



21st Annual Report for the Financial Year 2022-23



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Company Information:

Board of Directors:

Name: Emerald Resilient Tyre Manufacturers Private Limited

Directors:

1. Chandrasekharan Thirupathi Venkatachalam (DIN: 00628816)
2. Venkatachalam Thirupathi (DIN: 00024627) Since resigned from the Board on 28th July 2022.
3. Eswara Krishnan. D (DIN: 01739106)
4. Varadarajan Krishnam (DIN: 01739216)
5. Ramanujam Subramanian (DIN: 02542571) Since resigned from the Board on 29th Aug 2023.

Company Secretary

Mrs S N Satiyapriya

CIN: U25111TN2002PTC048665
Email: accounts@emeraldtype.com
Website: www.emeraldtype.com

Bankers:

State Bank of India
Leather & International Branch
157, 1st Floor, Anna Salai
Chennai – 600 002.

Auditors:

M/s. Rajani & co.,
Chartered accountants
No. 3A, Sivanandam apartments 3rd floor
No: 1B/1C, East park road, Pulla Avenue,
Shenoy Nagar, Chennai – 600030

Registered Office:

Emerald Resilient Tyre Manufacturers Private Limited
KRV House, No.3, 9th Lane,
Shastri Nagar Chennai-20

Corporate Office:

Plot No.2, Second Street,
Porur Garden, Phase I
Vanagaram, Chennai – 600095.

Factory:

Plot No 79 & 80, Export Promotional Industrial Park
SIPCOT Industrial Complex,
Gummudipundi, Thiruvallur District, India- 601 201.

Notice

NOTICE is hereby given that the 21st Annual General Meeting of Shareholders of **EMERALD RESILIENT TYRE MANUFACTURERS PRIVATE LIMITED** will be held at the Corporate Office of the Company, at Plot No. 2, Second Street, Porur Gardens Phase-I, Vanagarm, Chennai – 600095 on this 30th day of September 2023 at 03.30 PM to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the financial statement of the Company for the financial year ended 31st March 2023 including the audited statement of Profit & Loss for the year ended on that date and the Balance Sheet as at that date together with the Reports of the Directors and Auditors and to pass the following resolution as an Ordinary resolution.

"RESOLVED that the Statement of Profit and Loss for the year ended on 31st March 2023, the Balance Sheet as on that date, the annexure thereto, the Cash Flow Statement for the year ended on 31st March 2023, the Reports of Auditors and Directors thereon be and are hereby received and adopted".

By order of the Board of Directors

EMERALD RESILIENT TYRE MANUFACTURERS PRIVATE LIMITED


V T Chandrasekharan

Chairman- DIN 00628816

Chennai, 1st September 2023

Note:

A member entitled to attend and vote is also entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. Proxies in order to be effective must be received by the company not less than 48 hours before the commencement of this meeting. Members/ proxies should bring their attendance slip duly filled in order to attend the meeting. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the company.

Directors Report

To,

The Members of the Company

The Directors take pleasure in presenting the 21st Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March 2023.

Management Discussion and Analysis Report:

1. Business Overview:

The year 22-23 has been a promising year for the company. During this period, the company was able to stabilise the huge spurt in growth of sales achieved in the year 21-22 and the Company recorded a growth of 25% over the last financial year. This impressive sustained growth has been a result of increased sales volumes in Europe, USA and Indian market. While USA continues to lead the growth, the European market has seen an impressive growth of 40% over last year driven by more channel partner appointment across France, Germany and Netherlands. The Indian market has also made a significant growth following a good show by the Indian Economy.

Global Economic Scenario and Industry Scenario

There is a general recessionary trend in the Global market. This has been accelerated by the Ukraine conflict which does not seem to end and this is putting a great strain on the global economy coupled with the Post Covid supply Chain Disruptions. There is an all-round sentiment towards getting cost effective products with good and acceptable quality to suit the purse of corporates coupled with the China plus one scenario which has provided a great angling towards Indian companies and products. The Make in India program has further opened new opportunities in the Global market place where India is looked up as the Emerging factory of the Global Brands. With the software already matured in the Indian subcontinent and with the thrust on Industry 4.0 push, India is ideally poised to take full advantage of this scenario.

Our Industry

Material handling Industry has been doing very well across the Globe and the market size has grown from 180.60 billion \$ to 194.27 billion \$ recording a CAGR of 7.50% during 22-23 and the outlook for the next five years looks very impressive. The Market is likely to touch 248.83 billion \$ by 2027 with a CAGR of 6.30% which augurs very well for our Industry.

Emerald Performance

Emerald has done very well in the markets of USA, Europe & Indian markets.

The USA market has shown sustained growth and new and new customers have been identified based on the excellent reference which the existing customers have given based on their experience both in terms of product and service and this is turning out to be a big success. The company is planning to participate in a number of Exhibitions in the current year and this is going to be a game changer.

The market of Europe has added new customers in the France, Germany and Netherlands and this coupled with our participation in a number of product focused exhibitions has brought huge success. We are a leading player in the GSE and Port segment in Europe and current year we are focusing on specialty tyres which will bring better margins and enhances the brand image of our products. The market of UK is showing lot progress and the company is opening a new stocking point in UK to distribute our tyres across the market of UK. This will be totally operational this year and we expect a significant growth this year.

