

INDEPENDENT AUDITOR'S REPORT

To the members of Rado Tyres Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Rado Tyres Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

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An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31 March 2015 and its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

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- e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 6 to the financial statements;
 - iii. There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.

Cochin
17 April 2015

Annexure to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of 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.
- (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) The company has not granted any loans, secured or unsecured to companies, firms or other parties listed in the Register, maintained under section 189 of the Companies Act, 2013. Accordingly, sub clauses (a) and (b) are not applicable.
- (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) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for the Company.
- (vii) (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, 2015, for a period of more than six months from the date they became payable.

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- (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.
- (c) According to the information and explanations given to us there were no amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
- (viii) In our opinion, the accumulated losses of the Company are more than fifty percent of its net worth. The Company has not incurred cash losses during current however it has incurred cash losses in the immediately preceding financial year.
- (ix) 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.
- (x) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) 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.
- (xii) 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
17 April 2015

RADO TYRES LIMITED

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

BALANCE SHEET AS AT 31st MARCH 2015

Sl. No.	PARTICULARS	Notes	As at 31-03-2015 (Rs.)	As at 31-03-2014 (Rs.)
I	EQUITY AND LIABILITIES			
1	Shareholder's Funds	3	64,316,200	64,316,200
	a. Share Capital	4	(32,589,842)	(29,068,583)
	b. Reserves and Surplus		31,726,358	35,247,617
2	Non-Current Liabilities	5	5,017,001	22,279,246
	a. Long-term borrowings	6	11,745,749	10,919,430
	b. Long-term Provisions		16,762,750	33,198,676
3	Current Liabilities	7	22,683,588	15,123,211
	a. Trade Payables	8	10,848,252	861,163
	b. Other Current Liabilities		33,531,840	15,984,374
	TOTAL		82,020,948	84,430,667
II	ASSETS			
1	Non-Current Assets			
	a. Fixed Assets	9A	62,522,909	65,051,498
	i. Tangible assets	9B	5,029,135	4,351,387
	ii. Capital work in progress	10	25,000	25,000
	b. Non-current investments	11	1,593,604	1,534,612
	c. Long-term loans and advances		69,170,648	70,962,497
2	Current Assets	12	3,273,145	3,234,331
	a. Inventories	13	861,181	3,898,134
	b. Trade receivables	14	3,007,329	2,328,304
	c. Cash and Bank Balances	11	5,532,499	3,852,673
	d. Short-term loans and advances	15	176,146	154,728
	e. Other current assets		12,850,300	13,468,170
	Summary of Significant Accounting Policies	2.1		
	TOTAL		82,020,948	84,430,667

Significant Accounting Policies and Notes on Accounts.

1 - 27

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

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 2015

Sl. No:	PARTICULARS	Notes	For the Year ended 31.03.2015 (Rs)	For the Year ended 31.03.2014 (Rs)
I	Revenue	16	114,775,941	95,742,465
	Revenue from Operations	17	1,046,580	2,114,642
	Other Income		115,822,521	97,857,107
	Total Revenue			
II	Expenses			
	Conversion / Job work Expenses	18	61,679,895	51,407,688
	Employee Benefits Expense	19	47,388,278	46,570,801
	Finance Costs	20	1,583,005	2,103,840
	Depreciation and amortization expense	21	3,222,545	8,039,829
	Other expenses	22	4,226,293	4,643,273
	Total Expenses		118,100,016	112,765,431
III	Loss before exceptional and extraordinary items and tax		(2,277,495)	(14,908,324)
IV	Exceptional, extraordinary item and Tax		(2,277,495)	(14,908,324)
V	Loss before tax		(2,277,495)	(14,908,324)
VI	Loss for the period from continuing operations		(2,277,495)	(14,908,324)
VII	Loss for the period		(2,277,495)	(14,908,324)
VIII	Earnings per equity share:	23		
	1. Basic		(0.14)	(0.93)
	2. Diluted		(0.14)	(0.93)
	Summary of Significant Accounting Policies	2.1		

Significant Accounting Policies and Notes on Accounts.

