchange impact, the Company has continued with its efforts to improve the level of localization of various imported parts. Various VA/VE activities were initiated along with active participation with supplies to improve efficiency of operations. During the current year the company has localized SFA II Heater core technology and also set up another line for RS Evaporator with the strong technological support of our partner Denso Corporation, Japan, besides these other key localization projects are under implementation stage whose benefit in reduction of Material cost will be visible in coming years.

Company is witnessing continuous improvements in operation activities and has been continuously have been receiving various awards and recognition from the Customer and other external agencies. The details are mentioned herein below

- a) Maruti Suzuki Gold Trophy for Best Vendor Award for overall performance
- b) Maruti Suzuki Shields for Focused Cost Down and System Audit Rating
- c) Maruti Suzuki Certificate for Inner part Localisation
- d) Economic Time India Manufacturing Excellence Awards IMEA- Gold
- e) Rated no. 1 in Innovation Adaptation and rated no. 3 in Customer focus by Frost and Sullivan ratings of Indian Manufacturing Industry for sustainability.
- f) Excellence award in various Quality Circle initiatives.

3. Human Resources

The Company is taking sufficient steps for employee engagement and motivation. This has resulted in reduction of employee turnover. Also the Company is taking external expertise services from E&Y for improving employee engagement activities and strengthening lot of other employee satisfaction areas.

Employee training activities are also well emphasized in the company, which are in line with competency matrix and training need identified thru performance review of each employee. This will give focus approach for individual skill enhancement. Your company focuses on recruiting and retaining the best talent in the industry moreover company provide them proper



induction, training and knowledge up gradation for the individual as well as organizational growth.

Human resource is the most import element of the organization. Our core values are Discipline, Trust, Integrity, Work Style. Core value are established to align all the people in the organization in the direction of achieving stated goals all throughout the organization.

4. Supply Chain Management

Subros continues to build and maintain sustainable relationships with it's supply chain particularly in relation to long-term strategic direction of the business. The strength in the relationship can be seen from the fact that more than 60% of our suppliers have been associated with the company for more than 20 years. Also Subros has been regularly organizing the supplier conference aimed at achieving competitive edge in the changing market scenario. Vendor management is critical to Subros, as nearly 71% of the Net Sales is currently made up of material cost, we are continuously building efficient supply chain to meet customer objective on Delivery, Quality, Cost & Development Aspects.

The Company's Vendor Management System using Information Technology tools enhanced its coverage across the network of Vendor throughout the country. The system enables the Company and its Vendor to have real time access to information on Vendor operations, Vendor information and feedback.

5. Research & Development

New product and technology development have been the strongest reason for the Company Leadership, over the last three decades. Our state of the art Research & Development Centre at Noida is fully used for product development for new product / technology / model launches. The Joint Venture Company DSEC (Denso Subros Thermal Engineering Services) is taking care of application design and allied services for new models to be launched by our OEM's. This is bringing expertise and experience of Denso engineers to work with Indian talent and develop high technology solution at low cost with short lead time for Indian market and this will be key to achieve the goals of the company.

6. Information Technology

Core business processes of production, logistics, upstream and downstream supply chain operations of the Company are built strongly thru IT (SAP). The combination of Japanese management wisdom on shop floor management, MPS and Indian IT systems is a potent one. The Company has strong Information Technology deployment for Decision Support System such as SAP, PLM, CAD, CAE, Project Management system, Vendor extranet etc. It has helped generate process efficiencies and lean operations. It also helps manage complexity and scale, both in house and with vendors.



The Company's main goal of IT is to create companywide IT enabled work environment to have high level of manpower engagement through Work flow automation and to provide each individual with need base information/ Data and to help each individual to integrate into company's work environment by networking with related work groups for his work/career progression.

Key factor involving the IT strategy are New Investment, increase skill inventory, continuous monitoring and innovative practices.

7. Internal Controls and their Adequacy

Company has in place systems of internal control which are commensurate with its size and nature of its operations. These have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. Further Internal audit and management reviews are conducted regularly and the reports are regularly submitted for review to the Audit Committee of the Board of Directors.

Company's Audit Committee reviews all audit reports submitted by the Internal Auditors; follows up on the implementation of various recommendations, meets the Company's statutory auditors to ascertain their views on the adequacy of internal control systems; and keeps the Company's Board of Directors informed of major operations from time to time.

8. Future Plans

In view of the growth opportunities in domestic market and proactively observing the cost pressure of the market, your company has made extensive Localisation plans and VAVE plans for the key components. The objective is to develop capabilities to provide latest technology product to the customer with low cost. Further, this will help the company to sustain growth profitably and minimize the impact of fluctuation in economic indicators.

Your Company considering the growth in the Automobile sector in general, has planned its capacity expansion at its existing facilities at Noida, Manesar and Pune, to cater to the increased demand from existing as well as new Automobiles manufacturers in India.

The Company is also setting up its facility in Chennai; Tamil Nadu for targeting Southern India based OEM. The Company is also strategically diversifying into other Thermal Engineering Products for Automobiles Sector or for other industrial uses like radiators, Engine cooling modules, Bus air-conditioning, Rail air-conditioning etc.

The Company expects growth in coming years due to increased share of business from its existing Customers and expansion of business in new business domains like Bus Air-conditioning, Truck Refrigeration and Radiators.

The company is fully equipped with the capacity to meet the demand of its Customers for the current year and finalized plan for capacity expansion to meet future demand of the industry.



9. Risks and concerns

The Company is exposed to external and internal risks associated with the business. The operations of the Company are directly dependent on the growth of Indian Automotive industry. General economic conditions impact the automotive industry, and, in turn, the operations of the Company. To counter these risks, the Company continues to broaden its product portfolio, increase customer profile and geographic reach.

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

Risk management is reviewed by the Company on a regular basis in addition to monitoring for any new risks that may arise due to changes in the external or business environments. While the possibility of negative impact due to one or more of such risks cannot be totally ruled out, the Company proactively takes conscious and reasonable steps, making efforts to mitigate the significant risks that may affect it.

Intensity of competition has increased in almost all the segments of the Indian automotive market-due to entry of new players and expansion plans of existing Competitors. The Company is aware of the increasing competition and is taking measures to remain competitive in the market place.

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

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 developments that could affect the Company's operations include a down trend in the automobile sector, significant changes in the political and economic environment in India, exchange rate fluctuations, tax laws, litigation, labour relations and interest cost.



Directors' Report

To
The Members

Your Directors are pleased to present the 28th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

	Current year 2012-13 (Rs. in Lacs)	Previous year 2011-12 (Rs. in Lacs)
Profit before interest and depreciation	13305	13755
Less: Interest and Depreciation	3592 <u>7255</u>	2591 <u>5301</u>
Net Profit before Taxation	2458	5863
Less: Taxation	<u>401</u>	<u>1023</u>
Profit after Taxation	2057	4840
Add: Profit brought forward	15069	13496
Profit available for appropriation	<u>17126</u>	<u>18336</u>
Less: Proposed Dividend	420	660
Less:- Tax on Dividend	68	107
Less:- Transfer to General Reserve	206	2500
Balance carried over to Balance Sheet	<u><u>16432</u></u>	<u><u>15069</u></u>

DIVIDEND

Your Company has earned a net profit (after tax) of Rs.2056 lacs as against Rs.4840 lacs in the previous year. Your directors recommend a dividend of Rs.0.70 per share i.e. (35%) on the paid-up equity share capital for the year ended 31st March, 2013 as against Rs.1.10 per share i.e. (55%) declared in the previous year. The dividend, if approved by the shareholders at the ensuing Annual General Meeting, shall absorb a sum of Rs.420 lacs exclusive of Dividend Distribution Tax.

BUSINESS OPERATIONS

Your Company has invested significantly for Technology upgradation, New product development and



Localisation to sustain its market leadership in future years. However, due to adverse Market situation, delayed Product launches and production disruptions at Customer end, there have been disruptions in supplies during the year. This also has led to non-realisation of benefits from the investments made and higher Inventory carrying costs.

The Markets for the OE customers stabilized in last quarter of the year to recover the business situation significantly. As a result, your company recorded an increase of 16 % in the gross turnover of Rs 1435 crores during the year as against Rs.1235 crores in the previous year. During the year under review the company has sold 955850 nos. of A.C. systems as against 852925 nos. in the previous year.

The performance of the company is also discussed in Management Discussion and Analysis, as stipulated under clause 49 of the Listing Agreement with the Stock Exchanges, which forms part of the Directors' Report.

EXPANSION AND FUTURE PROSPECTS

Your Company considering the growth in the Automobile sector in general, has planned its capacity and localization plans at its existing facilities at Noida, Manesar and Pune, to cater to the demand from existing as well as new Automobiles manufacturers in India. The Company will in the current year will start the operations from its new facilities from Chennai, Tamil Nadu for targeting Southern India based OEM.

The Company is also strategically diversifying into other Thermal Engineering Products for Automobiles Sector or for other industrial uses like Refrigerated vans, radiators, Engine cooling modules, Bus Airconditioning and Rail Airconditioning etc.

The Company expects growth in coming years due to increased share of business from its existing Customers and expansion of business in new business domains like Bus Airconditioning, Truck Refrigeration and Radiators.

AWARDS AND RECOGNITIONS

The working of your company has always been recognized for improvement in operational efficiencies, cost control, delivery etc. The Company was awarded following prestigious awards in the following categories:-

- a) Overall performance Gold Trophy from MSIL
- b) Focused Cost down shield from MSIL
- c) System Audit Shield from MSIL
- d) Inner part localization Certificate from MSIL
- e) IMEA Gold Award 2012 from Economic Times

SUBSIDIARY COMPANY

During the financial year under review THAI SUBROS LIMITED subsidiary Company in Thailand, achieved gross revenue of THB 344 Lacs as against THB 404 Lacs during the last financial year, the



sales has decreased by 15% over the last year and the company was having Loss before tax of THB 9.41 lacs during the last year as against profit before tax of THB 13.13 Lacs during the current year under review.

CONSOLIDATION OF ACCOUNT

In accordance with the Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-27 on financial reporting for interest in Joint Ventures, the Audited Consolidated Financial Statements are provided in the Annual Report.

CORPORATE GOVERNANCE

The company is committed to maintain the highest standards of Corporate Governance. The Directors adhere to the requirements set out by the Securities and Exchange Board of India's Corporate Governance practices as per clause 49 of the Listing Agreement and have implemented all the stipulations prescribed.

A separate report on Corporate Governance is provided as a part of the Annual Report alongwith the Auditors certificate on its compliance.

LISTING

The shares of your company are listed on National Stock Exchange of India Limited, the Stock Exchange of Mumbai and The Delhi Stock Exchange Association Ltd. The company has paid annual listing fee for the year 2013-14 and also paid annual custodian fee in respect of shares held in dematerialization mode to NSDL and CDSL for the year 2013-14.

FIXED DEPOSIT

During the year the Company has not received any deposits from the public under section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposit) Rules.

DEMATERIALISATION OF SHARES

To provide better and smooth service to the shareholders, the company's equity shares have been made available for dematerialization in electronic form in the Depository systems operated by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), Mumbai. In order to avail this service, shareholders can dematerialize the shares in the electronic form.

DIRECTORS

Mr. S Nishimura and Mrs. Meena Sethi who were appointed as additional director of the company with effect from 30th July, 2012 and they shall hold the office upto the ensuing Annual General Meeting of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956 requisite notice



has been received under section 257 from the member for the appointment of Mr. S Nishimura and Mrs. Meena Sethi.

The present term of Ms. Shradha Suri as Managing Director of the Company expires on 11th May, 2013. The Board of Directors at its meeting held on 22nd May, 2013 re-appointed Ms. Shradha Suri as Managing Director for a further period of 3 years w.e.f. 12th May, 2013. The requisite resolution pertaining to the re-appointment of Ms. Shradha Suri as Managing Director appears at item no. 9 of the Notice alongwith the and relevant Explanatory statement and is recommended to the shareholders for approval.

Mr. P Sabanayagam, Mr. Hanuwant Singh and Mr. S Nakanishi, Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for reappointment.

DIRECTORS' RESPONSIBILITY STATEMENT

As required under section 217(2AA) of the Companies Act, 1956, the directors hereby confirm that :-

- in the preparation of annual accounts for the year 2012-13, the accounting standards issued by the Institute of Chartered Accountants of India and the requirements of the Companies Act, 1956, to the extent applicable to the company have been followed;
- the Directors have selected such accounting policies and applied them consistently and made judgements 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 2012-13 and of the profit of the company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- the Directors had prepared the annual accounts on a going concern basis.

AUDITORS

M/s. V.K. Dhingra & Co. Chartered Accountants, New Delhi retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The notes to account referred to in the Auditors' Report are self-explanatory.

DISCLOSURE OF INFORMATION WITH REGARD TO CONSERVATION OF ENERGY ETC.

Information relating to Conservation of Energy, Technology Absorption etc., in terms of Section 217(1)(e) of the Companies Act, 1956 read with relevant rules is annexed herewith.



EMPLOYEES

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of the employees are set out in the annexure to the Directors' Report.

However, having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report is being sent to all the shareholders of the Company excluding the statement of particulars of employees under section 217(2A) of the Companies Act, 1956. Any shareholder interested in obtaining a copy of the said statement may write to the Dy. Company Secretary at the registered office of the Company.

ACKNOWLEDGEMENT

Your Directors wish to convey their appreciation to all the company's employees for their enormous efforts as well as their collective contribution to the company's performance.

Your Directors acknowledge with gratitude the co-operation and support extended by Company's Bankers, Canara & other Banks and the Management of our collaborators, Denso Corporation and Suzuki Motor Corporation, Japan for their continued support.

Your Directors also take this opportunity to convey their thanks to the Company's valued customers, particularly Maruti Suzuki India Limited, Tata Motors Limited, Mahindra & Mahindra Limited and Force Motors Limited, for the trust and confidence reposed by them in the Management for their unstinted co-operation and support provided to the Company.

Your Directors also take this opportunity to convey their thanks to the shareholders, suppliers, and all the other business associates for the continuous support given by them to the company and their confidence reposed in the management.

For and on behalf of Board of Directors

Place : New Delhi
Dated: 22nd May, 2013

RAMESH SURI
Chairman



Annexure to Directors Report (2012-13)

Part-1st

Particular required under the Companies / (Disclosure of particulars in the Report of Board of Directors) Rules, 1998.

Form A. CONSERVATION OF ENERGY

Form 'A' as prescribed by the Companies (Disclosure of Particulars In the Report of Board) Rules, 1998

-Not Applicable

1.0 RESEARCH & DEVELOPMENT

During the year, following major activities in the field of Research & Development were carried out by the Company:

1.1 Product Development :

1. Upgraded 80 cc Compressor (10SL08) developed in-house for small cars. Under introduction in Nano and Indica cars.
2. SUBROS New technology based Heater Core applied to various models such as Xenon, Alto-800.
3. An ultra slim (12 mm) variant of latest step-4 condenser is under evaluation for a new program of Tata Motor and M&M.
4. New Technology Radiators are developed in-house and under implementation for low cost micro commercial Vehicles of Tata.
5. Localized SFA-2 Heater Core Technology under TAA from Denso, Japan.
6. RS Evaporator Technology applied for Non MSIL models.
7. Application Engineering for :
 - HVAC and hoses and tubes development "Super ACE" model
 - Heater blower unit developed and implemented for "Omni, EECO" model.
 - HVAC for Alto 800.

1.2 Systems & Infrastructure :

1. Expansion of Team Center applications to include more project activities.
2. In the year 2012-13, Chennai product engineering center has started its operations for Customer faced Product Engineering activities which will lead to better and faster access to new product developments for customers based in Western & Southern part of India. Pune Product Engineering Centre got recognition from Ministry of Science and Technology for R&D benefit.

1.3 VA/VE, Localization efforts:

Implementation of New VA/VE ideas & localization in the field of

- a. HVAC
- b. Heater core
- c. Radiator



- d. Condenser
- e. RS Evaporator
- f. Receiver Drier
- g. Compressor Shaft raw material
- h. Sintered Bronze Plain Bush Bearing

BENEFITS DERIVED

1. Development of new models for existing customers has resulted in continuity of our relationship with key customers.
2. Localization and VA/VE ideas have resulted in reduction in product weight, keeping same performance on product and vehicle level, ultimately reduction in material cost and reducing the number of part thus bringing down the cost of final product. MSIL has recognized the efforts of the company in the area of cost down and awarded shield for Cost Down performance.
3. Focus on continuous upkeep and up gradation of R & D test facilities resulted in significant equipment down time and on time support for product validation.
4. With parametric design implementation development time & cycle is reducing considerably.

FUTURE PLAN OF ACTION

1. Continue development of new generation more efficient Heat Exchangers Heaters , Radiators and CRFM (Condenser Radiator Fan Module)
2. To develop, design and tooling development for tractor radiator
3. Installation of testing facility for Inter cooler and engine oil cooler which can be applied to both Off Highway and Turbo Charge Diesel Engines.
4. Design and development feasibility study and Innovations for compressors of Cars and Bus applications.
5. Design and Development of 10SL09 Compressor variant for low weight entry level car
6. Design and Development of Compressors for Mid-Bus and Large Bus AC Application
7. Application of Variable Displacement compressors for Diesel Engine Cars

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

In case of Indigenously Developed Technology

1. The Company has filed for 9 Indian patents applications (www.ipindia.nic.in) in the areas of compressors and Heat Exchangers.
2. The Company participated in International conferences in last year.

S.No.	International Conference details	Title of paper/Presentation	Date
1	ACRECONF 2013 is organised by the Delhi Chapter of ISHRAE, in association with ASHRAE	Refrigerant types, issues, trends and future options _R1234yf , in long run using Co2_ for the Vapor compression	8th & 9th Feb 2013
2	XVI Annual International Conference of the Society of Operations Management, IIT-Delhi	Achieving operational excellence by Implementing Lean New Product Development Process: A case study of an automobile product design	23.12.2012



3. The SFA-2 Heater Core technology received from collaborators Denso Corporation, Japan has been absorbed and already productionized.
4. The Step-4 Condenser indigenize Technology has been developed and productionized.

BENEFITS

- a. Indigenously developed technology will result in reduced development cost, improved performance, light weight and compact in terms of overall size.
- b. The better understanding of the exact development cycle of technology will assist in providing better solutions to the customer and will lead to its satisfaction apart from cost reduction.
- c. Future new technology development time will reduce which will give better edge to the company against the competitors.
- d. Improvement in process, productivity and quality and cost due to new techniques and localization of parts.

In case of Imported Technology

1. The Company has imported technology in collaboration with Denso Corporation, Japan and Suzuki Motor Corporation, Japan since 1986. Further, the Company has also executed new Technical Assistance Agreement with Denso Corporation, Japan for transfer of technology of MF Condenser, 10P, 10S & 10SA series Compressor and HVAC for new models, RS Evaporator, Bus AC etc.
2. Year of Import: 1986 onwards
3. The technology has been absorbed within the period of applicable Technical assistance agreements. For new models of AC systems, technology transfer is under implementation under new TAAs.

Form C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has made export of the value of Rs.406.23 lacs during the year (Previous year Rs.371.56 Lacs).

	<u>Rs. in Lacs</u>
A) Total Foreign Exchange earned	406.23
B) Total Foreign Exchange used	
I. CIF Value of Imports (Revenue Expenses)	50352.81
II. CIF Value of Imports (Capital Expenditure)	4580.21
III. Expenditure in Foreign Currency	3372.26



Corporate Governance Report

Company philosophy on code of

1. CORPORATE GOVERNANCE:

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

The Security & Exchange Board of India (SEBI) has notified corporate governance standards as per Clause 49 of the Listing Agreement. The Company had been complying with these provisions strictly and effectively. Your company acknowledges and believes that all its actions must serve the main goal of enhancing overall shareholder value on a sustained basis.

2. BOARD OF DIRECTORS

(a) Composition of Board of Directors and Directors attendance record

The composition of Board of Directors of Subros Ltd and directors' attendance record, directorship and committee position during the financial year 2012-13 is as per table given below:

Name	Category	No. of Board Meetings held during 2012-13	No. of Board Meetings attended during 2012-13	Whether attended AGM held on 30th July 2012	No. of Directorships in Companies (other than Subros Ltd, foreign & Private Companies)	Committees @ Position held in Public Companies as	
						Chairman	Member
Mr. Ramesh Suri, Chairman	Not Independent & Executive	4	4	Yes	13	2	4
Ms. Shradha Suri Managing Director	Not Independent & Executive	4	4	Yes	5	1	1
Dr. Jyotsna Suri	Not Independent & Non-Executive	4	3	Yes	12	3	0
Mr. D. M Reddy Executive Director	Not Independent & Executive	4	4	Yes	2	0	1
Mr. Shinzo Nakanishi	Not Independent & Non-Executive	4	3	No	3	0	2
Mr. Yasushi Nei *	Not Independent & Non-Executive	4	1	No	0	0	0
Mr. S Nishimura**	Not Independent & Non-Executive	4	1	No	0	0	0
Mr. P. Sabanayagam	Independent & Non-Executive	4	4	Yes	0	0	1
Mr. G.N. Mehra	Independent & Non-Executive	4	3	Yes	6	5	4
Mr. Shailendra Swarup	Independent & Non-Executive	4	3	No	3	0	1
Mr. K.R. Ramamoorthy	Independent & Non-Executive	4	4	Yes	7	2	6
Mr. Hanuwant Singh	Independent & Non-Executive	4	4	Yes	3	0	2
Mrs. Meena Sethi ***	Independent & Non-Executive	4	3	No	0	0	0
Mr. Y Kajita **** (Alternate Director)	Non Independent & Non- Executive	4	0	No	0	0	0

@ Represents chairmanship / membership of Audit Committee and Shareholders Grievance Committee Meeting.