As far the Middle East & West African market is concerned, Emerald Tyres is strong in the GSE segment with customers like Emirates, Etihad and Qatar airways continuing to buy their entire requirement from us. The market of Saudi Arabia which is the fastest growing market in Middle East is our focus in the Industrial tyre segment and we are confident of rich dividends in the current year. We have also made significant progress in the Egyptian market and we have a strong channel partner with wide distribution network who will be executing our plans in the market.

In the Indian market, Emerald enjoys an over 40% market share in the value segment and has been increasing its share in the OEM segment. The company today supplies to Major OEMs like Toyota, Godrej, Kion, Doosan, JCB, Manitou besides its supplies to all the sectors across the industry.

The company plans to open Stocking points across India to improve the market share by delivering faster. Besides the company also plans to open fitment centres in these stocking points to ensure better service.

Material cost

On the material cost front, the raw material prices have been volatile with the Ukraine war affecting majority of the products. The Crude has been fluctuating a lot and the rubber prices have also been volatile. The cost of Fabric has also been affected due to shortage of caprolactam. The cost of FRRC which is a major raw material for the solid tyre product has shown a very steep increase and this has been a major concern. Over all it was a year of fluctuating prices and the company has been able to keep it within control by proper inventory planning and timely purchase.

2. Standalone Financial Highlights:

Particulars	Rs. In Lacs	
	31-03-2023	31-03-2022
Turnover	15,104.16	12,237.34
Other Income	154.68	80.40
Increase / (Decrease) in Stock	331.06	442.44
Total Income	15,589.90	12,760.18
Less:		
Expenditure other than Interest, Depreciation & Tax	13,333.89	11,166.53
Profit Before Interest, Depreciation and Tax	2,256.01	1,593.65
Less:		
Interest & Finance Charges	837.30	626.51
Depreciation / Write offs	398.11	344.53
Profit Before Tax	1020.60	622.61
Less :		
Current Tax	271.94	227.13
Deferred Tax – Asset	38.90	-23.96
Profit Available for Appropriations	709.76	419.44
Appropriations:		
Transfer to General Reserve	-	400.00
Provision for Preference Dividend (Including Dividend Distribution Tax)	-	27.47
Balance B/F from Previous Year	1,657.71	1,665.74
Surplus Carried to Balance Sheet	2,367.47	1,657.71

3. Performance Overview

During 2022-23, the Company achieved a net turnover of ₹ 15,104.16 Lakh as against a net turnover of ₹12,237.34 Lakh for the year 2021-22. The Profit before tax for the current year is ₹ 1,020.60 Lakhs as against ₹ 622.61 Lakh for the year 2021-22.

4. Business Strategy and Outlook

Strategy

Emerald is adding to its portfolio of offering a lot of new sizes of tyres which are needed by the emerging customers. The company has come out with a Hi-Performance tyre which has been developed after lot of R&D and this is being introduced in the global exhibitions now. The company has developed a series of tyres for the USA customers leading to expanded capacities across all product segments. The skid steer tyres and AWP tyres have been the major focus in the product segment and the company is developing the entire range of tyres both solid and pneumatic. The company is planning to expand and open warehouses at a few locations in the Global market and will have full-fledged stocking in these locations to deliver just in time and also provide on the field fitment service. The company also plans to expand into newer aggressive patterns in line with the global trend and this will bring better acceptance in the market besides increased product realisation. A huge outlay is planned for R&D for developing greener products and to ensure safe environment.

Outlook

The company is looking at newer areas to expand besides strengthening the existing product lines. These newer areas are likely to bring complimentary strength which will make the customers look at Emerald as a one stop solution for all the Industrial Tyre products. The company plans to expand its capacities in the solid tyre and Pneumatic segments in line with the expanded product line and also to ensure timely supply to the new markets that are being developed. Plans are on the anvil to open warehouses in potential new markets. New OEMs are being roped in, which are likely bring better revenues to the organization. The company aims to achieve a 25 % growth in sales in the year 23-24 with a significant improvement in the bottom line. The company will get its environment certification and also will get its Laboratory NABL accredited in the year 23-24 to ensure global testing standards.

Over all the outlook is very positive and the company if fully confident of meeting and exceeding its targets.

5. Dividend:

With a view to conserve the resources to fund the future capital expenditure, your Directors do not deem it prudent to recommend any dividend on the Equity Share Capital for the year under review.

6. Share Capital

The paid up equity capital as on 31st March, 2023 was ₹ 6,56,04,890/-. During the year the Company has redeemed its Preference Shares.

7. Finance

Cash and Cash equivalent as at March 31, 2023 was at ₹ 67.16 lakhs. The Company continues to focus on judicious management of its working capital, receivables, inventories and other working capital parameters were kept under strict check through continuous monitoring.

8. Compulsory Convertible Debentures (CCD)

Compulsory Convertible Debentures outstanding as on as on 31st March 2023 was ₹ 250 Lakhs.

9. Fixed Deposits

The Company has not accepted any deposit from the public within the meaning of Section 73 of The Company Act, 2013 and The companies (Acceptance of Deposits) Rules, 2014 for the year ended 31st March 2023.

10. Capital Work in Progress

Capital work in progress includes a sum of Rs. 2.96 Crores representing Inter mixer which is outstanding for more than 3 years. The company could not install the said capex program on account of the power situation and liquidity issues. However, the Directors are of the opinion that the same will be implemented and commissioned in next 2 years, this will ensure doubling of the rubber mixing capacity. The equipment is currently in Good Condition.

11. Particulars of Loans, Guarantees or Investments

During the year, the Company has not given any loans or guarantees covered under the provisions of section 186 of The Companies Act, 2013

The details of the investments made by the Company are given in the notes to the financial statements.

