

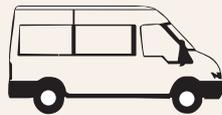


**Every day is a new beginning.  
Every sunset is a new milestone.**



**1 million AC units per annum**

**Leading market share**



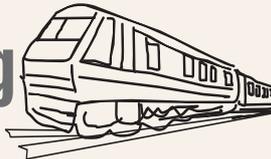
**Denso Technology**

**6 million Chilled customers**



**India's No.1 Automotive**

**Air Conditioning**



**Company**

**Beat the Heat. Keep cool with**

**Subros**

**AUTO AIRCONDITIONING SYSTEMS**

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

**Engine Cooling  
Module**



**Radiator**



**Bus AC**



**HVAC**



**Compressor**



**Condenser**



**Evaporator**

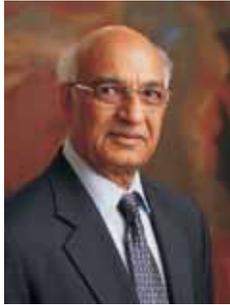


Subros Limited, B-188, Phase-II, Distt: Gautam Budh Nagar, Noida-201304 (U.P.) | Tel: +91-0120-2567028 | Email: [marketing@subros.com](mailto:marketing@subros.com)

visit us- [www.subros.com](http://www.subros.com)

## From the desk of the Chairman

Dear Shareholders,



It gives me immense pleasure to inform you that your company did well during the year 2010-11 by recording sales volume growth of 20% and sales revenue growth of 22% thus achieving a sales turnover of Rs. 1203 crores. As a result,

your company managed profit before tax of Rs.32.02 crores and net profit after tax of Rs.28.54 crores.

From an economic perspective, the year 2010-11 was a year of great contrasts. While the global economic recovery advanced, it remained uneven between advanced nations and emerging markets. However, India along with China continued to perform as a new growth pole in the world economy throughout 2010-11. During 2010-11, India's economic growth further improved to 8.5%. The automotive industry, which is the main market for your Company, performed equally impressively during the year. The passenger car segment recorded a 27% growth. Likewise, the commercial vehicle segment grew by 38%. This positive market sentiment, in turn, fuelled demand for automotive components and assemblies. India is expected to witness strong growth in automotive production till 2020 across all segments. By 2020, passenger cars are expected to top 9 million units, and commercial vehicles double to 2.2 million units. The Indian automotive component industry and in particular, Subros will benefit from this general growth.

With an eye on future growth, your Company has taken several measures to explore newer opportunities as well as expand our business. The plant at Sanand, Gujarat has been established to cater to the requirement of Tata Motors for Nano cars. Further, new plants are being set up at Pune (for Heat Exchangers & Engine Cooling Modules) and at Chennai (to cater to the needs of South based customers).

At Subros, we have always believed in satisfying our customers to the best of our abilities. This has resulted in winning various awards & recognitions during the year from our customers:

### Maruti Suzuki India Ltd.

1. Gold Trophy for overall excellence.
2. Best in Warranty Improvement - Shield
3. Best TIER 2 supplier upgradation - Shield
4. Best VA/VE - Certificate
5. Best Timely capacity addition - Certificate

### Tata Motors Limited

1. Cost Performance Award

### Mahindra & Mahindra

1. SPD performance Award
2. Sustainability Award

Further, your company won Gold Award in Auto Ancillary Sector (Large category) from India Manufacturing Excellence Award (IMEA) and ACMA Bronze Award for Excellence in Manufacturing.

Subros continues to have support from its Technology partner Denso. I am pleased to inform you that Denso Subros Thermal Engineering Centre India Limited (A JV of Denso & Subros) started its operations during the year. This will further enhance design and development capabilities of Subros to support new products/ business development for the satisfaction of its customers.

The superior technology and product quality give your company a competitive edge in the market place. Going forward, we will continue to focus on widening our product portfolio with better products and solutions for our customers. With our technological expertise, dedicated workforce, high professionalism and policy of continuous improvement, we look forward to the future with confidence.

The Company's quest for continuous value creation would not have been possible but for the support, we have received from all our customers & business associates. I am grateful for your continued confidence in the company and expect to receive your full support in augmenting our future plans and strategy.

I thank you for your confidence in the Company and look forward to your continued support.

Ramesh Suri  
Chairman

## From the desk of the Managing Director

Dear Shareholders,



strong belief.

While the World Economy continues to find its feet, India has moved forward with bold steps across sectors including Automotive. The year 2010-11 saw a rebound of the Indian economy, which grew by 8.5% - second only to China. The growth in the automotive industry surpassed expectations as the passenger car & commercial vehicle segments recorded growth of 27% & 38% respectively.

Your company also did well during the year by recording a sales volume growth of 20% and sales revenue growth of 22% YOY thus achieving a sales turnover of Rs. 1203 crores. The company's profits also grew to profit before tax of Rs. 32.02 crores and net profit after tax of Rs. 28.54 crores.

2010-11 was a year of achievements for Subros as it received various recognitions viz.

- Gold Trophy for overall excellence and Awards for Warranty Improvement, Tier 2 Supplier Upgradation, VA/VE & Timely Capacity Addition from Maruti Suzuki India Ltd.
- Sustainability and SPD Performance awards from M&M.
- Cost Performance Award from TATA Motors Ltd.
- Gold Award in Auto Ancillary Sector (Large category) from India Manufacturing Excellence Award (IMEA)
- ACMA Bronze Award for Excellence in Manufacturing.

While the prospects of the Indian Auto Industry continue to look bright in the long term, the industry growth during 2011-12 may remain under pressure due to the dampening effect of high interest rates and the fuel prices. Though we are confident that this will be short term and we will be able to rebound fairly quickly.

Your Company is continuously focused to innovate and stay on top of future challenges. It has taken several strategic measures to expand existing business and broaden the product portfolio & customer base in the new segments of Commercial Vehicles and Engine Cooling Systems. The plant at Sanand is complete and we will shortly begin supplies for the Tata Nano. Further in line with our product and customer strategies, new plants are commissioned at Pune and Chennai to address the new business domains viz. Commercial vehicle & Engine Cooling Systems.

This year the company will focus on People and organizational development to skill up in order to face the future. There is a lot of work being done on training to fill skill gaps and policy deployment to ensure process adherence.

The second crucial area of focus is technology, wherein Subros continues to have support from its partner Denso. The Denso Subros Thermal Engineering Centre India Limited (A JV of Denso & Subros) started its operations during the year. This will further enhance design and development capabilities of Subros to support new products/business development for the satisfaction of its customers and will also lead to quicker response.

In the end, on behalf of the entire board and management of Subros, I would like to thank our customer partner Suzuki Motor Corporation for their continued support and our Technology partner Denso Corporation, Japan, for providing us the latest and the best in technology to cater the demands of our customers.

Finally, I would once again like to thank you, our precious employees and all stakeholders with whose support your company feels confident to meet all its future goals and challenges.

Thank you for your support and wish you a great year ahead.

With best regards

Shradha Suri Marwah  
Managing Director

## About us



Subros Limited, founded in 1985 as a joint venture between Suri group, Denso Corporation & Suzuki Motor Corporation is India's leading Thermal products company for automotive applications- No.1 in Automotive Air Conditioning in technical collaboration with Denso.

The company has grown from a capacity of 50,000 AC units in 1985 comprising of largely an assembly operation, into the largest and only integrated manufacturing unit in India for Auto Air Conditioning systems, with the capacity of 1.2 Million AC units per annum. Subros manufactures Compressors, Condensers, Heat Exchangers and all connecting elements which are required to complete the AC loop.

Subros has four manufacturing plants at Noida, Manesar, Pune and Sanand with an annual capacity of 1.2 Million AC Kits per annum. As part of its expansion plan, two new plants are coming up at Pune and Chennai respectively.

## OUR CUSTOMERS



**MARUTI**



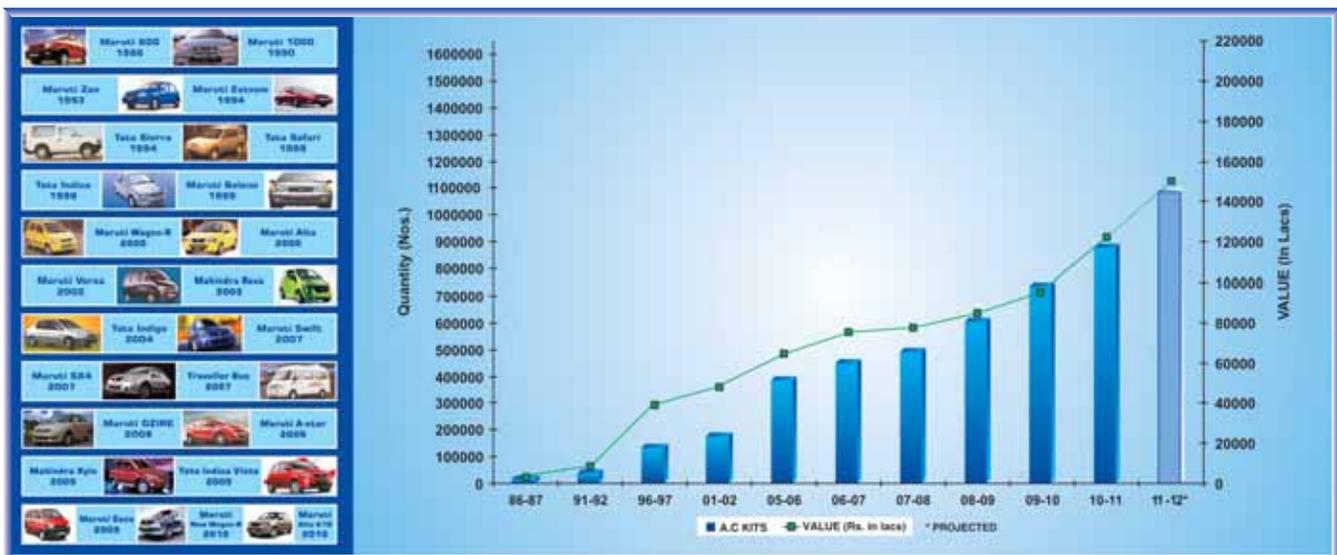
**TATA**



**FORCE**



**Mahindra**



## Performance

YEAR	MILESTONES	AWARDS/ CERTIFICATION
2010-11	<ul style="list-style-type: none"> <li>Capacity 1.2 Million AC kits</li> <li>Start of Denso Subros Engineering Centre India Limited (A JV of Denso &amp; Subros)</li> <li>Localization of RS Evaporator</li> </ul>	<ul style="list-style-type: none"> <li>MSIL Gold Trophy for overall excellence and Awards for Warranty Improvement, Tier 2 Supplier Upgradation, VA/VE &amp; Timely Capacity Addition</li> <li>TML Award for Cost Efficiency</li> <li>Mahindra &amp; Mahindra Award for SPD Performance sustainability.</li> <li>Gold Award in Auto Ancillary Sector (Large category) from India Manufacturing Excellence Award (IMEA)</li> <li>ACMA Bronze Award for Excellence in Manufacturing</li> </ul>
2009-2010	<ul style="list-style-type: none"> <li>Completes 25 years</li> <li>Delivery of 5 Million AC Kits.</li> <li>Capacity 1 Million</li> <li>Heat Exchanger development</li> <li>Truck Cabin AC development</li> </ul>	<ul style="list-style-type: none"> <li>MSIL Awards for system audit rating, quality awareness quiz and VA -VE</li> <li>TML Award for Delivery</li> <li>India's first company by CII as TCM enabled on TCM maturity model.</li> </ul>
2008-2009	<ul style="list-style-type: none"> <li>New HVACs for MSIL, TML and M&amp;M</li> <li>Started Subros Thailand Operations</li> <li>Large Bus AC Development</li> <li>Tractor AC Development</li> </ul>	<ul style="list-style-type: none"> <li>MSIL awards for Outstanding overall performance, Design &amp; Development, System Audit rating, Tier 2 Upgradation and Incoming Quality Improvement.</li> <li>TML Award for Cost effectiveness</li> </ul>
2007-2008	<ul style="list-style-type: none"> <li>New Generation Compressor</li> <li>New HVACs</li> <li>Mini Bus AC</li> </ul>	<ul style="list-style-type: none"> <li>MUL Award for Outstanding Overall Performance, Vendor Performance in warranty Improvement, System Audit Rating Performance and VA VE</li> </ul>
2006-2007	<ul style="list-style-type: none"> <li>Capacity 0.75 Million</li> <li>Start of Operations at Manesar &amp; Pune Plants</li> </ul>	<ul style="list-style-type: none"> <li>MUL Certificate for appreciation to participated in All India Vendor Conference</li> </ul>
2005-2006	<ul style="list-style-type: none"> <li>Manesar Project</li> <li>Pune Project</li> </ul>	<ul style="list-style-type: none"> <li>Maruti Awards for overall performance, Quality, VAVE &amp; Vendor Up gradation</li> <li>ACMA Manufacturing Excellence Award</li> <li>OSHASC18001</li> </ul>
2004-2005	<ul style="list-style-type: none"> <li>Tool Rom</li> <li>Design Centre</li> <li>Test Centre (wind Tunnel &amp; Calorimeter)</li> </ul>	<ul style="list-style-type: none"> <li>TS 16949</li> <li>Rated among top 5 IT User in Manufacturing sector in India by NASSCOM</li> <li>Maruti Awards for overall Performance &amp; Quality</li> </ul>
2003-2004	<ul style="list-style-type: none"> <li>MPS (Maruti Production System)</li> <li>Capacity 0.5 Million</li> </ul>	<ul style="list-style-type: none"> <li>MUL Mfg Excellence Award</li> </ul>



Maruti Suzuki Gold Trophy for overall excellence



Tata Motors Award for cost efficiency



Mahindra & Mahindra Award for Sustainability



Mr. Ramesh Suri, Chairman & Mr. D.M. Reddy, CEO, Subros Limited, Receiving Maruti Suzuki Vendor Performance Award 2010-11



Ms. Shradha Suri, MD, Subros Limited, Suzuki receiving Maruti gold trophy for overall excellence



Mr. Ramesh Suri, Chairman, Subros Limited receiving Tata Motors for cost efficiency



Ms. Shradha Suri, MD, Subros Limited, receiving Mahindra & Mahindra Sustainability award

## 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.

*Cooling Unit*

*Heater/Blower Unit*

*Blower Unit*

*HVAC*

*RS Evaporator*

*MS Evaporator*

*ST Evaporator*

*SP Evaporator*

*Heater Core*

*Compressor P&S Series (83cc & 138cc)*

*Compressor Castings (Squeeze & Vacuum pressure die casting)*

*Compressor Mounting Bracket*

*Tube Connectors & Hoses*

*Condenser (Multi Flow)*

**AC-Loop**

HEATER UNIT

EVAPORATOR

MOTOR BLOWER

ENGINE

COOLING FAN

RECEIVER/DRYER

CONDENSER

*Components*

## Bus AC

Subros provides complete range of Bus Air conditioners ranging from 7.5KW to 35KW capacity suitable for 4 mtr to 12 mtr buses. 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. It uses environment friendly R 134a refrigerant.

### SLR 32



Category	Large Bus
Cooling Cap.	32 KW
Size roof Unit	3720 X 2000 X 190mm
Air Flow	6600 CMH
Compressor	Denso 6C620 (611cc)
	Bitzer - 4NFCY (647cc)
Oper. Current	67A at 24V

### SLS 7



Condenser Unit

Cooling Unit

Category	Small Bus
Cooling Cap.	7.38 KW
Size roof Unit	980X295X125mm
Air Flow	4760 m3/h
Compressor	170cc
Refrigerant	R134a
Oper. Current	40Amps @ 12V



High Efficiency Compressor

### NEW COMPACT PACKAGE TYPE



High Efficiency Denso Compressor



Cooling Unit

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*Our people our strength - Our long serving Employees*

## Board of Directors

1. Mr. Ramesh Suri  
Chairman
2. Ms. Shradha Suri  
Managing Director
3. Dr. Jyotsna Suri
4. Mr. Yasushi. Nei  
(Representative of Denso Corporation, Japan)
5. Mr. S. Nakanishi  
(Representative of Suzuki Motor Corporation, Japan)
6. Mr. P. Sabanayagam  
I.A.S. (Retd.)
7. Mr. G.N. Mehra  
I.A.S. (Retd.)
8. Mr. Shailendra Swarup
9. Mr. K.R. Ramamoorthy
10. Mr. Hanuwant Singh

Dy. Company Secretary  
Mr. Vikas Sabharwal

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

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

Auditors  
M/s. V.K. Dhingra & Co.,  
Chartered Accountants  
1-E/15, Jhandewalan Extension,  
New Delhi

Works  
C-51, Phase-II, Noida 201 304  
Distt. Gautam Budh Nagar (U.P.)  
B - 188, Phase-II, Noida 201 304  
Distt: Gautam Budh Nagar (U.P.)  
B - 216, Phase-II, Noida 201 304  
Distt: Gautam Budh Nagar (U.P.)  
Plot No. 395-396, Sector-8, Phase-III  
IMT Manesar, Gurgaon 122 050  
B-8 & 9, MIDC-Chakan Ind. Area  
Chakan-Telegaon Road, Chakan, Pune 410 501

## Notice of Annual General Meeting

Notice is hereby given that the 26th Annual General Meeting of the members of SUBROS LIMITED will be held at KAMANI AUDITORIUM, 1, COPERNICUS MARG, NEW DELHI-110 001 on Monday, the 19th September, 2011 at 11.30 A.M. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date and the Report of the Directors' and the Auditors' thereon.
2. To declare dividend for the financial year ended 31st March, 2011.
3. To appoint a director in place of Mr. Shinzo Nakanishi, who retires by rotation, and being eligible, offers himself for reappointment.
4. To appoint a director in place of Mr. Shailendra Swarup, who retires by rotation, and being eligible, offers himself for reappointment.
5. To appoint a director in place of Mr. K.R. Ramamoorthy, who retires by rotation, and being eligible, offers himself for reappointment.
6. To appoint Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.

### SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without modification(s) the following Resolution as a Ordinary Resolution:  
“Resolved that pursuant to the provisions of Section 293(1)(d) and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Reserve Bank of India, if required and of Securities & Exchange Board of India or such other authorities under relevant enactments, whether applicable, the Company hereby accords its consent to the Board of Directors of the Company including committee thereof (hereinafter referred to as “the Board”) to borrow any sum or sums of money from time to time from any one or more of the Company's Bankers and / or from any one or more, firms, bodies corporate (Indian or Overseas), financial institutions (Indian or Foreign), Non resident Indians or Foreign Nationals or other persons whether by way of Advance, Deposits, Loans, External Commercial Borrowings (ECB) including other modes of External Borrowings, Debentures or otherwise and whether unsecured or secured notwithstanding that the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary working capital loans obtained from the Company's Bankers in the ordinary course of business) may exceed the aggregate of the

paid-up capital of the company and its free reserves, that is to say, reserves not set apart for any specific purpose but so however that the total amount upto which the moneys may be borrowed by the Board and outstanding at any point of time shall not exceed in aggregate the limit of Rs.400 Crores (Rupees Four Hundred Crores only) exclusive of interest and other charges whatsoever connected with the aforesaid loans, as against Rs.300 crores (Rupees Three Hundred Crores only) approved by the members in the 24th Annual General Meeting of the Company held on 22nd September, 2009.”

Place: New Delhi

Dated: 3rd August, 2011

REGD. OFFICE:

Lower Ground Floor,  
World Trade Centre  
Barakhamba Lane,  
New Delhi 110 001.

By Order of the Board

Vikas Sabharwal

Dy. Company Secretary

## Notes

- 1) An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item No.7 relating to Special Business to be transacted at the meeting is annexed hereto.
- 2) A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the company. Proxies in order to be effective must be lodged with the Company not less than 48 hours before the time of meeting. Members / proxies should bring duly filled Attendance slips sent herewith to attend the meeting.
- 3) Members are requested to send queries, if any, on the accounts so as to reach the Registered Office atleast ten days before the meeting to enable the Company to have the relevant information ready.
- 4) The Register of Members and Share Transfer books of the Company shall remain closed from Saturday, the 10th September, 2011 to Monday, the 19th September, 2011, both days inclusive.
- 5) If resolution in respect of dividend on shares as recommended by the Directors is passed at the Annual General Meeting, the payment will be made to those shareholders whose names shall stand on the Company's Register of Members on 19th September, 2011. The dividend in respect of shares held in electronic form will be payable to the beneficial owner of the shares as on 9th September, 2011, as per details furnished by the Depositories for this purpose.

- 6) Members, who hold shares in de-materialised form, are requested to bring their client ID and DP ID Numbers for easier identification of attendance at the Annual General Meeting. NO GIFTS OF ANY NATURE SHALL BE DISTRIBUTED AT THE ANNUAL GENERAL MEETING.
- 7) Information u/s. 205A read with the Companies Unpaid Dividend (Transfer to Investors Education and Protection Fund set up by the Govt. of India):
  - a) Pursuant to the provisions of section 205A(5) of the Companies Act, 1956 and introduction of section 205C of the Companies Act, 1956, the Company has transferred unclaimed dividend upto the financial year ending 31st March, 2003 to Investors Education and Protection Fund set up by Govt. of India. The amount of dividend for the subsequent years i.e. from financial year ended 31.03.2004 and onwards, remaining unclaimed for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company shall be transferred to the Investor Education and Protection Fund set up by the Government of India and no payments shall be made in respect of any such claims.
  - b) Members who have not yet encashed their dividend warrant(s) for the financial year ended 31.03.2004 and onwards, are requested to claim the amount forthwith from the Company.
- 8) Members holding Equity Shares in physical form are requested to notify promptly change in their address / bank details, if any, to the Company's Registered Office or M/s MCS Limited, Srivenkatesh Bhavan, F-65, Okhla Industrial Area, Phase-I, New Delhi-110020 (The registrar and Transfer Agent), quoting Folio Number. Members holding Equity Shares in electronic form are requested to notify promptly change in their address / bank details, if any, to the respective depository participants.
- 9) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Transfer Agent (RTA), M/s MCS Limited and also they are requested again to get their equity shares demated.
- 10) For security reasons, briefcases, transistors, bags, tiffin boxes, cameras, eatables etc, will not be allowed to be taken inside the Meeting Hall.

## **Explanatory statement pursuant to section 173(2) of the Companies Act, 1956:**

### Item No.7

The members of the Company at the 24th Annual General Meeting of the Company held on 22nd September, 2009 had accorded their consent to the Board of Directors of the Company under Section 293(1)(d) of the Companies Act, 1956 to borrow for the purpose of business of the Company upto Rs.300 crores (Rupees Three Hundred Crores). In view of the increased requirement of funds as a result of the expansion of the business of the Company, it is considered appropriate to seek consent of the members under Section 293(1)(d) for enhancement in its borrowing powers upto Rs.400 crores (Rupees Four Hundred Crores) to meet the requirement of funds from time to time.

None of the Directors may be deemed to be concerned or interested in this Resolution.

By Order of the Board

Place: New Delhi

Dated: 3rd August, 2011

Vikas Sabharwal

Dy. Company Secretary

REGD. OFFICE:

Lower Ground Floor,

World Trade Centre

Barakhamba Lane,

New Delhi 110 001.

## Directors' Report

To  
The Members

Your Directors are pleased to present their 26th Annual Report of the Company together with the Audited Accounts for the year ended 31st March, 2011.

### FINANCIAL RESULTS

	Current year 2010-11 (Rs. in Lacs)		Previous year 2009-08 (Rs. in Lacs)	
Gross Profit before financial charges and depreciation		9007.36		9401.84
Less: Financial Charges & Depreciation	1750.36		1603.33	
	<u>4054.96</u>	<u>5805.32</u>	<u>3847.07</u>	<u>5450.40</u>
Net Profit before Taxation		3202.04		3951.44
Less: Taxation		<u>347.63</u>		<u>1142.45</u>
Profit after Taxation		2854.41		2808.99
Add: Profit brought forward		<u>13199.41</u>		<u>13080.08</u>
Profit available for appropriation		16053.82		15889.07
Less: Proposed Dividend		479.91		419.92
Less:- Corporate Dividend Tax		77.85		69.74
Less:- Transfer to General Reserve		2000.00		2200.00
Balance carried over to Balance Sheet		<u>13496.05</u>		<u>13199.41</u>

### DIVIDEND

Your Company has earned a net profit (after tax) of Rs 2854 Lacs as against Rs.2809 Lacs in the previous year. Your directors recommend a dividend of 80 paise per share (i.e. 40%) on the paid-up equity share capital for the year ended 31st March, 2011 as against 70 paise per share (i.e. 35%) declared in the previous year. The dividend, if approved by the shareholders at the ensuing Annual General Meeting, shall absorb a sum of Rs. 479.91 lacs exclusive of Dividend Tax.

## BUSINESS OPERATIONS

Your Company has continued to scale new heights and set several new benchmarks in terms of sales and overall operations. The company has sold 895,072 nos. of A.C. systems as against 747,707 nos. in the previous year an increase of 20%. The Company during the current year despite the pressure of currency fluctuation and higher input cost has been able to sustain the profit after tax.

The company had also been able to maintain its market leadership with customer focus and upgraded technology. As a result, your company recorded an increase of 20% in the net turnover of Rs 1,089.10 crores during the year as against Rs. 905.46 crores 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 medium term and in general, has planned its capacity expansion, to cater to the increased demand from existing as well as new Automobiles manufacturers in India. Moreover company is continuously engaged in VA / VE and localization and as a step in that direction during the year under review the company was able to localize new generation RS Evaporator, thereby resulting in savings in term of cost and foreign exchange.

The Company has also started the process of setting up its new facility at Chennai, Tamil Nadu 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 airconditioning, Rail airconditioning etc.

The Company during the last financial year has established a design Joint venture Company in India with its collaborator Denso Corporation for carrying out application design services for the development of new products for the satisfaction of its ultimate customers with low cost and less lead time in product development.

## 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) Best Vendor Award for overall performance from MSIL.
- b) VA VE Implementation Award from MSIL.
- c) Warranty Improvement Award from MSIL.
- d) Tier 2 Vendor up gradation Award from MSIL.
- e) Timely capacity Expansion Award from MSIL.
- f) Best vendor award from Mahindra & Mahindra.
- g) Gold Award for manufacturing excellence- IMEA

## SUBSIDIARY COMPANY

During the financial year under review THAI SUBROS LIMITED subsidiary Company in Thailand, achieved a turnover of THB 667.09 Lacs as against THB 268.40 Lacs during the last financial year, the sales has increased substantially and the Company was having Profit before tax of THB 26.47 Lacs as against profit of THB 19.35 Lacs during the previous year under review.

## CONSOLIDATION OF ACCOUNT

In accordance with the Accounting Standard AS-21 on consolidated financial statements that with Accounting Standard AS-27 on financial reporting for interest in Joint Ventures, the Audited Consolidated Financial Statement 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, Bombay Stock Exchange and The Delhi Stock Exchange Association Ltd. The company has paid annual listing fee for the year 2011-12 and also paid annual custodian fee in respect of shares held in dematerialization mode to NSDL and CDSL for the year 2011-2012.

## FIXED DEPOSIT

During the year the Company has not invited 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 quickly.

## DIRECTORS

Mr. Shinzo Nakanishi, Mr. Shailendra Swarup and Mr. K. R. Ramamoorthy 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(2)AA of the Companies Act, 1956, the directors hereby confirm that :-

- in the preparation of annual accounts for the year 2010-11, 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 2010-11 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.
- 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 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 name 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 Company Secretary at the registered office of the Company and same will be sent.

#### 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 record performance.

Your Directors acknowledge with gratitude the co-operation and support extended by Company's Bank, Canara & other Bank 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: 3rd August, 2011

RAMESH SURI  
Chairman

## Annexure to Directors Report (2010-11)

### Part-1st

Particulars 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

### Form B. TECHNOLOGY ABSORPTION

#### 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 Development of 10SL08 Compressor as design upgrade for 10P08 compressor.
- 2 Design & Development of Subros Heater Core and Radiator.
- 3 New generation step-4 condenser which is more efficient, compact and cost effective compared to current technology of MF-3.
- 4 Localization of 45 seat Bus Air Conditioner using base technology from Denso Japan.
- 5 New Parametric Design for new generation condensers "Step-4" and "heater cores".
- 6 Compatibility and readiness for the environment friendly new generation low Global Warming Potential (GWP) refrigerants in Subros supplied AC kits.
- 7 Complete a/c system development for TATA Nano mini car
- 8 Application Engineering for :
  - HVAC and hoses and tubes development "New Alto (YG4)" model of MSIL
  - Heater blower unit development is under progress for "Omni" model of MSIL
  - HVAC & condenser development for "new Swift " model of MSIL

#### 1.2 Systems & Infrastructure :

- i) Design review and Quality Assurance review gate control system implemented for all projects to improve effectiveness of new product development.
- ii) In the year 2010-11, company initiated process of setting up Product Engineering Center at Pune & Chennai. This is done to have better and faster access to new product developments for customers based in West & South India respectively.

#### 1.3 VA/VE, Localization efforts:

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

- a. Blower fan
- b. Heater core
- c. RS Evaporator
- d. Receiver Drier
- e. Compressor swash plate
- f. HVAC kinematics parts (Cams and levers) for Swift

#### BENEFITS DERIVED

- a) Development of new models for existing customers has resulted in continuity of our relationship with key customers.
- b. 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.
- c. 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.
- d. With parametric design implementation development time & cycle is reducing considerably.

#### FUTURE PLAN OF ACTION

- i) Continue development of new generation more efficient Heat Exchangers Heaters & Radiators
- ii) New concept of Inter cooler and Charge Oil cooler which can be applied to both Off Highway and Turbo Charge Diesel Engines.

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

The RS Evaporator technology received from collaborators Denso Corporation, Japan has been absorbed and already productionized .

#### BENEFITS

- a) Improvement in process, productivity and quality and cost due to new techniques and localization of parts.
- b) New products development and new business opportunities.

#### 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. Has technology been fully absorbed: The technology has been absorbed substantially. For new models of AC systems, technology transfer is under implementation.

#### Form C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company has made export of the value of Rs.752.45 Lacs during the year (Previous Year – Rs. 325.29Lacs).

	<u>Rs. in lacs</u>
a) Total Foreign Exchange earned	752.45
b) Total Foreign Exchange used	
i) CIF Value of Imports (Revenue Expenses)	46731.08
ii) CIF Value of Imports (Capital Expenditure)	846.12
iii) Expenditure in Foreign Currency	2783.76

## Compliance Report on Corporate Governance (2010-11)

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 director's attendance record, directorship and committee membership position during the financial year 2010-11 is as per table given below:

Name	Category	No. of Board Meetings held during 2010-11	No. of Board Meetings attended during 2010-11	Whether attended AGM held on 20th September 2010	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	5	4	Yes	13	2	4
Ms. Shradha Suri Managing Director	Not Independent & Executive	5	4	Yes	4	1	1
Dr. Jyotsna Suri	Not Independent & Non-Executive	5	2	Yes	12	2	-
Mr. Shinzo Nakanishi	Not Independent & Non-Executive	5	2	Yes	5	-	3
Mr. Yasushi Nei	Not Independent & Non-Executive	5	3	Yes	1	-	-
Mr. P. Sabanayagam	Independent & Non-Executive	5	5	Yes	-	-	1
Mr. G.N. Mehra	Independent & Non-Executive	5	5	Yes	6	5	3
Mr. Shailendra Swarup	Independent & Non-Executive	5	4	No	3	-	1
Mr. K.R. Ramamoorthy	Independent & Non-Executive	5	5	Yes	8	2	5
Mr. Hanuwant Singh	Independent & Non-Executive	5	5	Yes	3	-	2
Mr. Y Kajita (Alternate to Mr. Y. Nei) *	Not Independent & Non-Executive	5	1	NO	-	-	-

\* Mr. Y.Kajita resigned from the Directorship on 02/08/2010

@ Represents Chairmanship / Membership of Audit Committee and Shareholders Grievance cum Share Transfer Committee only.

b) Number of Board Meetings

During the financial year 2010-11, five Board Meetings were held on 30.4.2010, 02.08.2010, 20.9.2010, 01.11.2010 and 04.02.2011.

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 2010–11 one meeting was held on 02.08.2010

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 of 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 details of sitting fee paid during the year 2010-11 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	40,000	NIL	40,000
2	Mr. P. Sabanayagam	1,00,000	1,00,000	2,00,000
3	Mr. G.N. Mehra	1,00,000	2,30,000	3,30,000
4	Mr. K.R. Ramamoorthy	1,00,000	80,000	1,80,000
5	Mr. Hanuwant Singh	1,00,000	NIL	1,00,000
6	Mr. Shailendra Swarup	80,000	20,000	1,00,000
7	Mr. S. Nakanishi	40,000	NIL	40,000
			G. TOTAL	9,90,000

Remuneration paid/payable to the Chairman and the Managing Director for the year 2010-11 is as given below:

(Rs. in Lacs)

Sl. No	Name of the Director	Salary & Allowances	Contri-butions (*)	Commission	Other Benefits	Total
1.	Mr. Ramesh Suri	48.00	4.50	34.87	0	87.37
2.	Ms. Shradha Suri	135.95	16.68	34.87	0	187.50
	<b>TOTAL</b>	<b>183.95</b>	<b>21.18</b>	<b>69.74</b>	<b>0</b>	<b>274.87</b>

(\*) 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 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.
7. Reviewing the adequacy of internal audit function, 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 2010-11	Attended during 2010-11
1.	Mr. G.N. Mehra	Chairman	Independent/Non-Executive	4	4
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 30.4.2010, 02.08.2010, 01.11.2010 and 04.02.2011.

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, 2011, the Shareholders' Grievances cum Share Transfer Committee held 26 meetings on 09.04.10, 23.04.10, 07.05.10, 21.05.10, 04.06.10, 18.06.10, 02.07.10, 16.07.10, 30.07.10, 13.08.10, 27.08.10, 10.09.10, 24.09.10, 08.10.10, 22.10.10, 04.11.10, 19.11.10, 03.12.10, 16.12.10, 31.12.10, 14.01.11, 28.01.11, 11.02.11, 25.02.11, 11.03.11 and 25.03.11

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 2010-11
1	Sh. G.N. Mehra	Chairman	26
2	Sh. Ramesh Suri	Member	26

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

Details of complaints received during the year 2010-11 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	6	6	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 also been pasted on company's website.

#### 7 Shareholders

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

Mr. Shinzo Nakanishi, Mr. Shailendra Swarup and Mr.K.R. Ramamoorthy, Directors, retire by rotation and being eligible, offer themselves for re-appointment.

The abbreviated resumes of these Directors are given below:

##### 1. Mr. Shinzo Nakanishi

Mr. S. Nakanishi, aged 64 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 is CEO and Managing Director of Maruti Suzuki India Limited

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 one Private and five foreign Companies:-

1. Maruti Suzuki India Ltd
2. Suzuki Powertrain India Ltd

3. Citicorp Maruti Finance Ltd
4. SKH Metals Ltd
5. Asahi India Glass Ltd

2. Mr. Shailendra Swarup

Mr. Shailendra Swarup is 66 years old and is a renowned Advocate of Supreme Court of India. He joined the Bar in 1965 and he is having more than 43 years of experience.

He also holds Directorships and Memberships of various committees of the Board of Directors in the following Public Limited Companies in addition to directorship on the Board of five private companies:-

1. Gujrat Fluorochemicals Ltd
2. India Thermit Corporation Ltd
3. Bengal & Assam Company Ltd

3. Mr. K.R. Ramamoorthy

Mr. K. R. Ramamoorthy aged 71 years, is a senior banker, with over four decades of commercial and banking experience in India. He was the Chairman & CEO of two of the leading commercial banks in India, Corporation Bank (1990-1997) and The Vysya Bank Limited (1997 & 2001). After his rewarding career in leadership positions, he served as Advisor for CRISIL from 2001-2004. Since 2005, he has been consulting independently, through his firm, BankConsult, for The World Bank, IFC, IMF and other multilateral agencies and commercial banks in India and other developing countries in South Asia and Africa.

