

BALANCE SHEET AS AT 31st March,2018

| Particulars | Notes | As at 31st March 2018 | As at 31st March 2017 |
|---|-------|-----------------------|-----------------------|
| | | INR | INR |
| Assets | | | |
| Non-current assets | | | |
| Property, plant and equipment | 3 | 5,48,25,109 | 5,75,54,483 |
| Capital work-in-progress | 3 | - | - |
| Intangible assets | | - | - |
| Financial Assets: | | | |
| Non-current Investments | 4 | 25,000 | 25,000 |
| Long term loans and advances | 5 | 25,31,472 | 25,88,694 |
| Other non-current financial assets | 6 | 11,34,879 | 11,34,879 |
| Other non-current assets | 7 | 22,272 | 22,272 |
| Total Non-current assets | | 5,85,38,732 | 6,13,25,328 |
| Current assets | | | |
| Inventories | 8 | 34,15,533 | 34,28,165 |
| Financial Assets: | | | |
| Trade and other receivables | 9 | 2,94,093 | 40,51,012 |
| Cash and cash equivalents | 10 | 26,60,762 | 15,43,423 |
| Short term loans and advances | 11 | 53,96,226 | 48,94,454 |
| Other current financial assets | 12 | 7,15,628 | 3,79,992 |
| Prepayments | 13 | 15,923 | 15,01,551 |
| Other current assets | 14 | 51,842 | 1,73,890 |
| Total Current assets | | 1,25,50,007 | 1,59,72,487 |
| Total Assets | | 7,10,88,739 | 7,72,97,815 |
| Equity and liabilities | | | |
| Equity | | | |
| Equity Share Capital | 15 | 6,43,16,200 | 6,43,16,200 |
| Other Equity | 16 | | |
| Retained earnings | | (14,71,22,761) | (5,87,82,472) |
| Other Reserves | | 13,18,432 | 13,18,432 |
| Total Equity | | (8,14,88,129) | 68,52,160 |
| Share application money pending allotment | | - | - |
| Non-current liabilities: | | | |
| Financial Liabilities | | | |
| Long term borrowings | 17 | 15,10,00,000 | 3,50,00,000 |
| Long-term provisions | 18 | - | 1,74,18,886 |
| Total non-current liabilities | | 15,10,00,000 | 5,24,18,886 |
| Current liabilities: | | | |
| Financial Liabilities | | | |
| Trade and other payables | 19 | 13,93,728 | 1,72,77,259 |
| Other current financial liabilities | 20 | 1,40,686 | 1,40,686 |
| Other current liabilities | 21 | 42,454 | 4,12,947 |
| Short-term provisions | 22 | - | 1,95,877 |
| Total current liabilities | | 15,76,868 | 1,80,26,769 |
| Liabilities associated with groups of assets held for disposal | | | |
| Total equity and liabilities | | 7,10,88,739 | 7,72,97,815 |

Significant Accounting Policies and notes on Accounts 1-34
The notes referred to above form an integral part of the Financial Statements.
As per our report of even date.

For PAULSON & COMPANY
Chartered Accountants

CA. PAULOSE PAUL, B.Com., FCA, CISA (USA)
Membership No. 220751; FR No. 002620S
PARTNER

Cochin-17
19.04.2018



For and on behalf of Board of Directors of Rado Tyres Limited

John M John
John M John
Director

P.A. Krishnamoorthy
P.A. Krishnamoorthy
Director

Kamlesh Ramakant Talekar
Kamlesh Ramakant Talekar
Manager

Geeta Bandekar
Geeta Bandekar
Company Secretary

Cochin-11
19.04.2018

RADO TYRES LIMITED

BLDG NO. 39/3B & 39/3B1, OPP. KRISHNA HOSPITAL, CHITTOOR ROAD, COCHIN-682011.

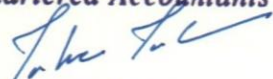
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

| Particulars | Notes | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
|--|-------|--------------------------------------|--------------------------------------|
| | | INR | INR |
| Revenue from operations | 23 | 17,13,121 | 8,83,55,321 |
| Other Income | 24 | 14,33,128 | 14,50,980 |
| Total Revenue | | 31,46,249 | 8,98,06,301 |
| Expenses: | | | |
| Conversion / Job Work Expenses | 25 | 29,21,088 | 5,26,15,683 |
| Employee benefit expense | 26 | 36,92,017 | 4,03,24,455 |
| Finance costs | 27 | 11,28,252 | 10,69,268 |
| Depreciation and amortization expense | 28 | 27,29,374 | 31,97,884 |
| Other expenses | 29 | 40,22,518 | 50,38,368 |
| Total Expenses | | 1,44,93,249 | 10,22,45,658 |
| (Loss) before exceptional items and tax | | (1,13,47,000) | (1,24,39,357) |
| Exceptional items | 31 | 7,56,58,119 | - |
| (Loss) before tax | | (8,70,05,119) | (1,24,39,357) |
| Tax expense: | | | |
| Current tax | | - | |
| Deferred tax | | - | |
| (Loss) for the period | | (8,70,05,119) | (1,24,39,357) |
| Other Comprehensive Income | | | |
| Items that will not be reclassified to profit or loss | | - | |
| Actuarial gain/ (losses) for Gratuity | | (13,35,170) | 11,224 |
| Total Comprehensive Income for the period (Comprising (Loss) and Other Comprehensive Income for the period) | | (8,83,40,289) | (1,24,28,133) |
| Earnings per equity share : | 30 | | |
| Basic | | (5.49) | (0.77) |
| Diluted | | (5.49) | (0.77) |

Significant Accounting Policies and notes on Accounts 1-34
 The notes referred to above form an integral part of the Financial Statements.
 As per our report of even date.

