INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CLASSIC INDUSTRIES AND EXPORTS LIMITED

(Formerly known as Classic Auto Tubes Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Limited) ("the Company"), which comprise the Balance Sheet as at 31st March 2020, 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 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, 2020, 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.

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Emphasis of Matter

We draw attention to Note No.2.47 of the Financial Statements, which describes the impact of the COVID-19 pandemic on the operations and financial position of the company.

Our opinion is not modified in respect of this matter.

Information Other than Financials 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 of the Company for the financial year 2019-20, 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 Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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

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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 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.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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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 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, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2020 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.2.37 to the 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.

For VARMA & VARMA
(FRN:004532S)

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

Place: Kochi-19
Date: 26.08.2020

UDIN: 20208259AAAADG8941

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 INDUSTRIES AND EXPORTS LIMITED (FORMERLY KNOWN AS CLASSIC AUTO TUBES LIMITED) FOR THE YEAR ENDED 31ST MARCH, 2020

1. a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) We are informed that there is a regular programme of physical verification of all fixed assets (Property, Plant & Equipment) over a period of three years which, in our opinion, is reasonable having regard to the size and nature of operations of the company. No material discrepancies were noticed on such physical verification.

   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 physical verification of inventory has been conducted at reasonable intervals during the year by the management which, in our opinion is reasonable having regard to the size of the company and nature of its business and that no material discrepancies were noticed on such verification.

3. 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 loans to three related parties - Apollo Finance Limited, Sunrays Global Consultants LLP and Motlay Finance Private Limited.

   a) According to the information and explanations given to us and the records of the company examined by us, the terms and conditions of such loans are not prejudicial to the interest of the company.

   b) The loans including both the principal and interest are repayable on demand.

   c) There are no amounts that are overdue 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.

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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.

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, 2020 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	4.56	AY 2014-15	ITAT, Delhi
Income Tax Act, 1961	Penalty	0.33	AY 2016-17	CIT (A)
Central Excise Act, 1944	Excise Duty	508.22	From 01.01.2007 to 31.12.2014	CESTAT

*Net of amounts paid under protest

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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.

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.2.36 to the 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.

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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.

For VARMA & VARMA
(FRN:004532S)

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

Place: Kochi -19
Date: 26.08.2020

UDIN: 20208259AAAADG8941

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 INDUSTRIES AND EXPORTS LIMITED (FORMERLY KNOWN AS CLASSIC AUTO TUBES LIMITED) FOR THE YEAR ENDED 31ST MARCH 2020

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 Industries and Exports Limited (formerly known as Classic Auto Tubes Limited) ("the Company") as of March 31, 2020 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.

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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 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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Chartered Accountants

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, 2020, 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.

For VARMA & VARMA
(FRN: 004532S)

Place: Kochi-19
Date: 26.08.2020

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

UDIN: 20208259AAAADG8941

Classic Industries and Exports Limited
(Formerly known as Classic Auto Tubes Limited)

Balance Sheet as at 31st March, 2020
(Amount in INR Millions, unless otherwise stated)

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
I. ASSETS			
1. Non-current assets			
a. Property, Plant and Equipment	2.01	1,252.75	1,317.75
b. Capital work-in-progress		27.40	21.76
c. Intangible assets	2.01	8.64	9.44
d. Intangible assets under development		-	0.80
e. Financial assets			
i. Investments	2.02	1,459.63	3,684.92
ii. Loans	2.03	19.29	19.76
iii. Other financial assets	2.04	4.57	0.83
f. Non-current tax assets (net)	2.05	25.87	25.16
g. Other non-current assets	2.06	4.35	34.36
Total Non-current assets		**2,802.50**	**5,114.78**
2. Current assets			
a. Inventories	2.07	707.25	1,020.59
b. Financial assets			
i. Trade Receivables	2.08	623.78	747.57
ii. Cash and cash equivalents	2.09A	141.84	131.37
iii. Bank Balances other than (ii) above	2.09B	499.90	631.87
iv. Loans	2.10	350.00	-
v. Other financial assets	2.11	15.77	27.64
c. Current tax assets (net)	2.12	10.01	-
d. Other current assets	2.13	443.25	247.75
Total current assets		**2,791.80**	**2,806.79**
Total Assets		**5,594.30**	**7,921.57**
II. EQUITY AND LIABILITIES			
1. Equity			
a. Equity share capital	2.14	104.80	104.80
b. Other equity	2.15	3,853.26	4,898.86
Total Equity		**3,958.06**	**5,003.66**
LIABILITIES			
2. Non-current liabilities			
a. Financial liabilities			
i. Borrowings	2.16	-	124.88
ii. Other financial liabilities	2.17	0.29	-
b. Provisions	2.18	32.78	12.74
c. Deferred Tax Liabilities (Net)	2.19	290.77	899.64
Total non-current liabilities		**323.84**	**1,037.26**
3. Current liabilities			
a. Financial liabilities			
i. Borrowings	2.20	29.04	12.11
ii. Trade Payables			
a) Total outstanding dues of micro enterprises and small enterprises	2.21	24.04	27.74
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.21	472.61	686.70
iii. Other financial liabilities	2.22	108.54	170.97
b. Other Current Liabilities	2.23	644.33	925.02
c. Provisions	2.24	33.84	23.73
d. Current tax liabilities (net)	2.25	-	34.38
Total current liabilities		**1,312.40**	**1,880.65**
Total liabilities		**1,636.24**	**2,917.91**
Total equity and liabilities		**5,594.30**	**7,921.57**

Significant accounting policies and key accounting estimates and judgements — Note 1
The accompanying notes form 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

Harish Bahadur
Director
DIN: 00032919

Naveen Kapur
Whole Time Director
DIN: 00024538

Rupak Saxena
Chief Financial Officer

Mona Bhandari
Company Secretary

Place: KOCHI-19
Date: 26.08.2020

Place: New Delhi
Date: 21.08.2020

Classic Industries and Exports Limited
(Formerly known as Classic Auto Tubes Limited)

Statement of Profit And Loss for the year ended 31st March, 2020
(Amount in INR Millions, unless otherwise stated)

	Particulars	Note No	For the year ended 31.03.2020	For the year ended 31.03.2019
	INCOME			
I.	Revenue from operations	2.26	5,358.43	5,152.61
II.	Other Income	2.27	150.48	148.92
III.	**Total Income**		**5,508.91**	**5,301.53**
IV.	**EXPENSES**			
	a. Cost of material consumed	2.28	3,349.55	3,208.32
	b. Change in inventories of finished goods and work-in-progress	2.29	(21.62)	(87.31)
	c. Employee benefits expenses	2.30	660.35	670.42
	d. Finance cost	2.31	18.96	30.96
	e. Depreciation and amortisation expenses	2.01	165.10	157.53
	f. Other expenses	2.32	541.68	571.01
IV.	**Total Expenses**		**4,714.02**	**4,550.93**
V.	**Profit before Tax (III-IV)**		**794.89**	**750.60**
VI.	Tax expense:			
	a. Current tax		198.68	218.28
	b. Tax Prior Years		-	29.20
	c. Deferred tax		(42.42)	(18.13)
			156.26	**229.35**
VII.	**Profit for the period (V - VI)**		**638.63**	**521.25**
VIII.	**Other Comprehensive Income**			
	Items that will not be reclassified to profit or loss:			
	(a) (i) Re-measurements on defined benefit plans		(25.39)	(6.34)
	(ii) Income tax effect		6.39	2.22
			(19.00)	**(4.12)**
	(b) (i) Fair valuation gain/(loss) adjustments on equity instruments designated as FVTOCI		(2,225.29)	(784.16)
	(ii) Income tax effect		560.06	274.02
			(1,665.23)	**(510.14)**
	Other comprehensive income/(loss) for the year (VIII(a)+VIII(b))		**(1,684.23)**	**(514.26)**
IX.	**Total Comprehensive Income/(loss) for the period (VII+ VIII) (Comprising Profit and Other Comprehensive Income/(loss) for the period)**		**(1,045.60)**	**6.99**
X.	**Earnings per equity share:** Nominal value of share Rs.10/- (Rs.10/-) - Basic/ Diluted	2.33	60.94	49.74

Significant accounting policies and key accounting estimates and judgements — Note 1
The accompanying notes form 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

Harish Bahadur
Director
DIN: 00032919

Naveen Kapur
Whole Time Director
DIN: 00024538

Rupak Saxena
Chief Financial Officer

Mona Bhandari
Company Secretary

Place: KOCHI - 19
Date: 26.08.2020

Place: New Delhi
Date: 21.08.2020

Classic Industries and Exports Limited
(Formerly known as Classic Auto Tubes Limited)

Statement of changes in equity for the year ended 31st March, 2020
(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, 2018	1,04,80,000	104.80
Issued during the year 2018-19	-	-
As at 31st March, 2019	1,04,80,000	104.80
Issued during the year 2019-20	-	-
As at 31st March, 2020	**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 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**

Particulars	Reserve & Surplus		Items of OCI	Total
	Capital Reserve	Retained Earnings	FVTOCI Reserve on equity instruments	
Balance as at 1st April 2019	13.08	3,440.63	1,445.15	4,898.86
Profit for the year	-	638.63	-	638.63
Re-measurement of defined benefit plans	-	(19.00)	-	(19.00)
Other comprehensive income	-	-	(1,665.23)	(1,665.23)
Total comprehensive income for the year	-	**619.63**	**(1,665.23)**	**(1,045.60)**
Balance as at 31st March 2020	**13.08**	**4,060.26**	**(220.08)**	**3,853.26**

