

BTL/SE/Reg. 34(1)/2021-2022

9<sup>th</sup> August, 2021

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

**Sub: Annual Report and Accounts for the Financial Year ended 31<sup>st</sup> March, 2021 together with the Notice of the 3<sup>rd</sup> Annual General Meeting.**

Dear Sir / Madam,

Pursuant to the provisions of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed a copy of the Annual Report and Accounts of the Company for the Financial Year ended 31<sup>st</sup> March, 2021 together with the Notice dated 30<sup>th</sup> July, 2021 convening the 3<sup>rd</sup> Annual General Meeting of the Members of Birla Tyres Limited scheduled to be held on Tuesday, 31<sup>st</sup> August, 2021 at 3:00 P.M. (IST), through Video Conferencing ('VC') or Other Audio Visual Means ('OAVM') facility.

This is for your putting on the website of the Exchange for the information of the Investors at large.

Thanking you,

Yours faithfully,

**For Birla Tyres Limited**



**Saurabh Mantri**  
**Company Secretary & Compliance Officer**

Encl: as above.



# **BIRLA TYRES LIMITED**

**3<sup>rd</sup> Annual Report  
& Accounts 2021**

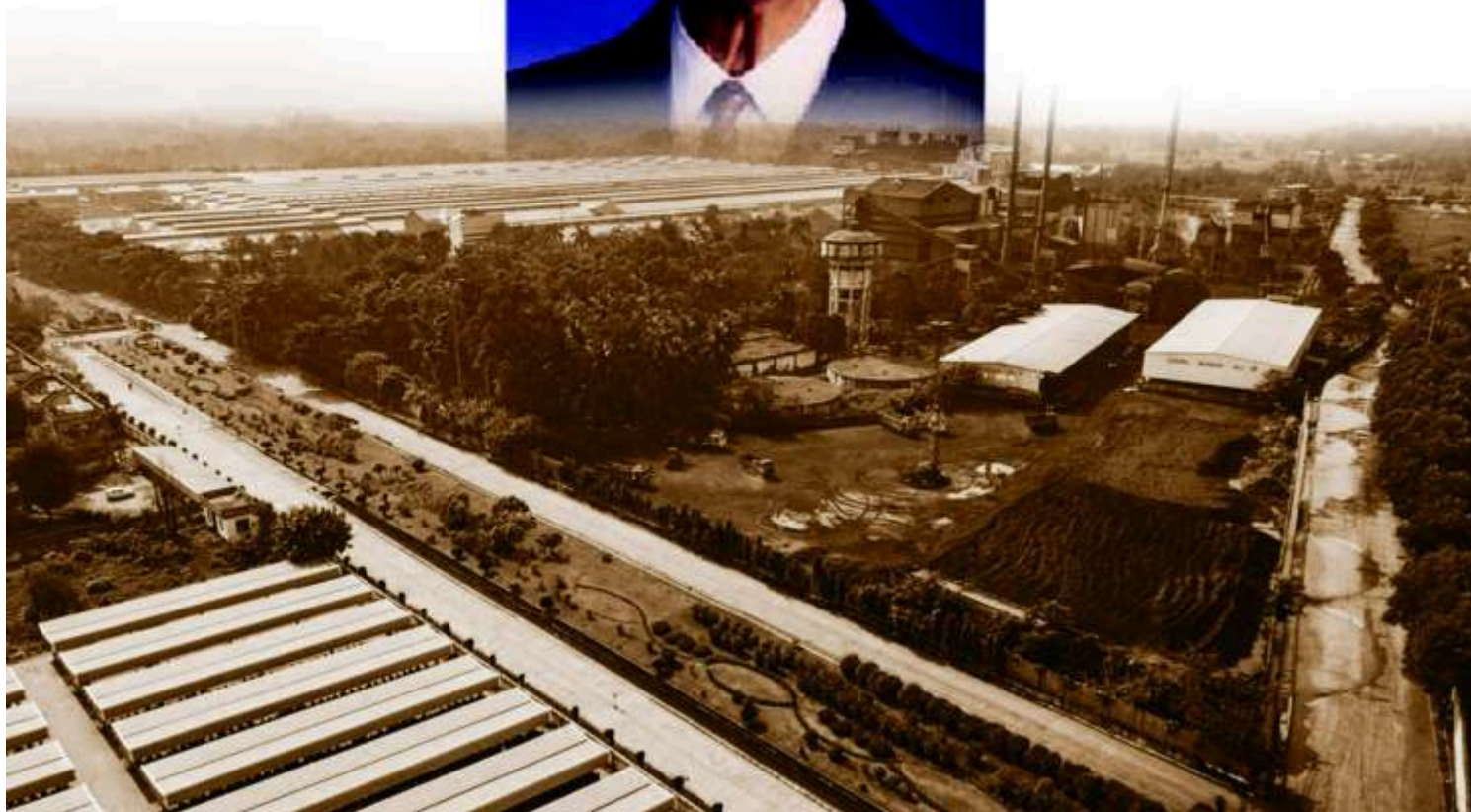


**BIRLA**  
**TYRES**

***Unbeatable!***

***IT'S TIME TO ROLL***

**BIRLA TYRES LIMITED**



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## CHAIRMAN'S MESSAGE

Your Company as a demerged entity witnessed challenges akin to a start up due to liquidity constraints.

We are working on several options for turning around the business.

I thank our esteemed Directors on the Board, employees, and all other stakeholders for providing support during the year.

**MANJUSHREE KHAITAN**

**BOARD OF DIRECTORS  
&  
KEY MANAGERIAL PERSONNEL**

**Manjushree Khaitan, Chairman**

DIN: 00055898

**Kashi Prasad Khandelwal**

DIN: 00748523

**Rashmi Bihani**

DIN: 07062288

**Uma Shankar Asopa**

DIN: 00305010

**Abhijit Ghosh**

DIN: 06485209

**Anil Goenka**

DIN: 00432647

**Anant Gupta**

Chief Financial Officer

**Saurabh Mantri**

Company Secretary



## Registered Office

9/1, R.N. Mukherjee Road  
8<sup>th</sup> Floor, Birla Building  
Kolkata – 700 001  
Phone No.: +91 33 22624355 / 57 / 58  
Fax No. : +91 33 22624359  
CIN: L25209WB2018PLC228915  
Website : [www.birlatyre.com](http://www.birlatyre.com); E-mail: [corporate@birlatyre.com](mailto:corporate@birlatyre.com)

## Bankers

Axis Bank Ltd.  
DBS Bank India Ltd.  
HDFC Bank Ltd.  
ICICI Bank Ltd.  
IndusInd Bank Ltd.  
Punjab National Bank Ltd.  
State Bank of India  
The Karur Vysya Bank Ltd.  
The South Indian Bank Ltd.  
West Bengal Infrastructure  
Development Finance Corporation Ltd.  
Yes Bank Ltd.

## Statutory Auditors

Messrs Deloitte Haskins & Sells  
*Chartered Accountants*

## Registrar & Share Transfer Agent

MCS Share Transfer Agent Limited,  
(Unit: Birla Tyres Limited)  
383 Lake Gardens, 1<sup>st</sup> Floor,  
Kolkata – 700 045  
Phone No.: 033-40724051-52  
Fax No.: 033-40724050  
E-mail: [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com)

Members seeking any information on the Annual Report & Accounts are requested to send their queries to the Company on or before 5:00 P.M. (IST) on Tuesday, 24<sup>th</sup> August, 2021.

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# NOTICE

## TO THE MEMBERS

NOTICE is hereby given that the **Third Annual General Meeting ("AGM")** of **BIRLA TYRES LIMITED** will be held at 3:00 P.M. (IST) on Tuesday, 31<sup>st</sup> day of August, 2021 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility to transact the following businesses:

### General Business:

1. **To consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2021 together with the Reports of the Board of Directors and the Auditors thereon;**

### Special Business:

2. **To ratify the remuneration of Cost Auditors**

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 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Members do hereby confirms and ratifies a remuneration of ₹ 2.94 Lakhs (excluding applicable taxes and reimbursement of actual out of pocket expenses in performance of their duties) payable to M/s. Mani & Co., Cost Accountants (Firm Registration No. 000004) for conducting the audit of the Company's cost accounting records for the Financial Year 2021 - 22."

3. **Change in status of Directorship of Manjushree Khaitan (DIN: 00055898) as "Director liable to retire by rotation" in lieu of her present status "Director not liable to retire by rotation"**

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 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the Members be and is hereby accorded for changing the status of Directorship of Manjushree Khaitan (DIN: 00055898) as **"Director liable to retire by rotation"** in lieu of her present status **"Director not liable to retire by rotation."**

4. **Appointment of Uma Shankar Asopa (DIN: 00305010) as a Non-Executive and Non-Independent Director of the Company**

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 152 and all other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**") and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Uma Shankar Asopa (DIN: 00305010), who was appointed as an Additional Director of the Company with effect from 30<sup>th</sup> November, 2020 under Section 161 of the Act read with Companies (Appointment and Qualification of Directors) Rules, 2014 and who is holding office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. **Appointment of Abhijit Ghosh (DIN: 06485209) as an Independent Director of the Company**

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 Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013 (**“the Act”**) and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI - LODR Regulations”**) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Abhijit Ghosh (DIN: 06485209), who was appointed as an Additional Director of the Company with effect from 12<sup>th</sup> January, 2021 under Section 161 of the Act and who has submitted a declaration that he meets the criteria for Independence as provided under the Act and the SEBI - LODR Regulations and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, and who is holding office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 12<sup>th</sup> January, 2021 till 11<sup>th</sup> January, 2026.”

## 6. Appointment of Anil Goenka (DIN: 00432647) as an Independent Director of the Company

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 Sections 149, 150, 152 read with Schedule IV of the Companies Act, 2013 (**“the Act”**) and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**“SEBI - LODR Regulations”**) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, Anil Goenka (DIN: 00432647), who was appointed as an Additional Director of the Company with effect from 12<sup>th</sup> January, 2021 under Section 161 of the Act and who has submitted a declaration that he meets the criteria for Independence as provided under the Act and the SEBI - LODR Regulations and who is eligible for appointment, and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, and who is holding office up to the date of this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of five consecutive years commencing from 12<sup>th</sup> January, 2021 till 11<sup>th</sup> January, 2026.”

### Registered Office:

9/1, R. N. Mukherjee Road,  
8<sup>th</sup> Floor, Birla Building  
Kolkata - 700 001  
Date: 30<sup>th</sup> July, 2021

By Order of the Board  
For Birla Tyres Limited  
Saurabh Mantri  
Company Secretary

### Notes:

1. In view of the continuing restrictions on the movement of persons at several places in the Country, due to outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs (**“MCA”**) has, vide its General Circulars No. 14/2020, No. 17/2020, No. 20/2020 and No. 02/2021 dated 8<sup>th</sup> April, 2020, 13<sup>th</sup> April, 2020, 5<sup>th</sup> May, 2020 and 13<sup>th</sup> January, 2021 respectively (hereinafter, collectively referred as the **“MCA Circulars”**) read with SEBI Circulars No. SEBI/HO/CFD/CMD1/CIR/P/ 2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 12<sup>th</sup> May, 2020 and 15<sup>th</sup> January, 2021 respectively, permitted the holding of the Annual General Meeting (**“AGM”**) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the above mentioned MCA Circulars and SEBI Circulars, the AGM of the Members of the Company is being held through VC / OAVM on Tuesday, the 31<sup>st</sup> day of August, 2021 at 3:00 P.M. (IST).
2. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (**“the Act”**) relating to the Special Business to be transacted at the AGM is annexed hereto and forms part of this Notice. The Board of Directors have considered and decided to include the Item Numbers 2 to 6 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.

3. The relevant details pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI - LODR Regulations**”) and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment / re-appointment at this AGM are annexed to the Report on Corporate Governance.
4. Pursuant to the provisions of the Companies Act, 2013 (“**the Act**”) a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and Route Map of the AGM are not annexed to this Notice.
5. Institutional / Corporate Members (i.e., other than Individuals, HUF, NRI etc.) intending to appoint their authorised representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC / OAVM or to vote through remote e-Voting are requested to send a certified copy of the Board Resolution by e-mail to the Scrutinizer at [rbajaj@rpaonline.in](mailto:rbajaj@rpaonline.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). They are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Power of Attorney / appropriate authorization letter together with attested specimen signature(s) of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [rbajaj@rpaonline.in](mailto:rbajaj@rpaonline.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
6. The Members can join the AGM in the VC / OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The Members will be able to view the proceedings on the National Securities Depository Limited’s (**‘NSDL’**) e-Voting website at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The facility of participation at the AGM through VC / OAVM will be made available to at least 1,000 Members on a first come first served basis as per the MCA Circulars. The detailed instructions for joining the meeting through VC / OAVM form part of the Notes to this Notice.
7. No restrictions on account of FIFO entry into AGM, will apply in respect of Large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Auditors, etc.
8. The attendance of the Members attending the AGM through VC / OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
9. In case of Joint-holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote during the AGM.
10. In accordance with the MCA Circulars No. 20/2020 dated 5<sup>th</sup> May, 2020 read with No. 01/2021 dated 13<sup>th</sup> January, 2021 and SEBI circulars No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12<sup>th</sup> May, 2020 read with No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15<sup>th</sup> January, 2021 respectively, the Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. The Notice convening the 3<sup>rd</sup> AGM along with the Annual Report 2020-21 will also be available on the website of the company at [www.birlatyre.com](http://www.birlatyre.com) and may also be accessed from the relevant section of the websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. These will also be available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
11. **Members to register e-mail addresses to receive this Notice electronically:**

Members who have not registered their e-mail addresses are requested to register the same in respect of shares held in dematerialized form with the Depository through their Depository Participant(s) and in respect of shares held in physical form by providing Folio No., Name of Shareholder, scanned copy of the Share Certificate (front and back), PAN and AADHAAR (self-attested scanned copy of both PAN card and Aadhaar card) to the Company’s Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited at [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com).
12. E-mail addresses of Members as advised to Registrar and Share Transfer Agent where shares are held in physical form or registered with Depositories where shares are held in the dematerialized form will be deemed to be the Member’s registered e-mail address for serving Company documents / notices as per provisions of the Act and the instructions of the Ministry of Corporate Affairs until and unless otherwise informed. Members are requested to intimate changes, if

any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in dematerialized form and to MCS Share Transfer Agent Limited at [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com) if the shares are held by them in physical form.

13. Members holding Shares, in physical form, in identical order of names in more than one Folio, are requested to write to the Registrar and Share Transfer Agent enclosing the relevant Share Certificates requesting consolidation of such Folios into one Folio for their own convenience.

14. **Instructions for Remote e-Voting and for attending the AGM through VC/ OAVM are given below:**

**I. Voting through electronic means:**

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of SEBI - LODR Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020 in relation to e-Voting facility provided by listed entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by NSDL, on all the Resolutions set forth in this Notice. The instructions for e-Voting are given herein below:

- i) The remote e-Voting period commences on Friday, 27<sup>th</sup> August, 2021 at 9:00 A.M. (IST) and ends on Monday, 30<sup>th</sup> August, 2021 at 5:00 P.M. (IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday, 24<sup>th</sup> August, 2021 i.e. cut-off date, may cast their vote electronically. The e-Voting module shall be disabled by NSDL for voting thereafter. Members have the option to cast their vote on any of the Resolutions using the remote e-Voting facility either during the period commences 27<sup>th</sup> August, 2021 to 30<sup>th</sup> August, 2021, or e-Voting during the AGM. Members who have voted on some of the Resolutions during the said voting period are also eligible to vote on the remaining Resolutions during the AGM.
- ii) The Members who have cast their vote by remote e-Voting prior to the AGM may attend / participate in the AGM through VC / OAVM but shall not be entitled to cast their vote on such Resolutions again.
- iii) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- iv) Any person holding shares in physical form and non-individual Shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if s/he is already registered with NSDL for remote e-Voting then s/he can use her / his existing User ID and Password for casting the vote.

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under **“Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”**

- v) The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.

**Details on Step 1 are mentioned below:**

**A) Login method for remote e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode.**

Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December, 2020, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting

process. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process.

Shareholders are advised to update their mobile number and e-mail ID with their DPs in order to access e-Voting facility.

| Type of Shareholders   | Login Method  |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | <p><b>A. NSDL IDeAS facility</b></p> <p><b>If you are already registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>1. Visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a personal computer or on a mobile.</li> <li>2. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section.</li> <li>3. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.</li> <li>4. Click on “Access to e-Voting” appearing on the left hand side under e-Voting services and you will be able to see the e-Voting page.</li> <li>5. Click on options available against Company name or <b>e-Voting service provider - NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the Meeting.</li> </ol> <p><b>If you are not registered, follow the below steps:</b></p> <ol style="list-style-type: none"> <li>1. Option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>.</li> <li>2. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>3. Please follow steps given in points 1-5.</li> </ol> <p><b>B. e-Voting website of NSDL</b></p> <ol style="list-style-type: none"> <li>1. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a personal computer or on a mobile phone.</li> <li>2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder / Member’ section.</li> <li>3. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen.</li> <li>4. After successful authentication, you will be redirected to NSDL website wherein you can see e-Voting page. Click on options available against Company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting and e-Voting during the Meeting.</li> </ol> |

| Type of Shareholders   | Login Method   |
|--|--|
| Individual Shareholders holding securities in demat mode with CDSL                                       | <ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their User ID and Password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi / Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi / Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/RegistrationEasiRegistration">https://web.cdslindia.com/myeasi/RegistrationEasiRegistration</a>. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered mobile &amp; e-mail ID as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol> |
| Individual Shareholders (holding securities in demat mode) logging through their depository participants | <ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your DP registered with NSDL / CDSL for e-Voting facility.</li> <li>Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on options available against Company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual Meeting and e-Voting during the Meeting.</li> </ol>   |

**Important Note:** Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

| Login type   | Helpdesk details  |
|--|---|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30              |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43 |



**B) Login Method for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.
4. *Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
5. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is:   |
|--|--|
| a) For Members who hold shares in demat account with NSDL.     | 8 Character DP ID followed by 8 Digit Client ID.<br>For example if your DP ID is IN300*** and Client ID is 12***** then your User ID is IN300***12*****.   |
| b) For Members who hold shares in demat account with CDSL.     | 16 Digit Beneficiary ID.<br>For example if your Beneficiary ID is 12***** then your User ID is 12*****.  |
| c) For Members holding shares in Physical Form.                | EVEN Number followed by Folio Number registered with the Company.<br>For example if folio number is 001*** and EVEN is 101456 then User ID is 101456001*** |

6. Password details for Shareholders other than Individual Shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - i) If your e-mail ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit Client ID for NSDL account, last 8 digits of Client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii) If your e-mail ID is not registered, please register it by following details mentioned in point number 11 above.
7. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details / Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com/).
  - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](https://www.evoting.nsdl.com/).



- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are mentioned below:**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC / OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for Shareholders**

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details / Password?**" or "**Physical User Reset Password?**" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: **1800 1020 990** and **1800 22 44 30** or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring User ID and Password for e-Voting by providing demat account number / Folio number, client master or copy of Consolidated Account Statement, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained above.
- The instructions for members for e-Voting on the day of the AGM are mentioned in point number 14 (I).

**II. Instructions for Members for attending the AGM through VC / OAVM are as under:**

- Members will be able to attend the AGM through VC / OAVM or view the live webcast of the AGM provided by NSDL at <https://www.evoting.nsdl.com> following the steps mentioned above for access to NSDL e-Voting system. After successful login, you can see link of VC / OAVM placed under Join General meeting menu against Company name. You are requested to click on VC / OAVM link placed under Join General Meeting menu.

Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.

- Members are encouraged to join the Meeting through Laptops for better experience. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
  - Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800 1020 990 and 1800 22 44 30 or contact Mr. Amit Vishal, Senior Manager / Ms. Pallavi Mhatre, Manager, NSDL, Trade World, "A" Wing, 4<sup>th</sup> Floor, Kamala Mills Compound, Lower Parel, Mumbai 400 013 at telephone no. 022 – 24994360 / 022 – 24994545 or at e-mail ID: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID / Folio Number, PAN, Mobile Number at [corporate@brilatyre.com](mailto:corporate@brilatyre.com) on or before Tuesday, 24<sup>th</sup> August, 2021 at 5:00 P.M. (IST). Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
15. As per Regulation 40 of SEBI - LODR Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition and re-lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated 2<sup>nd</sup> December, 2020 had fixed 31<sup>st</sup> March, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In this regard, SEBI has clarified by a Press Release No PR/No: 12/2019 dated 27<sup>th</sup> March, 2019, that the said amendments do not prohibit an investor from holding the shares in physical form and the investor has the option of holding shares in physical form even after 1<sup>st</sup> April, 2019. However, any investor who is desirous of transferring shares (which are held in physical form) after 1<sup>st</sup> April, 2019 can do so only after the shares are dematerialized. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's Registrars and Transfer Agent, MCS Share Transfer Agent Limited at [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com) for assistance in this regard.
  16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) for all securities market transactions. Thereafter, it was clarified vide Circular no. MRD/DOP/Cir-05/2009 dated 20<sup>th</sup> May, 2009 that for securities market transactions and off market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for transferee(s) to furnish a copy of PAN Card to the Registrar and Share Transfer Agent for registration of such transfer of shares. SEBI on 28<sup>th</sup> March, 2018, decided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. This measure was to come into effect from 5<sup>th</sup> December, 2018 but the deadline was extended and the aforesaid requirement of transfer of securities only in demat form has come into force from 1<sup>st</sup> April, 2019. Hence, Members holding shares in the dematerialized form are requested to submit their PANs to their Depository Participant(s) with whom they maintain their Demat Accounts. Members holding shares in physical form should submit their PAN details to the Registrar and Share Transfer Agent.
  17. The Board of Directors have appointed **Ritu Bajaj**, Practicing Company Secretary (**FCS 9913 and CP No. 11933**), to act as the Scrutinizer, to scrutinize the entire e-Voting process in a fair and transparent manner.
  18. The Chairman shall, at the end of discussion on the Resolutions on which voting are to be held, allow e-Voting for those Members present at the AGM but have not cast their votes through the remote e-Voting facility.
  19. The Scrutinizer shall after the conclusion of voting at the AGM, unblock the votes cast through e-Voting (votes cast through remote e-Voting and votes cast during the AGM) and shall submit, within the time stipulated under the applicable laws, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Meeting or any person authorized by her, who shall countersign the same and declare the results of the voting forthwith.

20. The Results declared along with the Scrutinizer's Report shall be communicated to the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed and shall be simultaneously displayed on the Notice Board of the Company at the Registered Office at **8<sup>th</sup> Floor, Birla Building, 9/1 R. N. Mukherjee Road, Kolkata – 700001** and shall also be placed on the Company's website at [www.birlatyre.com](http://www.birlatyre.com) and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
21. The Register of Members and Share Transfer Books in respect of the Equity Shares of the Company shall remain closed from Wednesday, 25<sup>th</sup> August, 2021 to Tuesday, 31<sup>st</sup> August, 2021 (both days inclusive) for the purpose of AGM.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

### Item Number 2

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Mani & Co., Cost Accountants (Firm Registration No. 000004), to conduct the audit of the Company's cost accounting records for the Financial Year 2021-22.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company. Accordingly, consent of the Members is sought for the ratification of the remuneration payable to the Cost Auditors for the Financial Year 2021-22 as approved by the Board of Directors on the recommendation of the Audit Committee.

Item Number 2 of the Notice convening the Company's Third Annual General Meeting has accordingly been proposed and the Board commends this Ordinary Resolution to the Members for their approval.

None of the Directors or the Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this Resolution.

### Item Number 3

Manjushree Khaitan (DIN: 00055898), was appointed as an Additional Director of the Company with effect from 13<sup>th</sup> November, 2019. Members at their First Annual General Meeting held on 2<sup>nd</sup> December, 2019, appointed her as a Director of the Company, not liable to retire by rotation.

Considering the present composition of the Board of Directors, consisting of Independent and Non-Independent Directors, and in order to comply with the provisions of Section 152 of the Companies Act, 2013 ("**the Act**") and the Rules made thereunder, Articles of Association of the Company, based on the recommendation of the Nomination and Remuneration Committee, the Board has recommended to change the status of Directorship of Manjushree Khaitan (DIN: 00055898) as 'Director liable to retire by rotation' in lieu of her present status 'Director not liable to retire by rotation'.

Brief particulars of Smt. Khaitan in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI) is incorporated in the Report on Corporate Governance.

Item Number 3 of the Notice convening the Company's Third Annual General Meeting has accordingly been proposed and the Board commends this Ordinary Resolution to the Members for their approval.

Except Smt. Khaitan, the appointee, none of the other Directors or Promoters or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this Resolution.

### Item Number 4

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) have appointed Uma Shankar Asopa (DIN: 00305010) as an Additional Director of the Company with effect from 30<sup>th</sup> November, 2020 under Section 161 of the Companies Act, 2013 ("**the Act**") read with Companies (Appointment and Qualification of Directors) Rules, 2014. He holds the office as an Additional Director only up to the date of this Annual General Meeting.

Mr. Asopa, being eligible has offered himself for appointment as a Director and the Company has received a declaration from him under Section 164 of the Act stating that he is not disqualified to act as a Director.

The Company has, in terms of Section 160(1) of the Act, received a valid notice in writing from a Member of the Company, proposing his candidature for the office of Director of the Company.

Brief particulars of Mr. Asopa in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI) is incorporated in the Report on Corporate Governance.

The Board of Directors is of the opinion that Mr. Asopa's vast knowledge and varied experience in the field of Accounts, Finance, Taxation and Audit will be of great value to the Company and accordingly commends this Ordinary Resolution under Item Number 4 of the Notice convening the Company's Third Annual General Meeting to the Members for their approval.

Except Mr. Asopa, the appointee, none of the other Directors or Promoters or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this Resolution.

#### **Item Number 5**

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) have appointed Abhijit Ghosh (DIN: 06485209) as an Additional Director (Independent) of the Company with effect from 12<sup>th</sup> January, 2021 under Section 161 of the Companies Act, 2013 ("**the Act**") read with Companies (Appointment and Qualification of Directors) Rules, 2014. He holds the office as an Additional Director only up to the date of this Annual General Meeting and subject to the approval of the Members in the ensuing AGM, as an Independent Director to hold the office for a term of five consecutive years commencing from 12<sup>th</sup> January, 2021 till 11<sup>th</sup> January, 2026.

Mr. Ghosh, being eligible has offered himself for appointment as a Director and the Company has received a declaration from him under Section 164 of the Act stating that he is not disqualified to act as a Director.

The Company has also received the requisite declaration from him confirming that he meets the criteria of independence as prescribed both under Section 149 (6) of the Act and under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI - LODR Regulations**"). In the opinion of the Board, Mr. Ghosh fulfills the conditions specified in the Act and the Rules made thereunder and also under the Listing Regulations for appointment as an Independent Director and is independent of the Management.

The Company has, in terms of Section 160(1) of the Act, received a valid notice in writing from a Member of the Company, proposing his candidature for the office of Director of the Company.

Brief particulars of Mr. Ghosh in terms of Regulation 36(3) of the SEBI - LODR Regulations and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI) is incorporated in the Report on Corporate Governance.

The Board of Directors is of the opinion that Mr. Ghosh's vast knowledge and varied experience in the field of Corporate Accounts and Administration will be of immense value to the Company and accordingly commends this Ordinary Resolution under Item Number 5 of the Notice convening the Company's Third Annual General Meeting to the Members for their approval.

The Company and its Independent Directors will abide by the provisions specified in Schedule IV of the Act, and be governed and guided by the guidelines of Professional Conduct, Role and Functions, Duties, Manner of Appointment, Re-appointment, Resignation or Removal, Separate meetings and Evaluation mechanism as provided therein. His appointment once made at the Meeting shall be formalised through a letter of appointment, which will set out amongst others:

- (a) the term of appointment;
- (b) the expectation of the Board from the concerned person; the Board-level Committee(s) in which he is expected to serve and its tasks;
- (c) the fiduciary duties that come with such appointments along with accompanying liabilities;
- (d) the Code of Business Ethics that the Company expects its Directors and employees to follow;

- (e) a list of actions that a Director should not do while functioning as such in the Company; and
- (f) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Board and other Meetings and profit related commissions, if any.

Formal letter of appointment will be issued to him upon the general body agreeing to the appointment. The terms and conditions of such appointment shall be open for inspection at the Registered Office of the Company by any Member during 11:00 A.M. to 4:00 P.M., Monday to Friday, and shall also be posted on the Company's website.

Except Mr. Ghosh, the appointee, none of the other Directors or Promoters or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this Resolution.

## Item Number 6

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) have appointed Anil Goenka (DIN: 00432647) as an Additional (Independent) Director of the Company with effect from 12<sup>th</sup> January, 2021 under Section 161 of the Companies Act, 2013 ("**the Act**") read with Companies (Appointment and Qualification of Directors) Rules, 2014. He holds the office as an Additional Director only up to the date of this Annual General Meeting and subject to the approval of the Members in the ensuing AGM, as an Independent Director to hold the office for a term of five consecutive years commencing from 12<sup>th</sup> January, 2021 till 11<sup>th</sup> January, 2026.

Mr. Goenka, being eligible has offered himself for appointment as a Director and the Company has received a declaration from him under Section 164 of the Act stating that he is not disqualified to act as a Director.

The Company has also received the requisite declaration from him confirming that he meets the criteria of independence as prescribed both under Section 149 (6) of the Act and under Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI - LODR Regulations**"). In the opinion of the Board, Mr. Goenka fulfills the conditions specified in the Act and the Rules made thereunder and also under the Listing Regulations for appointment as an Independent Director and is independent of the Management.

