



Annual Report

2013-2014





TYRES LIMITED

BOARD OF DIRECTORS

H.N. SINGH RAJPOOT
Dr. M.V. PYLEE
V.V. AUGUSTINE
Dr. C.K. BALAN
K.N. MATHEW
TOM K. THOMAS
JOHN M. JOHN
P.A. KRISHNAMOORTHY
V. VENUGOPAL
SANJIV KUMAR ARORA - (Special Director - BIFR)

AUDIT COMMITTEE

H.N. SINGH RAJPOOT - Chairman
P.A. KRISHNAMOORTHY
K.N.MATHEW

MANAGER

PAWAN KUMAR SINGH

AUDITORS

PAULSON & COMPANY
CHARTERED ACCOUNTANTS
COCHIN -682017

BANKERS

FEDERAL BANK LTD.,
M.G. ROAD
ERNAKULAM

REGISTERED OFFICE

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

PLANT

ALWAYE MUNNAR ROAD
KOTHAMANGALAM
PIN - 686 691

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NOTICE

NOTICE is hereby given that the 28th Annual General Meeting of the Company will be held at Bharat Hotel (BTH), D.H. Road, Cochin - 682016 on Monday, September 29, 2014 at 3.00 p.m. (ST) to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2014 and the Statement of Profit and Loss for the Financial Year ended on that date and the Reports of the Directors' and Auditor's thereon.
2. To appoint a Director in place of Mr. K.N. Mathew (DIN: 01901726) who retires by rotation and being eligible, has offers himself for re-appointment.
3. To appoint a Director in place of Mr. John M. John (DIN: 00584201) who retires by rotation and being eligible, has offers himself for re-appointment.
4. To appoint a Director in place of Mr. Tom K. Thomas (DIN: 00624432) who retires by rotation and being eligible, has offers himself for re-appointment.
5. To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act 2013, M/s Paulson and Company, Chartered Accountants (Firm Registration No. 002620S) be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting, at such remuneration as may be mutually agreed between the Board of Directors and the Auditors."

Special Business

6. To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Sanjiv Kumar Arora (DIN: 06869146), be and is hereby appointed as the Special Director of the Company for a period of 5 years with effect from July 11, 2014 in terms of the order No. F. No. 16 (4)/A/35/2013/BIFR/SD dated 24th April 2014 passed by the Board for Industrial & Financial Reconstruction (BIFR) pursuant to the Rehabilitation Scheme approved by the BIFR under Section 18 and 19 of the Sick Industrial Companies (Special Provisions) Act, 1985 (SICA) and that his term of office shall not be liable to retirement by rotation."

Notes:

- a. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- b. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

- c. A person can act as proxy on behalf of the members not exceeding 50 (Fifty) and holding not more than 10% of the total share capital carrying voting rights. In case, a proxy is appointed by a member holding more than 10 percent of the total share capital carrying voting rights, such proxy shall not act as proxy for any person or member.

Explanatory Statement:

Item No. 6:

BIFR had approved a Rehabilitation Scheme on July 25, 2013 for revival of the Company on certain terms and conditions inter-alia, appointment of Special Director under SICA. Accordingly, the BIFR has vide its order No. F. No. 16 (4)/A/35/2013/BIFR/SD dated 24th April, 2014 appointed Mr. Sanjiv Kumar Arora, age 52 years, as the Special Director, under the provisions of SICA for a period of 5 years or for the period till he attains the age of 70 years, whichever is earlier. In compliance of the BIFR order, the Board of Directors, vide its circular resolution dated July 11, 2014 appointed Mr. Arora as the Special Director of the Company with effect from July 11, 2014. However, this appointment being in the nature of Additional Director in terms of Section 161 of the Companies Act, 2013 ("the Act") requires the approval of the members. Hence, the approval of the members is being sought through proposed resolution for appointment of Mr. Arora as Special Director for a period of 5 (five) years with effect from July 11, 2014, not liable to retire by rotation.

Section 32 of SICA overrides the provisions of the Companies Act, 2013 which are inconsistent with the provisions of SICA/ Rules made thereunder or the Schemes sanctioned by the BIFR under SICA.

Section 160 of the Companies Act, 2013 requiring a member to propose appointment of Mr. Arora as a Director of the Company along with a deposit Rs. One Lacs would not be applicable in terms of the provisions of Section 32 of SICA, as aforesaid, as his appointment has been made in terms of the Rehabilitation Scheme approved by BIFR under Section 18 & 19 of SICA. The Board of Directors therefore recommends the proposed resolution as an Ordinary Resolution.

None of the Directors, except Mr. Arora himself, is concerned with or interested in the above resolution.

Inspection:

The copy of the Rehabilitation Scheme sanctioned by BIFR on July 25, 2013 and the order No. F. No.16 (4)/A/35/2013/BIFR/SD dated April 24, 2014 passed by BIFR are open for inspection of the members.

Under the authority of the Board of Directors

Place : Cochin-11
Date : July 31, 2014

John M. John
Director

Registered Office:
Building No. 39/3B, 3B1, Opp. Krishna Hospital
Chittoor Road, Cochin – 682011.

DIRECTORS' REPORT

The Directors present their Twenty Eighth Annual Report for the year ended 31st March, 2014.

FINANCIAL RESULTS

Particulars	For the year ended 31 st March 2014	For the year ended 31 st March 2013
	Amount in lakhs	
Income	978.57	766.23
Operating Expenditure	1026.22	768.38
Operating Profit (PBDIT)	(47.65)	(2.15)
Interest	21.04	19.19
Depreciation	80.39	77.78
Profit/(Loss) before taxation	(149.08)	(99.12)
Net Profit/(Loss) Carried forwarded to Balance Sheet	(149.08)	(99.12)

OPERATIONS

The Company registered a growth of 27.71% during the year under review. Consequently, the Company recorded an increased income of Rs. 978.57 lacs during the year under review as against Rs 766.23 lacs of the previous year. However, the Company incurred a loss of Rs.149.08 lacs during FY-2013-14 as against the loss of Rs. 99.13 lacs for the last fiscal, due to increased cost of production, which was attributed to significant increase in wages on account of long term settlement agreement signed in the past years, increase in power tariff and one time additional provision of Rs. 50.00 lacs towards gratuity, as required under the Accounting Standards.