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

Harish Bahadur
Director
DIN: 00032919

Naveen Kapur
Whole Time Director
DIN: 00024538

Rupak Saxena
Chief Financial Officer

Mona Bhandari
Company Secretary

Place: KOCHI-19
Date : 26.08.2020

Place: New Delhi
Date : 21.08.2020

Classic Industries and Exports Limited
(Formerly known as Classic Auto Tubes Limited)

Statement of cash flows for the year ended 31st March, 2020
(Amount in INR Millions, unless otherwise stated)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Cash flow from operating activities		
Profit/ (Loss) before tax	794.89	750.60
Adjustments for:		
Depreciation and amortization expenses	165.10	157.53
Finance cost	18.96	30.55
Interest income	(50.45)	(57.12)
Liabilities written back	-	(2.71)
Property, Plant and Equipment written off during the year	7.70	-
(Gain)/ loss on sale of Property, Plant and Equipment	(0.06)	(0.05)
Dividend Received from Trade & Non-Trade Investments	(97.02)	(43.48)
Net Unrealised foreign exchange (gain)/loss	5.25	(20.84)
Amortization of deferred lease asset	0.04	0.14
Gain / loss on FV of Security Deposit	(0.04)	(0.14)
Operating cash flow before working capital changes	**844.37**	**814.48**
Changes in working capital		
Increase / (decrease) in Trade Payables	(248.43)	606.06
Increase / (decrease) in Other Financial Liabilities	(5.53)	(22.44)
Increase / (decrease) in Other Current Liabilities	(280.62)	831.62
Increase / (decrease) in Non Current Provisions	20.04	21.98
Increase/ (decrease) in Non Current Other Financial Liabilities	0.29	-
Increase/ (decrease) in Current Provisions	10.11	-
Decrease/ (increase) in Inventories	313.34	(847.90)
Decrease/ (increase) in Trade Receivables	123.79	(497.27)
Decrease/ (increase) in Non Current Other Assets	12.13	2.31
Decrease/ (increase) in Non Current Other Financial Assets	(3.74)	0.43
Decrease/ (increase) in Current Other Financial Assets	(0.84)	-
Decrease/ (increase) in Other Current Assets	(195.50)	(172.20)
Cash generated /(used) in operations	**589.41**	**737.08**
Income tax paid	(243.78)	(206.82)
Net cash flows from operating activities (A)	**345.63**	**530.26**
Cash flow from Investing activities		
Purchase for property, plant and equipment and intangible assets	(91.38)	(118.77)
Additions to Capital work-in-progress	(4.93)	(22.56)
Proceeds from sale/ disposal of Investments	-	(333.65)
Proceeds from sale/ disposal of Property, Plant and Equipment	0.91	1.69
Net proceeds/ (Additions) from/ (to) Fixed Deposits	131.97	(216.06)
Dividend Received from Trade & Non-Trade Investments	97.03	43.48
Interest received	63.16	56.17
Proceeds from Investment	-	0.50
Net cash flow from investing activities (B)	**196.76**	**(589.21)**
Cash flow from Financing activities		
Repayment of borrowings (Net)	(162.56)	(106.53)
Inter corporate deposits/ loans advanced	(349.53)	-
Interest paid	(19.83)	(32.15)
Net cash flow from financing activities (C)	**(531.92)**	**(138.68)**
Net increase in cash and cash equivalents (A+B+C)	10.47	(197.63)
Cash and cash equivalents at the beginning of the year	131.37	329.00
Cash and cash equivalents at the end of the year	**141.84**	**131.37**
Cash and cash equivalents comprise (Refer Note 2.09A)		
Balances with banks :		
On current accounts	138.97	116.61
Fixed deposits with maturity of less than 3 months	2.79	14.60
Cash on hand	0.08	0.16
Total cash and bank balances at end of the year	**141.84**	**131.37**

VARMA & VARMA
KOCHI - 19
CHARTERED ACCOUNTANTS

Classic Industries and Exports Limited
(Formerly known as Classic Auto Tubes Limited)

Statement of cash flows for the year ended 31st March, 2020
(Amount in INR Millions, unless otherwise stated)

Statement of liabilities arising from Financing Activities:

Particulars	As at 31st March, 2019	Financing Cash Flows		As at 31st March, 2020
		Proceeds raised	Repayments	
Non-current borrowings: Term Loan (Refer note below)	239.80	11.47	191.83	59.44
Current borrowings: Cash Credit	12.11	102.06	85.13	29.04

Note: 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 VARMA & VARMA
(FRN: 004532S)

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

For and on behalf of the Board of Directors

Onkar S Kanwar
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Rupak Saxena
Chief Financial Officer

Mona Bhandari
Company Secretary

Place: KOCHI-19
Date: 26.08.2020

Place: New Delhi
Date: 21.08.2020

Classic Industries and Exports Limited
(Formerly known as Classic Auto Tubes Limited)

Notes forming part of the Financial Statements for the year ended 31st March, 2020
(Amount in INR Millions, unless otherwise stated)

General Corporate Information
Classic Industries and Exports Limited (the "Company") is a public limited company domiciled in India. The Company is primarily engaged in manufacturing and sale of Tubes, Tyre Building Machines and other ancillary machines which are complex in nature. The company's operations are in India and comprise of three manufacturing plants - located in Pune, Cochin and Chennai respectively.

1 Summary of Significant Accounting policies

1.1 Basis of Accounting & preparation of Financial Statements

(a) Statement of Compliance with Ind AS
The financial statements have been prepared to comply in all material respects in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, and the provisions of the Companies Act, 2013 ('Act') (to the extent notified), as prescribed under Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

(b) Basis of measurement
The financial statements have been prepared on accrual basis under a historical cost convention, except for certain financial instruments that are measured at fair value as required by relevant Ind AS:-
i) Certain financial assets and liabilities measured at fair value (refer accounting policy 1.18 on financial instruments)
ii) Defined benefit and other long-term employee benefits

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycie as twelve months for the purpose of current and non-current classification of assets and liabilities.

(c) Use of estimates
The preparation of financial statements in conformity with Ind AS requires the management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years if the revision effects such periods. Also key sources of estimation uncertainty is mentioned below:

i) Useful lives of property, plant and equipment and intangible assets:
As described in the significant accounting policy, the Company reviews the estimated useful lives of property, plant and equipment and intangible assets at the end of each reporting period.

ii) The fair value measurements and valuation processes:
Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where level 1 input are not available, the Company engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs, used in determining the fair value of various assets, liabilities and share based payments are disclosed in notes to financial statements.

iii) Actuarial valuation:
The determination of Company's liability towards defined benefit obligation to employees is made through independent actuarial valuation including determination of amounts to be recognized in the statement of profit and loss and in other comprehensive income. Such valuation depend upon assumptions determined after taking into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. Information about such valuation is provided in notes to financial statements.

1.2 Property, plant and equipment
Tangible assets are stated at cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Direct costs are capitalized until the assets are ready for use and include inward freight, and expenses incidental to acquisition and installation. Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Losses arising from the retirement of, and gains or losses arising from disposal of tangible assets measured as the difference between amount realised and net carrying value which are carried at cost are recognized in the Statement of Profit and Loss.

Depreciation methods, estimated useful lives
Depreciation on tangible assets is provided when the assets are ready for use on straight line method, on a pro rata basis, over the estimated useful lives of assets, in order to reflect the period over which the depreciable asset is expected to be used by the Company. The management estimates the useful lives for the other fixed assets as follows.

VARMA & VARMA KOCHI -19 CHARTERED ACCOUNTANTS

Property, plant and equipment	Useful Life
Banbury Body/Chamber, Fire Hydrant	5 years
Dumping Mill and Sheeting Mill	7 years
Other components of Banbury unit	7 years
Batch off unit	10 years
Sewage Treatment Plant	5 years

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of schedule II of the Companies Act, 2013.

Lease Premium on land is depreciated (amortized) over the period of lease.
Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income/Other Expenses'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as change in accounting estimates.

1.3 Intangible Assets and Amortization

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost of acquisition less accumulated amortization and impairment, if any.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets	Useful Life
Intangible Assets	1 - 5 years

Research costs are expensed as incurred. Software product development costs are expensed as incurred unless technical and commercial feasibility of the project is demonstrated, future economic benefits are probable, the Company has an intention and ability to complete and use or sell the software and the costs can be measured reliably. The costs which can be capitalized include the cost of material, direct labour, overhead costs that are directly attributable to preparing the asset for its intended use. Research and development costs and software development costs incurred under contractual arrangements with customers are accounted as expenses in the Statement of Profit and Loss.

1.4 Impairment of Tangible And Intangible Assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets or cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, or whenever there is an indication that the asset may be impaired Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1.5 Inventories

Inventories are valued at the lower of cost and estimated net realisable value (net of allowances) after providing for obsolescence and other losses, where considered necessary. The cost comprises of cost of purchase, cost of conversion and other costs including appropriate production overheads in the case of finished goods and work-in-progress, incurred in bringing such inventories to their present location and condition. Trade discounts or rebates are deducted in determining the costs of purchase.

In case of raw materials, stores & spares, work in progress, manufactured finished goods and traded goods, cost (net of tax credits wherever applicable) is determined on a moving weighted average basis.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

1.6 Impairment of non-financial assets

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, management estimates the recoverable amount. Recoverable amount is higher of an asset's net selling price and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of the its useful life. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognized in the Statement of Profit and Loss to the extent carrying amount exceeds recoverable amount. Assessment is also done at each Balance sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exists or may have decreased.

VARMA & VARMA
KOCHI-19
CHARTERED ACCOUNTANTS

1.7 Leases

As a lessee

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (1) the contract involves the use of an identified asset (2) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (3) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right-of use assets and lease liabilities include these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date to the end of the useful life of the underlying asset, if the lease transfers ownership of the underlying asset by the end of lease term or if the cost of right of use assets reflects that the purchase option will be exercised. Otherwise, right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rate. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment whether it will exercise an extension or a termination option.

