Subros
AUTO AIRCONDITIONING SYSTEMS

SL/BSE/NSE/18

August 9, 2018

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

Dear Sir/Madam

Sub: Financial Results and outcome of Board Meeting

Pursuant to the regulation 30 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please note / find enclosed the following:

(1) Unaudited financial results for the quarter ended 30th June, 2018, duly approved by the Board of Directors in the meeting held on 9th August, 2018 **(Annexure-A)**

(2) Limited Review Report for the quarter ended 30th June, 2018 **(Annexure-B)**

(3) Presentation to be shared with the analysts/institutional investors in respect of the above said unaudited financial results **(Annexure-C)**

(4) Mr. Keiichi Yamauchi, Alternate Director to Mr. Y. Iida automatically vacated his office in accordance with provisions of Section 161 of the Companies Act, 2013 due to return of original director to India.

(5) Mr. Yasuhiro Iida, Nominee Director has nominated the re-appointment of Mr. Keiichi Yamauchi as his Alternate Director w.e.f 10th August, 2018. His brief profile is attached herewith. **(Annexure- D)**

The meeting commenced at 11.45 am and concluded at 1.30 pm.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,
for SUBROS LIMITED

Rakesh Arora
Company Secretary

SUBROS LIMITED

REGD. OFFICE : LGF, WORLD TRADE CENTRE, BARAKHAMBA LANE, NEW DELHI-110001
CIN :- L74899DL1985PLC020134; Tel: 011-23414946 Fax: 011-23414945
website:www.subros.com; email:rakesh.arora@subros.com

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th JUNE, 2018

(Rs. In Lakhs)

S. No.	Particulars	Quarter ended			Year ended
		30th June, 2018 (UNAUDITED)	31st March, 2018 (UNAUDITED) (Refer note 10)	30th June, 2017 (UNAUDITED)	31st March, 2018 (AUDITED)
I	Revenue from operations (Refer Note 8)	53,169	55,215	47,149	1,96,956
II	Other Income	411	(41)	56	743
III	**Total Revenue (I + II)**	**53,580**	**55,174**	**47,205**	**1,97,699**
IV	**Expenses**				
	a) Cost of materials consumed	37,473	37,387	29,264	1,33,450
	b) Changes in inventories of finished goods and work-in progress	(113)	768	(491)	45
	c) Excise Duty	-	-	5,667	5,667
	d) Employee benefits expense	5,260	5,427	4,136	18,812
	e) Finance costs	1,402	1,146	940	4,121
	f) Depreciation and amortization expense	1,876	2,419	2,104	9,200
	g) Other expenses	4,850	5,264	4,146	17,984
	Total expenses (IV)	**50,748**	**52,411**	**45,766**	**1,89,279**
V	Profit/(Loss) before exceptional items and tax (III - IV)	2,832	2,763	1,439	8,420
VI	Exceptional Items (Refer Note 7)	(334)	-	(90)	(182)
VII	**Profit/(Loss) before tax (V + VI)**	**2,498**	**2,763**	**1,349**	**8,238**
VIII	Tax expense				
	(a) Current Tax	552	612	302	1,787
	(b) Deferred Tax	53	292	(5)	389
IX	**Profit/(Loss) for the period/year (VII - VIII)**	**1,893**	**1,859**	**1,052**	**6,062**
X	**Other Comprehensive Income**				
	Items that will not be reclassified to profit or loss				
	(a) Gain/(Loss) of defined benefit obligations	(2)	14	(7)	(7)
	(b) Income tax relating to above	1	(4)	2	2
	Other Comprehensive Income for the period/year (net of tax) (a+b)	(1)	10	(5)	(5)
XI	**Total Comprehensive Income for the period/year (IX + X)**	**1,892**	**1,869**	**1,047**	**6,057**
XII	**Paid-up equity share capital**	**1200**	**1,200**	**1,200**	**1,200**
XIII	**Face value of share (Rs.)**	**2**	**2**	**2**	**2**
XIV	**Earnings per share (of Rs. 2 each) (not annualized)**				
	Basic	3.15	3.10	1.75	10.11
	Diluted	3.15	3.10	1.75	10.11

Notes:

1 The above financial results were reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 9th August, 2018.

2 The financial results of the Company have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards ("IND AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

3 The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated 30th November, 2015 has been modified to comply with requirements of SEBI's circular dated 5th July, 2016 on IND AS and Schedule III to the Companies Act, 2013 applicable to companies that are required to comply with IND AS.

