

SL/BSE/NSE/18

October 26, 2018

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

Dear Sir/Madam

Sub: Outcome of Board Meeting

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

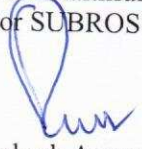
- (1) Unaudited financial results for the quarter and half year ended 30th September, 2018, duly approved by the Board of Directors in the meeting held on 26th October, 2018 (**Annexure-A**)
- (2) Limited Review Report issued by M/s Price Waterhouse Chartered Accountants LLP, statutory auditors (**Annexure-B**)
- (3) Disclosure in respect of Regulation 52 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed. Further, the information pursuant to Regulation 52(4) and 54(2) and other application regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are disclosed in the above said results. (**Annexure-C**)
- (3) Presentation to be shared with the analysts/institutional investors in respect of the above said unaudited financial results (**Annexure-D**)

The meeting commenced at 11.00 am and concluded at 12.45.pm.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,
For SUBROS LIMITED


Rakesh Arora
Company Secretary

Price Waterhouse Chartered Accountants LLP

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

1. We have reviewed the unaudited financial results of Subros Limited (the "Company") for the quarter and the six months ended September 30, 2018 which are included in the accompanying Statement of standalone unaudited financial results for the quarter and six months ended September 30, 2018 and the statement of assets and liabilities as on that date together with the notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 in this regard, which has been initialled by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the Listing Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 in this regard including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The financial results of the Company for the quarter ended June 30, 2017 as included in the results for the six months ended September 30, 2017 of the accompanying Statement were reviewed by another firm of chartered accountants who issued their unmodified conclusion, vide their reports dated August 10, 2017.

Our conclusion is not qualified in respect of this matter.

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



Rajib Chatterjee
Partner
Membership Number 057134

Place: New Delhi
Date: October 26, 2018

Price Waterhouse Chartered Accountants LLP, Building No. 8, 7th & 8th Floor, Tower - B, DLF Cyber City
Gurgaon - 122 002
T: +91 (124) 4620000, 3060000, F: +91 (124) 4620620

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

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

SUBROS LIMITED

REGD. OFFICE : LGF, WORLD TRADE CENTRE, BARAKHAMBA LANE, NEW DELHI-110001

CIN :- L74899DL1985PLC020134; Tel: 011-23414946 Fax: 011-23414945

website: www.subros.com ; email: rakesh.arora@subros.com

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER & SIX MONTHS ENDED 30th SEPTEMBER, 2018

S. No.	Particulars	Quarter ended			Six Months ended		Year ended
		30th September, 2018 (UNAUDITED)	30th June, 2018 (UNAUDITED)	30th September, 2017 (UNAUDITED)	30th September, 2018 (UNAUDITED)	30th September, 2017 (UNAUDITED)	31st March, 2018 (AUDITED)
I	Revenue from operations (Refer Note 8)	56,403	53,169	49,715	1,09,572	96,864	1,96,956
II	Other Income	576	411	292	987	348	743
III	Total Revenue (I + II)	56,979	53,580	50,007	1,10,559	97,212	1,97,699
IV	Expenses						
a)	Cost of materials consumed	40,280	37,473	35,911	77,753	65,175	1,33,450
b)	Changes in inventories of finished goods and work-in progress	(657)	(113)	(389)	(770)	(880)	45
c)	Excise Duty	-	-	-	-	5,667	5,667
d)	Employee benefits expense	5,359	5,260	4,488	10,619	8,624	18,812
e)	Finance costs	1,334	1,402	1,020	2,736	1,960	4,121
f)	Depreciation and amortization expense	1,991	1,876	2,281	3,867	4,385	9,200
g)	Other expenses	5,490	4,850	4,268	10,340	8,414	17,984
	Total expenses (IV)	53,797	50,748	47,579	1,04,545	93,345	1,89,279
V	Profit/(Loss) before exceptional items and tax (III - IV)	3,182	2,832	2,428	6,014	3,867	8,420
VI	Exceptional Items (Refer Note 7)	-	(334)	(92)	(334)	(182)	(182)
VII	Profit/(Loss) before tax (V + VI)	3,182	2,498	2,336	5,680	3,685	8,238
VIII	Tax expense						
(a)	Current Tax	683	552	489	1,235	791	1,787
(b)	Deferred Tax	118	53	339	171	334	389
IX	Profit/(Loss) for the period/year (VII - VIII)	2,381	1,893	1,508	4,274	2,560	6,062
X	Other Comprehensive Income						
	<u>Items that will not be reclassified to profit or loss</u>						
(a)	Gain/(Loss) of defined benefit obligations	(2)	(2)	(7)	(4)	(14)	(7)
(b)	Income tax relating to above	1	1	2	2	4	2
	Other Comprehensive Income for the period/year (net of tax) (a+b)	(1)	(1)	(5)	(2)	(10)	(5)
XI	Total Comprehensive Income for the period/year (IX + X)	2,380	1,892	1,503	4,272	2,550	6,057
XII	Paid-up equity share capital	1,200	1,200	1,200	1,200	1,200	1,200
XIII	Face value of share (Rs.)	2	2	2	2	2	2
XIV	Earnings per share (of Rs. 2 each) (not annualized)						
Basic		3.97	3.15	2.51	7.12	4.27	10.11
Diluted		3.97	3.15	2.51	7.12	4.27	10.11