1 - 27

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

RADO TYRES LIMITED

Cash flow statement for the year ended 31 MARCH 2015

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

	For the Year ended 31-03-2015	For the Year ended 31-03-2014
Cash flows from operating activities		
Loss before taxation	(2,277,495)	(14,908,324)
Adjustments:		
Depreciation and amortisation	3,222,545	8,039,829
Interest income	(377,987)	(146,497)
Interest charges	1,583,005	2,103,840
Provision no-longer required written-back	(499,486)	(1,737,611)
Operating cash flows before working capital changes	1,650,582	(6,648,763)
(Increase)/decrease in trade recievables	3,036,953	(3,848,485)
(Increase)/decrease in inventories	(38,814)	(621,622)
(Increase)/decrease in loans and advances	(1,787,664)	(1,084,441)
Increase/(decrease) in liabilities and provisions	9,538,711	14,433,453
Cash from operations	12,399,768	2,230,142
Net cash from operating activities (A)	12,399,768	2,230,142
Cash flows from investing activities		
Purchase of fixed assets	(2,615,468)	(2,073,230)
Proceeds from sale of fixed assets, net	-	-
Interest received	356,569	70,482
Net cash used in investing activities (B)	(2,258,899)	(2,002,748)
Cash flows from financing activities		
Repayment of borrowings, net	(7,166,664)	(2,583,332)
Interest paid	(2,344,026)	(1,294,333)
Net cash used in financing activities (C)	(9,510,690)	(3,877,665)
Net increase /(Decrease)in cash and cash equivalents (A+B+C)	630,179	(3,650,271)
Cash and cash equivalents at beginning of year	511,416	4,161,687
Cash and cash equivalents at end of the year (refer note 14)	1,141,595	511,416

Significant Accounting Policies and Notes on Accounts.

1 - 27

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

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 31st MARCH 2015

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 March 2015, 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 capital are the major Shareholders. The Registered office of Company is situated in Cochin, Kerala.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION:

These financial statements of the company are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed by the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2. Use of estimates:

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3. 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.

4. Depreciation accounting:

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets, the Company has adopted useful lives of tangible assets based on management estimate or those prescribed under Part C of Schedule II of the Companies Act 2013, whichever is lower. Depreciation for assets purchased/sold during a period is proportionately charged. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use.

5. Revenue recognition:

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

6. Tangible fixed assets and Intangible assets:

• **Tangible Assets**

- a) Tangible Assets are stated at cost of acquisition or construction or revalued amount whichever is applicable, net of accumulated depreciation / amortization and impairment losses, if any.
- b) The cost comprises, cost of acquisition, borrowing cost and any attributable cost of bringing the asset to the condition for its intended use. Cost also includes direct expenses incurred Up to the date of capitalisation / commissioning.
- c) Machinery spares procured along with the plant and machinery or subsequently and whose use is expected to be irregular are capitalised separately, if cost of such spares is known and depreciated fully over the residual useful life of the related plant and machinery. If the cost of such spares is not known particularly when procured along with the mother plant, these are capitalised and depreciated along with the mother plant. The written down value (WDV) of the spares is charged as revenue expenditure in the year in which such spares are consumed. Similarly, the value of such spares, procured and consumed in a particular year is charged as revenue expenditure in that year itself.
- d) Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standards of performance.
- e) All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

- f) Gains and losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.
 - g) Tangible assets not ready for the intended use on the date of Balance Sheet are disclosed as "Capital work-in-progress".
 - h) In case of revaluation of fixed assets, any revaluation surplus is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognized in the statement of profit and loss, in which case the increase is recognized in the statement of profit and loss. A revaluation deficit is recognized in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.
- **Intangible Assets**
Intangible Assets are stated at cost of acquisition or construction less accumulated amortization and impairment, if any.

7. Accounting for Government grants:

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

8. Accounting for investments:

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

9. 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.

10. Borrowing costs:

Borrowing cost includes interest, fees and other ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs that are directly attributable to the acquisition of or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are recognized in the Statement of Profit and Loss.

11. 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.