* Resigned w.e.f 30th July, 2012

** Appointed w.e.f 30th July, 2012

*** Appointed w.e.f 30th July, 2012

****Appointed as Alternate Director to Mr. S Nishimura w.e.f 9th November, 2012



(b) Number of Board Meetings

During the financial year 2012-13, four Board Meetings were held on 28.05.2012, 30.07.2012, 09.11.2012 & 08.02.2013.

The time gap between the two Board Meetings did not exceed four months.

(c) Information supplied to the Board

The information as required under Annexure IA to Clause 49 of the Listing Agreement are made available to the Board.

(d) Remuneration Committee

A Remuneration Committee of the Board of Directors was constituted on 31.10.2002.

Composition

Mr. P. Sabanayagam	Independent non-executive	Chairman
Mr. G.N. Mehra	Independent non-executive	Member
Mr. Shailendra Swarup	Independent non-executive	Member

Meetings:- During the financial year 2012 - 13 no meeting was held.

Brief Description of terms of reference

1. Fixation of salary, perquisites etc. of all executive directors of the company, as and when any new executive director is appointed / existing executive director is re-appointed; and
2. Deciding commission payable to executive directors.

Remuneration Policy: The remuneration to the executive directors of the company is being paid as approved by the Board of Directors and shareholders of the company. Remuneration Committee would recommend remuneration for the executive directors and Managing Director before the same is considered by the Board of Directors / shareholders.

The remuneration is fixed keeping in view the overall limit laid down under the Companies Act, 1956 and also considering overall financial results of the company.

Non-Executive Directors of the Company are not being paid any remuneration other than the sitting fees for attending the meetings of the Board or Committees thereof. The detail of sitting fee paid during the year 2012-13 is as given below:-

S.No.	Name of Director	Sitting Fee for Board Meetings (Rs.)	Sitting Fee for Committee Meetings (Rs.)	Total (Rs.)
1	Dr. Jyotsna Suri	60,000	NIL	60,000
2	Mr. P. Sabanayagam	80,000	80,000	1,60,000
3	Mr. G.N. Mehra	60,000	1,95,000	2,55,000
4	Mr. K.R. Ramamoorthy	80,000	80,000	1,60,000
5	Mr. Hanuwant Singh	80,000	NIL	80,000
6	Mr. Shailendra Swarup	60,000	NIL	60,000
7	Mr. S. Nakanishi	60,000	NIL	60,000
8	Mrs. Meena Sethi	60,000	NIL	60,000
			G. TOTAL	8,95,000



Remuneration paid/payable to the Chairman, Managing Director and Executive Director for the year 2012-13 is as given below:

Sl. No	Name of the Director	Period of appointment	Salary & Allowances	Contri-butions (*)	Commission	Other Benefits	Total
1.	Mr. Ramesh Suri	16.9.2010 - 15.9.2015	48.00	0	28.88	0	76.88
2.	Ms. Shradha Suri	12.5.2008 - 11.5.2013	164.50	20.18	0	0	184.68
3.	Mr. D M Reddy	01.04.2012 - 31.03.2015	119.28	16.10	18.78	11.80	165.96
		TOTAL	331.78	36.28	47.66	11.80	427.52

(*) Represent contribution to Provident Fund and Superannuation Fund

Figures are not separately available for contribution to Group Gratuity Fund. Therefore, the same has not been included.

No performance-linked incentives are allowed to the directors.

There is no obligation on the company to pay severance fees to the directors.

The company has not issued stock option to the directors.

3. Audit Committee

The Audit Committee of the Board was constituted on 30th April, 2001 which comprises of 3 non-executive and independent directors with Mr. G.N. Mehra as Chairman.

The terms of reference are in line with the requirement of Code of Corporate Governance. The Audit Committee has the powers as provided under section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement which include amongst others:

1. 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.
2. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
3. Reviewing with management the annual financial statements before submission to the Board.
4. Reviewing with management, external and internal auditors, the adequacy of internal control systems.
5. Reviewing with the management the quarterly Financial Statements before submission to Board of Directors for approval.
6. Reviewing with the management, performance of statutory & internal auditors and adequacy of the internal control systems.
7. 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.



Composition & Attendance:

The composition of the Audit Committee, meetings and attendance thereof is as under:

Sl.No.	Name of Members	Position held	Category	No. of Meetings	
				Held during 2012-13	Attended during 2012-13
1.	Mr. G.N. Mehra	Chairman	Independent/Non-Executive	4	3
2.	Mr. P. Sabanayagam	Member	Independent/Non-Executive	4	4
3.	Mr. K.R. Ramamoorthy	Member	Independent/Non-Executive	4	4

During the year 4 (four) Audit Committee meetings were held on 28.05.2012, 30.07.2012, 09.11.2012 & 08.02.2013

Statutory Auditors, Internal Auditors and Senior Executives of the company were invited to the meetings for deliberations.

Dy. Company Secretary acts as Secretary of the Committee.

4. Management

Management discussion and analysis

The annual report has a detailed chapter on management discussion and analysis.

5. Shareholders' Grievance cum Share Transfer Committee

The Shareholders' Grievance cum Share Transfer Committee specifically looks into redressing of shareholders and investors complaints such as transfer of shares, non-receipt of shares, non-receipt of declared dividend and to ensure expeditious share transfer process. During the year ended 31st March, 2013, the Shareholders' Grievances cum Share Transfer Committee held 27 meetings on 06.04.12, 20.04.12, 04.05.12, 18.05.12, 01.06.12, 08.06.12, 22.06.12, 06.07.12, 20.07.12, 03.08.12, 17.08.12, 31.08.12, 14.09.12, 28.09.12, 12.10.12, 26.10.12, 09.11.12, 23.11.12, 07.12.12, 21.12.12, 04.01.13, 18.01.13, 01.02.13, 15.02.13, 01.03.13, 15.03.13 & 29.03.13

The composition, attendance and details of meetings of the Shareholders Grievance/Share Transfer Committee is as under:

Sl.No.	Names of Members	Designation	No. of Meetings held & attended during the year 2012-13
1	Sh. G.N. Mehra	Chairman	27
2	Sh. Ramesh Suri	Member	27

Dy. Company Secretary, is the Compliance Officer of the company.



Details of complaints received during the year 2012-13 and its disposal are as follows :

Sl.No	Nature of Complaint	Received	Disposed	Pending	Remarks
1.	Non-receipt of Dividend and share certificates after transfer / remat	5	5	Nil	All the complaints were resolved and no complaint is pending as on date.

6. Code of Conduct

The Board of Directors of the Company has adopted the 'Code of Conduct' for all the Board Members and designated members of Senior Management of the Company. All the members of the Board and designated members of Senior Management have complied with the Code of Conduct.

The company has also in place a Prevention of Insider Trading Code based on SEBI (Insider Trading) Regulation, 1992. This code is applicable to all Directors and designated employees. The code ensures prevention of dealing in shares by persons having access to unpublished price sensitive information.

Code of Conduct adopted by the company has been posted on company's website.

7 Shareholders

a) Disclosure regarding appointment or re-appointment of Directors.

Mr. P Sabanayagam, Mr. Hanuwant Singh and Sh. S. Nakanishi, Directors, retire by rotation in the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

The abbreviated resumes of Directors being re-appointed or appointed are given below:

1. Mr. P Sabanayagam

Mr. Sabanayagam is 90 years old. He is an IAS and was recruited in the first batch of the IAS in 1947. He held various positions in the State and Central Government of India since then. From 1971 till 1976, he held the post of Chief Secretary to Government of Tamilnadu and thereafter as Secretary, Education & Culture, Government of India till 1980 and retired in August, 1980.

He doesn't hold directorship in any other Company.

2. Mr. Hanuwant Singh

Mr. Hanuwant Singh, aged 63 years, is a graduate and has an experience of more than 37 years in finance.

He holds directorships/membership of the committee of directors in the following Public Limited Companies in addition to directorship on the Board of two private companies:-

- | | |
|-------------------------|-------------------|
| 1. Bharat Hotels Ltd. | Director |
| 2. Premium Exports Ltd. | Director |
| 3.. Prime Cellular Ltd | Managing Director |



3. Mr. Shinzo Nakanishi

Mr. S. Nakanishi, aged 66 years is a graduate from the Faculty of Law, Doshisha University, Japan. He joined Suzuki Motor Co. Ltd., Japan in April 1971. He has an experience of more than 40 years.

- Mr. Nakanishi joined Suzuki Motor Co., Ltd. in April 1971.
- In 1993 he was stationed at Magyar Suzuki, Hungary.
- In 1999 appointed as Director (Board Member), Overseas Automobile Marketing.
- In 2003 appointed as Managing Director (Board Member) and Executive General Manager of Overseas Automobile Marketing.
- In 2004 appointed as Senior Managing Director (Board Member) and Executive General Manager of Overseas Marketing.
- In 2006 appointed as Senior Managing Executive Officer (Board Member) and Executive General Manager of Overseas Marketing.
- Mr. Nakanishi was CEO and Managing Director of Maruti Suzuki India Limited till 31.03.13

He also holds Directorships and Membership of various committees of the Board of Directors in the following Public Limited Companies in addition to Directorship on the Board of Two foreign Companies:-

1. Maruti Suzuki India Ltd
2. SKH Metals Ltd
3. Asahi India Glass Ltd

4. Mr. S Nishimura

Mr. S Nishimura, has been nominated by the Collaborators, M/s Denso Corporation Japan, to be appointed as a Director in Place of Mr. Y Nei. Accordingly, Mr. S Nishimura was co-opted as an Additional Director on the Board of the company with effect from 30th July, 2012 in terms of Section 260 of the Companies Act, 1956 read with Article 120 of the Articles of Association of the Company. By virtue of the aforesaid section, Mr.S Nishimura holds office until the ensuing 28th Annual General Meeting of the Company.

The Company has received a notice, in writing , from a member pursuant to Section 257 of the Companies Act, 1956 indicating his intention to propose his candidature for the office of the Director of the Company liable to retire by rotation.

Date of Birth / Age :-	19th July, 1950 (62 yrs)
Educational :-	Bachelor's degree of Economics from Yokohoma
Qualification	University, Japan
Experience & Profile :-	Mr. S Nishimura is having extensive experience of 38 yr in various departments at Denso Corporation, mainly in charge of Overseas Sales & Marketing. He at presently is the Executive Director of Denso Corporation, Japan and also President & CEO of Denso International Asia Co. Ltd.

5. Mrs. Meena Sethi

Mrs. Meena Sethi was appointed as an Additional Director on the Board of the company with effect from 30th July, 2012 in terms of Section 260 of the Companies Act, 1956 read with



Article 120 of the Articles of Association of the Company. By virtue of the aforesaid section, Mrs. Meena Sethi holds office until the ensuing 28th Annual General Meeting of the Company.

The Company has received a notice, in writing, from a member pursuant to Section 257 of the Companies Act, 1956 indicating his intention to propose her candidature for the office of the Director of the Company liable to retire by rotation.

Mrs. Meena Sethi is having experience of more than 40 years in Business, she is the Managing Director of Orient Fashions Group, which is a pioneer Company in the field of Export of High end Garments. She is 68 years old and is having high reputation in the Industry circle.

Date of Birth :- 26th September, 1944 (68 yrs)

Educational :- Bachelor of Arts from Delhi University,

Qualification

She holds Directorships and Membership of the Board of Directors of 17 Private Companies

6. Ms. Shradha Suri

The present term of Ms. Shradha Suri as Managing Directors expired on 11th May, 2013. The Board of Directors in its meeting held on 22nd May, 2013 re-appointed Ms. Shradha Suri as Managing Director of the Company for a period of 3 years w.e.f 12th May, 2013 on the terms on the terms and conditions and payment of remuneration as recommended by Remuneration Committee as set out in the resolution which is in accordance with Schedule XIII of the Companies Act, 1956 as amended by the Central Government from time to time.

She also holds Directorships and Membership of various committees of the Board of Directors in the following Public Limited Companies in addition to Directorship on the Board of one foreign Company and three Private Companies:-

1 Rohan Motors Ltd	Director
2 Prima Telecom Ltd.	Director
3 Prime Cellular Limited	Director
4 Fibcom India Ltd.	Director
5 Denso Subros Thermal Engineering Centre India Ltd	Director

b) Communication to shareholders

Means of communication to shareholders:

In compliance with the requirement of Listing Agreements with the Stock Exchanges, your Company has been regularly publishing Un-audited Quarterly Financial Results in the vernacular newspapers and the results are intimated to the National Stock Exchange and the Stock Exchanges, Delhi & Mumbai, in time after they are taken on record by the Board.

Besides, the Company has also been responding to the financial analyst's queries from time to time.

Quarterly un-audited financial results were published in the Economic Times (English) / Hindustan Time, Delhi & Mumbai / Nav Bharat Times, Delhi & Mumbai and other newspapers. These results are also displayed on the company's web-site www.subros.com and as well as on the website of Securities Exchange Board of India (SEBI) / Exchanges.



The Company also uses other modes of communication with its stakeholders, such as announcements and press releases in newspapers.

c) Share Transfer

All share transfers are processed within 14 days and returned, except in cases where litigation of shareholders inter-se is involved. All records are maintained by M/s. MCS Limited, F-65, Okhla Industrial Area, Phase-I, New Delhi -110020, the Registrar having connectivity with NSDL & CDSL, for shares kept in the form of physical scripts and in dematerialised form.

d) General Body Meetings

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

Sl. No.	AGM Particulars	Date	Venue	Time
1.	27 th AGM in respect of the year (2011-12)	30th July.2012	FICCI Auditorium, Tansen Marg, New Delhi -110001.	11.00 a.m.
2.	26 th AGM in respect of the year (2010-11)	19th Sept.2011	Kamani Auditorium, 1,Copernicus Marg, New Delhi - 110001	11.30 a.m.
3.	25 th AGM in respect of the year (2009-10)	20th Sept.2010	FICCI Auditorium, Tansen Marg, New Delhi -110001.	11.00 a.m.

e) Postal Ballots

Special Resolutions were put through postal ballot and result was declared on 02.04.2012, for appointment of Mr. D.M Reddy, president & CEO as Executive Director of the Company with effect from 01/04/2012 for the period of three years i.e. upto 31/03/2015.

8) Disclosures

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

During the year under review, the company has not entered into any transaction with its promoters, the Directors or the management, their relatives etc. which in the opinion of Board was materially significant that had potential conflicts with the interest of the Company.

(b) Compliance by the Company

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

(c) Disclosure of Accounting Treatment

There is no deviation in the treatments prescribed in any Accounting Standards in preparation of financial statements for the year 2012-2013.



(d) **Risk & Management**

The company has laid down the procedure to inform the Board members about the risk management and minimization procedures. These procedures are being periodically reviewed to ensure that management controls risk through means of a properly defined framework.

(e) **Certification from CEO and CFO**

The requisite Certification from the Managing Director and Chief Financial Officer required under sub clause - V of clause 49 of the Listing Agreement has been placed before the Board of Directors of the Company.

(f) **Compliance with mandatory requirements and adoption of non mandatory requirements of clause 49 of the Listing Agreement**

The Company has complied with the mandatory requirements prescribed under clause 49 of the Listing Agreements. A certificate from the Statutory Auditors of the Company to this effect has been included in this report.

The Company has not adopted any non-mandatory requirements of clause 49 of the Listing Agreements except for the constitution of the Remuneration Committee.

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

This is to confirm that the Company has adopted a Code of Conduct for its Board of Directors and Senior Management and the same is available on the Company's website.

I confirm that the Company has in respect of the financial year ended 31st March, 2013, received from the Members of the Board and Senior officers of the company a declaration of compliance with the Code of Conduct as applicable to them.

For the purpose of this declaration, Senior Officers mean the Dy. Company Secretary and employees of the Assistant General Managers level & above as on 31st March, 2013.

Place: New Delhi

Dated: 22nd May, 2013

SHRADHA SURI
MANAGING DIRECTOR



Auditors' Certificate on Corporate Governance

To,
The Members of
SUBROS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by SUBROS LIMITED for the year ended 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.
2. The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the abovementioned Listing Agreements
4. We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders Grievance-cum-Share Transfer Committee.
5. 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 V.K. DHINGRA & CO.,
CHARTERED ACCOUNTANTS
Firm Registration No. 000250N**

**Place: New Delhi
Dated: 22nd May, 2013**

**(V.K. DHINGRA)
PARTNER
Membership No. 14467**



Investor Information

S.No.	Salient Items of Interest	Particulars
I.	AGM Date	29th July, 2013 Monday
II.	AGM Time	11.00 A M
III.	AGM Venue	FICCI AUDITORIUM, TANSEN MARG, NEW DELHI - 110001
IV.	Financial Calendar Quarterly Results 30.06.2013 30.09.2013 31.12.2013 31.03.2014	01.04.2013 to 31.03.2014 Board Meetings to be held on or before 14.08.2013 14.11.2013 14.02.2014 30.05.2014
V.	Date of Book Closure	19.07.2013 - 29.07.2013 (Both days inclusive)
VI.	Dividend Payment Date	28.08.2013
VII.	Listing on Stock Exchanges	1. Delhi Stock Exchange Association Ltd DSE House, 3/1 Asaf Ali Road New Delhi 110001 2. The Stock Exchange Mumbai Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400001 3. National Stock Exchange of India Ltd., 'Exchange Plaza' Bandra-Kurla Complex Bandra (East), Mumbai-400 051.
VIII.	Stock Code Demat ISIN No for NSDL /CDSL	5824 - Delhi Stock Exchange 517168 - Mumbai Stock Exchange 3324 - National Stock Exchange INE 287B01021
IX.	Registrar & Share Transfer Agents	M/s. MCS Limited, Srivenkatesh Bhavan, F - 65, Okhla Industrial Area, Phase I, New Delhi 110 020.
X.	Share Transfer System	Shares lodged in physical form are processed and returned, duly transferred, within 14 days normally, except in the cases where litigation is involved. In respect of shares held in dematerialised mode, the transfer takes place instantaneously between the transferor, transferee and the Depository Participant through electronic debit/credit of the accounts involved.
XI.	Dematerialisation of shares & liquidity	As at March 31, 2013 Demated - 20060 Shareholders (35.29% of the total Shareholders) Demated -4,68,72,452 Shares (78.14 % of the total Shares) .
XII.	Outstanding GDRs/ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.	Not Applicable
XIII.	Plant Location	Noida Plants:- C-51 Phase II, Noida B-188 Phase II, Noida B-198 Phase II, Noida B-216 Phase II Noida Manesar Plant: 395/ 396, sector -8, IMT Manesar, Haryana. Pune Plant : B- 8 & 9 , MIDC Indl. Area, Chakan Taleegaon Road, Chakan Pune 410501. Sanand Plant:- E-1, TML Vendor Park, Sanand Gujrat Chennai Plant:- A-20/1, SIPCOT Industrial Growth Centre, Oragadam, Chennai, Tamil Nadu
XIV.	Address for correspondence	Regd. Office: LGF, World Trade Centre, Barakhamba Lane, New Delhi 110001.


Market Price Data: High/Low During each Month of 2012 - 13 on B.S.E.

Month	Mumbai Stock Exchange		Volume
	High (Rs.)	Low (Rs.)	Nos. of Shares
April, 2012	40.25	24.00	2502274
May, 2012	35.25	28.00	575814
June, 2012	38.15	30.55	707900
July, 2012	38.40	27.00	433041
Aug. 2012	31.85	27.00	197930
Sept. 2012	32.80	26.05	480252
Oct. 2012	31.90	25.60	226813
Nov. 2012	33.75	26.25	1371788
Dec. 2012	33.45	29.20	283581
Jan. 2013	32.00	26.00	425200
Feb. 2013	29.60	25.00	298236
March, 2013	26.30	22.80	106957

Market Price Data: High/Low During each Month of 2012-13 on N.S.E.