Certain corrective measures are being implemented to reduce the cost of conversion in the current financial year.

The demand of tyres produced by the Company are expected to be in demand in the current year. Hence, the Company is expected to do better in the current year, subject to support of the workmen and also the Company's Plant, which is an very old, producing at the optimum level.

DIVIDEND

As the Company has no distributable profits, the Board is constrained not to recommend any dividend.

SANCTIONED REHABILITATION SCHEME

The rehabilitation scheme sanctioned by the Board for Industrial & Financial Reconstruction (BIFR), has been implemented w.e.f. from 27th September, 2013. The Company has not been able to meet the projections for the year for the reasons mentioned hereinabove.

ISSUE OF EQUITY SHARES

The Company has, in terms of the Rehabilitation Scheme sanctioned by BIFR, issued following equity shares of Rs. 4/- each fully paid up:

- 85,79,050 equity shares to the existing shares to the existing shareholders.
- 75,00,000 new equity shares to CEAT Limited in consideration of discharge of the loan of Rs. 300 lacs given in the past and overdue interest due thereon.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUT GO

A statement giving details of conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is annexed hereto and form part of the Report.

DIRECTORS

The provisions of the Companies Act, 2013 relating to the appointment of Independent Directors are not applicable to the Company.

All the directors of the Company are liable to retire by rotation. Mr. K.N Mathew, Mr. Tom K Thomas and Mr. John M. John retire by rotation at the ensuing Annual General Meeting and, being eligible, they are offering themselves for re-appointment.

BIFR has, in terms of the sanctioned Rehabilitation Scheme, nominated appointment of Mr. Sanjiv Kumar Arora (52 years) as the Special Director for a period of five years. Accordingly, he has been appointed as the additional director of the Company w.e.f July 11, 2014. He shall not be liable to retire by rotation.

As required under section 269 of the Companies Act, 1956, the Company has appointed Mr. Pawan Kumar Singh as “Manager” for a period of five years w.e.f 26th August, 2013.

HUMAN RESOURCES

There is no employee attracting Section 217(2A) of the Companies Act, 1956.

The relations with the workmen remain generally cordial during the years under review. However, workmen of one section of the manufacturing process have failed to give the norms / targeted production as per long term settlement agreement signed by them, for some frivolous reasons.

DIRECTORS' RESPONSIBILITY STATEMENT

As specifically required under the Companies Act, 1956, your Directors state that :

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.

- ii) Such accounting policies have been selected which have been applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company in the Balance Sheet as at 31st March 2014 and of the Statement of Profit and Loss for the said financial year ended on that date
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) The Annual Accounts have been prepared on a “going concern” basis.

AUDITORS

Messers. Paulson & Company, the retiring auditors, have informed the Company that they are eligible for re-appointment.

They have been the auditors of the Company for the last more than 10 years. As the provisions of Section 139 of the Companies Act 2013 on rotation of the auditors are not applicable to the Company, it is proposed to appoint Messers. Paulson & Company as the auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting.

AUDIT COMMITTEE

The Audit Committee currently consists of Mr. H.N. Singh Rajpoot, Mr. K.N. Mathew and Mr. P.A. Krishnamoorthy, Directors of the Company and there has been no change therein during the year under review.

ACKNOWLEDGEMENT

The Directors wish to record their sincere appreciation of the co-operation and support received from employees at all levels.

On behalf of the Board of Directors

Directors

H.N.Singh Rajpoot John M. John

Place : Cochin-11

Date : July 31, 2014

ANNEXURE TO DIRECTORS' REPORT

The Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988.

1 Conservation of Energy

The energy consumption is continuously monitored and efforts taken to conserve energy

Sl. No:	PARTICULARS	Current Year 2013-2014	Previous Year 2012-2013
(A) Power And Fuel Consumption			
1	Electricity purchased Units	2806950	2613260
	Total amount (Rs.in lacs)	155.53	137.12
	Rate/Unit(Rs.)	5.54	5.25
	Own Generation (KWH)	55248	61946
	Total amount (Rs.in lacs)	9.35	9.79
	Units per Ltr of diesel oil	3.18	3.01
	Cost/Unit(Rs)	16.93	15.81
2	Coal	NIL	NIL
3	Furnace Oil/LSHS		
	Quantity(Kgs)	62070	35425
	Total amount (Rs.in lacs)	31.57	17.78
	Average rate (Rs./Kg.)	50.86	50.19
4	Others-For steam generation		
	Hi-Calorie solid Briquite		
	Quantity (Tonne)	2592	2486
	Total amount (Rs.in lacs)	157.89	139.43
	Average rate (Rs./tonne)	6091	5608
	Fire wood		
	Quantity (Tonnes)	NIL	NIL
	Total amount (Rs. In lacs)	NIL	NIL
	Average rate Rs/tonne	NIL	NIL
(B) Consumption Per Unit of Production			
	Product - Tyres		
	Electricity (Units/kg.)	0.94	1.01
	Furnace oil(Kgs/Kgs)	0.30	0.27
	Hi-calorie solid briquite(Kg/Kg)	0.93	1.01
	Fire wood (Kg/Kg/)	NIL	NIL

2 Technology Absorption

The Company has a team of well-qualified and experienced Technologists/Engineers/Supervisors, who are committed to unpacking/absorbing and adopting the latest technology from our technical consultants.