For and on behalf of Board of Directors of Rado Tyres Limited

For PAULSON & COMPANY
Chartered Accountants



CA. PAULOSE PAUL, B.Com., FCA, CISA (USA)
 Membership No. 220751; FR No. 002620S
PARTNER




John M. John
 Director



Kamlesh Ramakant Talekar
 Manager



P.A. Krishnamoorthy
 Director



Geeta Bandekar
 Company Secretary

Cochin-17
 19.04.2018

Cochin-11
 19.04.2018

RADO TYRES LIMITED

Cash flow statement for the Year ended 31st March,2018

(All amount are Indian rupees, except share data and where otherwise stated)

| Particulars | For the Year ended 31-03-2018 | For the year ended 31-03-2017 |
|---|----------------------------------|----------------------------------|
| | INR | INR |
| Cash flows from operating activities | | |
| Loss before taxation | (8,70,05,119) | (1,24,39,357) |
| Adjustments: | | |
| Depreciation and amortisation | 27,29,374 | 31,97,884 |
| Interest income | (2,95,609) | (9,14,847) |
| Interest charges | - | 10,69,268 |
| Actuarial gain/ (losses) for Gratuity | (13,35,170) | 11,224 |
| Operating cash flows before working capital changes | (8,59,06,524) | (90,75,828) |
| (Increase)/decrease in trade recievables | 37,56,919 | 46,35,168 |
| (Increase)/decrease in inventories | 12,632 | (84,066) |
| (Increase)/decrease in loans and advances | 11,63,126 | 3,53,024 |
| Increase/(decrease) in liabilities and provisionfs | (3,38,68,787) | 54,26,303 |
| Cash from operations | (11,48,42,634) | 12,54,601 |
| Net cash from operating activities (A) | (11,48,42,634) | 12,54,601 |
| Cash flows from investing activities | | |
| Purchase of fixed assets | - | (39,617) |
| Interest received | (40,027) | 9,03,095 |
| Net cash used in investing activities (B) | (40,027) | 8,63,478 |
| Cash flows from financing activities | | |
| 12.5% Redeemable Cumulative Preference Shares | 11,60,00,000 | - |
| Repayment of borrowings, net | - | - |
| Interest paid | - | (10,69,268) |
| Net cash used in financing activities (C) | 11,60,00,000 | (10,69,268) |
| Net increase /(Decrease)in cash and cash equivalents (A+B+C) | 11,17,339 | 10,48,811 |
| Cash and cash equivalents at beginning of period | 15,43,423 | 4,94,612 |
| Cash and cash equivalents at end of the period (refer note 10) | 26,60,762 | 15,43,423 |

Significant Accounting Policies and Notes on Accounts.

1 - 34

The notes referred to above form an integral part of the Financial Statements.

As per our report of even date.

For and on behalf of Board of Directors of Rado Tyres Limited.

For PAULSON & COMPANY
Chartered Accountants



CA. PAULOSE PAUL, B.Com., FCA, CISA (USA)
Membership No. 220751; FR No. 002620S
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John M. John
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Manager

Geeta Bandekar
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Cochin-17
19.04.2018



Cochin-11
19.04.2018

Statement of changes in equity for the Year ended 31st March, 2017

| Particulars | (INR) | | | | | | | | |
|-----------------------------------|--------------------------------|---------------|------------------------|----------------------|-------------------------|----------------------------|--------------------------------------|---------------------------|------------------|
| | Issued & fully paid up capital | Share premium | Other capital reserves | Retained earnings | Cash flow hedge reserve | Available-for-sale reserve | Foreign currency translation reserve | Asset revaluation reserve | Total |
| As at 1 April 2016 | 6,43,16,200 | - | 13,18,432 | (4,63,54,339) | - | - | - | - | 1,92,80,293 |
| Loss for the period | - | - | - | (1,24,39,357) | - | - | - | - | (1,24,39,357) |
| Other comprehensive income | - | - | - | 11,224 | - | - | - | - | 11,224 |
| Total comprehensive income | 6,43,16,200 | - | 13,18,432 | (5,87,82,472) | - | - | - | - | 68,52,160 |
| Issue of share capital | - | - | - | - | - | - | - | - | - |
| Share-based payments | - | - | - | - | - | - | - | - | - |
| As at 31st March, 2017 | 6,43,16,200 | - | 13,18,432 | (5,87,82,472) | - | - | - | - | 68,52,160 |

Statement of changes in equity for the Year ended 31st March, 2018

| Particulars | (INR) | | | | | | | | |
|-----------------------------------|--------------------------------|---------------|------------------------|-----------------------|-------------------------|----------------------------|--------------------------------------|---------------------------|----------------------|
| | Issued & fully paid up capital | Share premium | Other capital reserves | Retained earnings | Cash flow hedge reserve | Available-for-sale reserve | Foreign currency translation reserve | Asset revaluation reserve | Total |
| As at 1 April 2017 | 6,43,16,200 | - | 13,18,432 | (5,87,82,472) | - | - | - | - | 68,52,160 |
| Loss for the period | - | - | - | (8,70,05,119) | - | - | - | - | (8,70,05,119) |
| Other comprehensive income | - | - | - | (13,35,170) | - | - | - | - | (13,35,170) |
| Total comprehensive income | 6,43,16,200 | - | 13,18,432 | (14,71,22,761) | - | - | - | - | (8,14,88,129) |
| Issue of share capital | - | - | - | - | - | - | - | - | - |
| Share-based payments | - | - | - | - | - | - | - | - | - |
| As at 31st March, 2018 | 6,43,16,200 | - | 13,18,432 | (14,71,22,761) | - | - | - | - | (8,14,88,129) |



RADO TYRES LIMITED

**REG. OFFICE: Bldg. No. 39/3B & 39/3BI, Opp. Krishna Nursing Home,
Chittoor Road, Cochin - 682 011**

**NOTES FORMING PART TO FINANCIAL STATEMENTS FOR THE YEAR
ENDED
31stMARCH 2018**

1. CORPORATE INFORMATION

Rado Tyres Limited is a public company incorporated in India under the provisions of the Companies Act. The Company is engaged in the business of an Automobile Tyre manufacturing based in Nellikuzhy near Kothamangalam. The company is manufacturing tyres for CEAT Limited.

As of 31st March 2018, CEAT Limited holding 58.6%, Instant Holding Ltd holding 17% and Swallo Associates LLP (formerly RPG Cellular investments) holding 9.6% of Company's equity share capitals are the major Shareholders. The Registered office of Company is situated in Cochin, Kerala.

2 BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of accounting and preparation of financial statements:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

These financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets measured at fair value (refer accounting policy regarding financial instruments)

2. Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:



- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3. Revenue recognition:

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue from contracts priced on a time and material basis is recognised as services are rendered and as related costs are incurred

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.



4. Accounting for Government grants:

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual installments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

Export Incentives such as focus market scheme, Focus products scheme and special focus market scheme are recognized in the Statement of Profit and Loss as a part of other operating revenues.

5. Taxes

Current income tax:

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.



Deferred tax:

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.



Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

6. Non-current assets held for sale

The Company classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required for completing the sale/ distribution should indicate that it is unlikely that significant change to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment once classified as held for sale/ distribution to owners are not depreciated or amortised.