During his tenure in the banking sector, Mr. Ramamoorthy served on the various Committees constituted by the Reserve Bank of India (RBI), SEBI and the Indian Banks Association. Prior to joining the Banking Industry in his formative career, he served the private sector entities for nearly two decades - in Pharma, Entertainment, and Engineering and Consumer Product Marketing Organizations including Lipton. Currently, he serves on the Board of various corporate entities as Independent Director.

Mr. Ramamoorthy holds degrees in Economics and Law and is a senior Fellow member of the Institute of Companies Secretaries of India.

He also holds Directorships and Memberships of various committees of the Board of Directors in the following Public Limited Companies in addition to directorship on the Board of four private companies:-

1. The Clearing Corporation of India Ltd
2. Nilkamal Plastics Ltd
3. Amrit Corp. Ltd
4. GMR Power Corporation Ltd
5. IFCI Factors Ltd
6. Clearcorp Dealing Systems (India) Ltd
7. Shriram City Union Finance Ltd
8. GMR Infrastructure Ltd

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), Delhi & Mumbai and Nav Bharat Times, Delhi & Mumbai and other newspaper. These results are also displayed on the company's web-site [www.subroslimited.com](http://www.subroslimited.com) and as well as on the website of Securities and Exchange Board of India (SEBI) under EDIFAR.

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.	25 <sup>th</sup> AGM in respect of the year (2009-10)	20 <sup>th</sup> Sept.2010	FICCI Auditorium, Tansen Marg, New Delhi.	11.00 a.m.
2.	24 <sup>th</sup> AGM in respect of the year (2008-09)	22 <sup>nd</sup> Sept.2009	FICCI Auditorium, Tansen Marg, New Delhi.	11.00 a.m.
3	23 <sup>rd</sup> AGM in respect of the year (2007-08)	15 <sup>th</sup> Sept.2008	FICCI Auditorium, Tansen Marg, New Delhi.	11.00 a.m.

e) Postal Ballots

No Special Resolution was put through postal ballot last year.

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 Exchanges, SEBI and other statutory authorities of all matters during the last 3 years. No penalty has been imposed on the Company by any of the Stock Exchanges or SEBI, or any other statutory authority.

(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 2010 – 2011.

(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 control 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.

Market Price Data: High/Low During each Month of 2010 - 11 on B.S.E.

Month	Mumbai Stock Exchange		Volume
	High (Rs.)	Low (Rs.)	Nos. of Shares
April, 2010	48.90	43.70	1768627
May, 2010	49.10	41.45	1200359
June, 2010	48.20	41.55	1222220
July, 2010	51.70	44.25	2464761
Aug. 2010	53.00	47.80	3230845
Sept. 2010	55.75	48.55	2974326
Oct. 2010	52.55	45.50	905198
Nov. 2010	50.85	40.00	791715
Dec. 2010	47.10	38.25	258789
Jan. 2011	45.50	37.00	181801
Feb. 2011	39.80	32.50	138177
March, 2011	34.65	30.30	288504

Market Price Data: High/Low During each Month of 2010-11 on N.S.E.

Month	National Stock Exchange		Volume
	High (Rs.)	Low (Rs.)	Nos. of Shares
April, 2010	49.50	43.55	2839833
May, 2010	50.00	41.30	2343285
June, 2010	48.20	41.50	1964964
July, 2010	55.80	45.10	3758656
Aug. 2010	52.80	45.00	5237878
Sept. 2010	56.90	48.05	5212754
Oct. 2010	52.50	48.50	1572446
Nov. 2010	50.80	40.10	1360434
Dec. 2010	47.45	38.00	420472
Jan. 2011	45.95	37.00	253096
Feb. 2011	39.95	32.60	248445
March, 2011	34.00	30.00	238158

Distribution of Shareholding as on March 31, 2011

( 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	45840	90.78	2634880	4.39
0,501 - 01,000	2233	4.43	1938368	3.23
01,001 - 02,000	1318	2.61	2115256	3.53
02,001 - 03,000	359	0.71	931414	1.55
03,001 - 04,000	194	0.38	693353	1.15
04,001 - 05,000	175	0.35	854538	1.43
05,001 - 10,000	196	0.39	1511990	2.52
10,001 - 50,000	137	0.27	2853070	4.76
50,001 - 1,00,000	14	0.03	958572	1.60
100001 And Above	27	0.05	45497159	75.84
<b>Total</b>	<b>50493</b>	<b>100.00</b>	<b>59988600</b>	<b>100.00</b>

## General Shareholders Information

S.No.	Salient Items of Interest	Particulars
I.	AGM Date	19th Sept. 2011 Monday
II.	AGM Time	11.30 A M
III.	AGM Venue	KAMANI AUDITORIUM, 1, COPERNICUS MARG, NEW DELHI - 110001
IV.	Financial Calendar	01.04.2011 to 31.03.2012
	Quarterly Results	Board Meetings to be held on or before
	30.06.2011	14.08.2011
	30.09.2011	15.11.2011
	31.12.2011	14.02.2012
	31.03.2012	14.05.2012
V.	Date of Book Closure	10.09.2011 – 19.09.2011 (Both days inclusive)
VI.	Dividend Payment Date	18.10.2011
VII.	Listing on Stock Exchanges	<ol style="list-style-type: none"> <li>Delhi Stock Exchange Association Ltd (DSE) DSE House, 3/1 Asaf Ali Road New Delhi 110001</li> <li>The Stock Exchange Mumbai (BSE) Phiroze Jeejeebhoy Towers, Dalal Street Mumbai 400001</li> <li>National Stock Exchange of India Ltd. (NSE) 'Exchange Plaza' Bandra-Kurla Complex Bandra (East), Mumbai-400 051.</li> </ol>
VIII.	Stock Code	5824 - Delhi Stock Exchange (DSE) 517168 - Mumbai Stock Exchange (BSE) 3324 - National Stock Exchange (NSE)
	Demat ISIN No for NSDL /CDSL	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, 2011 Demated – 20841 Shareholders (41.28% of the total Shareholders) Demated –1,49,86,091 Shares ( 24.99 % 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	<p>Noida Plants:- C-51 Phase II, Noida B-188 Phase II, Noida B-216 Phase II Noida &amp;</p> <p>Manaser Plant: Plot No.395/ 396, sector, 8, IMT MANASER (Haryana).</p> <p>Pune Plant : B - 8 &amp; 9 , MIDC Indl. Area, Chakan Taleegaon Road, Chakan Pune– 410501.</p>
XIV.	Address for correspondence	Regd. Office: LGF, World Trade Centre, Barakhamba Lane, New Delhi 110001.

Shareholding Pattern as on March 31, 2011

Type	NSDL (Demat)	CDSL (Demat)	Physical	Total Shares
Promoters	---	---	2,40,00,000	<b>2,40,00,000</b>
Foreign Collaborators	---	---	1,56,00,000	<b>1,56,00,000</b>
Foreign Institutional Investors	36,500	---	6,500	<b>43,000</b>
Banks, Mutual Funds	2,26,076	---	---	<b>2,26,076</b>
Insurance Co's	3,49,015	---	---	<b>3,49,015</b>
Non Resident Indian	4,10,826	71,359	3	<b>4,82,188</b>
Corporate Bodies	16,56,171	4,89,930	28,53,766	<b>49,99,867</b>
Indian Public	86,07,675	31,38,539	25,42,240	<b>1,42,88,454</b>
<b>TOTAL</b>	<b>1,12,86,263</b>	<b>36,99,828</b>	<b>4,50,02,509</b>	<b>5,99,88,600</b>

The Percentage of Total Shares (1,49,86,091) Dematerilised is about 24.99%

#### **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, 2011, 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, 2011.

Place: New Delhi

Dated: 3rd August, 2011

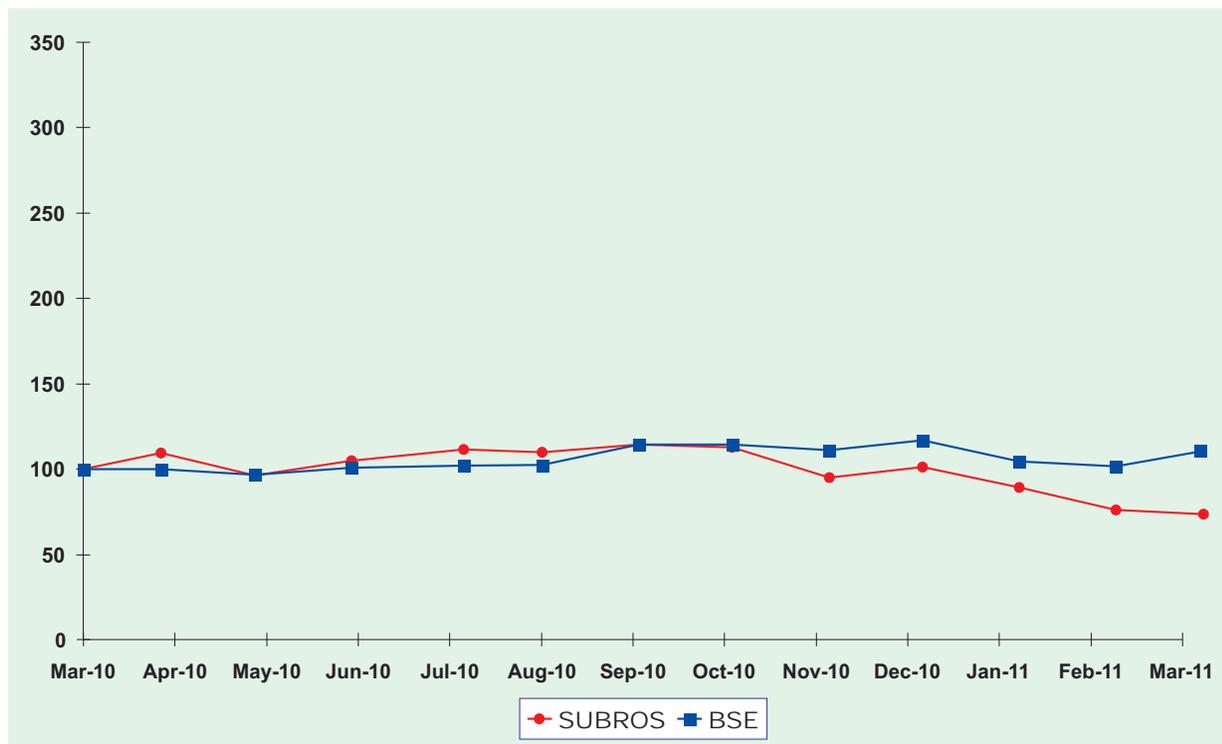
SHRADHA SURI  
MANAGING DIRECTOR

## Share Performance vis -a - vis - NSE Sensex



NOTE :- Both prices are indexed at 100 as on 31 March-2010

## Share Performance vis -a - vis - BSE Sensex



NOTE :- Both prices are indexed at 100 as on 31 March-2010

## Management Discussion & Analysis 2011

### 1. Industry Outlook

- 1.1 The Indian economy has emerged with remarkable rapidity from the slowdown caused by the global financial crisis of 2007-09. As anticipated, 2011 has shown expected growth results and GDP has grown by 8.6% in 2011. The outlook of the economy is positive and we see the impact on Indian Automobile Industry. However, inflation rate is a concern area which has impact on our industry thru control actions taken by the financial institutions.

The highlights of the EIU, EDC Economic survey predicts the following key economic indicators:-

Economic Indicators

Particulars	05-09 Avg.	2010	2011	2012
GDP (% growth real)	8.5	8.6	8.2	8.0
Inflation (% year-end)	7.2	12.0	5.4	4.9
Fiscal Balance (% of GDP)	-4.5	-5.0	-5.4	4.9
Exports (% growth)	18.1	30.4	10.5	10.5
Imports (% growth)	22.9	26.9	10.5	10.5
Current Account (% of GDP)	1.5	2.6	2.7	2.7
Reserves (month of imports)	8.8	7.4	6.7	6.1
External Debt (% of GDP)	16.4	14.7	13.3	12.4
Debt Service ratio	10.16	8.1	7.8	7.1
Currency (per US, year-end)	44.5	45.7	46.9	48.0

Source: EIU, EDC Economics

- 1.2 Indian automobile industry, after having recorded a strong double-digit volume growth over the last two years, may face strong headwinds in 2011-12 leading to moderation in growth contributed by firming up of commodity prices, rising fuel costs and interest rates. 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%. We expect Indian Auto industry shall be touching 5 million vehicle production mark by 2014-15.
- 1.3 The automotive industry continued its strong growth momentum during FY-11 with auto sector sales growing at 26% YoY. The passenger vehicles segment outperformed the sector with healthy growth of 24% YoY in the same period driven by ballooning spending power, easier financing and a wider choice of models available.

**Table 1: Trend in Sales Volumes of Automobiles (Domestic + Export)**

Sales Units (Nos.)	2006-07	2007-08	2008-09	2009-10	2010-11	April-May 2011
PV	1,578,431	1,766,390	1,888,432	2,395,922	2,973,900	490,811
<b>Growth</b>	<b>20%</b>	<b>12%</b>	<b>7%</b>	<b>27%</b>	<b>24%</b>	<b>11%</b>
CV	517,648	545,816	426,795	576,402	752,705	122,229
<b>Growth</b>	<b>32%</b>	<b>5%</b>	<b>5%</b>	<b>35%</b>	<b>31%</b>	<b>15%</b>
2W	8,491,978	8,068,447	8,441,793	10,511,415	13,329,895	2,451,787
<b>Growth</b>	<b>12%</b>	<b>-5%</b>	<b>5%</b>	<b>25%</b>	<b>27%</b>	<b>20%</b>
3W	547,805	506,006	493,793	613,606	795,989	139,530
<b>Growth</b>	<b>25%</b>	<b>-8%</b>	<b>-2%</b>	<b>24%</b>	<b>30%</b>	<b>23%</b>

Source: SIAM, ICRA's Estimates

- 1.4 All our top customers viz., Maruti Suzuki India Limited, Tata Motors Limited, Mahindra and Mahindra Limited and Force Motors Limited have recorded excellent growth during 2010-11. This is encouraging sign for the company.

## 2 Financial & Operational Performance

- 2.1 In this buoyant scenario, Company's Gross Sales increased substantially from Rs.984 cr in 2009-10 to Rs.1,203 cr in 2010-11 an increase of 20% in sale over the previous year. The Company profit after tax has also increased from Rs.28.09 Cr in the year 2009-10 to Rs.28.54 crore in the year 2010-11. Management focus, during the year, was towards improving operating levels and Capacity addition to take care of future needs.
- 2.2 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 RS Evaporator with the strong technological support of our partner M/s Denso Corporation Japan.
- 2.3 Company is witnessing continuous improvements in operation activities and has been continuously have been receiving various awards and recognition from the suppliers, the details are mentioned herein below:-
- MSIL- Best Vendor Award for overall performance
  - MSIL- warranty Improvement
  - MSIL- Tier 2 Vendor up gradation.
  - MSIL- VAVE Implementation
  - MSIL- Timely Capacity enhancement
  - M&M- Best Vendor Award
  - IMEA- Gold Award for manufacturing excellence.

- 2.4 Subros continues to build and maintain sustainable relationships with its supply chain particularly in relation to long-term strategic direction of the business. Vendor management is critical to Subros, as nearly 74% of the Net Sales is currently made up of material cost.

### **3. Information Technology**

- 3.1 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 vendors.
- 3.2 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.

### **4. Internal Controls and Adequacy**

- 4.1 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.
- 4.2 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.

### **5. Risks and concerns**

- 5.1 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.
- 5.2 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.

- 5.3 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.
- 5.4 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.
- 5.5 R&D Centre at Noida is fully used for product development for new model launches with assistance from the collaborator, Denso Corporation Japan. Your Company has entered into Joint Venture Agreement with Denso Corporation Japan to set up new Company in India which will take care of application design and allied services for new models to be launched by our OEM's. This will bring 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.
- 5.6 The Company is undertaking 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.

## **6. Future Plan**

- 6.1 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 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.
- 6.2 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.

## **7. Human Resources**

- 7.1 The Company is taking sufficient steps for employee engagement and motivation. This has resulted in reduction of employee turnover.
- 7.2 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.

## 8. Company Mission

The Company has launched mission 15-25 as long term strategic objective to reach Target Sales of Rs 2,500 crs by the Financial year 2015-16. The key targets set under the mission are to retain market leadership, expansion plan in other Thermal products & consolidate company's financial performance thru comprehensive cost improvement plans.

### 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.*

## 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, 2011, 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: 3rd August, 2011

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

## Auditors' Report

TO  
THE MEMBERS OF  
SUBROS LIMITED

1. We have audited the attached Balance Sheet of SUBROS LIMITED, as at 31st March, 2011 and also the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by Companies (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and the information and explanations given to us during the course of audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above; 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956, to the extent applicable;
  - e) on the basis of written representations received from the directors of the Company as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
  - f) in our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereon, 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:



- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011.
- ii) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

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

PLACE: NEW DELHI  
DATED: 3rd August, 2011

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

## Annexure to the Auditors' Report

REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE ON THE ACCOUNTS OF SUBROS LIMITED FOR THE YEAR ENDED 31ST MARCH, 2011:

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.

- 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, 2011 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	10.30	Dy. Commissioner (Appeal)
		2000-01	17.23	Dy. Commissioner (Appeal)
		2001-02	26.50	Dy. Commissioner (Appeal)
		2002-03	5.61	Jt. Commissioner (Appeal)
		2002-03	22.21	Sales Tax Appellate Tribunal (Hydrabad)
		2003-04	29.96	Sales Tax Appellate Tribunal (Hydrabad)
		2004-05	7.63	Sales Tax Appellate Tribunal (Hydrabad)
U.P. Tax on entry of Goods into Local Area Act 2007	Entry Tax	2008-09	33.74	Allahabad High Court
		2009-10	27.01	Allahabad High Court
		2010-11	32.85	Allahabad High Court

10. The Company does not have accumulated losses as at 31st March, 2011. The Company has not incurred cash losses during the financial year covered by our audit and 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, 2011.

