

## **INDEPENDENT AUDITORS' 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 Financial Statements of Classic Industries And Exports Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the 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 (hereinafter referred to as "the Financial Statements").

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, 2021, its profit and other comprehensive income, its 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 Act. 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 Act 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.

#### **Emphasis of matter**

We draw attention to note 2.15.02 to the Financial Statements wherein the management has explained the reasons for restatement of the Financial Statements in accordance with Ind AS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors'. Our opinion is not modified with respect to this matter.

Offices at: Mumbai | Kolhapur | Belagavi | Hubballi | Dharwad | Bengaluru

M/s P.G. Bhagwat the partnership firm was converted and incorporated as Limited Liability Partnership on 28<sup>th</sup> September 2020



## **P G BHAGWAT LLP**

Chartered Accountants

LLPIN: AAT-9949

### **Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' Report but does not include the Financial Statements and our auditor's report thereon. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements, or our knowledge obtained 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.

### **Responsibilities 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 specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

### **Auditor's 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:

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

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.

### Other Matters

The comparative financial information of the Company for the year ended 31 March 2019, 31 March 2020 and the transition date opening balance sheet as at 1 April, 2019 and 1 April, 2020 prepared in accordance with Ind AS included in these Financial Statements have been audited by the predecessor auditor who had audited the statutory Financial Statements for the years ended 31 March 2019 and 31 March 2020. The predecessor auditor has expressed an unmodified opinion on the comparative financial information and the opening balance sheet vide report dated 31.07.2019 and 26.08.2020 respectively.

Our opinion is not qualified in respect of these matters

### 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 Act, we give in the 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:

M/s P.G. Bhagwat the partnership firm was converted and incorporated as Limited Liability Partnership on 28<sup>th</sup> September 2020



**P G BHAGWAT LLP**

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- 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 specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to the Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure B.
- g) As required by section 197 (16) of the Act; in our opinion and according to information and explanation provided to us, the remuneration paid/provided by the Company to its directors is in accordance with the provisions of section 197 of the Act and remuneration paid/provided to directors is not in excess of the limit laid down under this section.
- 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 has disclosed the impact of pending litigations on its financial position in its Financial Statements – Refer Note 2.37;
- (ii) Provision has been made in the Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2021.
- (iii) There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

For P G BHAGWAT LLP

Chartered Accountants

Firm Registration Number: 101118W/W100682



Abhijeet Bhagwat

Partner

Membership Number: 136835

UDIN: 21136835AAAADS3443



Pune

August 23, 2021

M/s P.G. Bhagwat the partnership firm was converted and incorporated as Limited Liability Partnership on 28<sup>th</sup> September 2020

**Annexure A to the Independent Auditors' Report**

Referred to in paragraph 1 under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) The fixed assets are being physically verified by the management at regular intervals based on the programme of verification in which all assets are verified in a period of three years. In our opinion the interval of verification is reasonable. However, no physical verification was carried out by the Management during the year on account of lockdowns imposed by the Government of India to curb spread of Covid -19.  
  
(c) The title deeds of immovable properties are held in the name of the Company.
- ii. Physical verification of inventory has been conducted by the management at each quarter end during the current year. In our opinion, the interval of such verification is reasonable. Discrepancies noticed on physical verification were not material and the same have been properly dealt with in the books of account.
- iii. The company has granted unsecured loans (inter corporate deposits/ICDs), to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

Rs in Millions

Number of parties	Opening balance	Year End balance	Maximum balance
3	350.00	0.00	400.00

- (a) According to the information and explanations provided to us, the rate of interest charged on these ICDs is at arm's length. Therefore, they are not prejudicial to the interest of the Company.
  - (b) According to the information and explanations provided to us, the repayment of the principal and interest are on demand. All the ICDs and loans are fully paid during the year.
  - (c) According to the information and explanation provided to us, no amount is overdue.
- iv. According to the information and explanation provided to us, in respect of loans, investments, guarantees and securities provisions of section 185 and 186 of the Act have been complied with.
  - v. According to information and explanation provided to us, the Company has not accepted deposits, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under, are not applicable to it. According to information and explanation provided to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
  - vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under sub-section (l) 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. We have not however made a detailed examination of records with a view to determine whether they are accurate and complete.

M/s P.G. Bhagwat the partnership firm was converted and incorporated as Limited Liability Partnership on 28<sup>th</sup> September 2020



**P G BHAGWAT LLP**

Chartered Accountants

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- vii. (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and any other statutory dues with the appropriate authorities. There are few delays in payment of GST. According to the information and explanation provided to us, undisputed amounts payable in respect of statutory dues(GST) were in arrears as at March 31, 2021, for a period more than six months from the date they became payable is Rs. 13,719.

(b) According to the information and explanation provided to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, goods and service tax value added tax or cess which have not been deposited on account of any dispute except those mentioned below:

Name of the Statute	Nature of Dues	Amounts (Rs in Mns)	Period to which the amounts relate	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

- viii. Based on our audit procedures and according to the information and explanation provided to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank or government. The Company did not have debenture holders.
- ix. According to information and explanation provided to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) in the current year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. Based upon the audit procedures performed by us and according to the information and explanation provided to us by the management, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported to us during the year.
- xi. According to the information and explanation provided to us, the managerial remuneration has been paid and provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. The Company is not a Nidhi Company and accordingly, clause (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanation provided to us, all transactions with the related parties are in compliance with sections 177 and 188 of the Act wherever applicable and the details of the transactions have been disclosed in the Financial Statements as required by 24 'Related Party Disclosures'. Refer note 2.36.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

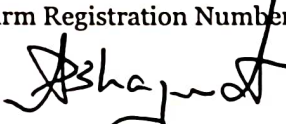
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- xv. According to the information and explanation provided to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. According to the information and explanation provided to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **P G BHAGWAT LLP**  
Chartered Accountants  
Firm Registration Number: 101118W/W100682



Abhijeet Bhagwat  
Partner  
Membership Number: 136835  
UDIN: 21136835AAAADS3443



Pune  
August 23, 2021

## **Annexure B to the Independent Auditors' Report**

Referred to in paragraph 2 (f) under the heading, "Report on Other legal and Regulatory Requirements" of our report on even date:

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

We have audited the internal financial controls with reference to the Financial Statements of Classic Industries And Exports Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls 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 Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements 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, to the extent applicable to an audit of internal financial controls, 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to the Financial Statements included obtaining an understanding of internal financial controls with reference to the Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls 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 with reference to the Financial Statements.

#### **Meaning of Internal Financial controls with reference to the Financial Statements**

A company's internal financial controls with reference to the Financial Statements 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 with reference to the Financial Statements 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

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**P G BHAGWAT LLP**

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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 the Financial Statements**

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

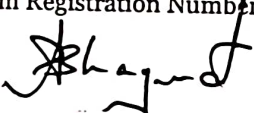
**Opinion**

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

For P G BHAGWAT LLP

Chartered Accountants

Firm Registration Number: 101118W/W100682



Abhijeet Bhagwat

Partner

Membership Number: 136835

UDIN: 21136835AAAADS3443



Pune

August 23, 2021

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

Balance Sheet as at 31st March, 2021  
(Amount in INR Millions, unless otherwise stated)

	Particulars	Note No.	As at 31.03.2021	As at 31.03.2020 Restated	As at 01.04.2019 Restated
<b>I.</b>	<b>ASSETS</b>				
	<b>1. Non-current assets</b>				
	a. Property, Plant and Equipment	2.01	1,219.34	1,252.75	1,317.75
	b. Capital work-in-progress		9.35	27.40	21.76
	c. Intangible assets	2.01	6.71	8.64	9.44
	d. Intangible assets under development		-	-	0.80
	e. Financial assets				
	i. Investments	2.02	4,344.71	1,459.63	3,684.92
	ii. Loans	2.03	55.88	19.29	19.76
	iii. Other financial assets	2.04	5.58	4.57	0.83
	f. Non-current tax assets (net)	2.05	128.80	25.87	25.16
	g. Other non-current assets	2.06	24.08	4.35	34.36
	<b>Total Non-current assets</b>		<b>5,794.45</b>	<b>2,802.50</b>	<b>5,114.78</b>
	<b>2. Current assets</b>				
	a. Inventories	2.07	1,057.29	707.25	1,020.59
	b. Financial assets				
	i. Trade Receivables	2.08	947.24	623.91	747.57
	ii. Cash and cash equivalents	2.09A	196.48	141.84	131.37
	iii. Bank Balances other than (ii) above	2.09B	65.78	499.90	631.87
	iv. Loans	2.10	150.00	350.00	-
	v. Other financial assets	2.11	198.11	174.96	107.23
	c. Current tax assets (net)	2.12	16.74	10.01	-
	d. Other current assets	2.13	136.83	443.26	247.75
	<b>Total current assets</b>		<b>2,768.46</b>	<b>2,951.13</b>	<b>2,886.38</b>
	<b>Total Assets</b>		<b>8,562.91</b>	<b>5,753.63</b>	<b>8,001.17</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>				
	<b>1. Equity</b>				
	a. Equity share capital	2.14	104.80	104.80	104.80
	b. Other equity	2.15	6,495.47	4,012.44	4,978.45
	<b>Total Equity</b>		<b>6,600.27</b>	<b>4,117.24</b>	<b>5,083.25</b>
	<b>LIABILITIES</b>				
	<b>2. Non-current liabilities</b>				
	a. Financial liabilities				
	i. Borrowings	2.16	-	-	124.88
	ii. Other financial liabilities	2.17	0.31	0.29	-
	b. Provisions	2.18	13.57	32.78	12.74
	c. Deferred Tax Liabilities (Net)	2.19	658.64	290.77	899.64
	d. Non-current tax liabilities (Net)		-	-	-
	<b>Total non-current liabilities</b>		<b>672.51</b>	<b>323.84</b>	<b>1,037.26</b>
	<b>3. Current liabilities</b>				
	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	27.48	24.06	27.74
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises	2.21	911.78	472.74	686.70
	iii. Other financial liabilities	2.22	68.37	108.54	170.97
	b. Other Current Liabilities	2.23	113.52	644.33	925.01
	c. Provisions	2.24	39.70	33.84	23.73
	d. Current tax liabilities (net)	2.25	129.26	-	34.38
	<b>Total current liabilities</b>		<b>1,290.12</b>	<b>1,312.55</b>	<b>1,880.64</b>
	<b>Total liabilities</b>		<b>1,962.63</b>	<b>1,636.39</b>	<b>2,917.90</b>
	<b>Total equity and liabilities</b>		<b>8,562.91</b>	<b>5,753.63</b>	<b>8,001.17</b>