7. Property, plant and equipment

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

| Asset Class | Useful life |
|--------------------------|---------------------|
| Buildings | 50 years - 60 years |
| Plant & Machinery | 15 years - 20 years |
| Moulds | 6 years |
| Computers | 3 years |
| Furniture & Fixtures | 10 years |
| Office Equipment | 5 years |
| Motor Vehicles | 8 years |
| Carpeted Roads- RCC | 10 years |
| Computer Servers | 6 years |
| Electrical Installations | 20 years |
| Hand Carts, Trolleys | 15 years |

The management has estimated, supported by independent assessment by professional, the useful lives of the following class of assets.

- Factory buildings - 50 years (Lower than those indicated in Schedule II of the Companies Act, 2013)
- Plant & Machinery – 20 years (Higher than those indicated in Schedule II of the Companies Act, 2013)
- Electrical Installations – 20 years (Higher than those indicated in Schedule II of the Companies Act, 2013)

The management believes that the depreciation rates fairly reflect its estimation of the useful lives and residual values of the fixed assets.



An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

8. Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.



Intangible assets are amortised on straight line method as under:

- Software expenditure have been amortised over a period of three years.
- Technical Know-how and Brands are amortised over a period of twenty years.

Research and development costs:

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

9. Borrowing costs:

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

To the extent that the Company borrows funds specifically for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the period less any investment income on the temporary investment of those borrowings.



To the extent that the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

10 Leases:

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee:

Finance lease

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis unless payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Company as a lessor:

Finance lease

There are no finance leases where the Company is a lessor.



Operating lease

Rental income from operating lease is recognised on a straight line basis over the lease term unless payments to the Company are structured to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increase. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

11 Inventories:

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

- Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis. Cost of raw material is net of duty benefits under Duty Entitlement Exemption Certificate (DEEC) scheme.
- Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
- Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.



12 Impairment of non-financial assets:

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.



13 Provisions:

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

14 Retirement and other employee benefits:

Defined Contribution plan

Retirement benefit in the form of provident fund, Superannuation, Employees State Insurance Contribution and Labour Welfare fund are defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan

The Company provides for retirement benefit in the form of gratuity. The Company's liability towards this benefit is determined on the basis of actuarial valuation using Projected Unit Credit Method at the date of balance sheet.

Remeasurement, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest



on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurement is not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Compensated absences

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit and this is shown under short term provision in the Balance Sheet. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes and this is shown under long term provisions in the Balance Sheet. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where the Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Termination benefits

The Company recognizes termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle



the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefit falls due for more than 12 months after the balance sheet date, they are measured at present value of the future cash flows using the discount rate determined by reference to market yields at the balance sheet date on the government bonds.

15 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.



Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

Financial liabilities**Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit



or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and how they are accounted for:

| Original classification | Revised classification | Accounting treatment |
|-------------------------|------------------------|--|
| Amortised cost | FVTPL | Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L. |
| FVTPL | Amortised Cost | Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount. |
| Amortised cost | FVTOCI | Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification. |
| FVTOCI | Amortised cost | Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost. |
| FVTPL | FVTOCI | Fair value at reclassification date becomes its new carrying amount. No other adjustment is required. |
| FVTOCI | FVTPL | Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date. |



16 Cash and cash equivalents:

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

16 Foreign currencies:

The Company's financial statements are presented in INR, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at INR spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

17 Earnings per share:

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

18 Significant accounting judgments, estimates and assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could



result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialised.

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the Company's domicile.

b) Defined benefit plans (gratuity benefits)

The Company's obligation on account of gratuity and compensated absences is determined based on actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.



The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in note 19.

c) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

19 Related party transactions:

Related Party: CEAT LIMITED (As certified by the Management) Refer Note 33

20 Post-retirements benefit plan:

a) Defined Contribution plan

The Company has recognised and included in Note No.26 "Contribution to Provident and other funds" expenses towards the defined contribution plan as under:

| Particulars | 31 March 2018 | 31 March 2017 |
|---|---------------|---------------|
| Contribution to Provident fund (Government) | 2,53,130 | 25,83,024 |

b) Defined Benefit plan - Gratuity

The Company has a defined benefit gratuity plan which is funded with an Insurance company in the form of qualifying Insurance policy.

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, every employee who has completed five years of service gets a gratuity on separation @ 15 days of last drawn salary for each completed year of service.

i) Change in present value of the defined benefit obligation are as follows:

| Sr. No. | Particulars | 31 March 2018 | 31 March 2017 |
|---------|--|---------------|---------------|
| 1. | Opening present value of Defined Benefit obligation | 1,82,79,798 | 1,67,81,768 |
| 2. | Current Service Cost | - | 8,19,458 |
| 3. | Interest Cost | 12,87,813 | 12,71,561 |
| 4. | Benefits paid | (21,052,115) | (5,24,994) |
| 5. | Actuarial (Gain) / Loss on obligation | (14,84,504) | (67,995) |
| 6. | Net transfer in / (out) (including the effect of any business combinations / divestures) | - | - |



| | | | |
|----|-------------------------------------|---|-------------|
| 7. | Closing present value of obligation | - | 1,82,79,798 |
|----|-------------------------------------|---|-------------|

ii) Changes in Fair value of Plan Assets during the year ended March 31, 2018

| Sr. No. | Particulars | 31 March 2018 | 31 March 2017 |
|---------|--|---------------|---------------|
| 1. | Fair value of plan assets as at April 1 | 22,64,881 | 26,44,353 |
| 2. | Expected return on plan assets | 1,59,561 | 2,02,293 |
| 3. | Contributions made | - | - |
| 4. | Benefits paid | (23,61,334) | (5,24,994) |
| | Actuarial gain / (Loss) on plan assets | 1,49,334 | (56,771) |
| 6. | Fair value of plan assets as at March 31 | 2,12,442 | 22,64,881 |

iii) Changes in the Effect of Asset Ceiling are as below:

| Sr. No. | Particulars | 31 March 2018 | 31 March 2017 |
|---------|--|---------------|---------------|
| 1. | Effect of Asset Ceiling at the beginning | - | - |
| 2. | Interest Expense or Cost (to the extent not recognised in net interest expense) | - | - |
| 3. | Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling | - | - |
| 4. | Effect of Asset Ceiling at the end | - | - |

iv) Expenses recognised during the period:

| Particulars | 31 March 2018 | 31 March 2017 |
|--|------------------|------------------|
| In Income Statement | 11,28,252 | 18,88,726 |
| In Other Comprehensive Income | 13,35,170 | (11,224) |
| Total Expenses recognised during the period | 24,63,422 | 18,77,502 |

v) Net employee benefits expenses recognized in the employee cost

| Sr. No. | Particulars | 31 March 2018 | 31 March 2017 |
|---------|-------------|---------------|---------------|
|---------|-------------|---------------|---------------|