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

PLACE: NEW DELHI  
DATED: 3rd August, 2011

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

## Balance Sheet as at 31st March 2011

P A R T I C U L A R S	SCHEDULE	AS AT 31ST		AS AT 31ST	
		(Rs.)	MARCH 2011 (Rs.)	(Rs.)	MARCH 2010 (Rs.)
<b>SOURCES OF FUNDS:</b>					
1. SHAREHOLDERS FUNDS					
A SHARE CAPITAL	A	119,977,200		119,977,200	
B RESERVES AND SURPLUS	B	<u>2,181,117,062</u>	2,301,094,262	<u>1,951,452,358</u>	2,071,429,558
2. LOAN FUNDS	C				
A SECURED LOANS			1,722,231,915		1,181,821,402
B UNSECURED LOANS			456,407,297		358,938,546
3 DEFERRED TAX LIABILITY(NET)			<u>145,605,777</u>		<u>111,782,266</u>
TOTAL FUNDS EMPLOYED			<u><u>4,625,339,251</u></u>		<u><u>3,723,971,772</u></u>
<b>APPLICATION OF FUNDS</b>					
1 FIXED ASSETS	D				
A. GROSS BLOCK		5,478,299,632		4,828,156,706	
B. LESS: DEPRECIATION		<u>2,808,602,277</u>		<u>2,562,824,103</u>	
C. NET BLOCK		2,669,697,355		2,265,332,603	
D. CAPITAL WORK IN PROGRESS (including advances)		<u>1,146,547,244</u>	3,816,244,599	<u>691,649,776</u>	2,956,982,379
2 INVESTMENTS	E		21,724,075		4,044,085
3 CURRENT ASSETS, LOANS AND ADVANCES	F				
A. INVENTORIES		1,335,457,146		981,690,314	
B. SUNDRY DEBTORS		523,884,855		476,053,330	
C. CASH AND BANK BALANCES		183,047,975		127,580,271	
D. OTHER CURRENT ASSETS		3,014,525		5,515,383	
E. LOANS AND ADVANCES		<u>642,742,517</u>		<u>343,835,680</u>	
		<u>2,688,147,018</u>		<u>1,934,674,978</u>	
LESS : CURRENT LIABILITIES AND PROVISIONS	G				
A. CURRENT LIABILITIES		1,819,474,354		1,097,448,783	
B. PROVISIONS		<u>81,302,087</u>		<u>74,280,887</u>	
		<u>1,900,776,441</u>		<u>1,171,729,670</u>	
NET CURRENT ASSETS			787,370,577		762,945,308
TOTAL APPLICATION OF FUNDS			<u><u>4,625,339,251</u></u>		<u><u>3,723,971,772</u></u>
NOTES TO ACCOUNTS	L				

AS PER ATTACHED REPORT OF EVEN DATE  
FOR V. K. DHINGRA & CO.  
Chartered Accountants

Place : New Delhi  
Date : 3rd August, 2011

V K DHINGRA  
Partner

RAMESH SURI  
Chairman

SHRADHA SURI  
Managing Director

H.K. AGARWAL  
Head (Finance)

VIKAS SABHARWAL  
Dy. Company Secretary

## Profit and Loss Account for the Year Ended 31st March, 2011

PARTICULARS	SCHEDULE	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
I. INCOME			
SALES(GROSS)		12,031,177,870	9,838,334,347
LESS :- EXCISE DUTY		1,140,165,203	783,775,108
SALES (NET)		10,891,012,667	9,054,559,239
OTHER INCOME	H	21,323,408	11,829,236
INCREASE/(DECREASE) IN FINISHED GOODS/WORK IN PROGRESS	I	10,890,693	57,890,829
		<u>10,923,226,768</u>	<u>9,124,279,304</u>
II. EXPENDITURE			
MATERIAL COST		8,218,547,162	6,776,665,127
OTHER EXPENSES	J	1,803,943,028	1,407,429,840
FINANCIAL CHARGES	K	175,036,293	160,332,863
DEPRECIATION		405,496,032	384,707,053
		<u>10,603,022,515</u>	<u>8,729,134,883</u>
III. PROFIT			
PROFIT BEFORE TAXATION		320,204,253	395,144,421
LESS : PROVISION FOR TAXATION			
-CURRENT TAX		64,412,146	112,400,000
-DEFERRED TAX EXPENSE(INCOME)		33,823,511	(4,760,714)
-MAT CREDIT ENTILEMENT		(63,816,707)	—
PROFIT FOR THE YEAR		285,785,303	287,505,135
LESS : PROVISION FOR TAX OF EARLIER YEARS		344,398	6,606,330
NET PROFIT		285,440,905	280,898,805
ADD : PROFIT BROUGHT FORWARD		1,319,940,698	1,308,008,263
PROFIT AVAILABLE FOR APPROPRIATION		<u>1,605,381,603</u>	<u>1,588,907,068</u>
IV. APPROPRIATIONS			
PROPOSED DIVIDEND		47,990,880	41,992,020
PROVISION FOR TAX ON PROPOSED DIVIDEND		7,785,321	6,974,350
TRANSFERRED TO GENERAL RESERVE		200,000,000	220,000,000
PROFIT CARRIED TO BALANCE SHEET		1,349,605,402	1,319,940,698
TOTAL		<u>1,605,381,603</u>	<u>1,588,907,068</u>
V. EARNING PER SHARE (Rs.) (BASIC & DILUTED)		4.76	4.68
NOTES TO ACCOUNTS	L		

AS PER ATTACHED REPORT OF EVEN DATE  
FOR V. K. DHINGRA & CO.  
Chartered Accountants

Place : New Delhi  
Date : 3rd August, 2011

V K DHINGRA  
Partner

RAMESH SURI  
Chairman

SHRADHA SURI  
Managing Director

H.K. AGARWAL  
Head (Finance)

VIKAS SABHARWAL  
Dy. Company Secretary

## Statement of Cash Flow for the year ended 31st March, 2011

PARTICULARS	2010-2011		2009-2010	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
I. CASH FLOW FROM OPERATING ACTIVITIES				
A) Profit Before Taxation		320,204,253		395,144,421
B) Adjustments				
Add:				
i) Depreciation	405,496,032		384,707,053	
ii) Loss on Assets Sold / Discarded	15,614,701		19,892	
iii) Interest & Financial Charges	175,036,293	596,147,026	160,332,863	545,059,808
		916,351,279		940,204,229
Less:				
i) Interest Income	11,549,379		9,288,449	
ii) Surplus on Assets sold / discarded	1,216,870		197,254	
		12,766,249		9,485,703
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		903,585,030		930,718,526
Adjustment for:				
i) Trade & Other receivable	(312,100,369)		20,941,516	
ii) Inventories	(353,766,832)		(126,832,376)	
iii) Trade & Other payables	235,489,601		72,496,256	
		(430,377,600)		(33,394,604)
CASH GENERATED FROM OPERATIONS		473,207,430		897,323,922
Less:				
Direct Taxes paid (Net)		(35,577,829)		(110,303,283)
Add:				
Interest received		14,050,237		4,182,651
NET CASH FLOW FROM OPERATING ACTIVITIES		451,679,838		791,203,290

PARTICULARS	2010-2011		2009-2010	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
II. CASH FLOW FROM INVESTING ACTIVITIES				
i) Purchase of Fixed Assets/ Capital work in Progress		(1,262,047,951)		(774,187,107)
ii) Sale of Fixed Assets		8,648,319		2,029,592
iii) Investment in Joint Venture		(17,679,990)		—
iv) Advance Against sale of Fixed Assets		478,300,000		—
NET CASH USED IN INVESTING ACTIVITIES		<u>(792,779,622)</u>		<u>(772,157,515)</u>
III. CASH FLOW FROM FINANCING ACTIVITIES				
i) Proceeds of long term secured loans		968,133,580		165,000,000
ii) Repayment of long term loans		(366,802,873)		(192,968,151)
iii) Working Capital Loans from Banks		36,548,557		219,104,251
iv) Dividend and Corporate Dividend Tax paid		(48,680,268)		(34,893,341)
v) Interest Paid		(192,631,508)		(160,332,863)
NET CASH FROM FINANCING ACTIVITIES		<u>396,567,488</u>		<u>(4,090,104)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS (I+II+III)		55,467,704		14,955,671
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		127,580,271		112,624,600
CASH AND CASH EQUIVALENTS AS AT THE CLOSING OF THE YEAR		183,047,975		127,580,271

**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 V. K. DHINGRA & CO.  
Chartered Accountants

Place : New Delhi  
Date : 3rd August, 2011

V K DHINGRA  
Partner

RAMESH SURI  
Chairman

SHRADHA SURI  
Managing Director

H.K. AGARWAL  
Head (Finance)

VIKAS SABHARWAL  
Dy. Company Secretary

## Schedule Annexed to and Forming Part of the Balance Sheet as at 31st March 2011

### SCHEDULE A - SHARE CAPITAL

P A R T I C U L A R S	AS AT 31ST MARCH 2011 (Rs.)	AS AT 31ST MARCH 2010 (Rs.)
AUTHORISED 75,000,000 EQUITY SHARES OF RS. 2/- EACH	<u>150,000,000</u>	<u>150,000,000</u>
ISSUED 5,99,94,300 EQUITY SHARES OF RS. 2/- EACH	<u>119,988,600</u>	<u>119,988,600</u>
SUBSCRIBED AND PAID UP 5,99,88,600* EQUITY SHARES OF RS. 2/- EACH FULLY PAID UP	119,977,200	119,977,200
<b>TOTAL</b>	<u><u>119,977,200</u></u>	<u><u>119,977,200</u></u>

\*including 29,994,300 equity shares of Rs. 2/- each allotted as fully paid up bonus shares by way of capitalisation of share premium account and general reserve during the year 2004-05.

### SCHEDULE B - RESERVES & SURPLUS

P A R T I C U L A R S	(Rs.)	AS AT 31ST MARCH 2011 (Rs.)	(Rs.)	AS AT 31ST MARCH 2010 (Rs.)
CAPITAL RESERVES				
Capital Investment Subsidy	356,609		356,609	
Profit on Re-issue of Forfeited Shares	<u>7,500</u>	364,109	<u>7,500</u>	364,109
GENERAL RESERVE				
As per last Account	631,147,551		411,147,551	
ADD: Transferred from Profit & Loss A/c	<u>200,000,000</u>	831,147,551	<u>220,000,000</u>	631,147,551
PROFIT & LOSS ACCOUNT				
As per annexed account		1,349,605,402		1,319,940,698
<b>TOTAL</b>		<u><u>2,181,117,062</u></u>		<u><u>1,951,452,358</u></u>

## Schedule Annexed to and Forming Part of the Balance Sheet as at 31st March 2011

### SCHEDULE C- LOAN FUNDS

PARTICULARS	AS AT 31ST MARCH 2011 (Rs.)	AS AT 31ST MARCH 2010 (Rs.)
<b>A SECURED LOANS</b>		
FROM CANARA BANK CASH CREDIT	523,042,511	522,634,580
FROM THE HONGKONG & SANGHAI BANKING CORPORATION TERM LOAN	50,000,000	100,000,000
FROM KOTAK MAHINDRA BANK TERM LOAN -	711,860,001	261,818,182
FROM MARUTI SUZUKI INDIA LIMITED VEHICLE LOAN	23,054,403	32,368,640
FROM FINANCIAL COMPANIES TERM LOAN -	414,275,000	265,000,000
TOTAL	<u>1,722,231,915</u>	<u>1,181,821,402</u>
<b>B. UNSECURED LOANS</b>		
WORKING CAPITAL LOAN FROM KOTAK MAHINDRA BANK	382,949,295	340,000,000
FOREIGN CURRENCY BUYERS CREDIT FROM YES BANK	—	18,938,546
FROM KOTAK MAHINDRA BANK TERM LOAN	12,129,877	—
FROM CITI BANK	61,328,125	—
TOTAL	<u>456,407,297</u>	<u>358,938,546</u>

#### NOTES:

1. Working Capital Finance from Canara Bank is 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 Chairman of the company.
2. Term Loans from Financial Companies are secured by way of first charge in their favour on specific machineries.
3. Term Loan from The Hong Kong & Shanghai Banking Corporation Limited is secured by way of first charge in their favour on specific machineries.
4. Term Loan from Kotak Mahindra Bank is secured by way of equitable mortgage of Manesar Land & Building and exclusive charge on specific Plant & Machinery and also by way of personal guarantee of Chairman of the company.
5. Vehicle Loan from Maruti Suzuki India Ltd. is secured by way of hypothecation of specific vehicles purchased under Maruti Car Loan Scheme.

## Schedule Annexed to and Forming Part of the Balance Sheet as at 31st March 2011

### SCHEDULE D - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS ON 01.04.10 Rs.	ADDITIONS Rs.	SALE/ ADJUSTMENTS Rs.	COST AS ON 31.03.2011 Rs.	DEPRECIATION AS ON 01.04.10 Rs.	DEPRECIATION FOR THE PERIOD Rs.	SALE/ ADJUSTMENTS Rs.	TOTAL DEPRECIATION UPTO 31.03.2011 Rs.	AS ON 31.03.2011 Rs.	AS ON 31.03.2010 Rs.
<b>TANGIBLE ASSETS</b>										
LAND LEASEHOLD	85,687,168	61,435,560	-	147,122,728	6,137,914	1,206,668	-	7,344,582	139,778,146	79,549,254
FREEHOLD	92,298,104	-	-	92,298,104	-	-	-	-	92,298,104	92,298,104
BUILDINGS	634,972,116	22,724,639	-	657,696,755	236,288,004	38,273,970	-	274,561,974	383,134,781	398,684,112
PLANT AND MACHINERY	3,483,070,534	563,455,440	169,991,339	3,876,534,635	2,111,713,745	301,063,096	151,077,143	2,261,699,698	1,614,834,937	1,371,356,789
FURNITURE AND FIXTURE	86,608,134	4,067,241	14,198,952	76,476,423	53,974,644	6,672,651	13,672,540	46,974,755	29,501,668	32,633,490
VEHICLES	63,841,671	28,844,565	2,637,305	90,048,931	31,366,946	11,440,232	1,992,886	40,814,292	49,234,639	32,474,725
<b>INTANGIBLE ASSETS</b>										
SPECIALISED SOFTWARES	96,867,549	11,625,551	6,431,490	102,061,610	89,207,701	5,511,027	6,389,366	88,329,362	13,732,248	7,659,848
TECHNICAL KNOW HOW	175,214,180	-	-	175,214,180	20,415,911	-	-	20,415,911	154,798,269	154,798,269
DEVELOPMENT COST	109,597,250	151,249,016	-	260,846,266	13,719,238	54,742,465	-	68,461,703	192,384,563	95,878,012
<b>TOTAL</b>	<b>4,828,156,706</b>	<b>843,402,012</b>	<b>193,259,086</b>	<b>5,478,299,632</b>	<b>2,562,824,103</b>	<b>418,910,109</b>	<b>173,131,935</b>	<b>2,808,602,277</b>	<b>2,669,697,355</b>	<b>2,265,332,603</b>
<b>PREVIOUS YEAR</b>	<b>4,362,769,600</b>	<b>472,104,523</b>	<b>6,717,417</b>	<b>4,828,156,706</b>	<b>2,175,569,312</b>	<b>392,119,978</b>		<b>2,562,824,103</b>	<b>2,265,332,603</b>	<b>2,187,200,288</b>

**NOTE:** Depreciation on Plant & Machinery includes Rs. 13,414,076/- (Previous Year Rs. 74,12,925/-) being depreciation capitalized on Tools developed inhouse.

### SCHEDULE E - INVESTMENTS

PARTICULARS	AS AT 31ST MARCH 2011 (Rs.)	AS AT 31ST MARCH 2010 (Rs.)
<b>LONG TERM INVESTMENTS (Other than trade investment)</b>		
INVESTMENT IN WHOLLY OWNED FOREIGN SUBSIDIARY COMPANY Unquoted at Cost 599,300 Equity shares of Thai Bhat 5 each fully paid up in Thai Subros Ltd.	4,044,085	4,044,085
INVESTMENT IN JOINT VENTURE Unquoted at Cost 17,67,999 Equity shares of Rs. 10 each fully paid up in Denso Subros Thermal Engg Centre India Ltd	17,679,990	—
<b>TOTAL</b>	<u>21,724,075</u>	<u>4,044,085</u>

## Schedule Annexed to and Forming Part of the Balance Sheet as at 31st March 2011

### SCHEDULE F - CURRENT ASSETS, LOANS AND ADVANCES

P A R T I C U L A R S	AS AT 31ST MARCH 2011		AS AT 31ST MARCH 2010	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
1 INVENTORIES (As taken valued and certified by the Management)				
A. RAW MATERIALS & SPARES	996,666,469		688,729,062	
B. STORES	111,742,727		90,416,551	
C. FINISHED GOODS	41,876,312		32,738,624	
D. WORK IN PROGRESS	132,591,931		129,985,634	
E. STOCK LYING AT PORT/IN TRANSIT	52,579,707	1,335,457,146	39,820,443	981,690,314
2 SUNDRY DEBTORS (Unsecured considered good)				
Due from Subsidiary Company				
A. DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS	—		—	
B OTHER DEBTS	35,520,638		15,760,493	
	35,520,638		15,760,493	
Due from Others				
A DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS	6,978,440		2,468,020	
B OTHER DEBT	481,385,777	523,884,855	457,824,817	476,053,330
3 CASH AND BANK BALANCES				
A CASH IN HAND	1,151,200		928,226	
B BALANCE WITH SCHEDULED BANKS				
- in Current Accounts	24,515,163		12,168,413	
- in Margin Money Accounts	157,381,612	183,047,975	114,483,632	127,580,271
4 OTHER CURRENT ASSETS				
Interest Accrued on Deposits with Banks		3,014,525		5,515,383
5 LOANS AND ADVANCES (Unsecured considered good unless otherwise stated)				
- Advances Recoverable in cash or in kind or for value to be received				
Recoverable from Subsidiary Company	80,206		80,206	
Recoverable from Others	506,007,555		234,084,991	
- Advance Tax/TDS(Net)	13,490,223		42,668,938	
- MAT Credit Entitlement	63,816,708		—	
- Loans to Employees*	25,916,810		34,210,099	
- Security Deposits	33,431,015	642,742,517	32,791,446	343,835,680
TOTAL		2,688,147,018		1,934,674,978

\* including secured loans : Rs. 1,76,08,726/- ( Previous year : Rs. 2,07,70,989/- )

## Schedule Annexed to and Forming Part of the Balance Sheet as at 31st March 2011

### SCHEDULE G - CURRENT LIABILITIES AND PROVISIONS

P A R T I C U L A R S	AS AT 31ST MARCH 2011		AS AT 31ST MARCH 2010	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
1 <u>CURRENT LIABILITIES</u>				
Sundry Creditors				
Due to Micro and Small Enterprises	—		—	
Due to others	1,160,804,922	1,160,804,922	934,673,249	934,673,249
Unclaimed Dividend *		3,010,680		2,724,578
Interest accrued but not due		8,161,238		—
Advance against sale of assets		478,300,000		—
Other Liabilities				
Due to Directors	6,973,272		5,970,000.00	
Due to Other	162,224,242	169,197,514	154,080,956	160,050,956
TOTAL		1,819,474,354		1,097,448,783
2. <u>PROVISIONS</u>				
- Proposed Dividend	47,990,880		41,992,020	
- Provision for Tax on Proposed Dividend	7,785,321		6,974,350	
- Provision for Retirement Benefits	15,832,629		17,121,260	
- Provision for Warranty	9,693,257		8,193,257	
TOTAL		81,302,087		74,280,887
GRAND TOTAL		1,900,776,441		1,171,729,670

\* No amount is due as on 31st March 2011 for credit to Investor Education & Protection Fund.