The Company has, in terms of Section 160(1) of the Act, received a valid notice in writing from a Member of the Company, proposing his candidature for the office of Director of the Company.

Brief particulars of Mr. Goenka in terms of Regulation 36(3) of the SEBI - LODR Regulations and Secretarial Standard - 2 on General Meetings issued by the Institute of Company Secretaries of India (ICSI) is incorporated in the Report on Corporate Governance.

The Board of Directors is of the opinion that Mr. Goenka's vast knowledge and varied experience in the field of Accounts, Finance, Taxation and Audit will be of immense value to the Company and accordingly commends this Ordinary Resolution under Item Number 6 of the Notice convening the Company's Third Annual General Meeting to the Members for their approval.

The Company and its Independent Directors will abide by the provisions specified in Schedule IV of the Companies Act, 2013, and be governed and guided by the guidelines of Professional Conduct, Role and Functions, Duties, Manner of Appointment, Re-appointment, Resignation or Removal, Separate meetings and Evaluation mechanism as provided therein. His appointment once made at the Meeting shall be formalised through a letter of appointment, which will set out amongst others:

- (a) the term of appointment;
- (b) the expectation of the Board from the concerned person; the Board-level Committee(s) in which he is expected to serve and its tasks;
- (c) the fiduciary duties that come with such appointments along with accompanying liabilities;
- (d) the Code of Business Ethics that the Company expects its Directors and employees to follow;
- (e) a list of actions that a Director should not do while functioning as such in the Company; and

- (f) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Board and other Meetings and profit related commissions, if any.

Formal letter of appointment will be issued to him upon the general body agreeing to the appointment. The terms and conditions of such appointment shall be open for inspection at the Registered Office of the Company by any Member during 11:00 A.M. to 4:00 P.M., Monday to Friday, and shall also be posted on the Company's website.

Except Mr. Goenka, the appointee, none of the other Directors or Promoters or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this Resolution.

**Registered Office:**

9/1, R. N. Mukherjee Road,  
8<sup>th</sup> Floor, Birla Building  
Kolkata - 700 001

**Date: 30<sup>th</sup> July, 2021**

**By Order of the Board  
For Birla Tyres Limited  
Saurabh Mantri  
Company Secretary**

## REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021

Dear Members,

The Board presents the Company's Third Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2021.

### FINANCIAL RESULTS

₹/ Crores

| Particulars   | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|---|------------------------------|------------------------------|
| <b>Total Revenue</b>  | 153.11                       | 538.46                       |
| <b>Profit / (Loss) before Interest, Depreciation, Tax and other Amortizations ("EBIDTA") *</b>            | (91.98)                      | (96.87)                      |
| <b>Less : Depreciation and Amortization Expenses</b><br><i>(Net of transfer from Revaluation Reserve)</i> | 33.29                        | 38.06                        |
| Finance Costs   | 162.36                       | 151.74                       |
| Profit / (Loss) before Exceptional Items and Tax  | (287.63)                     | (286.67)                     |
| Exceptional Items   | -                            | -                            |
| <b>Profit / (Loss) before Tax</b>   | (287.63)                     | (286.67)                     |
| Tax Expenses – Net  | -                            | -                            |
| <b>Profit / (Loss) for the year from continuing operations</b>  | (287.63)                     | (286.67)                     |
| Profit / (Loss) before tax from discontinued operations   | -                            | -                            |
| <b>Total Profit / (Loss) for the year</b>   | (287.63)                     | (286.67)                     |
| <b>Other Comprehensive Income (net of tax expense)</b>  |                              |                              |
| Re-measurement of Post-employment Benefit Obligations   | 3.85                         | (2.32)                       |
| Fair valuation of Equity Investments  | -                            | -                            |
| <b>Total Other Comprehensive Income / (Loss)</b>  | <b>3.85</b>                  | <b>(2.32)</b>                |
| <b>Total Comprehensive Income / (Loss) for the year</b>   | <b>(283.78)</b>              | <b>(288.99)</b>              |

\*EBIDTA before Other Comprehensive Income

### DIVIDEND

No dividend is recommended in view of the loss during the year and non-availability of any carry forward surplus.

### TRANSFER TO RESERVE

In view of losses incurred, no amount has been transferred to General Reserve.

### SHARE CAPITAL

The Paid-up Equity Share Capital as on 31<sup>st</sup> March, 2021 amounted to ₹142.59 Crores. The Company has not, during the year under review, issued any shares with or without differential voting rights, granted stock options or issued sweat equity shares.

### DEPOSITS

The Company has not, during the year under review, accepted any deposits from the public within the meaning of Section 73 of the Companies Act, 2013 ("the Act") read with 'Chapter V - Acceptance of Deposits by Companies'.

The Company however, during the year under review, has taken a loan of ₹ 70 lakhs from Manjushree Khaitan, Director of



the Company, for business purpose but the same is not considered as Deposits pursuant to Rule 2 (c) (viii) of the Companies (Acceptance of Deposits) Rules, 2014 as the Company has received a declaration in writing from her to the effect that the aforesaid amount is being given out of her personal funds.

#### **GENERAL REVIEW OF BUSINESS PERFORMANCE AND BUSINESS IMPACT DUE TO COVID-19 PANDEMIC**

The main objective of the Company is to carry on the business of manufacturing and dealing in automotive tyres.

There low economic activity during the year under review due to the impact of the Covid-19 pandemic affected our factory operations immensely which also resulted in lower turnover. The revenue for the year was ₹ 153.11 Crores and the loss for the year was ₹ (283.78) Crores. Since March 2020 to till date, there were negligible operations at our manufacturing unit.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI - LODR Regulations"), the Management Discussion and Analysis is enclosed as **Annexure-I** of this Report.

#### **CORPORATE GOVERNANCE**

A Report on Corporate Governance along with the Auditor's Certificate on compliance with the provisions of Corporate Governance under SEBI - LODR Regulations is enclosed as **Annexure-II** to this Report.

#### **RISK MANAGEMENT**

The Company has a Business Risk Management framework designed to identify and mitigate risks that has the potential to materially impact its business objectives and maintains a balance between managing risk and exploiting the opportunities.

The approach of Risk Management is defined across the Company at various levels, including documentation and reporting, interspersed with diverse risk models to help identify risk trends, exposure and potential impact analysis at the corporate level.

#### **DETAILS OF SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS**

During the year under review, there were no significant or material Orders passed by Regulators / Courts / Tribunals impacting or influencing the Company's going concern status and / or its future operations.

#### **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

In order to ensure orderly and efficient conduct of business, the Company's Management has put in place adequate Internal Financial Control Systems which commensurate with the nature, size and complexity of its business for safeguarding the assets of the Company, prevention and detection of frauds and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

An external independent firm carries out the Internal Audit of the Company and reports its findings to the Audit Committee on a regular basis. Internal Audit provides assurance on functioning and quality of internal controls along with adequacy and effectiveness through periodic reporting.

During the year under review, the Internal Financial Control Audit was carried out by the Statutory Auditors, the Report of which is forming part of the Annual Report.

#### **EVALUATION OF BOARD PERFORMANCE**

The performance of the Board, its Committees and each Board Member individually were subjected to evaluation during the year by the Board in line with the provisions of Section 178(2) of the Act. A brief statement on the methodology adopted during the year under review appears in the report on Corporate Governance.

As mandated under the provisions of the Act, a Meeting of all Independent Directors was convened and held during the year under review.

#### **NUMBER OF BOARD MEETINGS**

A tentative calendar of Board Meetings to take place in each financial year is prepared and circulated amongst Board Members and Key Management Personnel. During the year under review, eight Board Meetings were convened and held. These details of the same appear in the Report on Corporate Governance.

## **NOMINATION AND REMUNERATION POLICY**

The Company's Nomination and Remuneration Policy is prepared in conformity with the requirements of Section 178(3) of the Act and is available on the website of the Company at [www.birlatyre.com](http://www.birlatyre.com) and, as a result, does not form part of this Report.

All recommendations of the Nomination and Remuneration Committee made during the year under review were accepted by the Board and there were no instances of any disagreement between the Committee and the Board.

## **AUDIT COMMITTEE**

The Audit Committee is chaired by Kashi Prasad Khandelwal. Rashmi Bihani, Uma Shankar Asopa, Abhijit Ghosh and Anil Goenka are the other Members of the Committee. Chief Executive Officer and Chief Financial Officer were permanent invitees to the Meetings. The Company Secretary acts as Secretary to the Committee.

There were no instances of any disagreement between the Committee and the Board and all recommendations of the Audit Committee made during the year under review were accepted by the Board.

## **CORPORATE SOCIAL RESPONSIBILITY**

The Company does not meet the criteria specified under Section 135 of the Act and applicable Rules thereto requiring to constitute a Corporate Social Responsibility Committee and formulate a Policy for this purpose.

## **RELATED PARTY TRANSACTIONS**

As required under the SEBI - LODR Regulations, Related Party Transactions are placed before the Audit Committee for approval. Wherever required, prior approval of the Audit Committee is obtained on an omnibus basis for continuous transactions and the corresponding actual transactions become a subject of review at subsequent Audit Committee Meetings.

All Related Party Transactions / Arrangements entered into by the Company during the year were on an arm's length basis and in the ordinary course of business. The Company, during the year under review, has taken a loan of ₹ 70 lakhs from Manjushree Khaitan, Director of the Company, for business purpose.

There were no materially significant Related Party Transactions entered into by the Company with the Promoters, Directors, Key Management Personnel or other designated persons which could conflict with the interest of the Company as a whole and, as such, disclosure in Form AOC-2 pursuant to Rule 8(2) of the Companies (Accounts) Rules, 2014 has not been made.

The Company's Related Party Transactions Policy appears on its website at [www.birlatyre.com](http://www.birlatyre.com).

## **SUBSIDIARY AND JOINT VENTURE COMPANY**

The Company does not have any Subsidiary, Associate or Joint Venture.

## **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

During the year under review, the Company had not made any investment in any body-corporate or given any guarantee or provided any security stipulated under Section 186 of the Act.

## **VIGIL MECHANISM**

The Whistle Blower Policy of the Company is available on the website of the Company at [www.birlatyre.com](http://www.birlatyre.com).

## **STATUTORY AUDITOR AND THEIR REPORT**

Shareholders at the Company's First Annual General Meeting appointed Messrs. Deloitte Haskins & Sells, Chartered Accountants, as the Statutory Auditors of the Company for a period of five years from the conclusion of that Annual General Meeting.

In the Report of the Auditors for the year ended 31<sup>st</sup> March, 2021, forming part of this Annual Report, the Auditors have given following observations on: -

- i) Note No. 39 of the Notes to Financial Statements and clause 1(e) of the 'Report on Other Legal and Regulatory Requirements' read with clauses (vii & viii) of the Annexure B to the said Report; and
- ii) Clause (v) of the Annexure B to the Independent Auditor's Report.

In relation to the observation referred under point (i) above, Note No. 39 read with clause 1(e) and clauses (vii & viii) of the Annexure B referred to above are self-explanatory and in relation to the observation referred under point (ii) above, the Company during the year under review didn't accept any deposits except some advances from the customers against supply of materials. However, due to the pandemic the Company could not supply the materials in time. Therefore, the advance from the customers is lying unadjusted over one year and the same shall be adjusted in due course.

#### **COST AUDITOR**

In terms of the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the Board of Directors of the Company, as per the recommendation of Audit Committee, appointed M/s. Mani & Co., Cost Accountants, to audit the cost accounting records maintained by the Company for the Financial Year 2021-22. An appropriate Resolution has been incorporated in the Notice convening the Company's Third Annual General Meeting for ratification of remuneration of the Cost Auditors as approved by the Board on the recommendation of the Audit Committee.

#### **SECRETARIAL AUDITOR AND SECRETARIAL STANDARDS**

In terms of Section 204 of the Act and the Rules made thereunder, the Board had appointed Ritu Bajaj, Practising Company Secretary as Secretarial Auditor of the Company to conduct Secretarial Audit for the Financial Year 2020-21. The Report submitted by her in MR-3 is enclosed as **Annexure III**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. However her observations w.r.t. delay in compliance of certain SEBI - LODR Regulations are self-explanatory.

The Company has complied with Secretarial Standards formulated by the Institute of Company Secretaries of India and notified by the Central Government for implementation.

#### **PARTICULARS OF EMPLOYEES**

Disclosures pertaining to remuneration and other particulars as prescribed under the provisions of Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are set out in **Annexure IV** and forms part of this Report. None of the employees listed in the said Annexure is related to any Director of the Company.

As per the provisions of Section 136 of the Act read with various circulars issued by MCA and SEBI from time to time, the Annual Report and Accounts are being sent through electronic mode, to those Members whose e-mail addresses are registered with the Company / Depositories, excluding the information on employees particulars as per Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended. This information is readily available for inspection by Members at the Company's Registered Office between 3:00 P.M. to 5:00 P.M. on all working days (excluding Saturdays) up to the date of the forthcoming Annual General Meeting. Should any Member be interested in obtaining a copy (including through e-mail), s/he should write to the Company Secretary at the Company's Registered Office or request by e-mail at [cs@birlatyre.com](mailto:cs@birlatyre.com).

## DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place the requisite Internal Complaints Committee as envisaged under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaints on the issues covered by the above Act was received during the year under review.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) the Act and, based upon representations from the Management, the Board, to the best of its knowledge and belief, states that:

- (a) in the preparation of the Annual Accounts, applicable accounting standards has been followed and there are no material departures.
- (b) such accounting policies have been selected and applied consistently and such 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 at the end of the financial year ended 31<sup>st</sup> March, 2021 and of the loss for that period;
- (c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Annual Accounts have been prepared on a going concern basis;
- (e) proper internal financial controls have been laid down to be followed by the Company and that such internal financial controls are adequate and operating effectively; and
- (f) proper systems have been devised to ensure compliance by the Company with the provisions of applicable laws and that such systems were adequate and working effectively.

## FRAUD

During the year under review, the Statutory Auditors, Cost Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees, to the Audit Committee under Section 143(12) of the Act details of which needs to be mentioned in this Report.

## DIRECTORS

During the year under review, following Directors had resigned from the Board:

**P. Radhakrishnan** (DIN: 08284551), Non-Executive Director, has tendered his resignation from the Directorship of the Company effective from 28<sup>th</sup> April, 2020 due to his other pressing commitments.

**Kaushik Biswas** (DIN: 06919774), Non-Executive Director, has tendered his resignation from the Directorship of the Company effective from 16<sup>th</sup> November, 2020 due to his personal reasons.

**Prabal Kumar Sarkar** (DIN: 03124712), Non-Executive, Independent Director, had resigned from the Board effective from 20<sup>th</sup> November, 2020.

**Indrani Chakraborty** (DIN: 00545029), Non-Executive, Independent Director, has tendered her resignation from the Directorship of the Company effective from 23<sup>rd</sup> November, 2020 due to her personal reasons and pre-occupation with other companies.

The Board wishes to gratefully acknowledge their invaluable contributions and guidance during their tenure as Directors of the Company.

Pursuant to the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company has appointed following persons on the Board during the period under review:

**Rashmi Bihani** (DIN: 07062288) was appointed as an Additional Independent Director of the Company with effect from 20<sup>th</sup> July, 2020 to hold office till the conclusion of the Second Annual General Meeting and was regularized as an Independent Director at the same Annual General Meeting held on 29<sup>th</sup> September, 2020 for a period of 3 (Three) years from the conclusion

of that AGM.

**Indrani Chakraborty** (DIN: 00545029) was appointed as an Additional Independent Director of the Company with effect from 31<sup>st</sup> July, 2020 to hold office till the conclusion of the Second Annual General Meeting and was regularized as an Independent Director at the same Annual General Meeting held on 29<sup>th</sup> September, 2020 for a period of 3 (Three) years from the conclusion of that AGM.

**Uma Shankar Asopa** (DIN: 00305010) was appointed as Additional Director of the Company with effect from 30<sup>th</sup> November, 2020 in accordance with Section 161(1) of the Act. He holds the office till the conclusion of the ensuing Annual General Meeting. A Notice under Section 160(1) of the Act has been received from a Member in writing proposing his candidature for the office of Director of the Company. An appropriate Ordinary Resolution is also being proposed at the Third Annual General Meeting to appoint him as a Non-Executive Director of the Company, liable to retire by rotation.

**Abhijit Ghosh** (DIN: 06485209) was appointed as Additional Independent Director of the Company with effect from 12<sup>th</sup> January, 2021 for 5 years i.e. up to 11<sup>th</sup> January, 2026 subject to approval of the Members at the ensuing Annual General Meeting. A Notice under Section 160(1) of the Act has been received from a Member in writing proposing his candidature for the office of Director of the Company. An appropriate Ordinary Resolution is also being proposed at the Third Annual General Meeting to appoint him as an Independent Director of the Company, not liable to retire by rotation.

**Anil Goneka** (DIN: 00432647) was appointed as Additional Independent Director of the Company with effect from 12<sup>th</sup> January, 2021 for 5 years i.e. up to 11<sup>th</sup> January, 2026 subject to approval of the Members at the ensuing Annual General Meeting. A Notice under Section 160(1) of the Act has been received from a Member in writing proposing his candidature for the office of Director of the Company. An appropriate Ordinary Resolution is also being proposed at the Third Annual General Meeting to appoint him as an Independent Director of the Company, not liable to retire by rotation.

All Independent Directors have furnished to the Company the requisite declarations that they meet the relevant independence criteria as laid down in Section 149(6) of the Act as well as the Regulation 16(1)(b) of the SEBI - LODR Regulations.

Further, they have registered themselves within the stipulated time with the Indian Institute of Corporate Affairs in terms of the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Section 150 of the Act.

**Manjushree Khaitan** (DIN: 00055898) was appointed as Chairman & Non-Executive Director of the Company, not liable to retire by rotation, with effect from 2<sup>nd</sup> December, 2019 in the First Annual General Meeting of the Company. In order to comply with the provisions of Section 152 of the Act and Rules made thereunder and consequent to recent changes in the Board of Directors, it is proposed to change her status of Directorship from 'Director not liable to retire by rotation' to 'Director liable to retire by rotation'.

Brief profiles of Directors being appointed / re-appointed at the forthcoming Third Annual General Meeting have been given in the Report on Corporate Governance.

#### KEY MANAGERIAL PERSONNEL

The following persons functioned as Key Managerial Personnel during the year under review:

|                          |  |
|--------------------------|--|
| Herve Frederic Richert * | Chief Executive Officer  |
| Anirban Moulik           | Chief Financial Officer (till 18 <sup>th</sup> November, 2020)   |
| Anant Gupta              | Chief Financial Officer (w.e.f. 31 <sup>st</sup> December, 2020) |
| Rajat Arora              | Company Secretary (till 4 <sup>th</sup> December, 2020)          |
| Saurabh Mantri           | Company Secretary (w.e.f. 31 <sup>st</sup> December, 2020)       |

\* Resigned effective closure of business hours on 10<sup>th</sup> July, 2021.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014 is set out in **Annexure V** to this Report.

## MATERIAL CHANGES BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT

There has been no material change between the end of the Financial Year and the date of this Report.

## ANNUAL RETURN

In terms of the provisions of Section 92 (3) of the Act read with the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at [www.birlatyre.com](http://www.birlatyre.com)

## ANNEXURES FORMING PART OF THIS REPORT

| Annexure | Particulars   |
|----------|---|
| I        | Management Discussion & Analysis  |
| II       | Report on Corporate Governance  |
| III      | Secretarial Audit Report  |
| IV       | Remuneration and other particulars as prescribed under Section 197 of the Companies Act, 2013 |
| V        | Conservation of Energy, Technological Absorption, Foreign Exchange Earnings and Outgo         |

## APPRECIATION

The Board wishes to gratefully acknowledge the understanding and support received by the Company from its employees. It wishes also to thank the Banking system, the Central Government, the various State Governments and the local authorities for the unstinted support received during the year under review.

This Report will be incomplete without a specific appreciation for the Members of the Company who have shown immense confidence and understanding in the Company's well-being.

For and on behalf of the Board of Directors

Uma Shankar Asopa      Manjushree Khaitan  
*Director*                      *Chairman*

### Registered Office:

9/1 R.N. Mukherjee Road  
8<sup>th</sup> Floor, Birla Building,  
Kolkata – 700 001

Date: 30<sup>th</sup> July, 2021

# MANAGEMENT DISCUSSION AND ANALYSIS

## Performance Overview

The Company's performance during the year is shown below:

₹ / Crores

| S.No. | Particulars                                       | 2020-21         | 2019-20         |
|-------|---|-----------------|-----------------|
| 1     | <b>EBIDTA</b>                                     |                 |                 |
| a)    | Total EBIDTA including other comprehensive income | (88.13)         | (99.19)         |
| b)    | Unallocated Income/(Expenses)                     | -               | -               |
|       | <b>Total EBIDTA</b>                               | <b>(88.13)</b>  | <b>(99.19)</b>  |
| 2     | Exceptional Income                                | -               | -               |
| 3     | Finance Cost including interest                   | 162.36          | 151.74          |
| 4     | Cash Profit /(Loss)                               | (250.49)        | (250.93)        |
| 5     | Depreciation                                      | 33.29           | 38.06           |
| 6     | Profit Before Tax                                 | <b>(283.78)</b> | <b>(288.99)</b> |
| 7     | Tax Provision                                     | -               | -               |
| 8     | <b>Profit After Tax</b>                           | <b>(283.78)</b> | <b>(288.99)</b> |

## Industry Overview

The Indian Automotive Industry contributes to 7% of the overall GDP, 26% of Industry GDP & 49% of manufacturing GDP. The Indian Tyre Industry is engaged in continuous growth despite challenges in raw materials procurement and auto industry slowdown. The tyre industry is bringing agility and flexibility into its operations by focusing on the changes affecting each and every segment in the automotive space, including the increase in number of vehicles like quadricycle, e-rickshaw and electric bus. It has witnessed a remarkable growth in last few years on the back of growth in automobiles demand, especially in passenger vehicles and two wheeler segments. India represents the fourth largest market for tyres in the world after China, Europe and the United States. The demand of tyres is primarily catalyzed from two end-user segments - OEMs and the Replacement Segment. In line to arrest the spread of COVID-19 entire Q1 was affected & automotive manufacturers for most part of the year had to work on managing inventory. These shutdowns had negative impact on production. Industry witnessed Y-o-Y decline in both production & revenue despite the economic stimulus in terms of reduced borrowing rates & others.

Government's efforts to stimulate agricultural sector had some boost in Tractor sales & good monsoon also give positive effect in the sector.

2/3 Wheeler segment had positive growth as customers are likely preferring personal vehicle over public transport due to after effect of COVID-19 as precautionary measures.

Bharat Stage (BS) VI emission norms has come into effect from 1<sup>st</sup> April, 2020 which will bring some key changes in the Indian automotive landscape.

The global tyre market turnover is US \$ 112.16 Bn in 2020 and likely to grow at 4 % CAGR for the next five year 2021-2025. Indian tyre Industry turnover is ₹ 60,000 Cr (US \$ 8.5 Bn) and based on the study of CARE (Credit Analysis Research) the market is likely to grow at 9 - 10 %. India represents the fourth largest market for tyres in the world after China, Europe and the United States.

It has been challenging year for the tyre industry on the back of de-growth of automotive sector & economic slowdown coupled with the impact of COVID-19 during the F.Y. 21.



Although F.Y. 21 has begun with negative outlook but the companies remains optimistic about production activity recovering to desired level from F.Y. 22 onwards.

## Risks and Concerns

Profit margins on tyres plunged as a spate of headwinds hurt its operating margin. Fluctuating of major raw materials prices is hurting the operating margin. With margins under strain, it is often difficult to pass on the entire input and other throughput cost increment to customers. This position tends to be an obstacle to the industry of the required internal surpluses so essential for expansion of tyre production facilities.

Economic slowdown can lead to decreased volume and capacity utilization.

Second wave of COVID-19 may force Country to go for another lockdown like situation which will also make an impact on the business. The same would put pressure on margins of the Company in coming year.

It has been realized "tyres", is altogether a special segment which would call for investments in brand building to further the cause of equity of a particular brand in a discriminating market. Existence of low profitability in the industry tends to dilute efforts in this direction given the industry's competitive setting and the fact that there are only limited restriction on imports and that also only from China.

Stepping upon minimizing the ill effects of the disequilibrium in margins, industry is reworking upon the strategic approach. This process will serve to rationalize and streamline existing recipes and the application of chemicals and compounds in tyre manufacture. It would be an organic journey, wherein there may be a marginal increment in development costs in the short run but will pay off going forward.

The industry needs nonetheless to do much more in stepping up the gas on tyre related research. As the technology keeps changing at a very fast pace and with new innovations coming up in this arena, it is important to be ahead of the curve in producing dedicated tyres for new generation vehicles, including the electric vehicles.

## Growth Drivers and Outlook

The Country is today a growing market. The gradual exposure of the Indian economy to the more developed markets abroad has helped create a multiplier effect on the various components that go into the configuration of a Country's economy. The slowdown in demand, closure of production activities, fall in the global price of crude oil, ban on foreign trade, amongst others, are bound to adversely affect inflation, thereby affecting the economy chart. It is believed that COVID-19 would adversely bring down the Country's GDP growth rate.

Road conditions are improving virtually by the day. Indeed there has been a credible move towards concretizing road surfaces both in urban agglomerations as well as state and national highways. The progressive upgradation in road conditions and their geographical spread across the country has been a fillip to road transport. As the Indian economy expands in size, so will the road transport and therefore the demand for tyres. To boost the same GOI has made a budget allocation of 18,000 Crores for enhancement of road public transport. And this market need will not be for commercial vehicles alone. There will be a demand boost for tyres of all types of automotive vehicles including off the road ones.

The government has been speaking about improving the infrastructure in the Country. This could be a ray of hope for the OEMs as road construction would improve sales of tippers, dumpers and other construction equipment. At the moment, even the smallest of hope is seen as a savior and the OEMs are looking at every single such opportunity.

Lot of promising work is happening on National Logistics Policy, which aims to promote seamless movement of goods across the Country. It looks at several areas such as process re-engineering, digitization and focus on multi-modal transport. It is also looking at exim trade and improving logistics in core sectors such as coal, fertilizer, cement & steel. The policy would improve India's trade competitiveness and performance in global rankings and pave the way for India to become the logistic hub.

The new scrappage policy could play an essential role in reviving the commercial vehicle sector in India. As per the market reports, it is expected that the situation would improve gradually during the current fiscal that has been affected by the current downturn in the industry and the corona virus pandemic. When we look at the commercial vehicle industry, its core to the Country, it is pretty much the core industry, to have it at 28 percent (GST rate) is something which the industry has put forth to the government in the past and now as well. It would help, and it could be one of the possible demand triggers. Fundamentally what we are seeing is that each segment of the commercial vehicle industry would have its own trajectory.

Despite the lockdown, India officially switched over from BS-IV to BS-VI was achieved in just three years, a feat not seen in any of the large economies around the globe. More than 1,000 models and variants of BS-IV were to be developed to BS-VI emission norms in just 3 years, and the industry in the process is investing ₹70,000 Crores for this achievement. Nearly ₹60,000 Crores was spent on the switch-over to BS-VI fuels.

#### The Company's Tyre Business going forward

The business will continue to be an influential player in Bias Segment which have even today a steady demand. Several new bias product offerings are in the pipeline, including a range of fuel savers for truck and bus, re-engineered for light commercial vehicles tyres will now enter the market.

The Company has entered into off take agreement with a couple of tyre manufacturers. This will help in optimum utilization of the production capacity.

Even so, the business, during the current year, will further re-position and consolidate its radial offerings in keeping with its standing as a key industry player. Radials for commercial vehicles as well as for passenger cars will be unfolded in a phased manner. Two and three wheeler tyres constitute an attractive slot in a thriving market.

Exports will be another thrust area. Besides the conventional markets in South-East Asia where the business already has a presence, efforts are on to enhance visibility in several other select overseas markets. At the same time, attention to further refining manufacturing technology and managing supply chain is being accorded the priority they deserve. Economising on sourcing costs, for instance, the use of alternative materials and other input items are under serious consideration. The Research & Development centre is working on advanced simulation techniques for better product performance and lesser service failures.

In overall terms, the Tyre business looks to the future with confidence.

#### Financial Performance during 2020-21:

The "General Review on Business Performance" incorporated in the Directors' Report sets out a brief performance resume of the Company's operating businesses.

- A. The Interest Coverage Ratio stood negative 0.75 as at 31<sup>st</sup> March, 2021.
- B. The Operating Profit Margin percentage stood at negative 0.67 as at 31<sup>st</sup> March, 2021.
- C. The Net Profit Margin percentage is also negative at 2.09 as at 31<sup>st</sup> March, 2021.

The Net Worth as at 31<sup>st</sup> March, 2021 is negative ₹ 566.85 Crores.

**Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations thereof, including:**

| Sl. No. | Particulars              | 2020-21 | 2019-20 |
|---------|--------------------------|---------|---------|
| i)      | Debtors Turnover Ratio   | 1.22    | 8.15    |
| ii)     | Inventory Turnover Ratio | 2.10    | 3.50    |
| iii)    | Interest Coverage Ratio  | (0.75)  | (0.90)  |
| iv)     | Current Ratio            | 0.09    | 0.24    |
| v)      | Debt Equity Ratio        | (1.71)  | (3.17)  |
| vi)     | Operating Profit         | (0.67)  | (0.21)  |
| vii)    | Net Profit Turnover      | (2.09)  | (0.61)  |
| viii)   | Return on Equity         | 0.51    | 1.01    |

#### Internal Control Systems and their adequacy:

This has been covered in the Directors' Report.