| | | | |
|----|-------------------------------------|-----------|-----------|
| | | | |
| 1. | Current Service Cost | - | 8,19,458 |
| 2. | Interest Cost on benefit obligation | 11,28,252 | 10,69,268 |
| 3. | Net benefit expense* | 11,28,252 | 18,88,726 |

vi) Expenses recognized in other comprehensive income:

| Particulars | 31 March 2018 | 31 March 2017 |
|---|------------------|-----------------|
| Actuarial changes arising from changes in demographic assumptions | - | - |
| Actuarial changes arising from changes in financial assumptions | - | 7,92,392 |
| Actuarial changes arising from changes in experience variance | 14,84,504 | (8,60,387) |
| Return on plan assets, excluding amount recognized in net interest expense | (1,49,334) | 56,771 |
| Components of defined benefit costs recognized in other comprehensive income | 13,35,170 | (11,224) |

vii) Net Assets / (Liability) as at March 31, 2018

| Sr. No. | Particulars | 31 March 2018 | 31 March 2017 |
|---------|--|---------------|---------------|
| 1. | Closing Present value of the defined benefit obligation | - | 1,82,79,798 |
| 2. | Closing Fair value of plan Assets | 2,12,442 | 22,64,881 |
| 3. | Net Assets / (Liability) recognized in the Balance Sheet | 2,12,442 | (1,60,14,917) |

viii) Actual return on plan assets for the year ended March 31, 2018:

| Sr. No. | Particulars | 31 March 2018 | 31 March 2017 |
|---------|--|---------------|---------------|
| 1. | Expected return on plan assets | 1,59,561 | 2,02,293 |
| 2. | Actuarial gain / (loss) on plan assets | 1,49,334 | (56,771) |
| 3. | Actual return on plan assets | 3,08,895 | 1,45,522 |



ix) The major categories of Plan Assets as a percentage of the Fair Value of Plan Assets are as follows:

| Particulars | 31 March 2018 | 31 March 2017 |
|-------------------------|---------------|---------------|
| Investment with Insurer | 100% | 100% |

x) The principal assumptions used in determining gratuity and leave encashment for the Company's plan are shown below:

| Particulars | 31 March 2018 |
|--|--|
| Discount Rates (per annum) | 0.00% |
| Salary growth rate (per annum) | 0.00% |
| Rate of return on plan assets. | 0.00% |
| Mortality Table | Indian Assured Lives Mortality (IALM) (2006-08) Modified Ultimate |
| Disability | 5.00% of mortality rate |
| Withdrawal (rate of employee turnover) | Up to 30 years-0.00% 31-45 years -0.00% Above 45 years-0.00% |
| Retirement Age | 58 Years |

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority and other relevant factors, such as supply and demand in the employment market. The sensitivity analysis above have been determined based on reasonably possible change of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

22) Factory Operations & Going Concern

The factory operations of the company have been suspended and the company is to be considered as a Going Concern due to the following reasons:

- The Machineries of factory are in running condition and are capable of producing tyres.



- Company has all the licenses and approvals in tact to carry on the business of manufacture of tyres. Panchayath license has been applied for and fees remitted.
- There is a possible option to give the factory on lease to interested parties for the manufacture of tyres based on proper agreement, and the management is in the process of reviewing the same.



Note 3: Property, plant and equipment

INR

| Particulars | Freehold land | Buildings | Plant and Machinery (Owned) | Furniture and Fixtures | Vehicles | Office equipments | Capital work in progress | Total |
|----------------------------------|---------------|-------------|-----------------------------|------------------------|----------|-------------------|--------------------------|-------------|
| Cost: | | | | | | | | |
| As at 1st April 2017 | 91,89,561 | 1,51,37,296 | 4,02,07,084 | 1 | - | 79,488 | - | 6,46,13,430 |
| Additions | - | - | - | - | - | - | - | - |
| Disposals | - | - | - | - | - | - | - | - |
| Adjustments during the year | - | - | - | - | - | - | - | - |
| As at 31st March 2018 | 91,89,561 | 1,51,37,296 | 4,02,07,084 | 1 | - | 79,488 | - | 6,46,13,430 |
| As at 1st April 2016 | 91,89,561 | 1,51,37,296 | 4,01,85,329 | 1 | - | 61,626 | - | 6,45,73,813 |
| Additions | - | - | 21,755 | - | - | 17,862 | - | 39,617 |
| Disposals | - | - | - | - | - | - | - | - |
| Adjustments during the year | - | - | - | - | - | - | - | - |
| As at 31st March 2017 | 91,89,561 | 1,51,37,296 | 4,02,07,084 | 1 | - | 79,488 | - | 6,46,13,430 |
| Accumulated Depreciation: | | | | | | | | |
| As at 1st April 2017 | - | 11,59,129 | 58,63,646 | - | - | 36,172 | - | 70,58,947 |
| Transferred to Reserve | - | - | - | - | - | - | - | - |
| Depreciation for the Period | - | 3,25,834 | 23,92,739 | - | - | 10,801 | - | 27,29,374 |
| Disposals | - | - | - | - | - | - | - | - |
| Adjustments during the year | - | - | - | - | - | - | - | - |
| As at 31st March 2018 | - | 14,84,963 | 82,56,385 | - | - | 46,973 | - | 97,88,321 |
| As at 1st April 2016 | - | 8,33,297 | 30,06,169 | - | - | 21,597 | - | 38,61,063 |
| Depreciation for the year | - | 3,25,832 | 28,57,477 | - | - | 14,575 | - | 31,97,884 |
| Disposals | - | - | - | - | - | - | - | - |
| Adjustments during the year | - | - | - | - | - | - | - | - |
| As at 31st March 2017 | - | 11,59,129 | 58,63,646 | - | - | 36,172 | - | 70,58,947 |
| Net Book Value: | | | | | | | | |
| As at 31st March 2018 | 91,89,561 | 1,36,52,333 | 3,19,50,699 | 1 | - | 32,515 | - | 5,48,25,109 |
| As at 31st March 2017 | 91,89,561 | 1,39,78,167 | 3,43,43,438 | 1 | - | 43,316 | - | 5,75,54,483 |

Net Book Value

| | 31 March 2017 | 31st March 2018 |
|-------------------------------|---------------|-----------------|
| Property, plant and equipment | 5,75,54,483 | 5,48,25,109 |
| Capital work in progress | - | - |



NOTES FORMING PART OF BALANCESHEET AS AT MARCH 31, 2018

4. NON-CURRENT INVESTMENTS

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--|--------------------------|--------------------------|
| | INR | INR |
| Unquoted Non - Trade Investments (at Cost) | | |
| a. National Saving Certificates VIII issue (Pledged as security for Sales Tax purpose) | 15,000 | 15,000 |
| b. 1,000 Shares of Rs.10 each in Rado Employees Cooperative Society Less: Provision for diminution in value of investment | 10,000 - | 10,000 - |
| Total | 25,000 | 25,000 |