12. Internal Control Systems

Internal Control systems in the organisation are looked at as key to its effective functioning. The Company has adequate system of internal control commensurate with its size and nature of business. These systems provide a reasonable assurance in respect of providing financial and operational information, safeguarding of assets of the Company, adhering to the management policies besides ensuring compliance.

13. Internal Financial Control Systems

The Company has a formal system of internal financial control to ensure the reliability of financial and operational information, and regulatory and statutory compliances. Some of the company' s key business processes are ERP enabled for monitoring and reporting process resulting in financial discipline and accountability.

14. Business Risk Management

Key Business Risks are identified by the Company and reviewed by the Senior Management on a regular basis. In addition, the Board of Directors review the key risks identified and the mitigation plan initiated by the Company on the quarterly basis. The list of key risks is also revisited and modified as per the changing scenario.

15. Subsidiary Companies

The following companies continue as subsidiaries of the Company and their audited accounts have been consolidated with those of the Company as on 31st March 2023.

- a) Emerald Middle East FZE
- b) Emerald Tyres Europe BVBA

An extract of the information in respect of each of the above subsidiary in form AOC – 1 as required under the provisions of The Companies Act, 2013 is annexed to this report as **Annexure – 1** and forms part of this report

16. Consolidated Financial Statements

As per the requirements of the Companies Act, 2013, the audited consolidated financial statement for the year ended 31st March 2023 is prepared in accordance with the relevant accounting standards issued by the Institute of Chartered Accountants of India and form part of this Annual Report.

17. Directors Responsibility Statement:

In terms of Section 134(5) of The Companies Act, 2013, the directors would like to state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of the affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (iii) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the directors has prepared the annual accounts on a going concern basis;
- (v) the directors, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively and
- (vi) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

18. Human Resources

The Company firmly believes that human resources play a vital role in its continued growth and success. As a part of Middle management development, program has been rolled out for enhancing the leadership skills among the middle level managers. To increase the effectiveness of sales, sales members, sales effectiveness program has been conducted.

During the year, the company maintained healthy, cordial and peaceful industrial relations with the workers and employees at all levels.

DISCLOSURES AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under for prevention and redressal of complaints of sexual harassment at workplace.

The Company has not received any complaint on sexual harassment during the financial year 2022-23.

19. Corporate Social Responsibility (CSR)**a) Corporate Social Responsibility (CSR)**

With the enactment of the CSR provisions in The Companies Act, 2013, the company has put in place a CSR policy. As per the provisions of The Companies Act, 2013.

b) The Committee members are

1. Shri Varadarajan Krishnam
2. Shri Eswarakrishnan D

c) Corporate Social Responsibility Meeting

During the year under review, the Corporate Social Responsibility Committee met on 09/01/2023. The attendances of its members are as follows,

Name of the Director	Total Number of Meetings held	Number of Meetings Attended	Date of Meeting	
				09/01/2023
Shri. Varadarajan Krishnam	1	1		✓
Shri. Eswarakrishnan D	1	1		✓

CSR is applicable during the financial year 2022-23.

20. Related Party Transactions

All transactions entered into by the Company with the related parties were in the ordinary course of business and an arm's length basis. Necessary disclosures as required under the Accounting Standard (AS) 18 have been made in the notes to the Financial Statements.

21. Material Changes and Commitments

No material changes and commitments affecting the financial position of the Company occurred between the ends of the financial year to which these financial statements relate on the date of this report. There were no significant material orders passed by the regulators or courts or tribunal impacting the Company's going concern status and its operations in future. There was no change in the nature of the business during the year.

22. Auditors:

Pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, **M/s. Rajani & Co**, Chartered Accountants, Chennai (FRN: 003433S), be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of 20th Annual General Meeting (AGM) up to the conclusion of 25th AGM to be held for financial year ending March 31, 2027, and to audit the financial statements of the Company for the financial year 2022-23

23. Directors

Mr V Thirupathi resigned from the Board of Directors during the financial year 2022-23. The Board records its deepest gratitude for the immense guidance and leadership provided by Mr V Thirupathi during his tenure and seek his continued guidance as an advisor in the future also.

24. MEETINGS AND ATTENDANCE OF BOARD AND COMMITTEES

The Board met regularly during the financial year in compliance with the provisions of the companies act, 2013. The board met 18 times during the Financial Year. The meeting dates are 1. 29.04.2022, 2. 30.04.2022, 3. 03.05.2022, 4. 10.05.2022, 5. 17.05.2022, 6. 30.05.2022, 7. 27.06.2022, 8. 28.07.2022, 9. 07.09.2022, 10. 28.09.2022, 11. 07.11.2022, 12. 18.11.2022, 13. 30.12.2022, 14. 09.01.2023, 15. 14.01.2023, 16. 23.01.2023, 17. 22.02.2023. 18. 20.03.2023.

25. Particulars of Employees:

The information on employees pursuant to the disclosure requirements under Sec. 197 Read with Rule 5 (1) of the Companies Act 2013 is not required since the company does not have any employee drawing remuneration warranting disclosure under The Companies Act.

26. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134 (3)(m) of The Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014 is annexed herewith and forms part of this Report as **Annexure -3**.

Acknowledgement:

The Directors thank the bankers, customers, dealers and vendors for their support and encouragement. The Directors wish to place on record their appreciation for the contribution made by the employees which made it possible for the Company to achieve these results.

The Directors also thank the investors for their continued faith in the Company.