## Material Developments in Human Resources

Human Resources continue to be the cornerstone around which the Company functions. The Company engages with the people who work for it on a proactive basis so as to transform the environment from a “place of work” to a “place to work”. The Company believes that such approach has assisted it enormously in promoting harmony and a sense of belonging amongst those working for it thereby seeking to enhance their work life balance. The gradual evolution of this perception constitutes, according to the Company, a defining sign of sustained employee commitment to its wellbeing.

The number of people employed as on 31<sup>st</sup> March, 2021 is separately covered under **Annexure IV** to the Directors Report.

Industrial relations remained cordial during the year.

## Impact of Novel Corona Virus (COVID-19) upon Tyre Industry:

(A) The Indian Economy has been severely disrupted by the occurrence of COVID-19. It has resulted into drop in GDP by 7.3% in 2020-21 compared to 2019-20. In absolute terms the GDP value came down from US \$ 145.7 Trillion in 2019-20 to US \$ 135.13 Trillion in 2020-21. This is the worst performance of Indian Economy since independence.

In terms of Automobile Industry also, the situation is no different with Commercial vehicle registering a significant decline thereby affecting the Tyre Industry adversely. Also the 2 Wheeler segment got badly affected as there has been rampant job losses & business downturns resulting in reduction of purchasing power of individuals.

The threat of job loss has resulted in financing companies becoming more selective in disbursement of auto loans thereby affecting the automobile industry adversely.

In the entire value chain, only the Passenger vehicle segment did reasonably well and the Tractors had a dream run because of improvement in the rural income coupled with good monsoon.

Overall, the second wave of COVID-19 was not only spreading fast but was also destabilizing the growth which the Country had achieved during the months when the COVID-19 threat was less.

The Government tried to chip in with various incentive measures at different points of time. However, the same was probably not adequate compared to the requirement.

As regards Birla Tyres Limited, in order to overcome the financial challenges we are actively engaged with the Banks for the Resolution Plan to come through however the same may take some more time in view of frequent lockdowns and the apprehension of the lenders of impact of COVID-19 on our business environment.

(B) In Birla Tyres Limited we are fighting the battle against Corona in a united manner and the COVID-19 precautions are taking precedence over all other considerations.

The Health and Safety of our Customers, People and Employees are of paramount importance to us. The Management is trying to strike a balance between maintaining the precautions relevant to health of employees and at the same time to serve the customers in the best possible way.

The Company is actively engaged in implementing the Government laid down policies for fighting the Covid, including Work from Home wherever possible.

In order to ensure that our Export market is not hampered due to frequent lockdowns, we are actively engaged with our customer base overseas to ensure smooth functioning.

As a team and community we are confident of winning the fight against COVID-19 and get back to normal business cycle.

For and on behalf of the Board of Directors

**Uma Shankar Asopa**     **Manjushree Khaitan**  
*Director*                      *Chairman*

## Registered Office:

9/1 R.N. Mukherjee Road  
8<sup>th</sup> Floor, Birla Building,  
Kolkata – 700 001

Date: 30<sup>th</sup> July, 2021

## REPORT ON CORPORATE GOVERNANCE

### FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2021

#### 1. GOVERNANCE PHILOSOPHY

The Company's philosophy on governance is structured on principles and practices that seeks to imprint fairness, transparency and ethical behavior in its dealings with stakeholders.

#### 2. BOARD OF DIRECTORS

##### i) Composition of the Board as on 31<sup>st</sup> March, 2021 and their Directorships, Committee positions held in other Companies and shares held by them as on that date:

As on 31<sup>st</sup> March, 2021, the Company had six Directors, two of whom were Non-Executive Independent including one Woman Independent Director, two were Additional Non-Executive Independent and two were Non-Executive Non-Independent. The composition of the Board complies with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI - LODR Regulations"). Details of Board composition are as follows:

| Directors               | Designation | Category                      | No. of other Directorships held * | No. of Independent Directorships held in Listed Companies * | No. of other Board Committees # (of Companies *) |               | Share-holding in the Company |
|-------------------------|-------------|-------------------------------|-----------------------------------|---|--|---------------|------------------------------|
|                         |             |                               |                                   |   | As a Member                                      | As a Chairman |                              |
| Manjushree Khaitan      | Chairman    | Non-Executive Non-Independent | 4                                 | 0   | 0  | 0             | 7,20,158                     |
| Kashi Prasad Khandelwal | Director    | Non-Executive Independent     | 4                                 | 3   | 3  | 3             | Nil                          |
| Rashmi Bihani           | Director    | Non-Executive Independent     | 1                                 | 0   | 0  | 0             | Nil                          |
| Uma Shankar Asopa       | Director    | Non-Executive Non-Independent | 9                                 | 0   | 1  | 1             | Nil                          |
| Abhijit Ghosh           | Director    | Non-Executive Independent     | 0                                 | 0   | 0  | 0             | Nil                          |
| Anil Goenka             | Director    | Non-Executive Independent     | 0                                 | 0   | 0  | 0             | Nil                          |

\* Excluding Birla Tyres Limited, Private Companies, Companies under Section 8 of the Companies Act, 2013 ("the Act") and Foreign Companies.

# Only two Committees viz. the Audit Committee and the Stakeholders' Relationship Committee have been considered for this purpose in terms of Regulation 26(1)(b) of SEBI - LODR Regulations.

None of the Directors of the Company are related as per the provisions of the Act.

ii) Details of Directorships in other listed entities held by the Directors of the Company as at 31<sup>st</sup> March, 2021:

| Name of the Directors   | Name of Listed Entities       | Category                               |
|-------------------------|-------------------------------|--|
| Manjushree Khaitan      | Kesoram Industries Limited    | Non-Executive Non-Independent Director |
| Kashi Prasad Khandelwal | GPT Infraprojects Limited     | Non-Executive Independent Director     |
|                         | LIC Housing Finance Limited   | Non-Executive Independent Director     |
|                         | Kesoram Industries Limited    | Non-Executive Independent Director     |
| Rashmi Bihani           | Nil                           | N.A.                                   |
| Uma Shankar Asopa       | Kesoram Textile Mills Limited | Non-Executive Non-Independent Director |
| Abhijit Ghosh           | Nil                           | N. A.                                  |
| Anil Goenka             | Nil                           | N. A.                                  |

iii) List of core skills / expertise / competencies required in the Company's Board to enable it function effectively and those actually available:

The Board identifies the following core skills / expertise / competencies that it perceives it ought to have in the process of governing the Company. It is further of the view that as a whole it possesses these skills / expertise / competencies and is applying them in governing the Company:

| Directors  | Manjushree Khaitan | Kashi Prasad Khandelwal | Rashmi Bihani | Uma Shankar Asopa | Abhijit Ghosh | Anil Goenka |
|--|--------------------|-------------------------|---------------|-------------------|---------------|-------------|
| <b>Skill Sets</b>  |                    |                         |               |                   |               |             |
| Strategising capability  | √                  | √                       | √             | √                 | √             | √           |
| Capacity to identify risks and macro level concerns in the Company.  | √                  | √                       | √             | √                 | √             | √           |
| Aptitude in the arenas of finance, control, information technology and governance mechanisms so as to be able to examine and analyse these areas in the context of the Company's requirements and be in a position to determine gaps in the Management's thought process or the approach to these.           | √                  | √                       | √             | √                 | √             | √           |
| Ability to judge the degree of adroitness and clear thinking that go into taking business decisions taken by the Management, identify discontinuities and anomalies, critique such decisions where necessary and thereafter direct initiation of the required action as deemed best under the circumstances. | √                  | √                       | √             | √                 | √             | √           |
| Encouraging diversity in the methodologies of the Company looking at operational and related constraints and suggesting ways forward.  | √                  | √                       | √             | √                 | √             | √           |
| Ability to engage in a healthy and cogent debate within itself (including in Board Committees) on the various governance processes with the objective of finding solutions to issues affecting the Company.  | √                  | √                       | √             | √                 | √             | √           |

iv) **Attendance of Directors at Meetings held during the Financial Year 2020-21:**

Eight Board Meetings were held during the Financial Year ended 31<sup>st</sup> March, 2021 on 30<sup>th</sup> April, 2020, 31<sup>st</sup> July, 2020, 28<sup>th</sup> August, 2020, 21<sup>st</sup> September, 2020, 19<sup>th</sup> October, 2020, 9<sup>th</sup> November, 2020, 31<sup>st</sup> December, 2020 and 8<sup>th</sup> March, 2021. The attendance of each Director at these Meetings and at the 2<sup>nd</sup> Annual General Meeting ("AGM") held on 29<sup>th</sup> September, 2020 was as follows:

| Members  | Attendance            |      |
|--|-----------------------|------|
|  | No. of Board Meetings | AGM  |
| Manjushree Khaitan   | 8                     | Yes  |
| P. Radhakrishnan (till 28 <sup>th</sup> April, 2020)   | 0                     | N.A. |
| Kashi Prasad Khandelwal  | 8                     | Yes  |
| Prabal Kumar Sarkar (resigned w.e.f. 20 <sup>th</sup> November, 2020)  | 5                     | Yes  |
| Kaushik Biswas (resigned w.e.f. 16 <sup>th</sup> November, 2020)   | 6                     | Yes  |
| Rashmi Bihani (Appointed w.e.f. 20 <sup>th</sup> July, 2020)   | 7                     | Yes  |
| Indrani Chakraborty (Appointed w.e.f. 31 <sup>st</sup> July, 2020 and resigned w.e.f. 23 <sup>rd</sup> November, 2020) | 5                     | Yes  |
| Uma Shankar Asopa (Appointed w.e.f. 30 <sup>th</sup> November, 2020)   | 2                     | N.A. |
| Abhijit Ghosh (Appointed w.e.f. 12 <sup>th</sup> January, 2021)  | 0                     | N.A. |
| Anil Goenka (Appointed w.e.f. 12 <sup>th</sup> January, 2021)  | 1                     | N.A. |

v) **Details of Remuneration and Sitting Fees paid to Directors during the Financial Year 2020-21:**

| Sl. No. | Name of the Directors   | Sitting fees paid for (₹ in lakhs) |                     |
|---------|-------------------------|------------------------------------|---------------------|
|         |                         | Board Meetings                     | Committee Meetings* |
| 1       | Manjushree Khaitan #    | -                                  | -                   |
| 2       | P. Radhakrishnan ^      | -                                  | -                   |
| 3       | Kashi Prasad Khandelwal | 8.00                               | 5.20                |
| 4       | Prabal Kumar Sarkar     | 5.00                               | 3.40                |
| 5       | Kaushik Biswas ^        | -                                  | -                   |
| 6       | Rashmi Bihani           | 7.00                               | 1.80                |
| 7       | Indrani Chakraborty     | 5.00                               | 0.00                |
| 8       | Uma Shankar Asopa       | 2.00                               | 1.40                |
| 9       | Abhijit Ghosh           | -                                  | 0.40                |
| 10      | Anil Goenka             | 1.00                               | 0.40                |
|         | <b>Total</b>            | <b>28.00</b>                       | <b>12.60</b>        |

\* Includes non-statutory Committees as well as Meeting of Independent Directors.

# Relinquished her sitting fees for F.Y. 2020-21 due to COVID-19 scenario.

^ No sitting fees was paid to them as agreed upon for attending Board and Committee Meetings.

The Company had no Executive Director on the Board. Hence, no remuneration was paid to any Director during the Financial Year 2020-21.

No Commission was paid to the Directors during the Financial Year 2020-21.

## vi) Code of Conduct

The Company has a Code of Conduct applicable to all Board Members and Senior Management Staff for avoidance of conflict of interest between each of these individuals and the Company. Each Board Member and Senior Management staff has declared compliance with the Code of Conduct as at 31<sup>st</sup> March, 2021. There were no materially significant transactions during the Financial Year with Board Members and Senior Management, including their relatives that had or could have had a potential conflict of interest with the Company.

The Code of Conduct is available on the website of the Company at [www.birlatyre.com](http://www.birlatyre.com).

## 3. AUDIT COMMITTEE

### i) Terms of Reference

The Audit Committee has been mandated with the same terms of reference as envisaged in Regulation 18 of the SEBI - LODR Regulations and in Section 177 of the Act.

### ii) Composition, Names of Members and Chairman

As on 31<sup>st</sup> March, 2021 the Audit Committee had five Non-Executive Directors as Members, out of which four were Independent Directors. Kashi Prasad Khandelwal chairs the Committee.

Four Meetings were held during the Financial Year ended 31<sup>st</sup> March, 2021 on 31<sup>st</sup> July, 2020 (2 Meetings), 9<sup>th</sup> November, 2020 and 8<sup>th</sup> March, 2021.

The composition of the Committee and attendance of each Member at Meetings were as follows:

| Members  | No. of Meetings attended |
|--|--------------------------|
| Kashi Prasad Khandelwal, Chairman  | 4                        |
| P. Radhakrishnan (resigned w.e.f. 28 <sup>th</sup> April, 2020)  | 0                        |
| Prabal Kumar Sarkar (resigned w.e.f. 20 <sup>th</sup> November, 2020)  | 3                        |
| Kaushik Biswas (appointed as a Member w.e.f. 28 <sup>th</sup> April, 2020 and resigned w.e.f. 16 <sup>th</sup> November, 2020) | 3                        |
| Rashmi Bihani (appointed as a Member w.e.f. 4 <sup>th</sup> December, 2020)  | 1                        |
| Uma Shankar Asopa (appointed as a Member w.e.f. 4 <sup>th</sup> December, 2020)  | 1                        |
| Abhijit Ghosh (appointed as a Member w.e.f. 8 <sup>th</sup> March, 2021)   | 0                        |
| Anil Goenka (appointed as a Member w.e.f. 8 <sup>th</sup> March, 2021)   | 0                        |

The quorum for an Audit Committee Meeting is two Members personally present. The Company Secretary acts as the Secretary to the Audit Committee.

In addition to the Members of the Audit Committee, these Meetings were attended by the following:

- the Statutory Auditors, as and when necessary.
- the Internal Auditors, as and when necessary.
- the Cost Auditors, as and when necessary.
- Chief Executive Officer
- Chief Financial Officer.

Kashi Prasad Khandelwal, Chairman of the Committee is a senior Practicing Chartered Accountant with expert knowledge in Finance, Accounting, Audit and Taxation. Rashmi Bihani and Anil Goenka are also practicing Chartered Accountant, Uma Shankar Asopa is a Bachelor in Science and a Fellow member of the Institute of Chartered Accountants of India. Abhijit Ghosh is a Bachelor in Commerce and possesses wide experience in the field of Corporate Accounts and Administration.

All Members of the Committee are therefore financially literate.

Kashi Prasad Khandelwal, Chairman of the Audit Committee, was present at the Annual General Meeting ("AGM") of the Company held on 29<sup>th</sup> September, 2020 to answer Member's queries.



#### 4. NOMINATION AND REMUNERATION COMMITTEE

##### i) Composition, Name of Members and Chairman:

As on 31<sup>st</sup> March, 2021, the Nomination & Remuneration Committee had three Non-Executive Directors as Members, out of which two were Independent Directors. Kashi Prasad Khandelwal chairs the Committee.

The Committee met once during the Financial Year 2020-21 on 31<sup>st</sup> July, 2020.

The Company Secretary acts as the Secretary to the Committee.

The composition of the Committee and the attendance of each Member at the Meeting was as follows:

| Members   | No. of Meetings attended |
|---|--------------------------|
| Kashi Prasad Khandelwal, Chairman   | 1                        |
| P. Radhakrishnan (resigned w.e.f. 28 <sup>th</sup> April, 2020)                 | 0                        |
| Prabal Kumar Sarkar (resigned w.e.f. 20 <sup>th</sup> November, 2020)           | 1                        |
| Kaushik Biswas (resigned w.e.f. 16 <sup>th</sup> November, 2020)                | 1                        |
| Rashmi Bihani (appointed as a Member w.e.f. 4 <sup>th</sup> December, 2020)     | 0                        |
| Uma Shankar Asopa (appointed as a Member w.e.f. 4 <sup>th</sup> December, 2020) | 0                        |

The terms of reference of the Nomination and Remuneration Committee traverses the areas covered under Regulation 19 of the SEBI - LODR Regulations and Section 178 of the Act.

##### ii) Nomination and Remuneration Policy:

The Committee formulated Policy accepted by the Board for implementation is available on the website of the Company at [www.birlatyre.com](http://www.birlatyre.com).

The performance of individual Board Members including Independent Directors was subject to peer evaluation during the Financial Year.

#### 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

##### i) Composition, Name of Members and Chairman:

As on 31<sup>st</sup> March, 2021 the Stakeholders Relationship Committee had three Non-Executive Directors as Members, out of which two were Independent Directors. Kashi Prasad Khandelwal chairs the Committee.

The Committee met once during the Financial Year 2020-21 on 25<sup>th</sup> March, 2021.

The Company Secretary acts as Secretary to the Committee. The composition of the Committee and the attendance of each Member at the Meeting was as follows:

| Members   | No. of Meetings attended |
|---|--------------------------|
| Kashi Prasad Khandelwal, Chairman   | 1                        |
| P. Radhakrishnan (resigned w.e.f. 28 <sup>th</sup> April, 2020)   | 0                        |
| Prabal Kumar Sarkar (appointed w.e.f. 28 <sup>th</sup> April, 2020 and resigned w.e.f. 20 <sup>th</sup> November, 2020) | 0                        |
| Kaushik Biswas (resigned w.e.f. 16 <sup>th</sup> November, 2020)  | 0                        |
| Rashmi Bihani (appointed as a Member w.e.f. 4 <sup>th</sup> December, 2020)   | 1                        |
| Uma Shankar Asopa (appointed as a Member w.e.f. 4 <sup>th</sup> December, 2020)   | 1                        |

The terms of reference of the Committee cover all the areas as mentioned under Regulation 20 of the SEBI - LODR Regulations and Section 178 of the Act.

ii) Shareholder complaints received and redressed during the Financial Year 2020-21:

| Nature of Grievances  | Complaints received from |                 |               |            | Total complaints received during 2020-21 | Total complaints redressed | No. of complaints outstanding as on 31 <sup>st</sup> March, 2021 |
|---|--------------------------|-----------------|---------------|------------|--|----------------------------|--|
|   | Investors directly       | Stock Exchanges | SEBI "SCORES" | ROC        |  |                            |  |
| Non-receipt of Dividend / Interest / Redemption Warrants / NECs | Nil                      | Nil             | Nil           | Nil        | Nil                                      | Nil                        | Nil  |
| Non-receipt of Share / Debenture Certificate(s)                 | Nil                      | Nil             | Nil           | Nil        | Nil                                      | Nil                        | Nil  |
| Non-receipt of Duplicate Share / Debenture Certificate(s)       | Nil                      | Nil             | Nil           | Nil        | Nil                                      | Nil                        | Nil  |
| Demat related grievances  | Nil                      | Nil             | Nil           | Nil        | Nil                                      | Nil                        | Nil  |
| Non-receipt of Annual Report(s)                                 | Nil                      | Nil             | Nil           | Nil        | Nil                                      | Nil                        | Nil  |
| Status of Application lodged for Rights Issue                   | Nil                      | Nil             | Nil           | Nil        | Nil                                      | Nil                        | Nil  |
| Reason for Non - Allotment of Shares in Rights Issue            | Nil                      | Nil             | Nil           | Nil        | Nil                                      | Nil                        | Nil  |
| Change of Name on Securities                                    | Nil                      | Nil             | Nil           | Nil        | Nil                                      | Nil                        | Nil  |
| <b>Total</b>  | <b>Nil</b>               | <b>Nil</b>      | <b>Nil</b>    | <b>Nil</b> | <b>Nil</b>                               | <b>Nil</b>                 | <b>Nil</b>   |

iii) Details of outstanding Shares in the Unclaimed Suspense Account:

| Particulars  | Total No. of Shareholders | No. of Outstanding Shares lying in Unclaimed Suspense Account |
|--|---------------------------|---|
| As on 1 <sup>st</sup> April, 2020  | 1                         | 5   |
| Shareholders, who approached the Company for transfer / delivery during 2020-21  | Nil                       | Nil   |
| Shares transferred / delivered during the year 2020-21   | Nil                       | Nil   |
| Shareholders, who approached the Company for transfer / delivery pending compliance of verification process  | Nil                       | Nil   |
| Shares transferred to Investor Education and Protection Fund (IEPF) u/s 124(6) of the Act read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. | Nil                       | Nil   |
| <b>Balance as on 31<sup>st</sup> March, 2021</b>   | <b>1</b>                  | <b>5</b>  |

The voting rights on these outstanding shares in the Unclaimed Suspense Account and transferred to IEPF shall remain frozen till the rightful owner of such shares claim the shares.

6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company does not meet the criteria specified under Section 135 of the Act requiring to constitute a Corporate Social Responsibility Committee and formulate a Policy for this purpose.

7. SEPARATE MEETING OF INDEPENDENT DIRECTORS

As per stipulations in Section VII of the Code for Independent Directors in Schedule IV of the Act and Regulation 25 of the SEBI - LODR Regulations, a separate Meeting of the Company's Independent Directors was held during the Financial Year 2020-21 on 25<sup>th</sup> March, 2021. All the Independent Directors attended the Meeting.

All Independent Directors have furnished to the Company the requisite declarations that they meet the relevant independence criteria as laid down in Section 149(6) of the Act read with Regulation 16(b) of the SEBI - LODR Regulations.

## 8. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The familiarisation programme for Independent Directors is available on the website of the Company at [www.birlatyre.com](http://www.birlatyre.com).

## 9. ANNUAL EVALUATION OF THE BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS

An annual evaluation exercise was carried out by the Board during the year encompassing its own performance, those of its Committees as well as individual Board Members.

The exercise continued to recognise that while Board Members were individuals, the Board or a Committee of the Board was a collective body. It was this collective body that took decisions even though individuals, constituting the collective body, had the right to dissent. Thus, what was put on test in the evaluation exercise this year was, amongst other issues, the extent of perspicacity of each Member, whether sitting as part of the Board or any Committee, to meaningfully contribute to the formulation of Board decisions.

The process was thus intricate and the conclusion arrived at was that each Board Member had harmoniously contributed to complement the role of the collective entity. This had made for the Board as well as each Committee's efficacious functioning during the year.

## 10. COMPLIANCE OFFICER

The Company Secretary is the Compliance Officer under Regulation 6 of the SEBI - LODR Regulations, and other applicable SEBI Regulations and Rules.

## 11. GENERAL BODY MEETINGS

### (A) Details of all the previous AGMs held:

| AGM                 | Date of AGM                      | Location   | Time       |
|---------------------|----------------------------------|--|------------|
| 2 <sup>nd</sup> AGM | 29 <sup>th</sup> September, 2020 | Held through Video Conferencing / Other Audio Visual Means                         | 3:00 P.M.  |
| 1 <sup>st</sup> AGM | 2 <sup>nd</sup> December, 2019   | 8 <sup>th</sup> Floor, Birla Building, 9/1 R. N. Mukherjee Road, Kolkata – 700 001 | 10:00 A.M. |

### (B) Special Resolutions passed at previous AGMs: NIL

### (C) Extra Ordinary General Meeting ("EOGM") / Postal Ballot:

During the year, no Resolution was passed through EOGM / Postal Ballot.

As at date, no Special Resolution is proposed to be passed through EOGM / Postal Ballot.

## 12. DISCLOSURE IN RELATION TO THE APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

As required under Regulation 36(3) of the SEBI - LODR Regulations, brief profiles of Manjushree Khaitan, Uma Shankar Asopa, Abhijit Ghosh and Anil Goenka are as follows:

**Manjushree Khaitan (Non-Executive, Non-Independent) DIN: 00055898:** Manjushree Khaitan (65) was appointed as an Additional Non-Executive Director of this Company on 13<sup>th</sup> November, 2019 and was regularized by the Members at their Meeting held on 2<sup>nd</sup> December, 2019 as a Non-Executive, Non-Independent Director, not liable to retire by rotation. She is also the Chairman of the Company. Apart from being a post graduate in English Literature from Calcutta University she has attended several Executive Development Programmes both at the London Business School and IMD, Switzerland. Further, as an industrialist, she has been associated with the chemicals industry, tea and coffee plantations, and information technology for three decades. She is the Chairperson of Kesoram Industries Limited and Manjushree Plantations Limited. She is also a member of the Board of Governors of Birla Institute of Technology and Science, Pilani. In addition, she is closely associated with several educational and cultural trusts, including Birla Education Trust. She holds 7,20,158 Equity Shares of the Company and is not related to any other Directors of the Company.

**Uma Shankar Asopa (Non-Executive, Non-Independent) DIN: 00305010:** Uma Shankar Asopa (68) was appointed as an Additional Non-Executive, Non-Independent Director of the Company with effect from 30<sup>th</sup> November, 2020. He is a

Bachelor in Science and a Fellow member of the Institute of Chartered Accountants of India. His rich experience in areas of Accounts & Finance and Control is wide and varied and spans over four decades. He is also on the Board of Kesoram Textile Mills Ltd, Arbela Trading and Services Private Ltd., Kudra Investment and Trading Co. Ltd., Jwalamukhi Investment and Trading Co. Ltd., Panchmukhi Investment and Trading Co. Ltd., SNP Investment and Trading Co. Ltd., Vasavadatta Investment and Trading Co. Ltd., Vasavadatta Services Ltd., Kesoram Services Ltd. and Bizari Veneer and Saw Mills Ltd. He does not hold any Equity Share of the Company and is also not related to any other Directors of the Company.

**Abhijit Ghosh (Non-Executive, Independent) DIN: 06485209:** Abhijit Ghosh (63) was appointed as an Additional Non-Executive, Independent Director of the Company with effect from 12<sup>th</sup> January, 2021. He is a Bachelor in Commerce from Calcutta University and possesses wide experience of 40 years in the field of Corporate Accounts and Administration and has worked with India's leading Companies engaged in the business of Media, Food and Beverage and Hospitality. He is also on the Board of Calcutta International Club. He does not hold any Equity Share of the Company and is also not related to any other Directors of the Company.

**Anil Goenka (Non-Executive, Independent) DIN: 00432647:** Anil Goenka (57) is a Practicing Chartered Accountant and a Graduate from St. Xavier's College, Kolkata. His has rich experience of 32 years as a Practicing Chartered Accountant in the fields of Auditing, Company law and Income tax matters. He is also on the Board of HPK Share Brokers Pvt Ltd., Comtech Advisory Services Private Ltd., Hanurang Mercantiles Pvt.Ltd. and Srishti Emu Farms & Products Private Ltd. He does not hold any Equity Share of the Company and is also not related to any other Directors of the Company.

### 13. DISCLOSURES

- a) The policy on Related Party Transactions as approved by the Board and amended from time to time is uploaded on the Company's website at [www.birlatyre.com](http://www.birlatyre.com).
- b) Transactions with Related Parties, as per requirements of Indian Accounting Standard 24 (IND-AS 24) in the prescribed format of Para A of Schedule V of the SEBI - LODR Regulations are disclosed in the Notes to Accounts annexed to the Financial Statements. There are no materially significant transactions with Related Parties viz. Promoters, Directors or the Management or their relatives or Subsidiaries that had or could have potential conflict with the Company's interest. There were no Related Party Transactions in terms Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014, which required disclosure in Form AOC-2 as such the same does not form part of the Directors' Report.
- c) The Company has complied with all relevant Indian Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015, as amended, while preparing the Financial Statements.
- d) There are / were no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which have or could have potential conflict with the interests of the Company at large.
- e) The Company has complied with all requirements of the SEBI - LODR Regulations as well as other Regulations and guidelines prescribed by the Securities and Exchange Board of India ("SEBI") for the financial year ended 31<sup>st</sup> March, 2021 except for delay in compliance of Regulation 33 of the SEBI - LODR Regulations for the quarter and nine months ended December, 2020 within the stipulated time for which the penalties were imposed by the Stock Exchanges and has been settled by the Company. No other penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years except for late submission of Statement of Investor Complaints for quarter ended March 2020 under Regulation 13(3) of the SEBI - LODR Regulations for which the penalties were imposed by the Stock Exchanges. However, the Exchanges upon being requested, has waived those penalties keeping in mind the lockdown period restrictions due to COVID-19 pandemic.
- f) The Company has in place a mechanism to inform Board Members about risk assessment and mitigation plans and periodical reviews to ensure that critical risks are controlled by the Management. No Risk Management Committee has been constituted since this is not mandated for the Company under the SEBI - LODR Regulations.
- g) Independent Directors have confirmed to the Company that they meet the criteria of 'Independence' as stipulated under Regulation 16(b) of the SEBI - LODR Regulations.
- h) The Company has adopted a Whistle Blower Policy that has been placed on the website of the Company at [www.birlatyre.com](http://www.birlatyre.com). The Policy contains guidelines to be followed by a whistle blower. No person has been denied access to the Audit Committee.

- i) Commodity price risks and foreign exchange risks are hedged from time to time in accordance with the Hedging Policy.
- j) The Company has complied with Corporate Governance Requirements specified in Regulations 17 to 27 and Regulation 46(2)(b) to (i) of the SEBI - LODR Regulations.
- k) All recommendations of the Board Committees made during the year were accepted by the Board. There were no instances of any disagreement between the Committees and the Board.
- l) The status of compliance with non-mandatory recommendations of the Part E of Schedule II of the SEBI - LODR Regulations are provided below:
  - i) Non Executive Chairman's Office: The Non-Executive Chairman maintains an office at the Company's Registered and Head Office in Kolkata.
  - ii) Shareholders' Rights: As the quarterly and half yearly financial performance are submitted to the Stock Exchanges, published in the newspapers and posted on the Company's website, these are not sent to Shareholders separately.
  - iii) Audit Qualifications: The Company's Financial Statement for the year 2020-21 does not contain any audit qualification.
  - iv) Separate posts of Chairman and CEO: The Chairman of the Board is a Non-Executive Director and her position is separate from that of the CEO.
  - v) Reporting of Internal Auditor: The Internal Auditor and an in house team reports to the Audit Committee.