5. LONG-TERM LOANS AND ADVANCES

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--|--------------------------|--------------------------|
| | INR | INR |
| Unsecured, considered good: Security Deposits | 25,31,472 | 25,88,694 |
| Total | 25,31,472 | 25,88,694 |

6. OTHER NON -CURRENT FINANCIAL ASSETS

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|---|--------------------------|--------------------------|
| | INR | INR |
| Unsecured, considered good: Margin Money Deposits * The margin deposits are for bank guarantees given to statutory authorities for more than 12 months. | 11,34,879 | 11,34,879 |
| Total | 11,34,879 | 11,34,879 |

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--|--------------------------|--------------------------|
| | INR | INR |
| Margin Money Deposit | | |
| Held as Security for Bank Guarantee | 5,64,069 | 5,64,069 |
| Held as Security for Bank Guarantee - KSEB | 5,70,810 | 5,70,810 |
| | 11,34,879 | 11,34,879 |



NOTES FORMING PART OF BALANCESHEET AS AT MARCH 31, 2018

7. OTHER NON-CURRENT ASSETS

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|---|--------------------------|--------------------------|
| | INR | INR |
| Capital advances | 22,272 | 22,272 |
| Security Deposits | - | - |
| Loans and advance to related parties | - | - |
| Advance payment of Tax (Net of provision) | - | - |
| Total | 22,272 | 22,272 |

8. INVENTORIES

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|-------------------|--------------------------|--------------------------|
| | INR | INR |
| Stores and Spares | 34,15,533 | 34,28,165 |
| Total | 34,15,533 | 34,28,165 |

INVENTORIES (Valued at cost or net realizable value whichever is lower.)

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|-----------------------|--------------------------|--------------------------|
| | INR | INR |
| Diesel stock | 22,106 | 34,738 |
| Briquetted solid Fuel | 63,215 | 63,215 |
| Furnace Oil | 1,28,795 | 1,28,795 |
| Stores & spares | 32,01,417 | 32,01,417 |
| Total | 34,15,533 | 34,28,165 |



NOTES FORMING PART OF BALANCESHEET AS AT MARCH 31, 2018

9. TRADE AND OTHER RECEIVABLES

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--|--------------------------|--------------------------|
| | INR | INR |
| Debts Outstanding for a period exceeding 6 months from the date they are due for payment : | | |
| Unsecured, considered good | - | - |
| Unsecured, considered doubtful | - | - |
| Less : Provision for doubtful debts | - | - |
| | - | - |
| Other Debts - Unsecured, considered good (Related Party: CEAT Ltd) | 2,94,093 | 40,51,012 |
| | 2,94,093 | 40,51,012 |
| Total | 2,94,093 | 40,51,012 |

10. CASH AND CASH EQUIVALENTS

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|---------------------|--------------------------|--------------------------|
| | INR | INR |
| Balances with Banks | | |
| On current Accounts | 5,57,258 | 15,35,482 |
| Fixed Deposits | 21,00,000 | |
| Cash on hand | 3,504 | 7,941 |
| Others: | - | - |
| Total | 26,60,762 | 15,43,423 |

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|----------------------|--------------------------|--------------------------|
| | INR | INR |
| Balances with Banks | | |
| On current Accounts | 5,57,258 | 15,35,482 |
| Fixed Deposits | 21,00,000 | |
| Cash on hand | 3,504 | 7,941 |
| Less: Bank overdraft | - | - |
| | 26,60,762 | 15,43,423 |



NOTES FORMING PART OF BALANCESHEET AS AT MARCH 31, 2018

11. SHORT TERM LOANS AND ADVANCES

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--|--------------------------|--------------------------|
| | INR | INR |
| Unsecured, Considered Good: | | |
| Advance Receivable in Cash or Kind or for Value to be Received | - | - |
| Balance with Statutory and Government authorities | 53,96,226 | 48,94,454 |
| Other Receivables | - | - |
| Unsecured, Considered Doubtful: | | |
| Loans advances and deposits | - | - |
| Less: Provision for doubtful advances and deposits | - | - |
| Total | 53,96,226 | 48,94,454 |

12. OTHER CURRENT FINANCIAL ASSETS

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|---------------------|--------------------------|--------------------------|
| | INR | INR |
| Interest Receivable | 5,03,186 | 3,79,992 |
| Other Receivables | 2,12,442 | - |
| Total | 7,15,628 | 3,79,992 |

Break up of financial assets carried at amortised cost

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|---|--------------------------|--------------------------|
| | INR | INR |
| Non-current Investments (Note 4) | 25,000 | 25,000 |
| Long term loans and advances (Note 5) | 25,31,472 | 25,88,694 |
| Other non-current financial assets (Note 6) | 11,34,879 | 11,34,879 |
| Trade and other receivables (Note 9) | 2,94,093 | 40,51,012 |
| Cash and cash equivalents (Note 10) | 26,60,762 | 15,43,423 |
| Short term loans and advances (Note 11) | 53,96,226 | 48,94,454 |
| Other current financial assets (Note 12) | 7,15,628 | 3,79,992 |
| Total | 1,27,58,060 | 1,46,17,454 |



15. EQUITY SHARE CAPITAL

| Sl. No: | PARTICULARS | As at 31-03-2018 | As at 31-03-2017 |
|---------|---|---|---|
| | | (INR) | (INR) |
| a. | Authorised Shares 2,25,00,000 Equity Shares of Rs.4/- each 17,00,000 , 12.5% Redeemable Cumulative Preference Shares of Rs. 100 each (5,00,000,12.5% Redeemable cumulative preference shares of Rs. 100 as at 31.03.2017) | 9,00,00,000 17,00,00,000 | 9,00,00,000 5,00,00,000 |
| b. | Issued, Subscribed and fully Paid up shares 1,60,79,050 Equity Shares of Rs.4/- each, fully paid up 15,10,000 , 12.5% Redeemable Cumulative Preference Shares of Rs. 100 each, fully paid up (3,50,000,12.5% Redeemable cumulative preference shares of Rs. 100 as at 31.03.2017) Less: 15,10,000 , 12.5% Redeemable Cumulative Preference Shares of Rs. 100 each, fully paid up (3,50,000,12.5% Redeemable cumulative preference shares of Rs. 100 as at 31.03.2017) (Reclassified under Financial Liability. Refer Note:17) | 26,00,00,000 6,43,16,200 15,10,00,000 (15,10,00,000) | 14,00,00,000 6,43,16,200 3,50,00,000 (3,50,00,000) |
| c. | Reconciliation of Equity shares outstanding at the beginning and at the end of the reporting period | 6,43,16,200 | 6,43,16,200 |

