

**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF CLASSIC AUTO TUBES LIMITED**

**Report on the Audit of the Ind AS Financial Statements**

**Opinion**

We have audited the Ind AS financial statements of Classic Auto Tubes Limited ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including 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 Ind AS 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Ind AS Financial Statements and Auditor's Report thereon (Other Information)**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report and Report on Corporate Social Responsibility in the Annual Report of the Company for the financial year 2018-19, but does not include the financial statements and our auditor's report thereon. The Other Information as mentioned above is expected to be made available to us after the date of this Auditor's Report.



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 in the 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.

**Responsibility of Management and Those Charged with Governance for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

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

**Auditor's Responsibilities 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



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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 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 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 Ind AS 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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls system with reference to financial statements reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Section 197 (16) of the Act, 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.



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(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would materially impact its financial position except those stated in the Note No.2.36 to the Ind AS 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.

Place: Kochi-19

Date: 31-07-2019

For VARMA & VARMA  
(FRN:004532S)

(VIVEK KRISHNA GOVIND)  
Partner  
CHARTERED ACCOUNTANTS  
Membership No. 208259

UDIN - 19208259AAAAAE2786

**ANNEXURE A REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CLASSIC AUTO TUBES LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**

1. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
b) We are informed that the fixed assets of the company have been physically verified by the management during the year and no material discrepancies were noticed on such verification, which in our opinion is reasonable having regard to the size and the nature of operations of the company.  
c) As explained to us, the title deeds of all the immovable properties are held in the name of the company.
2. We are informed that the inventory have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable.
3. a) According to the information and explanations given to us and the records of the company examined by us, 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 Act except for a loan to its wholly owned subsidiary, Premedium Pharmaceuticals Private Limited.  
b) According to the information and explanations given to us and the records of the company examined by us, the terms and conditions of such loan is not prejudicial to the interest of the company.  
c) The loan has been squared off during the year and no amounts are due as on the reporting date.
4. According to the information and explanations given to us and the records of the company examined by us, the company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, guarantees, investments and securities given.
5. The Company has not accepted any deposits from the public during the year and hence, the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed thereunder are not applicable.
6. We have broadly reviewed the cost records maintained by the unit pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with the view to determine whether they are accurate or complete.



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7. (a) As per the information and explanations furnished to us and according to our examination of the records of the Company, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Goods and Service Tax, Duty of Customs, Cess and other statutory dues, as applicable to the Company to the appropriate authorities during the year.

There are no arrears of undisputed statutory dues outstanding as on the last day of the financial year for a period of more than six months from the date on which they become payable.

- (b) According to the information and explanations given to us and as per the records of the Company examined by us, there are no disputed amounts of taxes and duties outstanding to be deposited with appropriate authorities as at March 31, 2019 except for the following:

Name of the Statute	Nature of Dues	Amount (Rs. in Mns)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax and Interest	9.06	AY 2014-15	ITAT, Delhi
Income Tax Act, 1961	Income Tax and Interest	6.37	AY 2013-14	CIT (A)
Central Excise Act, 1944	Excise Duty	508.22	From 01.01.2007 to 31.12.2014	CESTAT

8. In our opinion and according to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans and borrowings to the banks and financial institutions. The company has not taken any loans or borrowing from Government or raised any money by way of issue of debentures.
9. According to the information and explanations given to us and the records of the Company examined by us, no moneys were raised by way of initial public offer or further public offer (including debt instruments). The Company has not availed any term loans during the year. Accordingly, the reporting requirements under clause (ix) of paragraph 3 of the Order are not applicable.
10. During the course of our examination of the books and records of the company carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instances of material fraud by the company or on the company by its officers or employees, noticed or reported during the year, nor have been informed of such case by the Management.



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11. According to the information and explanations given to us and the records of the Company examined by us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
12. The company is not a Nidhi Company. Accordingly, the reporting requirements under clause (xii) of paragraph 3 of the Order are not applicable.
13. According to the information and explanations given to us and the records of the Company examined by us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and the details have been disclosed in the Note No.2.35 to the Ind AS financial statements as required by the applicable Indian Accounting Standard.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the reporting requirements under clause (xiv) of paragraph 3 of the Order are not applicable.
15. The company has not entered into any non-cash transactions with directors or persons connected with the directors. Accordingly, the reporting requirement under clause (xv) of paragraph 3 of the Order is not applicable.
16. According to the information and explanations given to us and the records of the Company examined by us, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirement under clause (xvi) of paragraph 3 of the Order is not applicable.

Place: Kochi -19

Date: 31-07-2019

For VARMA & VARMA  
(FRN:004532S)

(VIVEK KRISHNA GOVIND)  
Partner  
CHARTERED ACCOUNTANTS  
Membership No. 208259

UDIN - 19208259AAAAAE2786



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**ANNEXURE B REFERRED TO IN PARAGRAPH 2(f) UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CLASSIC AUTO TUBES LIMITED FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2019**

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

We have audited the internal financial controls system with reference to financial statements reporting of Classic Auto Tubes Limited ("the Company") as of March 31, 2019 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 controls with reference to financial statements 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.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls system with reference to financial statements reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 system with reference to financial statements 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 with reference to financial statements reporting and their operating effectiveness. Our audit of internal financial controls system with reference to financial statements reporting included obtaining an understanding of internal financial controls system with reference to financial statements reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of



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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 with reference to financial statements reporting.

## **Meaning of Internal Financial Controls with reference to Financial Statements reporting**

A company's internal financial controls system with reference to financial statements 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 controls system with reference to financial statements 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 with reference to Financial Statements reporting**

Because of the inherent limitations of internal financial controls system with reference to financial statements 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 system with reference to financial statements reporting to future periods are subject to the risk that the internal financial controls system with reference to financial statements reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements reporting and such internal financial controls system with reference to financial statements reporting were operating effectively as at March 31, 2019, based on the internal control with reference to financial statements 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.

Place: Kochi-19

Date: 31-07-2019

For VARMA & VARMA  
(FRN: 0045325)

(VIVEK KRISHNA GOVIND)  
Partner  
CHARTERED ACCOUNTANTS  
Membership No. 208259

UDIN - 19208259AAAAAE2786

Classic Auto Tubes Limited

Balance Sheet as at 31st March, 2019

(Amount in INR Millions, unless otherwise stated)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
<b>I. ASSETS</b>			
<b>1. Non-current assets</b>			
a. Property, Plant and Equipment	2.01	1,317.75	1,357.91
b. Capital work-in-progress		21.76	20.69
c. Intangible assets	2.01	9.44	7.13
d. Intangible assets under development		0.80	-
e. Financial assets			
i. Investments	2.02	3,684.92	4,135.92
ii. Loans	2.03	19.13	18.93
iii. Other financial assets	2.04	0.83	0.78
f. Non-current tax assets (net)	2.05	25.16	25.37
g. Other non-current assets	2.06	34.36	16.38
<b>Total Non-current assets</b>		<b>5,114.15</b>	<b>5,583.11</b>
<b>2. Current assets</b>			
a. Inventories	2.07	1,020.59	172.68
b. Financial assets			
i. Trade Receivables	2.08	746.68	249.41
ii. Cash and cash equivalents	2.09A	131.37	329.00
iii. Bank Balances other than (ii) above	2.09B	631.87	415.81
iv. Loans	2.10	0.63	0.52
v. Other financial assets	2.11	27.64	27.47
c. Current tax assets (net)	2.12	-	6.08
d. Other current assets	2.13	247.75	75.55
<b>Total current assets</b>		<b>2,806.53</b>	<b>1,276.52</b>
<b>Total Assets</b>		<b>7,920.68</b>	<b>6,859.63</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
a. Equity share capital	2.14	104.80	104.80
b. Other equity	2.15	4,898.86	4,891.87
<b>Total Equity</b>		<b>5,003.66</b>	<b>4,996.67</b>
<b>LIABILITIES</b>			
<b>2. Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	2.16	124.88	229.86
b. Provisions	2.17	12.74	9.99
c. Deferred Tax Liabilities (Net)	2.18	899.64	1,194.00
<b>Total non-current liabilities</b>		<b>1,037.26</b>	<b>1,433.85</b>
<b>3. Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	2.19	12.11	20.71
ii. Trade Payables			
a) Total outstanding dues of micro enterprises and small enterprises	2.20	27.74	17.41
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.20	687.88	109.33
iii. Other financial liabilities	2.21	169.79	184.65
b. Other Current Liabilities	2.22	924.13	92.51
c. Provisions	2.23	23.73	4.50
d. Current tax liabilities (net)	2.24	34.38	-
<b>Total current liabilities</b>		<b>1,879.76</b>	<b>429.11</b>
<b>Total liabilities</b>		<b>2,917.02</b>	<b>1,862.96</b>
<b>Total equity and liabilities</b>		<b>7,920.68</b>	<b>6,859.63</b>

Significant accounting policies and key accounting estimates and judgements

Note 1

The accompanying notes form an integral part of the balance sheet

As per our separate report of even date attached

For and on behalf of the Board of Directors

For VARMA & VARMA  
(FRN:004532S)