4 Effective 1st April, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the modified retrospective method, which is applied to contracts as of 1st April, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was not material to the financial results for the quarter ended 30th June, 2018.

Price Waterhouse Chartered Accountants LLP LLPIN AAC-5001 FRN 012754N/N500016 Gurugram

SUBROS LIMITED NEW DELHI

5 Pursuant to the approval of Board of Directors in their meeting held on 28th May, 2018 for closure of Company's overseas subsidiary - Thai Subros Ltd, the management has assessed the recoverability of their investment in subsidiary as on 30th June, 2018 and recognised the provision for diminution in the value of its investment in subsidiary amounting to Rs. 14 Lakhs during the quarter ended 30th June, 2018 included in Other expenses in these results.

6 The Company's operations comprise of only one segment i.e. parts & components for Automotive Airconditioning Systems. Hence, no further information is required to be given in respect of segment.

7 a) The Company has introduced the Voluntary Separation Scheme to provide an opportunity to the workmen of Pune Plant to opt for early separation to optimise on manpower cost and productivity improvement and incurred one time expenditure of Rs. 334 Lakhs during the quarter ended 30th June, 2018. This has been disclosed as Exceptional Item in these results.

b) There was a fire accident in one of the plants of the Company situated at Manesar on 29th May, 2016. The fire had severely impacted the building, stocks, plant & machinery. These assets were adequately insured with reinstatement clause and a claim has been made with the insurance company. An interim amount has been received from the insurance company against the claim lodged. Special/urgent actions to restart supplies to the customers post fire accident has temporarily resulted into additional costs incurred during the quarter ended 30th June, 2017 and year ended 31st March, 2018 which have been disclosed as Exceptional Item in these results.

8 Revenue from operations for periods upto 30th June, 2017 include excise duty, which is discontinued effective 1st July, 2017 upon implementation of Goods and Services Tax (GST) in India. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the quarter ended 30th June, 2017 and year ended 31st March, 2018 are not strictly relatable to current period numbers. The following additional information is being provided to facilitate such understanding.

(Rs. In Lakhs)

Particulars	Quarter ended			Year ended
	30th June, 2018 (UNAUDITED)	31st March, 2018 (UNAUDITED)	30th June, 2017 (UNAUDITED)	31st March, 2018 (AUDITED)
Revenue from operations	53,169	55,215	47,149	1,96,956
Less : Excise Duty	-	-	5,667	5,667
Revenue from operations excluding Excise Duty	53,169	55,215	41,482	1,91,289

9 Deferred tax is after adjusting Minimum Alternate Tax credit entitlement.

10 Figures for the quarter ended 31st March, 2018 represent the difference between the audited figures in respect of full financial year and the published figures for the nine months ended 31st December, 2017 which were subject to limited review.

11 The previous period figures have been regrouped/rearranged/reclassified, wherever necessary.

For and on behalf of the Board of Directors
SUBROS LIMITED

RAMESH SURI
CHAIRMAN

SUBROS LIMITED NEW DELHI

Place : New Delhi
Dated : 9th August, 2018

Price Waterhouse Chartered Accountants LLP
LLPIN AAC-5001
FRN 012754N/N500016
Gurugram

Price Waterhouse Chartered Accountants LLP

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

1. We have reviewed the unaudited financial results of Subros Limited (the "Company") for the quarter ended June 30, 2018 which are included in the accompanying 'Statement of standalone unaudited financial results for the quarter ended June 30, 2018' (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 in this regard, which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.

3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 in this regard including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. The standalone financial results of the Company for the quarter ended June 30, 2017 prepared in accordance with Companies (Indian Accounting Standards) Rules, 2015, were reviewed by another firm of chartered accountants who, vide their report dated August 10, 2017, expressed an unmodified conclusion on those financial results.

   Our conclusion is not qualified in respect of this matter.