## Schedules Annexed to and Forming Part of Profit & Loss Account for the year ended 31st March, 2011

### SCHEDULE - H - OTHER INCOME

P A R T I C U L A R S	CURRENT YEAR		PREVIOUS YEAR	
	Rs.		Rs.	
INTEREST INCOME (GROSS) (TDS: Rs.9,40,002/- p/y Rs. 9,53,209/-)	11,549,379		9,288,449	
PROFIT ON SALE OF FIXED ASSETS	1,216,870		197,254	
MISCELLANEOUS INCOME	8,557,159		2,343,533	
TOTAL	<u>21,323,408</u>		<u>11,829,236</u>	

### SCHEDULE 'I' INCREASE/(DECREASE) IN FINISHED GOODS AND WORK-IN-PROGRESS

P A R T I C U L A R S	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	Rs.	Rs.	Rs.
<u>OPENING STOCK</u>				
FINISHED GOODS	32,738,624		23,879,243	
WORK-IN-PROGRESS	<u>129,985,634</u>		<u>79,714,856</u>	
		162,724,258		103,594,099
<u>CLOSING STOCK</u>				
FINISHED GOODS	41,876,312		32,738,624	
WORK-IN-PROGRESS	<u>132,591,932</u>		<u>129,985,634</u>	
		174,468,244		162,724,258
		<u>11,743,986</u>		<u>59,130,159</u>
DECREASE(INCREASE) IN EXCISE DUTY ON STOCKS		(853,293)		(1,239,330)
INCREASE/(DECREASE)		<u>10,890,693</u>		<u>57,890,829</u>

## Schedules Annexed to and Forming Part of Profit & Loss Account for the year ended 31st March, 2011

### SCHEDULE 'J' OTHER EXPENSES

P A R T I C U L A R S	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	Rs.	Rs.	Rs.
SALARY, WAGES AND OTHER AMENITIES TO STAFF		539,326,453		468,485,622
CONTRIBUTION TO PF & ESI		24,429,347		18,807,030
STAFF WELFARE EXPENSES		78,952,764		51,146,010
STORE CONSUMED		243,599,679		155,422,349
POWER & FUEL		131,605,382		101,922,867
RENT		24,717,925		21,458,384
RATES AND TAXES		7,704,693		6,826,993
INSURANCE		4,905,235		7,777,698
VEHICLE RUNNING AND MAINTENANCE		20,074,829		14,888,750
TRAVELLING AND CONVEYANCE		40,073,216		25,555,633
DIRECTOR'S SITTING FEES		990,000		975,000
REPAIRS AND MAINTENANCE				
- BUILDING	3,539,338		5,491,448	
- PLANT & MACHINERY	139,531,627		101,793,945	
- OTHERS	17,663,458		19,803,369	
		160,734,423		127,088,762
DIRECTORS REMUNERATION		25,368,208		25,629,032
AUDIT FEES		1,175,000		1,040,000
LOSS ON SALE OF FIXED ASSETS		15,614,701		19,892
ROYALTY		92,408,458		80,714,197
SELLING & DISTRIBUTION EXPENSES		178,957,068		138,466,015
REBATE & DISCOUNT		68,929,262		60,645,740
MISCELLANEOUS EXPENSES		144,376,385		100,559,867
<b>TOTAL</b>		<b>1,803,943,028</b>		<b>1,407,429,840</b>

### SCHEDULE 'K' - FINANCIAL CHARGES

P A R T I C U L A R S	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
INTEREST AND OTHER FINANCIAL CHARGES PAID TO BANK	107,874,183	126,400,580
INTEREST PAID TO OTHERS	67,162,110	33,932,283
<b>TOTAL</b>	<b>175,036,293</b>	<b>160,332,863</b>

## **Schedule Annexed to and Forming Part of the Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date**

### **Schedule L - Notes to Accounts**

#### **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 realisable 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 prorata basis.
- c) Technical Know-how is amortised in six years on straight-line method on prorata basis.
- d) Product Development Cost as stated in (xi) below is amortised in six years on straight line method on prorata 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 Profit & Loss Account. Intangible assets are stated at cost less accumulated amortization / impairment. Intangible assets include Software Licences, 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 Profit and Loss Account on accrual basis.

The Company's contribution to State Plan, viz. Employees' State Insurance scheme is recognised in the Profit & Loss Account 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 Profit and Loss Account 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 Profit and Loss Account in the year of payment.

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

xi) Research & Development

Revenue expenditure on research and development are charged to Profit and Loss Account in the year in which these are incurred except for certain cost incurred on development of new products e.g. airconditioning 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 Profit and Loss Account .

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.

2. Contingent Liabilities Not Provided For in respect of :
- Net Outstanding commitments against Letter of Credits established by the Company: Rs. 6,537.80 Lacs (Previous Year Rs. 5088.05 Lacs)
  - Guarantees given by banks on behalf of the Company: Rs 458.08 Lacs (Previous Year: Rs. 440.05 Lacs)
  - Claims against the company not acknowledged as debt :-

Nature of Claim	As at		
	31.03.11	31.03.10	
	(Rupees in Lacs)		
i) Disputed Sales Tax Demands	-Gross	138.13	149.93
	-Net of tax	92.24	98.97
ii) Disputed Demand under Income Tax Act		NIL	12.95
iii) Other claims	-Gross	49.61	45.32
	-Net of tax	33.13	29.92

3. Estimated value of contracts on capital account remaining to be executed and not provided for (net of advances): Rs. 6382.66 Lakhs (Previous Year: Rs. 2,324.91 Lacs).
4. In the opinion of Board, the value on realisation 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.
5. Managerial Remuneration
- Statement of computation of Net profits in accordance with Section 349 of the Companies Act, 1956 and Managing Director's/Director's commission:

	(Rs. In Lacs)
Profit before tax as per Profit & Loss Account	3,202.04
Add: Managerial Remuneration paid	274.87
Sitting Fee	9.90
Net Profit as per Section 349	3,486.81
Commission @ 1% of Net Profit payable to Mr. Ramesh Suri - Chairman	34.87
Commission @ 1% of Net Profit payable to Mrs Shradha Suri - Managing Director	34.87

- During the year the following amounts were paid/due to the Directors as remuneration:

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Salary & Allowances	183.95	171.59
Commission	69.74	84.70
Contribution to Provident fund & other funds*	21.18	19.67
Total	274.87	275.96

\* Exclusive of Contribution to Group Gratuity fund for which separate figure is not available for any individual

## 6. Capacity and Production

	Licensed Capacity		Installed Capacity *		Actual Production	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Automotive Air - conditioning Systems (Nos.)	N. A.	N. A.	1200000	1000000	896516	747704
Fan Motor Assembly (Ventilators) (Nos.)	N.A.	N.A.	1200000	1000000	72529	139269

\* As certified by the Management but not verified by the Auditors being a technical matter.

## 7. Sales and Stocks

	Current Year		Previous Year	
	Qty. (Nos.)	Value (Rs./Lacs)	Qty. (Nos.)	Value (Rs./Lacs)
<b>Opening Stock</b>				
- Automotive Airconditioning Systems	204	23.80	207	22.45
- Fan Motor Assembly (Ventilators)	533	10.30	489	9.60
- Others Components of A.C. System	-	293.29	-	206.74
<b>Sales (including samples)</b>				
- Automotive Airconditioning Systems	895072	114219.60	747707	91,905.81
- Fan Motor Assembly (Ventilators)	72925	1765.94	139225	3,049.44
- Others Components of A.C. System	-	4326.24	-	3,428.09
<b>Closing Stock (Inclusive of Excise Duty)</b>				
- Automotive Airconditioning Systems	1,648	184.90	204	23.80
- Fan Motor Assembly (Ventilators)	137	2.99	533	10.30
- Others Components of A.C. System		230.87		293.29

## 8. Raw Materials/Components consumed during Production:

	Current Year		Previous Year	
	Qty. (Nos.)	Value (Rs./Lakhs)	Qty. (Nos.)	Value (Rs./Lakhs)
Components of Automotive Airconditioning Systems (CKD)**	896516	82,185.47*	747704	67,766.65*
Components of Fan Motor Assembly (Ventilators)**	72529		139269	

\* Including Raw Materials/Components consumed for production of Fan Motor Assembly.

\*\* It is not practicable to furnish quantitative information of individual component consumed in view of the considerable number of items.

9. 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./Lacs)	%	Value (Rs./Lacs)
<b>Raw Materials/Components</b>				
- Imported	<b>60</b>	<b>49,157.94</b>	62	42,264.76
- Indigenous	<b>40</b>	<b>33,027.53</b>	38	25,501.89
<b>Total</b>	<b>100</b>	<b>82,185.47</b>	100	67,766.65
<b>Stores and Spares</b>				
- Imported	<b>18</b>	<b>449.09</b>	27	415.41
- Indigenous	<b>82</b>	<b>1,986.91</b>	73	1,138.82
<b>Total</b>	<b>100</b>	<b>2,436.00</b>	100	1,554.23

10. CIF Value of Import

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Raw Materials/Components	<b>45611.91</b>	37,708.05
Stores & Consumables	<b>1119.17</b>	369.97
Plant & Machinery	<b>846.12</b>	2,460.04

11. Expenditure in Foreign Currency  
(On Payment Basis)

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
a) Fees for Technical Services/Technical Know How*	1,032.29	952.27
b) Traveling	108.75	48.69
c) Royalty*	775.92	568.91
d) Salary*	165.67	80.87
e) Repair of Plant & Machinery (CIF Value)	588.71	536.93
f) Dividend		
i) No. of Non-Resident Shareholders	2	2
ii) No. of Shares of Rs.2/- each	15600000	15600000
iii) Amount Remitted*	109.20	78.00
g) Others*	3.22	10.65

\* Net of tax

12. Earnings in Foreign Currency

FOB Value of Exports	752.45	325.29
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### 13. Amount paid/payable to Auditors

	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
a) Audit Fee	11.75	10.40
b) Tax Audit Fee	1.25	1.17
c) Income Tax Matters	3.21	1.40
d) Fee for Limited Review	3.32	3.03
e) Other Services	6.49	6.42
f) Service Tax on above fees	2.54	2.31
g) Reimbursement of expenses	0.89	0.92

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

Provision for warranty expenses

	Current year (Rs. in Lacs)	Previous year (Rs. in Lacs)
Provision at the beginning of the year	81.93	65.93
Add : Provisions made during the year	<u>148.09</u>	<u>148.02</u>
	230.02	213.95
Less : Amount utilised during the year	<u>133.09</u>	<u>132.02</u>
Balance at the end of the year	<u>96.93</u>	<u>81.93</u>

This provision is expected to be utilised for settlement of warranty claims within a period of 1 to 2 years.

### 15. 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.

### 16. Segment Reporting

The Company's business activity falls within a single primary business segment i.e., Automotive Airconditioning Systems (with or without Fan Motor Assembly) 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.

## 17. 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)
  - ii) Relatives of Key Management Personnel
    - Mrs. Ritu Suri (Wife of Mr. Ramesh Suri)
  - 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.

- 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 Mrs. Ritu Suri		Entities over which Key Management Personnel or their relatives are able to exercise significant influence	
<b>Detail of Transaction</b>										
- Purchase of materials	-	(-)	-	(-)	-	(-)	-	(-)	17.42	(1.94)
- Sale of goods	727.84	(304.66)	-	(-)	-	(-)	-	(-)	181.76	(200.43)
- Purchase of fixed assets	-	(-)	-	(-)	-	(-)	-	(-)	84.18	(55.04)
- Sale of Fixed Assets	-	(-)	26.55	(-)	-	(-)	-	(-)	-	(10.99)
- Receiving of Service	-	(-)	85.73	(-)	-	(-)	-	(-)	546.66	(484.25)
- Rendering of Services	-	(-)	-	(-)	-	(-)	-	(-)	4.40	(2.12)
- Rent/Licence Agreements	-	(-)	4.85	(-)	-	(-)	22.83	(21.60)	34.44	(34.06)
- Directors' Remuneration	-	(-)	-	(-)	253.69	(256.29)	-	(-)	-	(-)
- Rental Income										
-Contribution toward share capital	-	(-)	176.80	(-)	-	(-)	-	(-)	-	(-)
<b>Reimbursement of expenses received</b>										
	52.19	(-)	-	(-)	-	(-)	-	(-)	-	(-)
	-									
<b>Closing Balances</b>										
- Amount payable	-	(-)	-	(-)	69.74	(59.70)	-	(-)	1.54	(4.58)
- Amount Receivable	356.01	(156.32)	2.65	(-)	-	(-)	-	(-)	40.62	(2.56)

(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		
- Rohan Motors Ltd.	0.44	1.07
- Prima Telecom Ltd.	16.59	0.87
Sale of Goods		
- Rohan Motors Ltd.	181.76	197.83
Purchase of Fixed Assets		
- Rohan Motors Ltd.	69.19	39.99
- Tempo Automobiles (P) Ltd.	8.65	15.05
Sale of Fixed Assets		
- Rohan Motors Ltd.	-	7.50
- Prima Telecom Ltd.	-	3.49
Receiving of Services		
- SHS Transport (P) Ltd.	518.83	432.29
Rendering of Services		
- Prima Telecom Ltd.	4.40	2.12
Rent/Licence Agreement		
- Rohan Motors Ltd.	15.03	15.02
- Mr Ramesh Suri (HUF)	16.01	16.70
Directors Remuneration/Sitting Fee		
- Mr. Ramesh Suri	82.87	90.35
- Ms. Shradha Suri	170.82	165.94

**18. 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 :

	2010-2011	2009-2010
a) Net profit after Tax(Rs. In lacs)	Rs.2,854.41	Rs.2,808.99
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.4.76	Rs.4.68

\* There were no potential equity shares.

## 19. Deferred Tax Assets & Liabilities

The major components of Deferred Tax Assets and Deferred Tax Liabilities arising out of timing differences are as under:

(Rs. in Lacs)

	31.03.11	31.03.10
Deferred Tax Liabilities		
Depreciation	1,585.99	1248.35
Deferred Tax Assets		
Expenses allowable on payment basis	129.93	118.97
VRS/VSS Expenses	-	11.56
Net Deferred Tax Liability	1,456.06	1117.82

## 20. 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				
- In US Dollar (Millions)	16	19.60	5	4.31
- In Japanese Yen (Millions)	26	2,003.24	21	1,596.83
- Equivalent Rs. (In Lacs)	—	18,655.69	—	9,650.68

- 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	
	31.03.11	31.03.10	31.03.11	31.03.10
Creditors & Buyer's Credit (net)	123.29	5,156.50	JPY 22.07 - -	JPY 994.36 USD 0.34 EUR 0.32
Debtors	360.14	157.60	USD 0.807	USD 0.35

- d) Exchange gain/(loss) accounted during the year:
- i) Exchange Gains/(Loss) credited to Profit and Loss Account Gain Rs.1,193.75 Lacs  
(Previous Year Gain Rs.442.64 Lacs)
- ii) Difference between forward rates and spot rates to be recognised in subsequent years Rs.106.22 Lacs  
(Previous Year Rs.10.54 Lacs)

**21. Research & Development Expenses**

- a) The company has an In house R & D Centre, 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 Centre and charged to Profit & Loss Account or capitalized/ to be capitalized is as under :-

	Current Year Rs. In lacs		Previous Year Rs. In lacs	
	Charge to Profit & Loss a/c	Capitalized/ to be capitalized	Charge to Profit & Loss a/c	Capitalized/ to be capitalized
Salary and other benefits	207.75	983.72	341.13	468.77
Raw Material & Stores	41.23	263.23	36.57	39.41
Power & Fuel	34.10	149.07	86.57	25.09
Others	124.87	254.28	113.93	36.16
<b>Total</b>	<b>407.95</b>	<b>1,650.30</b>	<b>578.20</b>	<b>569.43</b>
Other Capital Expenditure incurred on said inhouse R&D Centre (stated as additions to fixed assets)		35.33		41.72

- b) Other expenditure incurred on Research & Development activities :-

	Current Year Rs in lacs		Previous Year Rs. In lacs	
	Charge to Profit & Loss a/c	Capitalised/ to be capitalised	Charge to Profit & Loss a/c	Capitalised/ to be capitalised
Revenue Expenses (Net of Income R&D)	1.92	-	26.14	52.61
<b>TOTAL</b>	<b>1.92</b>	<b>-</b>	<b>26.14</b>	<b>52.61</b>

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

22. Following expenditure were incurred on making tools and dies to be used in-house as capital assets which have been capitalised with tools and dies or clubbed with Capital Work-in-Progress, as the case may be :-

(Rs. in Lacs)

Particulars	Current Year	Previous Year
Raw Material & Stores	1,019.77	441.56
Salaries, wages and other amenities to staff	292.92	204.59
Depreciation	134.14	74.12
Power & Fuel	61.26	51.05
Other Expenses	54.99	13.29
<b>Total</b>	<b>1,563.08</b>	<b>784.62</b>

### 23. 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)	
	31.03.11	31.03.10
Employer's Contribution to Provident Fund	208.60	172.75
Employer's Contribution to Superannuation Fund	86.51	67.26
Employer's Contribution to Employees State Insurance Scheme	35.69	15.32

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)	
	31.03.11	31.03.10	31.03.11	31.03.10
Defined Benefit obligation at beginning of the year	471.96	378.24	124.91	86.36
Current Service Cost	52.90	48.16	32.17	23.27
Interest Cost	37.76	28.37	9.99	6.48
Actuarial (gain)/loss	(20.53)	46.93	8.51	19.98
Benefits paid	(32.52)	(29.74)	(27.13)	(11.18)
Defined Benefit obligation at year end	509.57	471.96	148.45	124.91

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

(Rs. in Lacs)

	Gratuity (Funded)	
	31.03.11	31.03.10
Fair value of plan assets at beginning of the year	425.66	291.72
Expected return on plan assets	39.58	27.13
Actuarial (Loss)/gain	(0.06)	0.68
Employer contribution	36.33	107.07
Benefits paid/Withdrawn	(1.82)	(0.94)
Fair value of plan assets at year end	499.69	425.66

III. Reconciliation of fair value of assets and obligations

(Rs. in Lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31.03.11	31.03.10	31.03.11	31.03.10
Fair value of plan assets	499.69	425.66	Nil	Nil
Present value of obligation	509.57	471.96	148.45	124.91
Amount recognized in Balance Sheet	9.88	46.30	148.45	124.91

IV. Expense recognized during the year

(Under the head "Salary, Wages and Other Amenities to Staff – Refer Schedule 'J')

(Rs. in Lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31.03.11	31.03.10	31.03.11	31.03.10
Current Service Cost	52.90	48.16	32.17	23.27
Interest Cost	37.76	28.37	9.99	6.48
Expected return on plan assets	(39.59)	(27.13)	-	-
Actuarial (Gain)/Loss	(20.46)	46.25	8.51	19.98
Net Cost	30.61	95.65	50.67	49.73

V. Investment Details

	% Invested
Insurer Managed Fund	100%

**VI. Actuarial assumptions**

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31.03.11	31.03.10	31.03.11	31.03.10
Mortality Table (LIC)	1994-96	1994-96	1994-96	1994-96
Discount rate (per annum)	8.00%	7.50%	8.00%	7.50%
Expected rate of return on plan assets (per annum)	9.30%	9.30%	N.A.	N.A.
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.