(VIVEK KRISHNA GOVIND)  
Partner  
CHARTERED ACCOUNTANTS  
Membership No. 208259

*Onkar S Kanwar*  
Onkar S Kanwar  
Director  
DIN: 00058921

*Rajeev Vajayak Lokare*  
Rajeev Vajayak Lokare  
Chief Executive Officer

*Harish Bahadur*  
Harish Bahadur  
Director  
DIN: 00032919

*Bomi Karkaria*  
Bomi Karkaria  
Chief Financial Officer

*Naveen Kapur*  
Naveen Kapur  
Whole Time Director  
DIN: 00024538

*Mona Bhandari*  
Mona Bhandari  
Company Secretary

Place: Kochi-19  
Date: 31-07-2019

Place: Gurugram  
Date: 22-07-2019

Classic Auto Tubes Limited

Statement of Profit And Loss for the year ended 31st March, 2019  
(Amount in INR Millions, unless otherwise stated)

Particulars	Note No	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>INCOME</b>			
I. Revenue from operations	2.25	5,152.61	2,481.43
II. Other Income	2.26	148.92	75.04
III. <b>Total Income</b>		<b>5,301.53</b>	<b>2,556.47</b>
<b>EXPENSES</b>			
IV. a. Cost of material consumed	2.27	3,195.24	529.50
b. Change in inventories of finished goods and work-in-progress	2.28	(87.31)	13.57
c. Excise duty on sales		-	17.32
d. Employee benefits expenses	2.29	670.88	576.99
e. Finance cost	2.30	30.55	47.22
f. Depreciation and amortisation expenses	2.01	157.53	154.83
g. Other expenses	2.31	584.04	503.98
IV. <b>Total Expenses</b>		<b>4,550.93</b>	<b>1,843.41</b>
V. <b>Profit before Tax (III-IV)</b>		<b>750.60</b>	<b>713.06</b>
VI. Tax expense:			
a. Current tax		218.28	220.01
b. Tax Prior Years		29.20	-
c. Defered tax		(18.13)	24.94
		<b>229.35</b>	<b>244.95</b>
VII. <b>Profit for the period (V - VI)</b>		<b>521.25</b>	<b>468.11</b>
VIII. <b>Other Comprehensive Income</b>			
A. Items that will not be reclassified to profit or loss:			
(i) Re-measurements on defined benefit plans		(6.34)	(1.70)
(ii) Income tax effect		2.22	0.61
		<b>(4.12)</b>	<b>(1.09)</b>
B. Items that will be reclassified subsequently to profit or loss:			
(i) Fair valuation gain/(loss) adjustments on equity instruments designated as FVTOCI		(784.16)	990.63
(ii) Income tax effect		274.02	(352.94)
		<b>(510.14)</b>	<b>637.69</b>
<b>Other comprehensive income for the year (VIIA+VIIB)</b>		<b>(514.26)</b>	<b>636.60</b>
IX. <b>Total Comprehensive Income for the period (VII+ VIII) (Comprising Profit and Other Comprehensive Income for the period)</b>		<b>6.99</b>	<b>1,104.71</b>
X. <b>Earnings per equity share:</b>	2.32	49.74	44.67
Nominal value of share Rs.10/- (Rs.10/-)			
- Basic/ Diluted			

Significant accounting policies and key accounting estimates and judgements

Note 1

The accompanying notes form an integral part of the statement of profit and loss

As per our separate report of even date attached

For and on behalf of the Board of Directors

For VARMA & VARMA  
(FIRN: 004832S)  
  
(VIVEK KRISHNA GOVIND)  
Partner  
CHARTERED ACCOUNTANTS  
Membership No. 208259

Onkar S Kanwar  
Director  
DIN: 00058921  
  
Harish Bahadur  
Director  
DIN: 00032919  
  
Rajesh Vinayak Lokare  
Chief Executive Officer  
  
Bomi Karkaria  
Chief Financial Officer

Navneen Kapur  
Whole Time Director  
DIN: 00024538  
  
Mona Bhandari  
Company Secretary

Place: Kochi-19  
Date: 31-07-2019

Place: Gurugram  
Date: 22-07-2019

**Classic Auto Tubes Limited**

**Statement of changes in equity for the year ended 31st March, 2019**  
(Amount in INR Millions, unless otherwise stated)

**(A) Equity share capital**

Equity shares of Rs.10 each issued, subscribed and fully paid:

	No. of shares	Amount
As at 1st April, 2017	1,04,80,000	104.80
Issued during the year 2017-18	-	-
As at 31st March, 2018	1,04,80,000	104.80
Issued during the year 2018-19	-	-
As at 31st March, 2019	1,04,80,000	104.80

**(B) Other equity**

Particulars	Reserve & Surplus		Items of OCI	Total
	Capital Reserve	Retained Earnings	FVTOCI Reserve on equity instruments	
Balance as at 1st April 2017	13.08	2,456.48	1,317.60	3,787.16
Profit for the year	-	468.11	-	468.11
Other comprehensive income	-	(1.09)	637.69	636.60
Total comprehensive income for the year	-	467.02	637.69	1,104.71
Balance as at 31st March 2018	13.08	2,923.50	1,955.29	4,891.87

Particulars	Reserve & Surplus		Items of OCI	Total
	Capital Reserve	Retained Earnings	FVTOCI Reserve on equity instruments	
Balance as at 1st April 2018	13.08	2,923.50	1,955.29	4,891.87
Profit for the year	-	521.25	-	521.25
Re-measurement of defined benefit plans	-	(4.12)	-	(4.12)
Other comprehensive income	-	-	(510.14)	(510.14)
Total comprehensive income for the year	-	517.13	(510.14)	6.99
Balance as at 31st March 2019	13.08	3,440.63	1,445.15	4,898.86


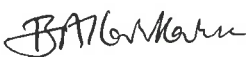
Significant accounting policies & other notes Note 1  
The accompanying notes are an integral part of the financial statements.

As per our separate report of even date attached

For and on behalf of the Board of Directors

For VARMA & VARMA  
(FRN:004532S)  
  
(VIVEK KRISHNA GOVIND)  
Partner  
CHARTERED ACCOUNTANTS  
Membership No. 208259

  
Onkar S Kanwar  
Director  
DIN: 00058921  
  
Rajesh Vinayak Lokare  
Chief Executive Officer

  
Harish Bahadur  
Director  
DIN: 00032919  
  
Bomi Karkaria  
Chief Financial Officer

  
Naveen Kapur  
Whole Time Director  
DIN: 00024538  
  
Mona Bhandari  
Company Secretary

Place: Kochi-19  
Date: 31-07-2019

Place: Gurugram  
Date: 22-07-2019

**Classic Auto Tubes Limited**

**Statement of cash flows for the year ended 31st March, 2019**

(Amount in INR Millions, unless otherwise stated)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<b>Cash flow from operating activities</b>		
Profit/ (Loss) before tax	750.60	713.06
<b>Adjustments for:</b>		
Depreciation and amortization expenses	157.53	154.84
Finance cost	30.55	47.44
Interest income	(57.12)	(27.28)
Liabilities written back	(2.71)	(1.90)
(Gain)/ loss on sale of fixed assets	(0.05)	0.77
Dividend Received from Trade & Non-Trade Investments	(43.48)	(43.48)
Net Unrealised foreign exchange (gain)/loss	(20.84)	-
Amortization of deferred lease asset	0.14	0.09
Gain / loss on FV of Security Deposit	(0.14)	(0.08)
<b>Operating cash flow before working capital changes</b>	<b>814.48</b>	<b>843.46</b>
<b>Changes in working capital</b>		
Increase / (decrease) in trade payables	606.06	64.99
Increase / (decrease) in other financial liabilities	(22.44)	6.30
Increase / (decrease) in other current & non-current liabilities	831.62	(8.81)
Increase / (decrease) in provisions	21.98	191.33
Decrease/ (increase) in inventories	(847.90)	(38.53)
Decrease/ (increase) in trade receivables	(497.27)	(61.72)
Decrease/ (increase) in other financial assets	0.43	(39.18)
Decrease/ (increase) in other current assets	(172.20)	(238.08)
Decrease/ (increase) in non-current assets	2.31	(1.13)
<b>Cash generated / (used) in operations</b>	<b>737.07</b>	<b>718.63</b>
Income tax paid	(206.82)	(189.00)
<b>Net cash flows from operating activities (A)</b>	<b>530.25</b>	<b>529.63</b>
<b>Cash flow from Investing activities</b>		
Purchase for property, plant and equipment and intangible assets	(118.77)	(141.33)
Capital work-in-progress	(22.56)	23.76
Purchase of investments	(333.65)	-
Proceeds from sale/ disposal of fixed assets	1.69	5.87
Net proceeds from fixed deposits	(216.06)	(103.04)
Dividend Received from Trade & Non-Trade Investments	43.48	43.48
Interest received	56.17	27.28
Proceeds from Investment	0.50	45.00
<b>Net cash flow from investing activities (B)</b>	<b>(589.20)</b>	<b>(98.98)</b>
<b>Cash flow from Financing activities</b>		
Repayment of borrowings (Net)	(106.53)	(216.39)
Interest paid	(32.15)	(47.44)
<b>Net cash flow from financing activities (C)</b>	<b>(138.68)</b>	<b>(263.83)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(197.63)</b>	<b>166.82</b>
Cash and cash equivalents at the beginning of the year	329.00	162.18
Cash and cash equivalents at the end of the year	<b>131.37</b>	<b>329.00</b>

**Cash and cash equivalents comprise (Refer Note 2.09A)**

Balances with banks		
On current accounts	116.61	309.37
Fixed deposits with maturity of less than 3 months	14.60	19.45
Cash on hand	0.16	0.18
<b>Total cash and bank balances at end of the year</b>	<b>131.37</b>	<b>329.00</b>

**Statement of liabilities arising from Financing Activities:**

Particulars	As at 31st March, 2018	Financing Cash Flows		As at 31st March, 2019
		Proceeds raised	Repayments	
Non-current borrowings: Term Loan	338.68	20.76	119.64	239.80
Current borrowings: Cash Credit	20.76	121.53	130.18	12.11

The above balances include current maturities of long term debt and interest accrued but not due classified under Other Financial Liabilities.