12. Related party transactions:

Related Party: CEAT LIMITED (As certified by the Management) Refer Note 24

13. 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.

14. 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.

15. 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.

16. Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

17. Cash flow statement

Cash flows are reported using the indirect method, where by profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

18. 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: 26

Contingent Assets are not recognized in the financial statements.

NOTES FORMING PART OF BALANCE SHEET AS AT 31st MARCH 2015

NOTE - 3 SHARE CAPITAL

NOTE-5 SHARE CAPITAL

Sl. No:	PARTICULARS	As at 31-03-2015 (Rs.)	As at 31-03-2014 (Rs.)		
a.	Authorised Shares 2,25,00,000 (Previous year 2,25,00,000) Equity Shares of Rs.4/= each 5,00,000 (Previous year Nil) 12.5% Redeemable Cumulative Preference Shares of Rs. 100 each	90,00,000 50,00,000 140,00,000	90,00,000 - 90,00,000		
b.	Issued, Subscribed and fully Paid up shares 1,60,79,050 (Previous year 1,60,79,050) Equity Shares of Rs.4/= each, fully paid up	64,316,200	64,316,200		
c.	Reconciliation of shares outstanding at the beginning and at the end of the reporting period				
		As at 31-03-2015	As at 31.03.2014		
		No. of shares	Amount (Rs.)	No. of shares	Amount (Rs.)
	At the beginning of the period	16,079,050	64,316,200	8,579,050	85,790,500
	During the year				
	Add: Shares issued	-	-	7,500,000	30,00,000
	Less: Shares bought	-	-	-	-
	Reduction in Share Capital	-	-	-	51,474,300
	Add: Other movements	-	-	-	-
	Outstanding at the end of the period	16,079,050	64,316,200	16,079,050	64,316,200
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 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.				
e.	(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 2015 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 31-03-2015		As at 31.03.2014	
		No. of shares	% of holdings	No. of shares	% of holdings
1	Shares held by CEAT LTD	9,416,350	58.56%	9,416,350	58.56%
2	Shares held by Instant Holdings LTD	2,745,310	17.07%	2,745,310	17.07%
3	Shares held by Swallo Associates LLP (formerly RPG Cellular investments)	1,544,240	9.60%	1,544,240	9.60%

NOTE - 4 RESERVES AND SURPLUS

Sl. No:	PARTICULARS	As at 31-03-2015 (Rs.)	As at 31-03-2014 (Rs.)
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
b.	(Deficit) in the statement of Profit and Loss	(3,03,87,015)	(9,78,75,223)
	Balance as per last Financial Statements	(22,77,495)	(1,49,08,324)
	Add: Net (Loss) transferred from the Statement of Profit & Loss.	(12,43,764)	-
	Less: Depreciation (As stipulated in transitional provisions of Companies Act,2013)	-	8,23,96,532
	Less: Transferred from Capital Reserve	(3,39,08,274)	(3,03,87,015)
	Net Deficit in the Statement of Profit and loss	(3,25,89,842)	(2,90,68,583)
	Total Reserves and Surplus		

NOTE - 5 LONG TERM BORROWINGS

Sl. No:	PARTICULARS	Non-current portion		Current maturities	
		As at 31-03-2015 (Rs.)	As at 31-03-2014 (Rs.)	As at 31-03-2015 (Rs.)	As at 31-03-2014 (Rs.)
a.	Loans and advances from related parties				
	Unsecured Loan from Ceat Limited- Project 2	35,83,340	1,79,16,668	71,66,664	-
	Unsecured Loan from Ceat Limited- Project 3	10,00,000	10,00,000	-	-
		45,83,340	1,89,16,668	71,66,664	-
b.	Deferred payment Liabilities				
	Interest due on above loan - Project 2	3,18,018	33,36,935	21,67,896	-
	Interest due on above loan - Project 3	1,15,643	25,643	-	-
		4,33,661	33,62,578	21,67,896	-
		50,17,001	2,22,79,246	93,34,560	-
based on Board for Industrial and Financial Reconstruction (BIFR) rehabilitation scheme;					
1	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.				
2	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