Notes:

- The above financial results were reviewed by the Audit Committee at their meeting held on 25th October, 2018 and approved by the Board of Directors at their meeting held on 26th October, 2018.
- The financial results of the Company have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards ('IND AS') as notified under the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.
- The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated 30th November, 2015 has been modified to comply with requirements of SEBI's circular dated 5th July, 2016 on IND AS and Schedule III to the Companies Act, 2013 applicable to companies that are required to comply with IND AS.
- Effective 1st April, 2018, the Company has adopted Ind AS 115 'Revenue from Contracts with Customers' using the modified retrospective method, which is applied to contracts as of 1st April, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was not material to the financial results for the quarter and six months ended 30th September, 2018.



5 Pursuant to the approval of Board of Directors in their meeting held on 28th May, 2018 for closure of Company's overseas subsidiary Thai Subros Ltd, the management has assessed the recoverability of their investment in subsidiary as on 30th June, 2018 and recognised the provision for diminution in the value of its investment in subsidiary amounting to Rs. 14 Lakhs during the quarter ended 30th June, 2018. The Company reassessed the recoverability of their investment as on 30th September, 2018 and no further provision for diminution in the value of its investment is required to be recognised during the quarter ended 30th September, 2018.

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

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

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

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

Particulars	Quarter ended			Six Month ended		Year ended
	30th September, 2018 (UNAUDITED)	30th June, 2018 (UNAUDITED)	30th September, 2017 (UNAUDITED)	30th September, 2018 (UNAUDITED)	30th September, 2017 (UNAUDITED)	31st March, 2018 (AUDITED)
Revenue from operations	56,403	53,169	49,715	1,09,572	96,864	1,96,956
Less : Excise Duty	-	-	-	-	5,667	5,667
Revenue from operations excluding Excise Duty	56,403	53,169	49,715	1,09,572	91,197	1,91,289

9 Additional disclosures as per regulation 52(4) and other regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

a) Credit rating and change in credit rating (if any):

The Non Convertible Debentures issued by the Company are rated "[ICRA] A+".

b) Asset cover available, in case of non convertible debt securities:

1.25 times of the total liability for outstanding NCDs as on 30th September, 2018. The nature of security is first charge on specific movable fixed assets of the company.

c) Previous due date for the payment of interest/repayment of principal of non convertible debt securities and whether the same has been paid or not:

Previous due date for payment of interest was 30th August, 2018 (Rs.28.88 lakhs) and the same has been paid within the due date. Previous due date for repayment of principal was 30th April, 2018 (Rs.1,000 lakhs) and the same has been paid within the due date.

d) Next due date for the payment of interest/principal of non-convertible debt securities payable and the redemption amount:

The interest on NCDs is due on 1st October, 2018 (Rs. 28.88 lakhs). The next due date for payment of principal of NCDs is 30th April, 2019 (Rs. 2,000 lakhs).

Particulars	Six Month ended		Year ended
	30th September, 2018 (UNAUDITED)	30th September, 2017 (UNAUDITED)	31st March, 2018 (AUDITED)
e) Debt-equity ratio	0.82	1.02	0.95
f) Debt Service Coverage Ratio	1.35	0.85	1.07
g) Interest Service Coverage Ratio	7.61	4.87	5.36
h) Debenture Redemption Reserve (Rs. in Lakhs)	1,250	-	1,250
i) Networth (Rs. in Lakhs)	43,952	36,936	40,477
j) Paid up Debt Capital (Rs. in Lakhs)	4,000	5,000	5,000

The Formulae for calculation of ratios are as follows:

A) Debt Equity Ratio = Total Debt/Equity

B) Debt Service Coverage Ratio = (Profit/loss) from ordinary activities before tax + Interest on Long term Loans / (Interest on Long term Loans + Repayment of Long term Loans during the period)

C) Interest Service Coverage Ratio = (Profit/loss) from ordinary activities before tax + Interest on Long term Loans / Interest on Long term Loans

D) Networth = Share Capital + Reserves and Surplus (excluding Revaluation Reserve and Amalgamation Reserve)

10 The Board of Directors in their meeting held on 27th September, 2018 have approved the issue of 52,47,150 equity shares at an issue price of Rs. 400 per equity share (face value of Rs. 2 each) on preferential basis to Denso Corporation, Japan subject to approval from shareholders of the Company.