Transition

Effective April 01, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 01, 2019 using the modified retrospective method. This new standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. Ind AS 116 supersedes Ind AS 17 and its associated interpretative guidance. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and Right-of-use assets were measured at the amount of the lease liability (adjusted for any prepaid or accrued lease expenses). Comparatives as at and for the year ended 31st March, 2019 have not been adjusted and therefore will continue to be reported as per the financial statements as on that year-ended in accordance with erstwhile Ind AS 17.

On transition, the adoption of new standard has resulted in recognition of right-of-use asset (an amount equal to the lease liability) of Rs.0.30 Million. The adoption of this standard does not have any material impact in the Statement of Profit and Loss for the year ended 31.03.2020.

The Company has excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application as a practical expedient on initial application of Ind AS 116.

1.8 Employee Benefits

Employee benefits include wages & salaries, provident fund, employee state insurance scheme, gratuity fund and compensated absences.

(a) Short-term obligations

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(b) Other long-term employee benefit obligations

(i) Defined contribution plan

Contributions to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

(ii) Defined benefit plans

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. The re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- re-measurement

VARMA & VARMA
KOCHI-19
CHARTERED ACCOUNTANTS

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(iii) Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

1.9 Government Grants, Subsidies And Export Incentives

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Revenue grant is recognised as an income in the period in which related obligation is met.

Export Incentives earned in the year of exports are treated as income and netted off from cost of raw material imported.

1.10 Foreign Currency Transactions

The financial statements are prepared in Indian Rupees. The Indian Rupee is the functional currency of the Company. Transactions in foreign currencies are initially recorded by the Company at spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or statement of profit and loss are also recognised in OCI or statement of profit and loss, respectively).

1.11 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability, or

ii) In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The management determines the policies and procedures for both recurring fair value measurement. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value.

1.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed as finance cost. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

1.13 Revenue Recognition

In accordance with Ind AS 115, revenue is recognised when the company satisfies a performance obligation by transferring a promised good or service to a customer. An asset is transferred when the customer obtains control of that asset. When a performance obligation is satisfied, an entity shall recognise as revenue the amount of the transaction price that is allocated to that performance obligation. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Conversion income is recognized as and when the services are rendered, as per the relative terms of the agreement with the parties concerned

VARMA & VARMA
KOCHI -19
CHARTERED ACCOUNTANTS

In the case of sale of moulds, performance obligation is satisfied at a point of time and the transfer of control normally coincides with the clearance of material for despatch. In the case of sale of tyre building machinery, the performance obligations are satisfied over a period of time. Revenue is recognised under the input method based on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total cost of the contract as assessed and certified by the management.

A percentage of the consideration in respect of contract with customers is received as an advance at the time of origination of contract. In the case sale of moulds, the remaining amount is received at the time of completion of contract and satisfaction of all performance obligations. In the case of tyre building machine, a major portion of the remaining consideration is received at the time of delivery of the machine, and the balance amount is received upon successful installation and commissioning.

Revenue from services has been recognised as and when the service has been performed.

Dividend income on investments is accounted for when the right to receive the payment is established. Interest income is reported on an accrual basis using the effective interest method and is included under the head "other income" in the Statement of Profit and Loss. Rental income is recognized on a straight line basis over the term of the lease as per the terms of the base contract or such other systematic method as considered appropriate.

1.14 Taxes

Tax expense for the year comprises of current tax and deferred tax. Current tax is measured by the amount of tax expected to be paid to the taxation authorities on the taxable profits after considering tax allowances and exemptions and using applicable tax rates and laws.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

1.15 Provisions

Provisions are recognized when the Company has a present legal obligation as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. When no reliable estimate can be made, a disclosure is made as a contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Company expects a provision to be reimbursed, the reimbursement is recognized as a separate asset, only when such reimbursement is virtually certain.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

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

1.16 Contingent liabilities and Contingent assets

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

Contingent assets is not recognised unless it becomes virtually certain that an inflow of economic benefits will arise. When an inflow of economic benefits is probable, contingent assets are disclosed in the financial statements. Contingent liabilities and contingent assets are reviewed at each balance sheet date.

1.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

VARMA & VARMA KOCHI -19 CHARTERED ACCOUNTANTS

1.18 Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of profit and loss.

1.19 Financial Assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

1.19.1 Classification of financial asset

Financial assets that meet the following conditions are subsequently measured at amortised cost less impairment loss (FVTPL) (except for investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI) (except for investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

1.19.2 Amortised cost and Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the Other Income.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the right to receive the dividends is established and it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

1.19.3 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

Debt instrument that do not meet the amortised cost criteria or fair value through other comprehensive income criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the fair value through other comprehensive income criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss is included in the other income line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

1.19.4 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial assets, and financials guarantees not designated as at FVTPL.

VARMA & VARMA KOCHI-19 CHARTERED ACCOUNTANTS

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instruments.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12- month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

1.19.5 De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

1.19.6 Foreign Exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in hedging relationship.

1.20 Financial Liabilities and Equity Instruments

1.20.1 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

1.20.2 Equity Instruments

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

1.20.3 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company are measured in accordance with the specific accounting policies set out below.

VARMA & VARMA
KOCHI -19
CHARTERED ACCOUNTANTS

1.20.3.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 - Financial Instruments permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

1.20.3.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

1.20.3.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at:

- amount of loss allowance determined in accordance with impairment requirements of Ind AS 109 - Financial Instruments; and
- amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies of Ind AS 115.

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the other income.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

1.20.3.4 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.21 Contributed equity

Equity shares are classified as equity share capital. Incremental costs directly attributable to the issue of new shares are shown in other equity under securities premium as a deduction, net of tax, from the proceeds.

1.22 Earnings Per Share

Basic earnings per share (EPS) are calculated by dividing the net loss / profit after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by adjusting the number of shares used for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. The diluted potential equity shares have been adjusted for the proceeds receivable had the shares been actually issued at fair value i.e. average market value of outstanding shares.

In calculating diluted earnings per share, the effects of anti dilutive potential equity shares are ignored. Potential equity shares are anti-dilutive when their conversion to equity shares would increase earnings per share or decrease loss per share.

VARMA & VARMA
KOCHI -19
CHARTERED ACCOUNTANTS

1.23 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires management to make certain judgements and estimates that may effect the application of accounting policies, reported amounts and related disclosures.

These judgments and estimates may have an impact on the assets and liabilities, disclosure of contingent liabilities at the date of the financial statements, and income and expense items for the period under review. Actual results may differ from these judgements and estimates.

All assumptions, expectations and forecasts that are used as a basis for judgments and estimates in the financial statements represent as accurately an outlook as possible for the Company. These judgements and estimates only represent the interpretation of the Company as of the dates on which they were prepared.

Important judgments and estimates relate largely to provisions, pensions, tangible and intangible assets (lives, residual values and impairment), deferred tax assets and liabilities and valuation of financial instruments.

1.24 Specify others, if any.

Segment reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Expenses and Income which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under the heads Unallocated expenses and Unallocated income respectively.

Cash flow statement

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

1.25 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest millions as permitted in Schedule III of the Act, unless otherwise stated.

1.26 Recent accounting pronouncements

a) New Accounting Standards that are issued but not effective:

There are no standards that are issued but not yet effective on 31st March, 2020.

b) Amendment to Ind AS 116 - Leases:

On 24th July, 2020, Ministry of Corporate Affairs issued vide its amendment rules new paragraphs 46A, 46B, 60A, C20A and C20B has been added. Vide paragraph 46A, as a practical expedient it has been added that, a lessee may elect not to assess whether a rent concession that meets the conditions in paragraph 46B is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification. This expedient is extended directly in relation to rent concessions which are as a outcome of covid pandemic.

Paragraph 60A has been added in regard to the additional disclosures for the leases for which the practical expedient as set out in paragraph 46A has been applied and in case the same is not applied to all leases, the nature of the contracts to which it has applied the practical expedient and corresponding impact in the Statement of Profit and Loss.

Paragraph C20A specifies that the effect of above adjustments shall be applied retrospectively by recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings at the beginning of the annual reporting period in which the lessee first applies the amendment.

Effective date for application of this amendment is annual period beginning on or after 1st April, 2020. However, in case a lessee has not approved its financial statements before the issuance of the said amendment, it is required to apply the same for annual reporting periods beginning on or after 1st April, 2019. Hence, the same is applicable to the Company for the year. The Company has however not opted for the above practical expedient and therefore there are no disclosures required to be made in this regard in the financial statements for the year ended 31st March, 2020.