Significant accounting policies & other notes

Note 1

The accompanying notes are an integral part of the financial statements.

As per our separate report of even date attached

For and on behalf of the Board of Directors

For VARMA & VARMA  
(FRN: 004532S)  
  
(VIVEK KRISHNA GOVIND)  
Partner  
CHARTERED ACCOUNTANTS  
Membership No. 208259

Onkar S Kanwar  
Director  
DIN: 00058921  
  
Rajeev Vinayak Lokare  
Chief Executive Officer

Harish Bahadur  
Director  
DIN: 00032919  
  
Bomi Karkaria  
Chief Financial Officer

Naveen Kapur  
Whole Time Director  
DIN: 00024538  
  
Mona Bhandari  
Company Secretary

Place: Kochi - 19  
Date: 31-07-2019

Place: Gurugram  
Date: 22-07-2019

Classic Auto Tubes Limited

Notes forming part of the Financial Statements for the year ended 31st March, 2017  
(Amount in INR Millions, unless otherwise stated)

Note No. 2.01

Particulars	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2018	Additions	Disposals/ Adjustments	As at 31.03.2019	As at 01.04.2018	For the year	Disposals/ Adjustments	As at 31.03.2019	As at 31.03.2019	As at 31.03.2019
<b>(A) Property, Plant and Equipment</b>										
Leasehold Land	44.08	-	-	44.08	3.95	0.49	-	4.44	39.64	283.01
Buildings	405.84	0.11	0.37	405.58	109.06	13.56	0.05	122.57	122.57	911.51
Plant & Machinery	1,858.05	90.90	2.21	1,956.74	927.70	118.86	1.33	1,045.23	84.01	48.60
Moulds	123.69	8.92	-	132.61	75.25	8.76	-	55.95	5.09	3.70
Electrical Installations	63.87	1.40	-	65.27	50.92	5.03	-	3.78	3.82	10.31
Furniture & Fixtures	8.60	0.19	-	8.79	4.23	1.14	-	6.14	0.17	4.09
Office Equipments	6.99	0.61	-	7.60	2.64	3.55	0.27	14.81	0.53	3.75
Vehicles	9.61	7.54	0.70	16.45	2.86	2.17	-	1.82	1.82	1,342.55
Computers	16.40	2.67	0.17	18.93	12.81	0.49	-	154.91	16.24	32.95
Servers	0.24	4.04	-	4.28	0.04	2.62	-	49.19	49.19	9.44
<b>Total</b>	<b>2,547.37</b>	<b>116.38</b>	<b>3.45</b>	<b>2,660.30</b>	<b>1,189.46</b>	<b>154.91</b>	<b>1.82</b>	<b>1,342.55</b>	<b>16.24</b>	<b>9.44</b>
<b>(B) Intangible Assets</b>										
Computer Software	20.75	4.93	-	25.68	13.62	2.62	-	32.95	32.95	-
Technical Knowhow	32.95	-	-	32.95	46.57	2.62	-	49.19	49.19	9.44
<b>Total</b>	<b>53.70</b>	<b>4.93</b>	<b>-</b>	<b>58.63</b>	<b>46.57</b>	<b>2.62</b>	<b>-</b>	<b>49.19</b>	<b>49.19</b>	<b>9.44</b>

Particulars	Gross Block				Depreciation/Amortisation				Net Block	
	As at 01.04.2017	Additions	Disposals/ Adjustments	As at 31.03.2018	As at 01.04.2017	For the year	Disposals/ Adjustments	As at 31.03.2018	As at 31.03.2018	As at 31.03.2018
<b>(A) Property, Plant and Equipment</b>										
Leasehold Land	33.12	10.96	-	44.08	3.52	0.43	-	3.95	40.13	296.78
Buildings	400.86	4.98	-	405.84	95.47	13.59	-	109.06	927.70	940.35
Plant & Machinery	1,780.12	95.52	7.59	1,868.05	813.48	119.17	4.95	75.25	48.44	12.95
Moulds	111.74	11.95	-	123.69	67.33	7.92	-	50.92	0.06	4.37
Electrical Installations	61.39	2.48	-	63.87	46.47	4.51	0.06	4.23	2.86	3.59
Furniture & Fixtures	6.61	2.08	0.09	8.60	2.98	0.93	(0.32)	12.81	0.04	0.20
Office Equipments	4.13	3.85	0.99	6.99	1.48	1.34	0.18	1,189.46	11.12	1,357.91
Vehicles	12.78	5.66	8.83	9.61	7.21	1.54	5.89	2.86	2.86	7.13
Computers	14.28	2.39	0.27	16.40	10.67	2.50	0.36	32.95	32.95	0.00
Servers	-	0.24	-	0.24	-	0.04	-	46.57	46.57	7.13
<b>Total</b>	<b>2,425.03</b>	<b>140.11</b>	<b>17.77</b>	<b>2,547.37</b>	<b>1,048.61</b>	<b>151.97</b>	<b>11.12</b>	<b>1,189.46</b>	<b>16.24</b>	<b>9.44</b>
<b>(B) Intangible Assets</b>										
Computer Software	19.53	1.22	0.00	20.75	10.78	2.86	0.02	32.95	32.95	0.00
Technical Knowhow	32.95	-	-	32.95	43.73	2.86	0.02	46.57	46.57	7.13
<b>Total</b>	<b>52.48</b>	<b>1.22</b>	<b>0.00</b>	<b>53.70</b>	<b>43.73</b>	<b>2.86</b>	<b>0.02</b>	<b>46.57</b>	<b>46.57</b>	<b>7.13</b>





**Classic Auto Tubes Limited**  
**Notes forming part of the Financial Statements for the year ended 31st March, 2019**  
(Amount in INR Millions, unless otherwise stated)

**2.02 Investments**

Particulars	As at 31.03.2019	As at 31.03.2018
<b>A. Investments in Equity Instruments- Quoted</b>		
Investment in equity instrument designated as at fair value through OCI (fully paid): 1,55,23,505 [Previous Year - 1,44,93,500] Equity Shares of Rs.1/- each fully paid up in Apollo Tyres Limited (ATL) representing 2.71% [Previous Year - 2.53%] of the paid up capital of ATL	3,457.86	4,015.42
<b>B. Investment in subsidiary - Unquoted</b>		
Investment measured at cost:		
a) 1,00,000 [Previous Year - Nil ] Equity Shares of USD 1/- each fully paid up in CATL Singapore Pto Ltd representing 100% [Previous Year - Nil ] of the paid up capital	6.96	-
b) 1,00,09,990 [Previous Year - Nil ] Equity Shares of Rs.10/- each fully paid up in Premodium Pharmaceuticals Private Limited representing 100% [Previous Year - Nil ] of the paid up capital	100.10	-
<b>C. Investment in Capital of Partnership Firm:</b>		
Partners capital account in CATL Financial Services LLP	-	0.50
Partners capital account in Sunrays Global Consultants LLP	120.00	120.00
	<b>3,684.92</b>	<b>4,135.92</b>
<b>Aggregate book value of:</b>		
Quoted investments	3,457.86	4,015.42
Unquoted investments	227.06	120.50
<b>Aggregate market value of:</b>		
Quoted investments	3,457.86	4,015.42
Unquoted investments	227.06	120.50
<b>Aggregate amount of impairment in the value of investments:</b>		
Quoted investments	-	-
Unquoted investments	-	-

**Footnotes:**

**(1a) Investment in Capital of Partnership Firm: In Sunrays Global Consultants LLP**

Name of Partners	Share of Profit/ Loss (%)		Capital Balance	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Classic Auto Tubes Limited	99.99%	99.99%	120.00	120.00
Sanjay Dua	0.00%	0.00%	-	-

**(1b) Investment in Capital of Partnership Firm: In CATL Financial Services LLP**

Name of Partners	Share of Profit/ Loss (%)		Capital Balance	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Classic Auto Tubes Limited	-	99.98%	-	0.50
Sanjay Dua	1.00%	0.02%	0.00	0.00
Neeraj Singh Kanwar	1.00%	0.00%	0.00	0.00
Sunlife Trade Links Private Limited (Nominee: Pradip Kumar)	98.00%	0.00%	0.50	0.00

**(2) Investment in equity instrument designated as at fair value through OCI (fully paid)**

Particulars	Number of Shares	
	As at 31.03.2019	As at 31.03.2018
Investments in equity instrument of Apollo Tyres Limited (Face Value Rs.1)	1,55,23,505	1,44,93,500

**2.03 Loans**

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Non-Current:</b>		
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured	-	-
i) Security deposits	19.13	18.93
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-
	<b>19.13</b>	<b>18.93</b>



**Classic Auto Tubes Limited**  
**Notes forming part of the Financial Statements for the year ended 31st March, 2019**  
(Amount in INR Millions, unless otherwise stated)

**2.04 Other financial assets**

Particulars	As at 31.03.2019	As at 31.03.2018
In Fixed deposit accounts with maturity for more than 12 months from balance sheet date	0.83	0.78
	<b>0.83</b>	<b>0.78</b>

2.04.01 Balance with banks in Deposit Accounts (having maturity period of more than 12 months) includes Rs.0.83 Million (Rs.0.78 Million) held as security against Bank Guarantees.