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

Place New Delhi

Dated 26th October, 2018

For and on behalf of the Board of Directors
SUBROS LIMITED

RAMESH SURI
CHAIRMAN



SUBROS LIMITED		
REGD. OFFICE : LGF, WORLD TRADE CENTRE, BARAKHAMBA LANE, NEW DELHI-110001		
CIN :- L74899DL1985PLC020134; Website:www.subros.com ; Email:rakesh.arora@subros.com		
Tel: 011-23414946 Fax: 011-23414945		
Statement of Assets and Liabilities		
Particulars	(Rs. in lakhs)	
	As at 30th September, 2018 (UNAUDITED)	As at 31st March, 2018 (AUDITED)
ASSETS		
Non-current assets		
Property, plant and equipment	52,656	52,892
Capital work-in-progress	4,234	4,685
Intangible assets	14,286	14,074
Intangible assets under development	3,990	4,298
Investments in Subsidiary and Joint Venture	236	250
Financial assets		
i) Loans	985	938
ii) Other financial assets	175	175
Deferred tax assets (net)	970	1,141
Non-current tax assets (net)	121	210
Other non-current assets	3,028	2,618
Total non-current assets	80,681	81,281
Current assets		
Inventories	25,448	23,963
Financial assets		
i) Trade receivables	17,625	16,140
ii) Cash and cash equivalents	251	1,498
iii) Bank balance other than (ii) above	501	486
iv) Loans	33	38
v) Other financial assets	3,481	3,280
Other current assets	2,290	3,100
Total current assets	49,629	48,505
TOTAL ASSETS	1,30,310	1,29,786
EQUITY AND LIABILITIES		
Equity		
Equity share capital	1,200	1,200
Other equity	42,752	39,277
Total equity	43,952	40,477
LIABILITIES		
Non-current liabilities		
Financial liabilities		
- Borrowings	11,310	15,260
Provisions	358	241
Total non-current liabilities	11,668	15,501
Current liabilities		
Financial liabilities		
i) Borrowings	16,351	16,285
ii) Trade payables		
- Total outstanding dues of micro enterprises and small enterprises		
- Total outstanding dues of creditors other than micro enterprises and small enterprises	44,489	40,992
iii) Other financial liabilities	10,820	12,629
Other current liabilities	1,889	2,773
Provisions	813	708
Current tax liabilities (net)	328	421
Total current liabilities	74,690	73,808
TOTAL LIABILITIES	86,358	89,309
TOTAL EQUITY AND LIABILITIES	1,30,310	1,29,786



No.CTL/DEB/18-19/Noting Certificate
26th October, 2018

To
Subros Limited (Issuer)
LGF, World Trade Centre, Barakhamba Lane,
New Delhi - 110 001

CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, Catalyst Trusteeship Limited ("**Debenture Trustee**") hereby confirm that we have received and noted the information, as specified under Regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("**Regulations**"), provided to us by **Subros Limited ("the Issuer")** for the half year ended 30th September, 2018.

This Certificate is being issued pursuant to the requirements of Regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For Catalyst Trusteeship Limited