VARMA & VARMA
KOCHI -19
CHARTERED ACCOUNTANTS

Classic Industries and Exports Limited
(Formerly known as Classic Auto Tubes Limited)

Notes forming part of the Financial Statements for the year ended 31st March, 2020
(Amount in INR Millions, unless otherwise stated)

Note No. 2.01 Property, Plant and Equipment and Intangible assets

Particulars	Gross Block				Depreciation/Amortisation				Net Block
	As at 01.04.2019	Additions	Disposals/ Adjustments	As at 31.03.2020	As at 01.04.2019	For the year	Disposals/ Adjustments	As at 31.03.2020	As at 31.03.2020
(A) Property, Plant and Equipment									
Right of Use- Land	44.08	0.30	-	**44.38**	4.44	0.50	-	**4.94**	**39.44**
Buildings	405.58	42.76	-	**448.34**	122.57	16.01	-	**138.58**	**309.76**
Plant & Machinery	1,956.74	49.08	15.14	**1,990.68**	1,045.23	123.19	7.31	**1,161.11**	**829.57**
Moulds	132.61	5.87	-	**138.48**	84.01	8.83	-	**92.84**	**45.64**
Electrical Installations	65.27	-	-	**65.27**	55.95	4.38	-	**60.33**	**4.94**
Furniture & Fixtures	8.79	0.62	0.44	**8.97**	5.09	0.97	0.36	**5.70**	**3.27**
Office Equipments	7.60	0.32	-	**7.92**	3.78	0.85	-	**4.63**	**3.29**
Vehicles	16.45	1.64	0.73	**17.36**	6.14	3.39	0.11	**9.42**	**7.94**
Computers	18.90	4.64	0.39	**23.15**	14.81	2.84	0.37	**17.28**	**5.87**
Servers	4.28	-	-	**4.28**	0.53	0.72	-	**1.25**	**3.03**
Total	**2,660.30**	**105.23**	**16.70**	**2,748.83**	**1,342.55**	**161.68**	**8.15**	**1,496.08**	**1,252.75**
(B) Intangible Assets									
Computer Software	25.68	2.62	-	**28.30**	16.24	3.42	-	**19.66**	**8.64**
Technical Knowhow	32.95	-	-	**32.95**	32.95	-	-	**32.95**	**-**
Total	**58.63**	**2.62**	**-**	**61.25**	**49.19**	**3.42**	**-**	**52.61**	**8.64**

Technical know-how represents the Engraving and AZ Container technology imported vide the technology license agreement dated 20.08.2010 entered into with A-Z Formen und Machinenbau GmbH. As per clause 2.6 of the said agreement, the moulds and containers so manufactured by the company shall only be for the consumption of Apollo Tyres Ltd and its group companies around the world.

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
(A) Property, Plant and Equipment									
Right of Use- Land	44.08	-	-	**44.08**	3.95	0.49	-	**4.44**	**39.64**
Buildings	405.84	0.11	0.37	**405.58**	109.06	13.56	0.05	**122.57**	**283.01**
Plant & Machinery	1,868.05	90.90	2.21	**1,956.74**	927.70	118.86	1.33	**1,045.23**	**911.51**
Moulds	123.69	8.92	-	**132.61**	75.25	8.76	-	**84.01**	**48.60**
Electrical Installations	63.87	1.40	-	**65.27**	50.92	5.03	-	**55.95**	**9.32**
Furniture & Fixtures	8.60	0.19	-	**8.79**	4.23	0.86	-	**5.09**	**3.70**
Office Equipments	6.99	0.61	-	**7.60**	2.64	1.14	-	**3.78**	**3.82**
Vehicles	9.61	7.54	0.70	**16.45**	2.86	3.55	0.27	**6.14**	**10.31**
Computers	16.40	2.67	0.17	**18.90**	12.81	2.17	0.17	**14.81**	**4.09**
Servers	0.24	4.04	-	**4.28**	0.04	0.49	-	**0.53**	**3.75**
Total	**2,547.37**	**116.38**	**3.45**	**2,660.30**	**1,189.46**	**154.91**	**1.82**	**1,342.55**	**1,317.75**
(B) Intangible Assets									
Computer Software	20.75	4.93	-	**25.68**	13.62	2.62	-	**16.24**	**9.44**
Technical Knowhow	32.95	-	-	**32.95**	32.95	-	-	**32.95**	-
Total	**53.70**	**4.93**	-	**58.63**	**46.57**	**2.62**	-	**49.19**	**9.44**

VARMA & VARMA
KOCHI-19

(Amount in INR Millions, unless otherwise stated)

2.02 Investments

	Particulars	As at 31.03.2020	As at 31.03.2019
A.	**Investment in Equity Instruments- Quoted** Investment in equity instrument designated as at fair value through OCI (fully paid): 1,55,23,505 [Previous Year - 1,55,23,505] Equity Shares of Rs.1/- each fully paid up in Apollo Tyres Limited (ATL) representing 2.71% [Previous Year - 2.71%] of the paid up capital of ATL	1,232.57	3,457.86
B.	**Investment in subsidiary - Unquoted** Investment measured at cost:		
	a) 1,00,000 [Previous Year -1,00,000] Equity Shares of USD 1/- each fully paid up in CATL Singapore Pte Ltd representing 100% [Previous Year - 100%] of the paid up capital	6.96	6.96
	b) 1,00,09,990 [Previous Year - 1,00,09,990] Equity Shares of Rs.10/- each fully paid up in Premedium Pharmaceuticals Private Limited representing 100% [Previous Year - 100%] of the paid up capital	100.10	100.10
C.	**Investment in Capital of Limited Liability Partnership :** Partners capital account in Sunrays Global Consultants LLP	120.00	120.00
		1,459.63	**3,684.92**
	Aggregate book value of:		
	Quoted investments	1,232.57	3,457.86
	Unquoted investments	227.06	227.06
	Aggregate market value of:		
	Quoted investments	1,232.57	3,457.86
	Unquoted investments	227.06	227.06
	Aggregate amount of impairment in the value of investments:		
	Quoted investments	-	-
	Unquoted investments	-	-

Footnotes:

(1) Investment in Capital of Limited Liability Partnership: In Sunrays Global Consultants LLP

Name of Partners	Share of Profit/ Loss (%)		Capital Balance	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Limited)	99.999%	99.999%	120.00	120.00
Sanjay Dua	0.001%	0.001%	-	-

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

Particulars	Number of Shares	
	As at 31.03.2020	As at 31.03.2019
Investments in equity instrument of Apollo Tyres Limited (Face Value Rs.1)	1,55,23,505	1,55,23,505

2.03 Loans

Particulars	As at 31.03.2020	As at 31.03.2019
Non-Current:		
Unsecured and considered good		
i) Security deposits	19.29	19.76
	19.29	**19.76**

VARMA & VARMA
KOCHI -19
CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless otherwise stated)

2.04 Other financial assets

Particulars	As at 31.03.2020	As at 31.03.2019
In Fixed deposit accounts with maturity for more than 12 months from balance sheet date	4.57	0.83
	4.57	**0.83**

2.04.01 Balance with banks in Deposit Accounts (having maturity period of more than 12 months) includes Rs.0.70 Million (Rs.0.83 Million) held as security against Bank Guarantees.

2.05 Non-current tax assets (net)

Particulars	As at 31.03.2020	As at 31.03.2019
Income Tax (Net)	25.87	25.16
	25.87	**25.16**

2.06 Other non-current assets

Particulars	As at 31.03.2020	As at 31.03.2019
Capital advance	4.16	21.98
Gratuity fund - excess of fund balance over obligation (Refer Note 2.34)	-	12.14
Deferred lease asset	0.19	0.24
	4.35	**34.36**

2.07 Inventories

Particulars	As at 31.03.2020	As at 31.03.2019
Valued at lower of cost and net realizable value-		
Raw materials (includes in transit Rs.33.24 Million (Rs.519.25 Million))	520.11	860.28
Work in progress	64.67	43.85
Finished goods	67.16	66.36
Valued at cost-		
Packing Materials	1.47	2.51
Store and spares parts	53.84	47.59
	707.25	**1,020.59**

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

2.08 Trade Receivables

Particulars	As at 31.03.2020	As at 31.03.2019
Trade receivables considered good - unsecured	623.78	747.57
	623.78	**747.57**
Further classified as:		
Receivable from related parties	565.61	721.83
Receivable from others	58.17	25.74
	623.78	**747.57**

2.09A Cash & Cash Equivalents

Particulars	As at 31.03.2020	As at 31.03.2019
Balance with banks		
a. In Current Accounts	138.97	116.61
b. Fixed deposits with maturity of less than 3 months	2.79	14.60
Cash on hand	0.08	0.16
	141.84	**131.37**

VARMA & VARMA KOCHI-19 CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless otherwise stated)

2.09B Bank Balances other than cash and cash Equivalents

Particulars	As at 31.03.2020	As at 31.03.2019
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	499.90	631.87
	499.90	**631.87**

2.09B.01 Balance with banks in Deposit Accounts (having maturity period of less than 12 months) includes Rs.0.13 Million (Rs.7.63 Million) held as security against Bank Guarantees.

2.10 Loans

Particulars	As at 31.03.2020	As at 31.03.2019
Current:		
Unsecured and considered good:		
- To related parties		
a. Inter corporate deposits	300.00	-
b. Other loans	50.00	-
	350.00	**-**

2.10.01 Inter corporate deposit and other loans to related parties represents the amounts advanced to related concerns amounting to Rs.350 Millions (Rs.Nil/-) which are repayable within 1 year of date of drawing of the loan. The details thereof have been disclosed in Note No.2.36 - Related party transactions.

2.11 Other financial assets

Particulars	As at 31.03.2020	As at 31.03.2019
Interest accrued on fixed /other deposits	0.27	6.80
Interest accrued on Inter corporate deposit and loans	13.77	19.95
Guarantee commission receivable	0.41	-
Advances to employees	1.32	0.89
	15.77	**27.64**

2.11.01 Interest accrued on Inter corporate deposit and loans represents Rs. 13.77 million (Rs. 19.95 million) receivable from related parties.
2.11.02 Guarantee commission receivables represents Rs. 0.41 million (Rs. Nil /-) receivable from wholly-owned subsidiary.

2.12 Current tax assets (net)

Particulars	As at 31.03.2020	As at 31.03.2019
Income Tax (net of provisions)	10.01	-
	10.01	**-**

2.13 Other current assets

Particulars	As at 31.03.2020	As at 31.03.2019
Gratuity fund - excess of fund balance over obligation (Refer Note 2.34)	-	0.56
Advances to suppliers	79.78	72.17
Contract asset - Unbilled revenue	333.79	161.53
Prepaid expenses	15.29	13.49
Balance with statutory authorities	14.39	0.00
	443.25	**247.75**

2.14 Share capital

Particulars	As at 31.03.2020	As at 31.03.2019
Authorised :		
15,770,000 [Previous year 15,770,000] Equity shares of INR10/- each with voting rights	157.70	157.70
Issued and Subscribed and Fully paid:		
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.