Significant accounting policies and key accounting estimates and judgements  
The accompanying notes form an integral part of the balance sheet  
As per our separate report of even date attached

For and on behalf of the Board of Directors

For P G BHAGWAT LLP  
Firm Registration Number: 101118W / W100682  
Chartered Accountants

Abhijeet Bhagwat  
Partner  
Membership No.: 136835  
Place:  
Date :



Onkar Kanwar  
Director  
DIN: 00058921

Rupak Saxena  
Chief Financial Officer

Naveen Kapur  
Whole Time Director  
DIN: 00024538

Mona Bhandari  
Company Secretary  
Place:  
Date :

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

**Statement of Profit And Loss for the period ended 31st March, 2021**  
(Amount in INR Millions, unless otherwise stated)

Particulars	Note No	For the year ended 31.03.2021	For the year ended 31.03.2020 Restated
<b>INCOME</b>			
I. Revenue from operations	2.26	5,338.93	5,358.43
II. Other Income	2.27	116.28	230.07
III. <b>Total Income</b>		<b>5,455.21</b>	<b>5,588.50</b>
<b>IV. EXPENSES</b>			
a. Cost of material consumed	2.28	3,511.49	3,349.55
b. Change in inventories of finished goods and work-in-progress	2.29	(49.77)	(21.62)
c. Excise duty on sales		-	-
c. Employee benefits expenses	2.30	698.21	660.35
d. Finance cost	2.31	6.64	18.96
e. Depreciation and amortisation expenses	2.01	156.26	165.10
f. Other expenses	2.32	630.40	541.68
IV. <b>Total Expenses</b>		<b>4,953.23</b>	<b>4,714.02</b>
V. <b>Profit before Tax (III-IV)</b>		<b>501.98</b>	<b>874.48</b>
VI. Tax expense:			
a. Current tax		129.26	198.68
b. Tax Prior Years		-	-
c. Deferred tax		7.72	(42.42)
		<b>136.98</b>	<b>156.26</b>
VII. <b>Profit for the period (V - VI)</b>		<b>365.01</b>	<b>718.22</b>
<b>Other Comprehensive Income</b>			
A. Items that will not be reclassified to profit or loss:			
(i) Re-measurements on defined benefit plans		(4.47)	(25.39)
(ii) Income tax effect		1.13	6.39
		<b>(3.35)</b>	<b>(19.00)</b>
B. Items that will not be reclassified subsequently to profit or loss:			
(i) Fair valuation gain/(loss) adjustments on equity instruments designated as FVTOCI		2,482.67	(2,225.29)
(ii) Income tax effect		(361.28)	560.06
		<b>2,121.39</b>	<b>(1,665.23)</b>
<b>Other comprehensive income for the year (VIII A+VIII B)</b>		<b>2,118.05</b>	<b>(1,684.23)</b>
IX. <b>Total Comprehensive Income for the period (VII+ VIII) (Comprising Profit and Other Comprehensive Income for the period)</b>		<b>2,483.05</b>	<b>(966.01)</b>
X. <b>Earnings per equity share:</b>			
Nominal value of share Rs.10/- (Rs.10/-)	2.33	34.83	68.53
- Basic/ Diluted			

Significant accounting policies and key accounting estimates and judgements  
The accompanying notes form an integral part of the statement of profit and loss

Note 1

As per our separate report of even date attached

For and on behalf of the Board of Directors

**For P G BHAGWAT LLP**  
Firm Registration Number 101118W / W100682  
Chartered Accountants

*Ankarnan*  
Onkar Kanwar  
Director  
DIN: 00058921

*Harish*  
Harish Bahadur  
Director  
DIN: 00032919

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



*Abhijeet*  
**Abhijeet Bhagwat**  
Partner  
Membership No.: 136835  
Place:  
Date :

*Rupak*  
Rupak Saxena  
Chief Financial Officer

*Mona*  
Mona Bhandari  
Company Secretary

Place:  
Date :

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

Statement of changes in equity for the year ended 31st March, 2021  
(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	10,48,00,000	104.80
Issued during the year 2018-19	-	-
As at 31st March, 2019	10,48,00,000	104.80
Issued during the year 2019-20	-	-
As at 31st March, 2020	10,48,00,000	104.80
Issued during the year 2020-21	-	-
As at 31st March, 2021	10,48,00,000	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)
Share of Profit from Sunrays Global Consultants LLP	-	79.59	-	79.59
Total comprehensive income for the year	-	596.72	(510.14)	86.58
Balance as at 31st March 2019	13.08	3,520.22	1,445.15	4,978.45

Particulars	Reserve & Surplus		Items of OCI	Total
	Capital Reserve	Retained Earnings	FVTOCI Reserve on equity instruments	
Balance as at 1st April 2019	13.08	3,520.22	1,445.15	4,978.46
Profit for the year	-	718.22	-	718.22
Re-measurement of defined benefit plans	-	(19.00)	-	(19.00)
Other comprehensive income	-	-	(1,665.23)	(1,665.23)
Share of Profit from Sunrays Global Consultants LLP	-	-	-	-
Total comprehensive income for the year	-	699.22	(1,665.23)	(966.01)
Balance as at 31st March 2020	13.08	4,219.44	(220.08)	4,012.45

Particulars	Reserve & Surplus		Items of OCI	Total
	Capital Reserve	Retained Earnings	FVTOCI Reserve on equity instruments	
Balance as at 1st April 2020	13.08	4,219.44	(220.08)	4,012.44
Profit for the year	-	365.00	-	365.00
Re-measurement of defined benefit plans	-	(3.35)	-	(3.35)
Other comprehensive income	-	-	2,121.39	2,121.39
Share of Profit from Sunrays Global Consultants LLP	-	-	-	-
Total comprehensive income for the year	-	361.65	2,121.39	2,483.04
Balance as at 31st March 2021	13.08	4,581.09	1,901.31	6,495.48

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 P G BHAGWAT LLP

Firm Registration Number: 101118W / W100682

Chartered Accountants

Abhijeet Bhagwat

Partner

Membership No.: 136835

Place:

Date :



Onkar Kanwar

Director

DIN: 00058921

Rupak Saxena

Chief Financial Officer

Harish Bahadur

Director

DIN: 00032919

Mona Bhandari

Company Secretary

Naveen Kapur

Whole Time Director

DIN: 00024538

Place:

Date:

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

**Statement of cash flows for the year ended 31st March, 2021**  
(Amount in INR Millions, unless otherwise stated)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
<b>Cash flow from operating activities</b>		
Profit/ (Loss) before tax	501.98	874.48
<b>Adjustments for:</b>		
Depreciation and amortization expenses	156.26	165.10
Finance cost	6.64	18.96
Interest income	(31.63)	(50.45)
Guarantee commission income		
Discount Received	-	-
Export Incentive Received	-	-
Liabilities written back	(16.06)	-
Fixed Assets written off during the year	0.41	7.70
(Gain)/ loss on sale of fixed assets	0.45	(0.06)
Share of Profit from Sunrays Global Consultants LLP	(30.24)	-
Trade advances written off	10.68	-
Book Debts Written Off	0.10	-
Balances write off	0.03	-
Dividend Received from Trade & Non-Trade Investments	-	(97.02)
Net Unrealised foreign exchange (gain)/loss	(4.38)	5.25
Amortization of deferred lease asset	-	0.04
Gain / loss on FV of Security Deposit	-	(0.04)
<b>Operating cash flow before working capital changes</b>	<b>594.24</b>	<b>923.97</b>
<b>Changes in working capital</b>		
Increase / (decrease) in Trade Payables	462.90	(248.28)
Increase / (decrease) in Other Financial Liabilities	21.75	(5.53)
Increase / (decrease) in Other Current Liabilities	(530.80)	(280.61)
Increase / (decrease) in Non Current Provisions	(19.21)	20.04
Increase / (decrease) in Non Current Other Financial Liabilities	0.02	0.29
Increase / (decrease) in Current Provisions	1.39	10.11
Decrease / (increase) in Inventories	(350.04)	313.34
Decrease / (increase) in Trade Receivables	(323.46)	123.66
Decrease / (increase) in Non Current Other Assets	(0.54)	12.13
Decrease / (increase) in Non Current Other Financial Assets	(1.01)	(3.74)
Decrease / (increase) in Current Other Financial Assets	0.95	(0.84)
Decrease / (increase) in Other Current Assets	295.75	(195.50)
<b>Cash generated / (used) in operations</b>	<b>151.92</b>	<b>669.04</b>
Income tax paid	(109.65)	(243.79)
<b>Net cash flows from operating activities (A)</b>	<b>42.27</b>	<b>425.24</b>
<b>Cash flow from Investing activities</b>		
Purchase of property, plant and equipment including Capital work in progress and intangibles assets, intangible under development, Right-of-use asset and capital advance (net)	(126.08)	(91.38)
Purchase of non current investment	(402.41)	-
Additions to Capital work-in-progress	-	(4.93)
Proceeds from sale/ disposal of Investments -	-	-
Proceeds from sales of investments	-	-
Proceeds from sale/ disposal of fixed assets	0.70	0.91
Proceeds from Loans & Advances	-	-
Net proceeds/ (Additions) from/ (to) Fixed Deposits	434.12	131.97
Net proceeds from fixed deposits	-	-
Dividend Received from Trade & Non-Trade Investments	-	97.03
Interest received	37.77	63.16
Receivable from Sunrays LLP	-	(79.59)
Purchase of Investment	-	-
Proceeds from Investment	-	-
<b>Net cash flow from investing activities (B)</b>	<b>(55.91)</b>	<b>117.16</b>