Authorised Signatory

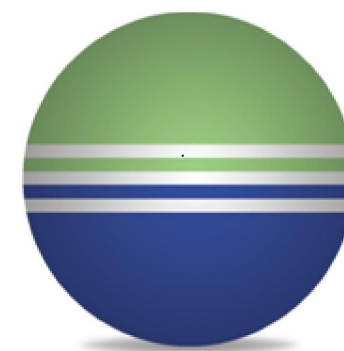


Encl: Results submitted by Company





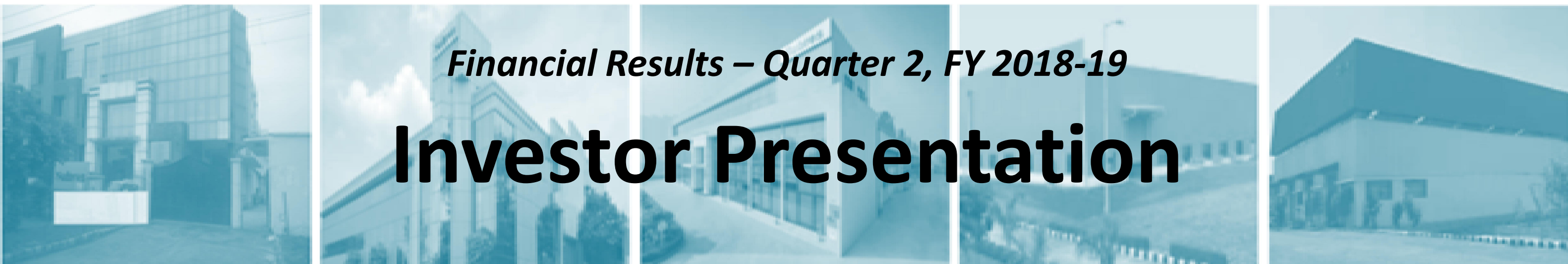
Subros



Cooling the Planet

Financial Results – Quarter 2, FY 2018-19

Investor Presentation





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

Financial Highlights of the Quarter

Result analysis – H1 - FY 2018-19 v/s H1 - FY 2017-18

Result analysis – Q2 - FY 2018-19 v/s Q2 - FY 2017-18

Result analysis – Q2 - FY 2018-19 v/s Q1 - FY 2018-19

Way Forward



- Strong performance in a dynamic market environment
- Highest ever quarterly revenues of Rs 564.03 cr, an increase of 13% over corresponding period
- Q2 net profit (PBT) at 5.65% up by 31%

Financial Highlights Q2 FY 18-19

Indicator	Amount (Rs cr)	Growth [#] (%)
Revenues	564.03	13% ↑
EBITDA	65.07	14% ↑
PBT	31.82	31% ↑
PAT	23.80	58% ↑

Financial Highlights H1 FY 18-19

Indicator	Amount (Rs cr)	Growth [#] (%)
Revenues	1,095.72	20% ↑
EBITDA	126.17	24% ↑
PBT	60.14	56% ↑
PAT	42.72	67% ↑

Strong operational performance in H1 with 20% growth in sales and 24% growth in EBITDA

[#]All comparisons with the same period last year



PARTICULARS	Quarter Ended			Six Month Ended		Year Ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
Net Sales	56336	53108	49694	109444	91143	190751
Other Operating Income	67	61	21	128	54	538
Net Income from Operation	56403	53169	49715	109572	91197	191289
Other Income	576	411	292	987	348	743
Net Revenue	56979	53580	50007	110559	91545	192032
Raw Material Consumed	39623	37360	35522	76983	64295	133495
Total Material cost % to Net Sales	70.33%	70.35%	71.48%	70.34%	70.54%	69.98%
Staff Cost	5359	5260	4488	10619	8624	18812
Staff cost % to Net Sales	9.51%	9.90%	9.03%	9.70%	9.46%	9.86%
Other Exp.	5490	4850	4268	10340	8414	17984
Other Exps. % to Net Sales	9.74%	9.13%	8.59%	9.45%	9.23%	9.43%
EBIDTA	6507	6110	5729	12617	10212	21741
% to Net Sales	11.55%	11.50%	11.53%	11.53%	11.20%	11.40%
Depreciation and Amortisation exp	1991	1876	2281	3867	4385	9200
Depreciation % to Net Sales	3.54%	3.53%	4.59%	3.53%	4.81%	4.82%
Interest	1334	1402	1020	2736	1960	4121
Interest cost % to Net Sales	2.37%	2.64%	2.05%	2.50%	2.15%	2.16%
Net Profit/(Loss)	3182	2832	2428	6014	3867	8420
% to Net Sales	5.65%	5.33%	4.89%	5.49%	4.24%	4.41%
Exceptional Items	0	-334	-92	-334	-182	-182
Profit from Ordinary Activities	3182	2498	2336	5680	3685	8238
% to Net Sales	5.65%	4.70%	4.70%	5.19%	4.04%	4.32%
(a) Current Tax	683	552	489	1235	791	1787
(b) Deferred Tax	118	53	339	171	334	389
Net Profit after Tax/(Loss)	2381	1893	1508	4274	2560	6062
% to Net Sales	4.23%	3.56%	3.03%	3.91%	2.81%	3.18%
Other Comprehensive Income (net of tax)	-1	-1	-5	-2	-10	-5
Total Comprehensive Income	2380	1892	1503	4272	2550	6057
% to Net Sales	4.23%	3.56%	3.02%	3.90%	2.80%	3.18%
EPS	3.97	3.15	2.51	7.12	4.27	10.11