Thanking you

For and On Behalf of the Board of Directors



V T Chandrasekharan

Chairman

DIN No. 00628816

Chennai, 1st September 2023

Annexure 3 to Directors' Report

Section 134(3)(m) of The Companies Act, 2013 Read with Rule 8(3) of The Companies (Accounts) Rules, 2014 is forming part of the Directors' Report for the year ended 31st March, 2023.

1. Conservation of Energy

a. Energy Conservation measures taken

Steps are being taken to conserve energy. There is a conscious and concerted drive towards conservation of energy in all its form.

- b. Additional Investment & proposal for Reduction of Consumption of Energy.
- c. There are continuous efforts to reduce the cost of production and conserve energy.
- d. Total energy consumption and energy consumption per unit of production as per Form A given below:

FORM – A

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and Fuel Consumption

Sl. No	Particulars	2022-2023	2021-2022
1.	Electricity		
	Purchased Units	47,99,333	40,67,378
	Total Amount	₹ 4,33,36,599/-	₹ 3,41,71,478/-
	Avg. Rate per Unit	₹ 9.03	₹ 8.40
2.	Diesel		
	Purchased Litres	26,312	25,928
	Total Amount	₹ 25,11,535/-	₹ 23,79,102/-
	Avg. Rate per Litre	₹ 95.45	₹ 91.76
3.	Firewood		
	Purchased Kgs	98,31,550	84,78,175
	Amount	₹ 3,95,69,702/-	₹ 3,27,18,905/-
	Avg. Rate per Kg	₹ 4.02	₹ 3.86

FORM B**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION****Research and Development (R&D)**

- | | | | |
|--|---|---|-----|
| 1. Specific area in which R&D carried out by the Company | : | } | NIL |
| 2. Benefits derived as a result of the above R&D | : | | |
| 3. Future plan of action | : | | |
| 4. Expenditure on R&D | : | | |
| a. Capital | : | | |
| b. Recurring | : | | |
| c. Total | : | | |
| d. Total R&D Expenditure as % of total turnover | : | | |

Technology Absorption adaptation and innovation:

- | | | |
|--|---|-----|
| 1. Efforts in brief made towards technology absorption, adaptation and innovation | } | NIL |
| 2. Benefits derived as a result of the above efforts e.g. product improvement cost reduction, product development, import substitution etc | | |
| 3. Technology Imported | | |
| a. Year of Import | | |
| a. Has technology been fully absorbed? | | |
| b. If not fully absorbed areas where this has taken place reasons therefore and future plan of action | | |
| c. Foreign Exchange Earnings and outgo in ₹: | | |

Particulars	2022-2023 (₹)	2021-2022 (₹)
Foreign Exchange Earnings	103,07,39,416	81,36,20,259
Foreign Exchange Outgo	1,48,16,089	2,94,68,859

For and On Behalf of the Board of Directors



V T Chandhrasekharan
Chairman
DIN 00024627



V Krishnaram
Director
DIN 01739216

Chennai, 1st September 2023

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A" : Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs. In Lacs)

Sl. No.	Particulars	Details	Details
1.	Name of the subsidiary	Emrald Middle East FZE	Emrald Tyres Europe BVBA
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31 st March 2023	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Closing Rate 1 AED = Rs. 22.37 Average Rate 1 AED = Rs. 21.86	Closing Rate 1 Euro = Rs.89.05 Average Rate 1 Euro = Rs.83.63
4.	Share capital	44.74	554.87
5.	Reserves & surplus	(252.76)	(930.54)
6.	Total assets	266.58	1702.99
7.	Total Liabilities	474.60	2110.98
8.	Investments	-	-
9.	Turnover	500.22	3766.93
10.	Profit before taxation	(138.18)	169.75
11.	Provision for taxation	-	-
12.	Profit after taxation	(138.18)	169.75
13.	Proposed Dividend	-	-
14.	% of shareholding	100 %	100 %

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

Part "B" : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures : NIL

Name of associates/Joint Ventures			
1. Latest audited Balance Sheet Date			
2. Shares of Associate/Joint Ventures held by the company on the year end			
No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding%			
3. Description of how there is significant influence			
4. Reason why the associate/joint venture is not consolidated			

5. Net worth attributable to shareholding as per latest audited Balance Sheet			
6. Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			


1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

Note: This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

For **Emerald Resilient Tyre Manufactures Private Limited**


V T Chandrashekharan

Chairman
DIN: 00628816


V Krishnaram

Director
DIN: 01739216

Chennai, 1st September 2023

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm' s length basis. NIL

2. Details of contracts or arrangements or transactions at Arm' s length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	V.T. Chandrasekharan, Director & Promoter
b)	Nature of contracts/arrangements/transaction	Rent paid for Corporate Office
c)	Duration of the contracts/arrangements/transaction	On Going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 9.60 Lacs
e)	Date of approval by the Board	24 th April 2015
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	V.T. Srinivas, Relative
b)	Nature of contracts/arrangements/transaction	Salary/Rent paid for Office
c)	Duration of the contracts/arrangements/transaction	On Going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Salary = Rs.64.52 Lacs Rent = Rs. 1.44 Lacs
e)	Date of approval by the Board	24 th April 2015
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Emerald Middle East FZE Wholly Own Subsidiary
b)	Nature of contracts/arrangements/transaction	Sale of Goods
c)	Duration of the contracts/arrangements/transaction	On Going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 244.56 Lacs
e)	Date of approval by the Board	24 th April 2015
f)	Amount paid as advances, if any	Nil