Particulars	Year ended	Year ended
	31.03.2021	31.03.2020
<b>Cash flow from Financing activities</b>		
Proceeds from issuance of equity share capital	-	-
Proceeds from exercise of share options	-	-
Proceeds from issuance of convertible preference shares	-	-
Proceeds from borrowings	-	-
Repayment of borrowings (Net)	(87.92)	(162.56)
Loans advanced to related parties	163.41	(349.53)
Interest paid	(7.19)	(19.84)
<b>Net cash flow from financing activities (C)</b>	<b>68.28</b>	<b>(531.93)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>54.64</b>	<b>10.48</b>
Cash and cash equivalents at the beginning of the year	141.84	131.37
Cash and cash equivalents at the end of the year	<b>196.48</b>	<b>141.84</b>
<b>Cash and cash equivalents comprise (Refer Note 2.09A)</b>		
Balances with banks		
On current accounts	126.53	138.97
Fixed deposits with maturity of less than 3 months	69.68	2.79
Cash on hand	0.26	0.08
Bank and other bank balances	-	-
<b>Total cash and bank balances at end of the year</b>	<b>196.48</b>	<b>141.84</b>

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

Particulars	As at 31st March, 2020	Financing Cash Flows		As at 31st March, 2021
		Proceeds raised	Repayments	
Non-current borrowings: Term Loan (Refer note below)	59.44	-	59.44	-
Current borrowings: Cash Credit	29.04	-	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**

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

Note 1

As per our separate report of even date attached

For and on behalf of the Board of Directors

For P G BHAGWAT LLP  
Firm Registration Number: 101118W / W100682  
Chartered Accountants

Abhijeet Bhagwat  
Partner  
Membership No.: 136835  
Place:  
Date :



*Onkar Kanwar*  
Onkar Kanwar  
Director  
DIN: 00058921

*Harish Bahadur*  
Harish Bahadur  
Director  
DIN: 00032919

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

*Rupak Saxena*  
Rupak Saxena  
Chief Financial Officer

*Mona Bhandari*  
Mona Bhandari  
Company Secretary

Place:  
Date :

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, 2021  
(Amount in INR Millions, unless otherwise stated)

Note No. 2.01

Particulars	Gross Block			Depreciation/Amortisation			Net Block As at 31.03.2021	
	As at 01.04.2020	Additions	Disposals/ Adjustments	As at 31.03.2021	As at 01.04.2020	For the year		Disposals/ Adjustments
(A) Property, Plant and Equipment								
Right of Use- Land	44.37	-	-	44.37	4.93	0.52	-	5.42
Buildings	448.35	20.03	-	468.38	138.59	16.51	-	155.10
Plant & Machinery	1,990.67	78.45	(9.75)	2,059.36	1,161.10	118.62	(9.29)	1,270.42
Moulds	139.69	12.57	(0.01)	152.25	92.99	7.02	-	100.02
Electrical Installations	64.06	2.29	-	66.35	60.18	1.20	-	61.38
Furniture & Fixtures	8.97	2.07	(0.18)	10.86	5.73	1.16	(0.13)	6.76
Office Equipments	7.93	0.06	-	7.99	4.63	0.65	-	5.28
Vehicles	17.35	2.38	(1.95)	17.78	9.41	3.26	(0.98)	11.69
Computers	23.15	2.98	(0.45)	25.68	17.28	3.04	(0.40)	19.93
Servers	4.31	-	-	4.31	1.25	0.73	-	1.97
<b>Total</b>	<b>2,748.83</b>	<b>120.83</b>	<b>(12.35)</b>	<b>2,857.32</b>	<b>1,496.09</b>	<b>152.71</b>	<b>(10.80)</b>	<b>1,637.98</b>
(B) Intangible Assets								
Computer Software	26.21	1.61	-	27.82	19.11	3.55	-	22.15
Technical Knowhow	35.04	-	-	35.04	33.50	-	-	34.02
<b>Total</b>	<b>61.25</b>	<b>1.61</b>	<b>-</b>	<b>62.87</b>	<b>52.61</b>	<b>3.55</b>	<b>-</b>	<b>56.16</b>

Capital Work in Progress

Particulars	As at 31.03.2021
Opening balance	27.40
Additions	171.05
Capitalisations/Deletions	189.10
Closing balance	9.35

Particulars	As at 31.03.2021
Intangible Assets under development	-



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, 2021  
(Amount in INR Millions, unless otherwise stated)

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	As at 31.03.2020	As at 01.04.2019
<b>(A) Property, Plant and Equipment</b>								
Right of Use- Land	44.08	0.30	-	44.38	-	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	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	-	48.60
Furniture & Fixtures	8.79	0.62	0.44	8.97	5.09	0.97	60.33	4.94
Office Equipments	7.60	0.32	-	7.92	3.78	0.85	5.70	3.27
Vehicles	16.45	1.64	0.73	17.36	6.14	3.39	4.63	3.29
Computers	18.90	4.64	0.39	23.15	14.81	2.84	9.42	7.94
Servers	4.28	-	-	4.28	0.53	0.72	17.28	5.87
<b>Total</b>	<b>2,660.30</b>	<b>105.23</b>	<b>16.70</b>	<b>2,748.83</b>	<b>1,342.55</b>	<b>161.68</b>	<b>1,496.08</b>	<b>1,252.75</b>
<b>(B) Intangible Assets</b>								
Computer Software	25.68	2.62	-	28.30	16.24	3.42	19.66	9.44
Technical Knowhow	32.95	-	-	32.95	32.95	-	32.95	-
<b>Total</b>	<b>58.63</b>	<b>2.62</b>	<b>-</b>	<b>61.25</b>	<b>49.19</b>	<b>3.42</b>	<b>52.61</b>	<b>9.44</b>

Capital Work in Progress

Particulars	As at 31.03.2020	As at 01.04.2019
Opening balance	21.76	21.76
Additions	5.64	-
Capitalisations/Deletions	-	-
Closing balance	<b>27.40</b>	<b>21.76</b>

Particulars	As at 31.03.2020	As at 01.04.2019
Intangible Assets under development	-	0.80





Classic Industries and Exports Limited  
(Formerly known as Classic Auto Tubes Limited)  
Notes forming part of financials statements for the year ended March 31, 2021  
(Amount in INR Millions, unless otherwise stated.)

## 2.02 Investments

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
<b>A. Investments in Equity Instruments- Quoted</b>			
Investment in equity instrument designated as at fair value through OCI (fully paid): 1,81,83,505 [Previous Year-2020 - 1,55,23,505, Previous Year 2019-1,55,23,505] Equity Shares of Rs.1/- each fully paid up in Apollo Tyres Limited (ATL) representing 2.86% [Previous Year 2020 - 2.71%, Previous Year 2019-2.71%] of the paid up capital of ATL	4,067.65	1,232.57	3,457.86
<b>B. Investment in subsidiary - Unquoted</b>			
Investment measured at cost:			
a) 1,00,000 [Previous Year 2020 -1,00,000, Previous Year 2019 -1,00,000] Equity Shares of USD 1/- each fully paid up in CATL Singapore Pte Ltd representing 100% [Previous Year 2020 - 100%, Previous Year 2019 - 100% ] of the paid up capital	6.96	6.96	6.96
b) 1,00,09,990 [Previous Year 2020- 1,00,09,990, Previous Year 2019 - 1,00,09,990] Equity Shares of Rs.10/- each fully paid up in Premedium Pharmaceuticals Private Limited representing 100% [Previous Year 2020 - 100%, Previous Year 2019 -	100.10	100.10	100.10
c) Investment in Capital of Partnership Firm: Partners capital account in Sunrays Global Consultants LLP	170.00	120.00	120.00
	<b>4,344.71</b>	<b>1,459.63</b>	<b>3,684.92</b>

<b>Aggregate book value of:</b>			
Quoted investments	4,067.65	1,232.57	3,457.86
Unquoted investments	277.06	227.06	227.06
<b>Aggregate market value of:</b>			
Quoted investments	4,067.65	1,232.57	3,457.86
Unquoted investments	277.06	227.06	227.06
<b>Aggregate amount of Impairment in the value of investments:</b>			
Quoted investments	-	-	-
Unquoted investments	-	-	-

### Footnotes:

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

Name of Partners	Capital Balance		
	As at 31.03.2021	31.03.2020	As at 01.04.2019
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Limited)	170.00	120.00	120.00
Sanjay Dua	-	-	-

Name of Partners	Share of Profit/ Loss (%)		
	As at 31.03.2021	31.03.2020	As at 01.04.2019
Classic Industries and Exports Limited (formerly known as Classic Auto Tubes Limited)	99.999%	99.999%	99.999%
Sanjay Dua	0.001%	0.001%	0.001%

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

Particulars	Number of Shares		
	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Investments in equity instrument of Apollo Tyres Limited (Face Value Rs.1)	1,81,83,505	1,55,23,505	1,55,23,505

## 2.03 Loans

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
<b>Non-Current:</b>			
Loans Receivables considered good - Secured	-	-	-
Loans Receivables considered good - Unsecured			
i) Security deposits	55.88	19.29	19.76
Loans Receivables which have significant increase in Credit Risk	-	-	-
Loans Receivables - credit impaired	-	-	-
	<b>55.88</b>	<b>19.29</b>	<b>19.76</b>



Classic Industries and Exports Limited  
(Formerly known as Classic Auto Tubes Limited)  
Notes forming part of financials statements for the year ended March 31, 2021  
(Amount in INR Millions, unless otherwise stated.)