Financial Highlights of the Quarter

Result analysis – H1 - FY 2018-19 v/s H1 - FY 2017-18

Result analysis – Q2 - FY 2018-19 v/s Q2 - FY 2017-18

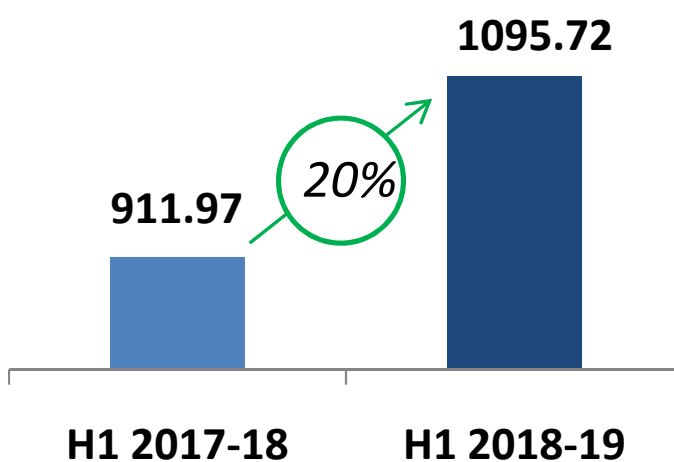
Result analysis – Q2 - FY 2018-19 v/s Q1 - FY 2018-19

Way Forward



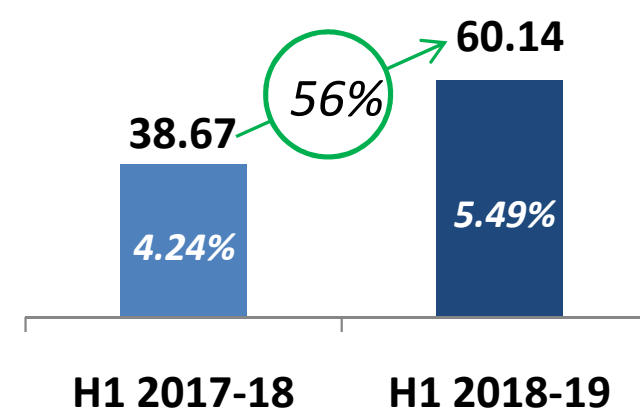
(Values in Rs Crore)

Revenues



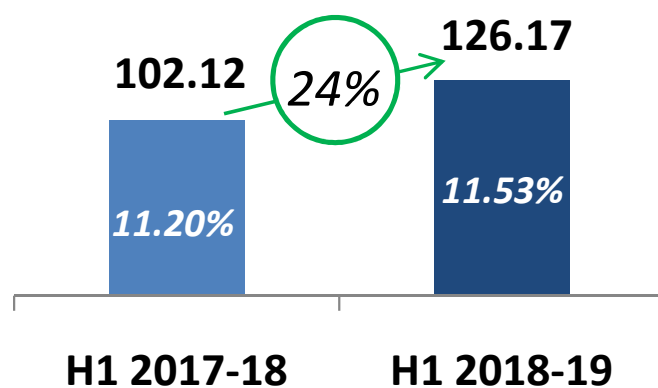
Revenues recorded growth of 20% in H1 2018-19 over corresponding half year period

PBT



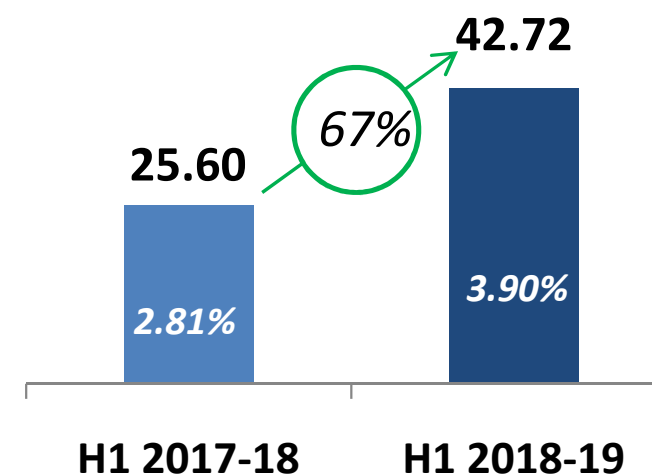
- Improvement in PBT (before exceptional exp.) by 56% over corresponding period
- Operational efficiencies contributed in growth of profitability

EBITDA



- Realisation of EBIDTA Level of 11.53%
- Improvement in EBIDTA margins by 24% ie 33 BPS in H1 FY 2018-19 -11.53% v/s H1 FY 2017-18 -11.20%