| | As at 31-03-2018 | | As at 31-03-2017 | |
|--------------------------------------|------------------|--------------|------------------|--------------|
| | No. of shares | Amount (INR) | No. of shares | Amount (INR) |
| At the beginning of the period | 1,60,79,050 | 6,43,16,200 | 1,60,79,050 | 6,43,16,200 |
| During the period: | | | | |
| Add: Shares issued / Shares bought | - | - | - | - |
| Outstanding at the end of the period | 1,60,79,050 | 6,43,16,200 | 1,60,79,050 | 6,43,16,200 |



| d. | <p>Terms/rights attached to equity shares.</p> <p>*Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company.</p> <p>* The Company has only one class of shares referred to as equity shares having a par value of Rs.4. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time after subject to of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares.</p> <p>On the account liquidation of the company, the holders of equity shares will be entitled to receive the residual assets of the company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|---------------|------------------|---------------|------------------|--|---------------|---------------|---------------|---------------|---------------------------|-----------|--------|-----------|--------|---------------------------------------|-----------|--------|-----------|--------|--|-----------|-------|-----------|-------|
| e. | <p>(i) The Company has not issued shares for consideration other than cash during the period of five years immediately preceding the reporting date.</p> <p>(ii) The Company has not reserved shares for issue under options and contracts/commitments for the sale of shares/ disinvestment.</p> <p>(iii) The Company has not declared dividend to its equity shareholders.</p> | | | | | | | | | | | | | | | | | | | | | | | | |
| f. | <p>Details of shareholder's holding more than 5% Equity shares in the company</p> <table border="1" data-bbox="858 257 1093 1892"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">As at 31-03-2018</th> <th colspan="2">As at 31-03-2017</th> </tr> <tr> <th>No. of shares</th> <th>% of holdings</th> <th>No. of shares</th> <th>% of holdings</th> </tr> </thead> <tbody> <tr> <td>1 Shares held by CEAT LTD</td> <td>94,16,350</td> <td>58.56%</td> <td>94,16,350</td> <td>58.56%</td> </tr> <tr> <td>2 Shares held by Instant Holdings LTD</td> <td>27,45,310</td> <td>17.07%</td> <td>27,45,310</td> <td>17.07%</td> </tr> <tr> <td>3 Shares held by Swallo Associates LLP (formerly RPG Cellular investments)</td> <td>15,44,240</td> <td>9.60%</td> <td>15,44,240</td> <td>9.60%</td> </tr> </tbody> </table> | | As at 31-03-2018 | | As at 31-03-2017 | | No. of shares | % of holdings | No. of shares | % of holdings | 1 Shares held by CEAT LTD | 94,16,350 | 58.56% | 94,16,350 | 58.56% | 2 Shares held by Instant Holdings LTD | 27,45,310 | 17.07% | 27,45,310 | 17.07% | 3 Shares held by Swallo Associates LLP (formerly RPG Cellular investments) | 15,44,240 | 9.60% | 15,44,240 | 9.60% |
| | As at 31-03-2018 | | As at 31-03-2017 | | | | | | | | | | | | | | | | | | | | | | |
| | No. of shares | % of holdings | No. of shares | % of holdings | | | | | | | | | | | | | | | | | | | | | |
| 1 Shares held by CEAT LTD | 94,16,350 | 58.56% | 94,16,350 | 58.56% | | | | | | | | | | | | | | | | | | | | | |
| 2 Shares held by Instant Holdings LTD | 27,45,310 | 17.07% | 27,45,310 | 17.07% | | | | | | | | | | | | | | | | | | | | | |
| 3 Shares held by Swallo Associates LLP (formerly RPG Cellular investments) | 15,44,240 | 9.60% | 15,44,240 | 9.60% | | | | | | | | | | | | | | | | | | | | | |



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NOTES FORMING PART OF BALANCESHEET AS AT MARCH 31, 2018

13. PREPAYMENTS

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|-------------|--------------------------|--------------------------|
| | INR | INR |
| Prepayments | 15,923 | 15,01,551 |
| Total | 15,923 | 15,01,551 |

14. OTHER CURRENT ASSETS

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--|--------------------------|--------------------------|
| | INR | INR |
| Advance Receivable in Cash or Kind or for Value to be Received | 51,842 | 1,32,771 |
| Balance with Statutory and Government authorities | - | 41,119 |
| Other Receivables | - | - |
| Total | 51,842 | 1,73,890 |

16. OTHER EQUITY

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--|--------------------------|--------------------------|
| | INR | INR |
| Retained Earnings: | | |
| Deficit in the Statement of Profit and Loss | | |
| Balance as per last financial statements | (5,87,82,472) | (4,63,54,339) |
| Add: Loss for the year | (8,83,40,289) | (1,24,28,133) |
| | (14,71,22,761) | (5,87,82,472) |
| Other Reserves: | | |
| Capital Reserve | | |
| Balance in Central & State Investment Subsidy Reserve, | | |
| At the beginning of the period | 13,18,432 | 13,18,432 |
| During the period | - | - |
| | 13,18,432 | 13,18,432 |
| Total | (14,58,04,329) | (5,74,64,040) |



NOTES FORMING PART OF BALANCESHEET AS AT MARCH 31, 2018

17. LONG TERM BORROWINGS

Non-current portion

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|---|--------------------------|--------------------------|
| | INR | INR |
| Preference Share Capital 15,10,000, 12.5% Redeemable Cumulative Preference Shares of Rs. 100 each, fully paid up (3,50,000, 12.5% Redeemable cumulative preference shares of Rs. 100 as at 31.03.2017) | 15,10,00,000 | 3,50,00,000 |
| Total | 15,10,00,000 | 3,50,00,000 |

Note on Preference Share Capital:

Reconciliation of 12.5% Redeemable Cumulative Preference Shares outstanding at the beginning and at the end of the reporting period

| | As at 31-03-2018 | |
|--------------------------------------|------------------|--------------|
| | No. of shares | Amount (INR) |
| At the beginning of the period | 3,50,000 | 3,50,00,000 |
| <u>During the period:</u> | | |
| Add: Shares issued / Shares bought | 11,60,000 | 11,60,00,000 |
| Outstanding at the end of the period | 15,10,000 | 15,10,00,000 |

| | As at 31-03-2017 | |
|--------------------------------------|------------------|--------------|
| | No. of shares | Amount (INR) |
| At the beginning of the period | - | - |
| <u>During the period:</u> | | |
| Add: Shares issued / Shares bought | 3,50,000 | 3,50,00,000 |
| Outstanding at the end of the period | 3,50,000 | 3,50,00,000 |