Sl. No:	PARTICULARS	LONG TERM	
		As at 31-03-2015 (Rs.)	As at 31-03-2014 (Rs.)
a.	Provision for Employee Benefits		
	Provision for Retirement and Employee Benefits	1,17,45,749	1,09,19,430
	TOTAL	1,17,45,749	1,09,19,430

NOTE - 7 TRADE PAYABLES

Sl. No:	PARTICULARS	As at 31-03-2015 (Rs.)	As at 31-03-2014 (Rs.)
a.	Trade payables:-		
i.	Out standing due to Micro, Small and Medium Enterprises	26,14,143	5,90,445
ii.	Others	1,04,29,621	80,30,458
iii.	Staff Expense Payable	30,89,070	40,14,331
iv.	Other Expenses Payable	65,50,754	24,87,977
	TOTAL	2,26,83,588	1,51,23,211

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

Sl. No:	Particulars	As at 31-03-2015 (Rs.)	As at 31-03-2014 (Rs.)
a	Principal amount due and remaining unpaid	26,14,143	5,90,445
b	Interest due on above and the unpaid interest	19,810	-
c	Interest paid	-	-
d	Payment made beyond the appointed day during the year	-	-
e	Interest due and payable for the period of delay	19,810	-
f	Interest accrued and remaining unpaid	19,810	-
g	Amount of further interest remaining unpaid due and payable in succeeding years	-	-

NOTE - 8 OTHER CURRENT LIABILITIES

Sl. No:	PARTICULARS	As at 31-03-2015 (Rs.)	As at 31-03-2014 (Rs.)
a	From current maturities, refer note 5	93,34,560	-
b	Other Payables:		
i.	Statutory Payable	7,74,496	2,21,659
ii.	Payables on purchase of fixed assets	7,39,196	6,39,504
	TOTAL	1,08,48,252	8,61,163

RADO TYRES LIMITED
BLDG NO. 39/3B & 39/3B1, OPF. KRISHNA HOSPITAL, CHITTOOR ROAD, KOCHI - 682 011

NOTES FORMING PART OF THE BALANCE SHEET AS AT 31.03.2015
NOTE - 9 FIXED ASSETS

SL. No.	Nature of Assets	Gross Block					Depreciation				Net Block	
		As at 01-04-2014	Additions Rs.	Deletions Rs.	As at 3/31/2015	As at 01-04-2014 Rs.	For the period Rs.	*Transferred to retained earnings	As at 3/31/2015	As at 31-03-2015 Rs.	As at 31-3-2014 Rs.	
+	TANGIBLE ASSETS											
1	Freehold Land	9,189,561	-	-	9,189,561	-	-	-	-	9,189,561	9,189,561	
2	Buildings	26,662,808	-	-	26,662,808	10,375,063	833,297	317,152	11,525,512	15,137,296	16,287,745	
3	Plant & Machinery	133,115,385	1,908,590	-	135,023,975	94,982,609	2,253,246	-	97,235,855	37,788,120	38,132,776	
4	Electrical Installation	7,887,916	8,530	-	7,896,446	6,553,587	99,590	892,114	7,545,291	351,155	1,334,329	
5	Furniture and Fixtures	825,336	-	-	825,336	825,335	-	-	825,335	1	1	
6	Office Equipments	809,812	20,600	-	830,412	702,726	36,412	34,498	773,636	56,776	107,086	
7	Vehicle	1,647	-	-	1,647	1,647	-	-	1,647	-	-	
	TOTAL	178,492,465	1,937,720	-	180,430,185	113,440,967	3,222,545	1,243,764	117,907,276	62,522,909	65,051,498	
	Previous Year (31-03-14)	(176,419,235)	(2,073,230)	-	(178,492,465)	(105,401,138)	(8,039,829)	-	(113,440,967)	(65,051,498)	(71,018,097)	
B	CAPITAL WORK IN PROGRESS											
	Capital Work in Progress								5,029,135		4,351,387	
	Previous Year								(4,351,387)		(4,351,387)	
	TOTAL (A+B)								67,552,044		69,402,885	
	Previous Year (A+B)								(69,402,885)		(75,369,484)	

* In Accordance with the transitional provisions stipulated in Companies Act, 2013, For Assets whose remaining useful life is zero, the entire carrying value has been charged to retained earnings.