**2.04 Other financial assets**

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
In Fixed deposit accounts with maturity for more than 12 months from balance sheet date	5.58	4.57	0.83
	5.58	4.57	0.83

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

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

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Income Tax ( Net )	38.76	25.87	25.16
	38.76	25.87	25.16

**2.06 Other non-current assets**

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Capital advance	23.34	4.16	21.98
Gratuity fund - excess of fund balance over obligation (Refer Note 2.34)	-	-	12.14
Deferred lease asset	0.19	0.19	0.24
Prepaid expenses	0.54	-	-
	24.08	4.35	34.36

**2.07 Inventories**

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Valued at lower of cost and net realizable value-			
Raw materials	898.49	520.11	860.28
Work in progress	61.22	64.67	43.85
Finished goods	43.26	67.16	66.36
Packing Materials	8.53	1.47	2.51
Store and spares parts	45.79	53.84	47.59
	1,057.29	707.25	1,020.59

2.07.01 Inventories written down to net realisable value during the year ended 31 March 2021 Rs.Nil were recognised in the statement of profit and loss during the year.

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

**2.08 Trade Receivables**

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Trade receivables considered good - secured			
Trade receivables considered good - unsecured	947.25	623.91	747.57
Trade Receivables which have significant increase in Credit Risk	-	-	-
Trade Receivables - credit impaired	-	-	-
	947.25	623.91	747.57
Less : Provision of loss allowance	-	-	-
	947.25	623.91	747.57

Further classified as:

Debts due by companies in which directors are interested	791.45	565.74	721.83
Debts due from others	155.67	58.17	25.74
	947.12	623.91	747.57

**2.09A Cash & Cash Equivalents**

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Balance with banks			
a. In Current Accounts	126.53	138.97	116.61
b. Fixed deposits with maturity of less than 3 months	69.68	2.79	14.60
Cash on hand	0.26	0.08	0.16
	196.48	141.84	131.37

2.09A.01 Balance with banks in Deposit Accounts (having maturity period of less than 3 months) includes Rs Nil Million (Rs.Nil) held as security against Bank Guarantees.



Classic Industries and Exports Limited  
(Formerly known as Classic Auto Tubes Limited)  
Notes forming part of financial statements for the year ended March 31, 2021  
(Amount in INR Millions, unless otherwise stated.)

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

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date	65.78	499.90	631.87
	<b>65.78</b>	<b>499.90</b>	<b>631.87</b>

2.09B.01 Balance with banks in Deposit Accounts (having maturity period more than 3 months but less than 12 months) includes Rs.Nil (Rs.7.63 Million) held as security against Bank Guarantees.

**2.10 Loans**

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
<b>Current:</b>			
Loans Receivables considered good - Secured	-	-	-
Loans Receivables considered good - Unsecured:			
i) Security deposit	150.00	-	-
ii) Inter corporate Deposit	-	300.00	-
ii) Loans to related parties	-	50.00	-
Loans Receivables which have significant increase in Credit Risk	-	-	-
Loans Receivables - credit impaired	-	-	-
	<b>150.00</b>	<b>350.00</b>	<b>-</b>

2.10.01 Loans to related parties represents the repayable on demand advanced to its related concerns Rs.Nil (Rs.350 Millions). The details of loans advanced to each party have been disclosed in Note No.2.36 - Related party transactions.

**2.11 Other financial assets**

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
<b>Unsecured considered Good:</b>			
Interest accrued on fixed deposits	0.92	0.27	6.80
Interest accrued on other deposits	0.15	-	-
Interest receivable on loans	6.82	13.77	19.95
Guarantee commission receivable	-	0.41	-
Advances to employees	0.79	1.32	0.89
Share of profit receivable from Sunrays Global Consultants LLP	189.43	159.19	79.59
	<b>198.11</b>	<b>174.96</b>	<b>107.23</b>

2.11.01 Interest receivable on loans represents Rs.6.82 Million (Rs.13.77 Million) receivable from related parties.

2.11.02 Guarantee commission receivables represents Rs.Nil (Rs.0.41 Million) receivable from wholly-owned subsidiary.

**2.12 Current tax assets (net)**

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Income Tax (net of provisions)	(0.00)	10.01	-
	<b>(0.00)</b>	<b>10.01</b>	<b>-</b>

**2.13 Other current assets**

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Gratuity fund - excess of fund balance over obligation (Refer Note 2.34)	-	-	0.56
Advances to suppliers	48.40	79.78	72.17
Contract asset - Unbilled revenue	40.51	333.79	161.53
Prepaid expenses	12.24	15.29	13.49
Balance with statutory authorities	35.67	14.39	0.00
	<b>136.83</b>	<b>443.26</b>	<b>247.75</b>



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#### 2.14 Share capital

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
<b>Authorised :</b> 15,770,000 [Previous year 2020- 15,770,000, Previous year 2019- 15,770,000] Equity shares of INR 10/- each with voting rights	157.70	157.70	157.70
<b>Issued and Subscribed and Fully paid:</b> 10,480,000 [Previous year 2020-10,480,000, Previous year 2019- 10,480,000] Equity shares of INR.10/- each, fully paid up	104.80	104.80	104.80

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

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

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
	Number	Number	Number
No. of shares as at the beginning of the financial year	1,04,80,000	1,04,80,000	1,04,80,000
No. of shares as at the end of the financial year	1,04,80,000	1,04,80,000	1,04,80,000

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
	Amount	Amount	Amount
Amount of shares as at the beginning of the financial year	104.80	104.80	104.80
Amount of shares as at the end of the financial year	104.80	104.80	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 31.03.2021	As at 31.03.2020	As at 01.04.2019
Sunrays Properties & Investment Co. Pvt Ltd. (Holding Company) - No. of Shares	1,04,76,800	1,04,75,200	1,04,75,200
Sunrays Properties & Investment Co. Pvt Ltd. (Holding Company) - Percentage Holding	99.97%	99.95%	99.95%

Note: National Company Law Tribunal (NCLT) vide its order dated 17th February, 2020 has approved the merger of transferor companies Mollay Finance Private Limited (shareholder) and Global Capital Limited (shareholder) with Sunrays Properties & Investment Company Private Limited (Holding Company). 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 31st March, 2020 and therefore the process of amalgamation was 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 previous year as on 31st March 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 31.03.2021	As at 31.03.2020	As at 01.04.2019
<b>A. Capital reserve</b>			
Opening balance	13.08	13.08	13.08
Add: Transfer	-	-	-
Closing balance	13.08	13.08	13.08
<b>B. Retained earnings</b>			
Opening balance	4,219.45	3,520.22	2,923.50
Add: Net profit/ (loss) for the current year	365.00	718.23	521.25
Add: Re-measurement on post employment benefit obligation (net of tax)	(3.35)	(19.00)	(4.12)
Add: Share of Profit from Sunrays Global Consultants LLP			79.59
Closing Balance	4,581.10	4,219.45	3,520.22
<b>C. Investments FVTOCI reserve on equity instruments</b>			
Opening balance	(220.08)	1,445.15	1,955.29
- Fair valuation changes for the year	2,482.67	(2,225.29)	(784.16)
- Tax effect on fair valuation changes for the year	(361.28)	560.06	274.02
Closing balance	1,901.31	(220.08)	1,445.15
	6,495.49	4,012.45	4,978.45



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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.

2.15.02 Reconciliation of Retained Earnings after effect of share of profit from Sunrays Global Consultants LLP

Company had not taken the effect of its share of profit from its investment in Sunrays Global Consultants LLP receivable in FY 2018-19 and 2019-20 and therefore in accordance with IND AS 8- Accounting policies, Changes in Accounting estimates and errors has restated the financials from 01.04.2019.

Particulars	As at 31.03.2020	As at 01.04.2019
<b>B. Retained earnings</b>		
Opening Balance	3,440.63	2,923.50
Profit for the year	638.63	521.25
Re-measurement of defined benefit plans	(19.00)	(4.12)
Retained Earnings as per Signed Financials	619.63	517.13
Closing Balance as per Signed Financials	4,060.26	3,440.63
Effect of:		
Add: Share of Profit from Sunrays Global Consultants LLP directly routed through retained earnings	79.59	79.59
Share of Profit from Sunrays Global Consultants LLP restated through other income	79.59	-
Restated Retained earnings	4,219.44	3,520.22

2.16 Borrowings

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
<b>Non-current:</b>			
<b>Secured</b>			
Term loans from banks			
State Bank of India	-	-	71.95
Term loan from others			
Kotak Mahindra Investments Ltd.	-	-	52.93
	-	-	124.88



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2.16.01 - Particulars of Non-current financial liability - Borrowings

Nature of Borrowing	Amount outstanding as at 31st March, 2021		Amount outstanding as at 1st April, 2019		Rate of Interest	Terms of Repayment	Details of Security Offered
	Non-current borrowings	Current Maturities of NC borrowings	Non-current borrowings	Current Maturities of NC borrowings			
Term Loan from Banks SBI Term Loan	-	44.49	56.77	67.10	1.75% above 1 Year MCLR (8.55%), present effective rate 10.30% p.a with monthly rest.	48 monthly installments 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 installments 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 Ranjanagaon, Pune
Other facilities from banks SBI Cash Credit	-	28.04	-	12.11	0.90% above 1 Year MCLR (8.55%), present effective rate 9.45% p.a with monthly rest, subjected to ECR @ A-	Repayable on demand	Exclusive charge over the entire fixed assets (movables & immovable) and current assets both present & future of the company located at Chennai



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**2.17 Other Financial liabilities**

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Lease liability	0.31	0.29	-
	0.31	0.29	-

**2.18 Long term provisions**

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Provision for employee benefits:			
Provision for short service award	-	1.21	0.63
Provision for leave encashment (unfunded)	7.68	8.59	6.38
Provision for Warranty Charges (Refer Note 2.18.01)	5.89	22.98	5.73
	13.57	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.