Terms/rights attached to 12.5% Redeemable Cumulative Preference Shares

- * Preference Shares carry preferential (cumulative) right to dividend, at the coupon rate (i.e. the rate of dividend) 12.50%, when declared.
- * The dividend shall be calculated pro rata i.e. from the date of allotment(s) of such Preference Shares.
- * The Preference Shares do not carry any voting rights except in case of any resolution placed before the Company which directly affects the rights attached to such shares or otherwise provided in the Companies Act, 2013.
- * The Preference Shares have a maximum redemption period of 20 years. However, the same may be redeemed fully or in such tranches, before the aforesaid period, at discretion of the Board. Only fully paid up Preference Shares shall be redeemed.
- * The Preference Shares shall be redeemed at par as per applicable and available mode of redemption.
- * The Preference Shares shall not be listed in any Stock Exchange in India or outside India



NOTES FORMING PART OF BALANCESHEET AS AT MARCH 31, 2018

18. LONG TERM PROVISIONS

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|------------------------------------|--------------------------|--------------------------|
| | INR | INR |
| Unsecured: | | |
| Provision for gratuity (net) | - | 1,60,14,917 |
| Provision for compensated absences | - | 14,03,969 |
| Total | - | 1,74,18,886 |

Movement in Provision for Compensated Absence

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|------------------------------------|--------------------------|--------------------------|
| | INR | INR |
| Provision for compensated absences | | |
| Long Term provision (Note 18) | - | 14,03,969 |
| Short Term Provision (Note 22) | - | 1,95,877 |
| Total | - | 15,99,846 |

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|------------------------------------|--------------------------|--------------------------|
| | INR | INR |
| Provision for compensated absences | | |
| As at the beginning of the period | 15,99,846 | 21,96,331 |
| Additions during the period | - | - |
| Utilised during the period | 15,99,846 | 5,96,485 |
| As at the end of the period | - | 15,99,846 |

19. TRADE AND OTHER PAYABLES

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|-------------------------------------|--------------------------|--------------------------|
| | INR | INR |
| Trade Payables | | |
| Dues to micro and small enterprises | - | 66,43,000 |
| Other trade payables | 13,93,728 | 1,06,34,259 |
| Total | 13,93,728 | 1,72,77,259 |

The details of amount outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|---|--------------------------|--------------------------|
| | INR | INR |
| Principal amount due and remaining unpaid | - | 66,43,000 |
| Interest due on above and the unpaid interest | - | - |
| Interest paid | - | - |
| Payment made beyond the appointed day during the year | - | - |
| Interest due and payable for the period of delay | - | - |
| Interest accrued and remaining unpaid | - | - |
| Amount of further interest remaining unpaid due and payable in succeeding years | - | - |



NOTES FORMING PART OF BALANCESHEET AS AT MARCH 31, 2018

20. OTHER CURRENT FINANCIAL LIABILITIES

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|--|--------------------------|--------------------------|
| | INR | INR |
| Other current financial liabilities at amortised cost: | | |
| Current maturities of long-term debt (refer note 17) | - | - |
| Payable to capital vendors | 1,40,686 | 1,40,686 |
| Total | 1,40,686 | 1,40,686 |

Break up of financial liabilities carried at amortised cost

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|---|--------------------------|--------------------------|
| | INR | INR |
| Borrowings (non-current) (note 17) | 15,10,00,000 | 3,50,00,000 |
| Borrowings (current) (note 20) | - | - |
| Other financial liabilities (current) (note 20) | 1,40,686 | 1,40,686 |
| Trade payables (note 19) | 13,93,728 | 1,72,77,259 |
| Total | 15,25,34,414 | 5,24,17,945 |

21. OTHER CURRENT LIABILITIES

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|----------------|--------------------------|--------------------------|
| | INR | INR |
| Statutory dues | 42,454 | 4,12,947 |
| Total | 42,454 | 4,12,947 |

22. SHORT TERM PROVISIONS

| Particulars | As at 31st March 2018 | As at 31st March 2017 |
|---|--------------------------|--------------------------|
| | INR | INR |
| Provision for employee benefits: | | |
| Provision for compensated absences (Short term) | - | 1,95,877 |
| Provision for Gratuity | - | - |
| Total | - | 1,95,877 |



NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH, 2018

NOTE - 23 REVENUE FROM OPERATIONS

| Sl. No: | PARTICULARS | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
|---------|-------------------------|--------------------------------------|--------------------------------------|
| | | INR | INR |
| a. | Sale of Services | | |
| | Conversion Charges | 17,13,121 | 8,83,55,321 |
| | Other conversion income | - | - |
| | TOTAL | 17,13,121 | 8,83,55,321 |

NOTE - 24 OTHER INCOME

| Sl. No: | PARTICULARS | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
|---------|---------------------------------------|--------------------------------------|--------------------------------------|
| | | INR | INR |
| a. | Interest Income | | |
| i. | Bank Deposits | | |
| | Interest on Bank and Security Deposit | 2,95,609 | 8,13,634 |
| | Interest on Income Tax Refund | - | 1,01,213 |
| | | 2,95,609 | 9,14,847 |
| b. | Other non- operating income | | |
| | Income from Sale of Scrap | 2,06,740 | 70,420 |
| | Provision no Longer Required | - | - |
| | Material usage variance | 7,50,000 | - |
| | Staff Welfare Expenses | 1,68,511 | - |
| | Other income | 10,268 | 313 |
| | Training Fees Received | 2,000 | 4,65,400 |
| | | 11,37,519 | 5,36,133 |
| | TOTAL | 14,33,128 | 14,50,980 |

NOTE - 25 CONVERSION / JOB WORK EXPENSES

| Sl. No: | PARTICULARS | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
|---------|----------------------------|--------------------------------------|--------------------------------------|
| | | INR | INR |
| a | Stores and Spares Consumed | - | 28,84,845 |
| b | Outside Mixing Charges | - | 3,00,890 |
| c | Power and Fuel | 22,38,230 | 3,41,40,750 |
| d | Repairs to Machinery | 2,68,368 | 28,81,038 |
| e | Factory Expenses | 4,14,490 | 97,22,069 |
| f | Material usage variance | - | 26,86,091 |
| | TOTAL | 29,21,088 | 5,26,15,683 |