NOTE - 10 NON CURRENT INVESTMENTS

Sl. No:	PARTICULARS	As at 31-03-2015 (Rs.)	As at 31-03-2014 (Rs.)
	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

NOTE - 11 LOANS AND ADVANCES

Sl. No:	PARTICULARS	NON CURRENT		CURRENT	
		As at 31-03-2015 (Rs.)	As at 31-03-2014 (Rs.)	As at 31-03-2015 (Rs.)	As at 31-03-2014 (Rs.)
a.	Capital advances (Unsecured, considered good)	2,16,000	2,47,500	-	-
b.	Security Deposit (Unsecured, considered good)	2,16,000	2,47,500	-	-
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	13,16,760	12,32,390	-	-
v.	L.P.G.Cylinder Deposit	17,022	10,900	-	-
vi.	Sales tax security deposit	1,650	1,650	-	-
		13,77,604	12,87,112	-	-
c.	Prepaid Expenses (Unsecured, considered good)	-	-	2,25,489	85,972
		-	-	2,25,489	85,972
d.	Other Advances (Unsecured, considered good)				
i.	Advance for supply of goods and services	-	-	1,22,429	6,38,799
ii.	Loans and advances to employees	-	-	6,26,160	6,22,082
iii.	Balance with Statutory and Government authorities	-	-	45,58,421	25,05,820
		-	-	53,07,010	37,66,701
	TOTAL	15,93,604	15,34,612	55,32,499	38,52,673

NOTE - 12 INVENTORIES (Valued at cost or net realizable value whichever is lower.)

Sl. No:	PARTICULARS	As at 31-03-2015 (Rs.)	As at 31-03-2014 (Rs.)
a.	Diesel stock	35,924	46,270
b.	Briquetted solid Fuel	1,11,521	48,621
c.	Furnace Oil	2,82,498	5,98,724
d.	Stores & spares	28,43,202	25,40,716
	TOTAL	32,73,145	32,34,331

NOTE - 13 TRADE RECEIVABLES

Sl. No:	PARTICULARS	As at 31-03-2015 (Rs.)	As at 31-03-2014 (Rs.)
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)	8,61,181	38,98,134
	TOTAL	8,61,181	38,98,134

NOTE - 14 CASH AND BANK BALANCES

Sl. No:	PARTICULARS	As at 31-03-2015 (Rs.)	As at 31-03-2014 (Rs.)
1	Cash and cash equivalents		
a.	Balance with Banks		
	On current accounts		
	<i>Federal Bank Ltd, Kothamangalam</i>	28,509	22,572
	<i>Federal Bank Ltd, M.G.Road-Ernakulam</i>	1,62,743	63,102
	<i>State Bank of India, Ekm</i>	18,348	22,924
	<i>Union Bank of India, M.G.Road, Ekm</i>	9,24,625	3,88,507
b.	Cash on Hand	7,370	14,311
		11,41,595	5,11,416
2	Other Bank Balances (Including Bank deposit maturing after 12 months)		
	Held as Security for Bank Guarantee	5,48,974	5,84,498
	Held as Security for Bank Guarantee - KSEB	13,16,760	12,32,390
		18,65,734	18,16,888
	TOTAL	30,07,329	23,28,304

NOTE - 15 OTHER CURRENT ASSETS

Sl. No:	PARTICULARS	As at 31-03-2015 (Rs.)	As at 31-03-2014 (Rs.)
a.	Interest accrued on Investments/Deposits	1,76,146	1,54,728
	TOTAL	1,76,146	1,54,728

**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31st MARCH 2015**

NOTE - 16 REVENUE FROM OPERATIONS

Sl. No:	PARTICULARS	For the Year ended 31.03.2015	For the Year ended 31.03.2014
a.	Sale of Services		
	Conversion Charges	11,16,44,188	9,57,42,465
	Other conversion income	31,31,753	-
	TOTAL	11,47,75,941	9,57,42,465