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

Rajib Chatterjee

Rajib Chatterjee
Partner
Membership Number 057134

Place: New Delhi
Date: August 09, 2018

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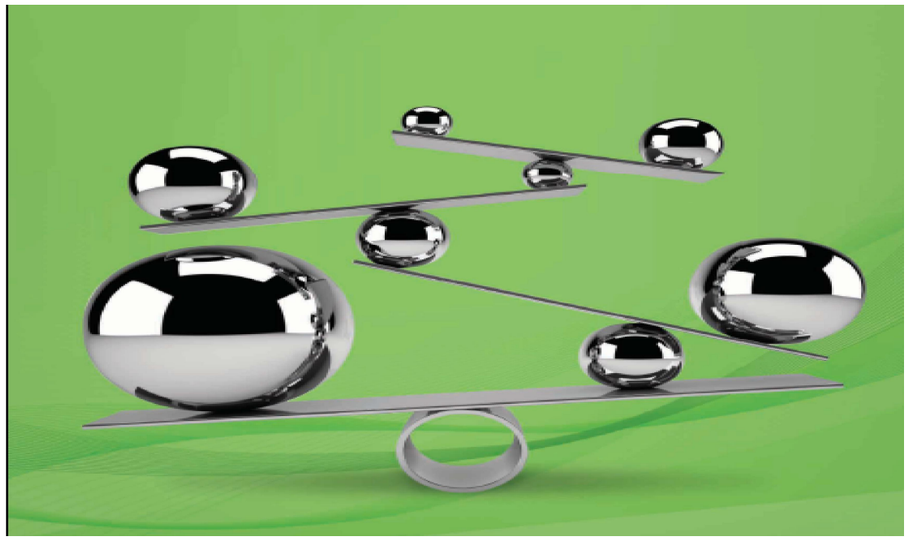
Registered office and Head office: Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi 110 002

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

Subros



- Innovation
- Passion
- Harmony

Cooling the Planet

Financial Results- Quarter I, FY 2018-19

Investor Presentation

SAFE HARBOUR

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

Index

Sr .No.	Topic	Slide No.
1	Results Q1, FY 2018-19	**4**
2	Result analysis – Q1 - FY 2018-19 v/s Q4 - FY 2017-18	**5 ~ 7**
3	Result analysis – Q1 - FY 2018-19 v/s Q1 - FY 2017-18	**8 ~ 10**
4	Way Forward	**11**

Financial Result for the Q1, F Y : 2018-19

(Amt In lacs)

PARTICULARS	Quarter Ended			Year Ended
	30.06.2018	31.03.2018	30.06.2017	31.03.2018
Gross Sale	53108	54851	47117	196419
Net Sales	53108	54851	41450	190751
Other Operating Income	61	364	32	538
Net Income from Operation	**53169**	**55215**	**41482**	**191289**
Other Income	411	-41	56	743
Net Revenue	**53580**	**55174**	**41538**	**192032**
Raw Material Consumed	37360	38155	28773	133495
Total Material cost % to Net Sales	70.35%	69.56%	69.42%	69.98%
Staff Cost	5260	5427	4136	18812
Staff cost % to Net Sales	9.90%	9.89%	9.98%	9.86%
Other Exp.	4850	5264	4146	17984
Other Exps. % to Net Sales	9.13%	9.60%	10.00%	9.43%
EBIDTA	**6110**	**6328**	**4483**	**21741**
% to Net Sales	**11.50%**	**11.54%**	**10.82%**	**11.40%**
Depreciation and Amortisation exp	1876	2419	2104	9200
Depreciation % to Net Sales	3.53%	4.41%	5.08%	4.82%
Interest	1402	1146	940	4121
Interest cost % to Net Sales	2.64%	2.09%	2.27%	2.16%
Net Profit/(Loss)	**2831**	**2763**	**1439**	**8420**
% to Net Sales	**5.33%**	**5.04%**	**3.47%**	**4.41%**
Exceptional Items	-334	-	-90	-182
Profit from Ordinary Activities	**2497**	**2763**	**1349**	**8238**
% to Net Sales	4.70%	5.04%	3.25%	4.32%
(a) Current Tax	552	612	0	1787
(b) Deferred Tax	53	292	297	389
Net Profit after Tax/(Loss)	**1892**	**1859**	**1052**	**6062**
% to Net Sales	**3.56%**	**3.39%**	**2.54%**	**3.18%**
Other Comprehensive Income (net of tax)	-1	10	-5	-5
Total Comprehensive Income	**1891**	**1869**	**1047**	**6057**
% to Net Sales	3.56%	3.41%	2.53%	3.18%
EPS	3.15	3.10	1.75	10.11