3 Foreign Exchange earnings and outgo

Foreign exchange Earning	Nil
Foreign exchange outgo	Nil

On behalf of the Board of Directors
Directors
H.N.Singh Rajpoot John M. John

Place : Cochin-11
Date : July 31, 2014

INDEPENDENT AUDITOR'S REPORT

To the members of Rado Tyres Limited

Report on the Financial Statements

We have audited the accompanying financial statements of RADOTYRES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and

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

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in Paragraph 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account and records;
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of the Companies Act, 2013.
 - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Paulson & Company
Chartered Accountants

CA. K.P. Paulson LLB, FCA, DISA, CISA (USA), CA (UK)
Membership No. 21855; FR No. 002620S
Partner

Cochin - 17
22.04.2014

Annexure referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of our Report of even date

- (i) (a) The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets.
(b) These fixed assets have been physically verified by the management at reasonable intervals during the year and no discrepancies between the book records and the physical assets have been noticed.
(c) The Company has not disposed of any fixed asset during the year.
- (ii) (a) The inventory of consumable stores and spare parts have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
(b) In our opinion the procedures of physical verification of inventories, followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The company is maintaining proper records of inventory. As explained to us, no material discrepancies have been noticed on verification between the physical stocks and book records.
- (iii) (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the Register, maintained under section 301 of the Companies Act, 1956. Accordingly, sub clauses (b),(c) and (d) are not applicable.
(e) The Company has taken unsecured loans from a company covered in the register maintained under section 301 of the Act. The maximum amount outstanding during the year was Rs. 61,957,690 and balance outstanding at the year end is Rs.18,916,668. Other than the above, the Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act. (f) According to the information and explanations given to us, we are of the opinion that, the rate of interest and other terms and conditions of the aforesaid loans are not, prima facie, prejudicial to the interest of the Company.
- f) According to the information and explanations given to us, the Company has been regular in repaying the principal amounts and in the payment of interest.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and nature of its business for the purchase of inventory, fixed assets and with regard to sale of services. We have not observed any continuing failure to correct major weaknesses in internal controls, during the course of our audit.

- (v) (a) As per information available and explanations given to us, there are transactions that are entered in the registers maintained under Section 301 of the Companies Act, 1956.
(b) For reasons stated in sub-clause (v)(a) above, this sub-clause, regarding reasonableness of prices are not applicable to the company.
- (vi) The Company has not accepted during the year any deposits from the public in terms of Sections 58A, 58AA, or any other relevant provisions of the Companies Act, 1956 and therefore, the provisions of this clause are not applicable to the company.
- (vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business. However, it requires to be further strengthened and streamlined, to make it more effective.
- (viii) As per Companies (Cost Accounting Record Rules) the Company is not required to maintain cost records under section 209(1)(d) of the Companies Act 1956.
- (ix) (a) According to the records of the company, the Employees Provident Fund and the Employee's State Insurance Act dues have been regularly deposited with appropriate authorities and no undisputed amounts payable in respect of Investor Education and Protection Fund, Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs duty, Excise duty, Cess and other statutory dues, which are outstanding, as on 31st March, 2014, for a period of more than six months from the date they became payable.
(b) According to the records made available to us and the information and explanations given by the management, there are no dues of Income Tax/Sales Tax/Wealth Tax/Service Tax/Customs Duty/Excise Duty/Cess which have not been deposited with appropriate authorities on account of any dispute.
- (x) In our opinion, the accumulated losses of the Company are not more than fifty percent of its net worth (Accumulated losses are not considered a part of Free Reserve). The Company has incurred cash losses during current and immediately preceding financial years.
(xi) According to the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institutions or banks, and there are no debenture holder.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of sub clauses (a) to (d) are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of this clause are not applicable to the company.

- (xv) According to the information and explanations given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of account, the term loans obtained by the Company were applied for the purpose for which such loans were obtained.
- (xvii) In our opinion and according to the information and explanations given to us, and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis estimated at Rs. 2,516,204 have been used for long term purpose.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) According to the information and explanations given to us, the company has not issued any debentures, during the year.
- (xx) According to the information and explanations given to us, the company has not raised any fund through public issue and hence this clause is not applicable to the company.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Cochin - 17
22.04.2014

For Paulson & Company
Chartered Accountants

CA. K.P. Paulson LLB, FCA, DISA, CISA (USA), CA (UK)
Membership No. 21855; FR No. 002620S
Partner

BALANCE SHEET AS AT 31st MARCH, 2014

Sl. No:	PARTICULARS	Notes	As at 31-03-2014 (Rs.)	As at 31-03-2013 (Rs.)
I	EQUITY AND LIABILITIES			
1	Shareholder's Funds			
	a. Share Capital	3	6,43,16,200	8,57,90,500
	b. Reserves and Surplus	4	(2,90,68,583)	(9,65,56,791)
			3,52,47,617	(1,07,66,291)
2	Non-Current Liabilities			
	a. Long-term borrowings	5	2,22,79,246	8,49,75,303
	b. Long-term Provisions	6	1,09,19,430	36,19,430
			3,31,98,676	8,85,94,733
3	Current Liabilities			
	a. Trade Payables	7	92,60,407	33,78,535
	b. Other Current Liabilities	8	67,23,967	72,09,997
			1,59,84,374	1,05,88,532
	TOTAL		8,44,30,667	8,84,16,974
II	ASSETS			
1	Non-Current Assets			
	a. Fixed Assets			
	i. Tangible assets	9A	6,50,51,498	7,10,18,097
	ii. Capital work in progress	9B	43,51,387	43,51,387
	b. Non-current investments	10	25,000	25,000
	c. Long-term loans and advances	11	15,34,612	10,38,144
			7,09,62,497	7,64,32,628
2	Current Assets			
	a. Inventories	12	32,34,331	26,12,709
	b. Trade receivables	13	38,98,134	49,649
	c. Cash and Bank Balances	14	23,28,304	53,68,327
	d. Short-term loans and advances	11	38,52,673	38,74,948
	e. Other current assets	15	1,54,728	78,713
			1,34,68,170	1,19,84,346
	Summary of Significant Accounting Policies	2.1		
	TOTAL		8,44,30,667	8,84,16,974

Significant Accounting Policies and Notes on Accounts.