Month	National Stock Exchange		Volume
	High (Rs.)	Low (Rs.)	Nos. of Shares
April, 2012	40.00	24.50	3108628
May, 2012	35.35	28.10	887085
June, 2012	38.40	30.75	1290766
July, 2012	38.35	27.05	692318
Aug. 2012	31.55	27.00	383981
Sept. 2012	34.95	26.30	926215
Oct. 2012	31.90	25.60	380876
Nov. 2012	33.80	26.30	2698150
Dec. 2012	33.20	29.35	532755
Jan. 2013	31.85	25.90	899834
Feb. 2013	29.50	24.75	663123
March, 2013	26.30	19.50	235761

Distribution of Shareholding as on March 31, 2013

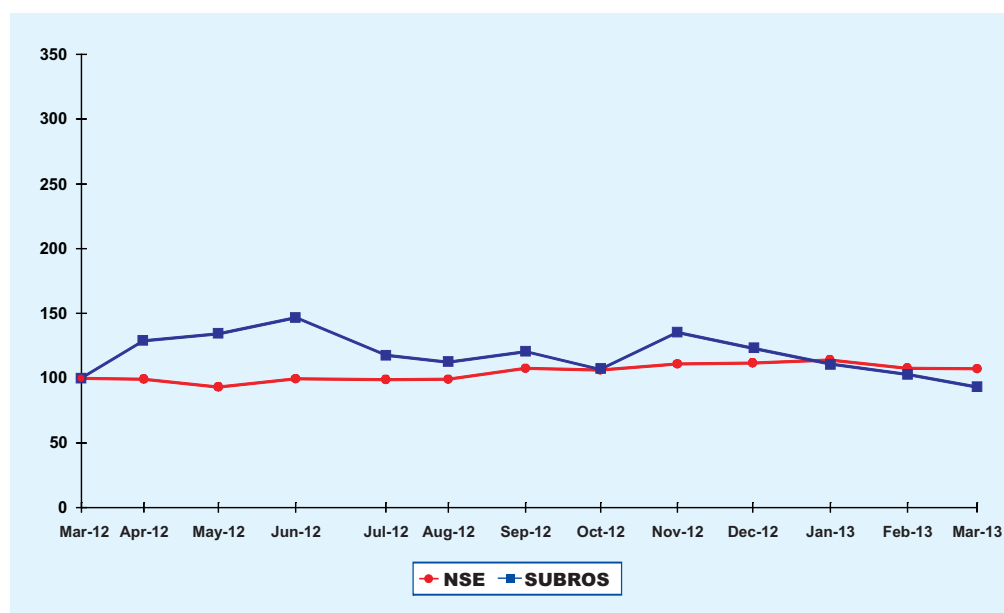
(Face Value Rs. 2/- per share)

Shareholdings of Nominal Value of Rs.	No. of Shareholders	% of Shareholders	No. of Shares Held	% of Shareholding
0,001 - 0,500	52289	91.98	2448977	4.08
0,501 - 01,000	2219	3.90	1920452	3.20
01,001 - 02,000	1281	2.25	2039611	3.40
02,001 - 03,000	341	0.60	895747	1.49
03,001 - 04,000	191	0.34	675432	1.13
04,001 - 05,000	162	0.29	789292	1.32
05,001 - 10,000	188	0.33	1416832	2.36
10,001 - 50,000	134	0.24	2795197	4.66
50,001 - 1,00,000	8	0.01	537712	0.90
100001 and above	31	0.06	46469348	77.46
Total	56844	100.00	59988600	100.00

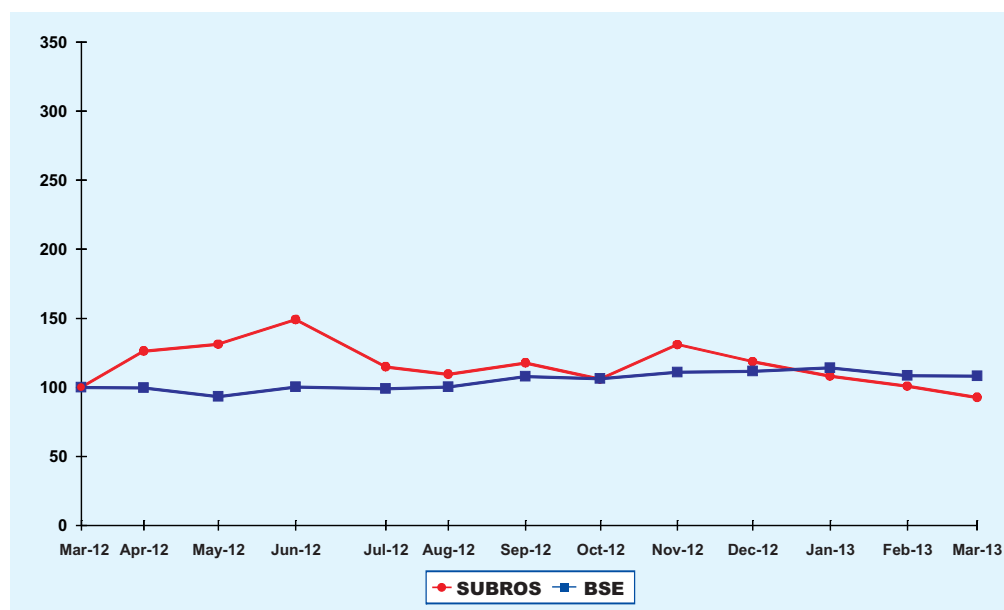
The Percentage of Total Shares (4,68,72,452) Dematerialised is about 78.14%


Shareholding Pattern as on March 31, 2013

Type	NSDL (Demat)	CDSL (Demat)	Physical	Total Shares
Promoters	2,40,00,000	—	—	2,40,00,000
Foreign Collaborators	78,00,000	—	78,00,000	1,56,00,000
Foreign Institutional Investors	30,000	—	6,500	36,500
Banks, Mutual Funds	2,26,076	—	—	2,26,076
Insurance Co's	3,49,015	—	—	3,49,015
Non Resident Indian	3,92,934	59,821	—	4,52,755
Corporate Bodies	15,81,288	4,95,325	28,53,760	49,30,373
Indian Public	88,31,276	31,06,717	24,55,888	1,43,93,881
TOTAL	4,32,10,589	36,61,863	1,31,16,148	5,99,88,600

Share Performance vis -a - vis - NSE Sensex


NOTE :- Both prices are indexed at 100 as on 31 March-2012

Share Performance vis -a - vis - BSE Sensex


NOTE :- Both prices are indexed at 100 as on 31 March-2012



Auditors' Report

To The Members of
Subros Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **SUBROS LIMITED**, ("the Company"), which comprise the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of Order.
2. As required by section 227 (3) of the Companies Act, 1956, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from the directors of the Company as on 31st March, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**For V.K. DHINGRA & CO.,
CHARTERED ACCOUNTANTS
Firm Registration No. 000250N**

**PLACE: NEW DELHI
DATED: MAY 22, 2013**

**(V.K. DHINGRA)
PARTNER
M. No. 14467**



Annexure to Independent Auditors' Report

REFERRED TO IN PARAGRAPH (1) UNDER THE HEADING OF “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF SUBROS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2013

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, physical verification of the major portion of fixed assets was conducted by the management during the year. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on aforesaid verification.

(c) There was no substantial disposal of fixed assets during the year which may affect the going concern.
2. (a) In our opinion and according to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the records of inventory and according to the information and explanations given to us, we are of the opinion that the Company is maintaining proper records of inventory. No material discrepancies have been noticed on verification between the physical stocks and the book records.
3. The Company has neither taken any loan from nor granted any loan to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause (iii) of paragraph 4 of the Order is not applicable.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
5. (a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.



- (b) In our opinion and according to the information and explanations given to us, transactions made in pursuance of such contracts or arrangements and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are prima facie reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposit from the public within the meaning of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of manufacture of Automotive Airconditioning Systems and parts thereof pursuant to the Order made by the Central Government, for maintenance of cost records prescribed under Section 209(1)(d) of the Companies Act, 1956, 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.
9.
 - (a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Investor Education & Protection Fund, provident fund, employees state insurance, income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it during the year.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, service tax, customs duty, excise duty, cess and other material statutory dues were in arrears, as at March 31, 2013 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, details of dues of income tax, sales tax, service tax, wealth tax, custom duty, excise duty and cess which have not been deposited on account of any dispute are given below :



Name of statute	Nature of Dues	Financial year to which the matter pertains	Amount (Rs. in Lacs)	Forum where dispute is pending
Sales Tax Acts	Sales Tax	1996-97	0.84	Dy. Commissioner (Appeal)
		1997-98	2.70	Dy. Commissioner (Appeal)
		1998-99	6.51	Dy. Commissioner (Appeal)
		1999-00	9.80	Maharashtra Sales Tax Tribunal Mumbai
		2000-01	17.23	Dy. Commissioner (Appeal)
		2001-02	26.50	Dy. Commissioner (Appeal)
		2002-03	5.61	Jt. Commissioner (Appeal)
		2002-03	14.80	Sales Tax Appellate Tribunal (Hydrabad)
		2003-04	19.98	Sales Tax Appellate Tribunal (Hydrabad)
		2004-05	5.09	Sales Tax Appellate Tribunal (Hydrabad)
U.P. Tax on Entry of Goods into Local Area Act, 2007	Entry Tax	2011-12	13.41	Supreme Court
Income Tax Act, 1961	Income Tax	2009-10	11.67	Commissioner of Income Tax (Appeal)

10. The Company does not have accumulated losses as at 31st March, 2013. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks. The Company has neither taken any loan from financial institution nor has issued debentures.
12. According to the information and explanations given to us and based on the records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society.



14. In our opinion and according to the information and explanations given to us, the Company is not dealing in or trading in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not guaranteed any loan taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loans were applied for the purpose for which they were obtained.
17. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company did not have any outstanding debentures during the year.
20. The Company has not raised any money through a public issue during the year.
21. Based on the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit for the year ended 31st March, 2013.

For V.K. DHINGRA & CO.
CHARTERED ACCOUNTANTS
Firm Registration No. 000250N

PLACE: NEW DELHI
DATED: MAY 22, 2013

(V.K. DHINGRA)
PARTNER
M. No. 14467



Balance Sheet as at 31st March 2013

(₹ in Lacs)

PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS:			
(A) SHARE CAPITAL	2	1199.77	1199.77
(B) RESERVES AND SURPLUS	3	27452.94	25884.66
NON-CURRENT LIABILITIES			
(A) LONG-TERM BORROWINGS	4	18957.47	13609.62
(B) DEFERRED TAX LIABILITIES (NET)	5	2794.11	2463.98
(C) OTHER LONG-TERM LIABILITIES	6	26.38	26.13
(D) LONG-TERM PROVISIONS	7	257.23	186.61
CURRENT LIABILITIES			
(A) SHORT-TERM BORROWINGS	8	10339.61	16834.80
(B) TRADE PAYABLES		14118.58	14594.62
(C) OTHER CURRENT LIABILITIES	9	12307.29	8717.94
(D) SHORT-TERM PROVISIONS	10	585.61	873.12
TOTAL		88038.99	84391.25
ASSETS			
NON-CURRENT ASSETS			
(A) FIXED ASSETS			
(I) TANGIBLE ASSETS	11	37099.73	32147.83
(II) INTANGIBLE ASSETS	11	7358.91	6448.21
(III) CAPITAL WORK-IN-PROGRESS	11	7318.84	6000.35
(IV) INTANGIBLE ASSETS UNDER DEVELOPMENT	11	3373.91	3022.37
(B) NON-CURRENT INVESTMENTS	12	250.00	250.00
(C) LONG-TERM LOANS AND ADVANCES	13	4160.24	4078.04
CURRENT ASSETS			
(A) INVENTORIES	14	19076.11	17843.22
(B) TRADE RECEIVABLES	15	4481.45	7682.36
(C) CASH AND BANK BALANCES	16	1079.37	1166.54
(D) SHORT-TERM LOANS AND ADVANCES	17	3816.37	5726.58
(E) OTHER CURRENT ASSETS	18	24.06	25.75
TOTAL		88038.99	84391.25
SIGNIFICANT ACCOUNTING POLICIES THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS	1		

As per attached report of even date

For and on behalf of the Board of Directors

FOR V. K. DHINGRA & CO.

Chartered Accountants

V K DHINGRA

Partner

RAMESH SURI

Chairman

SHRADHA SURI

Managing Director

Place : New Delhi

Date : 22nd May, 2013

H.K. AGARWAL

Head (Finance)

VIKAS SABHARWAL

Dy. Company Secretary



Statement of Profit and Loss for the Year Ended 31st March 2013

(₹ in Lacs)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED ON 31.03.2013	FOR THE YEAR ENDED ON 31.03.2012
REVENUE FROM OPERATIONS	19	127179.56	111568.28
OTHER INCOME	20	1081.82	1158.51
TOTAL REVENUE		128261.38	112726.79
EXPENSES:			
COST OF MATERIALS CONSUMED	21	91897.23	80383.17
CHANGES IN INVENTORIES OF FINISHED GOODS & WIP - (INCREASE) / DECREASE	22	(663.39)	133.49
EMPLOYEE BENEFIT EXPENSE	23	10416.74	8683.97
FINANCE COST	24	3591.63	2590.73
DEPRECIATION AND AMORTISATION EXPENSE		7255.03	5300.64
OTHER EXPENSES	25	13306.21	12673.32
TOTAL EXPENSES		125803.45	109765.32
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		2457.93	2961.47
EXCEPTIONAL ITEMS			
ADD: PROFIT ON SALE OF IMMOVABLE PROPERTY		0.00	2,901.82
PROFIT BEFORE TAX		2457.93	5863.29
TAX EXPENSE:			
-CURRENT TAX (MAT)		498.83	1179.47
-MAT CREDIT ENTITLEMENT		(491.83)	(1,173.65)
-NET CURRENT TAX		7.00	5.82
-DEFERRED TAX EXPENSE		330.13	1007.93
-TAX IN RESPECT OF EARLIER YEARS		64.50	9.15
PROFIT FOR THE PERIOD		2056.30	4840.39
EARNING PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH			
BASIC & DILUTED		3.43	8.07
SIGNIFICANT ACCOUNTING POLICIES THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS	1		

As per attached report of even date

For and on behalf of the Board of Directors

FOR V. K. DHINGRA & CO.

Chartered Accountants

V K DHINGRA

Partner

RAMESH SURI

Chairman

SHRADHA SURI

Managing Director

Place : New Delhi

Date : 22nd May, 2013

H.K. AGARWAL

Head (Finance)

VIKAS SABHARWAL

Dy. Company Secretary



Statement of Cash Flow for the year ended 31st March 2013

(₹ in Lacs)

PARTICULARS	2012-2013		2011-2012	
I. CASH FLOW FROM OPERATING ACTIVITIES				
A Profit Before Taxation		2,457.93		5,863.29
B Adjustments		-		-
Add:				
i) Depreciation	7,255.03		5,300.64	
ii) Interest & Financial Charges	3,591.63	10,846.66	2,590.73	7,891.37
Less:				
i) Interest Income	83.62		104.07	
ii) Surplus on Assets sold / discarded	6.73	90.35	2,908.88	3,012.95
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		13,214.24		10,741.71
Adjustment for:				
i) Trade & Other receivable	4,895.00		(2,935.52)	
ii) Inventories	(1,232.89)		(4,488.65)	
iii) Trade & Other payables	1,403.47	5,065.58	6,350.26	(1,073.91)
CASH GENERATED FROM OPERATIONS		18,279.82		9,667.80
Less:				
Direct Taxes paid (Net)		(622.18)		(1,029.93)
Add:				
Interest received		85.31		108.47
NET CASH FLOW FROM OPERATING ACTIVITIES		17,742.95		8,746.34
II. CASH FLOW FROM INVESTING ACTIVITIES				
i) Purchase of Fixed Assets/ Capital work in Progress		(13,666.25)		(18,615.75)
ii) Sale of Fixed Assets		136.03		946.84
iii) Investment in subsidiary Company		-		(32.76)
NET CASH USED IN INVESTING ACTIVITIES		(13,530.22)		(17,701.67)



(₹ in Lacs)

PARTICULARS	2012-2013		2011-2012	
III. CASH FLOW FROM FINANCING ACTIVITIES				
i) Proceeds of long term secured loans		11,018.23		11,252.50
ii) Repayment of long term loans		(3,805.00)		(6,465.81)
iii) Working Capital Loans from Banks (Net)		(4,457.09)		5,615.47
iv) Dividend and Corporate Dividend Tax paid		(766.92)		(557.76)
v) Interest Paid		(4,193.99)		(2,953.37)
vi) Buyer Credit (Capex) (Net)		(2,038.11)		2,038.11
NET CASH FROM FINANCING ACTIVITIES		(4,242.88)		8,929.14
NET CHANGE IN CASH AND CASH EQUIVALENTS (I+II+III)		(30.15)		(26.19)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		200.36		226.55
CASH AND CASH EQUIVALENTS AS AT THE CLOSING OF THE YEAR		170.21		200.36

Note: i) Figures in brackets represent cash outflows.

ii) Previous years figures have been recast / restated wherever necessary.

As per attached report of even date

For and on behalf of the Board of Directors

FOR V. K. DHINGRA & CO.

Chartered Accountants

V K DHINGRA

Partner

RAMESH SURI

Chairman

SHRADHA SURI

Managing Director

Place : New Delhi

Date : 22nd May, 2013

H.K. AGARWAL

Head (Finance)

VIKAS SABHARWAL

Dy. Company Secretary



Notes Annexed to and Forming Part of the Balance Sheet as at 31st March, 2013 and Statement of Profit and Loss for the year ended on that date

Note 1 - Significant Accounting Policies

i) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under section 211(3c) of the Companies Act, 1956 and the relevant provisions thereof.

ii) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. All expenses incidental to the purchase/construction/ installation and commissioning including borrowing costs are added to the cost of the fixed assets. Where any part of the cost of fixed assets is either recovered by way of grant or borne by any other person, the same is deducted from the gross value of relevant fixed assets.

iii) Investments

Investments in subsidiary and joint venture companies are considered as Long Term Investment and are stated at Cost. Provision for diminution in the value of long term investments is made only if such a decline is other than temporary.

iv) Inventories

Inventories are valued at lower of cost or net realizable value. Cost is arrived on weighted average basis and is inclusive of taxes and duties paid/ incurred (other than those recovered/recoverable from the Taxing Authorities). Adequate provision is made in respect of non-standard and obsolete items based on management's estimate.

v) Revenue Recognition

- a) Sales are accounted on dispatch of products against orders of customers and stated net of trade discounts, returns and sales-tax.
- b) Duty Drawback Income on eligible direct exports and exports through other parties is recognised in the year of export/sale to other parties on the basis of provisional/ estimated tariff rates informed by the appropriate authorities.

vi) Provisions, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

vii) Depreciation

- a) Leasehold land are amortised over the period of lease.
- b) Cost of specialised softwares is amortised in three years on straight-line method on pro-rata basis.
- c) Technical Know-how is amortised in six years on straight-line method on pro-rata basis.
- d) Product Development Cost is amortised in six years on straight line method on pro-rata basis.
- e) Individual items of fixed assets costing upto five thousand rupees are fully depreciated in the year of purchase.
- f) Depreciation on other assets is provided on written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956 on pro-rata basis.

viii) Intangible Assets

Intangible assets are recognized if they are separately identifiable and the company controls the future economic benefit arising out of them. All other expenses on intangible items are charged to the Statement of Profit & Loss Account. Intangible assets are stated at cost less accumulated amortization / impairment. Intangible assets include Software Licenses, Technical Know-how and Product Development Cost etc.

ix) Borrowing Cost

Borrowing cost directly attributable to the acquisition or construction of qualifying assets are capitalised till the date on which the asset is ready for its intended use. Qualifying assets are those which take substantial period of time to get ready for its intended use.

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

x) Employee Benefits

a) Defined Contribution Plan

The Company makes defined contribution to Provident Fund and Superannuation Scheme, which are recognized in the statement of Profit and Loss on accrual basis.

The Company's contribution to State Plan, viz. Employees' State Insurance scheme is recognized in the statement of Profit & Loss on accrual basis.

b) Defined Benefit Plan

The Company's liabilities under Payment of Gratuity Act and compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses are recognized



immediately in the statement of Profit and Loss as income/expenses. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds.

Gratuity obligation is funded with the Life Insurance Corporation of India through a Gratuity Trust.

c) Short Term Employee Benefits

Amounts paid under Voluntary Retirement and Separation Schemes are charged to statement of Profit and Loss in the year of payment.

Other short term employee benefit obligations are measured on an undiscounted basis and charged to the statement of Profit & Loss on accrual basis.

xi) Research & Development

Revenue expenditure on research and development are charged to statement of Profit and Loss in the year in which these are incurred except for certain cost incurred on development of new products e.g. air conditioning systems and related products which are capitalized when it is probable that a development project will be a success. Capital expenditure on research and development are considered as an addition to Fixed Assets.

xii) Foreign Currency Translation

- a) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.
- b) Assets and Liabilities receivable/payable in foreign currencies are translated at the year end exchange rates.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the statement of Profit and Loss.
- d) In case of forward contracts, difference between forward rates and spot rates on the date of transaction is recognised as income or expense over the life of contract. Exchange difference on such contracts. i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception / the last reporting date, is recognized as income / expenses for the period.

xiii) Taxes on Income

Provision for current tax is made on the basis of estimated taxable income under the Income Tax Act, 1961. Deferred tax on account of timing differences between taxable income and accounting income is accounted for by applying tax rates and laws enacted or substantially enacted on the balance sheet date.

xiv) Lease asset- Operating lease

Lease assets where risk and rewards incidental to ownership of an assets substantially vests with the lessor are recognized as operating lease.

Lease Payments are recognized as an Expense in Statement of profit & loss on the straight line basis over the Lease term. However the lease rent pertaining to the period up to the date of the commissioning of the assets are capitalized.



NOTE 2 - SHARE CAPITAL

2 (a) AUTHORISED, ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
AUTHORISED: 75,000,000 EQUITY SHARES OF RS. 2/- EACH	1500.00	1500.00
ISSUED: 5,99,94,300 EQUITY SHARES OF RS. 2/- EACH	1199.89	1199.89
SUBSCRIBED AND PAID UP 5,99,88,600 EQUITY SHARES OF RS. 2/- EACH FULLY PAID UP	1199.77	1199.77
TOTAL	1199.77	1199.77

2 (b) RECONCILIATION OF NUMBER OF SHARES OUTSTANDING

(₹ in Lacs)

PARTICULARS	As at 31st March 2013		As at 31st March 2012	
	(Nos.)		(Nos.)	
SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR	59988600	1199.77	59988600	1199.77
SHARES ISSUED DURING THE YEAR	—	—	—	—
SHARES BOUGHT BACK DURING THE YEAR	—	—	—	—
SHARES OUTSTANDING AT THE END OF THE YEAR	59988600	1199.77	59988600	1199.77

2 (c) LIST OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

(₹ in Lacs)

NAME OF SHAREHOLDER	As at 31st March 2013		As at 31st March 2012	
	NO. OF SHARES HELD	% OF HOLDING	NO. OF SHARES HELD	% OF HOLDING
DEEKSHA HOLDINGS LTD	10137760	16.90	10137760	16.90
JYOTSNA HOLDING PVT LTD.	3448000	5.74	3448000	5.74
R.R HOLDINGS PVT LTD	3208000	5.35	3208000	5.35
RAMESH SURI (HUF)	3040000	5.07	3040000	5.07
DENSO CORPORATION	7800000	13.00	7800000	13.00
SUZUKI MOTORS CORPORATION	7800000	13.00	7800000	13.00

- 2 (d) The Company has only one class of equity shares having a par value of Rs.2 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. 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 pro-portion to their shareholding.