**2.05 Non-current tax assets (net)**

Particulars	As at 31.03.2019	As at 31.03.2018
Income Tax ( Net )	25.16	25.37
	<b>25.16</b>	<b>25.37</b>

**2.06 Other non-current assets**

Particulars	As at 31.03.2019	As at 31.03.2018
Capital advance	21.98	1.70
Gratuity fund - excess of fund balance over obligation (Refer Note 2.33)	12.14	14.27
Deferred lease asset	0.24	0.37
Other Loans & Advances Unsecured, considered good	-	0.04
	<b>34.36</b>	<b>16.38</b>

**2.07 Inventories**

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Valued at lower of cost and net realizable value-</b>		
Raw materials (includes in transit Rs.519.25 Million)	860.28	107.02
Work in progress	43.85	6.54
Finished goods	66.36	16.36
<b>Valued at cost-</b>		
Packing Materials	2.51	0.71
Store and spares parts	47.59	42.05
	<b>1,020.59</b>	<b>172.68</b>

2.07.01 Method of valuation of inventories - Refer Note 1.5 of Significant Accounting Policies.

**2.08 Trade Receivables**

Particulars	As at 31.03.2019	As at 31.03.2018
Trade receivables considered good - secured	-	-
Trade receivables considered good - unsecured	746.68	249.41
Trade Receivables which have significant increase in Credit Risk	-	-
Trade Receivables - credit impaired	-	-
	<b>746.68</b>	<b>249.41</b>
Less : Provision of loss allowance	746.68	249.41
	<b>746.68</b>	<b>249.41</b>
<b>Further classified as:</b>		
Receivable from related parties	721.83	158.38
Receivable from others	24.85	91.03
	<b>746.68</b>	<b>249.41</b>

**2.09A Cash & Cash Equivalents**

Particulars	As at 31.03.2019	As at 31.03.2018
Balance with banks		
a. In Current Accounts	116.61	309.37
b. Fixed deposits with maturity of less than 3 months	14.60	19.45
Cash on hand	0.16	0.18
	<b>131.37</b>	<b>329.00</b>



Classic Auto Tubes Limited  
Notes forming part of the Financial Statements for the year ended 31st March, 2019  
(Amount in INR Millions, unless otherwise stated)

**2.09B Bank Balances other than cash and cash Equivalents**

Particulars	As at 31.03.2019	As at 31.03.2018
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	631.87	415.81
	<b>631.87</b>	<b>415.81</b>

2.09B.01 Balance with banks in Deposit Accounts (having maturity period of less than 12 months) includes Rs.7.63 Million (Rs.7.50 Million) held as security against Bank Guarantees.

**2.10 Loans**

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Current:</b>		
Loans Receivables considered good - Secured	-	-
Loans Receivables considered good - Unsecured:		
i) Security deposit	0.63	0.52
Loans Receivables which have significant increase in Credit Risk	-	-
Loans Receivables - credit impaired	-	-
	<b>0.63</b>	<b>0.52</b>

**2.11 Other financial assets**

Particulars	As at 31.03.2019	As at 31.03.2018
Interest accrued on fixed/ other deposits	6.80	5.84
Interest receivable on loans	19.95	19.95
Advances to employees	0.89	1.68
	<b>27.64</b>	<b>27.47</b>

**2.12 Current tax assets (net)**

Particulars	As at 31.03.2019	As at 31.03.2018
Income Tax (net of provisions)	-	6.08
	-	<b>6.08</b>

**2.13 Other current assets**

Particulars	As at 31.03.2019	As at 31.03.2018
Gratuity fund - excess of fund balance over obligation (Refer Note 2.33)	0.56	0.63
Advances to suppliers	72.17	9.04
Earnest money deposit	-	0.05
Prepaid expenses	13.49	17.61
Balance with statutory authorities	0.00	-
Contract asset - Unbilled revenue	161.53	48.22
	<b>247.75</b>	<b>75.55</b>

**2.14 Share capital**

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Authorised :</b>		
15,770,000 [Previous year 15,770,000] Equity shares of INR10/- each with voting rights	157.70	157.70
<b>Issued and Subscribed and Fully paid:</b>		
10,480,000 [Previous year 10,480,000] Equity shares of INR.10/- each, fully paid up	104.80	104.80

The Company has only one class of equity share capital having a par value of INR 10 per share, referred to herein as equity shares.

**2.14.01 Reconciliation of shares at the beginning and at the end of the financial year**

Particulars	As at 31.03.2019		As at 31.03.2018	
	No. of Shares	Amount	No. of Shares	Amount (Rs.)
No. of shares as at the beginning of the financial year	1,04,80,000	104.80	1,04,80,000	104.80
No. of shares as at the end of the financial year	1,04,80,000	104.80	1,04,80,000	104.80



**Classic Auto Tubes Limited**

Notes forming part of the Financial Statements for the year ended 31st March, 2019

(Amount in INR Millions, unless otherwise stated)

**2.14.02 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

Particulars	As at 31.03.2019		As at 31.03.2018	
	%	No. of Shares	%	No. of Shares
Sunrays Properties & Investment Co. Pvt Ltd. (Holding Company)	99.95%	1,04,75,200	99.95%	1,04,75,200

No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end.

No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

**2.15 Other equity**

Particulars	As at 31.03.2019	As at 31.03.2018
<b>A. Capital reserve</b>		
Opening balance	13.08	13.08
Add: Transfer	-	-
Closing balance	<b>13.08</b>	<b>13.08</b>
<b>B. Retained earnings</b>		
Opening balance	2,923.50	2,456.48
Add: Net profit/ (loss) for the current year	521.25	468.11
Add: Re-measurement on post employment benefit obligation (net of tax)	(4.12)	(1.09)
Closing Balance	<b>3,440.63</b>	<b>2,923.50</b>
<b>C. Investments FVTOCI reserve on equity instruments</b>		
Opening balance	1,955.29	1,317.60
- Fair valuation changes for the year	(784.16)	990.63
- Tax effect on fair valuation changes for the year	274.02	(352.94)
Closing balance	<b>1,445.15</b>	<b>1,955.29</b>
	<b>4,898.86</b>	<b>4,891.87</b>

**2.15.01 Description of nature and purpose of each reserve**

**Capital reserve:** Capital reserve was created on account of acquisition of the Pune unit of Apollo Tyres Limited in the year 2007.

**Retained earnings:** Retained earnings comprise of the company's prior years' undistributed earnings after taxes.

**Reserve on equity instruments:** This reserve is created by way of transfer of the changes (gain/ loss) arising on fair valuation of the equity instruments and is an item of other comprehensive income.

**2.16 Borrowings**

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Non-current:</b>		
<b>Secured</b>		
Term loans from banks		
State Bank of India (Refer Note No. 2.16.01)	71.95	176.97
Term loan from others		
Kotak Mahindra Investments Ltd. (Refer Note No. 2.16.01)	52.93	52.89
	<b>124.88</b>	<b>229.86</b>



Classic Auto Tubes Limited

Notes forming part of the Financial Statements for the year ended 31st March, 2019  
(Amount in INR Millions, unless otherwise stated)

Nature of Borrowing	Amount outstanding as at 31st March, 2019		Amount outstanding as at 31st March, 2018		Rate of Interest	Terms of Repayment	Details of Security Offered
	Non-current borrowings	Current Maturities of NC borrowings	Non-current borrowings	Current Maturities of NC borrowings			
<b>Term Loan from Banks</b>							
SBI Term Loan	56.77	67.10	146.93	60.00	SBI Base Rate plus 2.30%. Present effective. Rate is 10.50%	48 monthly instalments after implementation of 12 months & moratorium of 15 months (total 27 months) starting Q1 FY18.	Exclusive charge over the entire fixed assets (movables & immovable) and current assets both present & future of the company located at Chennai
SBI Term Loan	15.18	15.30	30.04	15.30	SBI Base Rate plus 2.30%. Present effective Rate is 10.50%	16 quarterly instalments of Rs 3.825M each, first in Q1 FY18	Exclusive charge over the entire fixed assets (movables & immovable) and current assets both present & future of the company located at Chennai
<b>Term Loan from Others</b>							
Kotak Mahindra Investments Limited	52.93	31.09	52.89	31.15	ROI till security creation is 9% thereafter post security creation is 9.45%	18 quarterly instalments of Rs 7.78M each, first in Q2 FY 16-17	Exclusive charge by the way of equitable mortgage over the entire fixed assets (movables & immovable) both present & future of the company located at Ranjangaon, Pune



**Classic Auto Tubes Limited**  
**Notes forming part of the Financial Statements for the year ended 31st March, 2019**  
(Amount in INR Millions, unless otherwise stated)

**2.17 Long term provisions**

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for employee benefits:		
Provision for short service award	0.63	-
Provision for gratuity (Refer Note 2.33)	-	-
Provision for leave encashment (unfunded)	6.38	5.26
Provision for Warranty Charges (Refer Note 2.17.01)	5.73	4.73
	<b>12.74</b>	<b>9.99</b>

**2.17.01** Provision for warranty charges on sale of tubos & bladders and tyre building machines has been made in the books of account as per the estimate of the management. In the case of sale of moulds, in the opinion of the management, no material warranty liability is likely to arise and hence, no provision has been made in this regard.