#### 14. DETAILS WITH RESPECT TO UTILISATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONS PLACEMENT

The Company has not, during the Financial Year 2020-21, raised funds through Preferential Allotment or Qualified Institutional Placement as specified under Regulation 32(7A) of the SEBI - LODR Regulations.

#### 15. DISCLOSURE WITH RESPECT TO PAYMENT MADE TO STATUTORY AUDITORS

Details with respect to payment made by the Company for the services provided by the Statutory Auditors appears separately under Note No. 26 to the Company's Financial Statements.

#### 16. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place the requisite Internal Committees as envisaged in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaints on the issues covered by the above Act was received during the year:

|    |  |     |
|----|--|-----|
| a. | Number of complaints filed during the financial year 2020-21         | Nil |
| b. | Number of complaints disposed of during the financial year 2020-21   | Nil |
| c. | Number of complaints pending as on end of the financial year 2020-21 | Nil |

#### 17. MEANS OF COMMUNICATION

##### (I) Financial Results and other related information:

The quarterly Unaudited Financial Results and the Annual Audited Financial Results as approved and taken on record by the Board are sent to / filed with the Stock Exchanges where the Company's Shares are listed and then published in various leading national newspapers, viz. Financial Express (English – all editions) and Ek Din (Bengali edition). The Results are also posted on the Company's website at [www.birlatyre.com](http://www.birlatyre.com). The Company has not made any presentation to institutional investors or analysts. All official releases and other related information are also displayed on this website.

##### (II) Management Discussion and Analysis:

The Management Discussion and Analysis, as reviewed by the Audit Committee, is a part of this Annual Report.

## 18. GENERAL SHAREHOLDER INFORMATION

### a) AGM:

|              |  |
|--------------|--|
| Time         | 3:00 P.M. (IST)  |
| Day          | Tuesday  |
| Date         | 31 <sup>st</sup> August, 2021  |
| Deemed Venue | To be held through Video Conferencing (VC) / Other Audio Visual Means (OAVM) |

b) **Financial Year:** The Financial Year of the Company is from 1<sup>st</sup> April to 31<sup>st</sup> March.

c) **Book Closure Date:** Wednesday, 25<sup>th</sup> August, 2021 to Tuesday, 31<sup>st</sup> August, 2021 (both days inclusive) for the purpose of AGM.

d) **Dividend Payment Date:** Not Applicable (since no Dividend is recommended for the Financial Year 2020-21).

e) **Listing on Stock Exchanges:** The Equity Shares of the Company are listed on the following Stock Exchanges:

| Sl. No. | Name and Address of the Stock Exchanges   | Stock Code | ISIN         |
|---------|---|------------|--------------|
| 1       | BSE Limited ("BSE")<br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.   | 542932     | INE0AEJ01013 |
| 2       | National Stock Exchange of India Limited ("NSE")<br>Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East),<br>Mumbai-400 051. | BIRLATYRE  |              |

Annual Listing Fees for the Financial Year 2021-22 has been paid to both the Stock Exchanges i.e. BSE and NSE.

f) **Corporate Identity Number (CIN) of the Company:** L25209WB2018PLC228915.

g) **Depository Connectivity:** National Securities Depository Limited and Central Depository Services (India) Limited.

h) **Stock Market Price Data:**

₹ /Share

| Month         | BSE Sensex Close | Share Price |       |       |
|---------------|------------------|-------------|-------|-------|
|               |                  | High        | Low   | Close |
| April, 20     | 33,717.62        | 6.96        | 3.09  | 6.96  |
| May, 20       | 32,424.10        | 17.44       | 6.96  | 17.44 |
| June, 20      | 34,915.80        | 50.25       | 18.30 | 50.25 |
| July, 20      | 37,606.89        | 58.10       | 21.10 | 21.10 |
| August, 20    | 38,628.29        | 28.20       | 19.05 | 24.60 |
| September, 20 | 38,067.93        | 25.10       | 19.25 | 20.40 |
| October, 20   | 39,614.07        | 22.00       | 18.20 | 19.50 |
| November, 20  | 44,149.72        | 23.40       | 18.35 | 21.30 |
| December, 20  | 47,751.33        | 43.15       | 20.50 | 29.90 |
| January, 21   | 46,285.77        | 33.60       | 26.60 | 30.85 |
| February, 21  | 49,099.99        | 32.45       | 27.55 | 28.80 |
| March, 21     | 49,509.15        | 29.40       | 22.10 | 22.75 |

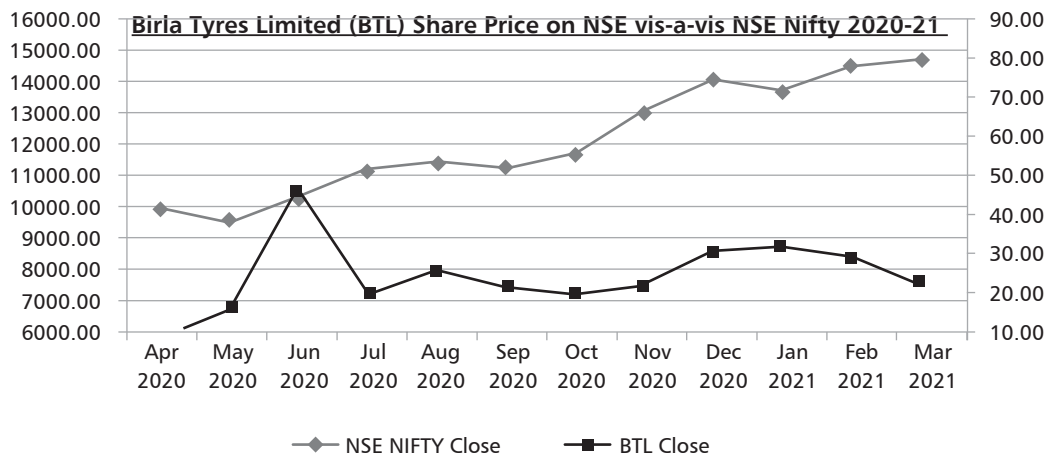
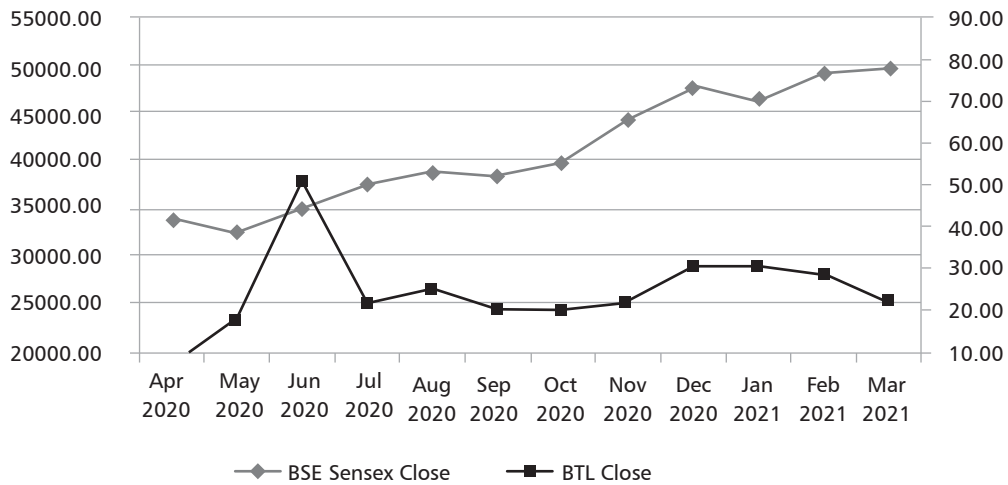
₹ /Share

| Month     | NSE Nifty Close | Share Price |      |       |
|-----------|-----------------|-------------|------|-------|
|           |                 | High        | Low  | Close |
| April, 20 | 9,859.90        | 6.65        | 3.15 | 6.65  |
| May, 20   | 9,580.30        | 16.05       | 6.95 | 16.05 |

| Month         | NSE Nifty Close | Share Price |       |       |
|---------------|-----------------|-------------|-------|-------|
|               |                 | High        | Low   | Close |
| June, 20      | 10,302.10       | 45.95       | 16.85 | 45.95 |
| July, 20      | 11,073.45       | 53.10       | 19.35 | 19.35 |
| August, 20    | 11,387.50       | 27.00       | 17.50 | 24.65 |
| September, 20 | 11,247.55       | 25.00       | 19.45 | 20.35 |
| October, 20   | 11,642.40       | 21.45       | 18.50 | 19.50 |
| November, 20  | 12,968.95       | 23.30       | 18.65 | 21.30 |
| December, 20  | 13,981.75       | 43.05       | 20.90 | 29.95 |
| January, 21   | 13,634.60       | 33.60       | 26.60 | 30.90 |
| February, 21  | 14,529.15       | 32.00       | 26.55 | 28.85 |
| March, 21     | 14,690.70       | 29.25       | 22.50 | 22.80 |

i) Performance in comparison to broad based indices such as BSE SENSEX and NSE NIFTY:

**Birla Tyres Limited (BTL) Share Price on BSE vis-a-vis BSE Sensex 2020-21**





**j) Registrar and Share Transfer Agent:**

MCS Share Transfer Agent Limited  
 (Unit: Birla Tyres Limited)  
 383, Lake Gardens, 1st Floor, Kolkata -700 045  
 Phone Nos.: 033-40724051-52  
 Fax No.: 033 40724050  
 E-mail: mcssta@rediffmail.com

**k) Share Transfer System:**

In terms of Regulation 40(1) of the SEBI - LODR Regulations, as amended from time to time, securities can be transferred only in dematerialized form w.e.f. 1<sup>st</sup> April, 2019, except in case of request received for transmission or transposition of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated 2<sup>nd</sup> December, 2020 had fixed 31<sup>st</sup> March, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in dematerialized form. Hence, now upon expiry of the above cut-off date, in no case shares can be transferred in the physical mode. Members holding shares in physical form are requested to dematerialise their holdings immediately. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company. Share transfer request is processed within stipulated time, subject to documents being valid and complete in all respects. The company has delegated the authority to its Registrar & Share Transfer Agent i.e. MCS Share Transfer Agent Limited. All documents, transfers, transmission, demat requests and other communications in relation thereto are required to be addressed to the Registrar directly. A summary of transfer / transmission of securities of the Company is placed before the Stakeholders' Relationship Committee from time to time. The Company obtains a half-yearly certificate from a Company Secretary in Practice to the effect that all certificates have been issued within thirty days of the date of lodgement for transfer, sub-division, consolidation and renewal as required under Regulation 40(9) of the SEBI – LODR Regulations and files a copy of the said certificate with the Stock Exchanges under Regulation 40(10).

**l) Distribution of Shareholding as on 31<sup>st</sup> March, 2021:**

**(a) According to category of holding:**

| Category                       | No. of Share Holders | % of Share holders | No. of Shares       | % of Shares   |
|--------------------------------|----------------------|--------------------|---------------------|---------------|
| Promoters                      | 15                   | 0.01               | 7,57,61,340         | 53.13         |
| Mutual Funds / UTI             | 10                   | 0.01               | 12,240              | 0.01          |
| Financial Institutions & Banks | 32                   | 0.02               | 16,784              | 0.01          |
| Foreign Portfolio Investors    | 2                    | 0.00               | 6,700               | 0.00          |
| Insurance Companies            | 3                    | 0.00               | 30,30,116           | 2.13          |
| NRI/OCB's                      | 864                  | 0.66               | 45,78,622           | 3.21          |
| Private Body Corporates/Trust  | 673                  | 0.51               | 1,10,39,202         | 7.74          |
| Individuals                    | 1,30,328             | 98.78              | 4,05,95,368         | 28.47         |
| Unclaimed Suspense A/c         | 1                    | 0.00               | 5                   | 0.00          |
| GDRs                           | 1                    | 0.00               | 70,41,875           | 4.94          |
| IEPF Authority                 | 1                    | 0.00               | 3,40,251            | 0.24          |
| NBFC Registered with RBI       | 2                    | 0.00               | 1,66,280            | 0.12          |
| Enemy Property                 | 5                    | 0.01               | 1.296               | 0.00          |
| <b>Total</b>                   | <b>1,31,937</b>      | <b>100.00</b>      | <b>14,25,90,079</b> | <b>100.00</b> |

**(b) According to the number of Equity Shares held:**

| No. of Equity Shares held | No. of Share Holders | % of Share holders | No. of Shares       | % of Shares   |
|---------------------------|----------------------|--------------------|---------------------|---------------|
| 1-100                     | 85,204               | 64.58              | 32,95,832           | 2.31          |
| 101-200                   | 15,583               | 11.81              | 25,84,265           | 1.81          |
| 201-500                   | 16,661               | 12.63              | 60,76,103           | 4.26          |
| 501-1000                  | 7,811                | 5.92               | 64,05,062           | 4.50          |
| 1001-5000                 | 5,791                | 4.39               | 1,24,37,288         | 8.72          |
| 5001-10000                | 555                  | 0.42               | 40,53,761           | 2.84          |
| 10001 and above           | 332                  | 0.25               | 10,77,37,768        | 75.56         |
| <b>Total</b>              | <b>1,31,937</b>      | <b>100.00</b>      | <b>14,25,90,079</b> | <b>100.00</b> |

**m) Dematerialisation and Rematerialisation:**

Requests for Dematerialisation and Rematerialisation should be sent to the Company's Registrar and Share Transfer Agent.

**n) Dematerialisation of Shareholding:**

The Company's Equity Shares are compulsorily traded in the dematerialised form. 14,17,10,940 Equity Shares of the Company representing 99.38% of the total Equity Shares issued were held in dematerialised form as on 31<sup>st</sup> March, 2021. Investors have an option to dematerialise their Equity Shares either with National Securities Depository Limited or Central Depository Services (India) Limited.

**o) Outstanding Global Depository Receipts ("GDRs"):**

70,41,875 Equity Shares of the Company were held as GDRs as on 31<sup>st</sup> March, 2021. The Company is in the process of listing of the said GDRs.

**p) Insider Trading:**

The Company has implemented the Code of Internal Procedure & Conduct under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

**q) Plant Locations:**

| Section                    | Factory Location  | Registered Office   | Run under Name & Style of |
|----------------------------|---|---|---------------------------|
| Automobile Tyres and Tubes | AT/P.O. Chhanpur, Via. Kuruda, Dist. Balasore, Odisha, Pin-756056<br>Phone: +91-6782-255080/ 064/ 641/780<br>Fax: +91-6782-255225<br>E-mail: <a href="mailto:btbls@birlatyre.com">btbls@birlatyre.com</a> | 9/1, R. N. Mukherjee Road, 8 <sup>th</sup> Floor, Birla Building, Kolkata - 700 001.<br>Phone: +91-33-2262 4355/ 57/ 58.<br>Fax: +91-33-2262 4359<br>E-mail: <a href="mailto:corporate@birlatyre.com">corporate@birlatyre.com</a> | Birla Tyres Limited       |

**r) Address for Correspondence:**

**(a) For routine matters:**

Any assistance regarding share transmission, change of address, duplicate / missing Share Certificate, demat and other matters, investors are welcome to get in touch with the Registrar and Share Transfer Agent of the Company at the address given below:

**Registrar and Share Transfer Agent:**

MCS Share Transfer Agent Limited  
(Unit: Birla Tyres Ltd.)  
383, Lake Gardens, 1<sup>st</sup> Floor, Kolkata -700 045  
Phone Nos.: 033-40724051-52  
Fax No.: 033 40724050  
E-mail: [mcssta@rediffmail.com](mailto:mcssta@rediffmail.com)

**(b) For Redressal of Complaints and Grievances:**

The Company Secretary  
Birla Tyres Limited  
9/1 R. N. Mukherjee Road, 8<sup>th</sup> Floor, Birla Building, Kolkata-700 001.  
Telephone Nos. : +91-33-2262 4355/ 57/ 58.  
Fax No.: +91 33 2262 4359  
E-mail: [corporate@birlatyre.com](mailto:corporate@birlatyre.com)

**19. CREDIT RATING OF THE COMPANY**

There was no Credit Rating obtained during the Financial Year 2020-21.

**20. CERTIFICATE FROM CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)**

A Certificate has been issued by the CEO and CFO as required under Regulation 17(8) of the SEBI - LODR Regulations.

**21. RECONCILIATION OF SHARE CAPITAL AUDIT**

As stipulated by SEBI, a qualified Practising Company Secretary carries out the Audit of Reconciliation of Share Capital on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and paid up capital. The Audit report is submitted to the Stock Exchanges and is placed before the Board at its Meetings.

**22. CERTIFICATES FROM A PRACTISING COMPANY SECRETARY**

- a) The Company has obtained a Certificate from a Practising Company Secretary confirming that it is in compliance with the conditions of Corporate Governance as stipulated in Para C of the Schedule V of the SEBI - LODR Regulations.
- b) The Company has obtained a Certificate from a Practising Company Secretary confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by SEBI / Ministry of Corporate Affairs or any such statutory authority.

**For and on behalf of the Board of Directors**

**Uma Shankar Asopa**      **Manjushree Khaitan**  
*Director*                      *Chairman*

**Registered Office:**

9/1 R.N. Mukherjee Road  
8<sup>th</sup> Floor, Birla Building,  
Kolkata – 700 001

**Date: 30<sup>th</sup> July, 2021**

## DECLARATION

All Board Members as on 31<sup>st</sup> March, 2021 and Senior Management Personnel have affirmed their compliance with the "Code of Conduct for Members of the Board and Senior Management" for the period from 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021 in terms of Para D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Kolkata  
Date: 30<sup>th</sup> July, 2021

For Birla Tyres Limited  
Anant Gupta  
Chief Financial Officer

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## CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To,  
The Members,  
Birla Tyres Limited

We have examined all relevant records of M/s. Birla Tyres Limited ("the Company") for the purpose of certifying compliance of conditions of Corporate Governance under Para C & D of Schedule V read with Regulation 34(3) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the Financial Year ended on **31<sup>st</sup> March, 2021**. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was limited to the procedure and implementation thereof and was carried out in accordance with the guidance note on Corporate Governance Certificate issued by the Institute of Company Secretaries of India. It is neither an audit nor an expression of opinion on the financial statement of the Company. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced, explanation and information furnished, we certify that the Company has complied with all the mandatory conditions as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C & D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: KOLKATA  
Date: 29<sup>th</sup> June, 2021

For, RP & Associates  
Ritu Bajaj  
(Proprietor)  
M.No.: FCS 9913  
C.P. No.: 11933  
ICSI Unique Code No.  
F009913C000544139

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## CERTIFICATE FROM THE COMPANY SECRETARY IN PRACTICE AS PER PARA C CLAUSE 10 (i) OF SCHEDULE V OF SEBI (LODR) REGULATIONS, 2015

To,  
The Members,  
Birla Tyres Limited

We have examined all relevant records including the annual declarations from the directors in Form DIR-8 of M/s. Birla Tyres Limited ("the Company") having CIN: L25209WB2018PLC228915 and having registered office at 9/1, R.N. Mukherjee Road, Kolkata - 700001 (hereinafter referred to as 'the Company's'), for the purpose of certifying that none of the Directors on the Board have been debarred or disqualified from being appointed or continuing as Directors of Companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority as per "Para C Clause 10(i) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015" for the Financial Year ended on 31<sup>st</sup> March, 2021.

# BIRLA TYRES LIMITED

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its Officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sl. No. | Name of Directors       | DIN      | Date of Appointment in Company |
|---------|-------------------------|----------|--------------------------------|
| 1       | Manjushree Khaitan      | 00055898 | 13.11.2019                     |
| 2       | Kashi Prasad Khandelwal | 00748523 | 13.11.2019                     |
| 3       | Rashmi Bihani           | 07062288 | 20.07.2020                     |
| 4       | Uma Shankar Asopa       | 00305010 | 30.11.2020                     |
| 5       | Abhijit Ghosh           | 06485209 | 12.01.2021                     |
| 6       | Anil Goenka             | 00432647 | 12.01.2021                     |

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: KOLKATA

Date: 29<sup>th</sup> June, 2021

For, RP & Associates

Ritu Bajaj

(Proprietor)

M.No.: FCS 9913

C.P. No.: 11933

ICSI Unique Code No.

F009913C000544040

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021**

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
BIRLA TYRES LIMITED  
CIN: L25209WB2018PLC228915  
9/1, R. N. Mukherjee Road,  
Birla Building, 8<sup>th</sup> Floor,  
Kolkata-700001, West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. Birla Tyres Limited (hereinafter called "the Company"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on the documents, papers, minute books, forms and returns filed and other records maintained and provided by the Company in electronic mode and also the information and explanation provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31.03.2021 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance - mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained and provided by the Company in electronic mode, for the financial year ended on 31.03.2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (Not Applicable to the Company during the Audit Period);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended from time to time; (Not Applicable to the Company during period under review);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2015; (Not Applicable to the Company during period under review);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company for the period under review);

(h) The Securities and Exchange Board of India (Buy – Back of Securities) Regulations, 1998; (Not Applicable to the Company for the period under review);

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:-**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act, wherever applicable.
- Adequate notices were given to all Directors to schedule the Board Meetings / Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance,
- A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All the decisions of the Board and Committees were carried with requisite majority and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

A list of other Acts, Laws and Regulations (given in **Annexure I**) have been found to be specifically applicable to the Company. We further report that compliance of applicable financial laws including Direct and Indirect Tax Laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors, Internal Auditors and other designated professionals.

We further report that the Company has delayed compliance by a period of 13 days under Regulation 13(3) of SEBI (LODR) Regulations, 2015 for the quarter ended 31<sup>st</sup> March, 2020 and due to which a fine has been levied by the Exchanges on the Company. The Company has requested the exchanges for waiver as per the SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/12 dated January 22, 2020 and the same was granted to the Company by the BSE and NSE on 25<sup>th</sup> January, 2021 and 13<sup>th</sup> November, 2020 respectively.

We also report that the Company had delayed in filing Financial Results with the exchanges by a period of 21 days under Regulation 33 of SEBI (LODR) Regulations, 2015 for quarter ended 31<sup>st</sup> December, 2020 and due to which the BSE/ NSE levied a fine of an amount of ₹ 1,23,900 (Rupees One Lakh Twenty Three Thousand and Nine Hundred only), which was paid by the Company.

This report is to be read with our letter of even date which is annexed as **Annexure II** and form an integral part of this report.

Place: KOLKATA

Date: 29<sup>th</sup> June, 2021

For, RP & Associates

Ritu Bajaj

(Proprietor)

M.No.: FCS 9913

C.P. No.: 11933

ICSI Unique Code No.

F009913C000544031



**The List of Various Applicable Laws to the Company**

1. Employees' Provident Fund Act, 1952 and Rules,
2. Payment of Gratuity Act, 1972,
3. Apprentices Act, 1961,
4. Contract Labour (R&A) Act, 1970,
5. Employees State Insurance Act, 1948,
6. Employees Provident Fund & Misc Provision Act, 1952,
7. Minimum Wages Act, 1948,
8. Payment of Bonus Act, 1965,
9. West Bengal Shops and Establishments Act and Rules,
10. The West Bengal State Tax on Professions, Trades, Callings and Employments Act & Rules,
11. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act and Rules, 2013,
12. Water (Prevention & Control of Pollution) Act, 1974,
13. Water (Prevention & Control of Pollution) Cess Act and Rules,
14. Payment of Wages Act, 1936,
15. The Industrial Employment (Standing Orders) Act, 1946,
16. Finance Act, 1994,
17. The Factories Act, 1948,
18. The Equal Remuneration Act, 1976,
19. Workmen's Compensation Act, 1923 & Rules,
20. The Maternity Benefit Act, 1961,
21. The Negotiable Instrument Act, 1881,
22. Goods and Services Tax Act, 2017; and
23. Mines Act, 1952 and its allied Acts and Rules.

## MANAGEMENT RESPONSIBILITY

- i. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- ii. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. Due to Covid-19 and the difficult situation, physical verification of documents was not done. The verification was done on test basis of the data provided to us in electronic mode to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
- iii. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company or verified compliances of laws other than those mentioned above;
- iv. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- v. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
- vi. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: KOLKATA

Date: 29<sup>th</sup> June, 2021

For, RP & Associates

Ritu Bajaj

(Proprietor)

M.No.: FCS 9913

C.P. No.: 11933

ICSI Unique Code No.

F009913C000544031

*Details as required under Sections 134(3)(q) and 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, as amended, for the year ended 31<sup>st</sup> March, 2021.*

| Sl No. | Requirement  | Details  |
|--------|--|--|
| (i)    | The ratio of the remuneration of each Director to the median of remuneration of employees of the Company for the Financial Year.                                     | Manjushree Khaitan '**' - 0.00<br>P. Radhakrishnan '@' - N.A.<br>Kashi Prasad Khandelwal - 3.94<br>Prabal Kumar Sarkar '#' - 2.50<br>Kaushik Biswas '@' - N.A.<br>Rashmi Bihani '^' - 2.62<br>Indrani Chakraborty '**' - 1.49<br>Uma Shankar Asopa '***' - 1.01<br>Abhijit Ghosh '****' - 0.12<br>Anil Goenka '*****' - 0.42   |
| (ii)   | The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in Financial Year. | <b>Directors :</b><br>Manjushree Khaitan '**' - (100.00)<br>P. Radhakrishnan '@' - N.A.<br>Kashi Prasad Khandelwal - 560.00<br>Prabal Kumar Sarkar '#' - 320.00<br>Kaushik Biswas '\$' - N.A.<br>Rashmi Bihani '^' - N.A.<br>Indrani Chakraborty '**' - N.A.<br>Uma Shankar Asopa '***' - N.A.<br>Abhijit Ghosh '****' - N.A.<br>Anil Goenka '*****' - N.A.<br><b>Key Managerial Person :</b><br>Herve Frederic Richert - 160.18<br>Anirban Moulik - 115.44<br>Rajat Arora - 211.57<br>Anant Gupta '\$' - N.A.<br>Saurabh Mantri '\$' - N.A. |
| (iii)  | The percentage increase in median remuneration of employees in the Financial Year.   | 205.78%  |
| (iv)   | The number of permanent employees on the rolls of Company.   | 1,706 employees as on 31.03.2021   |

| SI No. | Requirement   | Details  |
|--------|---|--|
| (v)    | a) Average percentile increase already made in salaries of employees other than the managerial personnel in the last Financial Year | a) 136.95  |
|        | b) Its comparison with the percentile increase in the managerial remuneration.  | b) 161.01  |
|        | c) Justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.      | c) Since the previous year was the first year of operations after the demerger of tyre business from Kesoram Industries Limited pursuant to the Scheme of Arrangement vide NCLT order dated 8 <sup>th</sup> day of November, 2019, therefore, increase in remuneration and its comparison between the previous financial year and the current financial year cannot be determined. There are no exceptional circumstances for increase in the managerial remuneration. |
| (vi)   | Affirmation that the remuneration is as per the remuneration policy of the Company.   | Yes  |

\* Relinquished Sitting fees for F.Y. 2020-21

`@ No sitting fees was paid to him as agreed upon for attending Board and Committee Meetings.

# till 20.11.2020

\$ appointed w.e.f. 31.12.2020

^ appointed w.e.f. 20.07.2020

\*\* Appointed w.e.f. 31.07.2020 and resigned w.e.f. 23.11.2020

\*\*\* Appointed w.e.f. 30.11.2020

\*\*\*\* Appointed 12.01.2021

\*\*\*\*\* Appointed 12.01.2021

Since the previous year was the first year of operations after the demerger of tyre business from Kesoram Industries Limited pursuant to Scheme of Arrangement vide NCLT order dated 8<sup>th</sup> day of November, 2019, therefore increase in remuneration and its comparison between the previous financial year and the current financial year cannot be determined.

**For and on behalf of the Board of Directors**

**Uma Shankar Asopa**     **Manjushree Khaitan**  
*Director*                             *Chairman*

**Registered Office:**

9/1 R.N. Mukherjee Road  
 8<sup>th</sup> Floor, Birla Building,  
 Kolkata – 700 001

**Date: 30<sup>th</sup> July, 2021**

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

### A. CONSERVATION OF ENERGY:

#### 1. Steps taken or impact on conservation of energy:

The following measures have been taken by the Business in relation to conservation of energy:

EMS vertical (Energy Management System) continued to enhance Awareness, Reduce Wastages and Enhance Power Generation Efficiency. EMS Vertical had identified various Energy Efficiency Improvement Projects in upgrading Utility Equipment's, using Renewable energy for the entire plant and two Colonies and replacing street lamps and shop floor metal halide lights with LED lights.

#### I. Energy Improvement Projects: Following Non-Capex Projects have been completed, Savings potential about ₹ 0.62 Crores / annum

| Sl. No            | Project Description  | Savings (Crores / Year) (₹) |
|-------------------|--|-----------------------------|
| 1                 | Utilization of HP Steam in place of MP Steam in Hot water Plant  | 0.08                        |
| 2                 | Reduction of Steam Consumption by activation of Pressure Reducing and De-superheating Station (PRDS).  | 0.39                        |
| 3                 | Tube plant condensate header damaged replaced by new header to collect 100% condensate from tube plant resulting in savings of 15 ton steam /day                     | 0.12                        |
| 4                 | Reduction of power consumption by elimination of LP compressor   | 0.01                        |
| 5                 | TETP(Tertiary Effluent Treatment Plant) for utilising ETP water to de-mineralize water to use in boiler feed water resulting in savings of 300KL/day of water approx | 0.02                        |
| <b>Total Cost</b> |  | <b>0.62</b>                 |

#### II. Usage of Renewable Energy: We explored two options of installing solar panels to generate electricity and used for factory and colony lighting.