NOTE - 17 OTHER INCOME

Sl. No:	PARTICULARS	For the Year ended 31.03.2015	For the Year ended 31.03.2014
a.	Interest Income		
i.	Bank Deposits		
	Interest on Bank and Security Deposit	3,77,987	1,46,497
		3,77,987	1,46,497
a.	Other non- operating income		
	Income from Sale of Scrap	15,502	1,70,905
	Provision no Longer Required	4,99,486	17,37,611
	Training Fees Received	1,52,688	-
	Other income	917	59,629
		6,68,593	19,68,145
	TOTAL	10,46,580	21,14,642

NOTE - 18 CONVERSION / JOB WORK EXPENSES

Sl. No:	PARTICULARS	For the Year ended 31.03.2015	For the Year ended 31.03.2014
a	Stores and Spares Consumed	32,32,278	35,33,835
b	Outside Mixing Charges	43,79,506	12,66,685
c	Power and Fuel	3,85,14,056	3,54,33,373
d	Repairs to Machinery	38,19,719	43,25,236
e	Factory Expenses	92,32,148	55,59,639
f	Material usage variance	25,02,188	12,88,920
	TOTAL	6,16,79,895	5,14,07,688

NOTE - 19 EMPLOYEES BENEFITS EXPENSES

Sl. No:	PARTICULARS	For the Year ended 31.03.2015	For the Year ended 31.03.2014
a.	Salaries, Wages and Bonus	3,82,89,858	3,22,09,381
b.	Contribution to Provident and other Funds	35,78,926	31,96,554
c.	Gratuity Expenses	8,26,319	74,00,000
d.	Staff Welfare Expenses	46,93,175	37,64,866
	TOTAL	4,73,88,278	4,65,70,801

NOTE - 20 FINANCE COSTS

Sl. No:	PARTICULARS	For the Year ended 31.03.2015	For the Year ended 31.03.2014
a.	Interest Expenses - Interest on CEAT Loan	15,63,195	21,03,840
b.	Others	19,810	-
	TOTAL	15,83,005	21,03,840

NOTE - 21 DEPRECIATION AND AMORTIZATION EXPENSE

Sl. No:	PARTICULARS	For the Year ended 31.03.2015	For the Year ended 31.03.2014
a.	Depreciation of Tangible Assets	32,22,545	80,39,829
	TOTAL	32,22,545	80,39,829

NOTE - 22 OTHER EXPENSES

Sl. No:	PARTICULARS	For the Year ended 31.03.2015	For the Year ended 31.03.2014
a	Rent Paid	116,800	22,800
b	Travelling and Conveyance Expenses	323,838	233,033
c	Fees, Rates & Taxes	225,051	373,581
d	Insurance Charges	83,162	71,950
e	Postage, Telephone and stationery	569,843	285,261
f	Audit Fees/Expenses	70,000	75,100
	<u>31.03.2015</u> <u>31.03.2014</u>		
	Statutory Audit fees	50,000	50000
	Tax Audit fees	20,000	20000
	Reimbursement of expenses	-	5,100
g	Consultancy & Legal expenses	532,054	526,020
h	Security Charges	783,501	774,448
I	Registered Office Expenses	70,418	74,151
j	Water Charges	866,842	1,487,709
k	AGM, Meetings & Directors Sitting Fees	218,602	229,193
l	Food Expenses	79,427	88,559
m	Bank Charges	18,844	55,471
n	Repairs and maintenance - Buildings	190,081	258,423
o	Miscellaneous Expenses	77,830	87,574
	TOTAL	4,226,293	4,643,273

NOTE - 23 EARNINGS PER SHARE

Sl. No:	PARTICULARS	For the Year ended 31.03.2015	For the Year ended 31.03.2014
a.	Net Loss as per Statement of Profit and Loss	(2,277,495)	(14,908,324)
b.	Loss available to Equity Share holders	(2,277,495)	(14,908,324)
c.	No. of equity Shares at year end	16,079,050	16,079,050
d.	Basic Earning Per Share	(0.14)	(0.93)
e.	Diluted Earning Per Share	(0.14)	(0.93)
f.	Face Value per Equity Share	4.00	4.00