Particulars	Tubes & Bladders		Tyre Building Machines	
	As at 31.03.2019	As at 31.03.2018	As at 31.03.2019	As at 31.03.2018
Opening Balance	-	-	4.73	4.30
Add: Provision made during the year	18.15	-	5.73	2.05
Less: Current portion reclassified from long term	(18.15)	-	(1.77)	-
Less: Provision utilised during the year	-	-	(1.91)	(1.18)
Less: Provision written back during the year	-	-	(1.05)	(0.44)
Closing Balance	-	-	<b>5.73</b>	<b>4.73</b>

**2.17.02** Provision for commissioning expenses represents provision created in respect of expenses to be incurred towards the commissioning of tyre building machines sold and pending commissioning as at the year end.

Particulars	As at 31.03.2019	As at 31.03.2018
Opening Balance	-	1.63
Add: Provision made during the year	1.50	-
Less: Current portion reclassified from long term	(1.50)	-
Less: Provision utilised during the year	-	(0.48)
Less: Provision written back during the year	-	(1.15)
Closing Balance	-	-

**2.18 Deferred Tax Liabilities (Net)**

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Assets</b>		
In respect of timing difference of expenses (Refer Note 2.18.01)	(38.45)	(27.59)
<b>Liability</b>		
In respect of timing difference of depreciation (Refer Note 2.18.01)	938.09	1,221.59
	<b>899.64</b>	<b>1,194.00</b>

**2.18.01 Deferred tax relates to the following:**

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Deferred tax assets</b>		
On provision for employee benefits	9.97	9.65
On others	24.21	15.88
On re-measurements gain/(losses) of post employment benefit obligations	4.27	2.06
	<b>38.45</b>	<b>27.59</b>
<b>Deferred tax liabilities</b>		
On property, plant & equipment	161.85	171.33
On fair valuation (loss)/gain adjustments on equity instruments designated as FVTOCI	776.24	1,050.26
	<b>938.09</b>	<b>1,221.59</b>
<b>Net Deferred tax liabilities/ (assets)</b>	<b>899.64</b>	<b>1,194.00</b>

**2.18.02 Reconciliation of deferred tax**

Particulars	As at 31.03.2019	As at 31.03.2018
Opening balance of Deferred tax liability/ (asset)	1,194.00	816.73
Tax liability recognized in Statement of Profit and Loss	(18.13)	24.94
Tax liability recognized in OCI:		
On re-measurements gain/(losses) of post-employment benefit obligations	(2.22)	(0.61)
On Fair valuation (loss)/gain adjustments on equity instruments designated as FVTOCI	(274.02)	352.94
<b>Closing balance of Deferred tax liability/ (asset)</b>	<b>899.64</b>	<b>1,194.00</b>



Classic Auto Tubes Limited

Notes forming part of the Financial Statements for the year ended 31st March, 2019

(Amount in INR Millions, unless otherwise stated)

2.18.03 Reconciliation of tax charge

Particulars	As at 31.03.2019	As at 31.03.2018
Profit before tax	750.60	713.06
Income tax expense at rates applicable	218.57	246.78
Tax effects of:		
Dividend	(12.66)	(15.05)
Impact on account of depreciation (including adjustment of earlier years)	(12.35)	5.24
Excess/ deficit provision of Income Tax in earlier years written back/ provided	29.20	-
Impact of deferred tax created at a different rate	1.34	1.57
Expenses disallowed	5.25	6.41
<b>Income tax expense</b>	<b>229.35</b>	<b>244.95</b>
<b>Tax expense as per Statement of Profit and Loss</b>	<b>229.35</b>	<b>244.95</b>

2.19 Borrowings

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Current:</b>		
Cash credit from State Bank of India (Refer Note No.2.19.01)	12.11	20.71
	<b>12.11</b>	<b>20.71</b>

2.19.01 Cash credit facility are repayable on demand and are secured by exclusive charge over the entire fixed assets (movables & immovable) and current assets both present & future of the company located at Chennai.

2.20 Trade Payables

Particulars	As at 31.03.2019	As at 31.03.2018
Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	27.74	17.41
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	687.88	109.33
	<b>715.62</b>	<b>126.74</b>

2.20.01 The company has taken steps to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act, 2006. Intimations have been received from some of the suppliers regarding their status under the said Act as at the year end, based on which, principal amount unpaid to such suppliers as at the year end aggregating to Rs.27.74 Million (Rs.17.41 Million) has been included under Trade Payables. In the opinion of the management, the impact of interest, if any, which may be payable in accordance with the provisions of the Act, is not expected to be material.

2.20.02 Trade payables includes Rs.504.86 Million (Rs.8.14 Million) payable to related party.

2.21 Other financial liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
Capital creditors		
(i) Total outstanding dues of micro enterprises and small enterprises	0.21	0.58
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.51	-
Employee related payable	48.60	48.36
Accrued expenses	3.55	26.24
Current maturities of long term debt (Refer Note 2.16.01)		
Term loan from State Bank of India	82.40	75.30
Term loan from Kotak Mahindra Investments Ltd.	31.09	31.15
Interest Accrued but not due	1.43	3.02
Other payables	0.00	-
	<b>169.70</b>	<b>184.65</b>

2.22 Other current liabilities

Particulars	As at 31.03.2019	As at 31.03.2018
Statutory dues payable	31.55	28.75
Contract liabilities - Advance from customers:		
From related parties	892.44	62.87
From others	0.14	-
Balance with statutory authorities	-	0.89
	<b>924.13</b>	<b>92.51</b>



**Classic Auto Tubes Limited**

**Notes forming part of the Financial Statements for the year ended 31st March, 2019**

(Amount in INR Millions, unless otherwise stated)

**2.23 Short term provisions**

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for employee benefits:		
Provision for short service award	1.61	-
Provision for gratuity (Refer Note 2.33)	-	-
Provision for leave encashment (unfunded)	0.71	4.50
Provision for warranty charges (Refer Note 2.17.01)	19.91	-
Provision for commissioning expenses (Refer Note 2.17.02)	1.50	-
	<b>23.73</b>	<b>4.50</b>

**2.24 Current tax liabilities (net)**

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for income tax (net of advance tax and TDS credit)	34.38	-
	<b>34.38</b>	<b>-</b>





**2.25 Revenue From Operations**

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
<b>Sale of products:</b>		
Sales of moulds & machine components	687.06	795.94
Sale of compounds	191.74	106.67
Sale of tubes & bladders	3,346.87	128.35
<b>Sale of services:</b>		
Conversion Charges	576.97	1,323.32
Other services	6.84	1.46
<b>Contract Revenue:</b>		
Contract revenue from tyre building machine	308.95	109.36
<b>Other operating revenues:</b>		
Sale of scrap	25.40	9.39
Sale of raw material	-	0.32
Loading & unloading charges	7.12	6.62
Other operating revenues	1.66	-
	<b>5,152.61</b>	<b>2,481.43</b>

2.25.01 Sale of products includes excise duty collected from customers Rs.Nil/- (Rs.17.32 millions)

**2.25.02**

a) Aggregate amount of the transaction price allocated to the performance obligations that are partially satisfied as of the end of the reporting period amounts to Rs.171.47 Million. Management expects the same to be recognised as revenue during FY 2019-20.

b) Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period - Rs.62.87 Million.

c) The contract liability as at the end of the year has increased to Rs.892.44 Million from the the previous year end balance of Rs.62.87 Million. This increase is primarily due to advances received from Apollo Tyres Limited during the year against orders received for supply of Tyre building Machine as part of a major capital expansion. Contract Assols (Unbilled revenue) as at the end of the year has increased to Rs.161.53 Million from the the previous year end balance of Rs.48.22 Million. This increase is primarily due to a Tyre building machine contract which was substantially complete as at the end of the year and has since been transferred to the customer.

**2.26 Other Income**

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Rental income	0.12	0.91
Interest income	57.12	27.28
Dividend Income from non-current investments	43.48	43.48
Unclaimed Liabilities written back	2.71	1.90
Gain on foreign currency transactions and translations (not)	44.73	0.21
Gain on sale/disposal of fixed assets	0.05	-
Gain on fair valuation of Security Deposit	0.14	0.08
Other non operating income	0.57	1.18
	<b>148.92</b>	<b>75.04</b>

**2.27 Cost of material consumed**

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Inventory at the beginning of the year	142.16	86.45
Add: Purchases	3,954.72	585.21
	<b>4,096.88</b>	<b>671.66</b>
Less: Inventory at the end of the year	901.64	142.16
	<b>3,195.24</b>	<b>529.50</b>

**2.28 Changes in inventories of finished goods and work-in-progress**

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Not decrease/ (increase)	(87.31)	13.57
	<b>(87.31)</b>	<b>13.57</b>

**2.29 Employee Benefits Expenses**

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Salaries, wages, bonus and other allowances	580.86	503.93
Contribution to Provident Fund and Other Funds	46.84	25.63
Staff welfare expenses	43.18	47.43
	<b>670.88</b>	<b>576.99</b>



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2.30 Finance Cost

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Interest on borrowings	30.00	46.74
Processing fees	0.55	0.48
	<b>30.55</b>	<b>47.22</b>

2.01 Depreciation and amortization expense

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Depreciation	154.91	151.97
Amortization	2.62	2.86
	<b>157.53</b>	<b>154.83</b>