NOTE 3 - RESERVES & SURPLUS

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
CAPITAL RESERVE		
CAPITAL INVESTMENT SUBSIDY	3.57	3.57
PROFIT ON RE-ISSUE OF FORFEITED SHARES	0.08	0.08
	<u>3.65</u>	<u>3.65</u>
GENERAL RESERVE		
OPENING BALANCE	10,811.48	8,311.48
ADD: TRANSFERRED FROM SURPLUS	206.00	2,500.00
CLOSING BALANCE	<u>11,017.48</u>	<u>10,811.48</u>
SURPLUS		
OPENING BALANCE	15,069.55	13,496.06
ADD: PROFIT FOR THE YEAR	2,056.30	4,840.39
	<u>17,125.85</u>	<u>18,336.45</u>
LESS: APPROPRIATIONS		
PROPOSED DIVIDEND ON EQUITY SHARE*	419.92	659.87
PROVISION FOR TAX ON PROPOSED DIVIDEND	68.12	107.05
TRANSFERRED TO GENERAL RESERVE	206.00	2,500.00
CLOSING BALANCE	<u>16,431.81</u>	<u>15,069.53</u>
TOTAL	<u>27,452.94</u>	<u>25,884.66</u>

*Rs. 0.70 Per Equity Share(Previous Year Rs. 1.10 per Equity Share)

NOTE 4 - LONG - TERM BORROWINGS

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
SECURED LOANS		
TERMS LOANS:		
FROM BANKS	16533.93	10168.53
FROM OTHERS	2415.38	3388.88
	<u>18949.31</u>	<u>13557.41</u>
VEHICLES LOAN:		
FROM OTHERS	8.16	52.21
TOTAL	<u>18957.47</u>	<u>13609.62</u>



NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM SECURED BORROWINGS

NATURE OF SECURITY	TERMS OF REPAYMENT
Term loan amounting to Rs. 130.00 lacs (March 31, 2012: Rs. 260.00 lacs) is secured by Exclusive first charge on specific equipments.	Repayment in 20 quarterly instalments (@ Rs 32.50 lacs each) commencing from June 2010. Last instalment in March 2015. Rate of interest SBIBR+1.90% P.A. as at year end. (Previous year SBIBR+1.90% P.A.)
Term loan amounting to Rs. 1450.00 lacs (March 31, 2012: Rs.2175 lacs) is secured by Exclusive first charge on specific equipments.	Repayment in 16 quarterly instalments (@ Rs 181.25 lacs each) commencing from June 2012. Last instalment in March 2016. Rate of interest SBIBR+1.90% P.A. as at year end. (Previous year SBIBR+1.90%)
Term loan amounting to Rs. 337.50 lacs (March 31, 2012: Rs.Nil) is secured by Exclusive first charge on specific equipments.	Repayment in 16 quarterly instalments (@ Rs 37.50 lacs each) commencing from August 2012. Last instalment in March 2016. Rate of interest SBIBR+1.90% P.A. as at year end. (Previous year Nil)
Term loan amounting to Rs. 1770.17 lacs (March 2012: Rs. 3186.03 Lacs) is secured by equitable mortgage on Manesar Land & Bldg.& specific assets & Personal Gaurantee of Chairman of the company.	Repayment in 16 quarterly instalments (@ Rs 354.00 lacs each) commencing from Aug 2011. Last instalment in May 2015. Rate of interest KBR+1.50% P.A. as at year end. (Previous year KBR+. 1.50% P.A.)
Term loan amounting to Rs. 783.11 lacs (March 2012: Rs. 1400 Lacs) is secured by equitable mortgage on Manesar Land & Bldg.& specific assets & Personal Gaurantee of Chairman of the company.	Repayment in 36 monthly instalments (@ 58.33 lacs each) commencing from April 2012. Last instalment in March 2015. Rate of interest KBR+1.75% P.A. as at year end. (Previous year KBR+1.75%.)
Term loan amounting to Rs. 288.50 lacs (March 31, 2012: Rs. 577 Lacs) is secured by Exclusive first charge on specific equipment	Repayment in 16 quarterly instalments (@ Rs 72.13 lacs each) commencing from June 2011. Last instalment in March 2015. Rate of interest 11.40% P.A. as at year end. (Previous year 11.77% P.A.)
Term loan amounting to Rs. 209.37 lacs (March 31, 2012: Rs. 376.87 Lacs) is secured by Exclusive first charge on specific equipments	Repayment in 16 quarterly instalments (@ Rs 41.87 lacs each) commencing from Aug 2011. Last instalment in May 2015. Rate of interest 11.40% P.A. as at year end. (Previous year 11.77%)
Term loan amounting to Rs. 4186.87 lacs (March 31, 2012: Rs. 5582.50 lacs) is secured by Exclusive first charge on specific equipments	Repayment in 16 quarterly instalments (@ Rs 348.91 lacs each) commencing from June 2013. Last instalment in March 2017. Rate of interest 9.70% P.A. (Previous year 9.70%)
Vehicle loan amounting to Rs 8.16 lacs (March 31,2012 : Rs 52.21 lacs) is secured by Hypothecation on specific vehicles	Repayment in 84 equated Monthly commencing from October,2007. Rate of interest 8.50% P.A.
Term loan amounting to Rs. 5419.13 lacs (March 31, 2012: NA) is Secured by way of first charge on specific machineries & Sub Survient Charge on Moveable Fixed assets.	Repayment in seven Half yearly instalments commencing from September 2014. Last instalment in September 2017. Rate of interest 9.37% P.A. (Previous year N.A.)
Term loan amounting to Rs. 4375 lacs (March 31, 2012: Nil) is Secured by way of first charge on specific machineries.	Repayment in 16 quarterly instalments @ Rs 312.50 lacs each commencing from November 2013. Last instalment in September 2017. Rate of interest 10.40% P.A. (Previous year N.A.)


NOTE 5 - DEFERRED TAX LIABILITIES/ (ASSETS) (NET)

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
DEFERRED TAX LIABILITY		
DEPRECIATION	2,908.11	2580.45
TOTAL DEFERRED TAX LIABILITY(A)	2908.11	2580.45
DEFERRED TAX ASSETS		
EXPENSES ALLOWABLE ON PAYMENT BASIS (NET)	114.00	116.47
TOTAL DEFERRED TAX ASSETS(B)	114.00	116.47
TOTAL (A-B)	2794.11	2463.98

NOTE 6 - OTHER LONG TERM LIABILITIES

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
OTHER THAN TRADE PAYABLE		
SECURITY DEPOSITS RECEIVED	26.38	26.13
TOTAL	26.38	26.13

NOTE 7 - LONG TERM PROVISIONS

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
PROVISION FOR EMPLOYEE BENEFITS		
PROVISION FOR LEAVE ENCASHMENT	208.45	143.84
PROVISION FOR WARRANTY	48.78	42.77
TOTAL	257.23	186.61



NOTE 8 - SHORT-TERM BORROWINGS

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
SECURED		
FROM BANKS:		
CASH CREDIT ACCOUNT (Secured by First Charge by way of Hypothecation of stocks, receivables, existing Plant & Machinery and Miscellaneous Fixed Assets and equitable mortgage of two factory premises and also by way of personal guarantee of the Chairman of the company.)	3954.83	6408.44
	<u>3954.83</u>	<u>6408.44</u>
UNSECURED		
WORKING CAPITAL LOAN FROM BANKS	—	6100.00
BUYERS CREDIT ARRANGEMENTS FROM BANKS [Against personal guarantee of the Chairman of the Company Rs.616.46 lacs (Previous year: Rs. 3708.08 lacs)]	6384.78	4326.36
	<u>6384.78</u>	<u>10426.36</u>
TOTAL	<u><u>10339.61</u></u>	<u><u>16834.80</u></u>

NOTE 9 - OTHER CURRENT LIABILITIES

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
CURRENT MATURITIES OF LONG-TERM DEBT	5647.61	3782.25
INTEREST ACCRUED BUT NOT DUE ON LOANS	139.15	108.21
UNCLAIMED DIVIDEND	35.69	32.76
DUE TO DIRECTORS	47.66	44.68
STATUTORY DUES	678.59	794.97
ADVANCE FROM CUSTOMERS	561.22	145.81
CREDITOR FOR CAPITAL EXPENDITURE	493.38	536.79
OTHER PAYABLES	4703.99	3272.47
TOTAL	<u><u>12307.29</u></u>	<u><u>8717.94</u></u>



NOTE 10 - SHORT TERM PROVISIONS

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
PROVISION FOR EMPLOYEE BENEFITS		
PROVISION FOR LEAVE ENCASHMENT	24.42	18.26
OTHER PROVISIONS		
PROPOSED DIVIDEND	419.92	659.87
CORPORATE DIVIDEND TAX	68.12	107.05
PROVISION FOR WARRANTY	73.15	64.16
PROVISION FOR TAX	—	23.78
TOTAL	585.61	873.12

NOTE 11 - FIXED ASSETS

(₹ in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS ON 01.04.12	ADDITIONS	SALE/ ADJUSTMENTS	COST AS ON 31.03.2013	DEPRECIATION AS ON 01.04.12	DEPRECIATION FOR THE PERIOD*	SALE/ ADJUSTMENTS	TOTAL DEPRECIATION upto 31.03.2013	AS ON 31.03.2013	AS ON 31.03.2012
TANGIBLE ASSETS										
LAND										
LEASEHOLD	1,471.23	-	-	1,471.23	88.31	14.84	-	103.15	1,368.08	1,382.92
FREEHOLD	718.31	-	-	718.31	-	-	-	-	718.31	718.31
BUILDINGS	7,541.70	1,922.68		9,464.38	3,129.64	422.10		3,551.74	5,912.64	4,412.06
PLANT AND MACHINERY	49,573.40	8,635.68	346.50	57,862.58	25,330.62	4,896.54	252.29	29,974.87	27,887.71	24,242.78
FURNITURE AND FIXTURE	828.72	69.76	22.12	876.36	534.04	63.27	19.12	578.19	298.17	294.68
VEHICLES	1,059.42	125.99	70.50	1,114.91	513.73	167.16	38.58	642.31	472.60	545.69
OFFICE EQUIPMENTS	1,642.60	67.26	2.65	1,707.21	1,091.21	176.25	2.47	1,264.99	442.22	551.39
TOTAL	62,835.38	10,821.37	441.77	73,214.98	30,687.55	5,740.16	312.46	36,115.25	37,099.73	32,147.83
PREVIOUS YEAR	49,401.78	13,753.34	319.74	62,835.38	26,324.02	4,446.88	83.35	30,687.55	32,147.83	23,077.76
INTANGIBLE ASSETS										
SPECIALISED SOFTWARES	1,311.26	70.85	-	1,382.11	976.27	160.01	-	1,136.28	245.83	335.01
TECHNICAL KNOW HOW	3,367.78	782.77	-	4,150.55	1,051.21	592.79	-	1,644.00	2,506.55	2,316.57
DEVELOPMENT COST	4,446.19	1,581.61	-	6,027.80	649.54	771.73	-	1,421.27	4,606.53	3,796.63
TOTAL	9,125.23	2,435.23	-	11,560.46	2,677.02	1,524.53	-	4,201.55	7,358.91	6,448.21
PREVIOUS YEAR	5,381.22	3,744.01	-	9,125.23	1,762.00	915.02	-	2,677.02	6,448.21	3,619.22
GRAND TOTAL	71,960.61	13,256.60	441.77	84,775.44	33,364.57	7,264.69	312.46	40,316.80	44,458.64	38,596.04
PREVIOUS YEAR	54,783.00	17,497.35	319.74	71,960.61	28,086.02	5,361.90	83.35	33,364.57	38,596.04	26,696.98
CAPITAL WORK IN PROGRESS									7,318.84	6,000.35
INTANGIBLE ASSETS UNDER DEVELOPMENT									3,373.91	3,022.37

*Note:- Includes depreciation capitalised Rs 9.66 lacs (Previous Year Rs.61.26 Lacs).



NOTE 12 - NON CURRENT INVESTMENTS

(₹ in Lacs)

P A R T I C U L A R S	As at 31st March 2013		As at 31st March 2012	
	No. of Shares		No. of Shares	
LONG TERM INVESTMENT				
UNQUOTED TRADE INVESTMENTS				
(VALUED AT COST)				
<u>INVESTMENT IN SUBSIDIARIES</u>				
THAI SUBROS LTD.	999300	73.20	999300	73.20
FULLY PAID UP EQUITY SHARES OF BAHT 5 EACH				
<u>INVESTMENT IN JOINT VENTURE</u>				
DENSO SUBROS THERMAL ENGINEERING CENTRE INDIA LTD	1767999	176.80	1767999	176.80
FULLY PAID UP EQUITY SHARES OF ₹ 10 EACH				
GRAND TOTAL		<u>250.00</u>		<u>250.00</u>

NOTE 13 - LONG TERM LOANS AND ADVANCES

(₹ in Lacs)

P A R T I C U L A R S	As at 31st March 2013	As at 31st March 2012
CAPITAL ADVANCES		
UNSECURED, CONSIDERED GOOD		
TO RELATED PARTIES (REFER NOTE:- 40)	174.87	208.94
TO OTHERS	865.09	1491.84
SECURITY DEPOSITS		
UNSECURED, CONSIDERED GOOD		
TO RELATED PARTIES (REFER NOTE:-40)	238.92	32.32
TO OTHERS	488.84	448.57
ADVANCE TAX (NET)		
UNSECURED, CONSIDERED GOOD	85.80	—
MAT CREDIT RECOVERABLE		
UNSECURED, CONSIDERED GOOD	2252.90	1811.82
LOANS AND ADVANCES TO EMPLOYEE		
SECURED, CONSIDERED GOOD	15.14	40.67
UNSECURED, CONSIDERED GOOD	38.68	43.88
TOTAL	<u>4160.24</u>	<u>4078.04</u>


NOTE 14 - INVENTORIES (Valued at lower of cost or net realisable value)

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
RAW MATERIAL & SPARES		
- IN HAND	14078.63	13529.42
- IN TRANSIT	474.73	1122.92
	<u>14553.36</u>	<u>14652.34</u>
WORK IN PROGRESS	1870.20	1312.38
FINISHED GOODS	410.42	291.80
STORES	2242.13	1586.70
TOTAL	<u>19076.11</u>	<u>17843.22</u>

NOTE 15 - TRADE RECEIVABLES

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
UNSECURED, CONSIDERED GOOD OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE FOR PAYMENT	109.65	79.38
OTHERS	4371.80	7602.98
TOTAL	<u>4481.45</u>	<u>7682.36</u>

Trade Receivable stated above include Debts due from related parties Rs.219.01 Lacs (Previous year Rs.122.34 Lacs)
(Refer Note No.-40)

NOTE 16 - CASH AND BANK BALANCES

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
CASH AND CASH EQUIVALENTS		
BALANCE WITH BANKS - IN CURRENT A/C	160.97	191.04
CASH IN HAND	9.24	9.32
	<u>170.21</u>	<u>200.36</u>
OTHER BANK BALANCES		
- IN MARGIN MONEY A/C*	873.47	933.42
- IN UNPAID DIVIDEND A/C	35.69	32.76
	<u>909.16</u>	<u>966.18</u>
TOTAL	<u>1079.37</u>	<u>1166.54</u>

* Margin Money include Fixed Deposits of Rs.10 Lac (Previous year Rs. 63.99 Lac) with maturity of more than 12 months



NOTE 17 - SHORT TERM LOANS AND ADVANCES

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
ADVANCES TO RELATED PARTIES		
UNSECURED, CONSIDERED GOOD (Refer Note No-40)	263.71	51.42
ADVANCES TO OTHER PARTIES		
UNSECURED, CONSIDERED GOOD	3466.74	5583.75
LOAN TO EMPLOYEES		
SECURED, CONSIDERED GOOD	25.53	35.72
UNSECURED, CONSIDERED GOOD	60.39	55.69
TOTAL	3816.37	5726.58

NOTE 18 - OTHER CURRENT ASSETS

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
INTEREST ACCRUED ON DEPOSITS WITH BANK	24.06	25.75
TOTAL	24.06	25.75

NOTE 19 - REVENUE FROM OPERATIONS

(₹ in Lacs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
SALE OF PRODUCTS	143,499.55	123,479.19
SALE OF SERVICES	1.23	1.03
SALE OF SCRAP	74.52	29.97
	143,575.30	123,510.19
LESS: EXCISE DUTY	16,395.74	11,941.91
TOTAL	127,179.56	111,568.28

Note:- Additional Information in Note No-29



NOTE 20 - OTHER INCOME

(₹ in Lacs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
INTEREST ON :		
A) FIXED DEPOSITS WITH BANKS	83.44	104.07
B) OTHERS	0.18	—
PROFIT ON SALE OF FIXED ASSETS	6.73	7.06
GAIN FROM EXCHANGE RATE DIFFERENCE(NET)	971.60	945.70
MISCELLANEOUS INCOME	19.87	101.68
TOTAL	1,081.82	1,158.51

NOTE 21 - COST OF MATERIAL CONSUMED

(₹ in Lacs)

PARTICULARS	For the year ended 31st March 2013		For the year ended 31st March 2012	
RAW MATERIAL & COMPONENTS				
OPENING STOCK	14652.34		10492.46	
PURCHASE	<u>91798.25</u>	106450.59	<u>84543.05</u>	95035.51
LESS:- CLOSING STOCK		<u>14553.36</u>		<u>14652.34</u>
TOTAL		91897.23		80383.17

Additional informations are given in Notes:- 30 and 31

NOTE 22 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRES

(₹ in Lacs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
FINISHED GOODS		
CLOSING STOCK	410.42	291.80
LESS:- OPENING STOCK	<u>291.80</u>	<u>418.76</u>
	<u>118.62</u>	<u>(126.96)</u>
WORK-IN-PROGRESS		
CLOSING STOCK	1870.20	1312.38
LESS:- OPENING STOCK	<u>1312.38</u>	<u>1325.92</u>
	<u>557.82</u>	<u>(13.54)</u>
DECREASE (INCREASE) IN EXCISE DUTY ON FINISHED GOODS	<u>(13.05)</u>	<u>7.01</u>
TOTAL	663.39	(133.49)



NOTE 23 - EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :		
- SALARIES, WAGES, BONUS ETC	8,511.83	7,122.08
- CONTRIBUTION TO PROVIDENT & OTHER FUNDS	514.06	421.22
- STAFF WELFARE EXPENSES	999.61	898.44
- DIRECTOR REMUNARATION	391.24	242.23
TOTAL	10,416.74	8,683.97

NOTE 24 - FINANCE COST

(₹ in Lacs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
INTEREST PAID TO BANK	2,686.64	1,495.74
INTEREST PAID TO OTHERS	904.99	1,094.99
TOTAL	3,591.63	2,590.73

NOTE 25 - OTHER EXPENSES

(₹ in Lacs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
STORE CONSUMED (Refer Note No-31)	3,003.83	2,822.51
POWER & FUEL	1,899.52	1,457.99
REPAIRS AND MAINTENANCE		
- BUILDING	75.39	158.07
- PLANT & MACHINERY	1,172.44	1,325.95
- OTHERS	165.15	253.26
RENT	263.74	272.56
INSURANCE	89.98	69.77
RATES AND TAXES	82.05	82.16
VEHICLE RUNNING AND MAINTENANCE	210.73	232.74
TRAVELLING AND CONVEYANCE	425.98	474.76
LEGAL AND PROFESSIONAL CHARGES	218.70	236.63
AUDIT FEES	14.75	13.50
ROYALTY	1,081.24	1,080.84
SELLING & DISTRIBUTION EXPENSES	2,193.70	1,849.19
REBATE & DISCOUNT	968.30	786.03
DIRECTOR'S SITTING FEES	8.95	10.55
MISCELLANEOUS EXPENSES	1,431.76	1,546.81
TOTAL	13,306.21	12,673.32



26. Contingent Liabilities Not Provided For in respect of :

- Net Outstanding commitments against Letter of Credits established by the Company: Rs.6380.57 Lakhs (Previous Year Rs.8,956.50 Lakhs)
- Guarantees given by banks on behalf of the Company: Rs 161.64 Lakhs (Previous Year: Rs. 355.66 Lakhs)
- Claims against the company not acknowledged as debt :-

(₹ in Lacs)

Nature of Claim	As at 31.03.13	As at 31.03.12
Disputed Sales Tax Demands	138.63	138.13
Other claims	70.80	64.48

27. Estimated value of contracts on capital account remaining to be executed and not provided for (net of advances): Rs.2,626.30 Lakhs (Previous Year: Rs. 5,051.64 Lakhs).

28. In the opinion of Board, the value on realization of current assets, loans and advances in the ordinary course of business shall not be less than the amount at which they are stated in the balance sheet and provision for all known liabilities has been made and contingent liabilities disclosed properly.