24. Borrowing cost amounting to Rs. 257.56 lacs (Previous Year : 120.37 lacs) has been capitalised with the cost of fixed assets as per Accounting Standard 16 issued by Institute of Chartered Accountant of India.
25. As informed there was no supplier who was registered under “ The Micro, Small and Medium Enterprises (Development) Act, 2006” .
26. Balance confirmations have not been received from some of the parties showing debit/credit balances.
27. Previous year's figures have been regrouped/rearranged wherever considered necessary to confirm to this year's classification.

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

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: 3rd August, 2011

## 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, 2011
3. No. of shares held in Subsidiary Company on the above date : 599300 Common Shares of THB 5/- Each and 700 Common Shares of THB 5/- each held through seven individuals
4. Extent of Holding (%) : 99.88% as on 31/03/2011 and balance 0.12% 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, 2011 (Rs in Lakhs) : NIL
    - 2) for previous Financial Years of the subsidiary since it became subsidiary of Subros Ltd(Rs in Lakhs) : NIL
  - B) not dealt with in the Accounts of Subros Ltd amounted to:-
    - 1) for subsidiary's Financial year ended on 31st March, 2011 (Rs in Lakhs) : 30.92
    - 2) for previous Financial Years of the subsidiary since it became subsidiary of Subros Ltd (Rs in Lakhs) : 9.37

For and on behalf of the Board

Ramesh Suri  
Chairman

Shradha Suri  
Managing Director

H.K. Agarwal  
Head Finance

Vikas Sabharwal  
Dy. Company Secretary

Place:- New Delhi

Date:- 03/08/2011

## Directors' Report - Thai Subros Limited

To  
The Members

Your Directors are pleased to present the Third annual report of the company together with the audited accounts for the year ended 31st March, 2011.

### FINANCIAL RESULTS

During the year, the company has made sale of THB 667.09 Lac as against sale of THB 268.40 lac during the previous year. The company has earned profit after tax of THB 21.02 Lac as against profit after tax of THB 18.48 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 2011-12. 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

## Independent Auditor's Report - Thai Subros Limited

To The Shareholders and the Board of Directors of Thai Subros Limited.

We have audited the accompanying balance sheet of Thai Subros Limited as at March 31, 2011 and 2010 and the related statements of income, the statement of changes in shareholders' equity, and the statement of cash flows for the year then ended. These financial statements are the responsibility of the Company's management as to their correctness and completeness of the presentation. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the aforementioned financial statements present fairly, in all material respects, the financial position of Thai Subros Limited as at March 31, 2011 and 2010, the results of its operations, and cash flows for the year then ended in accordance with generally accepted accounting principles.

(Mr. Chatchawat Setthee)

C.P.A. Registration No. 5535

CHATCHAWAT AUDITING & TAX COMPANY LTD.

240/4 Ayodhya Tower, 11th Floor, Ratchapisek 18 Road

Huayahwang, Bangkok 10320,

Thailand

July 21, 2011

## Thai Subros Limited – Balance Sheet

as at March 31, 2011 and 2010

### ASSETS

	(Bht)	
	2011	2010
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note 5)	7,522,924.62	921,824.01
Accounts receivable - net	7,993,896.22	4,181,776.67
Inventories (Note 6)	10,641,508.56	7,372,673.16
Other current assets	2,109,837.15	724,448.07
<b>Total Current Assets</b>	<u>28,268,166.55</u>	<u>13,200,721.91</u>
<b>NON-CURRENT ASSETS</b>		
Machinery and equipment - net (Note 7)	2,397,056.26	2,714,277.16
Deposits	111,000.00	111,000.00
<b>Total Non-Current Assets</b>	<u>2,508,056.26</u>	<u>2,825,277.16</u>
<b>TOTAL ASSETS</b>	<u>30,776,222.81</u>	<u>16,025,999.07</u>

### LIABILITIES AND SHAREHOLDERS' EQUITY

	(Bht)	
	2011	2010
<b>CURRENT LIABILITIES</b>		
Accounts payable-trade	24,691,921.24	11,889,346.98
Accrued expenses	259,974.58	325,336.98
Other current liabilities	19,227.54	108,146.46
<b>Total Current Liabilities</b>	<u>24,971,123.36</u>	<u>12,322,830.42</u>
<b>NON-CURRENT LIABILITIES</b>		
Long-term loans from directors and related companies (Note 8)	66,268.65	66,268.65
<b>Total Non-Current Liabilities</b>	<u>66,268.65</u>	<u>66,268.65</u>
<b>Total Liabilities</b>	<u>25,037,392.01</u>	<u>12,389,099.07</u>
<b>SHAREHOLDERS' EQUITY</b>		
Capital Stock		
Authorized		
Common share-Baht 5 par value, 600,000 shares	3,000,000.00	3,000,000.00
Issued and fully paid-up		
Common share-Baht 5 par value, 600,000 shares	3,000,000.00	3,000,000.00
Retained Earnings	2,738,830.80	636,900.00
<b>Total Shareholders' Equity</b>	<u>5,738,830.80</u>	<u>3,636,900.00</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<u>30,776,222.81</u>	<u>16,025,999.07</u>

See accompanying Notes to Financial Statements

## Thai Subros Limited – Statement of Income

For the year ended March 31, 2011 and 2010

	(Bht)	
	2011	2010
<b>REVENUES</b>		
Sales income	66,709,704.23	26,840,254.88
Gain on exchange rate	1,400,398.92	506,752.58
Other income	44,872.60	47,916.86
Total Revenues	<u>68,154,975.75</u>	<u>27,394,924.32</u>
<b>EXPENSES</b>		
Cost of goods sold	63,793,310.03	24,400,014.60
Selling expenses	617,450.00	336,442.62
Administrative expenses	1,097,423.52	723,326.14
Total Expenses	<u>65,508,183.55</u>	<u>25,459,783.36</u>
Gain (Loss) before corporate income tax	2,646,792.20	1,935,140.96
Corporate income tax	(544,861.40)	(86,435.84)
Net Profit	<u>2,101,930.80</u>	<u>1,848,705.12</u>
Earnings per Share	3.50	3.08
Number of Shares	<u>600,000</u>	<u>600,000</u>

## Thai Subros Limited – Statement of Changes in Shareholders' Equity

For the year ended March 31, 2011 and 2010

(Unit : Baht)

	Paid-up Capital Stock	Retained Earnings (Deficits)	Total
Balance as at April 1, 2009	2,996,500.00	(1,211,805.12)	1,784,694.88
Add: Receivable from shareholders	3,500.00	—	3,500.00
Net profit (loss) for the period ended 2010	—	1,848,705.12	1,848,705.12
Balance as at March 31, 2010	<u>3,000,000.00</u>	636,900.00	3,636,900.00
Net profit (loss) for the period ended 2011	—	2,101,930.80	2,101,930.80
Balance as at March 31, 2011	<u>3,000,000.00</u>	<u>2,738,830.80</u>	<u>5,738,830.80</u>

See accompanying Notes to Financial Statements

## Thai Subros Limited – Statement of Cash Flows

For the year ended March 31, 2011 and 2010

	(Bht)	
	2011	2010
CASH FLOW FROM OPERATING ACTIVITIES		
Profit (Loss) before corporate income tax	2,101,930.80	1,848,705.12
Adjustment to reconcile net profit (loss) to net cash:		
Depreciation	329,477.89	327,455.34
Unrealized loss on exchange rate	(48,557.55)	131,556.28
Operating assets decrease (increase)		
Accounts receivable - net	(3,812,119.55)	(3,555,876.47)
Inventories	(3,268,835.40)	(3,485,321.31)
Other current assets	(1,385,389.08)	(239,077.40)
Operating liabilities increase (decrease)		
Accounts payable-trade	12,851,131.81	5,103,728.54
Accrued expenses	(65,362.40)	107,523.66
Other current liabilities	(88,918.92)	74,168.72
Net cash provided from (used in) operating activities	<u>6,613,357.60</u>	<u>312,862.48</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Machinery and equipment	(12,256.99)	(30,000.00)
Net cash provided from (used) investing activities	<u>(12,256.99)</u>	<u>(30,000.00)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Shareholders (Receivable) Received	—	3,500.00
Net cash provided from (used in) investing activities	<u>—</u>	<u>3,500.00</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	6,601,100.61	286,362.48
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF PERIOD	921,824.01	635,461.53
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	<u><u>7,522,924.62</u></u>	<u><u>921,824.01</u></u>

## Thai Subros Limited – Notes to Financial Statements as 31st March, **2011 and 2010**

### 1. GENERAL INFORMATION

Thai Subros Co., Ltd. was incorporated and registered as a limited company under the Civil and Commercial Code on July 21, 2008. The principal activities of the Company are importing and exporting of parts and equipment to be used for car air conditioner, and all types of vehicles spareparts and equipment. The Company registered addresses are as follows :

Head office : No. 90/2, room No. 101, Moo 4, Tambol Bangchalong, Amphur Bangplee, Samutprakarn. Branch office 1 : No. 90/1, Moo 4, Tambol Bangchalong, Amphur Bangplee, Samutprakarn.

### 2. BASIS FOR FINANCIAL STATEMENTS PREPARATION

The Company prepared its statutory financial statements in Thai language. The financial statements are prepared in conformity with generally accepted accounting principles as applied in Thailand. The accounting principles used may be different, in certain aspects, from generally accepted accounting principles applied in other countries. For the convenience of the readers, the financial statements are translated into English from the statutory financial statements in Thai which are issued for the domestic reporting purpose.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 *Cash and cash equivalents*

Cash and cash equivalents include cash, bank deposits in types of savings, and short-term investment in which high liquidity thereof.

#### 3.2 *Revenue recognition*

Sales of goods were recognized upon the delivery of goods.

#### 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. Depreciation for all assets are recorded as soon as its ready to be used. The depreciation charge is made on a straight line basis over the estimated useful lifes as follows:

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

### 3.6 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 balance sheet 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.

### 3.7 Earnings (Loss) per Share

Earnings per share is determined by dividing the net profit for the period by the number of shares outstanding at the end of accounting period.

## 4. INTER-COMPANY OR RELATED-PARTY TRANSACTIONS

The Company constituted accounting transactions incurred with related entities, comprising of the same group of shareholders, mutual directors, and related persons whom are the Company's shareholders or directors.

The Company is subsidiary of Subros Public Company Limited which was registered under the law of India. The Company majority shares (99.88%) were held by the mentioned entity.

Inter-transactions between the Company and its related entities are as follows:

	(BAHT)	
	2011	2010
Purchasing of raw material	46,489,401.15	19,586,053.52
Inventory in transit	7,775,377.38	3,810,077.76
Shipment expenses	3,591,306.40	—

Remaining balance between the Company and its related entities are as follows:

	(BAHT)	
	2011	2010
Account Payable		
Subros Limited	24,189,254.61	11,268,983.30

## 5. CASH AND CASH EQUIVALENTS

Consist of:

	(BAHT)	
	2011	2010
Cash on hand	21,772.11	12,213.96
Cash in Banks - Current Account	7,501,152.51	909,610.05
Total	<u>7,522,924.62</u>	<u>921,824.01</u>

## 6. INVENTORIES

Consist of:

	(BAHT)	
	2010	2009
Inventory in transit	7,775,377.38	3,810,077.76
Raw materials	1,767,055.38	2,761,055.93
Finished Goods	1,099,075.80	801,539.47
Total	<u>10,641,508.56</u>	<u>7,372,673.16</u>

## 7. MACHINERY AND EQUIPMENT - NET

Consist of :

At cost	BAHT			Balance as at March 31, 2011
	Balance as at April 1, 2010	Increase	Decrease	
Machinery and equipment	3,102,384.13	—	—	3,102,384.13
Office furniture	11,049.53	5,598.13	—	16,647.66
Office equipment	71,160.00	6,658.86	—	77,818.86
Electric system	14,496.64	—	—	14,496.64
<b>Total</b>	<b>3,199,090.30</b>	<b>12,256.99</b>	<b>—</b>	<b>3,211,347.29</b>
Accumulated depreciation				
Machinery and equipment	459,280.52	310,237.98	—	769,518.50
Office furniture	3,205.71	3,228.28	—	6,433.99
Office equipment	20,317.30	14,562.01	—	34,879.31
Electric system	2,009.61	1,449.62	—	3,459.23
<b>Total</b>	<b>484,813.14</b>	<b>329,477.89</b>	<b>—</b>	<b>814,291.03</b>
<b>Machinery and equipment-net</b>	<b>2,714,277.16</b>			<b>2,397,056.26</b>
Depreciation charged for the period				
	<b>327,455.34</b>			<b>329,477.89</b>

## 8. LONG - TERM LOANS FROM DIRECTORS AND RELATED COMPANIES

This account is consisted of loans from directors and related company (with no interest charged) for the Company's operation. The loans have neither fixed repayment term nor security guaranteed.

## 9. EXPENSES BY NATURE

The significant expenses for the period ended March 31, 2011 and 2010 classified by nature are as follows:

	(BAHT)	
	2011	2010
Purchasing	53,261,871.10	22,515,858.59
Change in inventories (including inventory in transit)	(3,268,835.40)	(3,485,321.31)
Employees' expenses	681,659.26	373,924.00
Depreciation	329,477.89	327,455.34
Import duty	4,755,299.53	2,145,663.00
Rental fee	506,400.00	420,000.00
Shipment expenses	3,591,306.40	—

## 10. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on July 21, 2011.

## Auditors' Report - Consolidated

AUDITORS REPORT TO THE BOARD OF DIRECTORS ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SUBROS LIMITED AND ITS SUBSIDIARY & JOINT VENTURE

1. We have audited the attached Consolidated Balance Sheet of Subros Limited (the Company) and its subsidiary and joint venture (collectively referred to as 'the Group') as at 31st March 2011 and also the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. (a) We did not audit the financial statements of the subsidiary company which have been audited by other auditor whose report has been furnished to us, 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. The financial statements of subsidiary reflect total assets of Rs. 452.78 lacs as at 31st March, 2011 and total revenues of Rs. 996.08 lacs and net cash inflows amounting to Rs. 97.09 lacs for the year ended 31st March, 2011.  
  
(b) The financial statements of the joint venture are not audited 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 and reflects total assets of Rs. 234.03 lacs as at 31st March, 2011 and total revenues of Rs. 41.22 lacs and net cash inflows amounting to Rs. 108.03 lacs for the period ended 31st March, 2011 as considered in these consolidated financial statements.
4. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS-21) on 'Consolidated Financial Statements' and Accounting Standard (AS-27) on 'Financial Reporting of Interest in Joint Ventures' notified by the Companies Accounting Standard Rules, 2006 and on the basis of separate financial statements of Subros Limited and its subsidiary and joint venture included in these financial statements.