2.31 Other Expenses

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Power and fuel	331.35	296.34
Consumption of stores and spare parts	44.20	47.74
Compensation for excess raw material consumption	2.94	12.08
Legal and professional charges	17.89	19.34
CSR Expenses (Refer Note 2.38)	13.00	14.27
Rent	3.88	4.14
Repairs and Maintenance		
Buildings	1.01	0.57
Machinery	30.63	29.02
Others	6.47	5.29
Rates and taxes	5.45	4.82
Insurance	8.04	6.07
Freight & forwarding	16.37	13.44
Fixed assets written off	0.51	0.75
Warehousing & custom clearing charges	18.35	-
Loss on sale/disposal of fixed assets	-	0.02
Travelling and conveyance expenses	33.50	22.70
Postage, telegram & stationery	2.90	3.31
Auditors remuneration (Refer Note 2.31.01)	1.53	1.65
Trade advances written off	2.62	-
Director's sitting fees	0.16	0.19
Amortization of deferred lease asset	0.14	0.09
Warranty charges	23.88	2.05
Miscellaneous expenses	19.22	20.09
	<b>584.04</b>	<b>503.98</b>

2.31.01 Payments to the auditor:

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
a. Auditor	1.35	1.35
b. For Taxation Matters	0.15	0.15
c. Reimbursement of expenses	0.03	0.15
	<b>1.53</b>	<b>1.65</b>

2.32 Earnings per share

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year. Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders after adjusting by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares.

Particulars	For the year ended 31.03.2019	For the year ended 31.03.2018
Profit for the year	521.25	468.11
Weighted average number of equity shares of Rs.10/- each fully paid up	1,04,80,000	1,04,80,000
<b>Earnings per share (Basic &amp; Diluted)</b>	<b>49.74</b>	<b>44.67</b>



### 2.33 Employee benefits

#### (A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss - Refer Note 2.29)

	31.03.2019	31.03.2018
Employers' Contribution to provident fund	21.86	21.27
Employers' Contribution to Employee State Insurance	4.42	3.38
<b>Total</b>	<b>26.28</b>	<b>24.65</b>

#### (B) Defined benefit plans - Gratuity

Liability for employee defined benefits plan has been determined by an Actuary, appointed for the purpose, in conformity with the principle set out in

##### i) Actuarial assumptions

Discount rate (per annum)	7.65%	7.71%
Rate of increase in Salary	5.50%	5.50%
Expected average remaining working lives of employees (years)	20.71	21.24
Attrition rate	3.00%	2.00%

##### ii) Changes in the present value of defined benefit obligation

Present value of obligation at the beginning of the year	43.88	39.11
Interest cost	3.38	2.95
Current service cost	4.47	3.63
Benefits paid	(1.28)	(0.33)
Actuarial (gain)/ loss on obligations	6.02	(1.49)
<b>Present value of obligation at the end of the year*</b>	<b>56.47</b>	<b>43.88</b>

\*Included in provision for employee benefits (Refer note 2.06 and 2.13)

##### iii) Change in fair value of assets

Fair value of plan assets - opening	58.76	36.24
Actual return on plan assets	4.81	3.54
Mortality Charges	(0.60)	(0.59)
Employer's contribution	7.48	19.90
Benefits paid	(1.28)	(0.33)
<b>Fair value of plan assets - closing</b>	<b>69.17</b>	<b>58.76</b>

##### iv) Expense recognized in the Statement of Profit and Loss

Current service cost	4.47	3.63
Interest cost	3.38	2.95
Expected return on plan assets	4.53	2.73
<b>Total expenses recognized in the Statement Profit and Loss*</b>	<b>3.32</b>	<b>3.85</b>

\*Included in Employee benefits expense (Refer Note 2.29).

##### v) Expense / (income) recognized as OCI in the Statement of Profit and Loss

Re-measurements during the year due to:

Changes in financial assumptions	0.37	0.86
Changes in demographic assumptions	-	0.02
Experience adjustments	5.64	0.61
Actual return on plan assets less interest on plan assets	0.33	0.21
<b>Total</b>	<b>6.34</b>	<b>1.70</b>

##### vi) Assets and liabilities recognized in the Balance Sheet:

	31.03.2019	31.03.2018
Present value of funded defined benefit obligation - opening	56.47	43.88
Fair value of plan assets	69.17	58.76
<b>Net liability/ ( asset ) recognized in Balance Sheet</b>	<b>(12.70)</b>	<b>(14.88)</b>

Included in Other current assets (Refer note 2.06 & 2.13)

##### vii) Expected contribution to the fund in the next year

	31.03.2019	31.03.2018
Gratuity	3.45	2.47

##### viii) Sensitivity Analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future escalation rate. A quantitative sensitivity analysis for significant assumption is as shown below:

##### Impact on defined benefit obligation

	31.03.2019	31.03.2018
Discount rate		
0.5% increase	-5.22%	-5.81%
0.5% decrease	5.64%	6.31%
Rate of increase in salary		
0.5% increase	5.73%	6.40%
0.5% decrease	-5.35%	-5.95%



**Classic Auto Tubes Limited**

**Notes forming part of the Financial Statements for the year ended 31st March, 2019**

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**ix) Maturity profile of defined benefit obligation**

Year		
0-1 Years	4.41%	4.13%
1-2 Years	1.68%	1.71%
2-3 Years	1.62%	1.65%
3-4 Years	1.55%	1.58%
4-5 Years	1.55%	1.56%
5 Years and onwards	89.19%	89.37%

**(C) Defined benefit plans - leave encashment**

**i) Assets and liabilities recognized in the Balance Sheet:**

	31.03.2019	31.03.2018
Opening Balance	9.76	5.26
Charged during the year (Refer Note 2.29)	-2.68	4.50
<b>Net liability recognised in Balance Sheet</b>	<b>7.08</b>	<b>9.76</b>
Included in non-current provision (Refer Note 2.17)	6.38	5.26
Included in current provision (Refer Note 2.23)	0.71	4.50

**2.34 Leases**

**(i) Operating leases where Company is a lessee:**

The company leases certain office premises under operating leases. Many of these leases include a renewal option on a periodic basis at the company's option, with the renewal periods extending in the range of 2 to 5 years. Rental expense for operating leases amounted to Rs.3.88 Million (Rs.4.14 Million) which has been charged to the Statement of profit and loss. The schedule for future minimum rental payments over the lease term in respect of operating leases is set out below.

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	As at	As at
	31.03.2019	31.03.2018
Within one year	1.56	1.84
After one year but not more than five years	4.58	6.15
More than five years	6.92	6.92
	<b>13.06</b>	<b>14.91</b>

**Description of significant operating lease arrangements:**

The company has given refundable interest free security deposits under the lease agreements. All agreements contain provision for renewal at the option of either party. All agreements provide for restriction on sub lease.

**2.35 Related Party Disclosures:**

**(A) Names of related parties and description of relationship as identified and certified by the Company:**

Particulars	Name of the Party
Companies in which directors are interested	Apollo Tyres Limited Apollo Tyres Vredestein D. V Artemis Medicare Services Ltd. Constructive Finance Private Limited
Holding company	Sunray Properties and Investment Co. (P) Ltd.
Subsidiaries	CATL Singapore Pto Ltd Premedium Pharmaceuticals Private Limited
Firms in which company has substantial interest	CATL Financial Services LLP (resigned as partner wef 22.10.2018) Sunrays Global Consultants LLP
Shareholder	Motlay Finance Pvt. Ltd.
Key Management Personnel	Mr. Onkar S. Kanwar (Director) Mrs. Taru Kanwar (President) Mr. Rajeev Lokare (CEO) Mr. Naveen Kapur (Whole Time Director) Mr. Borni Karkaria (CFO) Mr. Harish Bahadur (Director) Mr. Sanjay Dua (Director) Mr. KK Malhotra (Director) Mr. Pramod Kalra (Company Secretary) - resigned wef 28.02.2019

Note: Related parties and their relationships are as identified by the management and relied upon by the auditors



**Classic Auto Tubes Limited**  
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**(B) Details of transactions with related party in the ordinary course of business for the year ended:**

	<b>As at 31.03.2019</b>	<b>As at 31.03.2018</b>
<b>Sales</b>		
Apollo Tyres Limited	4,106	750.21
<b>Conversion Income</b>		
Apollo Tyres Limited	567.30	1,317.85
<b>Loading &amp; Unloading Income</b>		
Apollo Tyres Limited	-	5.24
<b>Reimbursement of Expenses Incurred</b>		
Apollo Tyres Limited	20.55	105.91
<b>Management and Other Expenses</b>		
Apollo Tyres Limited	1.69	1.71
<b>Purchases of Raw Material</b>		
Apollo Tyres Limited	1,206.83	61.57
CATL Singapore Pte Ltd	1,015.93	-
<b>Purchase of Fixed Assets</b>		
Apollo Tyres Limited	2.89	-
<b>Rent Received</b>		
Apollo Tyres Limited	0.12	0.12
<b>Rent Paid</b>		
Apollo Tyres Limited	1.06	1.07
Constructive Finance Private Limited	-	0.01
<b>Investments made</b>		
CATL Singapore Pte Ltd	6.96	-
Premedium Pharmaceuticals Private Limited	100.10	-
Apollo Tyres Limited	226.60	-
<b>Medical Expenses</b>		
Mrs.Taru Kanwar	-	14.63
<b>Insurance Expenses</b>		
Mrs.Taru Kanwar	0.40	1.91
<b>Travelling Expenses</b>		
Mr.Navon Kapur	4.59	0.36
Mrs.Taru Kanwar	4.48	1.62
<b>Compensation for Excess Raw Material Consumption</b>		
Apollo Tyres Limited	2.94	12.08
<b>Payment for Services received</b>		
Artemis Medicare Services Ltd.	-	0.19
<b>Managerial Remuneration</b>		
Salary - Mrs.Taru Kanwar (President)	63.81	39.66
Salary - Mr Rajeev Lokare (CEO)	12.47	10.03
Salary - Mr Naveon Kapur (Whole Time Director)	33.00	17.83
Salary - Mr Bomi Karkarla (CFO)	3.81	2.76
Salary - Mr Pramod Kalra (Company Secretary)	0.49	0.30
<b>Directors Sitting Fee</b>		
Mr. Onkar Kanwar	0.03	0.04
Mr. Harish Bahadur	0.06	0.05
Mr. Sanjay Dua	0.06	0.05
Mr. KK Malhotra	0.06	0.05