1 - 27

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

As per our report of even date attached

For Paulson & Company
Chartered Accountants

CA. K.P. Paulson LLB, FCA, DISA, CISA (USA), CA (UK)
Membership No. 21855; FR No. 002620S
Partner

Cochin-17
22-04-2014

Pawan Kumar Singh
Manager

For and on behalf of the Board,
Directors

H.N. Singh Rajpoot John M. John
V.V. Augustine V. Venugopal
P.A. Krishnamoorthy

Cochin-11
22-04-2014

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

Sl. No:	PARTICULARS	Notes	For the year ended 31-03-2014 (Rs.)	For the year ended 31-03-2013 (Rs.)
I	Revenue			
	Revenue from Operations	16	9,57,42,465	7,61,88,943
	Other Income	17	21,14,642	4,33,771
	Total Revenue		9,78,57,107	7,66,22,714
II	Expenses			
	Conversion / Job work Expenses	18	5,14,07,688	4,24,39,095
	Employee Benefits Expense	19	4,65,70,801	3,15,92,982
	Finance Costs	20	21,03,840	19,19,281
	Depreciation and amortization expense	21	80,39,829	77,77,956
	Other expenses	22	46,43,273	28,06,047
	Total Expenses		11,27,65,431	8,65,35,361
III	Loss before exceptional and extraordinary items and tax		(1,49,08,324)	(99,12,647)
IV	Exceptional and extraordinary item		-	-
V	Loss before tax		(1,49,08,324)	(99,12,647)
VI	Tax expense:			
	1. Current tax		-	-
	2. Deferred tax		-	-
VII	Loss for the period from continuing operations		(1,49,08,324)	(99,12,647)
VIII	Loss for the period		(1,49,08,324)	(99,12,647)
IX	Earnings per equity share:	23		
	1. Basic		(0.93)	(1.16)
	2. Diluted		(0.79)	(1.16)
	Summary of Significant Accounting Policies	2.1		

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

For Paulson & Company
Chartered Accountants

CA. K.P. Paulson LLB, FCA, DISA, CISA (USA), CA (UK)
Membership No. 21855; FR No. 002620S
Partner

Cochin-17
22-04-2014

1 - 27

Pawan Kumar Singh
Manager

For and on behalf of the Board,
Directors

H.N. Singh Rajpoot John M. John
V.V. Augustine V. Venugopal
P.A. Krishnamoorthy

Cochin-11
22-04-2014

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Sl. No:	PARTICULARS	Year ended 31 March 2014 Rs.	Year ended 31 March 2013 Rs.
A	Cash flows from operating activities		
	Loss before taxes and prior period adjustments	(1,49,08,324)	(99,12,647)
	Prior period adjustments	-	-
	Adjustments for:		
	Depreciation / amortisation	80,39,829	77,77,956
	Interest and finance charges	21,03,840	19,19,281
	Interest income	(1,46,497)	(2,41,566)
	Operating profit before working capital changes	(49,11,152)	(4,56,976)
	(Increase)/decrease in inventories	(6,21,622)	2,24,209
	(Increase)/decrease in sundry debtors	(38,48,485)	45,44,507
	Increase/(decrease) in sundry creditors	58,81,872	(57,33,239)
	(Increase)/decrease in loans and advances	(10,84,440)	34,52,130
	Increase in current liabilities and provisions	68,13,969	9,13,210
	Cash generated from operations	22,30,142	29,43,841
	Taxes paid, net	-	-
	Net cash flows from operating activities	22,30,142	29,43,841
B	Cash flows from investing activities		
	Purchase of fixed assets	(20,73,230)	(66,96,486)
	Interest received	70,482	2,62,949
	Net cash flows used in investing activities	(20,02,748)	(64,33,537)
C	Cash flows from financing activities		
	Inter-corporate borrowings, net	(25,83,332)	65,00,000
	Finance charges paid	(12,94,333)	(1,91,929)
	Net cash flows from financing activities	(38,77,665)	63,08,071
	Net Increase/(decrease) in cash and cash equivalents (A+B+C)	(36,50,271)	28,18,375
	Cash and cash equivalents at the beginning of the year	41,61,687	13,43,312
	Cash and cash equivalents at the end of the year	5,11,416	41,61,687
	(Refer to note no. 14 - Cash and bank balances)		

Cash and bank balance as per note no.14 includes Rs.18,16,888 (previous year Rs.1,206,641), which in the view of the management are restricted in nature.

Note 1 to 27 form an integral part of the cash flow statement

As per our report of even date attached

For Paulson & Company
Chartered Accountants

CA. K.P. Paulson LLB, FCA, DISA, CISA (USA), CA (UK)
Membership No. 21855; FR No. 002620S
Partner

Cochin-17
22-04-2014

Pawan Kumar Singh
Manager

For and on behalf of the Board,
Directors

H.N. Singh Rajpoot John M. John
V.V. Augustine V. Venugopal
P.A. Krishnamoorthy

Cochin-11
22-04-2014

NOTES FORMING PART TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2014

1. CORPORATE INFORMATION

RadoTyres Limited is a public company incorporated in India under the provisions of the Companies Act, 1956. 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 March 2014, Instant Holding Ltd hold 17%, and Ceat Limited holding 59% of Company's equity share capital are the major Shareholders. The Registered office of Company is situated in Cochin, Kerala.

2. BASIS OF PREPARATION

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Policies in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

2.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Disclosure of accounting policies:

Financial statements are prepared under the historical cost convention on an a going concern basis and are in accordance with the relevant requirements of the Companies Act, 1956 and materially comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India.

2. Valuation of Inventories:

Consumable stores and Spares are valued at cost or Net Realizable Value whichever is lower .The cost is determined on Weighted Average Basis.

3. Depreciation accounting:

Depreciation on fixed assets has been provided on Straight line method on a pro-rata basis at the general rates specified in schedule XIV of the Companies Act, 1956.

4. Revenue recognition:

The Company generally follows mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis.

5. Accounting for fixed assets:

Fixed Assets are stated at their original cost comprising of the purchase price and any attributable cost for bringing the asset to working condition for its intended use.

6. Accounting for Government grants:

The Company has not received any Government Grant during the year.

7. Accounting for investments:

Long term unquoted Non-trade investments are valued at cost.

8. Employee benefits:

The employee's gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value obligation is determined based on actuarial valuation using projected unit credit method.

9. Borrowing costs:

Borrowing costs attributable to acquisition or construction of qualifying assets are capitalized as part of the costs of assets up to the date such assets are ready for their intended use. Other borrowing costs recognized as expenses in the period in which they are incurred.

10. Segment reporting:

Considering the organization structure, nature of products and risk and return profile based on geographical distribution, the production of tyre on contract basis is considered as a single segment.

11. Related party transactions:

Related Party: CEAT LIMITED (As certified by the Management) Refer Note 26

12. Earnings per share:

Basic and diluted earnings per share are computed in accordance with the Accounting Standard 20 – Earnings per share. Basic Earnings Per Share is computed by dividing the net profit after tax by weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if securities or contracts to issue equity shares were exercised or converted during the year. Diluted Earnings Per Share is computed using the weighted average number of equity shares outstanding during the year and dilutive potential equity shares outstanding at year end.