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Emrald Tyres Europe BVBA Wholly Own Subsidiary
b)	Nature of contracts/arrangements/transaction	Sale of Goods
c)	Duration of the contracts/arrangements/transaction	On Going
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Rs. 2732.79 Lacs
e)	Date of approval by the Board	24 th April 2015
f)	Amount paid as advances, if any	Nil

For **Emerald Resilient Tyre Manufactures Private Limited**



V T Chandrashekharan

Chairman
DIN: 00628816



V Krishnam

Director
DIN: 01739216

Chennai, 1st September 2023

INDEPENDENT AUDITORS' REPORT

To the Members of M/s Emerald Resilient Tyre Manufacturers Private Limited

Opinion

We have audited the financial statements of **Emerald Resilient Tyre Manufacturers Private Limited** "the Company", which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31st March, 2023, its Profit and its Cash Flows for the year ended on that date.

Basis for Opinion

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

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and



application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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, 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 scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in 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:**
 - 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 and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) Since the Company's turnover as per last audited financial statements is ₹122 Crores which is more than ₹50 Crores and its borrowings from banks and financial institutions at any time during the year ₹51.68 Crores which is more than ₹ 25 Crores, the Company is mandated for getting an audit opinion with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls vide notification dated June 13, 2017 which is attached as **Annexure B** to this report;
 - g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.



- 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 have no pending litigations.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material mis-statement.
 - v. The company has declared and paid the dividend on the Preference Shares during the declared in FY 2021-2022 and paid in AY 2022-2023 year by the company.

For Rajani & Co
Chartered Accountants
FRNo.0034335



Rajani Kant Sharma,
Partner
M.No.021394
UDIN: 23021394BGZHWG8717.
Date: 01st September 2023.
Place: Chennai.



Annexure 'A'

The Annexure referred to in paragraph 1 of Our Report on "Other Legal and Regulatory Requirements".

We report that:

(i) Property, Plant and Equipment

- (a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The company has maintained proper records showing full particulars of intangible assets;
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Property, Plant and Equipment have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year. Accordingly, the reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45of1988) and rules made thereunder.

(ii) Details of Inventory and Working Capital

- a) As explained to us & on the basis of the records examined by us, in our opinion, the Company does not trade in goods, but have maintained spare parts for own consumptions and the physical verification of these inventory has been conducted at reasonable intervals by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has been sanctioned ₹ 33.50 Crores as the working capital limits which is in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets during any point of time of the year and have availed ₹ 32.30 Crores.

- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not made investments in, nor provided any guarantee or security or granted any loans or



advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Accordingly, provisions of clause 3(iii)(a), 3(iii)(b), 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order are not applicable to the Company.

- (iv) According to the information and explanations given to us and on the basis of our examination of the records no loans has been given to Directors or guarantee has been given by the company, hence, provisions of section 185 and 186 of the Companies Act, 2013 is not applicable.
- (v) The company has not accepted any deposits or amounts which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) As per information & explanation given by the management, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 14 8of the Companies Act and such accounts and records have been so made and maintained.
- (vii) **Statutory Dues**
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, provident fund, employees' state insurance, income-tax, duty of customs, duty of excise, cess and any other statutory dues to the appropriate authorities. According to the information and explanation given to us there were no outstanding statutory dues as on 31st of March, 2023 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, there is no statutory dues referred to in sub-clause (a) that have not been deposited on account of any dispute except following:

Name of the Statute	Nature of Dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved
Income Tax Act, 1961	Order u/s 143(3)	CIT(A)	2017-18	3,83,02,430
Income Tax Act, 1961	Order u/s 143(3)	CIT(A)	2013-14	22,79,370
Income Tax Act, 1961	Order u/s 143(3)	ITAT	2007-08	21,11,320

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.



(ix) Repayment of Loans

- (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanations given to us by the management, the Company has taken ₹ 4.9 Crores of sanctioned and 3.85 Crores have been utilised during the current financial year term loan during the year and has not defaulted in the repayment of the loans.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short term basis have been used for long term purposes by the company.
- (e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.

(x) Initial Public Offerings:

- (a) Based on our audit procedures and according to the information given by the management, The company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) Frauds

- (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the company or any fraud on the company has been noticed or reported during the course of audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;



- (c) According to the information and explanations given to us by the management, no whistle-blower complaints had been received by the company.
- (xii) The company is not a Nidhi Company. Accordingly, clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards;
- (xiv) **Internal Audits:**
- (a) Based on information and explanations provided to us and our audit procedures, the company has an internal audit system commensurate with the size and nature of its business.
- (b) Based on information and explanations provided to us, no internal audit had been conducted of the company. Accordingly, clause 3(xiv)(a), of the Order is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company
- (xvi) **Registers U/s 45-IA of Reserve Bank of India**
- (a) In our Opinion and based on our examination, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) In our Opinion and based on our examination, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (xvii) Based on our examination, the company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) M/s Lopa Verma & Associates has resigned as Audited since the term of appointment was over and M/s Rajani & Co was appointed in the AGM dated 30.09.2022 as the statutory auditors during the year for the period of 5 years. Accordingly, clause 3(xviii) of the Order is applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the



company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) Corporate Social Responsibility:

According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is liable to create the provision and utilize the same for the purpose of the Corporate Social Responsibility as required under section 135 of the Companies Act, 2013 and accordingly the company has created the provision & utilized the same by contributing ₹ 6L to the Hospitals which are eligible for the receiving the CSR fund.