Particulars	Tubes & Bladders		Tyre Building Machine & Mould	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
Opening Balance (including current portion)	36.01	18.15	7.74	7.50
Add: Provision made during the year	16.58	17.87	5.89	5.19
Less: Current portion reclassified from long term	(36.01)	(18.15)	(4.88)	(2.64)
Less: Provision utilised during the year	-	-	-	(5.34)
Less: Provision written back during the year	-	-	-	(0.25)
Add: Short provision in earlier year	-	-	(2.86)	0.65
Balance classified as Long Term	16.58	17.87	5.89	5.11
Provisions:				
Current	16.58	18.15	4.88	2.64
Non-current	-	17.87	5.89	5.11

**2.18.02**

Particulars	Tyre Building Machines		
	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Opening Balance (including current portion)	0.56	1.50	-
Add: Provision made during the year	0.40	0.56	1.50
Less: Current portion reclassified from long term	(0.40)	(0.56)	(1.50)
Less: Provision utilised during the year	3.12	(0.06)	-
Less: Provision written back during the year	(3.68)	(1.44)	-
Balance classified as Long Term	-	-	-
Provisions:			
Current	0.40	0.56	1.50
Non-current	-	-	-

**2.19 Deferred Tax Liabilities (Net)**

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
<b>Assets</b>			
In respect of timing difference of expenses (Refer Note 2.19.01)	(834.08)	(32.54)	(38.45)
<b>Liability</b>			
In respect of timing difference of depreciation (Refer Note 2.19.01)	1,492.71	323.31	938.09
	658.64	290.77	899.64

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

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
<b>Deferred tax assets</b>			
On provision for employee benefits	-	9.98	9.97
On others	7.46	11.90	24.21
On re-measurements gain/(losses) of post employment benefit obligations	10.85	10.66	4.27
	18.32	32.54	38.45
<b>Deferred tax liabilities</b>			
On property, plant & equipment	99.50	107.13	161.85
On fair valuation (loss)/gain adjustments on equity instruments designated as FVTOCI	577.45	216.18	776.24
	676.96	323.31	938.09
<b>Net Deferred tax liabilities/ (assets)</b>	658.63	290.77	899.64



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**2.19.02 Reconciliation of deferred tax**

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Opening balance of Deferred tax liability/ (asset)	290.77	899.64	1,194.00
Tax liability recognized in Statement of Profit and Loss	7.72	(42.42)	(18.13)
Tax liability recognized in OCI:			
On re-measurements gain/(losses) of post-employment benefit obligations	(1.13)	(6.39)	(2.22)
On Fair valuation (loss)/gain adjustments on equity instruments designated as FVTOCI	361.28	(580.06)	(274.02)
<b>Closing balance of Deferred tax liability/ (asset)</b>	<b>658.63</b>	<b>290.77</b>	<b>899.64</b>

**2.19.03 Reconciliation of tax charge**

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Profit before tax			
Income tax expense (at rates applicable - 25.168%)	501.98	874.49	750.60
Tax effects of:	126.34	220.09	218.57
Exempt Income	(7.61)	(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	13.73	(39.94)	1.34
Expenses disallowed	4.52	4.91	5.25
<b>Income tax expense</b>	<b>136.98</b>	<b>176.29</b>	<b>229.35</b>
<b>Tax expense as per Statement of Profit and Loss</b>	<b>136.98</b>	<b>156.26</b>	<b>229.35</b>

**2.20 Borrowings**

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
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. The Cash Credit facility as on 31st March 2021 is Rs.Nil (Rs. 29.04 Million)

**2.21 Trade Payables**

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	27.48	24.04	27.74
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	911.77	472.74	686.70
	<b>939.25</b>	<b>496.78</b>	<b>714.44</b>

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.27.48 Million (PY 2020-Rs.24.04, PY- 2019 Rs.27.74 Million) has been included under Trade Payables. In the opinion of the management, the impact of interest, if any, which may be payable in accordance with the provisions of the Act, is not expected to be material. Refer Note-2.38 for details.

2.21.02 Trade payables includes Rs.689.57 Million (PY2020- Rs.294.43 Million, PY 2019- Rs.504.86 Million) payable to related party.





Classic Industries and Exports Limited  
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2.22 Other financial liabilities

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
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
Current lease liability	0.02	0.02	-
Employee related payable	36.56	41.04	48.60
Accrued expenses	29.74	5.20	3.55
Current maturities of long term debt:			
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	2.05	0.36	0.00
	68.37	108.54	170.97

2.23 Other current liabilities

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Statutory dues payable	44.17	30.77	31.55
Contract liabilities - Advance from customers:			
From related parties	64.53	610.31	892.44
From others	4.76	3.25	1.03
Balance with statutory authorities	-	-	-
Earnest Money Deposit	0.06	-	-
	113.52	644.33	925.02

2.24 Short term provisions

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Provision for employee benefits:			
Provision for short service award	-	1.51	1.61
Provision for gratuity (Refer Note 2.34)	14.27	9.48	-
Provision for leave encashment (unfunded)	3.57	1.51	0.71
Provision for warranty charges (Refer Note 2.18.01)	21.46	20.78	19.91
Provision for commissioning expenses (Refer Note 2.18.02)	0.40	0.56	1.50
	39.70	33.64	23.73

2.25 Current Tax Liabilities (Net)

Particulars	As at 31.03.2021	As at 31.03.2020	As at 01.04.2019
Provision for Taxation (Net)	22.48	-	34.38
	22.48	-	34.38



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(Amount in INR Millions, unless otherwise stated.)

**2.26 Revenue From Operations**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>Revenue from contract with customers:</b>		
<b>Sale of products:</b>		
Sale of tubes & bladders	3,207.58	3,237.15
Sales of moulds, machine and machine components	1,049.48	1,227.07
Sale of compounds	786.40	359.51
Contract revenue from tyre building machine	40.51	333.79
<b>Sale of services:</b>		
Conversion Charges	189.88	149.36
Other services	7.36	9.91
<b>Other operating revenues:</b>		
Sale of scrap	41.55	35.46
Sale of raw material	10.26	1.40
Loading & unloading charges	5.27	3.85
Freight Reimbursement	0.64	0.93
	<b>5,338.93</b>	<b>2,121.28</b>

**2.27 Other Income**

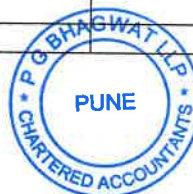
Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Rental income	0.12	0.12
Interest income on fixed/ other deposits	30.86	35.15
Interest Income on loans to related parties	0.75	15.30
Interest on Security Deposit	0.02	-
Export Incentive Received	1.01	-
Excess Warranty Provison written back	15.58	-
Excess Commissioning Provison written back	3.29	-
Guarantee commission income	-	0.35
Dividend Income from non-current investments	-	97.02
Unclaimed Liabilities written back	0.49	1.83
Gain on foreign currency transactions and translations (net)	32.05	-
Gain on sale/disposal of fixed assets	-	0.06
Gain on fair valuation of Security Deposit	-	0.04
Other non operating income	1.89	0.61
Share of Profit from Sunrays Global Consultants LLP ( Refer note 2.15.02)	30.24	79.59
	<b>116.28</b>	<b>230.07</b>

**2.28 Cost of material consumed**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Inventory at the beginning of the year	565.64	901.64
Add: Purchases	3,898.65	3,013.55
	<b>4,464.30</b>	<b>3,915.19</b>
Less: Inventory at the end of the year	952.81	565.64
	<b>3,511.49</b>	<b>3,349.55</b>

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

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Opening Inventory		
- Work in progress	64.67	43.85
- Finished goods	67.16	66.36
Less: Closing Inventory		
- Work in progress	61.22	64.67
- Finished goods	43.26	67.16
Net decrease/(increase)	<b>(49.77)</b>	<b>(21.62)</b>



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

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(Amount in INR Millions, unless otherwise stated.)

**2.30 Employee Benefits Expenses**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Salaries, wages, bonus and other allowances	613.08	576.57
Contribution to Provident Fund and Other Funds (Refer note 2.34)	51.16	42.22
Staff welfare expenses	33.97	41.56
	<b>698.21</b>	<b>660.35</b>

**2.31 Finance Cost**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Interest- on term loan	3.18	16.67
Interest- on lease liability	-	0.00
Interest- Others	0.50	2.29
Other borrowing cost	2.96	-
	<b>6.64</b>	<b>18.96</b>

**2.01 Depreciation and amortization expense**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Depreciation	152.71	161.68
Amortization	3.55	3.42
	<b>156.26</b>	<b>165.10</b>



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Notes forming part of financials statements for the year ended March 31, 2021

(Amount in INR Millions, unless otherwise stated.)