NOTE - 26 EMPLOYEES BENEFITS EXPENSE

| Sl. No: | PARTICULARS | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
|---------|---|--------------------------------------|--------------------------------------|
| | | INR | INR |
| a. | Salaries, Wages and Bonus | 31,84,414 | 3,13,60,127 |
| b. | Contribution to Provident and other Funds | 2,53,130 | 25,83,024 |
| c. | Gratuity Expenses | - | 8,19,458 |
| d. | Staff Welfare Expenses | 2,54,473 | 55,61,846 |
| | TOTAL | 36,92,017 | 4,03,24,455 |

NOTE - 27 FINANCE COSTS

| Sl. No: | PARTICULARS | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
|---------|-------------------|--------------------------------------|--------------------------------------|
| | | INR | INR |
| a. | Interest Expenses | 11,28,252 | 10,69,268 |
| b. | Others | - | - |
| | TOTAL | 11,28,252 | 10,69,268 |

NOTE - 28 DEPRECIATION AND AMORTIZATION EXPENSES

| Sl. No: | PARTICULARS | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
|---------|---|--------------------------------------|--------------------------------------|
| | | INR | INR |
| a. | Depreciation on Property, Plant and Equipment | 27,29,374 | 31,97,884 |
| | TOTAL | 27,29,374 | 31,97,884 |

NOTE - 29 OTHER EXPENSES

| Sl. No: | PARTICULARS | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
|---------|--|--------------------------------------|--------------------------------------|
| | | INR | INR |
| a | Rent Paid | 1,10,400 | 1,17,600 |
| b | Travelling and Conveyance Expenses | 71,817 | 2,63,082 |
| c | Fees, Rates & Taxes | 10,28,544 | 3,54,025 |
| d | Insurance Charges | 67,380 | 56,226 |
| e | Postage, Telephone and stationery | 3,06,597 | 4,07,790 |
| f | Audit Fees/Expenses | 1,49,800 | 1,27,000 |
| g | Consultancy & Legal expenses | 8,10,962 | 8,65,956 |
| h | Security Charges | 9,58,950 | 10,34,440 |
| i | Office Expenses | 1,06,119 | 74,251 |
| j | Water Charges | 5,935 | 12,27,985 |
| k | AGM, Meetings & Directors Sitting Fees | 2,80,578 | 1,99,822 |
| l | Food Expenses | 53,634 | 72,089 |
| m | Bank Charges | 3,939 | 28,036 |
| n | Repairs and maintenance - Buildings | 4,230 | 1,29,097 |
| o | Miscellaneous Expenses | 63,633 | 80,969 |
| | TOTAL | 40,22,518 | 50,38,368 |



| Sl. No: | PARTICULARS | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
|---------|--------------------------|--------------------------------------|--------------------------------------|
| | | INR | INR |
| | Payments to the auditor: | | |
| a | As auditor | | |
| | Audit fee | 65,000 | 65,000 |
| | Tax audit fee | 20,000 | 20,000 |
| | Limited review | 64,800 | 42,000 |
| b | In other capacity: | | |
| | Taxation matters | - | 35,500 |
| | Total | 1,49,800 | 1,62,500 |

Details of CSR expenditure

| Sl. No: | PARTICULARS | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
|---------|--|--------------------------------------|--------------------------------------|
| | | INR | INR |
| | Gross amount required to be spent during the year | - | - |
| | Amount spent during the quarter ending on 31 Dec 201 | - | - |
| | Construction/acquisition of any asset | - | - |
| | On purposes other than above | - | - |
| | Total | - | - |

NOTE - 30 EARNINGS PER SHARE

| Sl. No: | PARTICULARS | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
|---------|--|--------------------------------------|--------------------------------------|
| | | INR | INR |
| a. | Net Loss as per Statement of Profit and Loss | (8,83,40,289) | (1,24,28,133) |
| b. | Loss available to Equity Share holders | (8,83,40,289) | (1,24,28,133) |
| c. | No. of equity Shares at year end | 1,60,79,050 | 1,60,79,050 |
| d. | Basic Earning Per Share | (5.49) | (0.77) |
| e. | Diluted Earning Per Share | (5.49) | (0.77) |
| f. | Face Value per Equity Share | 4.00 | 4.00 |

NOTE - 31 EXCEPTIONAL ITEMS

| Sl. No: | PARTICULARS | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
|---------|--|--------------------------------------|--------------------------------------|
| | | INR | INR |
| | Voluntary Retirement Scheme(VRS) | 7,29,79,119 | - |
| | Provision for final settlement of gratuity & bonus | 26,79,000 | - |
| | Total | 7,56,58,119.00 | - |



NOTE-32 : Capital management

| PARTICULARS | 31-Mar-18 INR |
|---------------------------------|-------------------------|
| Non current Borrowings | - |
| Current Borrowings | - |
| Trade payables (Note 19) | 13,93,728.00 |
| Less: cash and cash equivalents | 26,60,762.00 |
| Net debt | 40,54,490.00 |
| Total equity capital | (8,14,88,129.00) |
| Capital and net debt | (7,74,33,639.00) |
| Gearing ratio | -5% |

NOTE - 33 RELATED PARTY DICLOSURE

INR in Lakhs

| Sl. No: | PARTICULARS | Name of Related Party | For the Year ended March 31, 2018 | For the Year ended March 31, 2017 |
|---------|---|-----------------------|--------------------------------------|--------------------------------------|
| | | | INR | INR |
| a. | Transactions | | | |
| | Conversion charges received | CEAT Limited | 17.13 | 883.55 |
| | 12.5% Redeemable cumulative preference shares | CEAT Limited | 1,160.00 | - |
| | | | 1,177.13 | 883.55 |
| b. | Amount (due to) / from related parties | | | |
| | 12.5% Redeemable cumulative preference shares | CEAT Limited | 1,510.00 | 350.00 |
| | Debtors / Receivables | CEAT Limited | 2.94 | 40.51 |
| | Creditors/Advance | CEAT Limited | - | - |

NOTE - 34 CONTINGENT LIABILITIES

- (i) During the Financial Year 2017-18, the company had received notice from VAT authorities raising demand of Rs.15,52,273. The Company disputed and has gone for appeal by remitting an amount of Rs.3,10,455 as stipulated in the 2nd proviso to section 55 as amended by Finance Bill 2016.

Significant Accounting Policies and notes on Accounts 1-34

The notes referred to above form an integral part of the Financial Statements.


As per our report of even date.


For and on behalf of Board of Directors of Rado Tyres Limited


For PAULSON & COMPANY
Chartered Accountants

CA. PAULOSE PAUL, B.Com., FCA, CISA (USA)
Membership No. 220751; FR No. 002620S
PARTNER


John M John
Director


Kamlesh Ramakant Talekar
Manager


P.A. Krishnamoorthy
Director


Geeta Bandekar
Company Secretary

Cochin-17
19.04.2018



Cochin-11
19.04.2018