13. Accounting for taxes on income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period as per the provisions of the Income Tax Act, 1961.

The company has adopted Accounting Standard 22 on accounting for taxes on income issued by the Institute of Chartered Accountants of India. Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

The Company has not provided the effect of AS -22, accounting for taxes on income/losses as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realized.

14. Impairment of assets:

Impairment is ascertained at each balance sheet date in respect of the Company's fixed assets. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value, based on an appropriate discount factor. Reversal of impairment loss is recognized as income in the profit and loss account.

15. Provisions, Contingent liabilities and Contingent assets:

A provision is recognized, in terms of Accounting Standard 29 – 'Provisions, Contingent Liabilities and Contingent Assets' notified by the Company's (Accounting Standards) Rules, 2006, when there is a present obligation as the result of the past event and it is probable that an outflow of resources will be required to settle obligation which can be reliably estimated. Provision is not discounted to its present value and is determined based on the best estimate required to settle the obligation at the balance sheet date.

Provisions are reviewed at each balance sheet date and adjusted to reflect the best current estimate.

Contingent Liabilities are recognised only when there is a possible obligation arising from past events, due to occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the Company, or where any present obligation cannot be measured in terms of future outflow of resources, or where a reliable estimate of the obligation cannot be made. See Note: 25

Contingent Assets are not recognized in the financial statements.

NOTES FORMING PART OF BALANCE SHEET AS AT 31.03.2014

NOTE - 3 SHARE CAPITAL

Sl. No:	PARTICULARS	As at 31-03-2014 (Rs.)	As at 31-03-2013 (Rs.)		
a.	Authorised Shares 2,25,00,000 Equity Shares of Rs.4/= each (90,00,000 Equity Shares of Rs.10/= each)	9,00,00,000	9,00,00,000		
b.	Issued, Subscribed and fully Paid up shares 1,60,79,050 Equity Shares of Rs.4/= each, fully paid up (85,79,050 Equity Shares of Rs.10/= each, fully paid up)	6,43,16,200	8,57,90,500		
c.	Reconciliation of shares outstanding at the beginning and at the end of the reporting period				
		As at 31-03-2014	As at 31-03-2013		
		No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
	At the beginning of the period	85,79,050	8,57,90,500	85,79,050	8,57,90,500
	During the year				
	Add: Shares issued	75,00,000	3,00,00,000	-	-
	Less: Shares bought	-	-	-	-
	Reduction in Share Capital		5,14,74,300	-	-
	Add: Other movements	-	-	-	-
	Outstanding at the end of the period	1,60,79,050	6,43,16,200	85,79,050	8,57,90,500
d.	Terms/rights attached to equity shares.				
	*Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company.				
	* 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.				
	On the account of 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.				
	(i) The Rehabilitation Scheme sanctioned by BIFR vide its captioned order: for Cancellation of existing shares of Rs.10 and allot new equity shares of Rs.4 each to the existing shareholders and the allotment of 75 lacs equity shares of Rs.4 each to CEAT Ltd.				
	(ii) The Company has not issued shares for consideration other than cash during the period of five years immediately preceeding the reporting date.				

(iii) The Company has not reserved shares for issue under options and contracts/commitments for the sale of shares/disinvestment.

(iv) During the year ended 31st March 2014 the Company has not declared dividend to its equity shareholders.

f. Details of shareholder s holding more than 5% shares in the company

		As at 31-03-2014		As at 31-03-2013	
		No. of shares	%	No. of shares	%
1	Shares held by CEAT LTD	94,16,350	58.56%	19,16,350	22.33%
2	Shares held by Instant Holdings LTD	27,45,310	17.07%	27,45,310	32.00%
3	Shares held by Swallo Associates LLP (formerly RPG Cellular investments)	15,44,240	9.60%	15,44,240	18.00%

Sl. No:	PARTICULARS	As at 31-03-2014 (Rs.)	As at 31-03-2013 (Rs.)
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NOTE - 4 RESERVES AND SURPLUS

a. Capital Reserve

Balance in Central & State Investment Subsidy Reserve,			
At the beginning of the period		13,18,432	13,18,432
During the period		-	-
Add: Reduction in Share Capital		5,14,74,300	-
Loan Waived (Ceat Ltd)		3,09,22,232	-
		8,23,96,532	-
Less: Transferred to Statement of Profit and Loss		(8,23,96,532)	13,18,432
		13,18,432	13,18,432

b. (Deficit) in the statement of Profit and Loss

Balance as per last Financial Statements		(9,78,75,223)	(8,79,62,576)
Add: Net Loss transferred from the Statement of Profit & Loss.		(1,49,08,324)	(99,12,647)
Less: Transferred from Capital Reserve		8,23,96,532	-
Net Deficit in the Statement of Profit and loss		(3,03,87,015)	(9,78,75,223)
Total Reserves and Surplus		(2,90,68,583)	(9,65,56,791)

NOTE - 5 LONG TERM BORROWINGS

a. Loans and advances from related parties

Loan from Ceat Limited - Project 1	Unsecured	-	4,04,57,690
Loan from Ceat Limited - Project 2	Unsecured	1,79,16,668	2,15,00,000
Loan from Ceat Limited - Project 3	Unsecured	10,00,000	-
		1,89,16,668	6,19,57,690

b. Deferred payment Liabilities

Interest due on above loan - Project 1	Unsecured	-	2,04,64,542
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Sl. No:	PARTICULARS	As at 31-03-2014 (Rs.)	As at 31-03-2013 (Rs.)
	Interest due on above loan - Project 2 Unsecured	33,36,935	25,53,071
	Interest due on above loan - Project 3 Unsecured	25,643	-
		33,62,578	2,30,17,613
		2,22,79,246	8,49,75,303

- Based on Board For Industrial and Financial Reconstruction (BIFR) rehabilitation scheme;
- 1 Project-1 Unsecured loan of Rs. 609.22 lacs provided by CEAT Ltd : Rs. 300 Lacs converted into equity shares and balance waived by CEAT Ltd.
 - 2 Project -2 Unsecured loan from Ceat Ltd. is sanctioned on 25th Jan, 2011, Rate of interest is 10% and Repayment of loan of Rs. 215 Lac in 36 installments, started with effective from Oct'2013.
 - 3 Project -3 Unsecured loan from Ceat Ltd. Rs. 10 lacs , received on 17.12.2013, Rate of interest is 10% and repayment terms have not been fixed.