(xxi) There is no any qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the Companies included in the consolidated financial statements.

For Rajani & Co
Chartered Accountants
FRNo.0034335



Rajani Kant Sharma,
Partner
M.No.021394
UDIN: 23021394BGZHWG8717
Date: 01st September 2023
Place: Chennai



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

We have audited the internal financial controls with reference to standalone financial statements of the **Emerald Resilient Tyre Manufacturers Private Limited** (the "Company") as of March 31, 2023 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 with reference to financial statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those financial statement 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 with reference to standalone financial statements 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 financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to 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 control with reference to 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 and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.


Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Rajani & Co
Chartered Accountants
FRN:003433S


Rajani Kant Sharma,
Partner
M.No.021394
UDIN: 23021394BGZHWG8717
Date: 01st September 2023
Place: Chennai



BALANCE SHEET AS AT 31ST MARCH 2023

Particulars	Note No.	31-03-2023 Rs. In Lakhs	31-03-2022 Rs. In Lakhs
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	656.05	656.05
(b) Reserves and surplus	3	4,111.27	3,401.51
2 Share application money pending allotments		-	-
3 Non-current liabilities			
(a) Long-term borrowings	4	2,258.48	2,248.83
(b) Deferred tax liabilities (net)		262.80	223.90
(c) Other Long Term Liabilities	5	141.38	114.09
4 Current liabilities			
(a) Short Term Borrowings	6	5,653.67	4,482.20
(b) Trade payables	7		
(A) total outstanding dues of micro enterprises and small enterprises		575.29	514.76
(B) total outstanding dues of Creditors other than micro enterprises and small enterprises		1,191.90	961.88
(c) Other current liabilities	8	280.76	985.32
(d) Short-term provisions	9	404.45	382.55
TOTAL		15,536.05	13,971.08
B ASSETS			
1 Non-current assets			
(a) (i) Property, Plant and Equipment	10	4,381.83	2,946.39
(ii) Intangible assets		137.75	147.94
(iii) Capital Work in progress	11	684.48	1,039.44
(b) Non-current investments	12	747.44	742.27
(c) Long term loans and Advances	13	457.08	570.56
2 Current assets			
(a) Current Investments			
(b) Inventories	14	4,712.48	4,283.76
(c) Trade receivables	15	4,101.93	3,581.79
(d) Cash and cash equivalents	16	67.16	16.37
(e) Short-term loans and advances	17	121.01	454.18
(f) Other Current Assets	18	124.89	188.38
TOTAL		15,536.05	13,971.08

See accompanying notes to the Financial Statements

In terms of our Report Attached

For and On Behalf of the Board of Directors

For **Rajani & co**

Chartered Accountants

Firm Registration No.003433S

Rajani Kant Sharma
Partner

M No. 021394

UDIN: 23021394BGZHWG8717

Chennai, 1st September 2023

V T Chandrasekharan
Chairman
DIN 00628816

V Krishnaram
Director
DIN 01739216



Profit and Loss Statement for the year Ended 31st March 2023

Particulars	Note No.	31-03-2023 Rs. In Lakhs	31-03-2022 Rs. In Lakhs
I Revenue from operations (gross)	19	15,104.16	12,237.34
Revenue from operations (net)		15,104.16	12,237.34
II Other Income	20	154.68	80.40
III Total Income (I+II)		15,258.84	12,317.75
IV Expenses			
(a) Cost of materials consumed	21	9,362.21	7,966.41
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	22	(331.06)	(442.44)
(c) Employee benefits expenses	23	1,712.18	929.75
(d) Finance costs	24	837.30	626.51
(e) Depreciation and amortisation expenses		398.11	344.53
(f) Other expenses	25	2,259.50	2,270.38
Total Expenses		14,238.24	11,695.14
V Profit before exceptional and extraordinary item and tax		1,020.60	622.61
VI Exceptional Items		-	-
VII Profit before extraordinary item and tax		1,020.60	622.61
VIII Extraordinary Items		-	-
IX Profit before Tax		1,020.60	622.61
X Tax Expense:			
(a) Current tax expense		271.94	227.13
(b) Deferred tax		38.90	(23.96)
XI Profit / (Loss) for the period from continuing operations		709.76	419.44
XII Profit / (Loss) from discontinuing operations		-	-
XIII Tax from discontinuing operations		-	-
XIV Profit/ (Loss) from discontinuing operations		-	-
XV Profit/(Loss) for the Period		709.76	419.44
XVI Earning per equity share:In Rupees			
(1) Basic		10.82	6.39
(2) Diluted		10.57	6.24