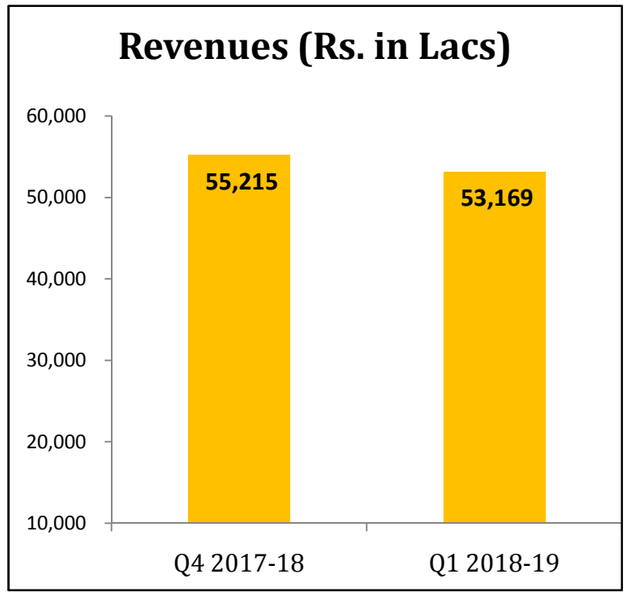
Q1 FY 2018-19

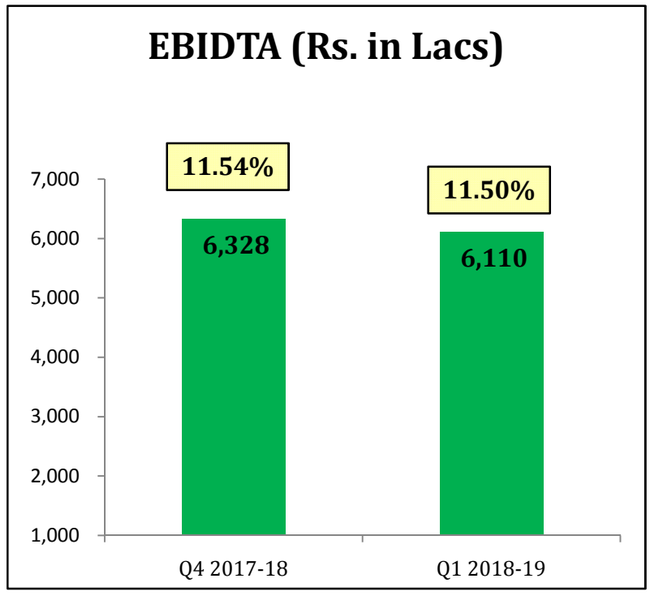
vs

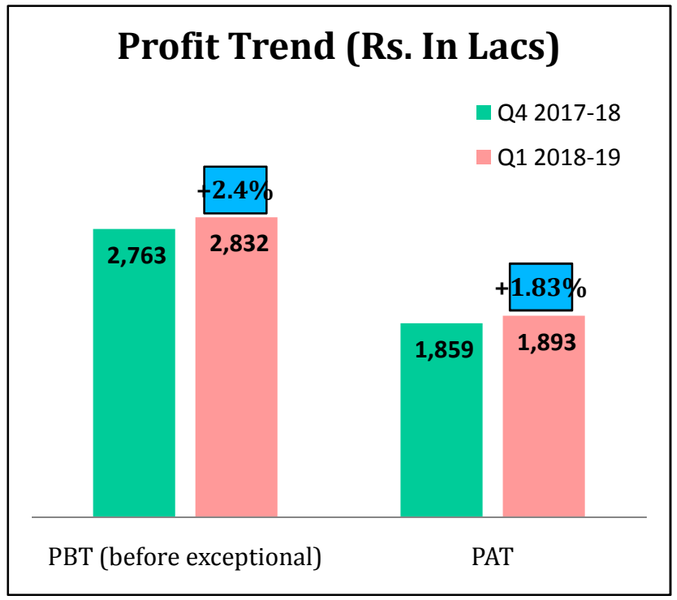
Q4 FY 2017-18

Result Analysis Q1, FY 2018-19 v/s Q4, FY 2017-18

(Amt In lacs)