**Classic Auto Tubes Limited**  
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**Other benefits to key management personnel**

**Leave Liability**

Mrs.Taru Kanwar (President)

Mr Rajeev Lokare (CEO)

Mr Naveen Kapur (Whole Time Director)

Mr Bomi Karkaria (CFO)

**Gratuity Liability**

Mr Rajeev Lokare (CEO)

Mr Naveen Kapur (Whole Time Director)

Mr Bomi Karkaria (CFO)

	As at 31.03.2019	As at 31.03.2018
	-	3.37
	0.31	0.22
	-	0.63
	0.06	0.07
	0.54	3.78
	0.61	0.24
	0.13	0.09

**(C) Amount due to/from related party as on:**

**Trade Payable**

Apollo Tyres Limited

CATL Singapore Pte Ltd

**Advances received**

Apollo Tyres Limited

**Trade Receivables**

Apollo Tyres Limited

Apollo Tyres Vredestein B.V

**Reimbursable Receivables**

Apollo Tyres Limited

**Interest Receivable**

Motlay Finance Pvt. Ltd.

**Reimbursable Payables**

Apollo Tyres Limited

	As at 31.03.2019	As at 31.03.2018
	96.00	8.14
	408.86	-
	892.44	62.87
	716.73	158.38
	5.10	-
	-	-
	19.95	19.95
	1.73	0.16

**2.36 Contingent liabilities and commitments**

**Contingent Liabilities**

Claims against the company not acknowledged as debt:

a) On account of dispute under Central Excise Act, 1944 (excludes interest thereon)

b) On account of disputes pending disposal under Income tax Act, 1961

Provision for amount payable as compensation to employee under Employee State Insurance Act, 1948

Amount paid under protest to statutory authorities

Bank Guarantee

Incremental statutory bonus liabilities for the FY 2014-15 is not provided for in pursuance to Kerala High Court stay order

**Commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for

**Total**

	As at 31.03.2019	As at 31.03.2018
	528.61	244.80
	15.43	-
	0.50	-
	0.59	0.59
	8.32	5.46
	5.95	5.95
	44.98	43.22
	<b>604.38</b>	<b>300.02</b>

**2.37 Dues to micro and small enterprises**

Dues to Micro Small & Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the company. This has been relied upon by the auditors. According to the records available with the Company certain amount have been identified as dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosure pursuant to the said MSMED Act are as follows:

Particulars	As at 31.03.2019	As at 31.03.2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	27.74	17.41
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
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	-	-



**Classic Auto Tubes Limited**

**Notes forming part of the Financial Statements for the year ended 31st March, 2019**

(Amount in INR Millions, unless otherwise stated)

**2.38 Expenditure towards Corporate Social Responsibility (CSR) Activities -**

As per section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. A CSR committee has been formed by the Company as per the Act.

Particulars	As at	As at
	31.03.2019	31.03.2018
Amount required to be spent u/s 135 of the Companies Act, 2013	13.02	11.46
Total expenditure towards CSR Activities	13.00	14.27
a) Construction/acquisition of any asset	-	-
b) On purpose other than (a) above	13.00	14.27

**2.39 Segment reporting**

The Company follows Ind AS 108, 'Segment Reporting' which requires disclosure of segment information for the operating segments of the Company. The Company has identified geographic segments as its operating segments viz. Job Work for Tyre Industry and sale of Tyre Building Machines and Moulds. Hence no separate segment information has been furnished herewith.

**Segment Revenue**

	As at	As at
	31.03.2019	31.03.2018
Job Work for Tyre Industry	585.76	1,568.65
Manufacturing of Tubes	3,602.35	-
Mould	668.97	761.48
Tyre Building Machine	340.30	151.30
	<b>5,197.38</b>	<b>2,481.43</b>

**Segment Result**

Job Work for Tyre Industry	190.82	586.84
Manufacturing of Tubes	363.37	-
Mould	267.78	378.22
Tyre Building Machine	180.49	56.72
	<b>1,002.46</b>	<b>1,021.78</b>

Unallocated Expenses

353.82

383.75

Unallocated Income

101.96

75.04

**Total Profit/ Loss Before Tax**

**750.60**

**713.07**

Income Taxes

229.35

244.95

**Net Profit**

**521.25**

**468.11**

**Segment Assets**

	As at	As at
	31.03.2019	31.03.2018
Job Work for Tyre Industry	219.02	1,318.15
Sale of rubber for Tyre Industry	1,847.08	-
Mould	641.77	650.69
Tyre Building Machine	327.58	78.96
Unallocated Assets	4,885.23	4,811.83
	<b>7,920.68</b>	<b>6,859.63</b>

**Segment Liabilities**

Job Work for Tyre Industry	4.60	170.89
Sale of rubber for Tyre Industry	703.17	-
Mould	23.15	7.54
Tyre Building Machine	878.35	60.06
Unallocated Liabilities	1,307.74	1,624.47
	<b>2,917.02</b>	<b>1,862.96</b>

There are no significant non-cash expenses, included in segment expenses, other than depreciation and amortization expenses in respect of segment assets.

The following table gives details in respect of percentage of revenues generated from top customer and revenues from transactions with customers amounts to 10 percent or more of Company's revenues from product sale:

Particulars	2018-19	2017-18
Revenue from top customer	4,738.84	2,067.69
Revenue from customers contributing 10% or more to the Company's revenues from product sale	4,738.84	2,067.69

**Secondary Segment (Geographical)**

The Company's operations are located in India, and its overseas operations does not meet the criteria required of reportable segment, and hence has not been disclosed. All other assets and liabilities of the Company are located in India.



**Classic Auto Tubes Limited**

**Notes forming part of the Financial Statements for the year ended 31st March, 2019**

(Amount In INR Millions, unless otherwise stated)

**2.40** The Honourable Supreme Court in its judgment dated 28th February 2019 in case of RPFCL West Bengal Vs. Vivekanand vidhyamandir and others and other related appeals, ruled that special allowance if paid to all the employees of the organisation and if the same is not linked to performance, needs to be considered as part of basic wages for the purpose of Provident Fund contributed. The CBDT has sought clarification from PFRDA on the effective date of applicability but the response from PFRDA is awaited. Hence owing to uncertainty of effective date of applicability & also pending disposal of the review petition filed in the supreme court, the company has not recognised any liability on the matter.

**2.41 Fair values of financial assets and financial liabilities**

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

The carrying values of non-current security deposits and non-current term deposits are not significant and therefore the impact of fair value is not considered for above disclosure.

**2.42 Fair value hierarchy**

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

Particulars	Hierarchy (Level)	As at 31.03.2019	As at 31.03.2018
<b>Financial Assets measured at Fair value through Other Comprehensive Income</b>			
Investments in Equity instruments FVTOCI	1	3,457.86	4,015.42

No financial assets/liabilities have been valued using level 3 fair value measurements.

Category wise classification of financial instruments is as follows:

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
<b>Financial Assets measured at Fair value through Other Comprehensive Income</b>			
Investments in Equity instruments FVTOCI	2.02	3,457.86	4,015.42
		<b>3,457.86</b>	<b>4,015.42</b>
<b>Financial Assets measured at amortised cost</b>			
Non Current:			
i. Investments	2.02	227.06	120.50
ii. Loans	2.03	19.13	18.93
iii. Other financial assets	2.04	0.83	0.78
Current:			
i. Trade Receivables	2.08	746.68	249.41
ii. Cash and cash equivalents	2.09A	131.37	329.00
iii. Bank Balances other than (ii) above	2.09B	631.87	415.81
iv. Loans	2.10	0.63	0.52
v. Other financial assets	2.11	27.64	27.47
		<b>1,785.21</b>	<b>1,162.42</b>
<b>Financial Liabilities measured at amortised cost</b>			
Non Current:			
i. Borrowings	2.16	124.88	229.86
Current:			
i. Borrowings	2.19	12.11	20.71
ii. Trade Payables	2.20	715.62	126.74
iii. Other financial liabilities	2.21	169.79	184.65
		<b>1,022.40</b>	<b>561.96</b>

**2.43 Financial risk management objectives and policies**

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk, foreign currency risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

**(A) Market risk**

Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. We are exposed to market risk primarily due to fluctuations in interest rates as described more fully below. We do not hold or issue derivative financial instruments for trading or speculative purposes.