VARMA & VARMA
KOCHI -19
CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless otherwise stated)

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

Particulars	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	Amount (Rs.)	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

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

Particulars	As at 31.03.2020		As at 31.03.2019	
	%	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

Note: National Company Law Tribunal (NCLT) vide its order dated 17th February, 2020 has approved the scheme of amalgamation of transferor companies Motlay Finance Private Limited (shareholder), Global Capital Limited (shareholder) and Neeraj Consultants Private Limited with Sunrays Properties & Investment Company Private Limited (Holding Company) w.e.f. 01.04.2018. However, due to the Covid-19 pandemic and nationwide lockdown, all the offices of the respective depository have been closed and hence, under such circumstances, the transferor companies were not able to transfer the shares/ investment in the name of the transferee company i.e. Sunrays Properties & Investment Company Private Limited as on 31.03.2020 and therefore the process of amalgamation is yet to be completed. Hence, the effect of the transfer of shares under the scheme of amalgamation has not been considered in the financial statements of the current year as on 31.03.2020.

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 31.03.2020	As at 31.03.2019
A. Capital reserve		
Opening balance and Closing balance	**13.08**	**13.08**
B. Retained earnings		
Opening balance	3,440.63	2,923.50
Add: Net profit/ (loss) for the current year	638.63	521.25
Add: Re-measurement on post employment benefit obligation (net of tax)	(19.00)	(4.12)
Closing Balance	**4,060.26**	**3,440.63**
C. Investments FVTOCI reserve on equity instruments		
Opening balance	1,445.15	1,955.29
- Fair valuation changes for the year	(2,225.29)	(784.16)
- Tax effect on fair valuation changes for the year	560.06	274.02
Closing balance	**(220.08)**	**1,445.15**
	3,853.26	**4,898.86**

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 31.03.2020	As at 31.03.2019
Non-current:		
Secured		
Term loans from banks		
State Bank of India (Refer Note No. 2.16.01)	-	71.95
Term loan from others		
Kotak Mahindra Investments Ltd. (Refer Note No. 2.16.01)	-	52.93
	-	**124.88**

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KOCHI -19
CHARTERED ACCOUNTANTS

Classic Industries and Exports Limited
(Formerly known as Classic Auto Tubes Limited)

Notes forming part of the Financial Statements for the year ended 31st March, 2020
(Amount in INR Millions, unless otherwise stated)

2.16.01 - Particulars of Non-current financial liabilities - Borrowings

Nature of Borrowing	Amount outstanding as at 31st March, 2020		Amount outstanding as at 31st March, 2019		Rate of Interest	Terms of Repayment	Details of Security Offered
	Non-current borrowings	Current Maturities of Non-Current borrowings	Non-current borrowings	Current Maturities of Non-Current borrowings			
Term Loan from Banks							
SBI Term Loan	-	44.48	56.77	67.10	1.75% above 1 Year MCLR (8.55%), present effective rate 10.30% p.a with monthly rest.	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	-	14.40	15.18	15.30	1.75% above 1 Year MCLR (8.55%), present effective rate 10.30% p.a with monthly rest.	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
Term Loan from Others							
Kotak Mahindra Investments Limited	-	-	52.93	31.09	ROI till security creation is 9% thereafter post security creation is 9.45%	18 quarterly installments 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

VARMA & VARMA
KOCHI -19
CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless otherwise stated)

2.17 Other Financial liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Non-current:		
Lease liability	0.29	-
	0.29	**-**

2.18 Long term provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for employee benefits:		
Provision for short service award	1.21	0.63
Provision for leave encashment (unfunded)	8.59	6.38
Provision for Warranty Charges (Refer Note 2.18.01)	22.98	5.73
	32.78	**12.74**

2.18.01 Provision for warranty charges on sale of tubes & 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 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
Opening Balance (including current portion)	18.15	-	7.50	4.73
Add: Provision made during the year	17.87	18.15	5.19	5.73
Less: Current portion reclassified	(18.15)	(18.15)	(2.64)	(1.77)
Less: Provision utilised during the year	-	-	(5.34)	(1.91)
Less: Provision written back during the year	-	-	(0.25)	(1.05)
Add: Short provision in earlier year	-	-	0.65	-
Balance classified as Long Term	**17.87**	**-**	**5.11**	**5.73**
Provisions:				
Current	18.15	18.15	2.64	1.77
Non-current	17.87	-	5.11	5.73

2.18.02 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 31.03.2020	As at 31.03.2019
Opening Balance (including current portion)	1.50	-
Add: Provision made during the year	0.56	1.50
Less: Current portion reclassified	(0.56)	(1.50)
Less: Provision utilised during the year	(0.06)	-
Less: Provision written back during the year	(1.44)	-
Balance classified as Long Term	-	-
Provisions:		
Current	0.56	1.50
Non-current	-	-

2.19 Deferred Tax Liabilities (Net)

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred tax assets (Refer Note 2.19.01)	(32.54)	(38.45)
Deferred tax liabilities (Refer Note 2.19.01)	323.31	938.09
	290.77	**899.64**

2.19.01 Deferred tax relates to the following:

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred tax assets		
On provision for employee benefits	9.98	9.97
On others	11.90	24.21
On re-measurements gain/(losses) of post employment benefit obligations	10.66	4.27
	32.54	**38.45**
Deferred tax liabilities		
On property, plant & equipment	107.13	161.85
On fair valuation (loss)/gain adjustments on equity instruments designated as FVTOCI	216.18	776.24
	323.31	**938.09**
Net Deferred tax liabilities/ (assets)	**290.77**	**899.64**

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(Amount in INR Millions, unless otherwise stated)

2.19.02 Reconciliation of deferred tax

Particulars	As at 31.03.2020	As at 31.03.2019
Opening balance of Deferred tax liability/ (asset)	899.64	1,194.00
Tax liability recognized in Statement of Profit and Loss	(42.42)	(18.13)
Tax liability recognized in OCI:		
On re-measurements gain/(losses) of post-employment benefit obligations	(6.39)	(2.22)
On Fair valuation (loss)/gain adjustments on equity instruments designated as FVTOCI	(560.06)	(274.02)
Closing balance of Deferred tax liability/ (asset)	**290.77**	**899.64**

2.19.03 Reconciliation of tax charge

Particulars	As at 31.03.2020	As at 31.03.2019
Profit before tax	794.89	750.60
Income tax expense (at rates applicable - 25.168%(34.944%))	200.06	218.57
Tax effects of:		
Dividend	(24.42)	(12.66)
Impact on account of depreciation (including adjustment of earlier years)	15.64	(12.35)
Excess/ deficit provision of Income Tax in earlier years written back/ provided	-	29.20
Impact of deferred tax created at a different rate	(39.94)	1.34
Expenses disallowed	4.92	5.25
Income tax expense	**156.26**	**229.35**
Tax expense as per Statement of Profit and Loss	**156.26**	**229.35**

2.19.04 Pursuant to the Taxation Laws (Amendment) Ordinance, 2019, corporate assesses have been given the option to apply lower income tax rate with effect from April 01, 2019, under section 115BAA of the Income Tax Act, 1961 subject to certain conditions specified therein. The Company has carried out an evaluation and based on its forecasted profits and based on such evaluation, the company has decided to opt for the lower income tax rate, since the same will be beneficial to the Company.

2.20 Borrowings

Particulars	As at 31.03.2020	As at 31.03.2019
Current:		
Cash credit from State Bank of India (Refer Note No.2.20.01)	29.04	12.11
	29.04	**12.11**

2.20.01 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.

2.21 Trade Payables

Particulars	As at 31.03.2020	As at 31.03.2019
Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	24.04	27.74
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	472.61	686.70
	496.65	**714.44**

2.21.01 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.24.04 Million (Rs.27.74 Million) has been included under Trade Payables. The interest amounting to Rs.0.02 Millions (Rs.Nil) has been provided in the books of account in accordance with the provisions of the Act.

2.21.02 Trade payables includes Rs.294.43 Million (Rs.504.86 Million) payable to related parties.

2.22 Other financial liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Current:		
Capital creditors :		
(i) Total outstanding dues of micro enterprises and small enterprises	0.11	0.21
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.38	3.69
Lease liability	0.02	-
Employee related payable	41.04	48.60
Accrued expenses	5.20	3.55
Current maturities of long term debt (Refer Note 2.16.01) :		
Term loan from State Bank of India	58.88	82.40
Term loan from Kotak Mahindra Investments Ltd	-	31.09
Interest Accrued but not due	0.55	1.43
Other payables	0.36	0.00
	108.54	**170.97**

VARMA & VARMA
KOCHI - 19
CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless otherwise stated)

2.23 Other current liabilities

Particulars	As at 31.03.2020	As at 31.03.2019
Statutory dues payable	30.77	31.55
Contract liabilities - Advance from customers:		
From related parties	610.31	892.44
From others	3.25	1.03
	644.33	**925.02**

2.24 Short term provisions

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for employee benefits:		
Provision for short service award	1.51	1.61
Provision for gratuity (Refer Note 2.34)	9.48	-
Provision for leave encashment (unfunded)	1.51	0.71
Provision for warranty charges (Refer Note 2.18.01)	20.78	19.91
Provision for commissioning expenses (Refer Note 2.18.02)	0.56	1.50
	33.84	**23.73**

2.25 Current Tax Liabilities (Net)

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Taxation (Net)	-	34.38
	-	**34.38**