NOTE - 6 PROVISIONS

a.	Provision for Employee Benefits	Long Term
	Provision for Retirement and Employee Benefits	1,09,19,430 36,19,430
	TOTAL	1,09,19,430 36,19,430

NOTE - 7 TRADE PAYABLES

a.	Sundry Creditors:-	
	Out standing due to Micro, Small and Medium Enterprises	5,90,445 8,16,858
	Others	86,69,962 25,61,677
	TOTAL	92,60,407 33,78,535

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

a	Principal amount due and remaining unpaid	5,90,445	8,16,858
b	Interest due on above and the unpaid interest	-	-
c	Interest paid	-	-
d	Payment made beyond the appointed day during the year	-	-
e	Interest due and payable for the period of delay	-	-
f	Interest accrued and remaining unpaid	-	-
g	Amount of further interest remaining unpaid due and payable in succeeding years	-	-

NOTE - 8 OTHER CURRENT LIABILITIES

a.	Other Payables:	
i.	Staff Expense Payable	40,14,331 30,33,065
ii.	Other Expenses Payable	27,09,636 41,76,932
	TOTAL	67,23,967 72,09,997

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31. 03. 2014
NOTE - 9 FIXED ASSETS

SL. No.	Nature of Assets	Gross Block			Depreciation			Net Block		
		As at 01.04.13 Rs.	Additions Rs.	Deletions Rs.	As at 31.03.14 Rs.	As at 01.04.13 Rs.	For the Year Rs.	As at 31.03.14 Rs.	As at 31.3.14 Rs.	As at 31.03.13 Rs.
A TANGIBLE ASSETS										
1	Freehold Land	91,89,561	-	-	91,89,561	-	-	-	91,89,561	91,89,561
2	Buildings	2,66,62,808	-	-	2,66,62,808	94,94,127	880,936	1,03,75,063	1,62,87,745	1,71,68,681
3	Plant & Machinery	13,10,64,014	20,51,371	-	13,31,15,385	8,82,39,456	6,743,153	9,49,82,609	3,81,32,776	4,28,24,558
4	Electrical Installation	78,87,916	-	-	78,87,916	61,83,096	370,491	65,53,587	13,34,329	17,04,820
5	Furniture and Fixtures	8,23,136	2,200	-	8,25,336	8,23,135	2,200	8,25,335	1	1
6	Office Equipments	7,90,153	19,659	-	8,09,812	6,59,677	43,049	7,02,726	1,07,086	1,30,476
7	Vehicle	1,647	-	-	1,647	1,647	-	1,647	-	-
TOTAL		17,64,19,235	20,73,230	-	17,84,92,465	10,54,01,138	8,039,829	11,34,40,967	6,50,51,498	7,10,18,097
Previous Year		(16,34,20,441)	(1,29,98,794)	-	(17,64,19,235)	(9,76,23,182)	(7,777,956)	(10,54,01,138)	(7,10,18,097)	(6,57,97,259)
B CAPITAL WORK IN PROGRESS										
Capital Work in Progress		-	-	-	-	-	-	-	43,51,387	43,51,387
Previous Year		-	-	-	-	-	-	-	(43,51,387)	(43,51,387)
TOTAL (A+B)		17,64,19,235	20,73,230	-	17,84,92,465	10,54,01,138	80,39,829	11,34,40,967	6,94,02,885	7,53,69,484
Previous Year (A+B)		(16,34,20,441)	(1,29,98,794)	-	(17,64,19,235)	(9,76,23,182)	(7,777,956)	(10,54,01,138)	(7,53,69,484)	(7,01,48,646)

Sl. No:	PARTICULARS	As at 31-03-2014 (Rs.)	As at 31-03-2013 (Rs.)
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NOTE - 10 NON CURRENT INVESTMENTS

	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	10,000	10,000
	Less: Provision for diminution in value of investment	-	-
	TOTAL	25,000	25,000

Sl. No:	PARTICULARS	As at 31-03-2014 (Rs.)	As at 31-03-2013 (Rs.)	As at 31-03-2014 (Rs.)	As at 31-03-2013 (Rs.)
				NON CURRENT	CURRENT

NOTE - 11 LOANS AND ADVANCES

a.	Capital advances (Unsecured, considered good)	2,47,500	2,47,500	-	-
		2,47,500	2,47,500	-	-
b.	Security Deposit (Unsecured, considered good)				
i.	Rent deposit - Factory Rest Room	10,000	10,000	-	-
ii.	Canteen Gas Cylinder Deposit	31,000	31,000	-	-
iii.	Excise duty deposit	1,172	1,172	-	-
iv.	KSEB security deposit	12,32,390	7,46,822	-	-
v.	L.P.G.Cylinder Deposit	10,900	-	-	-
vi.	Sales tax security deposit	1,650	1,650	-	-
		12,87,112	7,90,644	-	-
c.	Prepaid Expenses (Unsecured, considered good)	-	-	85,972	1,45,171
		-	-	85,972	1,45,171
d.	Other Advances (Unsecured, considered good)				
i.	Advance for supply of goods and services	-	-	12,60,881	15,70,683
ii.	Balance with Statutory and Government authorities	-	-	25,05,820	21,59,094
		-	-	37,66,701	37,29,777
	TOTAL	15,34,612	10,38,144	38,52,673	38,74,948

Sl. No:	PARTICULARS	As at 31-03-2014 (Rs.)	As at 31-03-2013 (Rs.)
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NOTE - 12 INVENTORIES (Valued at cost or net realizable value whichever is lower.)

a.	Diesel stock	46,270	19,350
b.	Briquetted solid Fuel	48,621	65,792
c.	Furnace Oil	5,98,724	2,37,325
d.	Stores & spares	25,40,716	22,90,243
	TOTAL	32,34,331	26,12,709

NOTE - 13 TRADE RECEIVABLES

a.	Debts outstanding for exceeding six months from the date they are due for payment	-	-
b.	Other Debts (Unsecured, Considered Good) (With related party Ceat Ltd)	38,98,134	49,649
	TOTAL	38,98,134	49,649