**2.32 Other Expenses**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Power and fuel	310.30	287.36
Consumption of stores and spare parts	100.85	46.68
Mixing Charges	0.34	-
Legal and professional charges	31.47	19.64
CSR Expenses (Refer Note 2.39)	15.40	14.13
Rent	3.33	3.82
Repairs and Maintenance		
Buildings	1.34	1.61
Machinery	16.60	26.17
Others	16.45	7.92
Rates and taxes	6.51	7.10
Insurance	12.22	11.33
Insurance Transit	0.05	-
Freight & forwarding	32.16	15.62
Sales Promotion Expenses	0.40	-
Transportation Charges	1.19	-
Fixed assets written off	0.41	7.70
Warehousing & custom clearing charges	-	6.52
Travelling and conveyance expenses	36.84	33.49
Postage, telegram & stationery	1.55	1.25
Auditors remuneration (Refer Note 2.32.01)	1.00	1.96
Trade advances written off	10.68	-
Director's sitting fees	0.28	0.29
Amortization of deferred lease asset	-	0.04
Loss on foreign currency transactions and translations (net)	-	5.25
Warranty charges	-	23.70
Communication expenses	1.93	-
Security charges	8.76	-
<b>Miscellaneous expenses</b>	<b>19.76</b>	<b>20.10</b>
Book Debts Written Off	0.10	-
Balances write off	0.03	-
Loss on sale/disposal of fixed assets	0.45	-
	<b>630.40</b>	<b>541.68</b>

**2.32.01 Payments to the auditor:**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
a. Audit fee	1.00	1.35
b. For Taxation Matters	-	0.27
c. Reimbursement of expenses	-	0.35
	<b>1.00</b>	<b>1.96</b>

**2.33 Earnings per share**

Basic earnings per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weight equity shares outstanding during the year.

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Profit for the year	365.01	718.23
Weighted average number of equity shares of Rs. 10/- each fully paid up	1,04,80,000	1,04,80,000
<b>Earnings per share (Basic &amp; Diluted)</b>	<b>34.83</b>	<b>68.53</b>



**Classic Industries and Exports Limited**

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(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)

	31.03.2021	31.03.2020
Employers' Contribution to provident fund	28.54	26.54
Employers' Contribution to Employee State Insurance	1.43	1.63
<b>Total</b>	<b>29.97</b>	<b>28.17</b>

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

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

	31.03.2021	31.03.2020
<b>i) Actuarial assumptions</b>		
Discount rate (per annum)	6.80%	6.80%
Rate of increase in Salary	5.50%	5.50%
Expected average remaining working lives of employees (years)	19.00	19.63
Attrition rate	3.00%	3.00%
<b>ii) Changes in the present value of defined benefit obligation</b>		
Present value of obligation at the beginning of the year	91.83	56.46
Interest cost	6.24	4.32
Current service cost	8.16	7.35
Benefits paid	(2.70)	(1.44)
Actuarial (gain)/ loss on obligations	4.35	25.14
<b>Present value of obligation at the end of the year*</b>	<b>107.88</b>	<b>91.83</b>
*Included in provision for employee benefits (Refer note 2.24)		
<b>iii) Change in fair value of assets</b>		
Fair value of plan assets - opening	82.35	69.17
Actual return on plan assets	6.24	5.72
Mortality Charges	(0.77)	(0.68)
Employer's contribution	8.48	9.59
Benefits paid	(2.70)	(1.44)
Fair value of plan assets - closing	<b>93.61</b>	<b>82.35</b>
<b>iv) Expense recognized in the Statement of Profit and Loss</b>		
Current service cost	8.16	7.35
Interest cost	6.24	4.32
Expected return on plan assets	5.60	5.29
<b>Total expenses recognized in the Statement Profit and Loss*</b>	<b>8.80</b>	<b>6.38</b>
*Included in Employee benefits expense (Refer Note 2.30).		
<b>v) Expense / (income) recognized as OCI in the Statement of Profit and Loss</b>		
Remeasurements during the year due to:		
Changes in financial assumptions	-	6.24
Changes in demographic assumptions	-	(0.02)
Experience adjustments	4.35	18.91
Actual return on plan assets less interest on plan assets	0.13	0.25
<b>Total</b>	<b>4.47</b>	<b>25.39</b>
<b>vi) Assets and liabilities recognized in the Balance Sheet:</b>		
Present value of funded defined benefit obligation - opening	107.88	91.83
Fair value of plan assets	93.61	82.35
<b>Net liability/ ( asset ) recognized in Balance Sheet</b>	<b>14.27</b>	<b>9.48</b>
Included in Short term Provisions (Refer note 2.24)		
Gratuity	6.81	5.99



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

	31.03.2021	31.03.2020
Discount rate		
0.5% increase	-3.78%	-4.11%
0.5% decrease	4.08%	4.44%
Rate of increase in salary		
0.5% increase	4.11%	4.48%
0.5% decrease	-3.84%	-4.18%

ix) Maturity profile of defined benefit obligation

Year	31.03.2021	31.03.2020
0-1 Years		
1-2 Years	29.22%	25.08%
2-3 Years	3.01%	3.97%
3-4 Years	1.63%	1.65%
4-5 Years	1.87%	1.76%
5 Years and onwards	2.91%	1.95%
	61.35%	65.59%

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:

	31.03.2021	31.03.2020
Opening Balance		
Charged during the year	10.10	7.08
Net liability recognised in Balance Sheet	1.15	3.02
	11.25	10.10
Included in non-current provision (Refer Note 2.18)	7.68	8.59
Included in current provision (Refer Note 2.24)	3.57	1.51

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 74 years and 76 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	
	31.03.2021	31.03.2020
Within one year	0.02	0.01
After one year but not more than five years	0.08	0.08
More than five years	13.38	13.40
	13.48	13.49

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

Particulars	As at	
	31.03.2021	31.03.2020
Within one year	0.02	0.02
After one year but not more than five years	0.07	0.07
More than five years	0.24	0.22
	0.33	0.31



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

Particulars	As at	
	31.03.2021	31.03.2020
Non Current	0.31	0.29
Current	0.02	0.02
	<b>0.33</b>	<b>0.31</b>

iii) The company has leased premises at Pune and Chennai which have remaining lease period of 69 years and 85 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.

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

v) 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.

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

b) Future minimum rentals payable under cancellable operating leases 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.3.33 Million (Rs.3.82 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	
	31.03.2021	31.03.2020
Within one year	1.08	1.10
After one year but not more than five years	4.32	4.75
More than five years	11.52	5.65
	<b>16.92</b>	<b>11.50</b>

Description of significant operating lease 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. Apollo Finance Ltd
Holding company	Sunray Properties and Investment Co. (P) Ltd.
Subsidiaries	CATL Singapore Pte Ltd Premedium Pharmaceuticals Private Limited
Firms in which company has substantial interest	Sunrays Global Consultants LLP
Shareholder	Motlay Finance Pvt. Ltd. (Merged in Sunrays Prop & Invest. Co in July 2020)



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Particulars	Name of the Party
Key Management Personnel	Mr. Onkar S. Kanwar (Director)
	Mr. Rajeev Lokare (CEO) - resigned w.e.f 30.06.2020
	Mr. Naveen Kapur (Whole Time Director)
	Mr. K Radhakrishnan Pillai (Manager)
	Mr. Sunil Tandon (Director) - w.e.f 17.02.2021
	Mr. Harish Bahadur (Director)
	Mr. Sanjay Dua (Director) - resigned w.e.f 01.04.2020
	Mr. KK Malhotra (Director) - resigned w.e.f 12.02.2021
	Ms.Devlina Chakravarty (Director) - w.e.f 14.02.2020
	Mr Rupak Saxena (CFO)
	Mr. Tapan Mitra (Non Executive Director) - w.e.f 20.05.2020
	Mr. Ugar Sain Anand (Director) - w.e.f 01.06.2020 ; resigned w.e.f - 15.12.2020
	Ms. Mona Bhandari (Company Secretary)
Relative of KMP	Mrs. Taru Kanwar (President)

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 31.03.2021	As at 31.03.2020
<b>Sales</b>		
Apollo Tyres Limited	4,294.10	4,663.11
Apollo Vredestein B. V	3.65	11.02
Apollo Tyres (Hungary) Kft	77.64	43.29
Apollo Tyres Global R&D B.V.	-	1.31
<b>Conversion Income</b>		
Apollo Tyres Limited	184.64	153.35
<b>Other Services</b>		
Apollo Tyres Limited	7.36	-
<b>Dividend Income</b>		
Apollo Tyres Limited	-	97.02
<b>Interest Income</b>		
Apollo Finance Limited		
Premedium Pharmaceuticals Pvt. Limited	21.89	12.75
Motlay Finance Pvt. Limited	-	-
Sunrays Global Consultants LLP	2.29	0.10
	4.99	2.45
<b>Guarantee commission income</b>		
Premedium Pharmaceuticals Pvt. Limited	-	0.35
<b>Compensation for excess raw material consumption</b>		
Apollo Tyres Limited	-	0.46
<b>Reimbursement of Expenses Incurred</b>		
Apollo Tyres Limited	6.05	7.80
<b>Reimbursement of Expenses paid</b>		
Apollo Tyres Limited	9.12	10.04
<b>Management and Other Expenses</b>		
Apollo Tyres Limited	1.69	1.69
<b>Purchases of Raw Material</b>		
Apollo Tyres Limited		
CATL Singapore Pte Ltd	333.99	390.73
	1,484.36	1,486.36
<b>Purchase of Fixed Assets</b>		
Apollo Tyres Limited		