VARMA & VARMA
KOCHI -19
CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless otherwise stated)

2.26 Revenue From Operations

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Sale of products:		
Sales of moulds & machine components	1,227.07	687.06
Sale of compounds	149.36	191.74
Sale of tubes & bladders	3,237.15	3,346.87
Sale of services:		
Conversion Charges	359.51	576.97
Other services	9.91	6.84
Contract Revenue:		
Contract revenue from tyre building machine	333.79	308.95
Other operating revenues:		
Sale of scrap	35.46	25.40
Sale of raw material	1.40	-
Loading & unloading charges	3.85	7.12
Other operating revenues	0.93	1.66
	5,358.43	**5,152.61**

2.27 Other Income

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Rental income	0.12	0.12
Interest income on fixed/ other deposits	35.15	57.12
Interest Income on Inter corporate deposits and loans	15.30	-
Guarantee commission income	0.35	-
Dividend Income from non-current investments	97.02	43.48
Unclaimed Liabilities written back	1.83	2.71
Gain on foreign currency transactions and translations (net)	-	44.73
Gain on sale/disposal of Property, Plant and Equipment	0.06	0.05
Gain on fair valuation of Security Deposit	0.04	0.14
Other non operating income	0.61	0.57
	150.48	**148.92**

2.28 Cost of material consumed

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Inventory at the beginning of the year	901.64	142.16
Add: Purchases	3,013.55	3,967.80
	3,915.19	**4,109.96**
Less: Inventory at the end of the year	565.64	901.64
	3,349.55	**3,208.32**

2.29 Changes in inventories of finished goods and work-in-progress

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Net decrease/ (increase)	(21.62)	(87.31)
	(21.62)	**(87.31)**

2.30 Employee Benefits Expenses

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Salaries, wages, bonus and other allowances	576.57	580.86
Contribution to Provident Fund and Other Funds	42.22	46.84
Staff welfare expenses	41.56	42.72
	660.35	**670.42**

2.31 Finance Cost

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest on borrowings	16.67	30.00
Interest on lease liability	0.00	-
Interest - Others	2.29	0.41
Processing fees	-	0.55
	18.96	**30.96**

VARMA & VARMA
KOCHI-19
CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless otherwise stated)

2.01 Depreciation and amortization expense

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Depreciation	161.68	154.91
Amortization	3.42	2.62
	165.10	**157.53**

2.32 Other Expenses

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Power and fuel	287.36	331.35
Consumption of stores and spare parts	46.68	33.71
Compensation for excess raw material consumption	0.46	2.94
Legal and professional charges	19.64	17.89
Corporate Social Responsibility Expenses (Refer Note 2.39)	14.13	13.00
Rent	3.82	3.88
Repairs and Maintenance		
Buildings	1.61	1.01
Machinery	26.17	30.63
Others	7.92	6.47
Rates and taxes	6.67	5.45
Insurance	11.33	8.04
Freight & forwarding	15.62	16.37
Property, Plant and Equipment written off	7.70	0.51
Warehousing & custom clearing charges	6.52	18.35
Travelling and conveyance expenses	33.49	33.97
Postage, telegram & stationery	1.25	2.90
Auditors remuneration (Refer Note 2.32.01)	1.96	1.53
Trade advances written off	-	2.62
Director's sitting fees	0.29	0.16
Amortization of deferred lease asset	0.04	0.14
Loss on foreign currency transactions and translations (net)	5.25	-
Warranty charges	23.70	23.88
Miscellaneous expenses	20.07	16.21
	541.68	**571.01**

2.32.01 Payments to the auditor:

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
a. As auditor	1.35	1.35
b. For Taxation Matters	0.27	0.15
c. For reimbursement of expenses	0.35	0.03
	1.96	**1.53**

2.33 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 31.03.2020	For the year ended 31.03.2019
Profit for the year	638.63	521.25
Weighted average number of equity shares of Rs.10/- each fully paid up	1,04,80,000	1,04,80,000
Earnings per share (Basic & Diluted)	**60.94**	**49.74**

VARMA & VARMA
KOCHI -19
CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless otherwise stated)

2.34 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 2.30)

	31.03.2020	31.03.2019
Employers' Contribution to provident fund	26.54	21.86
Employers' Contribution to Employee State Insurance	1.63	4.42
Total	28.17	26.28

(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 the Indian Accounting Standard -19 the details of which are as under. The liability is fully funded through an approved trust with Life Insurance Corporation of India.

i) Actuarial assumptions		
Discount rate (per annum)	6.80%	7.65%
Rate of increase in Salary	5.50%	5.50%
Expected average remaining working lives of employees (years)	19.63	20.71
Attrition rate	3.00%	3.00%
ii) Changes in the present value of defined benefit obligation		
Present value of obligation at the beginning of the year	56.46	43.88
Interest cost	4.32	3.38
Current service cost	7.35	4.47
Benefits paid	(1.44)	(1.28)
Actuarial (gain)/ loss on obligations	25.14	6.01
Present value of obligation at the end of the year*	**91.83**	**56.46**
*Included in provision for employee benefits (Refer note 2.24)		
iii) Change in fair value of assets		
Fair value of plan assets - opening	69.17	58.76
Actual return on plan assets	5.72	4.81
Mortality Charges	(0.68)	(0.60)
Employer's contribution	9.59	7.48
Benefits paid	(1.44)	(1.28)
Fair value of plan assets - closing	**82.36**	**69.17**
iv) Expense recognized in the Statement of Profit and Loss		
Current service cost	7.35	4.47
Interest cost	4.32	3.38
Expected return on plan assets	5.29	4.53
Total expenses recognized in the Statement Profit and Loss*	**6.38**	**3.32**
*Included in Employee benefits expense (Refer Note 2.30).		
v) Expense / (income) recognized as OCI in the Statement of Profit and Loss		
Remeasurements during the year due to:		
Changes in financial assumptions	6.24	0.37
Changes in demographic assumptions	(0.02)	-
Experience adjustments	18.91	5.64
Actual return on plan assets less interest on plan assets	0.25	0.33
Total	**25.39**	**6.34**

vi) Assets and liabilities recognized in the Balance Sheet:

	31.03.2020	31.03.2019
Present value of funded defined benefit obligation - opening	91.83	56.46
Fair value of plan assets	82.36	69.17
Net liability/ (asset) recognized in Balance Sheet	**9.48**	**(12.70)**
Included in Short term Provisions (Refer note 2.24)		

vii) Expected contribution to the fund in the next year

	31.03.2020	31.03.2019
Gratuity	5.99	3.45

VARMA & VARMA
KOCHI - 10
CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless otherwise stated)

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	**31.03.2020**	**31.03.2019**
Discount rate		
0.5% increase	-4.11%	-5.22%
0.5% decrease	4.44%	5.64%
Rate of increase in salary		
0.5% increase	4.48%	5.73%
0.5% decrease	-4.18%	-5.35%

ix) Maturity profile of defined benefit obligation

Year		
0-1 Years	25.08%	4.41%
1-2 Years	3.97%	1.68%
2-3 Years	1.65%	1.62%
3-4 Years	1.76%	1.55%
4-5 Years	1.95%	1.55%
5 Years and onwards	65.59%	89.19%

The above disclosure are based on information specified by the independent actuary and relied upon by the auditors.

(C) Defined benefit plans - leave encashment

i) Assets and liabilities recognized in the Balance Sheet:

	31.03.2020	**31.03.2019**
Opening Balance	7.08	9.76
Charged during the year (Refer Note 2.30)	3.02	-2.68
Net liability recognised in Balance Sheet	**10.10**	**7.08**
Included in non-current provision (Refer Note 2.18)	8.59	6.38
Included in current provision (Refer Note 2.24)	1.51	0.71

The above disclosure are based on information specified by the independent actuary and relied upon by the auditors.

2.35 Leases

(i) Operating leases where Company is a lessee:

Effective from 1 April 2019, the Company adopted Ind AS 116 "Leases" and applied to all lease contracts existing on 1 April 2019. On evaluation of the lease arrangements, the company has identified lease arrangements which qualifies as lease as per the requirements of Ind AS 116 for which a right-of-use asset and a corresponding lease liability has been created. For lease arrangements which does not qualify as lease as per the requirements of Ind AS 116, the same is charged to Statement of Profit & Loss as lease payments as an operating expense.

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

i) The company has 2 leased premises at Kochi which has a remaining lease period of 75 years and 77 years respectively for which right-of-use asset has been created. The schedule for obligation towards minimum lease payments over the lease term in respect of the aforesaid leases is set out below:

Particulars	**As at 31.03.2020**	**As at 31.03.2019**
Within one year	0.01	-
After one year but not more than five years	0.08	-
More than five years	13.40	-
	13.49	**-**

The present value of above obligation is set out as under:

Particulars	**As at 31.03.2020**	**As at 31.03.2019**
Within one year	0.02	-
After one year but not more than five years	0.07	-
More than five years	0.22	-
	0.31	**-**

VARMA & VARMA KOCHI-19 CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless otherwise stated)

ii) The company has leased premises at Pune and Chennai which have remaining lease period of 70 years and 86 years respectively. In this regard, no payments for the said premises is to be paid in future as the entire consideration on entering into the lease agreements were discharged upfront. Hence, on account of the same no separate lease liability is created. However, owing to the nature of the arrangement, the asset so capitalised in earlier periods has now been disclosed as right-of-use asset.

iii) The lease liability are presented in the statement of financial position as follows:

Particulars	As at 31.03.2020
Non Current	0.29
Current	0.02
	0.31

iv) The reconciliation of total lease commitments as on 31st March, 2019 to the lease liabilities recognised at 1st April, 2019 are as follows:

Particulars	Amount (Rs.)
Operating lease commitments disclosed as at 31st March, 2019	13.50
Less: Effect of discounting on above	(13.21)
Lease liabilities recognised as at 1st April, 2019	**0.30**

For the purpose of the above disclousre, reconciliation for operating lease commitments for which corresponding lease liabilities are recognised as at 1st April, 2019 have only been considered.

v) The weighted average incremental borrowing rate applied to lease liabilities recognised is 10.40%.

vi) The right-of-use asset and depreciation charge on the above has been disclosed under Note 2.01 of the Financial Statements. Interest expense on lease liabilities are disclosed under Note No.2.31 of the Financial Statements.

vii) Total cash outflow pertaining to above leases during the year is Rs. 0.02 Millions.

b) Future minimum rentals payable under other rental arrangements are as follows:

The company has taken on rent certain office premises, most of which contain a renewal option on a periodic basis at the option of the company, with the renewal periods ranging between 2 to 5 years. Such arrangements are cancellable with insignificant penalty. Expenses towards such rental arrangements amount to Rs.3.82 Million (Rs.3.88 Million) have been charged to the Statement of profit and loss, since it does not partake the character of lease as laid down in Ind AS 116 - 'Leases'.