**Option 1:** Installing Solar Panels on Unit-1 & Unit-5 roofs, covering about 10,000 Sq. Mtr with installed capacity of 3MW (considered minimum 4 hrs of generation).

**Option 2:** Installing Solar Panels on Unit-1 roofs, covering about 2,000 Sq. Mtr with installed capacity of 0.3MW (considered minimum 4 hrs of generation).

The project is under final stage of discussion and negotiation. Plant management team had proposed to proceed with option 1 which covers installation of Solar Panels on New PCR building area which is easier to maintain and having saving potential of ₹ 30 Lakhs per annum.

#### 2 Capital investment on energy conservation projects:

Team have identified about 10 energy conservation projects requiring capex support of ₹ 5 Crores, which will result in potential savings of about ₹ 15 Crores per year.

### B. TECHNOLOGY ABSORPTION:

#### i) Efforts made towards technology absorption

Exchange Knowledge & our capability on Bias Tyre Products with Indian Tyres Companies to take our products for selling in replacement markets, and also sharing our manufacturing facilities for their Technology absorption & Product manufacturing.

ii) **Benefits derived like product improvement, cost reduction, product development or import substitution:**

Re-engineering of Tyre Construction of 10.00-20 BT339+ and Ultra Drive to reduce tyre weight & cost and improve productivity and performance. For Super Heavy load Truck tyre application, 10.00-20 XPL-LG with reduced tyre weight through tyre construction & profile re-engineering implemented in regular production. In LCV & SCV segment, re-engineered product implemented to minimise tyre claim loss.

iii) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

(a) **Details of technology imported:**

No technology was imported during the last three years by the Company.

(b) **Year of import:**

Not applicable.

(c) **Whether the technology has been fully absorbed:**

Not applicable.

(d) **If not fully absorbed, areas where absorption has not taken place, and the reasons thereof:**

Not applicable.

iv) **Expenditure incurred on Research & Development:**

No CAPEX expenditure was made this year.

C. **FOREIGN EXCHANGE EARNINGS AND OUTGO :**

₹/Crores

| Particulars              | 2020 - 21 | 2019-20 |
|--------------------------|-----------|---------|
| Foreign exchange earned  | 45.12     | 56.22   |
| Foreign exchange outflow | 0.80      | 36.02   |

For and on behalf of the Board of Directors

Uma Shankar Asopa     Manjushree Khaitan  
*Director*                      *Chairman*

**Registered Office:**

9/1 R.N. Mukherjee Road  
 8<sup>th</sup> Floor, Birla Building,  
 Kolkata – 700 001

Date: 30<sup>th</sup> July, 2021

## SUMMARISED BALANCE SHEET FOR THE LAST TWO YEARS

(All amounts in ₹ Crores, unless otherwise stated)

| Particulars  | 31-03-2021      | 31-03-2020      |
|--|-----------------|-----------------|
| a. Net Fixed Assets                                  |                 |                 |
| Gross Fixed Assets                                   | 1,428.52        | 1,430.08        |
| Less: Total depreciation                             | 177.05          | 146.67          |
|  | <b>1,251.47</b> | <b>1,283.41</b> |
| b. Investments                                       | 0               | 0               |
| c. Other Non Current Assets / (Liabilities) (net)    | 47.02           | (92.50)         |
| d. Other Current Assets / (Liabilities) (net)        | (882.33)        | (618.45)        |
| Capital Employed                                     | <b>416.16</b>   | <b>572.46</b>   |
| e. Less: Loan Funds                                  | 983.01          | 855.53          |
| Net Worth  | <b>(566.85)</b> | <b>(283.07)</b> |
| <b>Therefore, Company's net worth represented by</b> |                 |                 |
| a. Equity Share Capital                              | 142.59          | 142.59          |
| b. Reserve & Surplus                                 | (709.44)        | (425.66)        |
|  | <b>(566.85)</b> | <b>(283.07)</b> |

## SUMMARISED STATEMENT OF PROFIT AND LOSS FOR THE LAST TWO YEARS

| Particulars   | 2020-2021       | 2019-2020       |
|---|-----------------|-----------------|
| <b>Receipts</b>   |                 |                 |
| 1. Revenue From Operations                                | 137.36          | 471.70          |
| 2. Other Income   | 15.74           | 66.76           |
| <b>Total Receipts (A)</b>                                 | <b>153.10</b>   | <b>538.46</b>   |
| <b>Expenditures</b>                                       |                 |                 |
| 1. Raw Materials and Finished Goods                       | 90.73           | 317.74          |
| 2. Employee Benefit Expenses                              | 88.51           | 121.5           |
| 3. Other Expenses   | 65.85           | 196.09          |
| 4. Finance Costs  | 162.36          | 151.74          |
| <b>Total Expenses (B)</b>                                 | <b>407.44</b>   | <b>787.07</b>   |
| <b>Gross Profit (Loss) (C) = (A)-(B)</b>                  | <b>(254.34)</b> | <b>(248.61)</b> |
| <b>Exceptional Item (D)</b>                               | <b>-</b>        | <b>-</b>        |
| <b>Gross Profit (Loss) post Exceptional Items (C)-(D)</b> | <b>(254.34)</b> | <b>(248.61)</b> |
| <b>Other Comprehensive Income</b>                         | <b>3.85</b>     | <b>(2.32)</b>   |
| <b>Total Comprehensive Income</b>                         | <b>(250.49)</b> | <b>(250.93)</b> |
| <b>Appropriations / Transfers</b>                         |                 |                 |
| 1. Depreciation (Net)                                     | 33.29           | 38.06           |
| 2. Provision for Tax expenses / (income)                  |                 |                 |
| 3. Reversal of MAT Credit Entitlement                     |                 |                 |
| 4. Provision for Deferred Tax - charge/ (credit)          |                 |                 |
| 5. Surplus/(Deficit)                                      |                 |                 |
|   | <b>(283.78)</b> | <b>(288.99)</b> |

Figures for previous years have been regrouped / rearranged where considered necessary.



## INDEPENDENT AUDITOR'S REPORT

To The Members of BIRLA TYRES LIMITED  
Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **BIRLA TYRES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2021, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Material uncertainty related to Going Concern

We draw attention to Note 39 to the financial statements regarding preparation of the financial statements of the

Company on a going concern. The Company had incurred losses during the previous year and has continued to incur losses during the current year, primarily due to lower sales volume and finance cost which has resulted in erosion in net worth as at March 31, 2021. The total debt of the Company including interest accrued as at March 31, 2021 amounts to Rs. 983.01 Crore. The net current liabilities as at March 31, 2021 were ₹ 1,865.34 Crore. The Company has defaulted in repayment of term loan, letter of credit, working capital facilities, related interest payable to lenders aggregating to ₹ 282.12 Crore and has not complied with certain financial debt covenants. These conditions, along with the outcome of other matters as set forth in Note 39, indicate existence of material uncertainty, which 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 completion of loan resolution plan with the lenders and raising capital from investors which is not wholly in control of the Company. The management has prepared the financial statements on a going concern basis, based on their assessment of a successful outcome of the resolution plan 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 opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

| Sr. No. | Key Audit Matter   | Auditor's Response  |
|---------|--|---|
| 1       | <p><b>Tangible property, plant and equipment – Impairment assessment – Note 2.4 and Note 3 of the Financial Statements.</b></p> <p>The Company has been making continuous losses in previous years and in the current year due to various internal and external factors. As at 31<sup>st</sup> March 2021, the written down value of the Property, Plant &amp; Equipment amounted to ₹ 1,251.47 crores [this includes ₹ 752.34 crores for Capital work in progress, which is yet to commence commercial operations]. Considering the continuous losses incurred by the Company, the probability of impairment could be dependent on assumptions and methodology used for the fair valuation of the Property, Plant and Equipment by the management appointed external experts. Impairment assessment of the Property, Plant and Equipment is considered as a Key Audit Matter since there is significant management judgements and estimates involved in the impairment assessment, such as:</p> <ul style="list-style-type: none"> <li>• The determination of recoverable amount, being the higher of value-in-use and fair value less costs to dispose.</li> <li>• The methodology used in determination of the fair value of assets by management appointed external experts which is dependent on interpretation of the valuation standards and the assumptions used such as inflation, index rates, useful lives, salvage value.</li> </ul> | <p><b>Principal audit procedures performed</b></p> <p>Our audit procedures included validating the appropriateness and reasonableness of the fair valuation approach and assumptions used for determining the fair value of assets by external experts through performing the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of controls instituted by the management to assess impairment indicators and perform impairment assessment.</li> <li>• Evaluated Design and Operating Effectiveness of the management controls over the impairment assessment process and review of fair valuation report obtained from the external experts.</li> <li>• Evaluated the reasonableness of the fair valuation methodology used and the assumptions made for determining the fair value (such as useful life of the assets, salvage value) of the assets using our internal fair valuation specialists.</li> <li>• Tested the mathematical accuracy and performed sensitivity analysis in order to assess the potential impact on the recoverable amount.</li> <li>• Reconciled the carrying amount of the category wise assets as per the valuation report provided by the management and as per the books of account.</li> <li>• Evaluated the adequacy of disclosures in the financial statements with respect to the impairment accounting policy of Property, Plant and equipment.</li> </ul> |
| 2       | <p><b>Assessment of going concern basis (as described in note 39 of the financial statements)</b></p> <p>As at March 31, 2021, the networth of the Company has been fully eroded. The Company has incurred net loss of ₹ 287.63 crore during the year ended March 31, 2021 and current liabilities exceeds current assets by ₹ 1,865.34 crore as on March 31, 2021. The Company has also defaulted in the payment of its borrowings and has overdue employee benefit liabilities and statutory liabilities as at March 31, 2021. The Company operation has been temporarily halted due to the reason stated above. These factors raises material uncertainty related to Going Concern assumption used by the Company in the preparation of the financial statements</p>  | <p><b>Principal audit procedures performed</b></p> <p>We performed the following principal audit procedures in relation to management's assessment of going concern:</p> <ol style="list-style-type: none"> <li>a) Evaluated design and implementation of and tested the control relating to management's assessment of appropriateness of going concern assumption.</li> <li>b) Evaluated of the appropriateness of identification of material uncertainties by the Management.</li> <li>c) Analysed and discussed cash flow, EBITDA and other relevant forecasts with management.</li> </ol>  |

|   |   |
|---|---|
| <p>The Company has prepared cash flow forecast for next twelve months which involves judgement and estimation around sources of funds to meet the financial obligations and cash flow requirements over the next twelve months. The Company's management is working on resolution plan with the lenders and is considering capital raising option. We focused on this area due to the significance of management judgements adopted in assessing the material uncertainties related to going concern.</p> | <p>d) Obtained and read, the minutes of the meeting held between the lenders and the Company and One time settlement proposal which is under discussion with the lenders.</p> <p>e) Obtained and read a copy of the non-binding offer from the investor and evaluated if the terms stated in the non-binding offer were appropriately factored in the estimation of future cash flows.</p> <p>f) Assessed the sensitivities and stress testing on the future cash flows that management has considered for the going concern assessment.</p> <p>g) Evaluated the adequacy of disclosures in the financial statements with respect to the going concern assumptions and checked whether they were appropriately presented.</p> |
|---|---|

**Information Other than the Financial Statements and Auditor's Report Thereon**

- The Company's Board of Directors is responsible for the other information. The other information comprises the Report of the Directors and the following Annexures thereto (namely Management Discussion and Analysis, Report on Corporate Governance, Annual Report on Corporate Social Responsibility Activities, Form AOC – 1, Conservation of energy, Technology Absorption and Exchange Earnings and Outgo), but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**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 Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial

performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from

material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. 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 and the reports of the other auditors.

- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
- e) The matter described in the Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.
- f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Abhijit Bandyopadhyay**  
Partner  
(Membership No.: 054785)  
UDIN:21054785AAAAEC6875

Place: Kolkata  
Date: 30<sup>th</sup> July, 2021

## ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **BIRLA TYRES LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate

internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely



detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Abhijit Bandyopadhyay**  
Partner  
(Membership No.: 054785)  
UDIN:21054785AAAAEC6875

**Place: Kolkata**  
**Date: 30<sup>th</sup> July, 2021**



## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed, conveyance deed, mutation of title papers and NCLT order approving the scheme of arrangement provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company.
- Immovable properties of land and buildings whose title deeds have been pledged as security for loans, guarantees, etc., are held in the name of the Company based on the confirmations directly received by us from lenders.
- With respect to the NCLT order approving the scheme of arrangement, the Company is in the process of getting the title deeds transferred in its name.
- (ii) The inventory, except for goods-in-transit and stock lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) In our opinion and according to the information and explanations given to us, the Company has not complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted in the nature of advance from customers lying unadjusted over one year.
- (vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company is not regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Goods and Service tax (including interest thereon), Customs Duty, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There are undisputed amounts payable in respect of Provident Fund, Employees' State Insurance,

Income-tax, Goods and Service tax (including interest thereon), Customs Duty, cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable, the details of which are given below:

| Name of the Statute   | Nature of Dues                                     | Amount<br>(₹ In Crores) | Period to which the amount relates | Due date       | Date of Payment   |
|---|--|-------------------------|------------------------------------|----------------|---|
| The Central, State and Integrated Goods and Service Tax Act, 2017 | Interest on unpaid amount of goods and service tax | 0.01                    | 2017-18                            | Not Applicable | Not paid till date  |
| The Central, State and Integrated Goods and Service Tax Act, 2017 | Interest on unpaid amount of goods and service tax | 4.01                    | 2018 – 19                          | Not Applicable | Not paid till date  |
| The Central, State and Integrated Goods and Service Tax Act, 2017 | Unpaid amount of goods and service tax             | 10.27                   | 2019 – 20                          | Not Applicable | ₹ 0.05 Crore was paid on 15 May, 2021<br>₹ 0.09 Crore was paid on 14 June, 2021<br>₹ 0.71 Crore was paid on 28 June, 2021 |
| The Central, State and Integrated Goods and Service Tax Act, 2017 | Interest on unpaid amount of goods and service tax | 7.92                    | 2019 – 20                          | Not Applicable | Not paid till date  |
| The Central, State and Integrated Goods and Service Tax Act, 2017 | Unpaid amount of goods and service tax             | 5.94                    | 2020-21                            | Not Applicable | Not paid till date  |
| The Central, State and Integrated Goods and Service Tax Act, 2017 | Interest on unpaid amount of goods and service tax | 0.81                    | 2020-21                            | Not Applicable | Not paid till date  |
| Income Tax Act, 1961  | Tax Deducted at Source                             | 3.45                    | 2020-21                            | Not Applicable | Not paid till date  |
| Employees Provident   | Provident Fund                                     | 3.40                    | 2020-21                            | Not Applicable | Not paid till date  |

- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2021 on account of disputes are given below:

| Name of the Statute | Nature of Dues | Forum where dispute is pending | Period  | Net Amount<br>(₹ In Crores) | Amount Deposited<br>(₹ In Crores) |
|---------------------|----------------|--------------------------------|---------|-----------------------------|-----------------------------------|
| Bihar VAT Act, 2005 | Sales Tax      | Commercial Tax Officer         | 2013-14 | 0.65                        | -                                 |

| Name of the Statute                           | Nature of Dues | Forum where dispute is pending    | Period   | Net Amount (₹ In Crores) | Amount Deposited (₹ In Crores) |
|---|----------------|-----------------------------------|--|--------------------------|--------------------------------|
| Central Excise Act, 1944                      | Central Excise | Assistant Commissioner            | 1995-96, 1996-97, 2010-11, Apr.' 98 - May' 98, June' 98 to Aug.' 99, 2003-04, April – Dec. 2006, Jan.' 93 – Jul.' 94, Nov.' 99 to Feb.' 99   | 5.44                     | 0.79                           |
| Central Excise Act, 1944                      | Central Excise | CESTAT, Kolkata                   | 2010-11, 2013-15, 2000-02, Apr.'15 to Sept.' 15, Jan.' 07 to Feb.' 09, Mar. 2009 to Mar. 2010, Feb. 2003 to Dec. 2006, Apr. 2002 -Jan. 2002, 2004-05, Dec. 1999 - Jan .1999, Sept. – Dec. 1997, Aug. 1998, Sept. 1998, Oct.' 15 to Mar.' 16, April-11 to Mar. 13 | 97.03                    | 9.17                           |
| Central Excise Act, 1944                      | Central Excise | Commissioner                      | 1997-2002, 2007-08, 2012-15  | 12.63                    | -                              |
| Central Excise Act, 1944                      | Central Excise | Commissioner (Appeals)            | 2005-06, Apr'16 to Jun'17  | 8.73                     | 0.33                           |
| Central Sales Tax Act, 1956                   | Sales Tax      | High Court                        | 2009-10  | 2.05                     | -                              |
| Central Sales Tax Act, 1956                   | Sales Tax      | Sales Tax Tribunal                | 2002-03, 2004-05, 2007-11  | 13.30                    | 7.41                           |
| Central Sales Tax Act, 1956                   | Sales Tax      | Supreme Court                     | 2003-04  | 1.83                     | -                              |
| Central Sales Tax Act, 1956                   | Sales Tax      | Commercial Tax Officer            | 2013-14  | 0.06                     | -                              |
| Central Sales Tax Act, 1956                   | Sales Tax      | Deputy Commissioner               | 2012-17  | 0.87                     | 0.28                           |
| Central Sales Tax Act, 1956                   | Sales Tax      | Appeal to be filed                | 2016-18  | 4.64                     | -                              |
| Central Sales Tax Act, 1956                   | Sales Tax      | High Court                        | 2011-12  | 0.10                     | 0.13                           |
| Central Sales Tax Act, 1956                   | Sales Tax      | Revisional Board                  | 2008-09, 2010-11   | 0.07                     | -                              |
| Uttar Pradesh Trade Tax Act, 1948- CST Demand | Sales Tax      | Addition Commissioner (Appeals)   | 2005-07  | 0.01                     | 0.00                           |
| Customs Act, 1962                             | Customs        | Assistant Commissioner of Customs | Jul-08 to Aug-09   | 0.02                     | -                              |
| Customs Act, 1962                             | Customs        | CESTAT, Mumbai                    | 2014-15  | 1.44                     | 1.44                           |
| Gujarat VAT Act,2003                          | Sales Tax      | Commercial Tax Officer            | 2013-14  | 0.58                     | 0.15                           |
| Gujarat VAT Act,2003                          | Sales Tax      | Joint Commissioner                | 2015-16  | 1.95                     |                                |
| Jharkhand Vat Act, 2005                       | Sales Tax      | Commissioner                      | 2010-11, 2012-13   | 0.73                     | 0.14                           |
| Jharkhand Vat Act, 2005                       | Sales Tax      | Tribunal                          | 2010-11  | 0.14                     | -                              |

# BIRLA TYRES LIMITED

| Name of the Statute                               | Nature of Dues      | Forum where dispute is pending  | Period                             | Net Amount (₹ In Crores) | Amount Deposited (₹ In Crores) |
|---|---------------------|---------------------------------|------------------------------------|--------------------------|--------------------------------|
| Kerala VAT Act.2003                               | Sales Tax           | Deputy Commissioner             | 2011-12                            | 2.14                     | -                              |
| Odisha Value Added Tax Act, 2004                  | Sales Tax           | Tribunal                        | Apr-16 to Jun-17                   | 0.42                     | 0.08                           |
| Odisha Value Added Tax Act, 2004                  | Sales Tax           | High Court                      | 2012-14                            | 0.92                     | -                              |
| Odisha Value Added Tax Act, 2004                  | Sales Tax           | Sales Tax Tribunal              | 2005-06, 2008-10, Oct-15 to Mar-16 | 5.67                     | 2.75                           |
| The Central Goods and Service Tax Act, 2017       | Goods & Service Tax | Additional Commissioner         | 2016-17 to June' 17                | 12.83                    | -                              |
| Uttar Pradesh Trade Tax Act,1948                  | Sales Tax           | Addition Commissioner (Appeals) | 2006-07                            | 0.09                     | 0.02                           |
| Uttar Pradesh Value Added Tax Act, 2008           | Sales Tax           | Addition Commissioner (Appeals) | 2010-12, 2013-14                   | 0.46                     | 0.19                           |
| West Bengal VAT Act, 2003                         | Sales Tax           | Revisional Board                | 2007-11                            | 8.69                     | -                              |
| Uttar Pradesh Value Added Tax Act, 2008           | Sales Tax           | Appeal to be filed              | 2016-17                            | 8.24                     | -                              |
| Jammu and Kashmir Value Added Tax (VAT) Act, 2005 | Sales Tax           | Appeal to be filed              | 2017-18                            | 0.12                     | -                              |
| Jharkhand Value Added Tax Act, 2005               | Sales Tax           | Appeal to be filed              | 2016-17                            | 0.21                     | -                              |
| <b>Grand Total</b>                                |                     |                                 |                                    | <b>192.06</b>            | <b>22.89</b>                   |

(viii) In our opinion and according to the information and explanations given to us, the Company has defaulted in the repayment of loans or borrowings to financial institutions and banks, details of which has been given as under. The Company does not have any loans or borrowings from government and has not issued any debentures.

| Particulars           | Amount of default as at March 31, 2021 (₹ in Crores)* | Period of Default                     | Nature of Financial Obligation   |
|-----------------------|---|---------------------------------------|----------------------------------|
| <b>Dues to Banks:</b> |   |                                       |                                  |
| Axis Bank             | 32.73   | October'20 to March'21                | Interest on Term Loan            |
| Axis Bank             | 0.02  | October'20 to March'21                | Interest on Working Capital Loan |
| Karur Vyasya Bank     | 2.99  | February'20, October'20 to March'21   | Interest on Term Loan            |
| Lakshmi Vilas Bank    | 2.61  | February'20, September'20 to March'21 | Interest on Term Loan            |
| Punjab National Bank  | 1.11  | February'20, September'20 to March'21 | Interest on Working Capital Loan |
| State Bank of India   | 11.17   | March'20 to March'21                  | Interest on Working Capital Loan |
| South Indian Bank     | 10.54   | February'20, September'20 to March'21 | Interest on Term Loan            |

| Particulars                                 | Amount of default as at March 31, 2021 (₹in Crores)* | Period of Default                     | Nature of Financial Obligation                  |
|---|--|---------------------------------------|---|
| South Indian Bank                           | 1.30   | February'20, September'20 to March'21 | Interest on Working Capital Loan                |
| State Bank of India                         | 3.18   | September'20 to March'21              | Interest on CC                                  |
| HDFC Bank                                   | 0.13   | March'21                              | Interest on CC                                  |
| Axis Bank – Cash Credit Facility            | 0.15   | February'21-March'21                  | Interest on CC                                  |
| ICICI Bank – Cash Credit Facility           | 0.57   | January'21 to March'21                | Interest on CC                                  |
| Lakshmi Vilas Bank – Cash Credit Facility   | 5.27   | January'21 to March'21                | Interest on CC                                  |
| Punjab National Bank – Cash Credit Facility | 0.48   | January'21 to March'21                | Interest on CC                                  |
| South Indian Bank – Cash Credit Facility    | 0.29   | January'21 to March'21                | Interest on CC                                  |
| Yes Bank                                    | 0.08   | January'21 to February'21             | Interest on Working Capital Loan                |
| Axis Bank                                   | 18.46  | Oct'2020 & Jan'21                     | Principal                                       |
| Karur Vyasya Bank                           | 1.35   | Oct'2020 & Jan'21                     | Principal                                       |
| Lakshmi Vilas Bank                          | 1.35   | Oct'2020 & Jan'21                     | Principal                                       |
| South Indian Bank                           | 5.81   | Oct'2020 & Jan'21                     | Principal                                       |
| State Bank of India                         | 80.99  | March' 21                             | Working Capital Loan in excess of Drawing Power |
| Axis Bank                                   | 7.05   | March' 21                             | Working Capital Loan in excess of Drawing Power |
| HDFC Bank                                   | 14.54  | March' 21                             | Working Capital Loan in excess of Drawing Power |
| ICICI Bank                                  | 7.37   | March' 21                             | Working Capital Loan in excess of Drawing Power |
| Lakshmi Vilas Bank                          | 18.43  | March' 21                             | Working Capital Loan in excess of Drawing Power |
| Yes Bank                                    | 5.85   | March' 21                             | Working Capital Loan in excess of Drawing Power |
| Punjab National Bank                        | 18.24  | March' 21                             | Working Capital Loan in excess of Drawing Power |
| South Indian Bank                           | 16.42  | March' 21                             | Working Capital Loan in excess of Drawing Power |
| ICICI Bank                                  | 2.79   | March' 21                             | Letter of Credit                                |
| <b>Dues to Financial Institutions:</b>      |  |                                       |   |

# BIRLA TYRES LIMITED

| Particulars  | Amount of default as at March 31, 2021<br>(₹in Crores)* | Period of Default              | Nature of Financial Obligation |
|--|---|--------------------------------|--------------------------------|
| West Bengal Infrastructure Development Financial Corporation Limited | 6.12  | September' 20 to March' 21     | Interest on Term Loan          |
| West Bengal Infrastructure Development Financial Corporation Limited | 3.38  | Sept.' 20, Dec.' 20 & Mar.' 21 | Principal                      |
| West Bengal Infrastructure Development Financial Corporation Limited | 1.35  | Oct.' 20 & Jan.' 21            | Principal                      |
| <b>Total</b>   | <b>282.12</b>   |                                |                                |

\* The amount of default has not been repaid subsequently till the date of this audit report.