PAT



- Improvement in PAT by 67% over corresponding period



Key Indicators

Indicators	H1 2018-19	H1 2017-18	Change	Status
Net Sales (Rs lac)	1,09,444	91,143	18,301	●
Other Income(Rs lac)	987	348	639	●
Material Cost	70.34%	70.54%	(0.20)	●
Employee Cost	9.70%	9.46%	0.24	■
Other Expenses	9.45%	9.23%	0.22	●
Op. EBIDTA	11.53%	11.20%	0.33	●
Finance Cost	2.50%	2.15%	0.35	■
Depreciation	3.53%	4.81%	(1.28)	●
PBT (before exceptional)	5.49%	4.24%	1.25	●
PAT	3.90%	2.81%	1.09	●

●	Positive	■	Moderate - variation upto 5%	✗	Negative - variation exceeding 5%
---	----------	---	------------------------------	---	-----------------------------------

Key aspects

- Higher Finance cost is attributed due to MTM loss on foreign currency liabilities as a result of currency depreciation
- Other income are higher due to realized currency gain on Hedging & MTM on derivative contracts.

Financial Highlights of the Quarter

Result analysis – H1 - FY 2018-19 v/s H1 - FY 2017-18

Result analysis – Q2 - FY 2018-19 v/s Q2 - FY 2017-18

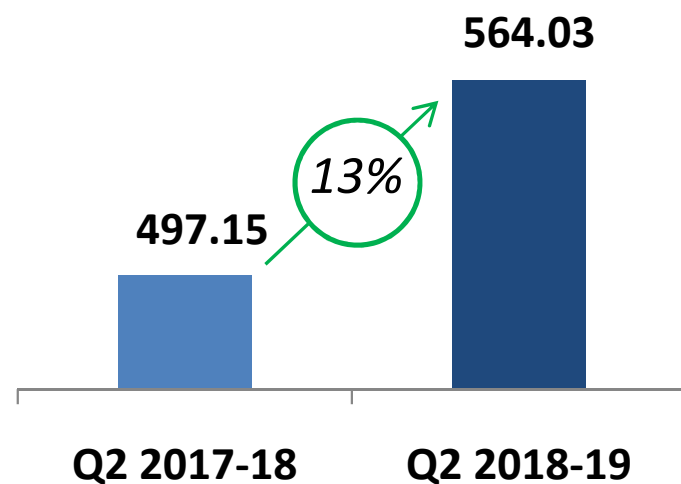
Result analysis – Q2 - FY 2018-19 v/s Q1 - FY 2018-19

Way Forward



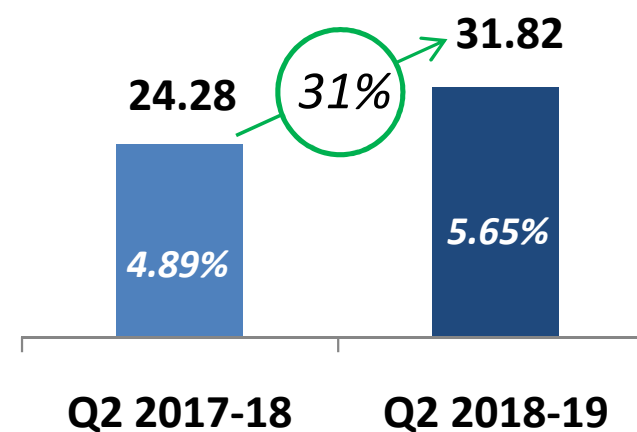
(Values in Rs Crore)

Revenues



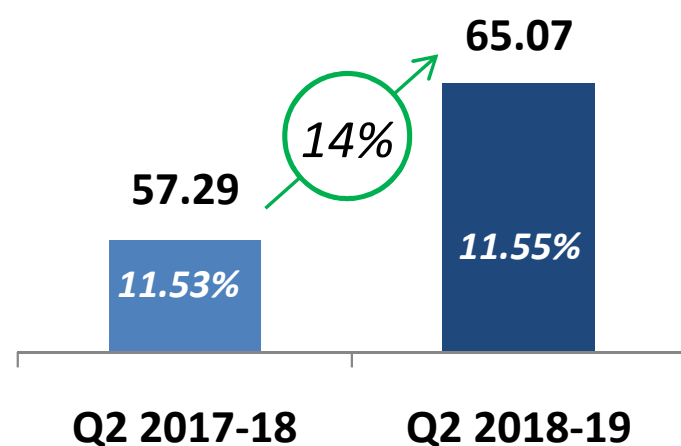
Revenues recorded growth of 13% in Q2 2018-19 over corresponding quarter