29. Sales of Products and Stocks

	Current Year	Previous Year
	Value (Rs./Lakhs)	Value (Rs./Lakhs)
Opening Stock		
- Automotive Air conditioning Systems	-	184.90
- Fan Motor Assembly (Ventilators)	2.09	2.99
- Other Components of A.C. System	289.71	230.87
Sales (including samples)		
- Automotive Air conditioning Systems	133415.99	116457.20
- Fan Motor Assembly (Ventilators)	4345.34	1857.64
- Other Components of A.C. System	5738.22	5164.35
Closing Stock (Inclusive of Excise Duty)		
- Automotive Air conditioning Systems	-	-
- Fan Motor Assembly (Ventilators)	9.99	2.09
- Other Components of A.C. System	400.43	289.71



30. Raw Materials/Components consumed during Production:

	Current Year	Previous Year
	Value (Rs./Lakhs)	Value (Rs./Lakhs)
Raw Materials & Components of Automotive air conditioning Systems*	91897.23	80,383.17

* Including Raw Materials/Components consumed for production of Fan Motor Assembly. It is not practicable to furnish information of individual component consumed in view of the considerable number of items.

31. Value of Imported and Indigenous Raw Materials/ Components and Stores and Spares consumed and percentage of each to the total consumption:

Current Year			Previous Year	
	%	Value (Rs./Lakhs)	%	Value (Rs./Lakhs)
Raw Materials/Components				
- Imported	55	51028.58	55	44210.74
- Indigenous	45	40868.65	45	36172.43
Total	100	91897.23	100	80383.17
Stores and Spares				
- Imported	19	570.65	18	496.97
- Indigenous	81	2433.18	82	2325.54
Total	100	3003.83	100	2822.51

32. CIF Value of Imports

	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Raw Materials/Components	49621.01	42187.44
Stores & Consumables	731.80	884.43
Plant & Machinery	4580.21	7831.73



33. Expenditure in Foreign Currency

	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
a) Fees for Technical Services/Technical Know How	1031.23	422.72
b) Interest	510.53	266.84
c) Travelling	58.65	116.52
d) Royalty	1081.24	1080.64
e) Salary	212.39	184.43
f) Repair of Plant & Machinery (CIF Value)	263.88	490.90
g) Dividend		
i) No. of Non-Resident Shareholders	2	2
ii) No. of Shares of Rs.2/- each	15,600,000	15,600,000
iii) Amount Remitted	171.60	124.80
h) Others	42.74	17.29

34. Earnings in Foreign Currency

FOB Value of Exports	406.23	371.56
----------------------	--------	--------

35. Amount paid/payable to Auditors

	Current Year (Rs. in Lakhs)	Previous Year (Rs. in Lakhs)
a) Audit Fee	14.75	13.50
b) Tax Audit Fee	1.51	1.38
c) Income Tax Matters	2.08	1.90
a) Fee for Limited Review	3.14	3.70
b) Other Services	11.10	8.44
f) Reimbursement of expenses	1.09	1.49

36. There were no reportable lease arrangements as defined in Accounting Standard-19



37. Disclosure of provisions in terms of Accounting Standard-29 issued by the Institute of Chartered Accountants of India

Provision for warranty expenses

Description	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Provision at the beginning of the year	106.93	96.93
Add: Provisions made during the year	145.00	213.57
	251.93	310.50
Less: Amount utilised during the year	130.00	203.57
Balance at the end of the year	121.93	106.93

This provision is expected to be utilized for settlement of warranty claims within a period of 2 years.

38. The company has identified that there is no material impairment of assets and as such no provision is required in terms of Accounting Standard-28 issued by the Institute of Chartered Accountants of India.

39. Segment Reporting

The Company's business activity falls within a single primary business segment i.e., Automotive Air conditioning Systems and parts thereof. Export sales constitute an insignificant portion of the total business of the company. Hence, there is no geographical segment as well. Therefore, the disclosure requirements of Accounting Standard - 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India are not applicable.

40. Related Party Disclosures

In terms of Accounting Standard - 18 issued by the Institute of Chartered Accountants of India, the particulars of transactions with related parties are given as under:

- a) Name of related parties and description of relationship (as certified by the management & relied upon by the auditors):-
 - i) Key Management Personnel
 - Mr. Ramesh Suri, Chairman
 - Ms. Shradha Suri, Managing Director
(Daughter of Mr. Ramesh Suri)
 - Mr. D. M. Reddy, Executive Director
 - ii) Relatives of Key Management Personnel
 - Mrs. Ritu Suri (Wife of Mr. Ramesh Suri)
 - Ms. Lohitha Reddy (Daughter of Mr. D. M. Reddy)
 - Ms. Likhitha Reddy (Daughter of Mr. D. M. Reddy)
 - iii) Subsidiary Company
 - Thai Subros Ltd., Thailand



- iv) Joint Venture Company
- Denso Subros Thermal Engineering Centre India Ltd. (DSEC)
- v) Entities over which Key Management Personnel or their relatives are able to exercise significant influence:
- SHS Transport (P) Ltd.
 - Rohan Motors Limited
 - Hemkunt Service Station (P) Ltd.
 - Tempo Automobiles (P) Ltd.
 - M/s. Ramesh Suri (HUF)
 - Prima Telecom Ltd.
 - Prima Infratech (P) Ltd.
 - Fibcom India Ltd.

b) Transactions during the year and closing balances of Related Parties are summarised as under:

Rs. in Lacs

Particulars	Subsidiary Company Thai Subros Ltd		Joint Venture Company DSEC		Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel or their relatives are able to exercise significant influence	
Detail of Transaction	-	(-)	-	(-)	-	(-)	-	(-)	2.70	(0.97)
- Purchase of materials	-	(-)	-	(-)	-	(-)	-	(-)	90.41	(46.63)
- Sale of goods	376.86	(354.29)	-	(-)	-	(-)	-	(-)	388.75	(201.17)
- Purchase of fixed assets	-	(-)	413.00	(830.14)	-	(-)	-	(-)	-	(4.40)
- Sale of Fixed Assets	-	(-)	-	(-)	-	(-)	-	(-)	747.97	(939.17)
- Receiving of Service	-	(-)	-	(-)	-	(-)	-	(-)	175.33	(34.24)
- Rent/Licence Agreements	-	(-)	-	(-)	26.40	(24.00)	23.76	(23.76)	-	(-)
- Directors' Remuneration *	-	(-)	-	(-)	391.24	(242.22)	-	(-)	-	(-)
- Rental Income	-	(-)	18.58	(18.58)	-	(-)	-	(-)	-	(-)
- Contribution toward share capital	-	(32.76)	-	(-)	-	(-)	-	(-)	-	(-)
- Reimbursement of expenses received	-	(-)	13.25	(10.38)	-	(-)	-	(-)	9.73	(2.89)
- Salary and Other Amenities*	-	(-)	-	(-)	-	(-)	9.62	(-)	-	(-)
- Security Deposits/Advance Rent given	-	(-)	-	(-)	-	(-)	0.50	(-)	331.12	(-)
Closing Balances										
- Amounts payable	-	(-)	35.35	(63.49)	50.24	(44.68)	-	(-)	1.67	(17.20)
- Amounts Receivable	111.63	(116.71)	-	(-)	-	(-)	-	(-)	420.18	(266.00)
- Security Deposits (Rent)	-	-	-	-	6.00	(6.00)	11.30	(10.80)	346.29	(15.52)

(Figures in brackets represent previous year's figures)

*Exclusive of Contributions to Group Gratuity fund, Provident Fund and Superannuation Fund.



c) Disclosure in respect of material transactions with related parties:-

Rs. in Lacs

	Current year	Previous year
Purchase of Materials		
- Prima Telecom Ltd.	2.50	-
- Rohan Motors Ltd.	0.20	0.97
Sale of Goods		
- Rohan Motors Ltd.	90.41	46.63
Purchase of Fixed Assets		
- Rohan Motors Ltd.	19.33	40.07
- Prima Telecom Ltd.	64.35	143.46
- Fibcom India Ltd.	304.23	-
Sale of Fixed Assets		
- Prima Telecom Ltd.	-	4.40
Receiving of Services		
- SHS Transport (P) Ltd.	681.33	543.22
- Prima Telecom Ltd.	0.56	352.07
Reimbursement (Received)		
- Prima Telecom Ltd.	6.40	2.89
- Fibcom India Ltd.	3.32	-
Rent/License Agreement		
- Rohan Motors Ltd.	15.31	13.62
- Ms. Shradha Suri	26.40	24.00
- M/s Ramesh Suri (HUF)	17.00	17.11
- Mrs. Ritu Suri	23.76	23.76
- Prima Infratech P Ltd	139.52	-
Directors Remuneration		
- Mr. Ramesh Suri	76.88	80.37
- Ms. Shradha Suri	164.50	161.85
- Mr. D.M.Reddy	149.86	-
Salary and Other Amenities		
- Ms. Lohitha Reddy	4.85	-
- Ms. Likhitha Reddy	4.77	-

41. Monthly remuneration has been paid during the year to the Managing Director as minimum remuneration as approved by the Shareholders, but eventually the same has exceeded the limits prescribed u/s 309 of the Companies Act, 1956 by a small amount of Rs.20.11 Lacs. The Company is in the process of filing an application to get the waiver from Central Government.



42. Earning per Share

In accordance with Accounting Standard - 20 on 'Earning per Share' issued by the Institute of Chartered Accountants of India, the Earning per Share has been computed as under:

	2012-13	2011-2012
a) Net profit after Tax(Rs. In lacs)	Rs.2056.30	Rs.4840.39
b) Number of Equity shares*(Nos)	59,988,600	59,988,600
c) Nominal value per Equity share	Rs.2	Rs.2
d) Earning per Share (Basic & Diluted)	Rs.3.43	Rs.8.07

* There were no potential equity shares.

43. Foreign Exchange Differences

- The company has entered into foreign exchange forward contracts to partly hedge its risks associated with the foreign currency fluctuations relating to firm commitments.
- Forward Exchange Contracts entered into by the Company outstanding at the year end:-

	Current Year		Previous Year	
	No. of Contracts	Amount	No. of Contracts	Amount
Forward Contracts against Imports				
- In US Dollars (Million)	—	—	2	2.00
- In Japanese Yen (Million)	5	720.25	5	866.39
- Equivalent (Rs. in Lacs)	—	4228.60	—	6516.85

- The year end foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:

	Rupees in Lacs		Foreign currency in Million	
	31.03.2013	31.03.2012	31.03.13	31.03.12
Creditors & Buyer's Credit (net)	10825.90 867.41 62.79	6033.31 2069.07 86.48	JPY 1843.96 USD 1.58 Euro 0.08	JPY 953.13 USD 4.01 Euro 0.125
Debtors	134.10	120.51	USD 0.246	USD 0.233

- Difference between forward rates and Spot rates to be recognised in Subsequent years

Rs.3.20 Lacs
(Previous Year Rs.8.05 Lacs)



44. Research & Development Expenses

- a) The company has two In house R & D Centres, approved by the Department of Scientific and Industrial Research, Ministry of Science & Technology, Govt. of India. The detail of revenue expenditure /income incurred/earned during the year by the said R & D Centres and charged to Statement of Profit & Loss Account or capitalized/ to be capitalized is as under:-

	Current Year Rs. In lacs		Previous Year Rs. In lacs	
	Charge to Statement of Profit & Loss	Capitalized/ to be capitalized	Charge to Statement of Profit & Loss	Capitalized/ to be capitalized
Salary and other benefits	220.85	920.88	87.55	1102.42
Raw Material & Stores	89.15	179.96	71.38	210.52
Power & Fuel	48.12	171.62	48.59	145.82
Others	2.20	301.82	92.45	281.20
Total	360.32	1574.28	299.97	1739.96
Other Capital Expenditure incurred on said inhouse R&D Centre (stated as additions to fixed assets)	—	21.56	—	224.36

- b) Provision for taxation has been made after taking into account the benefit available on expenditure incurred on R & D Centres. Such expenditure are subject to approval of appropriate authorities.

45. Following Construction Period Expenses (other than Borrowing Cost) incurred on making Dies & Tools and Building have been capitalized or clubbed with Capital Work in-Progress, as the case may be :-

Particulars	Rs. in Lacs	
	Current Year	Previous Year
Raw Material & Stores	604.40	935.93
Salaries, wages and other amenities to staff	634.82	550.95
Depreciation	9.66	61.26
Power & Fuel	90.93	78.73
Other Expenses	461.42	285.69
Total	1801.23	1912.56

46. Borrowing cost amounting to Rs. 633.30 lakhs (Previous Year: Rs. 389.25 lakhs) has been capitalised with the cost of fixed assets as per Accounting Standard 16 issued by the Institute of Chartered Accountant of India.



47. Employees Benefits

As per Accounting Standard 15 “Employee Benefits”, the required disclosures of Employee Benefits to the extent applicable to the company are given below:

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

	Amount (Rs. in Lacs)	
	31.03.13	31.03.12
Employer’s Contribution to Provident Fund	308.22	267.85
Employer’s Contribution to Superannuation Fund	92.97	108.57
Employer’s Contribution to Employees State Insurance Scheme	69.03	59.40

Defined Benefit Plan

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

I. Reconciliation of opening and closing balances of Defined Benefit obligation

(Rs. in Lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31.03.13	31.03.12	31.03.13	31.03.12
Defined Benefit obligation at beginning of the year	510.05	509.57	162.10	148.45
Current Service Cost	69.74	57.45	58.18	37.34
Interest Cost	40.80	43.31	12.97	12.62
Actuarial (gain)/loss	(8.76)	(62.85)	43.58	22.12
Benefits paid	(27.88)	(37.44)	(43.96)	(58.42)
Defined Benefit obligation at year end	583.95	510.05	232.87	162.10



II. Reconciliation of opening and closing balances of fair value of plan assets in respect of gratuity :

(Rs. in Lacs)

	Gratuity (Funded)	
	31.03.13	31.03.12
Fair value of plan assets at beginning of the year	616.47	499.69
Expected return on plan assets	57.95	46.47
Actuarial (Loss)/gain	—	—
Employer contribution	4.62	70.30
Benefits paid/Withdrawn	—	—
Fair value of plan assets at year end	679.04	616.47

III. Reconciliation of fair value of assets and obligations

(Rs. in Lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31.03.13	31.03.12	31.03.13	31.03.12
Fair value of plan assets	679.04	616.47	Nil	Nil
Present value of obligation	583.95	510.05	232.87	162.10
Amount recognized in Balance Sheet	(95.09)	(106.42)	232.87	162.10

IV. Expense recognized during the year

(Under the head "Employee Benefit Expenses - Refer Note '23')

(Rs. in Lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31.03.13	31.03.12	31.03.13	31.03.12
Current Service Cost	69.74	57.45	58.18	37.34
Interest Cost	40.80	43.31	12.97	12.62
Expected return on plan assets	(57.95)	(46.47)	—	—
Actuarial (Gain)/Loss	(8.76)	(62.85)	43.58	22.12
Net Cost	43.83	(8.56)	114.73	72.07

V. Investment Details - Gratuity

	% Invested
Insurer Managed Fund	100%



VI. Actuarial assumptions

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31.03.13	31.03.12	31.03.13	31.03.12
Mortality Table (LIC)	1994-96	1994-96	1994-96	1994-96
Discount rate (per annum)	8.00%	8.50%	8.00%	8.50%
Expected rate of return on plan assets (per annum)	9.40%	9.30%	NA	NA
Rate of escalation in salary (per annum)	6%	6%	6%	6%

The estimates of rate of escalation in salary as considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering the LIC's policy for plan assets management.

48. As informed there was no supplier who was registered under "The Micro, Small and Medium Enterprises (Development) Act, 2006".
49. Balance confirmations have not been received from some of the parties showing debit/credit balances.

For V.K. DHINGRA & CO.,
Chartered Accountants

For and on behalf of Board of Directors

V.K. DHINGRA
Partner

RAMESH SURI
Chairman

SHRADHA SURI
Managing Director

H.K AGARWAL
Head (Finance)

VIKAS SABHARWAL
Dy. Company Secretary

Place: New Delhi

Dated: 22nd May, 2013



Statement pursuant to section 212 of the Companies Act, 1956 relating to the Subsidiary Company

1. Name of the subsidiary : **THAI SUBROS LIMITED**
2. Financial Year of the subsidiary ended on : **31st March, 2013**
3. No. of shares held in Subsidiary Company on the above date : **999300 Common Shares of THB 5/- Each and 700 Common Shares of THB 5/- Each held through Seven Individuals**
4. Extent of Holding (%) : **99.93% as on 31/03/2013 and balance 0.07% held through seven individuals**
5. Net aggregate amount of profit/(loss) of the subsidiary so far as they concern members of the Company:
 - A) dealt with in the Accounts of Subros Limited amounted to:-
 - 1) for subsidiary's Financial year ended on 31st March, 2013 (Rs in lacs) : **NIL**
 - 2) for previous Financial Years of the subsidiary since it became subsidiary of Subros Ltd (Rs in lacs) : **NIL**
 - B) not dealt with in the Accounts of Subros Ltd amounted to:-
 - 1) for subsidiary's Financial year ended on 31st March, 2013 (Rs in lacs) : **21.10**
 - 2) for previous Financial Years of the subsidiary since it became subsidiary of Subros Ltd (Rs in lacs) : **61.73**

For and on behalf of Board of Directors

Ramesh Suri
Chairman

Shradha Suri
Managing Director

H.K. Agarwal
Head (Finance)

Vikas Sabharwal
Dy. Company Secretary

Place:- New Delhi

Date:- 22nd May, 2013



Directors' Report - Thai Subros Limited

To
The Members

Your Directors are pleased to present the Fifth annual report of the company together with the audited accounts for the year ended 31st March, 2013.

FINANCIAL RESULTS

During the year, the company has gross revenue of THB 344 lac as against THB 404 lac during the previous year. The company has earned profit before tax of THB 13.13 lac as against loss of THB 9.41 lac during the previous year.

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

FUTURE PROSPECTS

The company is expected to increase the sales volume during the next financial year 2013-14. The company is further working to increase the number of products being sold to Tata Motors (Thailand) Ltd.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- the Directors have selected suitable accounting policy and then applied them consistently and made judgements and estimates that are reasonable and prudent.
- they are also responsible for safeguarding the assets of the company and hence taken the reasonable steps for preventing and detecting fraud and other irregularities.
- the Directors had prepared the annual accounts on a going concern basis.

AUDITORS

M/s. Chatchawat Auditing & Tax Co. Ltd., is the auditor of the company and being recommended for re-appointment for the next financial year. Notes to accounts referred to in the Auditors report are self explanatory.

ACKNOWLEDGEMENT

The Directors wish to convey their appreciation to all the employees of the company for their collective contribution to the company's performance.

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

Your Directors also take this opportunity to convey their thanks to the Company's valued customer, particularly Tata Motors (Thailand) Limited for the trust and confidence reposed by them in the Company. Your Directors also like to convey their thanks to the shareholders, suppliers, and all the other business associates for the continuous support given by them to the company and the confidence reposed in the management.

For and on behalf of Board of Directors

(Ramesh Suri)
CHAIRMAN

11 May 2013



Independent Auditor's Report - Thai Subros Limited

To the Shareholders of Thai Subros Limited

I have audited the accompanying financial statements of **Thai Subros Limited** which comprise the statement of financial position as at 31 March 2013, the statements of income and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position as at 31 March 2013, and the financial performance for the year then ended of **Thai Subros Limited** in accordance with the Thai Financial Reporting Standard for Non-Publicly Accountable Entities.