- (ix) The Company has not raised moneys by way of initial public offer or further public offer. In our opinion and according to the information and explanations given to us, the term loans taken have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**Abhijit Bandyopadhyay**  
Partner  
(Membership No.: 054785)  
UDIN:21054785AAAAEC6875

Place: Kolkata  
Date: 30<sup>th</sup> July, 2021

## Balance Sheet as at 31st March, 2021

(All amounts in ₹ crores, unless otherwise stated)

| Particulars  | Notes  | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|--|--------|------------------------------|------------------------------|
| <b>ASSETS</b>  |        |                              |                              |
| <b>(1) Non-current assets</b>  |        |                              |                              |
| (a) Property, plant and equipment  | 3      | 476.23                       | 507.97                       |
| (b) Capital work-in-progress   |        | 775.24                       | 775.44                       |
| (c) Right to use asset   | 32     | 0.79                         | 8.95                         |
| (d) Other intangible assets  | 4      | -                            | 0.03                         |
| (e) Financial assets   |        |                              |                              |
| (i) Other financial assets   | 6      | 4.13                         | 5.30                         |
| (f) Income tax asset (net)   |        | 0.06                         | -                            |
| (g) Other non-current assets   | 7      | 66.48                        | 66.22                        |
| <b>Total non-current assets</b>  |        | <b>1,322.93</b>              | <b>1,363.91</b>              |
| <b>(2) Current assets</b>  |        |                              |                              |
| (a) Inventories  | 8      | 41.60                        | 76.82                        |
| (b) Financial assets   |        |                              |                              |
| (i) Trade receivables  | 9      | 106.26                       | 115.45                       |
| (ii) Cash and cash equivalents   | 10     | 1.34                         | 3.16                         |
| (iii) Other bank balances  | 11     | 1.61                         | 16.69                        |
| (iv) Loans   | 5      | 0.39                         | 0.25                         |
| (v) Other financial assets   | 6      | 0.60                         | 1.25                         |
| (c) Other current assets   | 7      | 22.58                        | 50.87                        |
| <b>Total current assets</b>  |        | <b>174.38</b>                | <b>264.49</b>                |
| <b>Total assets</b>  |        | <b>1,497.31</b>              | <b>1,628.40</b>              |
| <b>EQUITY AND LIABILITIES</b>  |        |                              |                              |
| <b>Equity</b>  |        |                              |                              |
| (a) Equity share capital   | 12 (a) | 142.59                       | 142.59                       |
| (b) Other equity   | 12 (c) | (709.44)                     | (425.66)                     |
| <b>Total Equity</b>  |        | <b>(566.85)</b>              | <b>(283.07)</b>              |
| <b>Liabilities</b>   |        |                              |                              |
| <b>(1) Non-current liabilities</b>   |        |                              |                              |
| (a) Financial liabilities  |        |                              |                              |
| (i) Borrowings   | 13     | -                            | 619.55                       |
| (ii) Lease liability   | 32     | 0.12                         | 6.22                         |
| (iii) Other financial liabilities  | 14     | 15.23                        | 150.64                       |
| (b) Provisions   | 15     | 9.09                         | 16.14                        |
| <b>Total non-current liabilities</b>   |        | <b>24.44</b>                 | <b>792.55</b>                |
| <b>(2) Current liabilities</b>   |        |                              |                              |
| (a) Financial liabilities  |        |                              |                              |
| (i) Borrowings   | 13     | 983.01                       | 235.98                       |
| (ii) Lease Liability   | 32     | 0.76                         | 3.46                         |
| (iii) Trade payables   | 18     |                              |                              |
| Total outstanding dues of micro enterprises and small enterprises                      |        | 4.91                         | 5.80                         |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |        | 265.79                       | 267.26                       |
| (iv) Other financial liabilities   | 14     | 646.09                       | 472.60                       |
| (b) Provisions   | 15     | 54.71                        | 63.65                        |
| (c) Other current liabilities  | 17     | 84.45                        | 70.17                        |
| <b>Total current liabilities</b>   |        | <b>2,039.72</b>              | <b>1,118.92</b>              |
| <b>Total liabilities</b>   |        | <b>2,064.16</b>              | <b>1,911.47</b>              |
| <b>Total equity and liabilities</b>  |        | <b>1,497.31</b>              | <b>1,628.40</b>              |
| Notes forming part of the Financial Statements   | 1 - 42 |                              |                              |

In terms of our report attached

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.302009E)

**Anant Gupta**  
Chief Financial Officer

**Manjushree Khaitan**  
Chairman

**Abhijit Bandyopadhyay**  
Partner

**Saurabh Mantri**  
Company Secretary

**Uma Shankar Asopa**  
Director

Place: Kolkata  
Date: 30<sup>th</sup> July, 2021

## Statement of Profit and Loss for the year ended 31st March, 2021

(All amounts in ₹ crores, unless otherwise stated)

|      | Particulars  | Notes  | Period ended 31 <sup>st</sup><br>March 2021 | Period ended 31 <sup>st</sup><br>March 2020 |
|------|--|--------|---|---|
| I    | Revenue from operations  | 19     | 137.36                                      | 471.70                                      |
| II   | Other income   | 20     | 15.74                                       | 66.76                                       |
| III  | <b>Total Income (I+II)</b>   |        | <b>153.10</b>                               | <b>538.46</b>                               |
| IV   | <b>Expenses:</b>   |        |   |   |
|      | (a) Cost of materials consumed   | 21     | 68.21                                       | 253.78                                      |
|      | (b) Purchases of stock-in-trade  |        | 2.89  | 25.46                                       |
|      | (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade              | 22     | 19.62                                       | 38.50                                       |
|      | (d) Employee benefit expense   | 23     | 88.51                                       | 121.50                                      |
|      | (e) Depreciation and amortisation expense  | 24     | 33.29                                       | 38.06                                       |
|      | (f) Finance costs  | 25     | 162.36                                      | 151.74                                      |
|      | (g) Other expenses   | 26     | 65.85                                       | 196.09                                      |
|      | <b>Total Expenses</b>  |        | <b>440.73</b>                               | <b>825.13</b>                               |
| V    | <b>Loss before tax (III-IV)</b>  |        | <b>(287.63)</b>                             | <b>(286.67)</b>                             |
| VI   | <b>Tax expense:</b>  |        |   |   |
|      | (1) Current tax charge / (credit) (in respect of earlier year)                                 |        | -   | -   |
|      | (2) Deferred tax charge / (credit)   |        | -   | -   |
|      | <b>Total tax expense</b>   |        | <b>-</b>                                    | <b>-</b>                                    |
| VII  | <b>Loss for the period (V-VI)</b>  |        | <b>(287.63)</b>                             | <b>(286.67)</b>                             |
| VIII | <b>Other Comprehensive Income</b>  |        |   |   |
|      | <b>Items that will not be reclassified to Profit or Loss</b>                                   |        |   |   |
|      | Remeasurement of post-employment benefit plans   |        | 3.85  | (2.32)                                      |
|      | Income tax relating to items that will not be reclassified to the statement of Profit and Loss |        | -   | -   |
|      | <b>Total other comprehensive income</b>  |        | <b>3.85</b>                                 | <b>(2.32)</b>                               |
| IX   | <b>Total comprehensive loss for the year (VII+VIII)</b>  |        | <b>(283.78)</b>                             | <b>(288.99)</b>                             |
| X    | <b>Earnings per share</b>  | 28     |   |   |
|      | Basic (₹)  |        | (20.17)                                     | (20.11)                                     |
|      | Diluted (₹)  |        | (20.17)                                     | (20.11)                                     |
|      | <b>Notes forming part of the Financial Statements</b>  | 1 - 42 |   |   |

In terms of our report attached

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.302009E)

**Anant Gupta**  
Chief Financial Officer

**Manjushree Khaitan**  
Chairman

**Abhijit Bandyopadhyay**  
Partner

**Saurabh Mantri**  
Company Secretary

**Uma Shankar Asopa**  
Director

Place: Kolkata  
Date: 30<sup>th</sup> July, 2021



## Statement of Cashflow for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

| Particulars   | Period ended 31 <sup>st</sup> March 2021 | Period ended 31 <sup>st</sup> March 2020 |
|---|--|--|
| <b>A. Cash Flow From Operating Activities</b>   |  |  |
| Net Loss before tax   | (287.63)                                 | (286.67)                                 |
| <b>Adjustments for:</b>   |  |  |
| Depreciation and amortisation   | 33.29                                    | 38.06                                    |
| Provision for bad and doubtful debts charged  | 5.29                                     | 22.47                                    |
| Provision for warranty written back   | (11.61)                                  | 6.73                                     |
| Finance costs   | 162.36                                   | 151.74                                   |
| Loss on sale of property, plant and equipment (net)                                       | 0.29                                     | 0.93                                     |
| Profit on right of use asset written off (net)  | (0.63)                                   | -  |
| Liabilities/Provision no longer required written back                                     | (14.76)                                  | (17.55)                                  |
| Interest income   | (0.52)                                   | (1.77)                                   |
| <b>Operating loss before working capital changes</b>                                      | <b>(113.92)</b>                          | <b>(86.06)</b>                           |
| <b>Changes in Working Capital:</b>  |  |  |
| Increase / (decrease) in Non-Current / Current financial and other liabilities/provisions | 23.33                                    | 165.97                                   |
| (Increase) / decrease in Non-Current / Current financial and other assets                 | 28.78                                    | 64.13                                    |
| (Increase) / decrease in inventories  | 35.22                                    | 71.37                                    |
| <b>Cash Generated from Operations</b>   | <b>(26.59)</b>                           | <b>215.41</b>                            |
| Direct Taxes paid (net of refunds)  | (0.06)                                   | -  |
| <b>Net cash generated from operating activities</b>                                       | <b>(26.65)</b>                           | <b>215.41</b>                            |
| <b>B. Cash flow from Investing Activities:</b>  |  |  |
| Purchase of property, plant and equipment/capital advance given                           | (0.87)                                   | (2.48)                                   |
| Proceeds from sale of property, plant and equipment                                       | 0.20                                     | 7.04                                     |
| Interest received   | 0.52                                     | 1.77                                     |
| Proceeds from fixed deposits matured  | 15.67                                    | 6.53                                     |
| <b>Net cash used in investing activities</b>  | <b>15.52</b>                             | <b>12.86</b>                             |
| <b>C. Cash flow from Financing Activities</b>   |  |  |
| Finance cost paid   | (2.23)                                   | (132.96)                                 |
| Proceeds from loans and advances from body corporate                                      | 36.08                                    | -  |

## Statement of Cashflow for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

| Particulars   | Period ended 31 <sup>st</sup> March 2021 | Period ended 31 <sup>st</sup> March 2020 |
|---|--|--|
| Proceeds from loan from director                          | 0.73                                     | -  |
| Payment of Lease obligations                              | (2.12)                                   | (4.74)                                   |
| Net Proceed / (Repayment) from / of Short term borrowings | (2.52)                                   | 72.94                                    |
| Repayment of Long Term Borrowings                         | -  | (70.73)                                  |
| <b>Net cash generated from financing activities</b>       | <b>29.94</b>                             | <b>(135.49)</b>                          |

| Particulars  | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|--|------------------------------|------------------------------|
| Net decrease in cash and cash equivalents                                | 18.81                        | 92.78                        |
| Cash and cash equivalents at the beginning of the year                   | 3.16                         | 0.01                         |
| Cash and cash equivalents acquired pursuant to the scheme of arrangement | -                            | 8.98                         |
| Conversion of Short term borrowings into Cash Credit                     | (74.79)                      | -                            |
| Less: Cash credits at the beginning of the year                          | (114.66)                     | -                            |
| Less: Cash credits transferred pursuant to the scheme of arrangement     | -                            | (213.27)                     |
| <b>Adjusted cash &amp; cash equivalents at the beginning of the year</b> | <b>(186.29)</b>              | <b>(204.28)</b>              |
| <b>Cash &amp; cash equivalents at the end of the year</b>                | <b>(167.48)</b>              | <b>(111.50)</b>              |

| Particulars                                | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|--|------------------------------|------------------------------|
| <b>Cash and Cash Equivalents comprise:</b> |                              |                              |
| Cash on hand                               | 0.04                         | 0.04                         |
| Cheques on hand                            | -                            | 0.10                         |
| Balances with banks on current account     | 1.30                         | 3.02                         |
| Cash credits at the end of the year        | (168.82)                     | (114.66)                     |
|  | <b>(167.48)</b>              | <b>(111.50)</b>              |

Notes:

The above cash flow statement has been prepared under the Indirect Method as set out in Ind AS - 7 "Statement of Cash Flows".

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No.302009E)

Anant Gupta  
Chief Financial Officer

Manjushree Khaitan  
Chairman

Abhijit Bandyopadhyay  
Partner

Saurabh Mantri  
Company Secretary

Uma Shankar Asopa  
Director

Place: Kolkata  
Date: 30<sup>th</sup> July, 2021

## Statement of Changes in Equity for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

### A. Equity share capital

| Particulars  | Notes  | Amount |
|--|--------|--------|
| As at 31 <sup>st</sup> March 2019                        |        | 0.01   |
| Less: Shares cancelled pursuant to Scheme of Arrangement |        | (0.01) |
| Add: Shares issued pursuant to Scheme of Arrangement     |        | 142.59 |
| <b>As at 31<sup>st</sup> March 2020</b>                  | 12 (a) | 142.59 |
| Changes during the year                                  |        | -      |
| <b>As at 31<sup>st</sup> March 2021</b>                  | 12 (a) | 142.59 |

### B. Share Capital Suspense

| Particulars                              | Notes  | Amount   |
|--|--------|----------|
| As at 31 <sup>st</sup> March 2019        |        | -        |
| Arisen pursuant to scheme of arrangement |        | 142.59   |
| Changes during the period                |        | (142.59) |
| <b>As at 31<sup>st</sup> March 2020</b>  | 12 (b) | -        |
| Changes during the period                |        | -        |
| <b>As at 31<sup>st</sup> March 2021</b>  | 12 (b) | -        |

### C. Other equity

| Particulars                                     | Notes  | Retained earnings |
|---|--------|-------------------|
| As at 31 <sup>st</sup> March 2020               |        | (425.66)          |
| Loss for the period                             |        | (287.63)          |
| Other comprehensive income [net of tax]         |        | 3.85              |
| <b>Balance as at 31<sup>st</sup> March 2021</b> | 12 (c) | <b>(709.44)</b>   |

| Particulars   | Notes  | Retained earnings |
|---|--------|-------------------|
| As at 31 <sup>st</sup> March 2019   |        | (0.01)            |
| Created pursuant to the scheme of arrangement   |        | (60.86)           |
| Loss for the period 1 <sup>st</sup> January, 2019 transferred pursuant to the scheme of arrangement |        | (75.80)           |
| <b>Loss for the period</b>  |        | <b>(286.67)</b>   |
| <b>Other comprehensive income [net of tax]</b>  |        | <b>(2.32)</b>     |
| <b>Balance as at 31<sup>st</sup> March 2020</b>   | 12 (c) | <b>(425.66)</b>   |

The accompanying notes are an integral part of the Financial Statements

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No.302009E)

Anant Gupta  
Chief Financial Officer

Manjushree Khaitan  
Chairman

Abhijit Bandyopadhyay  
Partner

Saurabh Mantri  
Company Secretary

Uma Shankar Asopa  
Director

Place: Kolkata  
Date: 30<sup>th</sup> July, 2021

## Notes to Financial Statements for the period ended 31<sup>st</sup> March, 2021

### 1. Company Information

Birla Tyres Limited (the Company) is a public company limited by shares domiciled in India and incorporated on 22<sup>nd</sup> November 2018, under the provisions of Companies Act, 2013. The Core businesses of the company are manufacturing and trading of tyres. The Company markets its automobile tyres under the brand name "Birla Tyres".

The financial statements as at 31<sup>st</sup> March 2021 present the financial position of the Company.

The financial statements for the year ended 31<sup>st</sup> March 2021 were approved by the Board of Directors and authorised for issue on 30<sup>th</sup> July 2021.

### 2. Summary of significant accounting policies

#### 2.1 Basis of preparation

##### (i) Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013.

##### (ii) Historical cost convention

The financial statements have been prepared under the historical cost convention with the exception of certain assets and liabilities that are required to be carried at fair values by Ind AS.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### 2.2 Property, plant and equipment

- a) Property, plant and equipment are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase cost, borrowing costs if capitalisation criteria are met and other directly attributable cost of bringing the assets to its working condition for intended use. The cost also comprises of exchange differences arising on translation /settlement of long term foreign currency monetary items pertaining to acquisition of such depreciable assets. Any trade discounts and rebates are deducted in arriving at the purchase price.
- b) Subsequent expenditure related to an item of property, plant and equipment is added to its carrying amount only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance.
- c) Capital work in progress is stated at cost, [including borrowing cost, where applicable and adjustment for exchange difference referred to in Note 2.14 below] incurred during construction/installation period relating to items or projects in progress.
- d) Losses arising from the retirement of and gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the Statement of profit and loss.
- e) Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives as follows:

| Class of assets        | Estimated useful life (in years) |
|------------------------|----------------------------------|
| Buildings              | 5-60 years                       |
| Plant and Equipment    | 1-40 Years                       |
| Furniture and Fixtures | 1-16 Years                       |
| Office Equipment       | 1-20 years                       |
| Vehicles               | 8-10 Years                       |

#### 2.3 Intangible assets

Intangible property, plant and equipment are capitalised where it is expected to provide future enduring economic

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

benefits and amortised on a straight line basis. Capitalisation costs include license fees and the cost of implementation/ system integration services. The Costs are capitalised in the year in which the relevant intangible asset is implemented for use.

| Class of assets | Estimated useful life (in years) |
|-----------------|----------------------------------|
| Software        | 3 Years                          |

### 2.4 Impairment

Property, plant and equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### 2.5 Lease

The Company as a lessee-

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies Ind AS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

### 2.6 Inventories

Inventories are stated at lower of cost and net realisable value. Cost is determined on weighted average / first-in, first-out (FIFO) basis, as considered appropriate by the Company. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Provision is made for obsolete/slow moving/defective stocks, wherever necessary.

### 2.7 Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly

**Notes to Consolidated Financial Statements** for the year ended 31<sup>st</sup> March, 2021

attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability. The transaction costs directly attributable to the acquisition of financial assets and financial liabilities at fair value through profit and loss are immediately recognised in the statement of profit and loss.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period.

**(a) Financial assets****Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**Other bank balances**

Other bank balances include deposits with maturity less than twelve months but greater than three months and balances and deposits with banks that are restricted for withdrawal and usage.

**Financial assets at amortised cost**

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

**Financial assets measured at fair value**

Financial assets are measured at 'Fair value through other comprehensive income' (FVOCI) if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows or to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Company in respect of equity investments (other than in subsidiaries, associates and joint ventures) which are not held for trading has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of such equity instruments. Such an election is made by the Company on an instrument by instrument basis at the time of initial recognition of such equity investments.

Financial asset not measured at amortised cost or at fair value through other comprehensive income is carried at 'Fair value through the statement of profit and loss' (FVPL).

**Impairment of financial assets**

The Company assesses on a forward looking basis the 'Expected credit losses' (ECL) associated with its assets carried at amortised cost and FVOCI debt instruments. The Company recognises loss allowance for expected credit losses on financial asset.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**De-recognition of financial assets**

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the assets and an associated liability for amounts it may have to pay.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### (b) Financial liabilities and equity instruments

#### Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

#### Financial Liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant.

Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

#### De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

#### Derivative financial instruments

In the ordinary course of business, the Company uses certain derivative financial instruments to reduce business risks which arise from its exposure to foreign exchange and interest rate fluctuations. The instruments are confined principally to forward foreign exchange contracts.

Derivatives are initially accounted for and measured at fair value from the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

#### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 2.8 Employee Benefits

#### Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the Company's obligations under the schemes are equivalent to those arising in a defined contribution retirement benefit scheme.

#### Defined benefit plans

For defined benefit retirement schemes the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuation being carried out at each balance sheet date. Re-measurement gains and losses of the net defined benefit liability/ (asset) are recognised immediately in other comprehensive income. The service cost and net interest on the net defined benefit liability/ (asset) is treated as a net expense within employment costs.

**Notes to Consolidated Financial Statements** for the year ended 31<sup>st</sup> March, 2021

Past service cost is recognised as an expense when the plan amendment or curtailment occurs or when any related restructuring costs or termination benefits are recognised, whichever is earlier.

The retirement benefit obligation recognised in the balance sheet represents the present value of the defined-benefit obligation as reduced by the fair value plan assets.

**Compensated absences**

Accumulated compensated absences which are expected to be availed or encashed within twelve months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end.

Accumulated compensated absences which are expected to be availed or encashed beyond twelve months from the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

**2.9 Government Grants**

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

**2.10 Provision and Contingent Liabilities**

**Provisions:** Provisions are recognised when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

***Provision for warranty***

The estimated liability for warranty is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence based on corrective actions on product failure. The timing of outflows will vary as and when the obligation will arise - being typically up to five years.

**Contingent Liabilities:** Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**2.11 Non-current assets (or disposal groups) held for sale**

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as



## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

### 2.12 Taxes on Income

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised for the future tax consequences to the extent it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

### 2.13 Revenue Recognition

The Company derives revenues primarily from sale of Tyres.

Revenue shall be recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

**Notes to Consolidated Financial Statements** for the year ended 31<sup>st</sup> March, 2021***Sales of goods***

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations maybe satisfied at a point of time or over a period of time. Performance obligations satisfied over a period of time are recognised as per the terms of relevant contractual agreements/ arrangements. Performance obligations are said to be satisfied at a point of time when the customer obtains controls of the asset.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A contract liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due, which are otherwise recorded as contract assets.

***Interest income***

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

***Dividend income***

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

***Rental income***

Rental income from investment properties and subletting of properties is recognised on a time proportion basis over the term of the relevant leases.

***Warranty obligations***

The Company generally provides for warranties which are assurance-type warranties under Ind AS 115, and are accounted for under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

***Unfulfilled performance obligations***

The Company provides certain benefits to customers for purchasing products from the Company. These provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide such benefits to the customer is a separate performance obligation. The transaction price is allocated to the product and the benefit to be provided on a relative stand-alone selling price basis. Management estimates the stand-alone selling price per point on the basis of the on the basis of providing cost of such benefits. These estimates are established using historical information on the nature, frequency and average cost of obligations and management estimates regarding possible future incidence. To the extent these benefits are not settled / disbursed till the end of a reporting period these are recorded.

A contract liability is recognised until the benefit is provided.

**2.14 Borrowing Costs**

Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Premium in the form of fees paid on refinancing of loans are accounted for as an expense over the life of the loan using effective interest rate method. All other borrowing costs are recognised in the Statement of profit and loss in the period in which they are incurred.

## Notes to Consolidated Financial Statements for the year ended 31<sup>st</sup> March, 2021

### 2.15 Foreign currency transactions and translations

#### *Functional and presentation currency*

The restated financial information of the Company are presented in Indian rupees (INR), which is the functional currency of the Company and the presentation currency for the restated financial information.

#### *Transactions and balances*

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end exchange rates. Gains/losses arising out of fluctuations in the exchange rates are recognised in the statement of profit and loss in the period in which they arise.

### 2.16 Research and Development Expenditure

Revenue Expenditure on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred and Capital Expenditure relating to Research and Development are included in property, plant and equipment.

### 2.17 Earnings per share

#### *(i) Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

#### *(ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares

### 2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Director's has been identified as the chief operating decision maker. Refer note 36 for segment information presented.

### 2.19 Use of estimates and critical accounting judgements

In preparation of the restated financial information, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies, measurement of lease liability and Right to Use Asset.

**Notes forming part of the Financial Statements** for the year ended 31<sup>st</sup> March, 2021**2.20 Impact of the initial application of new and amended Ind ASs that are effective for the current year**

In the current year, the Company has applied the below amendments to Ind ASs that are effective for an annual period that begins on or after 1<sup>st</sup> April 2020.

***Amendments to Ind AS 116 - Covid-19 Related Rent Concessions***

The Company has adopted the amendments to Ind AS 116 for the first time in the current year. The amendments provide practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to Ind AS 116. The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession the same way it would account for the change applying Ind AS 116 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- (a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) Any reduction in lease payments affects only payments originally due on or before 30<sup>th</sup> June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30<sup>th</sup> June 2021 and increased lease payments that extend beyond 30<sup>th</sup> June 2021); and
- (c) There is no substantive change to other terms and conditions of the lease.

The Company has applied the practical expedient retrospectively to all eligible rent concessions and has not restated prior period figures.

**2.21 Standards issued but not effective**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.
- The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

### Note 3: Property, plant and equipment

| Particulars            | GROSS BLOCK - AT COST            |                             |   |                                   | DEPRECIATION                    |                            |                            |                                  | NET BLOCK                         |
|------------------------|----------------------------------|-----------------------------|---|-----------------------------------|---------------------------------|----------------------------|----------------------------|----------------------------------|-----------------------------------|
|                        | As at 1 <sup>st</sup> April 2020 | Additions during the period | Deletion / Adjustment during the period | As at 31 <sup>st</sup> March 2021 | Upto 1 <sup>st</sup> April 2020 | Provided during the period | Deletion during the Period | Upto 31 <sup>st</sup> March 2021 | As at 31 <sup>st</sup> March 2021 |
| Land :                 |                                  |                             |   |                                   |                                 |                            |                            |                                  |                                   |
| - Freehold             | 253.10                           | -                           | -                                       | 253.10                            | -                               | -                          | -                          | -                                | 253.10                            |
| Buildings              | 136.98                           | -                           | (0.03)                                  | 136.95                            | 43.79                           | 8.18                       | (0.00)                     | 51.97                            | 84.98                             |
| Plant and Equipments   | 257.88                           | 0.21                        | (0.17)                                  | 257.92                            | 98.63                           | 22.79                      | (0.13)                     | 121.29                           | 136.63                            |
| Furniture and Fixtures | 2.80                             | -                           | (0.17)                                  | 2.63                              | 1.41                            | 0.39                       | (0.12)                     | 1.68                             | 0.95                              |
| Office Equipment       | 2.56                             | 0.05                        | (0.60)                                  | 2.01                              | 1.87                            | 0.05                       | (0.37)                     | 1.55                             | 0.46                              |
| Vehicles               | 1.36                             | -                           | (0.69)                                  | 0.67                              | 0.99                            | 0.15                       | (0.58)                     | 0.56                             | 0.11                              |
| <b>Total</b>           | <b>654.68</b>                    | <b>0.26</b>                 | <b>(1.66)</b>                           | <b>653.28</b>                     | <b>146.69</b>                   | <b>31.56</b>               | <b>(1.20)</b>              | <b>177.05</b>                    | <b>476.23</b>                     |

| Particulars            | GROSS BLOCK - AT COST            |   |                             |                            |                                   | DEPRECIATION                    |   |                            |                            |                                  | NET BLOCK                         |
|------------------------|----------------------------------|---|-----------------------------|----------------------------|-----------------------------------|---------------------------------|---|----------------------------|----------------------------|----------------------------------|-----------------------------------|
|                        | As at 1 <sup>st</sup> April 2019 | Transferred pursuant to the scheme of arrangement | Additions during the period | Deletion during the period | As at 31 <sup>st</sup> March 2020 | Upto 1 <sup>st</sup> April 2019 | Transferred pursuant to the scheme of arrangement | Provided during the period | Deletion during the period | Upto 31 <sup>st</sup> March 2020 | As at 31 <sup>st</sup> March 2020 |
| Land :                 |                                  |   |                             |                            |                                   |                                 |   |                            |                            |                                  |                                   |
| - Freehold             | -                                | 256.65  | -                           | (3.55)                     | 253.10                            | -                               | -   | -                          | -                          | -                                | 253.10                            |
| Buildings              | -                                | 142.12  | -                           | (5.15)                     | 136.97                            | -                               | 35.25   | 9.27                       | (0.74)                     | 43.78                            | 93.19                             |
| Plant and Equipments   | -                                | 257.86  | 0.01                        | -                          | 257.87                            | -                               | 74.63   | 23.99                      | -                          | 98.62                            | 159.25                            |
| Furniture and Fixtures | -                                | 2.60  | 0.19                        | -                          | 2.79                              | -                               | 1.05  | 0.36                       | -                          | 1.41                             | 1.38                              |
| Office Equipment       | -                                | 2.58  | -                           | (0.02)                     | 2.56                              | -                               | 1.80  | 0.09                       | (0.01)                     | 1.88                             | 0.68                              |
| Vehicles               | -                                | 1.35  | -                           | -                          | 1.35                              | -                               | 0.72  | 0.26                       | -                          | 0.98                             | 0.37                              |
| <b>Total</b>           | <b>-</b>                         | <b>663.16</b>                                     | <b>0.20</b>                 | <b>(8.72)</b>              | <b>654.64</b>                     | <b>-</b>                        | <b>113.45</b>                                     | <b>33.97</b>               | <b>(0.75)</b>              | <b>146.67</b>                    | <b>507.97</b>                     |

(i) Refer note 13 for Property, plant and equipment pledged as security.

(ii) Contractual obligations

Refer to note 30 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) The above balance includes-

| Particulars  | 31 <sup>st</sup> March, 2021 |
|--|------------------------------|
| Cost of assets lying with third parties - plant & equipments | 11.50                        |

(iv) The Company is in the process of getting the above freehold land registered / transferred in its name pursuant to the Scheme of Arrangement .

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

### Note 4 : Intangible Assets

| Particulars  | GROSS BLOCK - AT COST            |                             |                             |                                   | AMORTISATION                    |                          |                          |                                  | NET BLOCK                         |
|--------------|----------------------------------|-----------------------------|-----------------------------|-----------------------------------|---------------------------------|--------------------------|--------------------------|----------------------------------|-----------------------------------|
|              | As at 1 <sup>st</sup> April 2020 | Additions during the period | Deletions during the period | As at 31 <sup>st</sup> March 2021 | Upto 1 <sup>st</sup> April 2020 | Provided during the Year | Deletion during the Year | Upto 31 <sup>st</sup> March 2021 | As at 31 <sup>st</sup> March 2021 |
| Software     | 0.30                             | -                           | (0.03)                      | 0.27                              | 0.27                            | -                        | -                        | 0.27                             | -                                 |
| <b>Total</b> | <b>0.30</b>                      | <b>-</b>                    | <b>(0.03)</b>               | <b>0.27</b>                       | <b>0.27</b>                     | <b>-</b>                 | <b>-</b>                 | <b>0.27</b>                      | <b>-</b>                          |

| Particulars  | GROSS BLOCK - AT COST            |   |                             |                             |                                   | AMORTISATION                                      |                            |                            |                                  | NET BLOCK                         |
|--------------|----------------------------------|---|-----------------------------|-----------------------------|-----------------------------------|---|----------------------------|----------------------------|----------------------------------|-----------------------------------|
|              | As at 1 <sup>st</sup> April 2019 | Transferred pursuant to the scheme of arrangement <sup>ii</sup> | Additions during the period | Deletions during the period | As at 31 <sup>st</sup> March 2020 | Transferred pursuant to the scheme of arrangement | Provided during the period | Deletion during the period | Upto 31 <sup>st</sup> March 2020 | As at 31 <sup>st</sup> March 2020 |
| Software     | -                                | 0.30  | -                           | -                           | 0.30                              | 0.27  | -                          | -                          | 0.27                             | 0.03                              |
| <b>Total</b> | <b>-</b>                         | <b>0.30</b>   | <b>-</b>                    | <b>-</b>                    | <b>0.30</b>                       | <b>0.27</b>                                       | <b>-</b>                   | <b>-</b>                   | <b>0.27</b>                      | <b>0.03</b>                       |

### Note 5 : Loans

| Particulars                | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|----------------------------|------------------------------|------------------------------|
| <b>A. Current</b>          |                              |                              |
| Unsecured, considered good |                              |                              |
| (a) Loan to employees      | 0.39                         | 0.25                         |
|                            | <b>0.39</b>                  | <b>0.25</b>                  |

### Note 6 : Other financial assets

| Particulars  | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|--|------------------------------|------------------------------|
| <b>Non-current</b>                                     |                              |                              |
| Deposit with original maturity for more than 12 months | 0.03                         | 0.62                         |
| Security deposits                                      | 4.10                         | 4.68                         |
|  | <b>4.13</b>                  | <b>5.30</b>                  |
| <b>Current</b>   |                              |                              |
| Security deposits                                      | 0.56                         | 1.19                         |
| Interest accrued on deposits                           | -                            | 0.01                         |
| Other Receivables                                      | 0.04                         | 0.05                         |
|  | <b>0.60</b>                  | <b>1.25</b>                  |

### Note 7: Other assets

| Particulars                                   | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|---|------------------------------|------------------------------|
| <b>Non-Current</b>                            |                              |                              |
| Capital advances                              | 14.48                        | 12.32                        |
| Balance with statutory/government authorities | 51.45                        | 51.30                        |
| Prepaid expenses                              | 0.55                         | 2.60                         |
|   | <b>66.48</b>                 | <b>66.22</b>                 |

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

| Particulars                                   | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|---|------------------------------|------------------------------|
| <b>Current</b>                                |                              |                              |
| Balance with statutory/government authorities | 7.35                         | 14.93                        |
| Prepaid expenses                              | 2.11                         | 4.14                         |
| Advance to vendors                            | 34.34                        | 54.23                        |
| Less: Allowances for doubtful advances        | (23.45)                      | (22.64)                      |
| Plan Asset                                    | 2.17                         | -                            |
| Others  | 0.06                         | 0.21                         |
|   | <b>22.58</b>                 | <b>50.87</b>                 |

### Note 8: Inventories

| Particulars                              | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|--|------------------------------|------------------------------|
| Raw materials                            | 8.60                         | 24.40                        |
| Work-in-progress                         | 7.58                         | 10.16                        |
| Finished goods                           | 15.86                        | 32.90                        |
| Stores and spare parts                   | 9.56                         | 9.36                         |
| <b>Total*</b>                            | <b>41.60</b>                 | <b>76.82</b>                 |
| <b>Included above, goods-in-transit:</b> |                              |                              |
| Raw materials                            | 0.99                         | 7.64                         |
| Finished goods                           | 0.66                         | 6.23                         |
|  | <b>1.65</b>                  | <b>90.69</b>                 |

\* The Company has made provision of ₹ 25.56 crores (FY 19-20 : ₹ 28.78 crores) for writing down the value of inventories towards slow moving, non-moving and obsolete inventory. The above figures are net of provisions.