See accompanying notes to the Financial Statements

In terms of our Report Attached

For and On Behalf of the Board of Directors

For Rajani & co

Chartered Accountants

Firm Registration No.0034335

Rajani Kant Sharma
Partner

M No. 021394

UDIN: 23021394BGZHWG8717

Chennai, 1st September 2023

V T Chandrasekharan
Chairman
DIN 00628816

V Krishnaram
Director
DIN 01739216



Cash flow Statement for the year ended 31st March 2023

Particulars	31-03-2023		31-03-2022	
	Rs. In Lakhs		Rs. In Lakhs	
A. Cash flow from operating activities				
Net Profit / (Loss) before extraordinary items and tax		1020.60		622.61
Add :				
a) Depreciation and amortisation	398.11		344.53	
b) (Profit) / loss on sale / write off of assets	0.00		0.00	
c) Finance costs	837.30		626.51	
		1235.41		971.04
		2256.01		1593.65
Interest income	9.50		8.17	
Other non operating income	26.06		19.28	
Net gain on foreign currency transactions	119.12		52.96	
		154.68		80.40
Operating profit / (loss) before working capital changes		2101.32		1513.25
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(428.72)		(520.26)	
Trade receivables	(520.14)		(574.40)	
Short-term loans and advances	333.16		(30.25)	
Long-term loans and advances	122.97		(385.72)	
Other current assets	63.50		0.51	
Other non-current assets				
		(429.23)		(1510.12)
Adjustments for (increase) / decrease in operating liabilities:				
Trade payables	(290.55)		(299.00)	
Other current liabilities	704.56		(730.02)	
Other long-term liabilities	(27.29)		(35.28)	
Short-term provisions	2.10		(40.32)	
		388.82		(1104.62)
Cash flow from extraordinary items				
Cash generated from operations		1283.28		1107.74
Net income tax (paid) / refunds	(203.06)		(116.77)	
Net cash flow from / (used in) operating activities (A)	-	1080.22	-	990.98
	-	-	-	-
B. Cash flow from investing activities				
Capital expenditure on fixed assets, including capital advances		(2551.94)		(1958.12)
Proceeds from sale of fixed assets		0.00		0.00
Net cash flow from / (used in) investing activities (B)	-	(2551.94)	-	(1958.12)
	-	-	-	-
C. Cash flow from financing activities				
Proceeds from equity Share application money	0.00		299.93	
Proceeds from long-term borrowings (Net of repayments)	0.00		905.22	
	-	-	-	-
Net increase / (decrease) in working capital borrowings	1690.11		287.77	
Interest income	0.00		8.17	
Other non operating income	515.02		19.28	



Particulars	31-03-2023		31-03-2022	
	Rs. In Lakhs		Rs. In Lakhs	
Net gain on foreign currency transactions	9.50	-	52.96	-
Finance cost	26.06		(626.51)	
Dividends paid including tax	119.12		(27.47)	
Net cash flow from / (used in) financing activities (C)	2359.81		919.35	
Net (Increase) / decrease in Cash and cash equivalents (A+B+C)	1522.51		(47.80)	
Cash and cash equivalents at the beginning of the year	16.37		64.17	
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents				
Cash and cash equivalents at the end of the year	16.37		16.37	
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 16)	67.16		16.37	
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3				
Cash Flow Statements (give details)				
Net Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) included in Note 16	67.16		16.37	
Add: Current investments considered as part of Cash and cash equivalents (as defined in AS 3 Cash Flow Statements) (Refer Note (ii) to Note 16 Current investments)				
Cash and cash equivalents at the end of the year *				
* Comprises:				
(a) Cash on hand		0.69		0.28
(b) Balances with banks				
(i) In current accounts		66.47		16.09
(ii) In EEFC accounts				

See accompanying notes to the Financial Statements

In terms of our Report Attached

For and On Behalf of the Board of Directors

For **Rajani & co**

Chartered Accountants

Firm Registration No.003433S

Rajani Kant Sharma

Partner

M No. 021394

UDIN: 23021394BGZHWG8717

Chennai, 1st September 2023

V T Chandrasekharan

Chairman

DIN 00628816

V Krishnaram

Director

DIN 01739216



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2023

Significant Accounting Policies

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1.1. The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in Indian (Indian GAAP) to comply with the Accounting Standards specified U/s. 133 of the Companies Act, 2013, read with Rule 7 of the Companies Act, 2013 (The Act, 2013)/Companies Act, 1956 (The Act, 1956) as applicable. The Financial Statements have been prepared on accrual bases under the historical cost convention. The accounting policies adopted are consistent with those followed in the previous year.

2. USE OF ESTIMATE

2.1. The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities, disclosures of contingent liabilities as of the date of financial statements and the reported income and expenses during the reporting period. Future results could differ due to these estimates and the difference between the actual results and estimates are recognised in the periods in which the results are known/materialise.

3. INVENTORIES

3.1. Inventories are valued at lower of cost and net realisable value. The cost is computed on weighted average basis. Finished Goods and Process Stock include cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

4. CASH AND CASH EQUIVALENTS

4.1. Cash comprises cash on hand, balances with bank and demand deposits with banks of less than three months' maturity.

5. CASH FLOW STATEMENT

5.1. Cash Flows are reported using indirect method set out in AS-3

6. DEPRECIATION AND AMORTISATION

6.1. Tangible Fixed Assets

6.1.1. Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Straight-Line Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013. Depreciation is provided for on pro-rata basis on additions and deletions made during the year.

6.1.2. Assets individually costing less than or equal to ₹ 5,000/- are fully depreciated in the year of acquisition.



7. REVENUE RECOGNITION

- 7.1. Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, services, service tax, excise duty, and sales during trail run period, adjusted for discounts (net), and gain/loss on corresponding hedge contracts.
- 7.2. Export benefits are recognised on post shipment basis
- 7.3. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

8. FIXED ASSETS (TANGIBLE AND INTANGIBLE)

- 8.1. Tangible assets are stated at cost net of recoverable taxes, trade discounts and rebates and includes amounts added on revaluation (No revaluation done so far), less accumulated depreciation and impairment loss, if any. The cost of tangible assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working conditions for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.
- 8.2. 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.
- 8.3. Intangible Assets are being recognised, if the future economic benefits attributable to the assets are expected to flow to the company and cost of the asset can be measured reliably. The same are being amortised over the expected duration of benefits.
- 8.4. Expenditure during construction / erection period is included under capital work-in-progress and is allocated to the respective fixed assets on completion of construction / erection.
- 8.5. The title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the company

9. FOREIGN CURRENCY TRANSACTIONS AND TRANSLATIONS

- 9.1. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of the transaction. Monetary items denominated in foreign currencies at the year-end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the yearend rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract. Non-monetary foreign currency items are carried at cost.