NOTE - 24 RELATED PARTY DICLOSURE

(Rs. In Lakhs)

Sl. No:	PARTICULARS	Name of Related Party	For the Year ended 31.03.2015	For the Year ended 31.03.2014
a.	Transactions			
	Conversion charges received	CEAT Limited	1,147.76	957.42
	Interest Paid	CEAT Limited	15.63	21.04
			1,163.39	978.46
b.	Amount due to / from related parties			
	Unsecured loan	CEAT Limited	117.50	189.17
	Interest Payable	CEAT Limited	26.02	33.63
	Debtors / Receivables	CEAT Limited	8.61	38.98
	Creditors/Payables	CEAT Limited	-	-
	Advance Received	CEAT Limited	-	-
	TOTAL		134.91	183.82

NOTE - 25 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.			
Sl. No:	PARTICULARS	For the year ended 31-03-2015	For the year ended 31-03-2014
a.	Opening present value of Defined Benefit obligation	1,41,85,831	1,28,45,430
b.	Current Service Cost	6,30,079	6,34,504
c.	Interest Cost	11,47,741	11,23,975
d.	Benefits paid	(4,69,149)	(4,68,750)
e.	Actuarial (Gain) / Loss on obligation	54,726	50,672
f.	Closing present value of obligation	1,55,49,228	1,41,85,831
ii. Changes in Fair value of Plan Assets during the year ended March 31, 2015			
Sl. No:	PARTICULARS	For the year ended 31-03-2015	For the year ended 31-03-2014
a.	Fair Value of plan assets as at April 1,2014	30,64,300	31,60,330
b.	Expected return on plan assets	10,06,227	2,72,720
c.	Contributions made	-	1,00,000
d.	Benefits paid	(4,69,149)	(4,68,750)
e.	Actuarial gain / (Loss) on plan assets	2,02,101	-
f.	Fair Value of plan assets as at 31st March 2015	38,03,479	30,64,300
iii. Net employee benefits expenses recognized in the employee cost			
Sl. No:	PARTICULARS	For the year ended 31-03-2015	For the year ended 31-03-2014
a.	Current Service Cost	6,30,079	6,34,504
b.	Interest Cost on benefit obligation	11,47,741	11,23,975
c.	Actuarial (gains) and losses (Net)	54,726	50,672
d.	Expected return on plan assets	(10,06,227)	(2,72,720)
e.	Net benefit expense	8,26,319	15,36,431
iv. Net Assets / (Liability) as at March 31, 2015.			
Sl. No:	PARTICULARS	For the year ended 31-03-2015	For the year ended 31-03-2014
a.	Present value of the defined benefit obligation	(1,55,49,228)	(1,41,85,831)
b.	Fair value of plan Assets	38,03,479	30,64,300
c.	Net Assets / (Liability) recognized in the Balance Sheet	1,17,45,749	(1,09,19,430)

v Actual return on plan assets for the year ended March 31, 2015			
Sl. No:	PARTICULARS	For the year ended 31-03-2015	For the year ended 31-03-2014
a.	Expected return on plan assets	1,006,227	272,720
b.	Actuarial gain / (loss) on plan assets	202,101	-
c.	Actual return on plan assets	1,208,328	272,720
vi	The principal assumptions used in determining gratuity and leave encashment for the Company's plan are shown below:		
Sl. No:	PARTICULARS	For the year ended 31-03-2015	For the year ended 31-03-2014
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(1994-1996)- Ultimate	LIC(1994-1996)- 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 - 26 Capital commitments / contingent liabilities

Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for as at 31st March 2015 – Rs Nil (Previous Year: Nil) and contingent liabilities not provided for as at 31st March 2015 – Rs Nil (Previous Year: Nil). There are no material changes in Capital commitments and contingent liabilities from 31 March 2015.

NOTE - 27

Previous period's figures have been reclassified to confirm to this period's classification, wherever applicable.