### Note 9: Trade receivables

| Particulars                    | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|--------------------------------|------------------------------|------------------------------|
| <b>Current</b>                 |                              |                              |
| <b>Trade Receivables</b>       |                              |                              |
| (a) Secured, considered good   | 106.26                       | 107.84                       |
| (b) Unsecured, considered good | -                            | 7.61                         |
| (c) Credit impaired            | 188.27                       | 183.14                       |
|                                | <b>294.53</b>                | <b>298.59</b>                |
| Allowance for credit losses    | (188.27)                     | (183.14)                     |
|                                | <b>106.26</b>                | <b>115.45</b>                |



## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

### Note: 10 Cash and cash equivalents

| Particulars                      | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|----------------------------------|------------------------------|------------------------------|
| <b>Cash and cash equivalents</b> |                              |                              |
| Cash on hand                     | 0.04                         | 0.04                         |
| Cheques on hand                  | -                            | 0.10                         |
| <b>Balances with bank</b>        |                              |                              |
| In Current accounts              | 1.30                         | 3.02                         |
|                                  | <b>1.34</b>                  | <b>3.16</b>                  |

### Note: 11 Other bank balances

| Particulars   | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|---|------------------------------|------------------------------|
| Deposit with original maturity for more than three months but less than twelve months | 1.61                         | 16.69                        |
|   | <b>1.61</b>                  | <b>16.69</b>                 |

| (a) Deposits more than three months includes:-  | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|---|------------------------------|------------------------------|
| - Deposits Lien marked against bank guarantee   | 1.61                         | 0.72                         |
| - Deposits Lien marked against letter of credit | -                            | 4.55                         |

### Note 12: Equity share capital and other equity

#### Note 12 (a): Equity share capital

##### Authorised equity share capital

| Particulars                             | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|---|------------------------------|------------------------------|
| 69,99,00,000 Equity Shares of ₹ 10 each | 699.90                       | 699.90                       |
|   | <b>699.90</b>                | <b>699.90</b>                |

##### Issued, subscribed and paid-up equity share capital

| Particulars   | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|---|------------------------------|------------------------------|
| 14,25,90,079 Equity Shares of ₹ 10 each fully paid up | 142.59                       | 142.59                       |

##### (i) Movement in equity share capital

| Particulars  | 31 <sup>st</sup> March, 2021 |               | 31 <sup>st</sup> March, 2020 |               |
|--|------------------------------|---------------|------------------------------|---------------|
|  | No. of Shares                | Amount        | No. of Shares                | Amount        |
| Opening balance                                    | 14,25,90,079                 | 142.59        | 10,000                       | 0.01          |
| Issued during the period                           | -                            | -             | -                            | -             |
| Shares cancelled pursuant to Scheme of Arrangement | -                            | -             | (10,000)                     | (0.01)        |
| Shares Issued pursuant to Scheme of Arrangement    | -                            | -             | 14,25,90,079                 | 142.59        |
| Closing balance                                    | <b>14,25,90,079</b>          | <b>142.59</b> | <b>14,25,90,079</b>          | <b>142.59</b> |

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

### Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. All equity shareholders are entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in ensuing Annual General Meeting except in the case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in the proportion to their shareholdings.

### (ii) Details of shareholders holding more than 5% shares in the company

| Shareholder  | 31 <sup>st</sup> March, 2021 |               | 31 <sup>st</sup> March, 2020 |               |
|--|------------------------------|---------------|------------------------------|---------------|
|  | Number of shares             | % holding     | Number of shares             | % holding     |
| Pilani Investment and Industries Corporation Limited | 2,73,38,750                  | 19.17%        | 2,73,38,750                  | 19.17%        |
| Manav Investment and Trading Company Limited         | 3,49,13,850                  | 24.49%        | 3,39,66,691                  | 23.82%        |
| Euston Industries Ltd                                | 71,65,325                    | 5.03%         | 71,65,325                    | 5.03%         |
|  | <b>6,94,17,925</b>           | <b>48.69%</b> | <b>6,84,70,766</b>           | <b>48.02%</b> |

### 12 (b): Share Capital Suspense

| Particulars  | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|--|------------------------------|------------------------------|
| 14,25,90,079 Shares to be issued to the shareholders of the demerged company pursuant to scheme of arrangement | -                            | 142.59                       |
| Changes during the period  | -                            | (142.59)                     |
| <b>Total Share Capital Suspense</b>  | <b>-</b>                     | <b>-</b>                     |

### 12 (c): Other Equity

| Particulars                       | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|-----------------------------------|------------------------------|------------------------------|
| Retained earnings                 | (709.44)                     | (425.66)                     |
| <b>Total reserves and surplus</b> | <b>(709.44)</b>              | <b>(425.66)</b>              |

### (i) Retained earning

| Particulars                                     | Retained earnings |
|---|-------------------|
| <b>As on 1<sup>st</sup> April, 2020</b>         | <b>(425.66)</b>   |
| Loss for the period                             | (287.63)          |
| Other comprehensive income [net of tax]         | 3.85              |
| <b>Balance as at 31<sup>st</sup> March 2021</b> | <b>(709.44)</b>   |

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

| Particulars  | Retained earnings |
|--|-------------------|
| As on 1 <sup>st</sup> April, 2019  | (0.01)            |
| Transferred pursuant to the scheme of arrangement  | (60.86)           |
| Loss for the period 01 <sup>st</sup> January 2019 to 31 <sup>st</sup> March 2019 transferred pursuant to the scheme of arrangement | (75.80)           |
| Loss for the period  | (286.67)          |
| Other comprehensive income [net of tax]  | (2.32)            |
| <b>Balance as at 31<sup>st</sup> March 2020</b>  | <b>(425.66)</b>   |

### Financial Liabilities

#### Note 13: Borrowings (measured at amortised cost)

| Particulars  | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|--|------------------------------|------------------------------|
| <b>Non-Current</b>   |                              |                              |
| <b>(a) Secured</b>   |                              |                              |
| <b>Term Loans:</b>   |                              |                              |
| <b>From Bank</b>   |                              |                              |
| Indian rupee loan [Refer Note (a) below]                         | -                            | 599.44                       |
| <b>From others</b>   |                              |                              |
| Indian rupee loan [Refer Note (b) below]                         | -                            | 46.11                        |
|  | -                            | <b>645.55</b>                |
| Less: Current maturities of long term borrowings (Refer Note 14) | -                            | (41.51)                      |
| Add: Interest accrued on long term borrowings                    | -                            | 15.51                        |
|  | -                            | <b>619.55</b>                |
| <b>Current</b>   |                              |                              |
| <b>(a) Secured</b>   |                              |                              |
| <b>Term Loan [Refer note (d) below]</b>                          |                              |                              |
| <b>From Bank</b>   |                              |                              |
| Indian rupee loan [Refer note (a) below]                         | 627.02                       | -                            |
| <b>From others</b>   |                              |                              |
| Indian rupee loan [Refer note (b) below]                         | 46.29                        | -                            |
| <b>Working Capital Loan</b>                                      |                              |                              |
| From Bank [Refer note (c) below]                                 |                              |                              |

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

| Particulars                         | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|-------------------------------------|------------------------------|------------------------------|
| Overdraft / Cash Credit             | 168.82                       | 114.66                       |
| Working capital demand loan         | 36.51                        | 118.32                       |
| <b>(b) Unsecured</b>                |                              |                              |
| <b>Term Loan</b>                    |                              |                              |
| <b>From Others</b>                  |                              |                              |
| Inter Corporate Deposit             | 14.27                        | -                            |
| Director                            | 0.73                         | -                            |
|                                     | <b>893.64</b>                | <b>232.98</b>                |
| Add: Interest accrued on borrowings | 89.37                        | 3.00                         |
|                                     | <b>983.01</b>                | <b>235.98</b>                |

### Net debt reconciliation

This section sets out an analysis of debt and the movements in net debt for the current period

| Particulars               | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|---------------------------|------------------------------|------------------------------|
| Cash and cash equivalents | 1.34                         | 3.16                         |
| Non-current borrowings    | -                            | (661.06)                     |
| Current borrowings        | (983.01)                     | (235.98)                     |
| <b>Total</b>              | <b>(981.67)</b>              | <b>(893.88)</b>              |

| Particulars  | Other assets              | Liabilities from financing activities |                    | Total           |
|--|---------------------------|---------------------------------------|--------------------|-----------------|
|  | Cash and cash equivalents | Non-current borrowings                | Current borrowings |                 |
| <b>Net debt as at 1<sup>st</sup> April 2020</b>  | <b>3.16</b>               | <b>(661.06)</b>                       | <b>(235.98)</b>    | <b>(893.88)</b> |
| Cash flows   | 18.81                     | -                                     | (12.48)            | 6.33            |
| Change in cash credit considered as cash and cash equivalent for statement of cash flows | 54.16                     | -                                     | (54.16)            | -               |
| Conversion of Short term borrowings into Cash Credit                                     | (74.79)                   |                                       | 74.79              | -               |
| Reclassification of term loan as current borrowings                                      |                           | 740.11                                | (740.11)           | -               |
| Interest expenses  | -                         | (79.05)                               | (17.30)            | (96.35)         |
| Interest paid  | -                         | -                                     | 2.23               | 2.23            |
| <b>Net debt as at 31<sup>st</sup> March 2021</b>   | <b>1.34</b>               | <b>-</b>                              | <b>(983.01)</b>    | <b>(981.67)</b> |

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

(a) Repayment terms and nature of securities given for Indian rupee term loans from banks are as follows:

| Bank                       | 31 <sup>st</sup> March, 2021 | Nature of Security   | Repayment Terms   |
|----------------------------|------------------------------|--|---|
| Axis Bank Ltd.             | 428.05                       | First pari passu charge on all fixed assets (movable & immovable) of the Company both present & future and 2nd pari passu charge by way of hypothecation on all current assets of the Company. | Repayment in 40 unequal quarterly instalments starting from 30 <sup>th</sup> April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. [2 Installments due to availment of moratorium will be shifted by 2 quaters]. Interest payable monthly presently @ 9.90% p.a.  |
| The South Indian Bank Ltd. | 133.66                       | First pari passu charge on all fixed assets (movable & immovable) of the Company both present & future and 2nd pari passu charge by way of hypothecation on all current assets of the Company. | Repayment in 40 unequal quarterly instalments starting from 30 <sup>th</sup> April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. [2 Installments due to availment of moratorium will be shifted by 2 quaters]. Interest payable monthly presently @ 12.10% p.a. |
| The Karur Vysya Bank Ltd.  | 33.58                        | First pari passu charge on all fixed assets (movable & immovable) of the Company both present & future and 2nd pari passu charge by way of hypothecation on all current assets of the Company. | Repayment in 40 unequal quarterly instalments starting from 30 <sup>th</sup> April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. [2 Installments due to availment of moratorium will be shifted by 2 quaters]. Interest payable monthly presently @ 11.25% p.a. |

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

| Bank                        | 31 <sup>st</sup> March, 2021 | Nature of Security   | Repayment Terms   |
|-----------------------------|------------------------------|--|---|
| The Lakshmi Vilas Bank Ltd. | 31.72                        | First pari passu charge on all fixed assets (movable & immovable) of the Company both present & future and 2nd pari passu charge by way of hypothecation on all current assets of the Company. | Repayment in 40 unequal quarterly instalments starting from 30 <sup>th</sup> April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. [2 Installments due to availment of moratorium will be shifted by 2 quaters]. Interest payable monthly presently @ 10.55% p.a. |
|                             | <b>627.02</b>                |  |   |

**(b) Repayment terms and nature of securities given for Indian rupee term loans from others are as follows:**

| Financial Institution   | 31 <sup>st</sup> March, 2021 | Nature of Security   | Repayment Terms   |
|---|------------------------------|--|---|
| West Bengal Infrastructure Development Finance Corporation Ltd. | 31.72                        | First pari passu charge on all fixed assets (movable & immovable) of the Company both present & future and 2nd pari passu charge by way of hypothecation on all current assets of the Company. | Repayment in 40 unequal quarterly instalments starting from 30 <sup>th</sup> April 2018 in the following manner:(a) first eight instalments of 1.25% each (b) next eight instalments of 1.875% each (c) next 8 instalments of 2.50% each (d) next 8 instalments of 3.125% each (e) next 8 instalments of 3.75% each. [2 Installments due to availment of moratorium will be shifted by 2 quaters]. Interest payable monthly presently @ 10.80% p.a. |
| West Bengal Infrastructure Development Finance Corporation Ltd. | 14.57                        | First pari passu charge on all fixed assets (movable & immovable) of the Company both present & future and 2nd pari passu charge by way of hypothecation on all current assets of the Company. | Repayment in 16 equal quarterly instalments starting from 30 <sup>th</sup> June 2019 . Interest payable monthly @ IndusInd Bank 1 year MCLR (8.85% p.a.) plus 2.10% p.a. cumulative to 10.95% p.a.  |
|   | <b>46.29</b>                 |  |   |

**(c) Repayment terms and nature of securities given for short term borrowings :**

- 1 Secured by way of hypothecation, first pari passu charge on current assets and second charge on movable and immovable property, plant and equipment, of the Company. Pledge of 10% of promoter's shareholding i.e. 75,82,642 equity shares of Birla Tyres Limited in favour of Working Capital Consortium.
- 2 The cash credit and working capital demand loans are repayable on demand.

**(d)** Post 31<sup>st</sup> March 2021, the company has submitted a resolution plan to the lenders which envisages a onetime settlement of the dues. Basis the same, the long term borrowings have been classified as current borrowings.

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

### Note 14: Other financial liabilities

| Particulars  | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|--|------------------------------|------------------------------|
| <b>Non-Current</b>                                   |                              |                              |
| Security deposits                                    | 15.23                        | 150.64                       |
|  | <b>15.23</b>                 | <b>150.64</b>                |
| <b>Current</b>                                       |                              |                              |
| Security deposits                                    | 136.23                       | -                            |
| Current maturities of long-term debt (Refer Note 13) | -                            | 41.51                        |
| Interest accrued but not due on others deposits      | -                            | 3.11                         |
| Capital creditors                                    | 9.68                         | 14.72                        |
| Retention & earnest deposits                         | 6.31                         | 6.32                         |
| Payable to Demerged company                          | 493.87                       | 406.94                       |
|  | <b>646.09</b>                | <b>472.60</b>                |

### Note 15: Provisions

| Particulars                                | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|--|------------------------------|------------------------------|
| <b>Non-Current</b>                         |                              |                              |
| <b>(a) Provision for employee benefits</b> |                              |                              |
| Provision for leave encashment (unfunded)  | 6.48                         | 7.42                         |
| <b>(b) Others</b>                          |                              |                              |
| Warranties                                 | 2.61                         | 8.72                         |
| <b>Total non-current provisions</b>        | <b>9.09</b>                  | <b>16.14</b>                 |
| <b>Current</b>                             |                              |                              |
| <b>(a) Provision for employee benefits</b> |                              |                              |
| Provision for gratuity                     | -                            | 4.08                         |
| Provision for leave encashment (unfunded)  | 0.91                         | 2.53                         |
| <b>(b) Others</b>                          |                              |                              |
| Warranties                                 | 8.00                         | 11.24                        |
| Provision for contingencies                | 45.80                        | 45.80                        |
| <b>Total current provisions</b>            | <b>54.71</b>                 | <b>63.65</b>                 |

#### (i) Movement in provisions

Movements in each class of provision during the financial year, are set out below:

| Particulars                             | Warranties   | Provision for Contingencies |
|---|--------------|-----------------------------|
| As at 1 <sup>st</sup> April, 2020       | 19.96        | 45.80                       |
| Charged/(credited) to profit or loss:   |              |                             |
| Additional provision recognised         | 0.91         | -                           |
| Amounts used during the year            | (12.51)      | -                           |
| Unwinding of discount                   | 2.26         | -                           |
| <b>As at 31<sup>st</sup> March 2021</b> | <b>10.62</b> | <b>45.80</b>                |



## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

| Particulars                                | Warranties   | Provision for Contingencies |
|--|--------------|-----------------------------|
| <b>As at 1<sup>st</sup> April 2019</b>     | -            | -                           |
| Transferred pursuant to scheme of demerger | 20.69        | 45.80                       |
| Charged/(credited) to profit or loss:      |              |                             |
| Additional provision recognised            | 6.73         | -                           |
| Amounts used during the year               | (9.76)       | -                           |
| Unwinding of discount                      | 2.30         | -                           |
| <b>As at 31<sup>st</sup> March 2020</b>    | <b>19.96</b> | <b>45.80</b>                |

### Note 16: Deferred tax liabilities

| Particulars                                       | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|---|------------------------------|------------------------------|
| <b>Deferred Tax Liabilities</b>                   |                              |                              |
| Timing Difference - Property, plant and equipment | 106.24                       | 114.96                       |
| Others  | 0.19                         | 0.32                         |
| <b>Gross Deferred Tax Liability</b>               | <b>106.43</b>                | <b>115.28</b>                |
| <b>Deferred Tax Assets</b>                        |                              |                              |
| Items allowable for tax purpose on payment basis  | 58.25                        | 30.26                        |
| Provisions  | 48.18                        | 80.47                        |
| Others  | -                            | 4.55                         |
| <b>Gross Deferred Tax Asset</b>                   | <b>106.43</b>                | <b>115.28</b>                |
| <b>Net Deferred Tax Liability / (Asset)</b>       | <b>-</b>                     | <b>-</b>                     |

### Note 17: Other Liabilities

| Particulars            | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|------------------------|------------------------------|------------------------------|
| <b>Current</b>         |                              |                              |
| Deferred revenue       | 0.52                         | 1.04                         |
| Advance from customers | 31.10                        | 17.10                        |
| Statutory dues         | 50.36                        | 49.64                        |
| Other payables         | 2.47                         | 2.39                         |
|                        | <b>84.45</b>                 | <b>70.17</b>                 |

### Note 18: Trade payables

| Particulars  | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|--|------------------------------|------------------------------|
| <b>Current</b>   |                              |                              |
| (a) Total outstanding dues of micro enterprises and small enterprises (Refer Note 31)      | 4.91                         | 5.80                         |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises |                              |                              |
| (i) Acceptances  | -                            | 3.94                         |
| (ii) Others  | 178.16                       | 217.16                       |
| (c) Employee benefits payable  | 87.63                        | 46.16                        |
|  | <b>270.70</b>                | <b>273.06</b>                |

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

### Note 19: Revenue from operations

| Particulars                             | Period ended 31 <sup>st</sup> March 2021 | Period ended 31 <sup>st</sup> March 2020 |
|---|--|--|
| Revenue from contracts with customers # |  |  |
| Sale of Products                        | 135.11                                   | 470.19                                   |
| Other operating revenue                 | 2.25                                     | 1.51                                     |
|   | <b>137.36</b>                            | <b>471.70</b>                            |

# The entire revenue is being recorded at a point in time.

#### A. Revenue from contracts with customers disaggregated on the basis of geographical region and product lines is presented below:

Period ended 31<sup>st</sup> March, 2021

| Particulars | India | Outside India | Total         |
|-------------|-------|---------------|---------------|
| Tyre        | 94.58 | 42.78         | <b>137.36</b> |

#### B. The Company has recognised the following revenue-related contract liabilities and receivables from contract with customers.

| Particulars                                   | Period ended 31 <sup>st</sup> March 2021 | Period ended 31 <sup>st</sup> March 2020 |
|---|--|--|
| Contract liabilities – Deferred revenue       | 0.52                                     | 1.04                                     |
| Contract liabilities - Advance from customers | 31.10                                    | 17.10                                    |
|   | <b>31.62</b>                             | <b>18.14</b>                             |

| Particulars                       | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March, 2020 |
|-----------------------------------|------------------------------|------------------------------|
| Trade Receivables - Gross         | 294.53                       | 298.59                       |
| Less: Allowance for doubtful debt | (188.27)                     | (183.14)                     |
|                                   | <b>106.26</b>                | <b>115.45</b>                |

#### (i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were not satisfied in a prior year.

| Particulars  | Period ended 31 <sup>st</sup> March 2021 | Period ended 31 <sup>st</sup> March 2020 |
|--|--|--|
| Revenue recognised that was included in the contract liability balance at the beginning of the period: |  |  |
| Contract liabilities – Deferred revenue  | 0.51                                     | 1.65                                     |
| Contract liabilities – Advance from customers  | 16.25                                    | 8.46                                     |
|  | <b>16.76</b>                             | <b>10.11</b>                             |

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

### Note 20: Other Income

| Particulars   | Period ended 31 <sup>st</sup> March 2021 | Period ended 31 <sup>st</sup> March 2020 |
|---|--|--|
| Interest income:                                    |  |  |
| On financial instruments measured at amortised cost | 0.52                                     | 1.77                                     |
| Liabilities no longer required written back         | 14.76                                    | 17.55                                    |
| Insurance claims                                    | -  | 1.08                                     |
| Excise Duty Refund                                  | -  | 43.32                                    |
| Miscellaneous income                                | 0.46                                     | 3.04                                     |
|   | <b>15.74</b>                             | <b>66.76</b>                             |

### Note 21: Cost of Materials Consumed

| Particulars   | Period ended 31 <sup>st</sup> March 2021 | Period ended 31 <sup>st</sup> March 2020 |
|---|--|--|
| <b>Raw Material Consumed</b>                        |  |  |
| Opening inventory                                   | 24.40                                    | -  |
| Add : Transferred pursuant to scheme of arrangement | -  | 54.15                                    |
| Add : Purchases                                     | 52.41                                    | 224.03                                   |
| Less : Inventory at the end of the year             | 8.60                                     | 24.40                                    |
|   | <b>68.21</b>                             | <b>253.78</b>                            |

| Particulars                                     |     | Quantity                                 | Amount                                   | Amount                                   |
|---|-----|--|--|--|
|   |     | Period ended 31 <sup>st</sup> March 2021 | Period ended 31 <sup>st</sup> March 2021 | Period ended 31 <sup>st</sup> March 2020 |
| <b>(b) Purchase of stock-in-trade comprise:</b> |     |  |  |  |
| Tyre  | Nos | -  | -  | 13.03                                    |
| Tubes   | Nos | 30,690                                   | 1.72                                     | 8.20                                     |
| Flaps   | Nos | 54,125                                   | 1.17                                     | 4.23                                     |
|   |     |  | <b>2.89</b>                              | <b>25.46</b>                             |

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

### Note 22: Changes in inventories of finished goods, work-in-progress and stock in trade

| Particulars                                | Period ended 31 <sup>st</sup><br>March 2021 | Period ended 31 <sup>st</sup><br>March 2020 |
|--|---|---|
| Inventories at the beginning of the period | -   | -   |
| - Work - in - progress                     | 10.16                                       | 18.53                                       |
| - Finished Goods                           | 32.90                                       | 63.03                                       |
| Less: Inventories at the end of the period |   |   |
| - Work - in - progress                     | 7.58  | 10.16                                       |
| - Finished Goods                           | 15.86                                       | 32.90                                       |
|  | <b>19.62</b>                                | <b>38.50</b>                                |

### Note 23: Employee benefits expense

| Particulars   | Period ended 31 <sup>st</sup><br>March 2021 | Period ended 31 <sup>st</sup><br>March 2020 |
|---|---|---|
| Salaries, wages and bonus                           | 80.67                                       | 110.50                                      |
| Contribution to provident fund                      | 4.63  | 6.45  |
| Gratuity  | 1.68  | 1.76  |
| Contribution under Employees State Insurance Scheme | 0.07  | 0.16  |
| Contribution to Labour welfare fund                 | 0.11  | 0.13  |
| Staff welfare expenses                              | 1.35  | 2.50  |
| <b>Total employee benefits expense</b>              | <b>88.51</b>                                | <b>121.50</b>                               |

During the year, the Company recognised an amount of ₹ 4.01 crore as remuneration to key managerial personnel. The details of such remuneration is as below:

| Particulars                            | Period ended 31 <sup>st</sup><br>March 2021 | Period ended 31 <sup>st</sup><br>March 2020 |
|--|---|---|
| Short term employee benefits           | 3.99  | 1.52  |
| Post employment benefits               | 0.02  | 0.01  |
| <b>Total employee benefits expense</b> | <b>4.01</b>                                 | <b>1.53</b>                                 |

#### (i) Compensated absences

Compensated absences cover the Company's liability for sick and earned leave.

#### (ii) Defined benefit plan

##### Gratuity

The Company operates a gratuity plan through the "KICM Gratuity Fund". Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

### (iii) Defined contribution plan

#### Provident fund

The Company provides provident fund benefits for eligible employees as per applicable regulations wherein both employees and the Company make monthly contributions at a specified percentage of the eligible employee's salary. The Company pays provident fund contributions to publically administered local fund as per the local regulations. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

### (iv) Balance sheet recognition

#### a) Gratuity

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

| Particulars  | Present value of obligation | Fair value of plan assets | Net Amount    |
|--|-----------------------------|---------------------------|---------------|
| <b>1<sup>st</sup> April, 2020</b>  | 33.46                       | 29.38                     | 4.08          |
| Current service cost   | 1.51                        | -                         | 1.51          |
| Interest expense/(income)  | 2.17                        | 2.00                      | 0.17          |
| <b>Total amount recognised in profit or loss</b>                               | <b>3.68</b>                 | <b>2.00</b>               | <b>1.68</b>   |
| <i>Remeasurement</i>   |                             |                           |               |
| Return on plan assets, excluding amounts included in interest expense/(income) | -                           | 3.41                      | (3.41)        |
| Actuarial (gain)/loss from change in demographic assumptions                   | -                           | -                         | -             |
| Actuarial (gain)/loss from change in financial assumptions                     | (0.37)                      | -                         | (0.37)        |
| Actuarial (gain)/loss from unexpected experience                               | (0.07)                      | -                         | (0.07)        |
| <b>Total amount recognised in other comprehensive income</b>                   | <b>(0.44)</b>               | <b>3.41</b>               | <b>(3.85)</b> |
| Employer contributions/ premium paid   | -                           | 4.08                      | (4.08)        |
| Benefit payments   | 3.15                        | 3.15                      | -             |
| Settlement Cost  | -                           | -                         | -             |
| Disposal/ Transfer of Asset  | -                           | -                         | -             |
| <b>31<sup>st</sup> March 2021</b>  | <b>33.55</b>                | <b>35.72</b>              | <b>(2.17)</b> |

### (v) Significant estimates: actuarial assumptions

The significant actuarial assumptions were as follows:

| Particulars                   | 31 March 2021           |
|-------------------------------|-------------------------|
| Discount rate                 | 6.80%                   |
| Expected return on plan asset | 6.80%                   |
| Salary growth rate            | 5.00%                   |
| Attrition rate                | 1.00%                   |
| Mortality rate                | IALM 2012-2014 ULTIMATE |

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

### (vi) Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| Particulars                                  | Impact on defined benefit obligation |          |
|--|--------------------------------------|----------|
|  | 31 <sup>st</sup> March, 2021         |          |
|  | Increase                             | Decrease |
| Discount rate (-/+ 0.5%)                     | 32.65                                | 34.51    |
| % change compared to base due to sensitivity | -2.72%                               | 2.84%    |
| Salary growth rate (-/+ 0.5%)                | 34.52                                | 32.63    |
| % change compared to base due to sensitivity | 2.86%                                | -2.77%   |
| Attrition rate (-/+ 0.5%)                    | 33.56                                | 33.56    |
| % change compared to base due to sensitivity | 0.00%                                | 0.00%    |
| Life expectancy/ mortality rate (-/+ 10%)    | 33.56                                | 33.55    |
| % change compared to base due to sensitivity | 0.01%                                | -0.01%   |

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

### (vii) The major categories of plans assets

In the absence of detailed information regarding plan assets which is funded with Insurance Companies, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

### (viii) Risk exposure

Through its defined benefit plans the Company is exposed to a number of risks, the most significant of which are detailed below:

#### Investment risk:

The defined benefit plans are funded with insurance companies of India. The Company does not have any liberty to manage the funds provided to insurance companies.

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to the Government of India bonds. If the return on plan asset is below this rate, it will create a plan deficit.

#### Interest risk:

A decrease in the interest rate on plan assets will increase the plan liability.

#### Life expectancy:

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and at the end of the employment. An increase in the life expectancy of the plan participants will increase the plan liability.

#### Salary growth risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

### (ix) Defined benefit liability and employer contributions

Expected contributions to post-employment benefits plans for the period ended 31<sup>st</sup> March 2021 is ₹ (2.17) crores.

The weighted average duration of the defined benefit obligation is 8 years.