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

11 May 2013



Thai Subros Limited – Balance Sheet

as at March 31, 2013 and 2012

ASSETS

	Note	(Bht)	
		2013	2012
CURRENT ASSETS			
Cash and cash equivalents	4	2,121,649.77	319,533.38
Trade and other receivables	5	4,352,717.43	2,293,919.96
Inventories	6	4,542,979.60	4,774,762.45
Other current assets		566,372.56	4,218,454.31
TOTAL CURRENT ASSETS		11,583,719.36	11,606,670.10
NON - CURRENT ASSETS			
Machinery and equipment	7	2,601,035.52	2,699,161.51
Intangible assets	8	31,251.39	34,751.37
Other non - current assets		481,350.00	549,750.00
TOTAL NON - CURRENT ASSETS		3,113,636.91	3,283,662.88
TOTAL ASSETS		14,697,356.27	14,890,332.98

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

LIABILITIES AND SHAREHOLDERS' EQUITY

		(Bht)	
		2013	2012
CURRENT LIABILITIES			
Trade and other payables	9	6,657,142.44	8,067,659.53
Other current liabilities		12,490.53	8,032.16
TOTAL CURRENT LIABILITIES		6,669,632.97	8,075,691.69
NON - CURRENT LIABILITIES			
Employee benefit obligations	10	34,164.62	16,527.91
TOTAL NON - CURRENT LIABILITIES		34,164.62	16,527.91
TOTAL LIABILITIES		6,703,797.59	8,092,219.60
SHAREHOLDERS' EQUITY			
Share capital			
Authorized share capital			
1,000,000 ordinary shares of par Baht 5 each	11	5,000,000.00	5,000,000.00
Paid - up share capital			
1,000,000 ordinary shares of par Baht 5 each		5,000,000.00	5,000,000.00
Retained earnings (deficit) unappropriated		2,993,558.68	1,798,113.38
TOTAL SHAREHOLDERS' EQUITY		7,993,558.68	6,798,113.38
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		14,697,356.27	14,890,332.98

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



Thai Subros Limited – Statement of Income

For the year ended March 31, 2013 and 2012

	(Bht)	
	2013	2012
REVENUES		
Sales	33,820,754.39	40,310,762.98
Gain on exchange rate	549,660.95	—
Other income	62,660.71	53,463.81
Total Revenues	<u>34,433,076.05</u>	<u>40,364,226.79</u>
EXPENSES		
Cost of sales	30,279,273.11	38,885,697.48
Selling expenses	550,305.00	552,271.00
Administrative expenses	2,290,600.54	1,443,499.01
Loss on exchange rate	—	423,476.72
Total Expenses	<u>33,120,178.65</u>	<u>41,304,944.21</u>
Profit (Loss) before corporate income tax	<u>1,312,897.40</u>	<u>(940,717.42)</u>
Corporate income tax	<u>(117,452.10)</u>	<u>—</u>
Net Profit (Loss)	<u>1,195,445.30</u>	<u>(940,717.42)</u>

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

Thai Subros Limited – Statement of Changes in Shareholders' Equity

For the year ended March 31, 2013 and 2012

(Unit : Baht)

	Note	Paid-up share capital	Retained Earnings (Deficits)	Total
Balance as at April 1, 2011		3,000,000.00	2,738,830.80	5,738,830.80
Add Increased Capital	11	2,000,000.00	—	2,000,000.00
Net Profit (Loss) for the year 2012		—	(940,717.42)	(940,717.42)
Balance as at March 31, 2012		<u>5,000,000.00</u>	<u>1,798,113.38</u>	<u>6,798,113.38</u>
Net Profit (Loss) for the year 2013		—	1,195,445.30	1,195,445.30
Balance as at March 31, 2013		<u>5,000,000.00</u>	<u>2,993,558.68</u>	<u>7,993,558.68</u>

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



Thai Subros Limited – Statement of Cash Flows

For the year ended March 31, 2013 and 2012

	(Bht)	
	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES		
Profit (loss) before income tax	1,195,445.30	(940,717.42)
Adjustment to reconcile profit (loss) to net cash		
Depreciation	422,690.02	346,286.94
Amortization	3,499.98	248.63
Unrealized (gain) loss on exchange rate	(249,047.19)	27,396.71
Operating assets decrease (increase)		
Trade and other accounts receivable	(2,058,797.47)	5,699,976.26
Inventories	231,782.85	5,866,746.11
Other current assets	3,652,081.75	(2,108,617.16)
Other non - current assets	68,400.00	(438,750.00)
Operating liabilities increase (decrease)		
Trade and other accounts payable	(1,161,469.90)	(16,911,633.00)
Other current liabilities	4,458.37	(11,195.38)
Employee benefits obligations	17,636.71	16,527.91
Net cash from (used in) operating activities	2,126,680.42	(8,453,730.40)
CASH FLOW FROM INVESTING ACTIVITIES		
Intangible assets	—	(35,000.00)
Machinery and equipment	(324,564.03)	(648,392.19)
Net cash (used in) investing activities	(324,564.03)	(683,392.19)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment of long-term loans from directors and related companies	—	(66,268.65)
Cash received from increased share capital	—	2,000,000.00
Net cash from (used in) investing activities	—	1,933,731.35
NET INCREASED (DECREASED) IN CASH AND CASH EQUIVALENTS	1,802,116.39	(7,203,391.24)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	319,533.38	7,522,924.62
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	2,121,649.77	319,533.38



Thai Subros Limited – Notes of financial statements as 31st March, 2013 and 2012

1. GENERAL INFORMATION

- Registration : The Company was registered as a limited company on July 21, 2008.
Registration No. 0-1155-51007-18-8
- Located : No. 88/23, Moo 15, Tambol Bangsaothong, Amphur Bangsaothong,
Samutprakarn.
- Type of business: Importing and exporting of parts and equipment to be used for car air
conditioner, and all types of vehicles parts and equipment.

2. BASIS FOR FINANCIAL STATEMENTS PREPARATION

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

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

The financial statements in Thai language are the official statutory financial statements of the Company.

The financial statements in English language have been translated from the Thai language financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Revenues recognition

Sales

Sales of goods are recognized when significant risks and rewards of ownership of the goods have passed to the buyer. Sales are the invoiced value, excluding value added tax, of goods supplied after deducting discount and allowances.

Service income

Service income is recognized as services provided according to the percentage of completion.

Interest income

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

3.2 Cash and cash equivalents

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



3.3 Account receivable

Account receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables.

The allowance is generally based on collection experiences and analysis of debtor aging.

3.4 Inventories

The Company values its inventories at cost (FIFO method) or net receivable value whichever are lower.

3.5 Machinery and equipment

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

Assets	Number of Years
Leasehold improvements	3
Machinery and Equipment	10
Office Furniture	5
Office Equipment	5
Electric System	10

3.6 Operating Leases

Lease of assets where a significant portion of the risks and rewards of ownership are retained by the lesser are classified as operating leases. Payments made under operating leases are recognized as expenses over the period of the lease.

3.7 Foreign Currency Transactions

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

3.8 Intangible assets

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

3.9 Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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



3.10 Corporate Income Tax

Corporate Income tax is provided for in the accounts based on the taxable profits determined in accordance with tax legislation.

3.11 Use of accounting estimates

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

4. CASH AND CASH EQUIVALENTS

	(BAHT)
	2013
	2012
Cash	24,197.65
Cash in Banks - Current Account	2,097,452.12
Total	2,121,649.77
	8,702.54
	310,830.84
	319,533.38

5. TRADE AND OTHER RECEIVABLES

	(BAHT)
	2013
	2012
Trade accounts receivable	4,343,674.43
Other receivables	2,293,919.96
- Cash advance	9,043.00
Total	4,352,717.43
	-
	2,293,919.96

6. INVENTORIES

	(BAHT)
	2013
	2012
Inventory in transit	584,398.25
Raw materials	3,571,077.84
Finished goods	387,503.51
Total	4,542,979.60
	187,609.71
	4,051,041.71
	536,111.03
	4,774,762.45



7. MACHINERY AND EQUIPMENT

	<u>BAHT</u>		
	As at April 1, 2012	Addition Deduction	As at March 31, 2013
Cost :			
Leasehold improvement	282,840.00	-	282,840.00
Machinery and equipment	3,288,544.13	240,000.93	3,528,545.06
Office furniture	73,247.85	27,311.03	100,558.88
Office equipment	115,658.86	19,284.07	134,942.93
Electric system	42,496.64	94,920.00	137,416.64
Work in progress	56,952.00	- (56,952.00)	-
Total	3,859,739.48	381,516.03 (56,952.00)	4,184,303.51
Accumulated Depreciation :			
Leasehold improvement	2,671.52	14,141.96	16,813.48
Machinery and equipment	1,083,254.90	350,438.14	1,433,693.04
Office furniture	13,602.85	19,151.20	32,754.05
Office equipment	54,648.00	25,867.25	80,515.25
Electric system	6,400.70	13,091.47	19,492.17
Total	1,160,577.97	422,690.02	1,583,267.99
Net	2,699,161.51		2,601,035.52

Depreciation (included in statements of income)

Year 2013	422,690.02
Year 2012	346,286.94

8. INTANGIBLE ASSETS

	<u>(BAHT)</u>	
	2013	2012
Computer Software	35,000.00	35,000.00
<u>Less</u> Accumulated amortization of software	(3,748.61)	(248.63)
Intangible assets - net	31,251.39	34,751.37

9. TRADE AND OTHER PAYABLES

	<u>(BAHT)</u>	
	2013	2012
Trade accounts payable	6,127,569.48	7,354,000.17
Other payable		
- Accrued expenses	474,118.96	613,992.73
- Others	55,454.00	99,666.63
Total trade and other payables	6,657,142.44	8,067,659.53



10. EMPLOYEE BENEFIT OBLIGATIONS

The Company has changed the estimate of provisions as follows.

	Baht	
	2013	2012
Employee benefit obligations at beginning of year	16,527.91	—
Increase	17,757.06	—
(Decrease)	(120.35)	16,527.91
Employee benefit obligations at end of year	34,164.62	16,527.91

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

11. SHARE CAPITAL

In the Extraordinary Shareholders' Meetings No.1/2012 on January 25, 2012, the Boards had a special resolution to increase the registered capital of the Company from Baht 3 Million (Divided into 600,000 shares of Baht 5 par value) to Baht 5 Million (Divided into 1,000,000 shares of the same par value).

The Company had already registered the increase capital with the Ministry of Commerce on February 14, 2012.

12. OPERATING LEASES

During 2011, the Company has entered into a lease and service agreements for a period of 3 years from August 15, 2011 to August 14, 2014. The Company has obliged to pay rental and service fee for approximately 1.05 million Baht per annual.

13. RECLASSIFICATION OF ACCOUNTS

Certain accounts in the financial statements for the year ended March 31, 2012 have been reclassified which presented comparative figures to conform with the presentation of accounts in the financial statements for the year ended March 31, 2013 without effect on profit (loss) or shareholders' equity as previously reported.

14. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were authorized for issue by the authorized directors of the Company on 11th May, 2013.



Auditors' Report - Consolidated

To The Board of Directors of
Subros Limited

Report on the Consolidated Financial Statements

1. We have audited the accompanying consolidated financial statements of Subros Limited (The "Company") and its subsidiary and joint venture (collectively referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2013, the Consolidated Statements of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India; this includes the design, implementation and maintenance of internal control 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors considers internal control relevant to the Group's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

5. In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of the reports of the other auditors on the financial statements of the subsidiary and joint venture as noted below, the consolidated financial



statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2013;
- (b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- (c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Other Matters

- 6. We did not audit the financial statements of the subsidiary company whose financial statements reflect total assets(net) of Rs.272.28 lacs as at 31st March, 2013 and total revenues of Rs.607.85 lacs and net cash flows amounting to Rs.34.03 lacs for the year then ended. These financial statements have been audited by other auditor whose report has been furnished to us by the management, and our opinion, insofar as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditor.
- 7 We have relied upon the unaudited financial statements of the Joint Venture which reflects the Groups' share in total assets(net) aggregating to Rs.144.91 lacs as at 31st March, 2013 and total revenues of Rs.259.10 lacs and net cash flows amounting to Rs.24.49 lacs for the year ended 31st March, 2013 and our opinion, insofar as it relates to the amounts included in respect of the joint venture, is based solely on the provisional financial statements prepared by the Management of the joint venture.

Our opinion is not qualified in respect of other matters.

**For V.K. DHINGRA & CO.,
CHARTERED ACCOUNTANTS
Firm Registration No. 000250N**

**PLACE: NEW DELHI
DATED: MAY 22, 2013**

**(V.K. DHINGRA)
PARTNER
M. No. 14467**



Consolidated Balance Sheet as at 31st March 2013

(₹ in Lacs)

PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2013	AS AT 31ST MARCH 2012
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS:			
(A) SHARE CAPITAL	2	1199.77	1199.77
(B) RESERVES AND SURPLUS	3	27397.68	25850.50
NON-CURRENT LIABILITIES			
(A) LONG-TERM BORROWINGS	4	18957.47	13609.62
(B) DEFERRED TAX LIABILITIES (NET)	5	2795.40	2463.98
(C) OTHER LONG-TERM LIABILITIES	6	26.38	26.13
(D) LONG-TERM PROVISIONS	7	258.68	190.47
CURRENT LIABILITIES			
(A) SHORT-TERM BORROWINGS	8	10360.41	16834.80
(B) TRADE PAYABLES		14148.48	14609.05
(C) OTHER CURRENT LIABILITIES	9	12363.11	8775.13
(D) SHORT-TERM PROVISIONS	10	585.61	849.34
TOTAL		88092.99	84408.79
ASSETS			
NON-CURRENT ASSETS			
(A) FIXED ASSETS			
(I) TANGIBLE ASSETS	11	37171.70	32220.93
(II) INTANGIBLE ASSETS	11	7382.58	6473.58
(III) CAPITAL WORK-IN-PROGRESS	11	7318.84	6014.34
(IV) INTANGIBLE ASSETS UNDER DEVELOPMENT	11	3373.91	3022.37
(B) LONG-TERM LOANS AND ADVANCES	12	4213.28	4096.03
CURRENT ASSETS			
(A) INVENTORIES	13	19160.25	17922.13
(B) TRADE RECEIVABLES	14	4497.08	7639.35
(C) CASH AND BANK BALANCES	15	1123.39	1201.02
(D) SHORT-TERM LOANS AND ADVANCES	16	3827.90	5793.28
(E) OTHER CURRENT ASSETS	17	24.06	25.76
TOTAL		88092.99	84408.79
SIGNIFICANT ACCOUNTING POLICIES THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS	1		

As per attached report of even date

For and on behalf of the Board of Directors

FOR V. K. DHINGRA & CO.

Chartered Accountants

V K DHINGRA

Partner

RAMESH SURI

Chairman

SHRADHA SURI

Managing Director

Place : New Delhi

Date : 22nd May, 2013

H.K. AGARWAL

Head (Finance)

VIKAS SABHARWAL

Dy. Company Secretary



Consolidated Statement of Profit and Loss for the Year Ended 31st March 2013

(₹ in Lacs)

PARTICULARS	NOTE NO.	FOR THE YEAR ENDED ON 31.03.2013	FOR THE YEAR ENDED ON 31.03.2012
REVENUE FROM OPERATIONS	18	127658.59	112053.42
OTHER INCOME	19	1088.88	1156.48
TOTAL REVENUE		128747.47	113209.90
EXPENSES:			
COST OF MATERIALS CONSUMED	20	92002.20	80614.17
CHANGES IN INVENTORIES OF FINISHED GOODS & WIP - (INCREASE) / DECREASE	21	(661.71)	140.80
EMPLOYEE BENEFIT EXPENSE	22	10654.98	8887.73
FINANCE COST	23	3593.19	2590.85
DEPRECIATION AND AMORTISATION EXPENSE		7279.28	5319.20
OTHER EXPENSES	24	13447.16	12761.13
TOTAL EXPENSES		126315.10	110313.88
PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX		2432.37	2896.02
EXCEPTIONAL ITEMS			
ADD: PROFIT ON SALE OF IMMOVABLE PROPERTY		—	2901.82
PROFIT BEFORE TAX		2432.37	5797.84
TAX EXPENSE:			
-CURRENT TAX (MAT)		500.90	1179.47
-MAT CREDIT ENTITLEMENT		(491.83)	(1,173.65)
-NET CURRENT TAX		9.07	5.82
-DEFERRED TAX EXPENSE		331.42	1007.93
-TAX IN RESPECT OF EARLIER YEARS		64.50	9.15
PROFIT FOR THE PERIOD		2027.38	4774.94
EARNING PER EQUITY SHARE OF FACE VALUE OF ₹ 2 EACH			
BASIC & DILUTED		3.38	7.96
SIGNIFICANT ACCOUNTING POLICIES	1		
THE NOTES FORM AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS			

As per attached report of even date

For and on behalf of the Board of Directors

FOR V. K. DHINGRA & CO.

Chartered Accountants

V K DHINGRA

Partner

RAMESH SURI

Chairman

SHRADHA SURI

Managing Director

Place : New Delhi

Date : 22nd May, 2013

H.K. AGARWAL

Head (Finance)

VIKAS SABHARWAL

Dy. Company Secretary



Consolidated Statement of Cash Flow for the Year Ended 31st March 2013

(₹ in Lacs)

PARTICULARS	2012-2013		2011-2012	
I. CASH FLOW FROM OPERATING ACTIVITIES				
A Profit Before Taxation		2,432.37		5,797.84
B Adjustments				-
Add:				
i) Depreciation	7,279.28		5,319.20	
ii) Loss on Assets Sold / Discarded	-		-	
iii) Interest & Financial Charges	3,593.19	10,872.47	2,590.85	7,910.05
Less:				
i) Interest Income	84.09		109.47	
ii) Surplus on Assets sold / discarded	6.73	90.82	2,908.88	3,018.35
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		13,214.02		10,689.54
Adjustment for:				
i) Trade & Other receivable	4,892.33		(3,117.79)	
ii) Inventories	(1,238.13)		(4,411.04)	
iii) Trade & Other payables	1,415.17	5,069.37	6,336.14	(1,192.69)
CASH GENERATED FROM OPERATIONS		18,283.39		9,496.85
Less:				
Direct Taxes paid (Net)		(636.33)		(1,051.06)
Add:				
Interest received		85.78		113.85
Effect of Exchange Fluctuation on consolidation		7.84		8.41
NET CASH FLOW FROM OPERATING ACTIVITIES		17,740.68		8,568.05
II. CASH FLOW FROM INVESTING ACTIVITIES				
i) Purchase of Fixed Assets/ Capital work in Progress		(13,676.40)		(18,654.30)
ii) Sale of Fixed Assets		138.76		946.84
NET CASH USED IN INVESTING ACTIVITIES		(13,537.64)		(17,707.46)



(₹ in Lacs)

PARTICULARS	2012-2013		2011-2012	
III. CASH FLOW FROM FINANCING ACTIVITIES				
i) Proceeds of long term secured loans		11,018.23		11,252.50
ii) Repayment of long term loans		(3,805.00)		(6,465.81)
iii) Working Capital Loans from Banks		(4,436.30)		5,615.47
iv) Dividend and Corporate Dividend Tax paid		(766.92)		(557.76)
v) Interest Paid		(4,195.55)		(2,953.49)
vi) Buyer Credit (Capex)		(2,038.11)		2,038.11
NET CASH FROM FINANCING ACTIVITIES		<u>(4,223.65)</u>		<u>8,929.02</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS (I+II+III)		(20.61)		(210.39)
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		234.84		445.23
CASH AND CASH EQUIVALENTS AS AT THE CLOSING OF THE YEAR		214.23		234.84

Note: i) Figures in brackets represent cash outflows.

ii) Previous years figures have been recast / restated wherever necessary.

As per attached report of even date

For and on behalf of the Board of Directors

FOR V. K. DHINGRA & CO.

Chartered Accountants

V K DHINGRA

Partner

RAMESH SURI

Chairman

SHRADHA SURI

Managing Director

Place : New Delhi

Date : 22nd May, 2013

H.K. AGARWAL

Head (Finance)

VIKAS SABHARWAL

Dy. Company Secretary



Notes Annexed to and Forming Part of the Consolidated Balance Sheet as at 31st March, 2013 and Consolidated Statement of Profit and Loss for the year ended on that date

NOTE 1 — SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Preparation of Financial Statements

The consolidated financial statements of Subros Limited, its subsidiary and its joint venture ("the Group") are prepared under the historical cost convention on accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under section 211(3c) of the Companies Act, 1956 and the relevant provisions thereof.

ii) Principles of Consolidation

The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the Company.

The financial statement of subsidiary company has been combined on a line-by-line basis by adding together like items of Assets, liabilities, income and expenses. Inter-company balances and transactions and unrealized profits or losses have been fully eliminated, as per Accounting Standard 21 on 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India.

The financial statement of Joint Venture company has been consolidated on proportionate consolidation method as prescribed in Accounting Standard 27 on 'Financial Reporting of Interest in Joint Ventures' on a line-by-line basis by adding together like items of Assets, liabilities, income and expenses to the extent of company's holding (26%) in Joint Venture Company.

Accounting policies between Group companies are generally consistent and in case of inconsistency, the same has been adequately disclosed.

iii) Fixed Assets

Fixed Assets are stated at cost less accumulated depreciation. All expenses incidental to the purchase/construction/ installation and commissioning including borrowing costs are added to the cost of the fixed assets. Where any part of the cost of fixed assets is either recovered by way of grant or borne by any other person, the same is deducted from the gross value of relevant fixed assets.

iv) Inventories

Inventories are valued at lower of cost or net realizable value. Cost is arrived on weighted average basis, except in case of inventory of subsidiary company which is arrived at on FIFO basis, and is inclusive of taxes and duties paid/incurred (other than those recovered/recoverable from the Taxing Authorities). Adequate provision is made in respect of non-standard and obsolete items based on management's estimate.



v) Revenue Recognition

- a) Sales are accounted on dispatch of products against orders of customers and stated net of trade discounts, returns and sales-tax.
- b) Duty Drawback Income on eligible direct exports and exports through other parties is recognised in the year of export/sale to other parties on the basis of provisional/estimated tariff rates informed by the appropriate authorities.

vi) Provisions, Contingent Liabilities and Contingent Assets

The Group creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognized in the period in which the change occurs.

vii) Depreciation

- a) Leasehold land is amortised over the period of lease.
- b) Cost of specialised softwares is amortised in three years on straight-line method on pro-rata basis.
- c) Technical Know-how is amortised in six years on straight-line method on pro-rata basis.
- d) Product Development Cost is amortised in six years on straight line method on pro-rata basis.
- e) Individual items of fixed assets costing upto five thousand rupees are fully depreciated in the year of purchase.
- f) Depreciation on other assets is provided on written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956 on pro-rata basis.
- g) In respect of fixed assets owned by the subsidiary company and Joint Venture, depreciation is charged on straight line basis over the estimated useful life as follows:

Assets	Number of years	
	Subsidiary Co.	Joint Venture
Machinery & Equipments	10	5
Office Furniture	5	5
Office Equipments	5	5
Electric Systems	10	5
Lease Hold improvement	3	—
Softwares	10	5



viii) Intangible Assets

Intangible assets are recognized if they are separately identifiable and the company controls the future economic benefit arising out of them. All other expenses on intangible items are charged to the Statement of Profit & Loss. Intangible assets are stated at cost less accumulated amortization / impairment. Intangible assets include Software Licenses', Technical Know-how, Product Development Cost etc.

ix) Borrowing Cost

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized till the date on which the asset is ready for its intended use. Qualifying assets are those which take substantial period of time to get ready for its intended use.

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

x) Employee Benefits

a) Defined Contribution Plan

The Company makes defined contribution to Provident Fund and Superannuation Scheme, which are recognized in the Statement of Profit and Loss on accrual basis.

