

BTL/SE/Reg. 30/2021-2022

February 11, 2022

BSE Ltd. First Floor, New Trading Ring, Rotunda Building, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001	National Stock Exchange of India Ltd. “Exchange Plaza”, Plot no. C/1, G. Block Bandra-Kurla Complex, Bandra (E) Mumbai – 400051
BSE Scrip Code – 542932	NSE Symbol – BIRLATYRE

Sub: Outcome of Board Meeting pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir / Madam,

In continuation to our letter under reference BTL/SE/Reg. 29/2021-2022 dated January 31, 2022 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at its Meeting held today i.e. on February 11, 2022 has, *inter alia*, considered and approved the Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2021 which was recommended by the Audit Committee at their Meeting held earlier today.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the followings:

1. Statement of Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2021; and
2. Limited Review Report on the Unaudited Financial Results for the quarter and nine months ended December 31, 2021 issued by the Statutory Auditors of the Company.

The meeting commenced at 11:50 A.M. and concluded at 12:15 P.M.

You are requested to take the same on your record.

Thanking you.

Yours faithfully,
For Birla Tyres Limited


Saurabh Mantri
Company Secretary & Compliance Officer



Encl: As above

BIRLA TYRES LIMITED

Regd. Office : 9/1, R. N. Mukherjee Road, Kolkata - 700 001

Statement of Financial Results for the quarter and nine months ended 31st December, 2021

(Approved by the Board of Directors on 11th February, 2022 after review thereof by the Audit Committee)

Rs./Crores

Sl. No.	Particulars	Current three months ended 31/12/2021 (Unaudited)	Preceding three months ended 30/09/2021 (Unaudited)	Corresponding three months ended in the previous year 31/12/2020 (Unaudited)	Current nine months ended 31/12/2021 (Unaudited)	Corresponding nine months ended in the previous year 31/12/2020 (Unaudited)	Previous Year ended 31/03/2021 (Audited)
1	Income						
	a) Revenue from Operations	1.01	0.48	47.35	4.38	115.93	137.36
	b) Other Income	1.64	9.86	0.04	12.53	0.65	15.74
	Total Income [1(a) + 1(b)]	2.65	10.34	47.39	16.91	116.58	153.10
2	Expenses						
	a) Cost of Materials consumed	-	-	24.78	-	53.59	68.21
	b) Purchases of stock-in-trade	-	-	1.01	-	2.03	2.89
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	2.29	0.84	5.19	4.93	19.01	19.62
	d) Employee benefits expense	4.10	2.16	21.75	14.89	72.90	88.51
	e) Depreciation and amortisation expense	7.53	7.64	8.16	22.88	25.31	33.29
	f) Finance Costs	45.44	42.75	47.34	130.08	132.35	162.36
	g) Other expenses	3.80	1.79	15.24	9.60	48.96	65.85
	Total Expenses [2(a) to 2(g)]	63.16	55.18	123.47	182.38	354.15	440.73
3	Profit/(Loss) before exceptional items and tax (1-2)	(60.51)	(44.84)	(76.08)	(165.47)	(237.57)	(287.63)
4	Exceptional items (Net)	(45.25)	-	-	(45.25)	-	-
5	Profit /(Loss) before tax (3+4)	(105.76)	(44.84)	(76.08)	(210.72)	(237.57)	(287.63)
6	Tax expense						
	a) Current tax charge / (credit)	-	-	-	-	-	-
	b) Deferred tax charge / (credit)	-	-	-	-	-	-
7	Net Profit /(Loss) for the period (5-6)	(105.76)	(44.84)	(76.08)	(210.72)	(237.57)	(287.63)
8	Other Comprehensive Income						
	a. Items that will not be reclassified to the Statement of Profit and Loss						
	Remeasurements of the defined benefit plans	0.97	0.96	(0.58)	2.89	(1.74)	3.85
	b. Income tax relating to items that will not be reclassified to the Statement of Profit and Loss						
9	Total Comprehensive Income (7+8)	(104.79)	(43.88)	(76.66)	(207.83)	(239.31)	(283.78)
10	Paid-up equity share capital (Face value Rs. 10/-per share)	142.59	142.59	142.59	142.59	142.59	142.59
11	Reserves excluding Revaluation Reserve	-	-	-	-	-	(709.44)
12	Earnings Per Share (EPS) (Not Annualised) [Face value of Rs.10/- per share]						
a)	Basic EPS	Rs. (7.42)	(3.14)	(5.34)	(14.78)	(16.66)	(20.17)
b)	Diluted EPS	Rs. (7.42)	(3.14)	(5.34)	(14.78)	(16.66)	(20.17)

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Statement of Financial Results for the quarter and nine months ended 31st December, 2021

(Approved by the Board of Directors on 11th February, 2022 after review thereof by the Audit Committee)

- 1 Other Comprehensive Income includes re-measurement gains/ (losses) on actuarial valuation of post-employment defined benefits. These items will not be reclassified to profit or loss.
- 2 The Central Government has published The Code on Social Security, 2020 and Industrial Relations Code, 2020 ("the Codes") in the Gazette of India, inter alia, subsuming various existing labour and industrial laws which deals with employees related benefits including post employment. The effective date of the code and the rules are yet to be notified. The impact of the legislative changes, if any, will be assessed and recognised post notification of the relevant provisions.
- 3 The Company has only one business segment, i.e. "Tyres" and does not operate in any other reportable segment as per IND AS 108 - "Operating Segments".
- 4 The Company has incurred losses during the previous period/year and has continued to incur losses during the current period, primarily due to lower sales volume and finance costs which have resulted in erosion in net worth as at December 31, 2021. The total debt of the Company including interest accrued as at December 31, 2021 amounts to Rs. 1,099.57 Crore. The net current liabilities as at December 31, 2021 were Rs. 2,005.56 Crore (including total debt). The Company has defaulted in repayment of term loan, letter of credit, working capital facilities, and related interest payable to lenders aggregating to Rs. 436.00 Crore and has not complied with certain financial debt covenants. The default under term loans and working capital facilities along with the accrued interest thereon gives right to the lenders to recall these facilities immediately, necessitating the Company to reclassify such term loans as current liabilities. The Company has received recall letters from lenders pertaining to loan amounting to Rs. 202.72 Crore (including interest accrued).