Particulars	As at 31.03.2020	As at 31.03.2019
Within one year	1.10	1.56
After one year but not more than five years	4.75	4.58
More than five years	5.65	6.92
	11.50	**13.06**

Description of significant operating lease/ other rental arrangements:

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

2.36 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 Vredestein B. V Artemis Medicare Services Ltd. Apollo Tyres (Hungary) Kft Apollo Tyres Global R&D B.V. Constructive Finance Private Limited Apollo Tyres South Africa (Pte) Ltd. Neeraj Consultants Private Limited Apollo Finance Ltd

VARMA & VARMA KOCHI -19 CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless otherwise stated)

Holding company	Sunrays Properties and Investment Co. Pvt. Ltd.
Subsidiaries	CATL Singapore Pte Ltd Premedium Pharmaceuticals Private Limited
Limited Liability Partnership in which company has substantial interest	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. Harish Bahadur (Director) Mr. Sanjay Dua (Director) - resigned w.e.f. 31.03.2020 Mr. KK Malhotra (Director) Ms.Devlina Chakravarty (Director) - w.e.f. 14.02.2020 Mr Rupak Saxena (CFO) -w.e.f 01.11.2019 Mr Bomi Karkaria (CFO) -resigned w.e.f. 31.08.2019 Mr. Pramod Kalra (Company Secretary) - resigned w.e.f 28.02.2019 Ms. Mona Bhandari (Company Secretary) - w.e.f. 01.04.2019

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

(B) Details of transactions with related party in the ordinary course of business for the year ended:

	As at 31.03.2020	As at 31.03.2019
Sales		
Apollo Tyres Limited	4,663.11	4,105.92
Apollo Vredestein B. V	11.02	13.35
Apollo Tyres (Hungary) Kft	43.29	-
Apollo Tyres Global R&D B.V.	1.31	-
Conversion Income		
Apollo Tyres Limited	153.35	567.30
Dividend Income		
Apollo Tyres Limited	97.02	43.48
Interest Income on Inter corporate deposit/ loans		
Apollo Finance Limited	12.75	-
Premedium Pharmaceuticals Pvt. Limited	-	0.25
Motlay Finance Pvt. Limited	0.10	-
Sunrays Global Consultants LLP	2.45	-
Guarantee commission income		
Premedium Pharmaceuticals Pvt. Limited	0.35	-
Compensation for excess raw material consumption		
Apollo Tyres Limited	0.46	2.94
Reimbursement of Expenses Incurred		
Apollo Tyres Limited	7.80	20.55
Reimbursement of Expenses paid		
Apollo Tyres Limited	10.04	-

VARMA & VARMA * KOCHI-19 * CHARTERED ACCOUNTANTS

Classic Industries and Exports Limited
(Formerly known as Classic Auto Tubes Limited)
Notes forming part of the Financial Statements for the year ended 31st March, 2020

(Amount in INR Millions, unless otherwise stated)

	As at 31.03.2020	As at 31.03.2019
Management and Other Expenses		
Apollo Tyres Limited	1.69	1.69
Purchases of Raw Material		
Apollo Tyres Limited	390.73	1,206.83
CATL Singapore Pte Ltd	1,486.36	1,015.93
Purchase of Property, Plant and Equipment		
Apollo Tyres Limited	-	2.89
Rent Received		
Apollo Tyres Limited	0.12	0.12
Rent Paid		
Apollo Tyres Limited	1.07	1.06
Inter corporate deposits/ loans given		
Apollo Finance Limited	350.00	-
Sunrays Global Consultants LLP	50.00	-
Motlay Finance Pvt. Limited	50.00	-
Inter corporate deposits/ loans repaid		
Apollo Finance Limited	100.00	-
Investments made		
CATL Singapore Pte Ltd	-	6.96
Premedium Pharmaceuticals Pvt. Limited	-	100.10
Apollo Tyres Limited	-	226.60
Insurance Expenses		
Mrs.Taru Kanwar	1.20	0.40
Travelling Expenses		
Mr.Naveen Kapur	5.68	4.59
Mrs.Taru Kanwar	0.43	4.48
Managerial Remuneration		
Salary - Mrs.Taru Kanwar	50.34	64.00
Salary - Mr. Rajeev Lokare	11.56	10.79
Salary - Mr. Naveen Kapur	30.18	28.74
Salary - Mr. Bomi Karkaria	1.91	3.81
Salary - Mr. Rupak Saxena	4.16	-
Salary- Ms. Mona Bhandari	0.30	-
Salary- Mr. Pramod Karla	-	0.49
Directors Sitting Fee		
Mr. Onkar Kanwar	0.05	0.03
Mr. Harish Bahadur	0.08	0.06
Mr. Sanjay Dua	0.08	0.06
Mr. K.K. Malhotra	0.08	0.06
Other benefits to key management personnel		
Leave Liability		
Mr. Rajeev Lokare	0.28	0.31
Mr. Naveen Kapur	0.61	-
Mr. Bomi Karkaria	0.09	0.06
Mr. Rupak Saxena	0.08	-

VARMA & VARMA
KOCHI -19
CHARTERED ACCOUNTANTS

Classic Industries and Exports Limited
(Formerly known as Classic Auto Tubes Limited)
Notes forming part of the Financial Statements for the year ended 31st March, 2020

(Amount in INR Millions, unless otherwise stated)

	As at 31.03.2020	As at 31.03.2019
Gratuity Liability		
Mr. Rajeev Lokare	0.70	0.54
Mr. Naveen Kapur	1.00	0.61
Mr. Bomi Karkaria	0.17	0.13
Mr. Rupak Saxena	0.09	-

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

	As at 31.03.2020	As at 31.03.2019
Trade Payable		
Apollo Tyres Limited	90.03	96.00
CATL Singapore Pte Ltd	204.40	408.99
Advances received		
Apollo Tyres Limited	610.31	892.44
Trade Receivables		
Apollo Tyres Limited	546.68	716.73
Apollo Vredestein B.V.	10.45	5.10
Apollo Tyres Limited (Hungary) Kft.	8.48	-
Inter corporate deposits/ loans		
Apollo Finance Limited	250.00	-
Motlay Finance Pvt. Limited	50.00	-
Sunrays Global Consultants LLP	50.00	-
Interest receivable		
Apollo Tyres Limited	11.48	19.95
Motlay Finance Pvt. Ltd.	0.09	-
Sunrays Global Consultants LLP	2.21	-
Guarantee Commission receivable		
Premedium Pharmaceutical Private Ltd.	0.41	-
Reimbursement Receivable		
Apollo Tyres Limited	4.03	1.73
Employee recoverables		
Mrs. Taru Kanwar	0.13	0.30

2.37 Contingent liabilities and commitments

	As at 31.03.2020	As at 31.03.2019
Contingent Liabilities		
a) Claims against the company not acknowledged as debt:		
i) On account of dispute under Central Excise Act, 1944 (excludes interest thereon)*	528.61	528.61
ii) On account of disputes pending disposal under Income tax Act, 1961	15.76	15.43
b) Compensation claim by employee under Employee State Insurance Act, 1948	0.46	0.50
c) Bank Guarantee to Maharashtra State Electricity Board (MSEB)	0.60	8.32
d) Incremental statutory bonus liabilities for the FY 2014-15 not provided for pursuant to Kerala High Court stay order	5.95	5.95
e) Corporate Guarantee to Premedium Pharmaceuticals Private Limited for Rs.400 Millions (Wholly Owned Subsidiary)	144.13	-

*Out of the above, an amount of Rs.0.59 Million (Rs.0.59 Million) has been paid under protest.

Capital commitments (net of advances)		
Estimated amount of contracts remaining to be executed on capital account and not provided for	8.16	44.98
Total	**703.67**	**603.79**

VARMA & VARMA
KOCHI -19
CHARTERED ACCOUNTANTS

Classic Industries and Exports Limited
(Formerly known as Classic Auto Tubes Limited)
Notes forming part of the Financial Statements for the year ended 31st March, 2020

(Amount in INR Millions, unless otherwise stated)

2.38 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 31.03.2020	As at 31.03.2019
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	24.15	27.95
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.02	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1.81	-
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 to suppliers registered under MSMED Act, for payments already made	0.02	-
Further interest remaining due and payable for earlier years	-	-

2.39 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 31.03.2020	As at 31.03.2019
Amount required to be spent u/s 135 of the Companies Act, 2013	14.10	13.02
Total expenditure towards CSR Activities	14.10	13.00
a) Construction/acquisition of any asset	-	-
b) On purpose other than (a) above	14.10	13.00

2.40 Effective from 1st April, 2018 the company has adopted Ind AS 115 - "Revenue from contracts with customers". The application of Ind AS 115 did not have any significant impact on the recognition and measurement of revenue in the financial statements of the company.