The Company's contribution to State Plan, viz. Employees' State Insurance scheme is recognised in the Statement of Profit and Loss on accrual basis.

b) Defined Benefit Plan

The Company's liabilities under Payment of Gratuity Act and compensated absences are determined on the basis of actuarial valuation made at the end of each financial year using the projected unit credit method. Actuarial gain and losses are recognized immediately in the Statement of Profit and Loss as income/expenses. Obligation is measured at the present value of estimated future cash flows using a discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Bonds.

Gratuity obligation is funded with the Life Insurance Corporation of India through a Gratuity Trust.

c) Short Term Employee Benefits

Amounts paid under Voluntary Retirement and Separation Schemes are charged to the Statement of Profit and Loss in the year of payment.

Other short term employee benefit obligations are measured on an undiscounted basis and charged to the Statement of Profit and Loss on accrual basis.

xi) Research & Development

Revenue expenditure on research and development are charged to the Statement of Profit and Loss in the year in which these are incurred except for certain cost incurred on



development of new products e.g. air conditioning systems and related products which are capitalized when it is probable that a development project will be a success. Capital expenditure on research and development are considered as an addition to Fixed Assets.

xii) Foreign Currency Translation

- a) Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.
- b) Assets and Liabilities receivable/payable in foreign currencies are translated at the year end exchange rates.
- c) Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of Profit and Loss.
- d) In case of forward contracts, difference between forward rates and spot rates on the date of transaction is recognised as income or expense over the life of contract. Exchange difference on such contracts. i.e. difference between the exchange rate at the reporting/settlement date and the exchange rate on the date of inception / the last reporting date, is recognized as income / expenses for the period.
- e) For the purpose of consolidation, income and expenses are translated at average rate and the assets and liabilities are stated at closing rate. The net impact of such changes is accumulated under Foreign Currency Translation Reserve.

xiii) Taxes on Income

Provision for current tax is made on the basis of estimated taxable income under the relevant laws of respective countries. Deferred tax on account of timing differences between taxable income and accounting income is accounted for by applying tax rates and laws enacted or substantially enacted on the balance sheet date.

xiv) Lease asset- Operating lease

Lease assets where risk and rewards incidental to ownership of an assets substantially vests with the lessor are recognized as operating lease.

Lease Payments are recognized as an expense in Statement of Profit & Loss on the straight line basis over the lease term. However the lease rent pertaining to the period up to the date of the commissioning of the assets are capitalized.



NOTE 2 - SHARE CAPITAL

2 (a) AUTHORISED, ISSUED, SUBSCRIBED & PAID UP SHARE CAPITAL

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
AUTHORISED: 75,000,000 EQUITY SHARES OF RS. 2/- EACH	1500.00	1500.00
ISSUED: 5,99,94,300 EQUITY SHARES OF RS. 2/- EACH	1199.89	1199.89
SUBSCRIBED AND PAID UP 5,99,88,600 EQUITY SHARES OF RS. 2/- EACH FULLY PAID UP	1199.77	1199.77
TOTAL	1199.77	1199.77

2 (b) RECONCILIATION OF NUMBER OF SHARES OUTSTANDING

(₹ in Lacs)

PARTICULARS	As at 31st March 2013		As at 31st March 2012	
	Nos.		Nos.	
SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR	59988600	1,199.77	59988600	1,199.77
SHARES ISSUED DURING THE YEAR	—	—	—	—
SHARES BOUGHT BACK DURING THE YEAR	—	—	—	—
SHARES OUTSTANDING AT THE END OF THE YEAR	59988600	1,199.77	59988600	1,199.77

2 (c) LIST OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES

(₹ in Lacs)

NAME OF SHAREHOLDER	As at 31st March 2013		As at 31st March 2012	
	NO. OF SHARES HELD	% OF HOLDING	NO. OF SHARES HELD	% OF HOLDING
DEEKSHA HOLDINGS LTD	10137760	16.90	10137760	16.90
JYOTSNA HOLDING PVT LTD.	3448000	5.74	3448000	5.74
R.R HOLDINGS PVT LTD	3208000	5.35	3208000	5.35
RAMESH SURI (HUF)	3040000	5.07	3040000	5.07
DENSO CORPORATION	7800000	13.00	7800000	13.00
SUZUKI MOTORS CORPORATION	7800000	13.00	7800000	13.00

- 2 (d) The Company has only one class of equity shares having a par value of Rs.2 per share. Each shareholder is eligible for one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders, except in case of interim dividend. 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 pro-portion to their shareholding.



NOTE 3 - RESERVES & SURPLUS

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
CAPITAL RESERVE		
CAPITAL INVESTMENT SUBSIDY	3.57	3.57
PROFIT ON RE-ISSUE OF FORFEITED SHARES	0.08	0.08
	<u>3.65</u>	<u>3.65</u>
GENERAL RESERVE		
OPENING BALANCE	10811.48	8311.48
ADD: TRANSFERRED FROM SURPLUS	206.00	2500.00
CLOSING BALANCE	<u>11017.48</u>	<u>10811.48</u>
SURPLUS		
OPENING BALANCE	15023.04	13515.02
ADD: PROFIT FOR THE YEAR	2027.38	4774.94
	<u>17050.42</u>	<u>18289.96</u>
LESS: APPROPRIATIONS		
PROPOSED DIVIDEND ON EQUITY SHARE*	419.92	659.87
PROVISION FOR TAX ON PROPOSED DIVIDEND	68.12	107.05
TRANSFERRED TO GENERAL RESERVE	206.00	2500.00
CLOSING BALANCE	<u>16356.38</u>	<u>15023.04</u>
FOREIGN CURRENCY TRANSLATION RESERVE		
OPENING BALANCE	12.33	3.92
ADD/(LESS)- DURING THE YEAR	7.84	8.41
CLOSING BALANCE	<u>20.17</u>	<u>12.33</u>
TOTAL	<u><u>27397.68</u></u>	<u><u>25850.50</u></u>

*₹ 0.70 Per Equity Share (Previous Year ₹ 1.10 per Equity Share)

NOTE 4 - LONG -TERM BORROWINGS

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
SECURED LOANS		
TERMS LOANS:		
FROM BANKS	16533.93	10168.53
FROM OTHERS	2415.38	3388.88
	<u>18949.31</u>	<u>13557.41</u>
VEHICLES LOAN		
FROM OTHERS	8.16	52.21
TOTAL	<u><u>18957.47</u></u>	<u><u>13609.62</u></u>



NATURE OF SECURITY AND TERMS OF REPAYMENT FOR LONG TERM SECURED BORROWINGS

NATURE OF SECURITY	TERMS OF REPAYMENT
Term loan amounting to Rs. 130.00 lacs (March 31, 2012: Rs. 260.00 lacs) is secured by Exclusive first charge on specific equipments.	Repayment in 20 quarterly instalments (@ Rs 32.50 lacs each) commencing from June 2010. Last instalment in March 2015. Rate of interest SBIBR+1.90% P.A. as at year end. (Previous year SBIBR+1.90% P.A.)
Term loan amounting to Rs. 1450.00 lacs (March 31, 2012: Rs.2175 lacs) is secured by Exclusive first charge on specific equipments.	Repayment in 16 quarterly instalments (@ Rs 181.25 lacs each) commencing from June 2012. Last instalment in March 2016. Rate of interest SBIBR+1.90% P.A. as at year end. (Previous year SBIBR+1.90%)
Term loan amounting to Rs. 337.50 lacs (March 31, 2012: Rs.Nil) is secured by Exclusive first charge on specific equipments.	Repayment in 16 quarterly instalments (@ Rs 37.50 lacs each) commencing from August 2012. Last instalment in March 2016. Rate of interest SBIBR+1.90% P.A. as at year end. (Previous year Nil)
Term loan amounting to Rs. 1770.17 lacs (March 2012: Rs. 3186.03 Lacs) is secured by equitable mortgage on Manesar Land & Bldg.& specific assets & Personal Gaurantee of Chairman of the company.	Repayment in 16 quarterly instalments (@ Rs 354.00 lacs each) commencing from Aug 2011. Last instalment in May 2015. Rate of interest KBR+1.50% P.A. as at year end. (Previous year KBR+.1.50% P.A.)
Term loan amounting to Rs. 783.11 lacs (March 2012: Rs. 1400 Lacs) is secured by equitable mortgage on Manesar Land & Bldg.& specific assets & Personal Gaurantee of Chairman of the company.	Repayment in 36 monthly instalments (@ 58.33 lacs each) commencing from April 2012. Last instalment in March 2015. Rate of interest KBR+1.75% P.A. as at year end. (Previous year KBR+1.75%.)
Term loan amounting to Rs. 288.50 lacs (March 31, 2012: Rs. 577 Lacs) is secured by Exclusive first charge on specific equipment	Repayment in 16 quarterly instalments (@ Rs 72.13 lacs each) commencing from June 2011. Last instalment in March 2015. Rate of interest 11.40% P.A. as at year end. (Previous year 11.77% P.A.)
Term loan amounting to Rs. 209.37 lacs (March 31, 2012: Rs. 376.87 Lacs) is secured by Exclusive first charge on specific equipments	Repayment in 16 quarterly instalments (@ Rs 41.87 lacs each) commencing from Aug 2011. Last instalment in May 2015. Rate of interest 11.40% P.A. as at year end. (Previous year 11.77%)
Term loan amounting to Rs. 4186.87 lacs (March 31, 2012: Rs. 5582.50 lacs) is secured by Exclusive first charge on specific equipments	Repayment in 16 quarterly instalments (@ Rs 348.91 lacs each) commencing from June 2013. Last instalment in March 2017. Rate of interest 9.70% P.A. (Previous year 9.70%)
Vehicle loan amounting to Rs 8.16 lacs (March 31,2012 : Rs 52.21 lacs) is secured by Hypothecation on specific vehicles	Repayment in 84 equated Monthly commencing from October,2007. Rate of interest 8.50% P.A.
Term loan amounting to Rs. 5419.13 lacs (March 31, 2012: NA) is Secured by way of first charge on specific machineries & Sub Survient Charge on Moveable Fixed assets.	Repayment in seven Half yearly instalments commencing from September 2014. Last instalment in September 2017. Rate of interest 9.37% P.A. (Previous year N.A.)
Term loan amounting to Rs. 4375 lacs (March 31, 2012: Nil) is Secured by way of first charge on specific machineries.	Repayment in 16 quarterly instalments @ Rs 312.50 lacs each commencing from November 2013. Last instalment in September 2017. Rate of interest 10.40% P.A. (Previous year N.A.)


NOTE 5 - DEFERRED TAX LIABILITIES/ (ASSETS) (NET)

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
DEFERRED TAX LIABILITY		
DEPRECIATION	2909.40	2580.45
TOTAL DEFERRED TAX LIABILITY(A)	2909.40	2580.45
DEFERRED TAX ASSETS		
EXPENSES ALLOWABLE ON PAYMENT BASIS (NET)	114.00	116.47
TOTAL DEFERRED TAX ASSETS(B)	114.00	116.47
TOTAL (A-B)	2795.40	2463.98

NOTE 6 - OTHER LONG TERM LIABILITIES

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
OTHER THAN TRADE PAYABLE		
SECURITY DEPOSITS RECEIVED	26.38	26.13
TOTAL	26.38	26.13

NOTE 7 - LONG TERM PROVISIONS

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
PROVISION FOR EMPLOYEE BENEFITS		
PROVISION FOR LEAVE ENCASHMENT	209.90	147.70
PROVISION FOR WARRANTY	48.78	42.77
TOTAL	258.68	190.47



NOTE 8 - SHORT-TERM BORROWINGS

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
SECURED		
FROM BANKS:		
CASH CREDIT ACCOUNT (Secured by First Charge by way of Hypothecation of stocks, receivables, existing Plant & Machinery and Miscellaneous Fixed Assets and equitable mortgage of two factory premises and also by way of personal guarantee of the Chairman of the company.)	3975.63	6408.44
	<u>3975.63</u>	<u>6408.44</u>
UNSECURED		
WORKING CAPITAL LOAN FROM BANKS	—	6100.00
BUYERS CREDIT ARRANGEMENTS FROM BANKS (Against Personal Guarantee of the Chairman of the Company Rs.616.46 lacs (P.Y Rs.3708.08 lacs))	6384.78	4326.36
	<u>6384.78</u>	<u>10426.36</u>
TOTAL	<u><u>10360.41</u></u>	<u><u>16834.80</u></u>

NOTE 9 - OTHER CURRENT LIABILITIES

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
CURRENT MATURITIES OF LONG-TERM DEBT	5647.61	3782.25
INTEREST ACCRUED BUT NOT DUE ON LOANS	139.15	108.21
UNCLAIMED DIVIDEND	35.69	32.76
DUE TO DIRECTORS	47.66	44.68
STATUTORY DUES	684.22	800.08
ADVANCE FROM CUSTOMERS	561.22	145.81
CREDITORS FOR CAPITAL EXPENDITURE	493.38	536.79
OTHER PAYABLES	4754.18	3324.55
TOTAL	<u><u>12363.11</u></u>	<u><u>8775.13</u></u>



NOTE 10 - SHORT TERM PROVISIONS

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
PROVISION FOR EMPLOYEE BENEFITS		
PROVISION FOR LEAVE ENCASHMENT	24.42	18.26
OTHER PROVISIONS		
PROPOSED DIVIDEND	419.92	659.87
CORPORATE DIVIDEND TAX	68.12	107.05
PROVISION FOR WARRANTY	73.15	64.16
TOTAL	<u>585.61</u>	<u>849.34</u>

NOTE 11 - FIXED ASSETS

(₹ in Lacs)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS ON 01.04.12	ADDITIONS	SALE/ ADJUSTMENTS	COST AS ON 31.03.2013	DEPRECIATION AS ON 01.04.12	DEPRECIATION FOR THE PERIOD*	SALE/ ADJUSTMENTS	TOTAL DEPRECIATION upto 31.03.2013	AS ON 31.03.2013	AS ON 31.03.2012
TANGIBLE ASSETS										
LAND										
LEASEHOLD	1,475.90	0.57	-	1,476.47	88.35	15.12	-	103.47	1,373.00	1,387.55
FREEHOLD	718.31	-	-	718.31	-	-	-	-	718.31	718.31
BUILDINGS	7,541.70	1,922.68	-	9,464.38	3,129.64	422.10	-	3,551.74	5,912.63	4,412.06
PLANT AND MACHINERY	49,638.01	8,651.61	346.50	57,943.12	25,352.36	4,905.72	251.86	30,006.22	27,936.90	24,285.65
FURNITURE AND FIXTURE	831.48	70.41	22.12	879.77	534.83	63.99	19.01	579.81	299.96	296.65
VEHICLES	1,070.99	131.84	70.50	1,132.33	516.31	170.57	38.16	648.72	483.62	554.69
OFFICE EQUIPMENTS	1,657.23	68.05	2.66	1,722.62	1,091.21	184.83	0.70	1,275.34	447.28	566.02
TOTAL	62,933.62	10,845.16	441.78	73,337.00	30,712.70	5,762.33	309.73	36,165.30	37,171.70	32,220.93
PREVIOUS YEAR	49,507.28	13,782.07	355.73	62,933.62	26,337.45	4,458.86	83.63	30,712.68	32,220.94	23,169.83
INTANGIBLE ASSETS										
SPECIALISED SOFTWARES	1,343.21	75.73	-	1,418.94	982.82	166.60	-	1,149.42	269.52	360.39
TECHNICAL KNOW HOW	3,367.78	782.77	-	4,150.55	1,051.21	592.79	-	1,644.00	2,506.55	2,316.55
DEVELOPMENT COST	4,446.19	1,581.61	-	6,027.80	649.55	771.74	-	1,421.29	4,606.51	3,796.64
TOTAL	9,157.18	2,440.11	-	11,597.29	2,683.58	1,531.13	-	4,214.71	7,382.58	6,473.58
PREVIOUS YEAR	5,381.22	3,775.96	-	9,157.18	1,762.00	921.60	-	2,683.60	6,473.58	3,619.22
GRAND TOTAL	72,090.80	13,285.27	441.78	84,934.29	33,396.28	7,293.46	309.73	40,380.01	44,554.28	38,694.51
PREVIOUS YEAR	54,888.50	17,558.03	355.73	72,090.80	28,099.45	5,380.46	83.63	33,396.28	38,694.52	26,789.05
CAPITAL WORK IN PROGRESS									7318.84	6014.34
INTANGIBLE ASSETS UNDER DEVELOPMENT									3373.91	3022.37

*Note:- Includes depreciation capitalised Rs 9.66 lacs (Previous Year Rs.61.26 Lacs).



NOTE 12 - LONG TERM LOANS AND ADVANCES

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
CAPITAL ADVANCES		
UNSECURED, CONSIDERED GOOD TO RELATED PARTIES (REFER NOTE:- 32)	174.87	208.94
TO OTHERS	865.09	1491.84
SECURITY DEPOSITS		
UNSECURED, CONSIDERED GOOD TO RELATED PARTIES (REFER NOTE:- 32)	238.92	32.32
TO OTHERS	500.45	461.01
ADVANCE TAX (NET)		
UNSECURED, CONSIDERED GOOD	127.23	5.55
MAT CREDIT RECOVERABLE		
UNSECURED, CONSIDERED GOOD	2252.90	1811.82
LOANS AND ADVANCES TO EMPLOYEE		
SECURED, CONSIDERED GOOD	15.14	40.67
UNSECURED, CONSIDERED GOOD	38.68	43.88
TOTAL	<u>4213.28</u>	<u>4096.03</u>

NOTE 13 - INVENTORIES (Valued at lower of Cost or Net Realisable Value)

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
RAW MATERIAL & SPARES		
- IN HAND	14144.79	13596.37
- IN TRANSIT	485.56	1126.02
	<u>14630.35</u>	<u>14722.39</u>
WORK IN PROGRESS	1870.20	1312.38
FINISHED GOODS	417.60	300.66
STORES	2242.10	1586.70
TOTAL	<u>19160.25</u>	<u>17922.13</u>



NOTE 14 - TRADE RECEIVABLES

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
UNSECURED, CONSIDERED GOOD OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS FROM THE DATE THEY ARE DUE FOR PAYMENT	109.65	79.38
OTHERS	4387.43	7559.97
TOTAL	4497.08	7639.35

Trade Receivable stated above include Debts due from related parties Rs.107.39 Lacs (Previous year Rs.5.63 Lacs)
(Refer Note No. -32)

NOTE 15 - CASH AND BANK BALANCES

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
CASH AND CASH EQUIVALENTS		
BALANCE WITH BANKS - IN CURRENT A/C	204.38	198.30
CASH IN HAND	9.85	9.50
FIXED DEPOSIT ACCOUNT	—	27.04
	<u>214.23</u>	<u>234.84</u>
OTHER BANK BALANCES		
- IN MARGIN MONEY A/C*	873.47	933.42
- IN UNPAID DIVIDEND A/C	35.69	32.76
	<u>909.16</u>	<u>966.18</u>
TOTAL	1123.39	1201.02

* Margin Money include Fixed Deposits of ₹ 10 Lac (Previous year ₹ 63.99 Lac) with maturity of more than 12 months

NOTE 16 - SHORT TERM LOANS AND ADVANCES

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
ADVANCES TO RELATED PARTIES	263.71	51.42
UNSECURED, CONSIDERED GOOD (Refer Note No. 32)		
ADVANCES TO OTHER PARTIES	3478.10	5650.46
UNSECURED, CONSIDERED GOOD		
LOAN TO EMPLOYEES		
SECURED, CONSIDERED GOOD	25.53	35.72
UNSECURED, CONSIDERED GOOD	60.56	55.68
TOTAL	3827.90	5793.28



NOTE 17 - OTHER CURRENT ASSETS

(₹ in Lacs)

PARTICULARS	As at 31st March 2013	As at 31st March 2012
INTEREST ACCRUED ON BANK DEPOSITS WITH BANK	24.06	25.76
TOTAL	24.06	25.76

NOTE 18 - REVENUE FROM OPERATIONS

(₹ in Lacs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
SALE OF PRODUCTS	143,720.15	123,754.60
SALE OF SERVICES	258.55	210.76
SALE OF SCRAP	75.63	29.97
	144,054.33	123,995.33
LESS: EXCISE DUTY	16,395.74	11,941.91
TOTAL	127,658.59	112,053.42

NOTE 19 - OTHER INCOME

(₹ in Lacs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
INTEREST ON :		
A) FIXED DEPOSITS WITH BANKS	83.91	109.47
B) OTHERS	0.18	—
PROFIT ON SALE OF FIXED ASSETS	6.73	7.06
GAIN FROM EXCHANGE RATE DIFFERENCE(NET)	978.18	937.43
MISCELLANEOUS INCOME	19.88	102.52
TOTAL	1,088.88	1,156.48

NOTE 20 - COST OF MATERIAL CONSUMED

(₹ in Lacs)

PARTICULARS	For the year ended 31st March 2013		For the year ended 31st March 2012	
RAW MATERIAL & COMPONENTS				
OPENING STOCK	14722.38		10632.81	
PURCHASE	91910.17	106632.55	84703.74	95336.55
LESS:- CLOSING STOCK		14630.35		14722.38
TOTAL		92002.20		80614.17



NOTE 21 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRES

(₹ in Lacs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
FINISHED GOODS		
CLOSING STOCK	417.60	300.66
LESS:- OPENING STOCK	300.66	434.93
	<u>116.94</u>	<u>(134.27)</u>
WORK-IN-PROGRESS		
CLOSING STOCK	1870.20	1312.38
LESS:- OPENING STOCK	1312.38	1325.92
	<u>557.82</u>	<u>(13.54)</u>
DECREASE (INCREASE) IN EXCISE DUTY ON FINISHED GOODS	(13.05)	7.01
TOTAL	<u><u>661.71</u></u>	<u><u>(140.80)</u></u>