NOTE - 14 CASH AND BANK BALANCES

1	Cash and cash equivalents		
a.	Balance with Banks On current accounts		
	Federal Bank Ltd, Kothamangalam	22,572	24,849
	Federal Bank Ltd, M.G.Road-Ernakulam	63,102	28,62,366
	State Bank of India, Ernakulam	22,924	13,482
	Union Bank of India, M.G.Road, Ernakulam	3,88,507	12,42,614
b.	Cash on Hand	14,311	18,376
		5,11,416	4,161,687
2	Other Bank Balances (Including Bank deposit maturing after 12 months)		
	Held as Security for Bank Guarantee	5,84,498	3,35,826
	Held as Security for Bank Guarantee - KSEB	12,32,390	8,70,815
		18,16,888	12,06,641
	TOTAL	23,28,304	53,68,327

NOTE - 15 OTHER CURRENT ASSETS

a.	Interest accrued on Investments/Deposits	1,54,728	78,713
	TOTAL	1,54,728	78,713

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31.03.2014

Sl. No:	PARTICULARS	For the year ended 31-03-2014 (Rs.)	For the year ended 31-03-2013 (Rs.)
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NOTE - 16 REVENUE FROM OPERATIONS

a.	Sale of Services		
	Conversion Charges	9,57,42,465	7,61,88,943
	TOTAL	9,57,42,465	7,61,88,943

NOTE - 17 OTHER INCOME

a.	Interest Income		
i.	Bank Deposits		
	Interest on Fixed Deposit	84,461	1,20,491
ii.	Other Deposit		
	Interest on K.S.E.B Security Deposit	59,676	38,605
	Interest on Income Tax Refund	-	82,470
	Interest on Income Tax Refund (AY 2012-13)	2,360	-
		1,46,497	2,41,566
b.	Other non- operating income		
	Income from Sale of Scrap	1,70,905	1,92,205
	Provision no Longer Required	17,37,611	-
	Unclaimed Creditors written Back	59,629	-
		19,68,145	1,92,205
	TOTAL	21,14,642	4,33,771

NOTE - 18 CONVERSION / JOB WORK EXPENSES

a	Stores and Spares Consumed	35,33,835	25,81,300
b	Outside Mixing Charges	12,66,685	3,02,108
c	Power and Fuel	3,54,33,373	3,04,12,531
d	Repairs to Machinery	43,25,236	35,86,687
e	Factory Expenses	55,59,639	41,76,405
f	Material usage variance	12,88,920	13,80,064
	TOTAL	5,14,07,688	4,24,39,095

Sl. No:	PARTICULARS	For the year ended 31-03-2014 (Rs)	For the year ended 31-03-2013 (Rs)
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NOTE - 19 EMPLOYEES BENEFITS EXPENSES

a.	Salaries, Wages and Bonus	3,22,09,381	2,47,15,389
b.	Contribution to Provident and other Funds	31,96,554	27,95,216
c.	Gratuity Expenses	74,00,000	12,00,000
d.	Staff Welfare Expenses	37,64,866	28,82,377
	TOTAL	4,65,70,801	3,15,92,982

NOTE - 19 (a) POST RETIREMENT BENEFITS

The following table sets out the status of the gratuity plan as required under AS15

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

a.	Opening present value of Defined Benefit obligation	1,28,45,430	1,07,45,551
b.	Current Service Cost	6,34,504	6,05,845
c.	Interest Cost	11,23,975	8,59,644
d.	Benefits paid	(4,68,750)	(3,01,379)
e.	Actuarial (Gain) / Loss on obligation	50,672	9,35,769
f.	Closing present value of obligation	1,41,85,831	1,28,45,430

ii. Changes in Fair value of Plan Assets during the year ended March 31, 2014

a.	Fair value of plan assets as at April 1, 2013	31,60,330	28,93,930
b.	Expected return on plan assets	2,72,720	2,51,779
c.	Contributions made	1,00,000	3,16,000
d.	Benefits paid	(4,68,750)	(3,01,379)
e.	Actuarial gain / (Loss) on plan assets	-	-
f.	Fair value of plan assets as at March 31, 2014	30,64,300	31,60,330

iii. Net employee benefits expenses recognized in the employee cost

a.	Current Service Cost	6,34,504	6,05,845
b.	Interest Cost on benefit obligation	11,23,975	8,59,644
c.	Actuarial (gains) and losses (Net)	50,672	9,35,769
d.	Expected return on plan assets	(2,72,720)	(2,51,779)
e.	Net benefit expense	15,36,431	21,49,479

iv Net Assets / (Liability) as at March 31, 2014.

a.	Present value of the defined benefit obligation	1,41,85,831	1,28,45,430
b.	Fair value of plan Assets	30,64,300	31,60,330
c.	Net Assets / (Liability) recognized in the Balance Sheet	1,09,19,430	36,19,430

Sl. No:	PARTICULARS	For the year ended 31-03-2014 (Rs)	For the year ended 31-03-2013 (Rs)
v	Actual return on plan assets for the year ended March 31, 2014		
a.	Expected return on plan assets	2,72,720	2,51,779
b.	Actuarial gain / (loss) on plan assets	-	-
c.	Actual return on plan assets	2,72,720	2,51,779
vi	The principal assumptions used in determining gratuity and leave encashment for the Company's plan are shown below:		
a.	Discount Rates	8%	8%
b.	Expected rate of return on assets	9.45%	9.45%
c.	Annual increase in salary	7%	7%
d.	Employee turnover	1%-3%	1%-3%
e.	Mortality Rate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority and other relevant factors, such as supply and demand in then employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to change in the market scenario.