Realisation of EBIDTA Level of 11.50%

Exceptional Expenses of Rs.334 lacs incurred in Q1 2018-19 on account of Voluntary Separation Scheme introduced at Pune plant

PAT levels at 3.56%

Key Financial Ratios Q1 FY 2018-19 v/s Q4 FY 2017-18

Indicators	Q1 2018-19	Q4 2017-18	Change	Status
Net Sales (Rs. in Lacs)	53,108	54,851	-1,743	
Other Income (Rs. in Lacs)	411	-41	452	
Material Cost	70.35%	69.56%	0.79	
Employee Cost	9.90%	9.89%	0.00	
Other Expenses	9.13%	9.60%	(0.46)	
Op. EBIDTA	11.50%	11.54%	(0.03)	
Finance Cost	2.64%	2.09%	0.55	
Depreciation	3.53%	4.41%	(0.96)	
PBT (before exceptional)	5.33%	5.04%	0.38	
PAT	3.56%	3.39%	0.25	

- **Material cost is increased due to change in product mix and adverse movement in foreign currency**
- **Finance cost is high because of MTM loss on foreign currency liabilities as a result of currency depreciation.**
- **Other income are higher due to realized currency gain on Hedging & MTM on derivative contracts.**

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

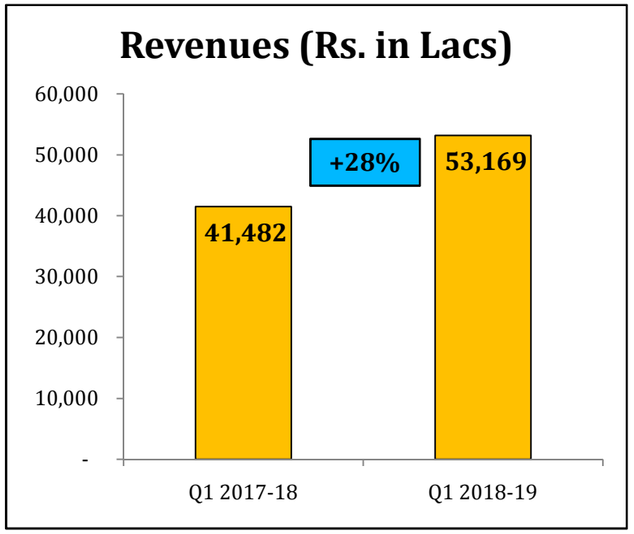
Q1 FY 2018-19

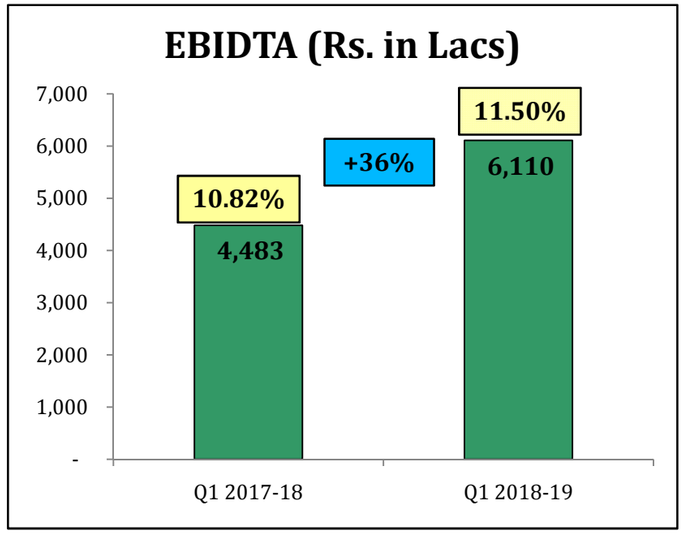
vs

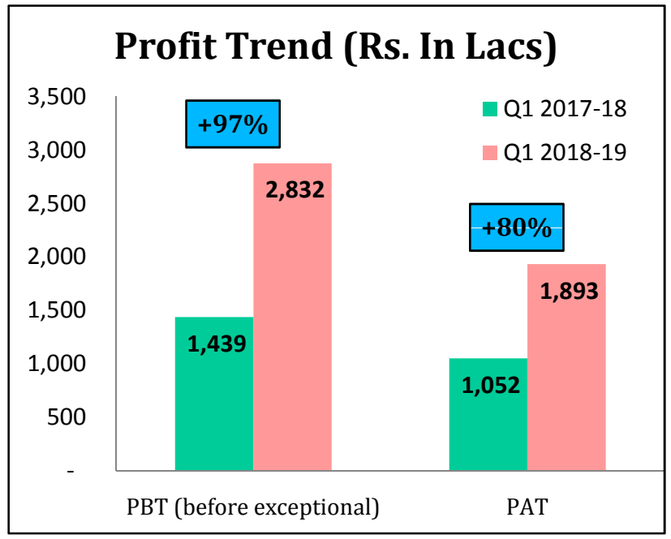
Q1 FY 2017-18

Result Analysis Q1, FY 2018-19 v/s Q1, FY 2017-18

(Amt In lacs)







- **Realisation of EBIDTA Level of 11.50%**
- **Net Sales recorded a growth of 28% in Q1 2018-19 over corresponding Quarter**
- **Improvement in EBIDTA margins, Q1 FY 2018-19 -11.50% v/s Q1 FY 2017-18 -10.82%**
- **Improvement in PBT (before exceptional exp.) by 97% over corresponding Quarter.**
- **Improvement in PAT (after exceptional exps) by 80% over corresponding Quarter.**
- **Exceptional Expenses of Rs. 334 lacs incurred in Q1 2018-19 on account of Voluntary Separation Scheme introduced at Pune Plant**

Result Analysis Q1, FY 2018-19 v/s Q1, FY 2017-18

Indicators	Q1 2018-19	Q1 2017-18	Change	Status
Net Sales (Rs. in Lacs)	53,108	41,450	11,658	
Other Income (Rs. in Lacs)	411	56	355	
Material Cost	70.35%	69.42%	0.92	
Employee Cost	9.90%	9.98%	(0.08)	