(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 362.15 millions (Rs. 171.47 millions). Management expects the same to be recognised as revenue during FY 2020-21.

(b) Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period - Rs. 293.89 millions (Rs. 62.87 millions).

(c) The contract liability as at the end of the year has decreased to Rs. 610.31 millions from the the previous year end balance of Rs. 892.44 millions. This is on account of recognition of revenue against the opening balance of contract liability to the tune of Rs. 293.89 millions during the year on account of completion of the related contracts and further receipt of advances to the tune of Rs.11.77 millions during the year which is yet to be settled. Further, contract assets as at the end of the year has increased to Rs. 333.79 millions from the the previous year end balance of Rs. 161.53 millions on account of six contracts being under progress as at the end of the year as compared to three contracts at the end of previous year.

VARMA & VARMA
KOCHI -19
CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless otherwise stated)

2.41 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 its operating segments as Job Work for Tyre Industry, Manufacturing of Tubes, sale of Tyre Building Machines and Moulds. Segment information is given below:

	As at 31.03.2020	As at 31.03.2019
Segment Revenue		
Job Work for Tyre Industry	153.20	585.76
Manufacturing of Tubes	3,626.04	3,602.35
Mould	472.97	668.97
Tyre Building Machine	1,108.52	340.30
	5,360.73	**5,197.38**
Segment Result		
Job Work for Tyre Industry	18.62	190.82
Manufacturing of Tubes	203.96	363.37
Mould	151.13	267.78
Tyre Building Machine	643.41	180.49
	1,017.12	**1,002.46**
Unallocated Expenses	370.40	353.82
Unallocated Income	148.17	101.96
Total Profit/ Loss Before Tax	**794.89**	**750.60**
Income Taxes	156.26	229.35
Net Profit	**638.63**	**521.25**

	As at 31.03.2020	As at 31.03.2019
Segment Assets		
Job Work for Tyre Industry	173.68	219.02
Sale of rubber for Tyre Industry	1,530.05	1,847.08
Mould	550.45	641.77
Tyre Building Machine	486.50	327.58
Unallocated Assets	2,853.62	4,885.23
	5,594.30	**7,920.68**
Segment Liabilities		
Job Work for Tyre Industry	1.93	4.60
Sale of rubber for Tyre Industry	538.62	703.17
Mould	12.64	23.15
Tyre Building Machine	598.83	878.35
Unallocated Liabilities	484.22	1,307.74
	1,636.24	**2,917.01**

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 amounting to 10 percent or more of Company's revenues from product sale:

Particulars	2019-20	2018-19
Revenue from top customer	4,816.46	4,738.84
Revenue from customers contributing 10% or more to the Company's revenues from product sale	4,816.46	4,738.84

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.

KOCHI -19
CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless otherwise stated)

2.42 The Honourable Supreme Court in its judgment dated 28th February 2019 in case of RPFC(II) West Bengal Vs. Vivekanand Vidhyamandir & 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 for the periods prior to March, 2019. For period March, 2019 onwards the company has voluntarily considered the special allowances as mentioned in the above-said judgement for remittance of Provident Fund and necessary provisions for interest and penal damages have been created in the books of account.

2.43 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.

2.44 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 31.03.2020	As at 31.03.2019
Financial Assets measured at Fair value through Other Comprehensive Income			
Investments in Equity instruments FVTOCI	1	1,232.57	3,457.86

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 31.03.2020	As at 31.03.2019
Financial Assets measured at Fair value through Other Comprehensive Income			
Investments in Equity instruments FVTOCI	2.02	1,232.57	3,457.86
		1,232.57	**3,457.86**
Financial Assets measured at amortised cost			
Non Current:			
i. Investments	2.02	227.06	227.06
ii. Loans	2.03	19.29	19.76
iii. Other financial assets	2.04	4.57	0.83
Current:			
i. Trade Receivables	2.08	623.78	747.57
ii. Cash and cash equivalents	2.09A	141.84	131.37
iii. Bank Balances other than (ii) above	2.09B	499.90	631.87
iv. Loans	2.10	350.00	-
v. Other financial assets	2.11	15.77	27.64
		1,882.21	**1,786.10**

VARMA & VARMA
KOCHI -19
CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless otherwise stated)

Financial Liabilities measured at amortised cost			
Non Current:			
i. Borrowings	2.16	-	124.88
ii. Other financial liabilities	2.17	0.29	-
Current:			
i. Borrowings	2.20	29.04	12.11
ii. Trade Payables	2.21	496.65	714.44
iii. Other financial liabilities	2.22	108.54	170.97
		634.52	**1,022.40**

2.45 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 fully below. We do not hold nor issue derivative financial instruments for trading or speculative purposes.

(i) Foreign currency sensitivity

The Company undertakes transactions denominated in foreign currency mainly in US Dollar and Euros, which are 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 31.03.2020		As at 31.03.2019	
		Amount in FC	Amount in INR	Amount in FC	Amount in INR
Financial liabilities:					
Trade Payables	USD	2.73	206.25	5.95	408.99
Trade Payables	EUR	0.04	3.35	-	-
Capital Creditors	USD	0.01	1.05	-	-
Financial assets:					
Trade Receivables	EUR	0.13	10.44	-	-

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 31.03.2020	As at 31.03.2019
INR/USD (Net Payable)	2.07	4.09
INR/EUR (Net Receivable)	0.07	-

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 31.03.2020		As at 31.03.2019	
	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
Advance paid:				
EURO	-	-	(0.03)	(2.61)
USD	-	-	(0.02)	(1.10)
Payables:				
USD	2.74	207.29	5.95	408.99
EURO	0.04	3.35	-	-
Receivables				
EURO	0.13	10.44	-	-

VARMA & VARMA
KOCHI -19
CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless otherwise stated)

(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, 2020 and March 31, 2019 were **Rs.641.74 millions** and **Rs.763.24 millions** 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 31.03.2020	As at 31.03.2019
Variable rate borrowings	29.04	12.11
Total borrowings disclosed under financial liabilities	29.04	12.11

Sensitivity

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

Particulars	As at 31.03.2020	As at 31.03.2019
Interest rates – change by 100 basis points (100 bps)	0.29	0.12

(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, 2020, 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 31.03.2020	As at 31.03.2019
Non Current:			
Financial assets -			
i. Investments	2.02	1,459.63	3,684.92
ii. Loans	2.03	19.29	19.76
iii. Other financial assets	2.04	4.57	0.83
Current:			
Financial assets -			
i. Trade Receivables	2.08	623.78	747.57
ii. Cash and cash equivalents	2.09A	141.84	131.37
iii. Bank Balances other than (ii) above	2.09B	499.90	631.87
iv. Loans	2.10	350.00	-
v. Other financial assets	2.11	15.77	27.64

VARMA & VARMA
KOCHI -19
CHARTERED ACCOUNTANTS

(Amount in INR Millions, unless otherwise stated)

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 credit worthiness 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 90.68% (96.68% in financial year 2018-19) 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, 2020 and as at 31st March, 2019 is assessed as Rs.Nil/- (Rs.Nil/-).

(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.2,791.80 (Rs.2,806.79) including trade receivables, cash and cash equivalents and bank balances against aggregate current liability of Rs.1,312.40 (Rs.1,880.65) and non current liabilities amounting to Rs.323.84 (Rs.1,037.26) on the reporting date. While the Company's total equity stands at Rs.3,958.06 (Rs.5,003.66). The Company has established an appropriate liquidity risk management framework for it's short term, medium term and long term funding requirement.

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
As at 31st March, 2020				
Non current:				
i. Borrowings	-	-	-	-
ii. Other financial liabilities	-	0.07	0.22	0.29
Current:				
i. Borrowings	29.04	-	-	29.04
ii. Trade Payables	496.65	-	-	496.65
iii. Other financial liabilities	108.54	-	-	108.54
As at 31st March, 2019				
Non current:				
i. Borrowings	-	124.88	-	124.88
Current:				
i. Borrowings	12.11	-	-	12.11
ii. Trade Payables	714.44	-	-	714.44
iii. Other financial liabilities	170.97	-	-	170.97

2.46 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.

KOCHI -19
CHARTERED ACCOUNTANTS

Classic Industries and Exports Limited
(Formerly known as Classic Auto Tubes Limited)
Notes forming part of the Financial Statements for the year ended 31st March, 2020

(Amount in INR Millions, unless otherwise stated)

Particulars		As at 31.03.2020	As at 31.03.2019
Total equity	(i)	3,958.06	5,003.66
Total debt	(ii)	58.88	238.37
Overall financing	(iii) = (i) + (ii)	4,016.94	5,242.03
Gearing ratio	(ii)/ (iii)	0.01	0.05

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2020 and 31st March, 2019.

2.47 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources on the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on current indicators of future economic conditions, the Company expects the carrying amount of these assets will be recovered and sufficient liquidity is available to fund the business operations for at least another 12 months. Given the uncertainty because of COVID-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of these financial statements.

2.48 During the previous year, the Pune unit of the company had changed its business model. The unit 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. To this extent, the operational results are not comparable for the relevant periods.

2.49 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:004532S)

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

Onkar S Kanwar
Director
DIN: 00058921

Harish Bahadur
Director
DIN: 00032919

Naveen Kapur
Whole Time Director
DIN: 00024538

Rupak Saxena
Chief Financial Officer

Mona Bhandari
Company Secretary

Place: KOCHI - 19
Date: 26.08.2020

Place: New Delhi
Date: 21.08.2020