PBT



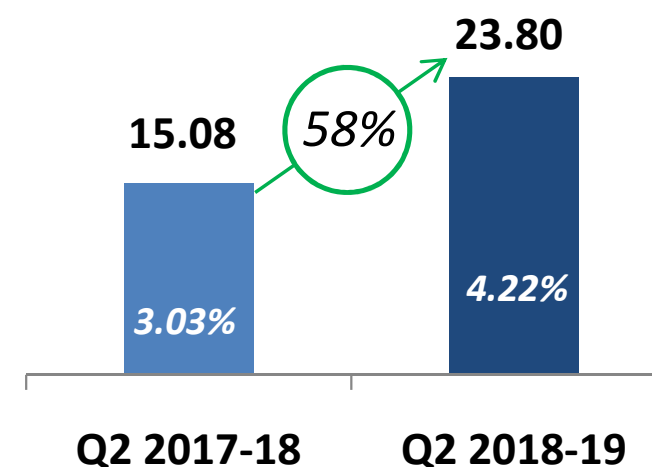
Improvement in PBT by 31% over corresponding quarter

EBITDA



Realisation of EBITDA Level of 11.55%, higher by 14% over corresponding quarter

PAT



PAT levels at 4.22% higher by 58% over corresponding quarter



Key Indicators

Indicators	Q2 2018-19	Q2 2017-18	Change	Status
Net Sales (Rs lac)	56,336	49,694	6,642	●
Other Income (Rs lac)	576	292	284	●
Material Cost	70.33%	71.48%	(1.15)	●
Employee Cost	9.51%	9.03%	0.48	×
Other Expenses	9.74%	8.59%	1.15	×
Op. EBIDTA	11.55%	11.53%	0.02	●
Finance Cost	2.37%	2.05%	0.32	×
Depreciation	3.54%	4.59%	(1.05)	●
PBT (before exceptional)	5.65%	4.89%	0.76	●
PAT	4.22%	3.03%	1.19	●

●	Positive	■	Moderate - variation upto 5%	×	Negative - variation exceeding 5%
---	----------	---	------------------------------	---	-----------------------------------

Key aspects

- Staff cost is higher due to salary/wage revision , higher production
- Other expenses are higher due to increase in selling & distribution expenses ie Freight, Packing material etc
- Finance cost is high because of MTM loss on foreign currency liabilities as a result of currency depreciation.
- Other income are higher due to realized currency gain on Hedging & MTM on derivative contracts.

Financial Highlights of the Quarter

Result analysis – H1 - FY 2018-19 v/s H1 - FY 2017-18

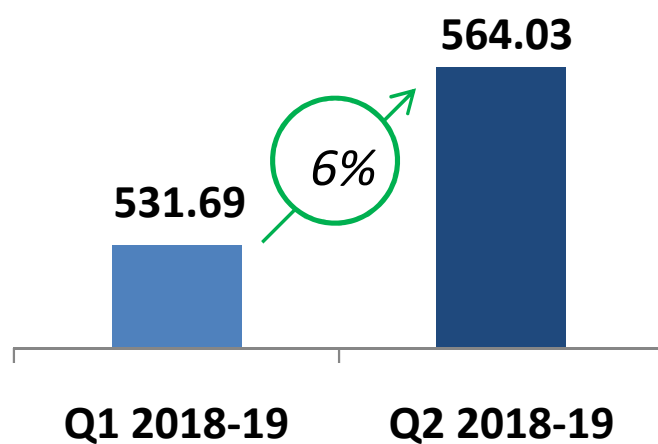
Result analysis – Q2 - FY 2018-19 v/s Q2 - FY 2017-18

Result analysis – Q2 - FY 2018-19 v/s Q1 - FY 2018-19

Way Forward

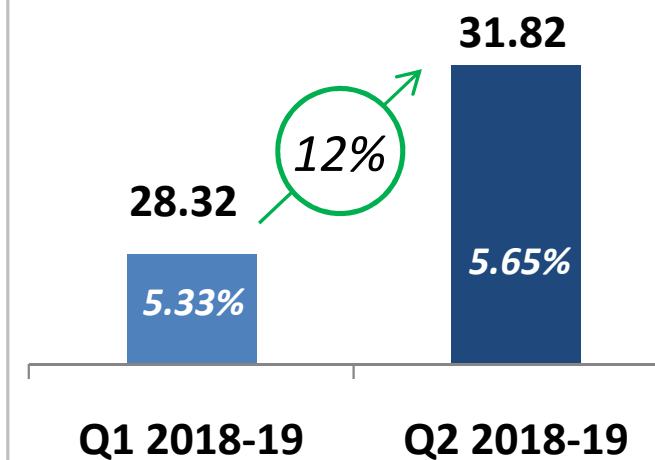
(Values in Rs Crore)