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	As at 31.03.2021	As at 31.03.2020
<b>Rent Received</b>		
Apollo Tyres Limited	0.12	0.12
<b>Rent Paid</b>		
Apollo Tyres Limited	0.12	1.07
<b>Inter corporate deposits given</b>		
Apollo Finance Limited	-	350.00
Sunrays Global Consultants LLP	-	50.00
Motlay Finance Pvt. Limited	-	50.00
<b>Security deposit given</b>		
Apollo Logisolutions Ltd.	150.00	-
<b>Inter corporate deposits repaid</b>		
Apollo Finance Limited	250.00	100.00
Sunrays Global Consultants LLP	50.00	-
Motlay Finance Pvt. Limited	50.00	-
<b>Advances made</b>		
Apollo Tyres Limited	-	-
<b>Investments made</b>		
CATL Singapore Pte Ltd	-	-
Premedium Pharmaceuticals Pvt. Limited	-	-
Apollo Tyres Limited	-	-
Sunrays Global Consultants LLP	352.42	-
	50.00	-
<b>Insurance Expenses</b>		
Mrs.Taru Kanwar	-	1.20
<b>Medical Expenses</b>		
Mrs.Taru Kanwar	3.85	-
<b>Travelling Expenses</b>		
Mr.Naveen Kapur	-	5.68
Mrs.Taru Kanwar	-	0.43
<b>Managerial Remuneration</b>		
Salary - Mrs.Taru Kanwar	66.70	50.34
Salary - Mr. Rajeev Lokare	3.42	11.56
Salary - Mr. Naveen Kapur	31.55	30.18
Salary - Mr. Bomi Karkaria	0.75	1.91
Salary - Mr. Rupak Saxena	4.49	4.16
Salary- Ms. Mona Bhandari	0.26	0.30
<b>Directors Sitting Fee</b>		
Mr. Onkar Kanwar	0.04	0.05
Mr. Naveen Kapur	-	-
Mr. Harish Bahadur	0.07	0.08
Mr. Kewal Krishan Malhotra	0.03	0.08
Mr. Tapan Mitra	0.06	-
Ms. Devlina Chakravarty	0.03	-
Mr. Ugar sain Anand	0.03	-
Mr. Sunil Tandon	0.02	-
Mr. Sanjay Dua	0.01	0.08



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Other benefits to key management personnel

	As at 31.03.2021	As at 31.03.2020
<b>Leave Liability</b>		
Mr. Rajeev Lokare (CEO) paid		
Mr. Naveen Kapur (Whole Time Director)	0.22	0.28
Mr. Bomi Karkaria (CFO-resigned wef. 1.11.2019) paid	0.62	0.61
Mr. Rupak Saxena (CFO-wef 1.11.2019)	0.07	0.09
	0.10	0.08
<b>Gratuity Liability</b>		
Mr. Rajeev Lokare (CEO) paid		
Mr. Naveen Kapur (Whole Time Director)	0.77	0.70
Mr. Bomi Karkaria (CFO-resigned wef. 1.11.2019) paid	1.46	1.00
Mr. Rupak Saxena (CFO)	0.19	0.17
	0.17	0.09

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

	As at 31.03.2021	As at 31.03.2020
<b>Trade Payable</b>		
Apollo Tyres Limited		
CATL Singapore Pte Ltd	212.61	90.03
<b>Advances to Customers</b>	476.96	204.40
Apollo Tyres Limited		
CATL Singapore Pte Ltd	64.53	-
<b>Advances received</b>	-	-
Apollo Tyres Limited		
<b>Trade Receivables</b>		610.31
Apollo Tyres Limited		
Apollo Vredestein B.V.	785.53	546.68
Apollo Tyres Limited (Hungary) Kft.	-	10.45
<b>Loans Given</b>	5.92	8.48
CATL Singapore Pte Ltd		
<b>Loans Recoverable</b>	0.13	-
Apollo Finance Limited		
Motlay Finance Pvt. Limited	-	250.00
Sunrays Global Consultants LLP	-	50.00
<b>Security deposits given</b>	-	50.00
Apollo Logisolutions Ltd		
<b>Interest Receivable</b>	150.00	
Apollo Tyres Limited		
Motlay Finance Pvt. Ltd.	-	11.48
Sunrays Global Consultants LLP	-	0.09
<b>Guarantee Commission receivable</b>	6.82	2.21
Premedium Pharmaceutical Private Ltd.		
<b>Reimbursement Receivable</b>	-	0.41
Apollo Tyres Limited		
<b>Employee recoverables</b>	0.96	4.03
Mrs. Taru Kanwar		
<b>Share of profit receivable</b>	-	0.13
Sunrays Global Consultants LLP		
	189.43	159.19

2.37 Contingent liabilities and commitments

Contingent Liabilities

a) Claims against the company not acknowledged as debt:

- i) On account of dispute under Central Excise Act, 1944 (excludes interest thereon)
- ii) On account of disputes pending disposal under Income tax Act, 1961

b) Compensation claim by employee under Employee State Insurance Act, 1948

c) Bank Guarantee to Maharashtra Pollution Control Board (MPCB)

d) Incremental statutory bonus liabilities for the FY 2014-15 not provided for pursuant to Kerala High Court stay order

e) Corporate Guarantee to Premedium Pharmaceuticals Private Limited for Rs.400 Millions (Wholly Owned Subsidiary)

Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advances)

Total

	As at 31.03.2021	As at 31.03.2020
	528.02	528.61
	15.76	15.76
	-	0.46
	0.60	0.60
	5.95	5.95
	194.44	144.13
	28.78	8.16
	773.55	703.67



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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'), but amounts are not due beyond the appointed day during the year. The disclosure pursuant to the said MSMED Act are as follows:

Particulars	As at 31.03.2021	As at 31.03.2020
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	27.48	24.15
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 towards suppliers registered under MSMED Act, for payments already made	-	0.02
Further interest remaining due and payable for earlier years	0.02	-

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 31.03.2021	As at 31.03.2020
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	15.40	14.10
Amount required to be spent as per Section 135 of the Act	15.40	14.10
- for current financial year *	15.11	14.10
- for subsequent financial years *	0.29	-
Total	15.40	14.10

\* The Company made a donation of Rs. of Rs.14.00 million to Apollo Tyres Foundation Fund and 1.4 million to IndusTree during financial year 2020-21. This donation was over and above the Company's CSR obligation of Rs.15.11 Million for financial year 2020-21.

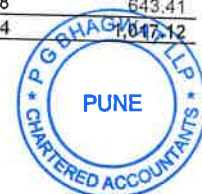
The balance Rs.0.29 million is further carried forward for utilisation in subsequent financial years.

2.40 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. Hence no separate segment information has been furnished herewith.

Segment Revenue

	As at 31.03.2021	As at 31.03.2020
Job Work for Tyre Industry	189.88	153.20
Manufacturing of Tubes	4,013.42	3,626.04
Mould	473.12	472.97
Tyre Building Machine	616.30	1,108.52
Unallocated Income	162.49	227.77
	<b>5,455.21</b>	<b>5,588.50</b>
Segment Result		
Job Work for Tyre Industry	189.54	18.62
Manufacturing of Tubes	146.29	203.96
Mould	168.72	151.13
Tyre Building Machine	301.88	643.41
	<b>806.44</b>	<b>1,017.12</b>



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	As at 31.03.2021	As at 31.03.2020
Unallocated Expenses	466.94	370.40
<b>Total Profit/ Loss Before Tax</b>	<b>501.98</b>	<b>874.48</b>
Income Taxes	136.98	156.26
<b>Net Profit</b>	<b>365.00</b>	<b>718.22</b>
	As at 31.03.2021	As at 31.03.2020
<b>Segment Assets</b>		
Job Work for Tyre Industry	197.90	173.68
Sale of rubber for Tyre Industry	1,995.91	1,530.05
Mould	730.90	550.45
Tyre Building Machine	208.05	486.50
Unallocated Assets	5,405.92	3,012.83
	<b>8,538.68</b>	<b>5,753.49</b>
<b>Segment Liabilities</b>		
Job Work for Tyre Industry	-	1.93
Sale of rubber for Tyre Industry	902.42	538.62
Mould	21.78	12.64
Tyre Building Machine	109.05	598.83
Unallocated Liabilities	929.35	484.22
	<b>1,962.60</b>	<b>1,636.24</b>

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

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

Particulars	2020-21	2019-20
Revenue from top customer	4,486.10	4,816.46
Revenue from customers contributing 10% or more to the Company's revenues from product sale	4,486.10	4,816.46

#### 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.

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

#### 2.42 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.



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**2.43 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 31.03.2021	As at 31.03.2020
<b>Financial Assets measured at Fair value through Other Comprehensive Income</b>			
Investments in Equity instruments FVTOCI	1	4,067.65	1,232.57
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 31.03.2021	As at 31.03.2020
<b>Financial Assets measured at Fair value through Other Comprehensive Income</b>			
Investments in Equity instruments FVTOCI	2.02	4,067.65	1,232.57
<b>Financial Assets measured at amortised cost</b>			
Non Current:			
i. Investments			
ii. Loans	2.02	277.06	227.06
iii. Other financial assets	2.03	55.88	19.29
Current:			
i. Trade Receivables	2.04	5.58	4.57
ii. Cash and cash equivalents	2.08	947.24	623.91
iii. Bank Balances other than (ii) above	2.09A	196.48	141.84
iv. Loans	2.09B	65.78	499.90
v. Other financial assets	2.10	150.00	350.00
	2.11	198.11	174.96
		<b>1,896.13</b>	<b>2,041.53</b>
<b>Financial Liabilities measured at amortised cost</b>			
Non Current:			
i. Borrowings	2.16	-	-
ii. Other financial liabilities	2.17	-	-
Current:			
i. Borrowings		0.31	0.29
ii. Trade Payables	2.20	-	29.04
iii. Other financial liabilities	2.21	939.26	496.80
	2.22	68.37	108.54
		<b>1,007.94</b>	<b>634.67</b>

**2.44 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.



**Classic Industries and Exports Limited**

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(Amount in INR Millions, unless otherwise stated.)