NOTE 22 - EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
PAYMENTS TO AND PROVISIONS FOR EMPLOYEES :		
- SALARIES, WAGES, BONUS ETC	8,724.75	7,311.40
- CONTRIBUTION TO PROVIDENT & OTHER FUNDS	528.22	428.78
- STAFF WELFARE EXPENSES	1,005.11	900.00
- DIRECTOR REMUNERATION	396.90	247.55
TOTAL	<u><u>10,654.98</u></u>	<u><u>8,887.73</u></u>

NOTE 23 - FINANCE COST

(₹ in Lacs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
INTEREST PAID TO BANK	2,688.09	1,495.74
INTEREST PAID TO OTHERS	905.10	1,095.11
TOTAL	<u><u>3,593.19</u></u>	<u><u>2,590.85</u></u>



NOTE 24 - OTHER EXPENSES

(₹ in Lacs)

PARTICULARS	For the year ended 31st March 2013	For the year ended 31st March 2012
STORE CONSUMED (Refer Note No-31)	3,005.08	2,822.51
POWER & FUEL	1,905.27	1,463.74
REPAIRS AND MAINTENANCE		
-BUILDING	75.94	158.07
-PLANT & MACHINERY	1,172.44	1,325.95
-OTHERS	173.09	253.63
RENT	308.28	291.50
INSURANCE	92.62	71.95
RATES AND TAXES	82.28	82.24
VEHICLE RUNNING AND MAINTENANCE	217.84	238.00
TRAVELLING AND CONVEYANCE	431.40	479.32
LEGAL AND PROFESSIONAL CHARGES	239.47	254.52
AUDIT FEES	16.45	14.85
ROYALTY	1,081.24	1,080.64
SELLING & DISTRIBUTION EXPENSES	2,203.46	1,851.98
REBATE & DISCOUNT	968.30	786.03
DIRECTOR'S SITTING FEES	8.95	10.55
MISCELLANEOUS EXPENSES	1,465.05	1,575.65
TOTAL	<u>13,447.16</u>	<u>12,761.13</u>

25. Particulars of subsidiary/Joint Venture Company

(a) Subsidiary company

Name of the Company	Country of Incorporation	Percentage of voting power as at March 31, 2013	Percentage of voting power as at March 31, 2012
Thai Subros Limited	Thailand	100%	100%

(b) Joint venture company

Name of the Company	Country of Incorporation	Percentage of voting power as at March 31, 2013	Percentage of voting power as at March 31, 2012
Denso Subros Thermal Engineering Centre India Ltd	India	26%	26%



26. Contingent Liabilities Not Provided For in respect of :

- Net Outstanding commitments against Letter of Credits established by the Company: Rs.6380.57 Lakhs (Previous Year Rs. 8956.50 Lakhs)
- Guarantees given by banks on behalf of the Company: Rs 161.64 Lakhs (Previous Year: Rs. 355.66 Lakhs)
- Claims against the company not acknowledged as debt :-

(Rupees in Lacs)

Nature of claim	As at 31.03.13	As at 31.03.12
Disputed Sales Tax Demands	138.63	138.13
Other claims	70.80	64.48

27. Estimated value of contracts on capital account remaining to be executed and not provided for (net of advances):Rs.2626.30 lacs (Previous Year: Rs.5051.64 lacs).

28. In the opinion of Board, the value on realizations of current assets, loans and advances in the ordinary course of business shall not be less than the amount at which they are stated in the balance sheet and provision for all known liabilities has been made and contingent liabilities disclosed properly.

29. Disclosure of provisions in terms of Accounting Standard-29 issued by the Institute of Chartered Accountants of India

Provision for Warranty Expenses

	Current year <u>Rs. In Lacs</u>	Previous year <u>Rs. In Lacs</u>
Provision at the beginning of the year	106.93	96.93
Add: Provisions made during the year	145.00	213.57
	<u>251.93</u>	<u>310.50</u>
Less: Amount utilised during the year	130.00	203.57
Balance at the end of the year	<u>121.93</u>	<u>106.93</u>

This provision is expected to be utilized for settlement of warranty claims within a period of 2 years.

30. The Group has identified that there is no material impairment of assets and as such no provision is required in terms of Accounting Standard-28 issued by the Institute of Chartered Accountants of India.

31. Segment Reporting

The Group's business activity falls within a single primary business segment i.e, Automotive Air conditioning Systems (with or without Fan Motor Assembly) and parts thereof. Export sales constitute an insignificant portion of the total business of the Group. Hence, there is no geographical segment as well. Therefore, the disclosure requirements of Accounting Standard – 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India are not applicable.



32 Related Party Disclosures

In terms of Accounting Standard – 18 issued by the Institute of Chartered Accountants of India, the particulars of transactions with related parties are given as under:

a) Name of related parties and description of relationship (as certified by the management & relied upon by the auditors):-

i) Key Management Personnel

- Mr. Ramesh Suri, Chairman
- Ms. Shradha Suri, Managing Director
(Daughter of Mr. Ramesh Suri)
- Mr. D.M. Reddy, Executive Director

ii) Relatives of Key Management Personnel

- Mrs. Ritu Suri (Wife of Mr. Ramesh Suri)
- Ms. Lohitha Reddy (Daughter of Mr. D. M. Reddy)
- Ms. Likhitha Reddy (Daughter of Mr. D. M. Reddy)

iii) Entities over which Key Management Personnel or their relatives are able to exercise significant influence:

- SHS Transport (P) Ltd.
- Rohan Motors Limited
- Hemkunt Service Station (P) Ltd.
- Tempo Automobiles (P) Ltd.
- M/s. Ramesh Suri (HUF)
- Prima Telecom Ltd.
- Prima Infratech (P) Ltd.
- Fibcom India Ltd.

iv) Joint Venture Company

Denso Subros Thermal Engineering Centre India Ltd. (DSEC)

b) Transactions during the year and closing balances of Related Parties are summarised as under:

Rs. in Lacs

Particulars	Joint Venture Company DSEC		Key Management Personnel		Relatives of Key Management Personnel		Entities over which Key Management Personnel or their relatives are able to exercise significant influence	
Detail of Transaction								
- Purchase of materials	-	(-)	-	(-)	-	(-)	2.70	(0.97)
- Sale of goods	-	(-)	-	(-)	-	(-)	90.41	(46.63)
- Purchase of fixed assets	413.00	(830.14)	-	(-)	-	(-)	388.75	(201.17)
- Sale of Fixed Assets	-	(-)	-	(-)	-	(-)	-	(4.40)
- Receiving of Service	-	(-)	-	(-)	-	(-)	747.97	(939.17)
- Rent/Licence Agreements	-	(-)	26.40	(24.00)	23.76	(23.76)	175.33	(34.24)
- Directors' Remuneration*	-	(-)	391.24	(242.22)	-	(-)	-	(-)
- Rental Income	18.58	(18.58)	-	(-)	-	(-)	-	(-)
- Contribution toward share capital	-	(-)	-	(-)	-	(-)	-	(-)
- Reimbursement of expenses received	13.25	(10.38)	-	(-)	-	(-)	9.73	(2.89)
- Salary and Other Amenities*	-	(-)	-	(-)	9.62	(-)	-	(-)
- Security Deposits/Advance Rent given	-	(-)	-	(-)	0.50	(-)	331.12	(-)
Closing Balances								
- Amounts payable	35.35	(63.49)	50.24	(44.68)	-	(-)	1.67	(17.20)
- Amounts Receivable	-	(-)	-	(-)	-	(-)	420.18	(266.00)
- Security Deposits (Rent)	-	(-)	6.00	(6.00)	11.30	(10.80)	346.29	(15.52)

(Figures in brackets represent previous year's figures)

* Exclusive of Contributions to Group Gratuity fund, Provident Fund and Superannuation Fund.



c) Disclosure in respect of material transactions with related parties:-

	Rs. in Lacs	
	Current year	Previous year
Purchase of Materials		
- Prima Telecom Ltd.	2.50	-
- Rohan Motors Ltd.	0.20	0.97
Sale of Goods		
- Rohan Motors Ltd.	90.41	46.63
Purchase of Fixed Assets		
- Rohan Motors Ltd.	19.33	40.07
- Prima Telecom Ltd.	64.35	143.46
- Fibcom India Ltd.	304.23	-
Sale of Fixed Assets		
- Prima Telecom Ltd.	-	4.40
Receiving of Services		
- SHS Transport (P) Ltd.	681.33	543.22
- Prima Telecom Ltd.	0.56	352.07
Reimbursement (Received)		
- Prima Telecom Ltd.	6.40	2.89
- Fibcom India Ltd.	3.32	-
Rent/License Agreement		
- Rohan Motors Ltd.	15.31	13.62
- Ms. Shradha Suri	26.40	24.00
- M/s Ramesh Suri (HUF)	17.00	17.11
- Mrs. Ritu Suri	23.76	23.76
- Prima Infratech P Ltd	139.52	-
Directors Remuneration		
- Mr. Ramesh Suri	76.88	80.37
- Ms. Shradha Suri	164.50	161.85
- Mr. D.M.Reddy	149.86	-
Salary and Other Amenities		
- Ms. Lohitha Reddy	4.85	-
- Ms. Likhitha Reddy	4.77	-



33. Earning per Share

In accordance with Accounting Standard – 20 on 'Earning Per Share' issued by the Institute of Chartered Accountants of India, the Earning per Share has been computed as under :

	2012-13	2011-12
a) Net profit after Tax (Rs. In Lacs)	2027.38	4774.94
b) Number of Equity shares*(Nos)	59988600	59988600
c) Nominal value per Equity share	Rs.2	Rs.2
d) Earning per Share (Basic & Diluted)	Rs. 3.38	Rs.7.96

* There were no potential equity shares.

34. Foreign Exchange Differences

a) The company has entered into foreign exchange forward contracts to partly hedge its risks associated with the foreign currency fluctuations relating to firm commitments.

b) Forward Exchange Contracts entered into by the Company outstanding at the year end:-

	Current Year		Previous Year	
	No. of Contracts	Amount	No. of Contracts	Amount
Forward Contracts against Imports	—	—	2	2.00
-In US Dollar (Millions)	5	720.25	5	866.39
-In Japanese Yen (Millions)	—	4228.60	—	6516.85
-Equivalent Rs. (In Lacs)				

c) The year end foreign currency exposures that have not been specifically hedged by a derivative instrument or otherwise are given below:

	Rupees in Lacs		Foreign currency in Million	
	31.03.13	31.03.12	31.03.13	31.03.12
Creditors & Buyer's Credit (net)	10825.90	6033.31	JPY 1843.96	JPY 953.13
	867.41	2069.07	USD 1.58	USD 4.01
	62.79	86.48	Euro 0.08	Euro 0.125
Debtors	24.18	3.80	USD 0.041	USD 0.008

d) Difference between forward rates and spot rates to be recognised in Subsequent years

Rs.3.20 Lacs
(Previous Year Rs.8.05 Lacs)

35. Employees Benefits

As per Accounting Standard 15 "Employee Benefits", the required disclosures of Employee Benefits to the extent applicable to the company are given below:



Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

	Amount (Rs. in Lacs)	
	31.03.13	31.03.12
Employer's Contribution to Provident Fund	322.38	275.41
Employer's Contribution to Superannuation Fund	92.97	108.57
Employer's Contribution to Employees State Insurance Scheme	69.03	59.40

Defined Benefit Plan

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

I. Reconciliation of opening and closing balances of Defined Benefit obligation

(Rs. in lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31.03.13	31.03.12	31.03.13	31.03.12
Defined Benefit obligation at beginning of the year	510.05	509.57	162.10	148.45
Current Service Cost	69.74	57.45	58.18	37.34
Interest Cost	40.80	43.31	12.97	12.62
Actuarial (gain)/loss	(8.76)	(62.85)	43.58	22.12
Benefits paid	(27.88)	(37.44)	(43.96)	(58.42)
Defined Benefit obligation at year end	583.95	510.05	232.87	162.10

II. Reconciliation of opening and closing balances of fair value of plan assets in respect of gratuity :

(Rs. in lacs)

	Gratuity (Funded)	
	31.03.12	31.03.11
Fair value of plan assets at beginning of the year	616.47	499.69
Expected return on plan assets	57.95	46.47
Actuarial (Loss)/gain	—	—
Employer contribution	4.62	70.30
Benefits paid/Withdrawn	—	—
Fair value of plan assets at year end	679.04	616.47



III. Reconciliation of fair value of assets and obligations

(Rs. in lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31.03.13	31.03.12	31.03.13	31.03.12
Fair value of plan assets	679.04	616.47	Nil	Nil
Present value of obligation	583.95	510.05	232.87	162.10
Amount recognized in Balance Sheet	(95.09)	(106.42)	232.87	162.10

IV. Expense recognized during the year (Under the head, "Employee benefits expenses" – Refer Note 22)

(Rs. in lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31.03.13	31.03.12	31.03.13	31.03.12
Current Service Cost	69.74	57.45	58.18	37.34
Interest Cost	40.80	43.31	12.97	12.62
Expected return on plan assets	(57.95)	(46.47)	-	—
Actuarial (Gain)/Loss	(8.76)	(62.85)	43.58	22.12
Net Cost	43.83	(8.56)	114.73	72.07

V. Investment Details - Gratuity

	% Invested
Insurer Managed Fund	100%

VI. Actuarial assumptions

(Rs. in lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31.03.13	31.03.12	31.03.13	31.03.12
Mortality Table (LIC)	1994-96	1994-96	1994-96	1994-96
Discount rate (per annum)	8.00%	8.50%	8.00%	8.50%
Expected rate of return on plan assets (per annum)	9.40%	9.30%	NA	NA
Rate of escalation in salary (per annum)	6%	6%	6%	6%

The estimates of rate of escalation in salary as considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in employment market. The above information is certified by the actuary.

The expected rate of return on plan assets is determined considering the LIC's policy for plan assets management.

36. Borrowing cost amounting to Rs. 633.30 lacs (Previous Year: Rs. 389.25 lacs) has been capitalised with the cost of fixed assets as per Accounting Standard 16 issued by Institute of Chartered Accountant of India.



37. As informed there was no supplier who was registered under “The Micro, Small and Medium Enterprises (Development) Act, 2006”.
38. Balance confirmations have not been received from some of the parties showing debit/credit balances.

For V.K. DHINGRA & CO.,
Chartered Accountants

For and on behalf of the Board of Directors

V.K. DHINGRA
Partner

RAMESH SURI
Chairman

SHRADHA SURI
Managing Director

H.K. AGARWAL
Head (Finance)

VIKAS SABHARWAL
Dy. Company Secretary

Place: New Delhi
Dated: 22nd May, 2013



Subros Limited

Regd. Office: LGF, World Trade Centre, Barakhamba Lane, New Delhi-110 001

PROXY FORM

DPID/CLIENT ID*:

No. of Shares:

Regd. Folio No. _____
I/We _____ of _____

being a member of above named company hereby appoint _____
_____ of _____
or failing him _____ of _____ as my/our proxy to
attend and vote for me/us, and on my/our behalf at the 28th ANNUAL GENERAL MEETING of the Company to
be held at FICCI GOLDEN JUBILEE AUDITORIUM, TANSEN MARG, NEW DELHI 110 001 on Monday, the 29th
July, 2013 at 11.00 A.M. and at any adjournment thereof.

Signed this _____ day of _____ 2013

*Applicable for Members holding shares in Dematerialised form.

Affix a
RS. 1/-
Revenue
Stamp

Signature: _____

Note: This proxy must be deposited at the Registered Office of the Company at LGF, World Trade Centre, Barakhamba Lane, Connaught Place, New Delhi-110 001 not less than forty eight hours before the time of the meeting.

Subros Limited

Regd. Office: LGF, World Trade Centre, Barakhamba Lane, New Delhi-110 001

ATTENDANCE SLIP

28th ANNUAL GENERAL MEETING — 29th JULY, 2013

DPID/CLIENT ID*:

No. of Shares:

Regd. Folio No. _____

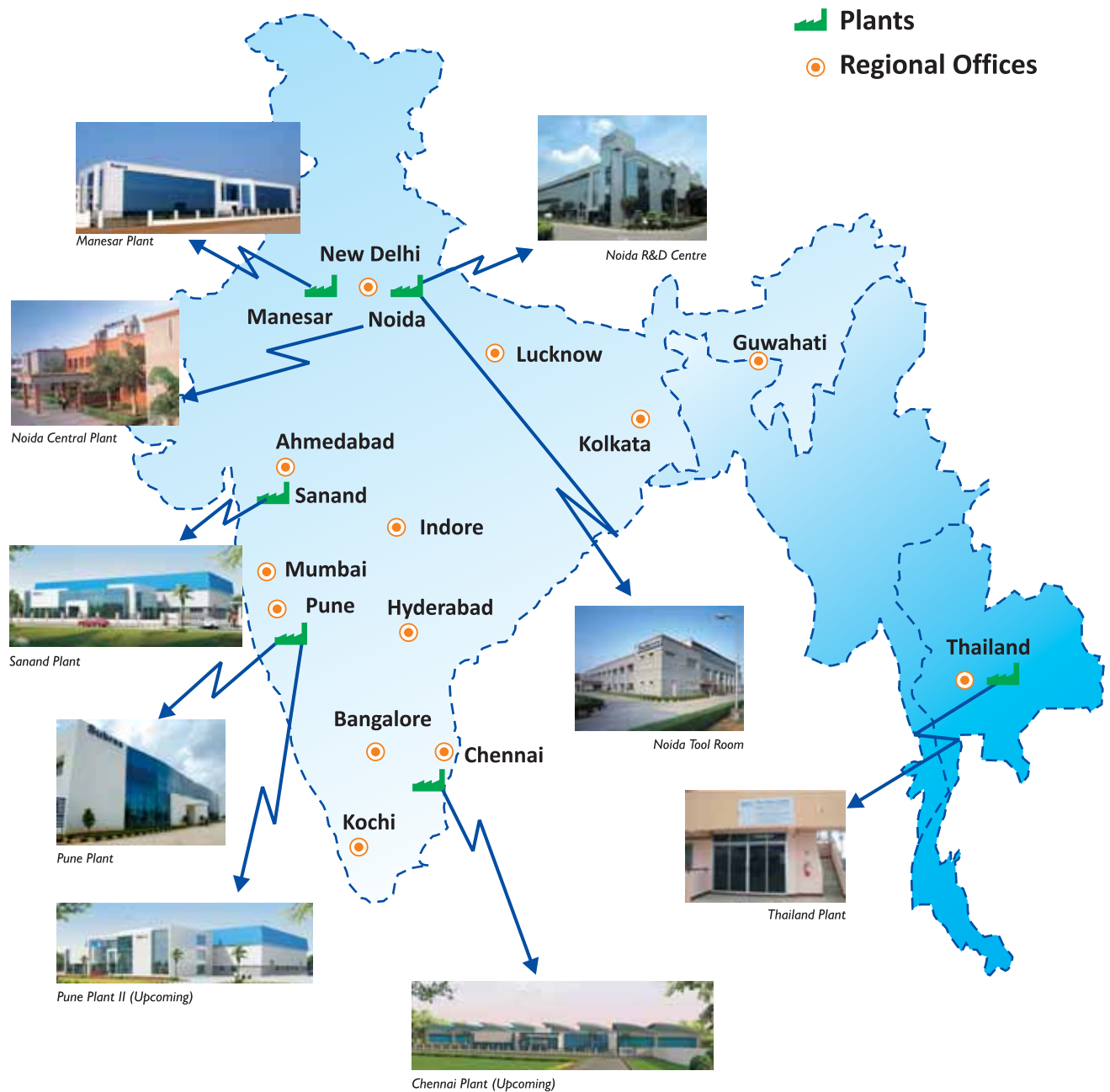
I certify that I am registered shareholder/Proxy for the registered shareholder of the Company. I hereby record my presence at the 28th Annual General Meeting of the Company to be held at FICCI GOLDEN JUBILEE AUDITORIUM, TANSEN MARG, NEW DELHI 110 001 on Monday, the 29th July, 2013 at 11.00 A.M.

Member's/Proxy name in Block Letters _____ Member's/Proxy signature _____

Note: Please fill in this attendance slip and hand it over at the Registration Counter. Members who hold shares in de-materialised form are requested to bring their client ID and DP ID Number for easier identification of attendance at the Annual General Meeting.

*Applicable for Members holding shares in Dematerialised form.

Our Presence



Corporate Office:

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Barakhamba Lane, New Delhi 110001
Tel: +91 11 23414946-49
Fax: +91 11 23414945

Central plant:

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Distt: Gautam Budh Nagar (U.P)
Tel: +91 120 2562226, 2567027
Fax: +91 120 2562445
Email: marketing@subros.com

Noida Plant (R&D Center)

C-51, Phase-II, Noida-201 304
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Tel: +91 120 2562226, 2460135
Fax: +91 120 25622029

Noida Plant (Tool Room)

B-216, Phase-II, Noida-201 304
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Fax: +91 120 2567578

Sanand Plant

Sanand-E-1, TML Vendor Park,
Sanand

Pune Plant

B-8&9, MIDC-Chakan Ind. Area
Chakan-Telegaon Road, Chakan,
Pune-410 501
Tel: +91 2135 663131
Fax: +91 2135 663140

Manesar Plant

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Chennai Plant

A-20/1 SIPCOT industrial Growth Centre,
Orgadam, Chennai



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