We report that on the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of the Company and its subsidiary, we are of the opinion that the said consolidated financial statements and read with notes thereon, give a true and fair view in conformity with the accounting principles generally accepted in India:

- i) in case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
- ii) in case of Consolidated Profit & Loss Account, of the profit of the Group for the year ended on that date; and
- iii) in case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

PLACE: NEW DELHI  
DATED: August 3, 2011

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

## Consolidated Balance Sheet as at 31st March 2011

P A R T I C U L A R S	SCHEDULE	AS AT 31ST MARCH 2011		AS AT 31ST MARCH 2010	
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>SOURCES OF FUNDS:</b>					
1. SHAREHOLDERS FUNDS					
A SHARE CAPITAL	A	119,977,200		119,977,200	
B RESERVES AND SURPLUS	B	<u>2,183,405,492</u>	2,303,382,692	<u>1,952,985,710</u>	2,072,962,910
2. LOAN FUNDS					
A SECURED LOANS	C		1,722,231,915		1,181,821,402
B UNSECURED LOANS			456,407,297		358,938,546
3 DEFERRED TAX LIABILITY(NET)					
TOTAL FUNDS EMPLOYED			<u>4,627,627,681</u>		<u>3,725,505,124</u>
<b>APPLICATION OF FUNDS</b>					
1 FIXED ASSETS					
A. GROSS BLOCK	D	5,488,850,129		4,832,594,484	
B. LESS: DEPRECIATION		<u>2,809,945,580</u>		<u>2,563,496,636</u>	
C. NET BLOCK		2,678,904,549		2,269,097,848	
D. CAPITAL WORK IN PROGRESS (including advances)		<u>1,146,547,244</u>	3,825,451,793	<u>691,649,776</u>	2,960,747,624
2 CURRENT ASSETS, LOANS AND ADVANCES					
A. INVENTORIES	E	1,351,108,675		991,917,686	
B. SUNDRY DEBTORS		502,441,772		466,093,798	
C. CASH AND BANK BALANCES		204,915,490		128,859,025	
D. OTHER CURRENT ASSETS		3,014,525		5,515,383	
E. LOANS AND ADVANCES		<u>650,390,724</u>		<u>345,462,128</u>	
		<u>2,711,871,186</u>		<u>1,937,848,020</u>	
LESS : CURRENT LIABILITIES AND PROVISIONS					
A. CURRENT LIABILITIES	F	1,828,332,025		1,098,809,633	
B. PROVISIONS		<u>81,363,273</u>		<u>74,280,887</u>	
		<u>1,909,695,298</u>		<u>1,173,090,520</u>	
NET CURRENT ASSETS			802,175,888		764,757,500
TOTAL APPLICATION OF FUNDS			<u>4,627,627,681</u>		<u>3,725,505,124</u>
NOTES TO ACCOUNTS					
	K				

AS PER ATTACHED REPORT OF EVEN DATE  
FOR V. K. DHINGRA & CO.  
Chartered Accountants

Place : New Delhi  
Date : 3rd August, 2011

V K DHINGRA  
Partner

RAMESH SURI  
Chairman

SHRADHA SURI  
Managing Director

H.K. AGARWAL  
Head (Finance)

VIKAS SABHARWAL  
Dy. Company Secretary



## Consolidated Statement of Cash Flow for the Year Ended 31st March, 2011

PARTICULARS	2010-2011		2009-2010	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
I. CASH FLOW FROM OPERATING ACTIVITIES				
A) Profit Before Taxation		321,974,830		397,868,926
B) Adjustments				
Add:				
i) Depreciation	406,123,208		385,166,374	
ii) Loss on Assets Sold / Discarded	15,614,701		19,893	
iii) Effect of Exchange Fluctuation on consolidation	(219,185)		476,939	
iv) Interest & Financial Charges	175,061,580	596,580,304	160,350,671	546,013,877
		<u>918,555,134</u>		<u>943,882,803</u>
Less:				
i) Interest Income	11,645,105		9,288,449	
ii) Surplus on Assets sold / discarded	1,216,870		197,254	
		<u>12,861,975</u>		<u>9,485,703</u>
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		905,693,159		934,397,100
Adjustment for:				
i) Trade & Other receivable	(305,698,627)		21,541,671	
ii) Inventories	(359,190,989)		(131,603,630)	
iii) Trade & Other payables	243,047,608		73,297,065	
		<u>(421,842,008)</u>		<u>(36,764,894)</u>
CASH GENERATED FROM OPERATIONS		483,851,151		897,632,206
Less:				
Direct Taxes paid (Net)		(37,314,094)		(110,304,623)
Add:				
Interest received		14,145,963		4,182,651
NET CASH FLOW FROM OPERATING ACTIVITIES		<u>460,683,020</u>		<u>791,510,234</u>

PARTICULARS	2010-2011		2009-2010	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
II. CASH FLOW FROM INVESTING ACTIVITIES				
i) Purchase of Fixed Assets/ Capital work in Progress		(1,268,117,075)		(774,229,188)
ii) Sale of Fixed Assets		8,648,319		2,153,916
iii) Advance Against sale of Fixed Assets		478,300,000		—
NET CASH USED IN INVESTING ACTIVITIES		<u>(781,168,756)</u>		<u>(772,075,272)</u>
III. CASH FLOW FROM FINANCING ACTIVITIES				
i) Proceeds of long term secured loans		968,133,580		165,000,000
ii) Repayment of long term loans		(366,802,873)		(192,968,151)
iii) Working Capital Loans from Banks		36,548,557		219,104,251
iv) Dividend and Corporate Dividend Tax paid		(48,680,268)		(34,893,341)
v) Interest Paid		(192,656,795)		(160,350,671)
NET CASH FROM FINANCING ACTIVITIES		<u>396,542,201</u>		<u>(4,107,912)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS (I+II+III)		76,056,465		15,327,050
CASH AND CASH EQUIVALENTS AS AT THE BEGINNING OF THE YEAR		128,859,025		113,531,975
CASH AND CASH EQUIVALENTS AS AT THE CLOSING OF THE YEAR		204,915,490		128,859,025

**Note:**
*i) Figure in bracket represent cash outflows.*
*ii) Previous years figures have been recast / restated. wherever necessary.*

AS PER ATTACHED REPORT OF EVEN DATE  
FOR V. K. DHINGRA & CO.  
Chartered Accountants

Place : New Delhi  
Date : 3rd August, 2011

V K DHINGRA  
Partner

RAMESH SURI  
Chairman

SHRADHA SURI  
Managing Director

H.K. AGARWAL  
Head (Finance)

VIKAS SABHARWAL  
Dy. Company Secretary

## Schedule Annexed to And Forming Part of the Consolidated Balance Sheet as at 31st March 2011

### SCHEDULE A - SHARE CAPITAL

P A R T I C U L A R S	AS AT 31ST MARCH 2011 (Rs.)	AS AT 31ST MARCH 2010 (Rs.)
AUTHORISED 75,000,000 EQUITY SHARES OF RS. 2/- EACH	<u>150,000,000</u>	<u>150,000,000</u>
ISSUED 5,99,94,300 EQUITY SHARES OF RS. 2/- EACH	<u>119,988,600</u>	<u>119,988,600</u>
SUBSCRIBED AND PAID UP 5,99,88,600* EQUITY SHARES OF RS. 2/- EACH FULLY PAID UP	119,977,200	119,977,200
TOTAL	<u><u>119,977,200</u></u>	<u><u>119,977,200</u></u>

\*Including 29,994,300 Equity Shares of Rs. 2/- each allotted as fully paid up bonus shares by way of capitalisation of share premium account and general reserve during the year 2004-05.

### SCHEDULE B - RESERVES & SURPLUS

P A R T I C U L A R S	AS AT 31ST MARCH 2011 (Rs.)		AS AT 31ST MARCH 2010 (Rs.)	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
<b>CAPITAL RESERVES</b>				
Capital Investment Subsidy	356,609		356,609	
Profit on Re-issue of Forfeited Shares	<u>7,500</u>	364,109	<u>7,500</u>	364,109
<b>GENERAL RESERVE</b>				
As per last Account	631,147,551		411,147,551	
ADD: Transferred from Profit & Loss A/c	<u>200,000,000</u>		<u>220,000,000</u>	
		831,147,551		631,147,551
Foreign Currency Translation Reserve				
As per last Account	611,470		134,531	
ADD/(LESS) during the year	(219,185)	392,285	476,939	611,470
<b>PROFIT &amp; LOSS ACCOUNT</b>				
As per annexed account		1,351,501,547		1,320,862,580
TOTAL		<u><u>2,183,405,492</u></u>		<u><u>1,952,985,710</u></u>

## Schedule Annexed to And Forming Part of the Consolidated Balance Sheet as at 31st March 2011

### SCHEDULE C- LOAN FUNDS

P A R T I C U L A R S	AS AT 31ST MARCH 2011 (Rs.)	AS AT 31ST MARCH 2010 (Rs.)
<b>A SECURED LOANS</b>		
FROM CANARA BANK CASH CREDIT	523,042,511	522,634,580
FROM THE HONGKONG & SANGHAI BANKING CORPORATION TERM LOAN	50,000,000	100,000,000
FROM KOTAK MAHINDRA BANK TERM LOAN	711,860,001	261,818,182
FROM MARUTI SUZUKI INDIA LIMITED VEHICLE LOAN	23,054,403	32,368,640
FROM FINANCIAL COMPANY TERM LOAN	414,275,000	265,000,000
<b>TOTAL</b>	<u>1,722,231,915</u>	<u>1,181,821,402</u>
<b>B. UNSECURED LOANS</b>		
WORKING CAPITAL LOAN FROM KOTAK MAHINDRA BANK FOREIGN CURRENCY BUYERS CREDIT	382,949,295	340,000,000
FROM YES BANK	—	18,938,546
FROM KOTAK MAHINDRA BANK TERM LOAN	12,129,877	—
CITI BANK	61,328,125	—
<b>TOTAL</b>	<u>456,407,297</u>	<u>358,938,546</u>

**NOTES:**

1. Working capital finance from Canara Bank is 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 chairman of the company.
2. Term Loan from financial company is secured by way of first charge in their favour on specific machineries.
3. Term Loan from The Hongkong & Shanghai Banking Corporation Limited is secured by way of first charge in their favour on specific machineries.
4. Term Loan from Kotak Mahindra Bank is secured by way of equitable mortgage of Manesar Land & Building and exclusive charge on specific plant and machineries and also by way of personal guarantee of Chairman of the company.
5. Vehicle Loan from Maruti Suzuki India Ltd. is secured by way of hypothecation of specific vehicles purchased under Maruti Car Loan Scheme.

## Schedule Annexed to And Forming Part of the Consolidated Balance Sheet as at 31st March 2011

### SCHEDULE D - FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS ON 01.04.10 Rs.	ADDITIONS Rs.	SALE/ ADJUSTMENTS Rs.	COST AS ON 31.03.2011 Rs.	DEPRECIATION AS ON 01.04.10 Rs.	DEPRECIATION FOR THE PERIOD Rs.	SALE/ ADJUSTMENTS Rs.	TOTAL DEPRECIATION UPTO 31.03.2011 Rs.	AS ON 31.03.2011 Rs.	AS ON 31.03.2010 Rs.
<b>TANGIBLE ASSETS</b>										
LAND LEASEHOLD	85,687,168	61,435,560	-	147,122,728	6,137,914	1,206,668	-	7,344,582	139,778,146	79,549,254
FREEHOLD	92,298,104	-	-	92,298,104	-	-	-	-	92,298,104	92,298,104
BUILDINGS	634,972,116	22,724,639	-	657,696,755	236,288,004	38,273,970	-	274,561,974	383,134,781	398,684,112
PLANT AND MACHINERY	3,487,492,984	569,559,002	169,991,339	3,887,060,647	2,112,381,831	301,728,849	151,077,142	2,263,033,538	1,624,027,109	1,375,111,153
FURNITURE AND FIXTURE	86,623,462	4,076,398	14,198,952	76,500,908	53,979,091	6,677,667	13,672,540	46,984,218	29,516,690	32,644,371
VEHICLES	63,841,671	28,844,565	2,637,305	90,048,931	31,366,946	11,440,232	1,992,886	40,814,292	49,234,639	32,474,725
<b>INTANGIBLE ASSETS</b>										
SPECIALISED SOFTWARES	96,867,549	11,625,551	6,431,490	102,061,610	89,207,701	5,511,027	6,389,366	88,329,362	13,732,248	7,659,848
TECHNICAL KNOW HOW	175,214,180	-	-	175,214,180	20,415,911	-	-	20,415,911	154,798,269	154,798,269
DEVELOPMENT COST	109,597,250	151,249,016	-	260,846,266	13,719,238	54,742,465	-	68,461,703	192,384,563	95,878,012
<b>TOTAL</b>	<b>4,832,594,484</b>	<b>849,514,731</b>	<b>193,259,086</b>	<b>5,488,850,129</b>	<b>2,563,496,636</b>	<b>419,580,878</b>	<b>173,131,934</b>	<b>2,809,945,580</b>	<b>2,678,904,549</b>	<b>2,269,097,848</b>
<b>PREVIOUS YEAR</b>	<b>4,367,294,744</b>	<b>472,146,604</b>	<b>6,846,864</b>	<b>4,832,594,484</b>	<b>2,175,787,646</b>	<b>392,579,299</b>	<b>4,870,309</b>	<b>2,563,496,636</b>	<b>2,269,097,848</b>	<b>2,191,507,098</b>

**NOTES:** 1. Note: Depreciation on Plant & Machinery includes Rs. 13,414,076/- (Previous Year Rs. 74,12,925/-) being depreciation capitalized on Tools developed inhouse.

## Schedule Annexed to And Forming Part of the Consolidated Balance Sheet as at 31st March 2011

### SCHEDULE E - CURRENT ASSETS, LOANS AND ADVANCES

P A R T I C U L A R S	AS AT 31ST MARCH 2011		AS AT 31ST MARCH 2010	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
1 INVENTORIES (As taken valued and certified by the Management)				
A. RAW MATERIALS & SPARES	999,265,454		692,559,199	
B. STORES	111,742,727		90,416,551	
C. FINISHED GOODS	43,492,832		33,850,520	
D. WORK IN PROGRESS	132,591,931		129,985,633	
E. STOCK LYING AT PORT/IN TRANSIT	<u>64,015,731</u>	1,351,108,675	<u>45,105,783</u>	991,917,686
2 SUNDRY DEBTORS (Unsecured considered good)				
A. DEBTS OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS	6,978,440		2,468,020	
B. OTHER DEBT	<u>495,463,332</u>	502,441,772	<u>463,625,778</u>	466,093,798
3 CASH AND BANK BALANCES				
A CASH IN HAND	1,190,533		945,169	
B BALANCE WITH SCHEDULED BANKS				
- in Current Accounts	35,683,345		13,430,224	
- in Margin Money Accounts	157,381,612		114,483,632	
- in Fixed Deposit Account	<u>10,660,000</u>	204,915,490	<u>—</u>	128,859,025
4 OTHER CURRENT ASSETS				
Interest Accrued on Deposits with Banks		3,014,525		5,515,383
5 LOANS AND ADVANCES (Unsecured considered good unless otherwise stated)				
Advances Recoverable in cash or in kind or for value to be received	512,540,786		235,757,570	
- Advance Tax/TDS(Net)	14,310,270		42,549,035	
- MAT Credit Entitlement	63,816,707		-	
- Loans to Employees*	25,988,288		34,210,098	
- Security Deposits	<u>33,734,673</u>	650,390,724	<u>32,945,425</u>	345,462,128
TOTAL		<u>2,711,871,186</u>		<u>1,937,848,020</u>

\* including secured loans : Rs. 1,76,08,726/- ( Previous year : Rs. 2,07,70,989/- )

## Schedule Annexed to And Forming Part of the Consolidated Balance Sheet as at 31st March 2011

### SCHEDULE F - CURRENT LIABILITIES AND PROVISIONS

P A R T I C U L A R S	AS AT 31ST MARCH 2011		AS AT 31ST MARCH 2010	
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
1 CURRENT LIABILITIES				
Sundry Creditors				
Due to Micro and Small Enterprises	—		—	
Due to others	1,166,370,725	1,166,370,725	935,533,812	935,533,812
Unclaimed Dividend*		3,010,680		2,724,578
Interest accrued but not due		8,161,238		—
Advance against sale of asset		478,300,000		—
Other Liabilities				
Due to Directors	6,972,350		5,970,000	
Due to Other	165,517,032	172,489,382	154,581,243	160,551,243
TOTAL		1,828,332,025		1,098,809,633
2 PROVISIONS				
- Proposed Dividend	47,990,880		41,992,020	
- Provision for Tax on Proposed Dividend	7,785,321		6,974,350	
- Provision for Retirement Benefits	15,893,815		17,121,260	
- Provision for Warranty	9,693,257		8,193,257	
TOTAL		81,363,273		74,280,887
GRAND TOTAL		1,909,695,298		1,173,090,520

\* No amount is due as on 31st March 2011 for credit to Investor Education & Protection Fund.