NOTE - 20 FINANCE COSTS

a.	Interest Expenses - Interest on CEAT Loan	21,03,840	19,19,281
	TOTAL	21,03,840	19,19,281

NOTE - 21 DEPRECIATION AND AMORTIZATION EXPENSE

a.	Depreciation of Tangible Assets	80,39,829	77,77,956
	TOTAL	80,39,829	77,77,956

NOTE - 22 OTHER EXPENSES

a	Rent Paid	22,800	22,800
b	Travelling and Conveyance Expenses	2,33,033	2,67,411
c	Fees, Rates & Taxes	3,73,581	3,22,598
d	Insurance Charges	71,950	66,844
e	Postage, Telephone and stationery	2,85,261	2,22,532

Sl. No:	PARTICULARS	For the year ended 31-03-2014 (Rs)	For the year ended 31-03-2013 (Rs)
f	Audit Fees:		
	Statutory Audit fees	50,000	40,000
	Tax Audit fees	20,000	16,650
	Reimbursement of expenses	5,100	4,080
g	Consultancy & Legal expenses	5,26,020	4,47,431
h	Security Charges	7,74,448	5,02,017
I	Registered Office Expenses	74,151	1,21,005
j	Water Charges	14,87,709	1,76,452
k	AGM, Meetings & Directors Sitting Fees	2,29,193	1,77,020
l	Food Expenses	88,559	56,038
m	Bank Charges	55,471	22,453
n	Repairs and maintenance - Buildings	1,31,154	1,15,554
o	Repairs & Maintenance - others	1,27,269	1,05,855
p	Miscellaneous Expenses	87,574	1,19,307
	TOTAL	46,43,273	28,06,047

NOTE - 23 EARNINGS PER SHARE

a.	Net loss as per Statement of Profit and Loss	(1,49,08,324)	(99,12,647)
b.	Net loss available to Equity Share holders	(1,49,08,324)	(99,12,647)
c.	No. of equity Shares at year end	1,60,79,050	85,79,050
d.	Weighted average number of Equity shares used as denominator	1,87,63,338	85,79,050
e.	Basic Earning Per Share	(0.93)	(1.16)
f.	Diluted Earning Per Share	(0.79)	(1.16)
g	Face Value per Equity Share	4.00	10.00

Sl. No:	PARTICULARS	For the year-ended 31-03-2014		For the year-ended 31-03-2013	
		PERCENTAGE	AMOUNT (Rs. In Lacs)	PERCENTAGE	AMOUNT (Rs. In Lacs)

NOTE - 24 BREAK UP OF CONSUMPTION

a	Stores and Spares				
	Imported	-	-	-	-
	Indigenous	100	35.34	100	25.81

Sl. No:	PARTICULARS	For the year- ended 31-03-2014 (Rs.)	For the year-ended 31-03-2013 (Rs.)
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NOTE - 25 CONTINGENT LIABILITIES AND COMMITMENTS

a. Contingent Liabilities

Claims against the Company not acknowledged as debt ESI Claim disputed in Appeal	-	11,08,000
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b. Commitments

Estimated amount of contracts unexecuted on Capital account and not provided for, net of advance payments	15,000	15,000
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Sl. No:	PARTICULARS	Name of Related Party	As at 31-03-2014 (Rs.)	As at 31-03-2013 (Rs.)
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NOTE - 26 RELATED PARTY DISCLOSURE

a. Transactions

Conversion charges received	CEAT Limited	957.42	761.89
Interest Paid	CEAT Limited	21.04	19.19
		978.46	781.08

b. Amount due to / from related parties

Unsecured loan	CEAT Limited	189.17	619.58
Interest Payable	CEAT Limited	33.63	230.18
Debtors / Receivables	CEAT Limited	38.98	0.50
TOTAL		183.82	849.26

NOTE - 27 PREVIOUS YEAR FIGURES

The Company has reclassified previous year figures to conform to this year's classification.

As per our report of even date attached

For Paulson & Company
Chartered Accountants

CA. K.P. Paulson LLB, FCA, DISA, CISA (USA), CA (UK)
Membership No. 21855; FR No. 002620S
Partner

Cochin-17
22-04-2014

Pawan Kumar Singh
Manager

For and on behalf of the Board,
Directors

H.N. Singh Rajpoot John M. John
V.V. Augustine V. Venugopal
P.A. Krishnamoorthy

Cochin-11
22-04-2014

RADO TYRES LIMITED

CIN : U25111KL1986PLC00449

Building No. 39/3b, 3b1, Opp. Krishna Hospital, Chittoor Road, Cochin -11, Kerala, India

ATTENDANCE SLIP

28th Annual General Meeting

Reg. Folio No. of Shares Held
Certify that I am a registered Shareholder/Proxy for the registered share holder of the Company I hereby record my presence at the 28th Annual General Meeting of the Company at Bharat Hotel, (BTH), D.H. Road, Ernakulam, Cochin – 682016 at 3.00 p.m. on Monday , the 29th September, 2014.

Member's Name :

Proxy's Name : Member's/Proxy's Signature

Note : 1. Please fill this attendance slip and hand it over at the entrance of the Hall

2. Members/Proxy Holders/Authorized Representatives are requested to show their ID proof for attending the Meeting.

3. Authorized Representatives of Corporate members shall produce proper authorization issued in their favour.

Form No. MGT – 11

RADO TYRES LIMITED

CIN : U25111KL1986PLC00449

Building No. 39/3b, 3b1, Opp. Krishna Hospital, Chittoor Road, Cochin -11, Kerala, India.

PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and rules 19 (3) of the Companies (Management and Administration) Rule 2014)

Name of the Member (s) :

Registered Address :

E-mail ID..... Folio No.....

I/We, being the member(s) holding shares of the above named Company, hereby appoint

1. Name :Address:.....

Email ID.....SignatureOr failing him

2. Name :Address:.....

Email ID.....SignatureOr failing him

3. Name :Address:.....

Email ID.....Signature

as my /our proxy to attend and vote (on poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company to held on 29th September, 2014 at 3.00 P.M. AT Bharat Hotel, D.H. Road, Ernakulam -682016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No. 1 2..... 3.....

4..... 5..... 6.....

Signed this day of2014

Signature of Shareholder

Signature of Proxy holder(s)

Affix. Rs.1
Revenue
Stamp

Note : This form duly filled up, stamped and signed by the appointer or his attorney duly authorized in writing or if the appointee is a Body Corporate, under the seal or signed by an attorney duly authorized by it shall be deposited at the Registered Office of the Company along with the power of Attorney, if any under which the Proxy Form is signed, not less than 48 hours, before the time for holding the meeting.

BOOK POST PRINTED MATTER



39/3B, 3BI, Opp. Krishna Hospital, Chittoor Road, Cochin - 11
Phone: 0484-2374461, Grams Rado, Fax: 0484 - 2381270