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

### Note 24: Depreciation and amortisation expense

| Particulars                         | Period ended 31 <sup>st</sup><br>March 2021 | Period ended 31 <sup>st</sup><br>March 2020 |
|-------------------------------------|---|---|
| Depreciation on Tangible assets     | 31.55                                       | 33.92                                       |
| Depreciation on Right to use assets | 1.74  | 4.14  |
|                                     | <b>33.29</b>                                | <b>38.06</b>                                |

### Note 25: Finance cost

| Particulars       | Period ended 31 <sup>st</sup><br>March 2021 | Period ended 31 <sup>st</sup><br>March 2020 |
|-------------------|---|---|
| Interest expenses | 162.36                                      | 151.74                                      |
|                   | <b>162.36</b>                               | <b>151.74</b>                               |

### Note 26: Other expenses

| Particulars  | Period ended 31 <sup>st</sup><br>March, 2021 | Period ended 31 <sup>st</sup><br>March, 2020 |
|--|--|--|
| Consumption of stores and spare parts                        | 1.53   | 2.95   |
| Power and fuel   | 17.74  | 34.27  |
| Rent   | 2.54   | 4.34   |
| Repairs and Maintenance                                      |  |  |
| Building   | 0.01   | 0.44   |
| Plant and Machinery  | 1.11   | 4.09   |
| Others   | 0.21   | 0.82   |
| Insurance  | 5.98   | 5.05   |
| Rates and Taxes  | 3.87   | 12.61  |
| Job working charges  | 0.03   | 2.98   |
| Packing, Carriage and Shipping                               | 5.80   | 24.00  |
| Commission to selling agents                                 | 1.93   | 6.38   |
| Sales Promotion  | 0.80   | 2.01   |
| Debts/ Advances/ Deposits written off                        | -  | 2.72   |
| Legal & Professional Expenses                                | 13.40  | 29.96  |
| Provision for doubtful debts                                 | 5.29   | 19.76  |
| Loss on property, plant and equipments sold/ discarded (net) | (0.35)                                       | 0.93   |
| Payments to the auditor [Refer Note (a) below]               | 1.63   | 2.07   |
| Loss/(Gain) On Claim - Warranty                              | (11.61)                                      | 6.73   |
| Foreign currency translation loss (net)                      | 4.04   | (2.62)                                       |
| Demurrage Charges  | (0.93)                                       | 16.81  |
| Director's Fees  | 0.41   | -  |
| Miscellaneous expenses                                       | 12.42  | 19.79  |
|  | <b>65.85</b>                                 | <b>196.09</b>                                |

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

(a) Details of auditors' remuneration and out-of-pocket expenses are as below:

Auditors remuneration and out-of-pocket expenses:

| Particulars   | Period ended<br>31 <sup>st</sup> March,<br>2021 | Period ended 31 <sup>st</sup><br>March, 2020 |
|---|---|--|
| Audit Fees (Including Limited Reviews)                | 0.70  | 0.54   |
| Tax Audit Fees  | 0.15  | 0.15   |
| Fees for issuing various certificates/ Other services | 0.78  | 1.38   |
|   | <b>1.63</b>                                     | <b>2.07</b>                                  |

(b) Legal & Professional Expenses include:

| Particulars             | Period ended 31 <sup>st</sup><br>March, 2021 | Period ended 31 <sup>st</sup><br>March, 2020 |
|-------------------------|--|--|
| Payment to cost auditor | 0.03   | -  |

### Note 27: Income tax expense

This note provides an analysis of the Company's income tax expense, shows amounts that are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items.

(a) Income tax expense

| Particulars                                     | Period ended 31 <sup>st</sup><br>March, 2021 | Period ended 31 <sup>st</sup><br>March, 2020 |
|---|--|--|
| <b>Current tax</b>                              |  |  |
| Current tax on profits for the year             | -  | -  |
| <b>Total current tax expense</b>                | -  | -  |
| <b>Deferred tax</b>                             |  |  |
| Decrease (increase) in deferred tax assets      | 8.85   | 1.39   |
| (Decrease) increase in deferred tax liabilities | (8.85)                                       | (1.39)                                       |
| <b>Total deferred tax expense/(benefit)</b>     | -  | -  |
| <b>Income tax expense</b>                       | -  | -  |

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate:

| Particulars                                | Period ended 31 <sup>st</sup><br>March, 2021 | Period ended 31 <sup>st</sup><br>March, 2020 |
|--|--|--|
| Profit / (Loss) before tax                 | (287.63)                                     | (286.67)                                     |
| <b>Tax at the rate of 34.944%</b>          | <b>(100.51)</b>                              | <b>(100.17)</b>                              |
| Deferred tax asset not recognised          | 75.60  | 87.00  |
| Permanent differences                      | 1.96   | 0.15   |
| Others (including difference in tax rates) | 22.95  | 13.02  |
| <b>Total income tax expense/(credit)</b>   | <b>-</b>                                     | <b>-</b>                                     |



## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

### (c) Tax losses

| Particulars  | Period ended 31 <sup>st</sup> March, 2021 | Period ended 31 <sup>st</sup> March, 2020 |
|--|---|---|
| Unused tax losses for which no deferred tax has been recognised:                                   |   |   |
| <b>Tax losses</b>  |   |   |
| Business loss  | 556.66                                    | 496.55                                    |
| Unabsorbed tax depreciation  | 459.87                                    | 477.69                                    |
| Potential tax benefit @ 34.944% on Unabsorbed Business loss/Tax Depreciation (FY 2019-20 @34.944%) | 355.22                                    | 340.44                                    |
| <b>Total</b>   | <b>355.22</b>                             | <b>340.44</b>                             |

(a) Unabsorbed depreciation does not have any expiry period.

(b) Business losses have an expiry ranging from 1 to 8 years as at the reporting date.

### Note 28: Earnings per share

| Particulars   |              | Period ended 31 <sup>st</sup> March, 2021 | Period ended 31 <sup>st</sup> March, 2020 |
|---|--------------|---|---|
| <b>(i) Basic</b>  |              |   |   |
| Number of equity shares at the beginning of the period                  |              | 14,25,90,079                              | 14,25,90,079                              |
| Number of equity shares at the end of the period                        |              | 14,25,90,079                              | 14,25,90,079                              |
| Weighted average number of equity shares outstanding during the period  | (A)          | 14,25,90,079                              | 14,25,90,079                              |
| Nominal value of each equity Share (₹)                                  |              | 10  | 10  |
| Profit / (Loss) for the year (₹ in crore)                               | (B)          | (287.62)                                  | (286.69)                                  |
| <b>Earnings per share (Basic) (₹)</b>                                   | <b>(B/A)</b> | <b>(20.17)</b>                            | <b>(20.11)</b>                            |
| <b>(ii) Diluted</b>   |              |   |   |
| Weighted average number of equity shares outstanding during the quarter |              | 14,25,90,079                              | 14,25,90,079                              |
| <b>Earnings per share (Diluted) (₹)</b>                                 |              | <b>(20.17)</b>                            | <b>(20.11)</b>                            |

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

### Note 29: Contingent liabilities

| Particulars   | 31 <sup>st</sup> March, 2021 | 31 March, 2020 |
|---|------------------------------|----------------|
| <b>(a) Claims against the Company not acknowledged as debts :</b> |                              |                |
| (i) Rates, Taxes, Duties etc. demanded by various Authorities     | 263.43                       | 229.18         |
|   | <b>263.43</b>                | <b>229.18</b>  |

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of appeals.

### Note 30: Capital and other commitments

| Particulars  | 31 <sup>st</sup> March, 2021 | 31 March, 2020 |
|--|------------------------------|----------------|
| <b>(a) Capital Commitments</b>   |                              |                |
| Estimated value of contracts in capital account remaining to be executed [net of advances ₹ 9.51 crore ; 31 <sup>st</sup> March 20 : ₹ 9.58 crore] | 47.87                        | 47.78          |
|  | <b>47.87</b>                 | <b>47.78</b>   |

**Note 31:** The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

| Particulars  | 31 <sup>st</sup> March, 2021 | 31 March, 2020 |
|--|------------------------------|----------------|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end   | 4.91                         | 5.80           |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end   | 1.56                         | 0.99           |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year                                   | -                            | -              |
| Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | -                            | -              |
| Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year            | -                            | -              |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made   | -                            | -              |
| Further interest remaining due and payable for earlier years   | -                            | -              |

The above information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

### Note 32: Lease

Right of use assets:

| Cost   | Amount |
|--|--------|
| Opening as on 1 <sup>st</sup> April, 2019                  | 13.23  |
| Add: Addition on account of rent revision                  | 0.73   |
| Less: Assets written off                                   | (1.31) |
| Closing As on 31 <sup>st</sup> March, 2020                 | 12.65  |
| Accumulated depreciation                                   | Amount |
| Opening depreciation as on 1 <sup>st</sup> April 2019      | -      |
| Depreciation for the year                                  | 4.14   |
| Add: Addition on account of rent revision                  | 0.04   |
| Less: Depreciation on assets written off                   | (0.48) |
| Accumulated depreciation as on 31 <sup>st</sup> March 2020 | 3.70   |
| Carrying amount  | Amount |
| At 31 <sup>st</sup> March, 2020                            | 8.95   |

| Cost                            | Amount |
|---------------------------------|--------|
| At 1 <sup>st</sup> April, 2020  | 12.65  |
| Additions                       | 0.00   |
| Deletions                       | (9.23) |
| At 31 <sup>st</sup> March, 2021 | 3.42   |
| Accumulated depreciation        | Amount |
| At 1 <sup>st</sup> April 2020   | 3.70   |
| Charge for the period           | 1.74   |
| On Deletions                    | (2.81) |
| At 31 <sup>st</sup> March, 2021 | 2.63   |
| Carrying amount                 | Amount |
| At 31 <sup>st</sup> March, 2021 | 0.79   |

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

| Amounts recognised in profit and loss  | Period ended 31 <sup>st</sup> March 2021 |
|--|--|
| Depreciation expense on right-of-use assets  | 1.74                                     |
| Interest expense on lease liabilities [net]  | 0.38                                     |
| Expense relating to short-term leases  | 2.54                                     |
| Expense relating to leases of low value assets   | -  |
| Expense relating to variable lease payments not included in the measurement of the lease liability | -  |
| Income from subleasing right-of-use assets   | -  |

### Lease liabilities:

| Particulars                    | Amount |
|--------------------------------|--------|
| At 1 <sup>st</sup> April 2019  | 13.23  |
| Add: Addition during the year  | 0.73   |
| Add: Interest Charge           | 1.49   |
| Less: Payment                  | (4.74) |
| Less:- Liability written back  | (1.03) |
| At 31 <sup>st</sup> March 2020 | 9.68   |
| Particulars                    | Amount |
| At 1 <sup>st</sup> April 2020  | 9.68   |
| Add: Addition during the year  | -      |
| Add: Interest Charge           | 0.38   |
| Less: Payment                  | (2.12) |
| Less:- Liability written back  | (7.05) |
| At 31 <sup>st</sup> March 2021 | 0.89   |

| Analysed as: | 31 <sup>st</sup> March 2021 |
|--------------|-----------------------------|
| Non-current  | 0.12                        |
| Current      | 0.76                        |

| Maturity analysis | 31 <sup>st</sup> March 2021 |
|-------------------|-----------------------------|
| Year 1            | 1.77                        |
| Year 2            | 0.81                        |
| Year 3            | 0.12                        |
| Year 4            | -                           |
| Year 5            | -                           |
| Onwards           | -                           |

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function. All lease obligations are denominated in currency units.

### Note 33: Capital management

#### (a) Risk management

The capital structure of the Company consists of debt, cash and cash equivalents and equity attributable to equity shareholders of the Company which comprises issued share capital, share capital reserve and accumulated reserves disclosed in the Statement of Changes in Equity.

The Company's capital management objective is to achieve an optimal weighted average cost of capital while continuing to safeguard the Company's ability to meet its liquidity requirements (including its commitments in respect of capital expenditure) and repay loans as they fall due.

### Note 34 : Fair value measurements

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

#### Financial instruments by category

| Particulars                        | 31 <sup>st</sup> March, 2021 |       |                 | Total Carrying Value | Total Fair Value |
|------------------------------------|------------------------------|-------|-----------------|----------------------|------------------|
|                                    | FVPL                         | FVOCI | Amortised cost  |                      |                  |
| <b>Financial assets</b>            |                              |       |                 |                      |                  |
| Cash and cash equivalents          | -                            | -     | 1.34            | 1.34                 | 1.34             |
| Other bank balances                | -                            | -     | 1.61            | 1.61                 | 1.61             |
| Trade receivables                  | -                            | -     | 106.26          | 106.26               | 106.26           |
| Loans                              | -                            | -     | 0.39            | 0.39                 | 0.39             |
| Other financial assets             | -                            | -     | 4.73            | 4.73                 | 4.73             |
| <b>Total financial assets</b>      | -                            | -     | <b>114.33</b>   | <b>114.33</b>        | <b>114.33</b>    |
| <b>Financial liabilities</b>       |                              |       |                 |                      |                  |
| Borrowings                         | -                            | -     | 983.01          | 983.01               | 983.01           |
| Trade and other payables           | -                            | -     | 270.70          | 270.70               | 270.70           |
| Lease liabilities                  | -                            | -     | 0.88            | 0.88                 | 0.88             |
| Other financial liabilities        | -                            | -     | 661.32          | 661.32               | 661.32           |
| <b>Total financial liabilities</b> | -                            | -     | <b>1,915.91</b> | <b>1,915.91</b>      | <b>1,915.91</b>  |

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

| Particulars                        | 31 <sup>st</sup> March, 2020 |       |                 | Total Carrying Value | Total Fair Value |
|------------------------------------|------------------------------|-------|-----------------|----------------------|------------------|
|                                    | FVPL                         | FVOCI | Amortised cost  |                      |                  |
| <b>Financial assets</b>            |                              |       |                 |                      |                  |
| Cash and cash equivalents          | -                            | -     | 3.16            | 3.16                 | 3.16             |
| Other bank balances                | -                            | -     | 16.69           | 16.69                | 16.69            |
| Trade receivables                  | -                            | -     | 115.45          | 115.45               | 115.45           |
| Loans                              | -                            | -     | 0.25            | 0.25                 | 0.25             |
| Other financial assets             | -                            | -     | 6.55            | 6.55                 | 6.55             |
| <b>Total financial assets</b>      | -                            | -     | <b>142.10</b>   | <b>142.10</b>        | <b>142.10</b>    |
| <b>Financial liabilities</b>       |                              |       |                 |                      |                  |
| Borrowings                         | -                            | -     | 897.04          | 897.04               | 897.04           |
| Trade and other payables           | -                            | -     | 273.06          | 273.06               | 273.06           |
| Lease liabilities                  | -                            | -     | 9.68            | 9.68                 | 9.68             |
| Other financial liabilities        | -                            | -     | 581.73          | 581.73               | 581.73           |
| <b>Total financial liabilities</b> | -                            | -     | <b>1,761.51</b> | <b>1,761.51</b>      | <b>1,761.51</b>  |

**(i) Valuation technique used to determine fair value-**

- (a) Fair value of borrowings is estimated by discounting expected future cash flows. The carrying amounts of other borrowings with floating rate of interest are considered to be close to the fair value.
- (b) The carrying amounts of remaining financial assets and liabilities are considered to be the same as their fair values.
- (c) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

**Note 35: Financial risk management**

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

- (i) create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- (ii) achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

**(A) Credit risk**

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. Maximum exposure to credit risk of the Company has been listed below:

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

| Particulars            | 31 <sup>st</sup> March, 2021 | 31 <sup>st</sup> March 2020 |
|------------------------|------------------------------|-----------------------------|
| Trade receivables      | 106.26                       | 115.45                      |
| Loan                   | 0.39                         | 0.25                        |
| Other financial assets | 4.73                         | 6.55                        |
| <b>Total</b>           | <b>111.38</b>                | <b>122.25</b>               |

Trade receivables as stated is covered through the CPA deposit received from Customers, hence the risk is minimal. Also, above are due from the parties under normal course of the business and as such the Company believes exposure to credit risk to be minimal.

### i) Trade and other receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing and are generally carrying upto 90 days credit terms. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. Trade receivables are consisting of a large number of customers. Where credit risk is high, domestic trade receivables are backed by security deposits. Export receivables are backed by letters of credit.

In determining the allowances for credit losses of trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

The Company's exposure to customers is diversified and there is no significant credit exposure on account of any single customer as at 31<sup>st</sup> March 2021.

The Company is making provisions on trade receivables based on Expected Credit Loss (ECL) model. The reconciliation of ECL is as follows:

| Particulars                                       | Period ended 31 <sup>st</sup> March 2021 | Period ended 31 <sup>st</sup> March 2020 |
|---|--|--|
| <b>Opening balance</b>                            | <b>182.99</b>                            | <b>-</b>                                 |
| Transferred pursuant to the scheme of arrangement | -  | 163.38                                   |
| Charge/(Release) to statement of profit and loss: | 14.10                                    | 22.33                                    |
| Utilised during the year                          | -  | -  |
| Reversed during the year                          | (8.82)                                   | (2.72)                                   |
| <b>Balance at the end of the year</b>             | <b>188.27</b>                            | <b>182.99</b>                            |

### (B) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. In doing this, management considers both normal and stressed conditions. The Company manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring cash flow forecast and by matching the maturity profiles of financial assets and liabilities.

The Company had losses during the previous year and has continued to incur losses during the current year, primarily due to lower Sale volumes and finance costs which has resulted in negative net worth during the year and as at March 31, 2021. The negative working capital as at March 31 2021 was ₹ 1,865.34 crore. Further, the Company has defaulted in repayment of principal and interest payable to lenders aggregating to ₹ 282.12 crore in respect of its term loans and working capital facilities as on March 31, 2021 and has also defaulted in making payments of statutory dues and certain overdue creditors.

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

These conditions indicates liquidity stress, management plans to address these conditions are more fully described in the Note 39.

### (i) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

| Contractual maturities of financial liabilities<br>31 <sup>st</sup> March, 2021 | Less than<br>1 year | 1 - 3<br>years | 3 - 5<br>years | More than<br>5 years | Total           |
|---|---------------------|----------------|----------------|----------------------|-----------------|
| <b>Non-derivatives</b>  |                     |                |                |                      |                 |
| Borrowings  | 983.01              | -              | -              | -                    | 983.01          |
| Other financial liabilities   | 646.09              | -              | -              | 15.23                | 661.32          |
| Lease liability   | 1.77                | 0.93           | -              | -                    | 2.70            |
| Trade payables  | 270.70              | -              | -              | -                    | 270.70          |
| <b>Total non-derivative financial liabilities</b>                               | <b>1,901.57</b>     | <b>0.93</b>    | <b>-</b>       | <b>15.23</b>         | <b>1,917.73</b> |

| Contractual maturities of financial liabilities<br>31 <sup>st</sup> March, 2020 | Less than<br>1 year | 1 - 3<br>years | 3 - 5<br>years | More than<br>5 years | Total           |
|---|---------------------|----------------|----------------|----------------------|-----------------|
| <b>Non-derivatives</b>  |                     |                |                |                      |                 |
| Borrowings  | 293.00              | 125.66         | 153.76         | 340.18               | 912.60          |
| Other financial liabilities   | 431.09              | -              | -              | 150.64               | 581.73          |
| Lease liability   | 3.97                | 3.22           | 1.62           | 3.13                 | 11.94           |
| Trade payables  | 273.06              | -              | -              | -                    | 273.06          |
| <b>Total non-derivative financial liabilities</b>                               | <b>1,001.12</b>     | <b>128.88</b>  | <b>155.38</b>  | <b>493.95</b>        | <b>1,779.33</b> |

### (C) Market risk

#### (i) Foreign currency risk

The Company deals with foreign currency loan, trade payables etc and is therefore exposed to foreign exchange risk associated with exchange rate movement.

The Company operates internationally and portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

#### Foreign currency risk exposure

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR (foreign currency amount multiplied by closing rate), are as follows:-



## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

31<sup>st</sup> March, 2021

| Particulars                                  | USD ( in millions)         |                          | EUR ( in millions)         |                          |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
|  | Amount in foreign currency | Amount in local currency | Amount in foreign currency | Amount in local currency |
| <b>Financial assets</b>                      |                            |                          |                            |                          |
| Trade receivables*                           | 24.47                      | 178.91                   | 0.01                       | 0.06                     |
| <b>Financial liabilities</b>                 |                            |                          |                            |                          |
| Trade payables                               | 2.14                       | 15.66                    | 0.16                       | 1.36                     |
| Borrowings                                   | 0.00                       | 0.00                     | 0.00                       | 0.00                     |
| <b>Net exposure to foreign currency risk</b> | <b>22.33</b>               | <b>163.25</b>            | <b>(0.15)</b>              | <b>(1.30)</b>            |

31<sup>st</sup> March, 2020

| Particulars                                  | USD ( in millions)         |                          | EUR ( in millions)         |                          |
|--|----------------------------|--------------------------|----------------------------|--------------------------|
|  | Amount in foreign currency | Amount in local currency | Amount in foreign currency | Amount in local currency |
| <b>Financial assets</b>                      |                            |                          |                            |                          |
| Trade receivables                            | 24.72                      | 187.05                   | 0.00                       | 0.00                     |
| <b>Financial liabilities</b>                 |                            |                          |                            |                          |
| <b>Trade payables</b>                        | <b>2.34</b>                | <b>17.69</b>             | <b>0.16</b>                | <b>1.32</b>              |
| Borrowings                                   | 0.00                       | 0.00                     | 0.00                       | 0.00                     |
| <b>Net exposure to foreign currency risk</b> | <b>22.38</b>               | <b>169.36</b>            | <b>(0.16)</b>              | <b>(1.32)</b>            |

### Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments.

| Particulars                                     | Impact on profit before tax               | Impact on profit before tax              |
|---|---|--|
|   | Period ended 31 <sup>st</sup> March, 2021 | Period ended 31 <sup>st</sup> March 2020 |
| <b>USD sensitivity</b>                          |   |  |
| INR/USD appreciates by 5% (31 March 2021 - 5%)@ | (8.16)                                    | (8.47)                                   |
| INR/USD depreciates by 5% (31 March 2021 - 5%)@ | 8.16                                      | 8.47                                     |
| <b>EUR sensitivity</b>                          |   |  |
| INR/EUR appreciates by 5% (31 March 2021 - 5%)@ | 0.07                                      | 0.07                                     |
| INR/EUR depreciates by 5% (31 March 2021 - 5%)@ | (0.07)                                    | (0.07)                                   |

@ Holding all other variables constant

\*Receivables amounting to US \$24.47mn have been fully provided in the books

### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 31<sup>st</sup> March 2021, the Company's borrowings at variable rate were mainly denominated in INR.

The Company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### (a) Interest rate risk exposure

#### On Financial Liabilities:

The exposure of the Company's financial liabilities to interest rate risk is as follows:

| Particulars              | 31 <sup>st</sup> March 2021 | 31 <sup>st</sup> March 2020 |
|--------------------------|-----------------------------|-----------------------------|
| Variable rate borrowings | 983.01                      | 912.60                      |
| <b>Total borrowings</b>  | <b>983.01</b>               | <b>912.60</b>               |

### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates as below:

| Particulars  | Impact on profit before tax              | Impact on profit before tax              |
|--|--|--|
|  | Period ended 31 <sup>st</sup> March 2021 | Period ended 31 <sup>st</sup> March 2020 |
| Interest expense rates – increase by 50 basis points (50 bps)# | (4.92)                                   | (4.56)                                   |
| Interest expense rates – decrease by 50 basis points (50 bps)# | 4.92                                     | 4.56                                     |

# Holding all other variables constant

### Note 36: Segment reporting

Segment Reporting Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Based on the management approach as defined in Ind AS 108, the Chief Operating Decision Maker evaluates the Company's performance based on only one segment i.e. manufacturing and trading of Tyres.

### Geographical information

#### (a) Revenue from external customers:

| Particulars | Period ended 31 <sup>st</sup> March 2021 | Period ended 31 <sup>st</sup> March 2020 |
|-------------|--|--|
| India       | 94.58                                    | 402.32                                   |
| Others      | 42.78                                    | 69.38                                    |
|             | <b>137.36</b>                            | <b>471.70</b>                            |

## Notes forming part of the Financial Statements for the year ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

### Note 37: Related party transactions

| List of Related Parties and relationship |  |
|--|--|
| <b>A)</b>                                | <b>Post Retirement Benefit Plan</b>  |
|  | KICM Gratuity Fund   |
| <b>B)</b>                                | <b>Directors &amp; Key Management Personnel</b>  |
|  | Manjushree Khaitan   |
|  | Kashi Prasad Khandelwal  |
|  | Prabal Kumar Sarkar - resigned w.e.f. 20.11.2020   |
|  | Radhakrishnan Padmalochanan - resigned w.e.f. 28.04.2020   |
|  | Kausik Biswas - resigned w.e.f. 16.11.2020   |
|  | Indrani Chakraborty - w.e.f. 31.07.2020 and resigned w.e.f. 23.11.2020   |
|  | Rashmi Bihani - w.e.f. 20.07.2020  |
|  | Uma Shankar Asopa - w.e.f. 30.11.2020  |
|  | Abhijit Ghosh - w.e.f. 12.01.2021  |
|  | Anil Goenka - w.e.f. 12.01.2021  |
|  | Herve Frederic Richert   |
|  | Anirban Moulik - resigned w.e.f. 18.11.2020  |
|  | Rajat Arora - resigned w.e.f. 04.12.2020   |
|  | Anant Gupta - w.e.f. 31.12.2020  |
|  | Saurabh Mantri - w.e.f. 31.12.2020   |
| <b>C)</b>                                | <b>Others</b>  |
| <b>a.</b>                                | <b>Entity Controlled, Joint Control by Key Management Personnel</b>  |
|  | MSK Travels and Tours Limited  |
|  | Aditya Marketing & Mfg Limited   |
|  | Jay Shree Tea & Industries Limited   |
|  | Arbela Trading and Services Private Limited  |
|  | Usinara Trading and Services Private Limited   |
| <b>b.</b>                                | <b>One entity is an associate of the other entity (or an associate of a group of which the other entity is a member)</b> |
|  | Manav Investment & Trading Co Ltd & its subsidiaries   |

(A) The following transactions were carried out with the related parties in the ordinary course of business.

| Nature of Transaction/ Relationship | Period ended 31 <sup>st</sup> March 2021 | Period ended 31 <sup>st</sup> March 2020 |
|-------------------------------------|--|--|
| Gratuity Contribution               |  |  |
| Post Retirement Benefit Plan        | 4.08                                     | 2.01                                     |
| Gratuity Claimed                    |  |  |
| Post Retirement Benefit Plan        | 3.15                                     | 1.36                                     |
| Remuneration                        |  |  |
| Key Management Personnel            | 3.99                                     | 1.54                                     |
| ICD                                 | 6.18                                     | -  |

## Notes to Financial Statements for the period ended 31<sup>st</sup> March, 2021

(All amounts in ₹ crores, unless otherwise stated)

| Nature of Transaction/ Relationship                    | Period ended<br>31 <sup>st</sup> March 2021 | Period ended 31 <sup>st</sup><br>March 2020 |
|--|---|---|
| Interest on ICD  | 0.17  | -   |
| Upkeep, Rent, Electricity ,Generator facility & others |   |   |
| Others   | 0.08  | 0.05  |
| Tour & Travel Services                                 |   |   |
| Others   | 0.63  | 1.95  |

### (B) Outstanding Balances

| Particulars                  | 31 <sup>st</sup> March 2021 | 31 <sup>st</sup> March 2020 |
|------------------------------|-----------------------------|-----------------------------|
| <b>Payable :</b>             |                             |                             |
| Post Retirement Benefit Plan | -                           | 4.08                        |
| Key Management Personnel     | 3.60                        | 1.54                        |
| Others                       | 2.39                        | 1.68                        |
| ICD                          | 6.18                        | -                           |
| Interest on ICD              | 0.17                        | -                           |
| <b>Receivable :</b>          |                             |                             |
| Post Retirement Benefit Plan | 2.17                        | -                           |

### Note 38: Research & Development Expenditure

| Particulars            | Period ended 31 <sup>st</sup> March<br>2021 |         | Period ended 31 <sup>st</sup> March<br>2020 |         |
|------------------------|---|---------|---|---------|
|                        | Capital                                     | Revenue | Capital                                     | Revenue |
| Research & Development | -   | 3.98    | 0.06  | 4.73    |

### Note 39:

The Company has incurred losses during the previous year and has continued to incur losses during the current period / year, primarily due to lower sales volume and finance costs which have resulted in erosion in net worth as at March 31, 2021. The total debt of the Company including interest accrued as at March 31, 2021 amounts to ₹ 983.01 Crore. The net current liabilities as at March 31, 2021 were ₹ 1,865.34 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 ₹ 282.12 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 loans not due as current liabilities. The Company, post year end has submitted a resolution plan which also envisages a one time settlement of the bank dues.

## Notes to Financial Statements for the period ended 31<sup>st</sup> March, 2020

(All amounts in ₹ crores, unless otherwise stated)

In addition, the Company has long outstanding over dues in respect to trade payables (including employee benefit liabilities) and statutory dues amounting to ₹ 321.06 Crores as at March 31, 2021. Consequent to the non-availability of fund to meet the working capital requirements the operation of the Company has been temporarily 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 has received a non-binding proposal from an investor which particulars are included in the loan resolution plan submitted by the Company to the lenders for their evaluation and further discussions/negotiations. The Company is also considering capital raising options by way of equity through strategic and financial investors, which will enable the Company to commence its operations and meet the financial obligations. The management is expecting to get the necessary approval from lenders and the stakeholders. 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 process of finalizing the resolution plans were hampered due to onset of the second wave of the pandemic and consequent lockdown. However, the Board of Director's have taken note of the same and advised the management to bring normalcy and regularise the situations. Accordingly, these financial results have been prepared on the basis that the Company will continue as a going concern.

### Note 40:

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.

### Note 41:

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.

### Note 42:

Figures for the previous year have been regrouped/reclassified wherever necessary to conform to current period's classification.

In terms of our report attached

For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No.302009E)

**Anant Gupta**  
Chief Financial Officer

**Manjushree Khaitan**  
Chairman

**Abhijit Bandyopadhyay**  
Partner

**Saurabh Mantri**  
Company Secretary

**Uma Shankar Asopa**  
Director

Place: Kolkata  
Date: 30<sup>th</sup> July, 2021