Other Expenses	9.13%	10.00%	(0.87)	
Op. EBIDTA	11.50%	10.82%	0.69	
Finance Cost	2.64%	2.27%	0.37	
Depreciation	3.53%	5.08%	(1.63)	
PBT (before exceptional)	5.33%	3.47%	1.94	
PAT	3.56%	2.54%	1.10	

- **Material cost is increased due to change in product mix, increased commodity prices and negative currency movement**
- **Finance cost is high because of MTM loss on foreign currency liabilities as a result of currency depreciation.**
- **Other income are higher due to realized currency gain on Hedging & MTM on derivative contracts.**

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

WAY FORWARD

Market and Revenue Potential

- Growth in Line with Indian Car and CV Segment (Double Digit Growth in 2018-19)
- Business Expansion in Bus, Railways, Truck AC, Home AC Segment (Growth >10% over last year)
- Potential of Truck AC likely to change in 2020 from Blower

Operational Aspects

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

Thank You

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Annexure - D

Details required under Regulations 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 is given below:

1	**Reason for Change:**	Mr. Keiichi Yamauchi automatically vacated the office of Alternate Director pursuant to provisions of Section 161 of the Companies Act, 2013 on August 9, 2018 (Mr. Yasuhiro Iida- Original Director reached India.
2	**Date of Cessation:**	August 9, 2018
	Date of appointment	Re- appointed on 10th August, 2018 as an Alternate Director
3	**Brief Profile:**	Mr. Keiichi Yamauchi is Chairman and CEO of Denso International in India and is taking care of India operation of Denso companies. Mr. Yamauchi is associated with Denso for last more than 30 years and has worked in Human Relations, Corporate Legal and Planning departments.
4	**Disclosure of Relationships between Directors:**	Mr. Keiichi Yamauchi is not related to any of the directors of the Company.
5	**Other:**	He is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

SUBROS LIMITED NEW DELHI