In addition, the Company has long outstanding over dues in respect to trade payables (including employee benefit liabilities) and statutory dues amounting to Rs. 319.73 Crores as at December 31, 2021. Consequent to the non-availability of fund to meet the working capital requirements, the operations of the Company has been currently halted. The aforesaid conditions indicate stress on liquidity and existence of material uncertainties which cast significant doubt on the Company's ability to continue as a going concern and consequently, it's ability to realise its assets and discharge its liabilities in the normal course of business.

The Company had received non-binding proposals from investors which had been discussed in the joint lenders meeting to enable the lenders to evaluate these proposals and facilitate further discussions/negotiations. The Company is also considering options to raise capital by way of equity through strategic and/or financial investors, which will enable the Company to commence its operations and meet the financial obligations.

Further based on on-going discussion with such investor and lenders, during the quarter the Company's Board of Director's have approved a "Scheme of Arrangement for reconstruction of the Company and demerger of Passenger Car Radial Business into its Group Company, Birla Tyre Radials Limited" (the Scheme) (Refer Note 5). The investor is working on the proposal for infusion of funds which would be parallelly finalised along with the approval and successful implementation of the Scheme.

The management is expecting to get the necessary approval from lenders and other relevant statutory authorities to enable it to implement the Scheme. The Company's ability to continue as a going concern is dependent on successful outcome of the above mentioned management plans which are not wholly in control of the management.

The Board of Director's has evaluated these conditions along with the management's plan and advised the management to bring normalcy and regularise the situations and based on the assessment have concluded that the going concern assumption is appropriate. Accordingly, these financial results have been prepared on the basis that the Company will continue as a going concern.

- 5 The Board of Directors of the Company, at its meeting held on January 28, 2022, has approved the Scheme of Arrangement for Reconstruction of Birla Tyres Limited and for Compromise with its Creditors and Members together with Demerger of Passenger Car Radial Business into Birla Tyre Radials Limited ("Scheme") under the provisions of Sections 66, 230 to 232 of the Companies Act, 2013. The Company has filed the Scheme with the stock exchanges and is in the process of filing the same with the other necessary authorities. Accordingly, the implementation of the scheme is subject to the necessary approvals, sanctions and consents being obtained.
- 6 During the quarter, the Company's Board of Director has approved the Scheme for demerger of PCR business. As part of the Scheme, fair value of the Capital work in progress (CWIP) of the PCR Business was ascertained by an independent valuer. Fair value of the CWIP was arrived at Rs. 707.09 Crore as on November 30, 2021 as compared to the carrying amount of the CWIP of Rs. 752.34 Crores as at December 31, 2021. The difference between the carrying amount and the fair value amounting to Rs. 45.25 Crore have resulted in impairment charge in the financial results for the quarter and nine months ended December 31, 2021 which have been accounted for and disclosed as an Exceptional item.
- 7 As per the directives of both the Central and State Governments in the wake of COVID-19 pandemic, the operations of the Company were impacted for the year under reference. The Management has considered the possible effects, if any, that resulted from the pandemic on the carrying amounts of current assets after considering internal and external sources of information including the possible future uncertainties in the global economic conditions as at the date of approval of these Financial Results. The Company continues to monitor the rapidly changing situation.
- 8 Figures for the previous year have been regrouped / reclassified wherever necessary to conform to current period's classification.
- 9 The MCA wide notification dated March 24, 2021 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. Amendments are applicable from April 1, 2021. The Company has incorporated the changes as per the said amendment in the above results and has also changed comparative numbers, wherever it is applicable.
- 10 The Statutory Auditors have carried out a limited review of the above financial results for the quarter ended 31st December, 2021. The financial results have been approved by the Board of Directors on 11th February, 2022 after review thereof by the Audit Committee.

Place: Kolkata
Date : 11th February, 2022

By Order of the Board

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Director

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF BIRLA TYRES LIMITED

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **Birla Tyres Limited** ("the Company"), for the quarter and nine months ended December 31, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to Note 4 to the financial results regarding preparation of the financial results of the Company on a going concern. The Company had incurred losses during the previous periods/years and has continued to incur losses during the current period. The networth of the Company has been fully eroded. The Company has incurred net loss of Rs. 105.76 crore and Rs. 210.72 crore during the quarter and nine months ended December 31, 2021 respectively and current liabilities exceeds current assets by Rs. 2,005.56 crore as on December 31, 2021. These conditions, along with the outcome of other matters as set forth in Note 4, indicate existence of material uncertainty, which may cast significant doubts about the Company's ability to continue as a going concern and consequently, the ability of the Company to realise its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern is solely dependent upon successful


Deloitte Haskins & Sells

implementation of the Scheme of Arrangement (Refer Note 5 to the financial results) and raising capital from investors which is not wholly in control of the Company. The management has prepared the Statement on a going concern basis, based on their assessment of a successful outcome of the Scheme of Arrangement and raising additional capital from investors and no adjustments have been made to the carrying value of assets and liabilities and their presentation / classification in the Balance Sheet.

Our report is not modified in respect of this matter.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 302009E)

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Abhijit Bandyopadhyay
(Partner)
(Membership No. 054785)
UDIN:22054785ABHNMP4493

Place: Kolkata
Date: February 11, 2022