Revenues



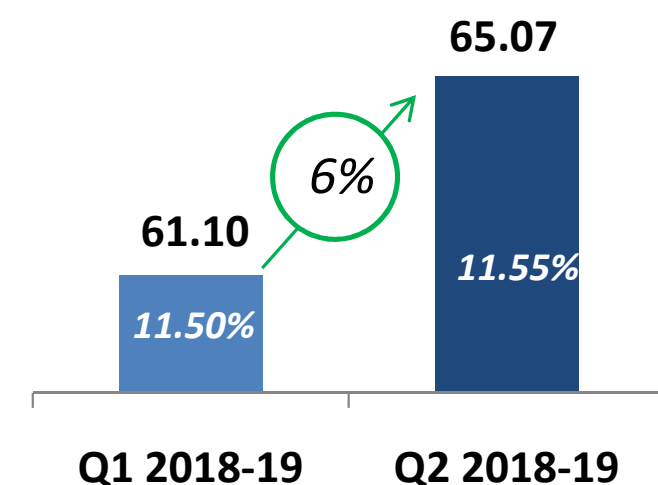
Revenues recorded a growth of 6% in Q2 2018-19 over Previous Quarter

PBT



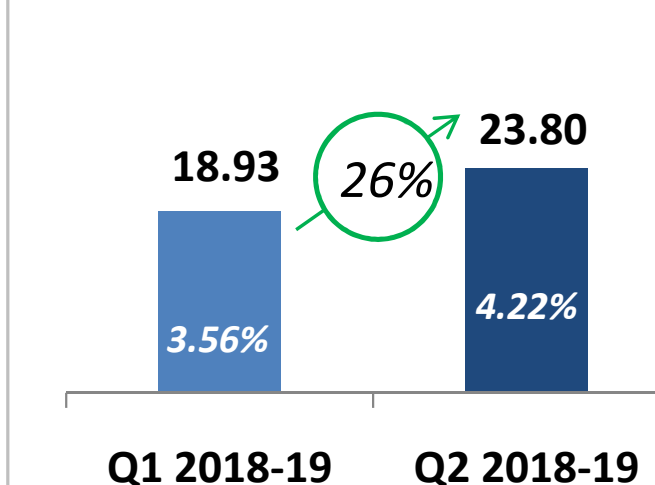
- Improvement in PBT by 12% over previous Quarter
- No Exceptional Expenses incurred in Q2 FY 2018-19

EBITDA



- Realisation of EBITDA Level of 11.55%
- Improvement in EBITDA margins, Q2 FY 2018-19 -11.55% v/s Q1 FY 2018-19 -11.50%

PAT



Improvement in PAT (after tax) by 26% over previous Quarter.



Key Indicators

Indicators	Q2 2018-19	Q1 2018-19	Change	Status
Net Sales (Rs. lac)	56,336	53,108	3,228	●
Other Income (Rs. lac)	576	411	165	●
Material Cost	70.33%	70.35%	(0.02)	●
Employee Cost	9.51%	9.90%	(0.39)	●
Other Expenses	9.74%	9.13%	0.61	■
Op. EBIDTA	11.55%	11.50%	0.05	●
Finance Cost	2.37%	2.64%	(0.27)	●
Depreciation	3.54%	3.53%	0.01	●
PBT (before exceptional)	5.65%	5.33%	0.32	●
PAT	4.22%	3.56%	0.66	●



Positive



Moderate - variation upto 5%



Negative - variation exceeding 5%

Financial Highlights of the Quarter

Result analysis – H1 - FY 2018-19 v/s H1 - FY 2017-18

Result analysis – Q2 - FY 2018-19 v/s Q2 - FY 2017-18

Result analysis – Q2 - FY 2018-19 v/s Q1 - FY 2018-19

Way Forward



Market and Revenue Potential

**Growth in Line with Indian Car and CV Segment
(Double Digit Growth in 2018-19)**



**Business Expansion in Bus, Railways, Truck AC, Home AC Segment
(Growth >10% over last year)**



Potential of Truck AC likely to change in 2020 from Blower



Operational Aspects

**Mitigating Impact of Foreign Exchange Fluctuations
(Consistent Hedging Policy)**



**Material Cost Down thru VA/VE, Alternate sourcing
(Focus on Localisation for De-risking FE Impact)**



Improvement in EBIDTA and ROCE



Settlement of Insurance Claim



Thank You

www.subros.com