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

Particulars	Foreign Currency	As at 31.03.2021		As at 31.03.2020	
		Amount in FC	Amount in INR	Amount in FC	Amount in INR
<b>Financial liabilities:</b>					
Trade Payables	USD	6.46	472.41	2.73	206.25
Trade Payables	EUR	0.00	0.29	0.04	3.35
Capital Creditors	USD	-	-	0.01	1.05
<b>Financial assets:</b>					
Trade Receivables	EUR	0.07	5.73	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 31.03.2021	As at 31.03.2020
INR/USD (Net Payable)	4.72	2.07
INR/EUR (Net Payable)	0.00	-
INR/EUR (Net Receivable)	0.06	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 31.03.2021		As at 31.03.2020	
	Foreign Currency	Indian Rupees	Foreign Currency	Indian Rupees
<b>Payables:</b>				
USD	6.46	472.41	2.74	207.29
EURO	0.00	0.29	0.04	3.35
<b>Receivables</b>				
USD	-	-	-	-
EURO	0.07	5.73	0.13	10.44

**(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, 2021 and March 31, 2020 were Rs.267.83 Millions and Rs.646.31 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.



Classic Industries and Exports Limited  
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*Interest rate risk exposure*

Particulars	As at 31.03.2021	As at 31.03.2020
Variable rate borrowing	-	29.04
Total borrowings disclosed under financial liabilities	-	29.04

*Sensitivity*

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

Particulars	As at 31.03.2021	As at 31.03.2020
Interest rates – change by 100 basis points (100 bps)	-	0.29

(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, 2021, 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 31.03.2021	As at 31.03.2020
<b>Non Current:</b>			
Financial assets -			
i. Investments	2.02	4,344.71	1,459.63
ii. Loans	2.03	55.88	19.29
iii. Other financial assets	2.04	5.58	4.57
<b>Current:</b>			
Financial assets -			
i. Trade Receivables	2.08	947.24	623.91
ii. Cash and cash equivalents	2.09A	196.48	141.84
iii. Bank Balances other than (ii) above	2.09B	65.78	499.90
iv. Loans	2.10	150.00	350.00
v. Other financial assets	2.11	198.11	174.96

**Trade receivables**

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India, and outside 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 83.56% (90.68% in financial year 2019-20) 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 the allowance for life time expected credit loss on customer balances for the year ended 31st March, 2021 and as at 31st March, 2020 is assessed as Rs. Nil/- (Rs. Nil/-).



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Particulars	As at	
	31.03.2021	31.03.2020
Balance at the beginning	-	-
Impairment loss recognised	-	-
Impairment loss reversed	-	-
Balance at the end	-	-

(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.2,768.68 (Rs.2,950.99) 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.1,282.47 (Rs.1,312.40) on the reporting date. While the Company's total equity stands at Rs.6,607.93 (Rs.4,117.25). The Company has established an appropriate liquidity risk management framework for its 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
<b>As at 31st March, 2021</b>				
Non current:				
i. Borrowings	-	-	-	-
ii. Other financial liabilities	-	0.07	0.24	0.31
Current:				
i. Borrowings	-	-	-	-
ii. Trade Payables	939.26	-	-	939.26
iii. Other financial liabilities	68.37	-	-	68.37
<b>As at 31st March, 2020</b>				
Non current:				
i. Borrowings	-	0.07	0.22	0.29
Current:				
i. Borrowings	29.04	-	-	29.04
ii. Trade Payables	496.80	-	-	496.80
iii. Other financial liabilities	108.54	-	-	108.54

2.45 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. Company does not have any borrowings as on 31st March 2021. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Particulars	As at	
	31.03.2021	31.03.2020
Total equity	(i)	6,600.29
Total debt	(ii)	0.00
Overall financing	(iii) = (i) + (ii)	6,600.29
Gearing ratio	(ii)/(iii)	0.00
		4,176.14
		0.01

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March 2021 and 31st March, 2020.





Notes forming part of the Financial Statements for the year ended 31st March, 2021  
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2.46 The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, inventory, Investments, prices of principal inputs and outputs, and possible supply chain disruptions. 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 of information including credit reports and related information, economic forecasts. The Company expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from the estimated as at the date of approval of these financial statements.

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

As per our separate report of even date attached

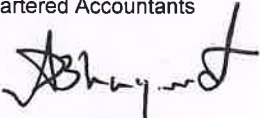
For and on behalf of the Board of Directors

For P G BHAGWAT LLP  
Firm Registration Number: 101118W / W100682  
Chartered Accountants

  
Onkar Kanwar  
Director  
DIN: 00058921

  
Harish Bahadur  
Director  
DIN: 00032919

  
Naveen Kapur  
Whole Time Director  
DIN: 00024538

  
Abhijeet Bhagwat  
Partner  
Membership No.: 136835  
Place:  
Date :



  
Rugak Saxena  
Chief Financial Officer

  
Mona Bhandari  
Company Secretary

Place:  
Date :

**Classic Industries and Exports Limited**

(Formerly known as Classic Auto Tubes Limited)

Notes forming part of financials statements for the year ended March 31, 2021

(Amount in INR Millions, unless otherwise stated.)

**General Corporate Information**

Classic Auto Tubes 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

**(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 cycle 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 or 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 the 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.



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

Notes forming part of financials statements for the year ended March 31, 2021

(Amount in INR Millions, unless otherwise stated.)

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
Vehicle	4 years
Other Plant & Machinery	2 to 10 years
4 Axis Engraving machine S NO:2012-H245-06 -ER 005	30 years
Air Conditioner 2 Ton	10 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 labor, 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**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.



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

Notes forming part of financials statements for the year ended March 31, 2021  
(Amount in INR Millions, unless otherwise stated.)

**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 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 exist or may have decreased.

**1.7 Leases**

**As a lessee**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

**The Company as lessee**

**(a) Finance lease:**

Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

**(b) Operating lease:**

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed or the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**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

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.



## Classic Industries and Exports Limited

(Formerly known as Classic Auto Tubes Limited)

Notes forming part of financials statements for the year ended March 31, 2021

(Amount in INR Millions, unless otherwise stated.)

### 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

Revenue is measured at the fair value of the consideration received or receivable. 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 from sale of goods is recognised when the significant risks and rewards of ownership of the goods have been passed to the buyer and to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. 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.

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.



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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.

**Note on adoption of Ind AS 115:**

The company has applied Ind AS 115 'Revenue from contracts with customers' with effect from 1st April, 2018. Based on the evaluation made by the Company, there were no significant adjustments required to be made to the retained earnings as at 1st April, 2018 under the modified retrospective approach, on IND AS 115 - "Revenue from Contracts with Customers" which has replaced the existing IND AS related thereto and is mandatory for reporting on or after 1st April, 2018. The performance obligations under all sales contracts are satisfied at a point of time except in the case of sale of Tyre Building Machines (TBMs) wherein the performance obligations are satisfied over a period of time. The application of IND AS 115 did not have any significant impact on the timing of recognition and measurement of revenue and related terms in the Statement of Profit and Loss for the year ended 31st March, 2020. However, the company has changed the presentation of certain amounts in the Balance Sheet to reflect the terminology of Ind AS 115.

**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.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

**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 three 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.



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**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.

**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 profit or 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.



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### 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.

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.





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**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.



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**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, net of income, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Common unallocable charges, net".

**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**

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III (Division I, II and III) of the Companies Act, 2013. The amendment is applicable from 1 April 2021 and it specifies additional disclosures in the financial statements.

Key amendments in Division II applicable to the Company include:

- Lease Liability be separately disclosed under the heading "Financial liabilities".
- Disclosures for prior period errors in the statement of changes in equity
- Disclosure of shareholdings of promoters
- Disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development
- Disclosure of deviation from stated purpose in use of borrowings from banks and financial institutions
- Disclosures under 'additional regulatory requirements' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable properties not held in the name of the company, loans and advances to promoters, directors, key managerial personnel and related parties, details of benami property held etc.
- Disclosures relating to amount of expenditure on CSR, crypto or virtual currency, undisclosed income etc.

**a) Amendment to Ind AS 116 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021**

On 24 July 2020, the MCA issued the Companies (Indian Accounting Standard) Amendment Rules, 2020 which amended Ind AS 116 to provide relief for lessees in accounting for eligible rent concessions upto 31 July 2021 that are a direct consequence of COVID-19. The exposure draft on amendments to Ind AS 116 issued by the Institute of Chartered Accountants of India proposes amendments to extend the relief for lessees in accounting for eligible rent concessions upto 31 July 2022.

**b) Amendment to Ind AS 116 Leases: Interest Rate Benchmark Reform: Phase 2**

The exposure draft on amendments to Ind AS 116 issued by the Institute of Chartered Accountants of India proposes amendments to include a practical expedient in respect of all lease modifications that change the basis for determining future lease payments as a result of interest rate benchmark reform.

**c) Amendment to Ind AS 37, "Provisions, Contingent Liabilities and Contingent Assets" – Onerous Contracts**

The exposure draft on amendments to Ind AS 37 issued by the Institute of Chartered Accountants of India proposes amendments regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

**d) Amendments to Ind AS 16, "Property, Plant and Equipment" – Proceeds before Intended Use**

The exposure draft on amendments to Ind AS 16 issued by the Institute of Chartered Accountants of India proposes amendments regarding proceeds from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

**e) Amendments to Ind AS 103, "Business Combinations" – Reference to the Conceptual Framework**

The exposure draft on amendments to Ind AS 103 issued by the Institute of Chartered Accountants of India proposes amendments to change out updated reference to "Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards" and update it with reference to "Conceptual Framework for Financial Reporting under Indian Accounting Standards". It also proposes certain consequential amendments.