**Classic Auto Tubes Limited**

**Notes forming part of the Financial Statements for the year ended 31st March, 2019**

(Amount in INR Millions, unless otherwise stated)

**(i) Foreign currency sensitivity**

The Company undertakes transactions denominated in foreign currency mainly in US Dollar and Euros, which is subject to the risk of exchange rate fluctuations. Financial assets and liabilities denominated in foreign currency, are also subject to reinstatement risks. The Company presently does not hedge its exposures in foreign currency due to the impact in the statement of profit or loss not being material on account of such fluctuations.

Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are disclosed below.

Particulars	Foreign Currency	As at 31.03.2019		As at 31.03.2018	
		Amount in FC	Amount in INR	Amount in FC	Amount in INR
<b>Financial liabilities:</b>					
Trade Payables	USD	5.95	408.99	-	-

**Sensitivity**

The following table details the Company's sensitivity to a 1% increase and decrease in the rupee against the relevant foreign currencies.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 1% change in foreign currency rates, with all other variables held constant.

Particulars	Impact in Statement of Profit and Loss for 1% change	
	As at 31.03.2019	As at 31.03.2018
INR/USD (Net Payable)	4.09	-

There are no hedged foreign currency receivables or payables as at Balance Sheet date.

The particulars of unhedged items as at Balance Sheet date is as under:

Particulars	As at 31.03.2019		As at 31.03.2018	
	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
<b>Payables/ (Advance paid):</b>				
EURO	(0.03)	(2.61)	(0.05)	(4.37)
USD	(0.02)	(1.10)	(0.01)	(0.47)
Japanese Yen	-	-	(1.85)	(1.15)
<b>Payables:</b>				
USD	5.95	408.99		
<b>Receivables</b>				
	-	-	-	-

**(ii) Interest rate risk**

The company is exposed to interest rate risk as the company borrows funds at both fixed and floating interest rates. The risk is managed by the company by maintaining an appropriate mix between fixed and floating rate borrowings.

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 Investments.

**Interest rate sensitivity**

Our exposure to market risk for changes in interest rates relates primarily to our cash and cash equivalents, other bank balances and investments. The company does not use derivative financial instruments to hedge interest rate exposure. The company's cash and cash equivalents, other bank balances and investments as of March 31, 2019 and March 31, 2018 were **Rs.763.24 and Rs.744.81** respectively. The company invest primarily in highly liquid, money market funds and bank fixed deposits. Because of the short-term nature of the majority of the interest-bearing securities the company holds, the company believes that a 10% fluctuation in the interest rates applicable to our cash and cash equivalents and investments would not have a material effect on our financial condition or results of operations.

**Interest rate risk exposure**

Particulars	As at	As at
	31.03.2019	31.03.2018
Variable rate borrowing	12.11	20.71
Total borrowings disclosed under other financial liabilities	12.11	20.71

**Sensitivity**

Below is the sensitivity of profit or loss in interest rates:

Particulars	As at	As at
	31.03.2019	31.03.2018
Interest rates – change by 100 basis points (100 bps)	0.12	0.21



**Classic Auto Tubes Limited****Notes forming part of the Financial Statements for the year ended 31st March, 2019**

(Amount in INR Millions, unless otherwise stated)

**(B) Credit risk**

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy customers.

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, time deposits, and accounts receivables. The Company maintains its cash and cash equivalents, time deposits, with banks having good reputation, good past track record, and who meet the minimum threshold requirements under the counterparty risk assessment process, and reviews their credit-worthiness on a periodic basis. Accounts receivables of the Company are typically unsecured. Management reviews the creditworthiness of customers based on their financial position, past experience and other factors. The Company perform ongoing credit evaluations of their customers' financial condition and monitor the creditworthiness of their customers to which they grant credit terms in the normal course of business.

At 31st March, 2019, the company did not consider there to be any significant concentration of credit risk which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

*Assets under credit risk*

Particulars	Note No.	As at	As at
		31.03.2019	31.03.2018
<b>Non Current:</b>			
Financial assets -			
i. Investments	2.02	3,684.92	4,135.92
ii. Loans	2.03	19.13	18.93
iii. Other financial assets	2.04	0.83	0.78
<b>Current:</b>			
Financial assets -			
i. Trade Receivables	2.08	746.68	249.41
ii. Cash and cash equivalents	2.09A	131.37	329.00
iii. Bank Balances other than (ii) above	2.09B	631.87	415.81
iv. Loans	2.10	0.63	0.52
v. Other financial assets	2.11	27.64	27.47

**Trade receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company is exposed to a concentration of customer risk with respect to its trade receivable balances.

At the reporting date, trade receivable balance from related party is 96.68% (63.50% in financial year 2017-18) of total receivables. The receivables from related party is subject to minimal credit risk.

In accordance with Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss or gain. The provision for expected credit loss takes into account available external and internal credit risk factors and Company's historical experience for customers.

The allowance for life time expected credit loss on customer balances for the year ended 31st March, 2019 and as at 31st March, 2018 is assessed as Rs.Nil (Rs.Nil).

Particulars	As at	As at
	31.03.2019	31.03.2018
Balance at the beginning	-	-
Impairment loss recognised	-	-
Impairment loss reversed	-	-
<b>Balance at the end</b>	-	-

**Details of Financial Assets that are neither past due nor impaired and that are past due but not impaired**

Particulars	As at	As at
	31.03.2019	31.03.2018
Financial assets that are neither past due nor impaired	5,243.06	5,177.84
Financial assets that are past due but not impaired	-	-
Financial assets that are past due and impaired	-	-
<b>Total</b>	<b>5,243.06</b>	<b>5,177.84</b>

**(C) Liquidity risk**

Liquidity risk is the risk that the Company will encounter due to difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities for the company.

The company has sound financial strength represented by its aggregate current assets as against aggregate current liabilities and its strong equity base and working capital debt. The Company's current assets aggregate to Rs.2,806.53 (Rs.1,276.52) including trade receivables, cash and cash equivalents and bank balances against aggregate current liability of Rs.1,879.76 (Rs.429.11) and non current liabilities amounting to Rs.1,045.60 (Rs.1,433.85) on the reporting date. While the Company's total equity stands at Rs.5003.66 (Rs.4,996.67). The Company has established an appropriate liquidity risk management framework for its short term, medium term and long term funding requirement.



**Classic Auto Tubes Limited**  
**Notes forming part of the Financial Statements for the year ended 31st March, 2019**  
(Amount in INR Millions, unless otherwise stated)

As at year-end, the Company's financial liabilities have contractual maturities as summarised below:

Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
<b>As at 31st March, 2019</b>				
Non current:				
i. Borrowings	-	124.88	-	124.88
Current:				
i. Borrowings	12.11	-	-	12.11
ii. Trade Payables	715.62	-	-	715.62
iii. Other financial liabilities	169.79	-	-	169.79
<b>As at 31st March, 2018</b>				
Non current:				
i. Borrowings	-	229.86	-	229.86
Current:				
i. Borrowings	20.71	-	-	20.71
ii. Trade Payables	126.74	-	-	126.74
iii. Other financial liabilities	184.65	-	-	184.65

**2.44 Capital 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 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.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents term loans and current borrowing from banks and other financial institutions. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	As at	As at
	31.03.2019	31.03.2018
Total equity (i)	5,003.66	4,996.67
Total debt (ii)	238.37	336.31
Overall financing (iii) = (i) + (ii)	5,242.03	5,332.98
Gearing ratio (ii) / (iii)	0.05	0.06

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2019 and 31st March, 2018.

- 2.45** During the year, the Pune unit of the company has changed its business model. The company was rendering services under conversion arrangement for tubes to one of its major customer (which is also a related concern) upto 30th June, 2018. Thereafter, it has started manufacturing and sale of tubes to the said related concern. Further, the Kochi unit of the company which was only undertaking services under the conversion arrangement to the related concern has also started manufacturing and sale of compounds during the year along with the conversion arrangement. To this extent, the operational results are not comparable for the relevant periods.



**Classic Auto Tubes Limited**

**Notes forming part of the Financial Statements for the year ended 31st March, 2019**

(Amount in INR Millions, unless otherwise stated)

2.46 Revenue for the period ended 31st March, 2018 is inclusive of excise duty up to the period June 30, 2017 and is therefore not comparable with the revenue from operations for the year ended 31st March, 2019, which is presented net of GST consequent to introduction of Goods and Services Tax (GST) w.e.f July 1, 2017.

2.47 Figures have been rounded off to the nearest millions. Previous year figures, unless otherwise stated are given within brackets and have been re-grouped and recast wherever necessary to be in conformity with current year's layout.

As per our separate report of even date attached

For and on behalf of the Board of Directors

For VARMA & VARMA  
(FRN: 004532 S)

(VIVEK KRISHNA GOVIND)  
Partner  
CHARTERED ACCOUNTANTS  
Membership No. 208259

*Onkar S Kanwar*

Onkar S Kanwar  
Director  
DIN: 00058921

*Rajeev Vinayak Lokare*  
Rajeev Vinayak Lokare  
Chief Executive Officer

*Harish Bahadur*  
Harish Bahadur  
Director  
DIN: 00032919

*Bomi Karkaria*  
Bomi Karkaria  
Chief Financial Officer

*Naveen Kapur*  
Naveen Kapur  
Whole Time Director  
DIN: 00024538

*Mona Bhandari*  
Mona Bhandari  
Company Secretary

Place: Kochi-19  
Date: 31-07-2019

Place: Gurugram  
Date: 22-07-2019