## Schedules Annexed to And Forming Part of Consolidated Profit and Loss Account for the year ended 31st March 2011

### SCHEDULE - G - OTHER INCOME

PARTICULARS	CURRENT YEAR Rs.	PREVIOUS YEAR Rs.
INTEREST INCOME (GROSS) (TDS: Rs. 9,76,821/- p/y Rs. 9,53,209/-)	11,645,105	9,288,449
PROFIT ON SALE OF FIXED ASSETS	1,216,870	197,254
MISCELLANEOUS INCOME	14,630,372	3,121,569
<b>TOTAL</b>	<u>27,492,347</u>	<u>12,607,272</u>

### SCHEDULE 'H' INCREASE/(DECREASE) IN FINISHED GOODS AND WORK-IN-PROGRESS

PARTICULARS	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	Rs.	Rs.	Rs.
OPENING STOCK				
FINISHED GOODS	33,850,520		23,879,243	
WORK-IN-PROGRESS	<u>129,985,634</u>		<u>81,769,455</u>	
		163,836,154		105,648,698
CLOSING STOCK				
FINISHED GOODS	43,492,832		33,850,520	
WORK-IN-PROGRESS	<u>132,591,931</u>		<u>129,985,634</u>	
		176,084,763		163,836,154
		12,248,609		58,187,456
DECREASE(INCREASE) IN EXCISE DUTY ON STOCKS		(853,293)		(1,239,330)
INCREASE/(DECREASE)		<u>11,395,316</u>		<u>56,948,126</u>

## Schedules Annexed to And Forming Part of Consolidated Profit and Loss Account for the year ended 31st March 2011

### SCHEDULE 'I' OTHER EXPENSES

P A R T I C U L A R S	CURRENT YEAR		PREVIOUS YEAR	
	Rs.	Rs.	Rs.	Rs.
SALARY, WAGES AND OTHER AMENITIES TO STAFF		543,911,112		469,157,759
CONTRIBUTION TO PF & ESI		24,497,995		18,807,030
STAFF WELFARE EXPENSES		79,040,735		51,146,010
STORE CONSUMED		243,599,679		155,422,798
POWER & FUEL		131,832,751		101,974,496
RENT		25,653,568		22,047,518
RATES AND TAXES		7,756,581		6,828,115
INSURANCE		4,930,540		7,777,698
VEHICLE RUNNING AND MAINTENANCE		20,114,726		14,888,750
TRAVELLING AND CONVEYANCE		40,155,272		25,565,252
DIRECTOR'S SITTING FEES		990,000		975,000
REPAIRS AND MAINTENANCE				
-BUILDING	3,539,338		5,491,448	
-PLANT & MACHINERY	139,531,627		101,793,945	
-OTHERS	17,688,819		19,820,201	
		160,759,784		127,105,594
DIRECTORS REMUNERATION		25,507,919		25,629,032
AUDIT FEES		1,240,768		1,096,108
LOSS ON SALE OF FIXED ASSETS		15,614,701		19,892
ROYALTY		92,408,458		80,714,197
SELLING & DISTRIBUTION EXPENSES		179,859,471		138,937,943
REBATE & DISCOUNT		68,929,262		60,645,740
MISCELLANEOUS EXPENSES		146,853,419		100,999,086
PRELIMINARY EXPENSES		370,635		
TOTAL		<u>1,814,027,376</u>		<u>1,409,738,018</u>

### SCHEDULE 'J' - FINANCIAL CHARGES

P A R T I C U L A R S	CURRENT YEAR	PREVIOUS YEAR
	Rs.	Rs.
INTEREST AND OTHER FINANCIAL CHARGES PAID TO BANK	107,899,470	126,418,388
INTEREST PAID TO OTHERS	67,162,110	33,932,283
TOTAL	<u>175,061,580</u>	<u>160,350,671</u>

## **Schedule Annexed to and Forming Part of the Consolidated Balance Sheet as at 31st March, 2011 and Profit and Loss Account for the year ended on that date.**

### SCHEDULE K — NOTES TO ACCOUNTS

#### 1. Significant Accounting Policies

##### i) Basis of Preparation of Financial Statements

The consolidated financial statements of Subros Limited and its subsidiary (“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 statements of the Company and subsidiary company have 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 realisable 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 are amortised over the period of lease.
- b) Cost of specialised softwares is amortised in three years on straight-line method on prorata basis.
- c) Technical Know-how is amortised in six years on straight-line method on prorata basis .
- d) Product Development Cost as stated in (xi) below is amortised in six years on straight line method on prorata 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

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 Profit & Loss Account. Intangible assets are stated at cost less accumulated amortization / impairment. Intangible assets include Software Licences, 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 Profit and Loss Account on accrual basis.

The Company's contribution to State Plan, viz. Employees' State Insurance scheme is recognised in the Profit & Loss Account 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 Profit and Loss Account 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 Profit and Loss Account in the year of payment.

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

xi) Research & Development

Revenue expenditure on research and development are charged to Profit and Loss Account in the year in which these are incurred except for certain cost incurred on development of new products e.g. airconditioning 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 Profit and Loss Account .
- 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.

## 2. Particulars of subsidiary/Joint Venture Company

## 2(a) Subsidiary company

Name of the Company	Country of Incorporation	Percentage of voting power as at March 31, 2011	Percentage of voting power as at March 31, 2010
Thai Subros Limited	Thailand	100%	100%

## 2(b) Joint venture company

Name of the Company	Country of Incorporation	Percentage of voting power as at March 31, 2011
Denso Subros Thermal Engineering Centre India Ltd (w.e.f 1st February, 2011)	India	26%

## 3. Contingent Liabilities Not Provided For in respect of :

- a) Outstanding commitments against Letter of Credits established by the Company: Rs.6,537.80 Lac (Previous Year Rs.5088.05 Lacs)
- b) Guarantees given by banks on behalf of the Company: Rs 458.08 Lakhs (Previous Year: Rs. 440.05 Lakhs)

c) Claims against the Group not acknowledged as debt :-

Nature of claim	As at	
	31.03.11	31.03.10
	(Rupees in Lacs)	
Disputed Sales Tax Demands	-Gross	138.13
	-Net of tax	92.24
Disputed Demand under Income Tax Act	NIL	12.95
Other claims	-Gross	49.61
	-Net of tax	33.13

4. Estimated value of contracts on capital account remaining to be executed and not provided for (net of advances): Rs.6382.66 Lacs (Previous Year: Rs.2,324.91 Lacs).

5. 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.

6. 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	81.93	65.93
Add : Provisions made during the year	<u>148.09</u>	<u>148.02</u>
	230.02	213.95
Less : Amount utilised during the year	<u>133.09</u>	<u>132.02</u>
Balance at the end of the year	<u><u>96.93</u></u>	<u><u>81.93</u></u>

This provision is expected to be utilised for settlement of warranty claims within a period of 1 to 2 years.

7. 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.

8. Segment Reporting

The Group's business activity falls within a single primary business segment i.e, Automotive Airconditioning 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.

## 9 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)

ii) Relatives of Key Management Personnel

- Mrs. Ritu Suri (Wife of Mr. Ramesh Suri)

iii) Joint Venture Company

- Denso Subros Thermal Engineering Centre India Ltd. (DSEC)

iv) 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.

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 Mrs. Ritu Suri		Entities over which Key Management Personnel or their relatives are able to exercise significant influence	
<b>Detail of Transaction</b>								
- Purchase of materials	-	(-)	-	(-)	-	(-)	17.42	(1.94)
- Sale of goods	-	(-)	-	(-)	-	(-)	181.76	(200.43)
- Purchase of fixed assets	-	(-)	-	(-)	-	(-)	84.18	(55.04)
- Sale of Fixed Assets	26.55	(-)	-	(-)	-	(-)	-	(10.99)
- Receiving of Service	85.73	(-)	-	(-)	-	(-)	546.66	(484.25)
- Rendering of Services	-	(-)	-	(-)	-	(-)	4.40	(2.12)
- Rent/Licence Agreements	-	(-)	-	(-)	22.83	(21.60)	34.44	(34.06)
- Directors' Remuneration	-	(-)	253.69	(256.29)	-	(-)	-	(-)
- Rental Income	4.40	(-)	-	(-)	-	(-)	-	(-)
- Contribution toward share capital	176.80	(-)	-	(-)	-	(-)	-	(-)
- Reimbursement of expenses received	-	(-)	-	(-)	-	(-)	-	(-)
<b>Closing Balances</b>								
- Amount payable	-	(-)	69.74	(59.70)	-	(-)	1.54	(4.58)
- Amount Receivable	2.65	(-)	-	(-)	-	(-)	40.62	(2.56)

(Figures in brackets represent previous year's figures)

\*Exclusive of Contributions to Group \*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		
- Rohan Motors Ltd.	0.44	1.07
- Prima Telecom Ltd.	16.59	0.87
Sale of Goods		
- Rohan Motors Ltd.	181.76	197.83
Purchase of Fixed Assets		
- Rohan Motors Ltd.	69.19	39.99
- Tempo Automobiles (P) Ltd.	8.65	15.05
Sale of Fixed Assets		
- Rohan Motors Ltd.	-	7.50
- Prima Telecom Ltd.	-	3.49
Receiving of Services		
- SHS Transport (P) Ltd.	518.83	432.29
Rendering of Services		
- Prima Telecom Ltd.	4.40	2.12
Rent/Licence Agreement		
- Rohan Motors Ltd.	15.03	15.02
- Mr Ramesh Suri (HUF)	16.01	16.70
Directors Remuneration		
- Mr. Ramesh Suri	82.87	90.35
- Ms. Shradha Suri	170.82	165.94

**10. 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 :

	2010-11	2009-10
a) Net profit after Tax (Rs. In Lacs)	2864.15	Rs.2835.02
b) Number of Equity shares*(Nos)	59988600	59988600
c) Nominal value per Equity share	Rs.2	Rs.2
d) Earning per Share (Basic & Diluted)	4.77	Rs.4.73

\* There were no potential equity shares.

**11. Foreign Exchange Differences**

a) The Group 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 Group outstanding at the year end :

	Current Year		Previous Year	
	No. of Contracts	Amount	No. of Contracts	Amount
Forward Contracts against Imports				
-In US Dollar (Millions)	16	19.60	5	4.31
-In Japanese Yen (Millions)	26	2,003.24	21	1596.83
-Equivalent Rs. (In Lacs)		18,655.69		9650.68

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	
	31.03.11	31.03.10	31.03.11	31.03.10
Creditors & Buyer's Credit (net)	<b>123.29</b>	5,156.50	<b>JPY 22.07</b>	JPY 994.36 USD 0.34 EUR 0.32
Debtors	<b>4.94</b>	13.84	<b>USD 0.01</b>	USD 0.03

d) Exchange gain/(loss) accounted during the year:

- |  |  |
|--|--|
| i) Exchange Gains/(Loss) credited to Profit and Loss Account                             | Gain Rs.1,193.75 Lacs<br>(Previous Year Gain Rs.442.64 Lacs) |
| ii) Difference between forward rates and spot rates to be recognised in Subsequent years | Rs.106.22 Lacs<br>(Previous Year Rs.10.54 Lacs)              |

**12. 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)	
	31.03.11	31.03.10
Employer's Contribution to Provident Fund	208.60	172.75
Employer's Contribution to Superannuation Fund	86.51	67.26
Employer's Contribution to Employees State Insurance Scheme	35.69	15.32

### 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)	
	31.03.11	31.03.10	31.03.11	31.03.10
Defined Benefit obligation at beginning of the year	471.96	378.24	124.91	86.36
Current Service Cost	52.90	48.16	32.17	23.27
Interest Cost	37.76	28.37	9.99	6.48
Actuarial (gain)/loss	(20.53)	46.93	8.51	19.98
Benefits paid	(32.52)	(29.74)	(27.13)	(11.18)
Defined Benefit obligation at year end	509.57	471.96	148.45	124.91

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

(Rs. in lacs)

	Gratuity (Funded)	
	31.03.11	31.03.10
Fair value of plan assets at beginning of the year	425.66	291.72
Expected return on plan assets	39.58	27.13
Actuarial (Loss)/gain	(0.06)	0.68
Employer contribution	36.33	107.07
Benefits paid/Withdrawn	(1.82)	(0.94)
Fair value of plan assets at year end	499.69	425.66

**III. Reconciliation of fair value of assets and obligations**

(Rs. in lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31.03.11	31.03.10	31.03.11	31.03.10
Fair value of plan assets	499.69	425.66	Nil	Nil
Present value of obligation	509.57	471.96	148.45	124.91
Amount recognized in Balance Sheet	9.88	46.30	148.45	124.91

**IV. Expense recognized during the year (Under the head " Salary, Wages and Other Amenities to Staff Refer Schedule 'I')**

(Rs. in lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31.03.11	31.03.10	31.03.11	31.03.10
Current Service Cost	52.90	48.16	32.17	23.27
Interest Cost	37.76	28.37	9.99	6.48
Expected return on plan assets	(39.59)	(27.13)	-	-
Actuarial (Gain)/Loss	(20.46)	46.25	8.51	19.98
Net Cost	30.61	95.65	50.67	49.73

**V. Investment Details**

	% Invested
Insurer Managed Fund	100%

**VI. Actuarial assumptions**

(Rs. in lacs)

	Gratuity (Funded)		Leave Encashment (Unfunded)	
	31.03.11	31.03.10	31.03.11	31.03.10
Mortality Table (LIC)	1994-96	1994-96	1994-96	1994-96
Discount rate (per annum)	8.00%	7.50%	8.00%	7.50%
Expected rate of return on plan assets (per annum)	9.30%	9.30%	N.A.	N.A.
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.

13. Borrowing cost amounting to Rs. 257.56 lacs (Previous Year : 120.37 lacs) has been capitalised with the cost of fixed assets as per Accounting Standard 16 issued by Institute of Chartered Accountant of India.



14. As informed there was no supplier who was registered under “ The Micro, Small and Medium Enterprises (Development) Act, 2006” .
15. Balance confirmations have not been received from some of the parties showing debit/credit balances.
16. Previous year's figures have been regrouped/rearranged wherever considered necessary to confirm to this year's classification.

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

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: 3rd August, 2011



**ADDITIONAL INFORMATION AS REQUIRED UNDER PART-IV  
OF SCHEDULE VI TO THE COMPANIES ACT, 1956  
BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

**1. Registration Details**

Registration No. L74899DL1985PLC020134

 Balance Sheet Date: 

3	1
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0	3
---	---

2	0	1	1
---	---	---	---

**2. Capital raised during the year (Amount in Rs. Thousands)**

 Public Issue 

N	I	L
---	---	---

 Right Issue 

N	I	L
---	---	---

 Bonus Issue 

N	I	L
---	---	---

 Private Placement 

N	I	L
---	---	---

**3. Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands)**

 Total liabilities 

4	6	2	5	3	3	9
---	---	---	---	---	---	---

 Total Assets 

4	6	2	5	3	3	9
---	---	---	---	---	---	---

**Source of Funds**
**Applications of Funds**

 Paid-up Capital 

	1	1	9	9	7	7
--	---	---	---	---	---	---

 Net Fixed Assets 

3	8	1	6	2	4	4
---	---	---	---	---	---	---

 Reserves & Surplus 

2	1	8	1	1	1	7
---	---	---	---	---	---	---

 Investments 

		2	1	7	2	4
--	--	---	---	---	---	---

 Secured Loans 

1	7	2	2	2	3	2
---	---	---	---	---	---	---

 Net Current Assets 

	7	8	7	3	7	1
--	---	---	---	---	---	---

 Unsecured Loans 

	4	5	6	4	0	7
--	---	---	---	---	---	---

 Misc. Expenditure 

				N	I	L
--	--	--	--	---	---	---

 Accumulated Losses 

				N	I	L
--	--	--	--	---	---	---

**4. Performance of the Company (Amount in Rs. Thousands)**

 Turnover 

1	2	0	5	2	5	0	1
---	---	---	---	---	---	---	---

 Total Expenditure 

1	1	7	3	2	2	9	7
---	---	---	---	---	---	---	---

 Profit Before Tax 

	3	2	0	2	0	4
--	---	---	---	---	---	---

 Profit After Tax 

	2	8	5	4	4	1
--	---	---	---	---	---	---

 Earning per share in Rs. 

	4	.	7	6
--	---	---	---	---

 Dividend % 

				4	0
--	--	--	--	---	---

**5. Generic name of the Principal Product of the Company**

 Item Code No.: 

B	-	13	-	3	7	4	.	8
---	---	----	---	---	---	---	---	---

 Product Description: Automotive Airconditioning Parts  
(Parts & Accessories for Motor Vehicle)

## SUBROS LIMITED

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

Dear Shareholders,

Re: Green Initiative in Corporate Governance: Go Paperless

The Ministry of Corporate Affairs(MCA), Government of India, has taken a “Green Initiative in Corporate Governance” by allowing paperless compliance by companies through electronic mode.

In accordance with the recent Circular No.17/2011 dated 21.04.2011 and No. 18/2011 dated 29.04.2011 issued by MCA, companies can now send various notices/documents (including notice calling Annual General Meeting Audited Financial Statements, Directors' Report, Auditor's Report etc.) to their shareholders through electronic mode, to the registered email addresses of the shareholders.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow public at large, to contribute towards a greener environment.

This is a golden opportunity for every shareholders of Subros Limited to contribute to Green Initiative of the MCA. All you need to do is to register your email ID in the following manner:

1. If you are holding shares of our company in demat form, register your email ID with Depository Participant (DP), with whom your demat account is maintained.
2. If you are holding shares in physical form, send back the form given below duly filled in, either to us or to our Registrars and Transfer Agent (RTA) i.e. MCS Limited.

We shall treat the email ID furnished, as your registered email ID and use it for sending all the documents/notices, electronically.

Also, you can change your registered email ID from time to time, as explained above. In case of any clarification or further information, you may please contact the undersigned.

Best regards,

Vikas Sabharwal  
Dy. Company Secretary

## Format for registering email ID

I/We \_\_\_\_\_, holding/shares of SUBROS LIMITED wish to receive all documents/notices from the Company through e-mail and the company is hereby advised to record my/our below mentioned email ID for this purpose.

Folio no./Client Id: \_\_\_\_\_ DP ID: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Thanking you,

(\_\_\_\_\_)  
Signature of the First Holders(s)  
(as per the specimen registered)

(\_\_\_\_\_)  
Signature of the Joint Holders(s)

## 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 26th ANNUAL GENERAL MEETING of the Company to  
be held at KAMANI AUDITORIUM, 1, COPERNICUS MARG, NEW DELHI 110 001 on 19th September, 2011 at  
11.30 A.M. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011

\*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

26th ANNUAL GENERAL MEETING — 19th SEPTEMBER, 2011

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 26th Annual General Meeting of the Company at KAMANI AUDITORIUM, 1, COPERNICUS MARG, NEW DELHI 110 001 on 19th September, 2011 at 11.30 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:**

LGF, World Trade Centre,  
Barakhamba Lane, New Delhi 110 001  
Tel.: +91 11 23414946-49  
Fax: +91 11 23414945

**Central Plant:**

B - 188, Phase-II, Noida-201 304,  
Distt: Gautam Budh Nagar (U.P.)  
Tel.: +91 120 2562226, 2567027  
Fax: +91 120 2562445  
Email: [marketing@subros.com](mailto:marketing@subros.com)

**Noida Plant (R&D Center)**

C-51, Phase-II, Noida-201 304  
Distt: Gautam Budh Nagar (U.P.)  
Tel.: +91 120 2562226, 2460135  
Fax: +91 120 2562029

**Noida Plant (Tool Room)**

B - 216, Phase-II, Noida-201 304  
Distt: Gautam Budh Nagar (U.P.)  
Tel.: +91 120 2562226, 2460135  
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**

Plot No. 395-396, Sector-8, Phase-III  
IMT Manesar, Gurgaon 122 050  
Tel.: +91 124 2291764  
Fax: +91 124 2291836

**Chennai Plant**

A-20/1 SIPCOT Industrial Growth Centre,  
Oragadam, Chennai