9.2. In respect of integral foreign operations, all transactions are translated at rates prevailing on the date of transaction or that approximates the actual rate at the date of transaction. Monetary assets and liabilities are restated at the yearend rates.

9.3. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the profit and loss statement, except in case of long-term liabilities, where they relate to acquisition of Fixed Assets, in which case they are adjusted to the carrying cost of such assets.

10. EXPORT INCENTIVES

10.1. Export Incentives in the form of advance licenses / credits earned under duty draw back are treated as income in the year of export at the estimated realisable value / actual credit earned on exports made during the year.

11. INVESTMENT

11.1. Long Term Investments are stated at cost. Provision for diminution in the value of long-term Investments is made only if the decline in value is other than temporary in nature. The Current Investments are stated at lower of cost or quoted / fair value computed category-wise.

12. EMPLOYEE BENEFITS:

12.1. Defined Contribution Plans:

12.1.1. Provident Fund and ESI: This is a defined contribution plan and contributions made to the fund in accordance with the applicable statutes/rules and are charged to revenue. The company has no further obligations for future provident fund benefits other than the contributions made to the fund.

12.1.2. Superannuation: This is a defined contribution plan and contributions made in accordance with the company's scheme to the fund administered by The Life Insurance Corporation of India and are charged to revenue. The company has no further obligations for future superannuation benefits other than the contributions made to the fund.

12.1.3. Gratuity: This is a defined contribution plan and contributions made in accordance with the company's scheme to the fund administered by The Life Insurance Corporation of India and are charged to revenue. The company has no further obligations for future gratuity benefits other than the contributions made to the fund.

13. BORROWING COSTS

13.1. Borrowing cost incurred between the date of borrowing and the date on which the assets are put to use are capitalised as part of the qualifying assets when it is possible that they will result in future economic benefits and can be measured reliably. Other borrowing costs are recognised as expenses in the period in which they are incurred.



14. SEGMENT REPORTING

14.1. The Company operates only in one segment and hence the disclosure requirements of Accounting Standard 17 issued by Institute of Chartered Accountants of India are not applicable

15. LEASES

15.1. Lease payments recognised in the Profit and Loss account for the year is NIL.

16. EARNING PER SHARE

16.1. Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year.

16.2. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend and other charges relating to dilutive potential equity shares by the weighted average number of equity shares considered for deriving basic earnings per share and by the weighted average number of equity shares which could have been issued on conversion of all dilutive potential equity shares.

17. ACCOUNTING FOR TAXES ON INCOME

17.1. Current Tax is the amount of tax payable on the estimated taxable income for the current year as per the provisions of Income Tax Act, 1961. Deferred Tax is recognised for timing differences. However, Deferred Tax Asset is recognised on the basis of reasonable / virtual certainty that sufficient future taxable income will be available against which the same can be realised.

18. INTANGIBLE ASSETS

18.1. Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The Company amortise intangible assets taking into consideration the useful life based on the estimates made by the management. Where the management considers that an intangible asset does not have a value as on the end of the accounting year, such intangible asset it's fully amortised.

19. RESEARCH AND DEVELOPMENT EXPENSES

19.1. During the year 2017-18, the company has done extensive study of the solid skid-steer tyres. Competitor tyres have been procured and reverse engineering done to both design the tyres as well as perfect the compounding.

19.2. Extensive tests have been done at the Laboratory to perfect the compound and travels were under taken to get the customer expectations and usage of the product under various environments. Unique design and special features have been made by the engineers and orders for procurement moulds are under preparation.



19.3. These skid steer tyres are very essential for the market of USA & Europe since we are planning to enter the global market in a big way.

19.4. During the year 2021-22, the company has done extensive study of the solid skid-steer tyres. Competitor tyres have been procured and reverse engineering done to both design the tyres as well as perfect the compounding.

20. IMPAIRMENT OF ASSETS

20.1. The company makes an assessment on the balance sheet date to determine whether there is any indication of impairment in the carrying value of assets / cash generating units. If the carrying value of the assets exceed the estimated recoverable amount, an impairment loss is recognised as expense in the Statement of Profit and Loss. No such loss recognised during the year.

21. ADVANCE PRICING AGREEMENT

21.1. The company had taken APA with the CBDT for Five Years beginning with Financial Year 2017-18 and ending FY 2022-23. The Company has filed the papers with CBDT for renewal further seven Years and waiting for the approval from the Authorities.

22. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

22.1. Provision is recognized in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

22.2. Contingent liabilities are disclosed unless the possibility of outflow of resources is remote.

22.3. Contingent assets are neither recognized nor disclosed in the financial statements.

23. Loan & Advances

23.1. Loan and advances received shown as principle due to lender after making adjustment of all principal repayment made during the year. the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. The company has not given any loan or guarantee on behalf of director.

23.2. The Company has borrowings from banks or financial institutions on the basis of security of current assets. Monthly returns/statements of current assets filed by the Company with banks or financial institutions are in agreement with the books of accounts.



24. Company does not hold any benami property & has not been declared as wilful defaulter since it has made all its commitment paid as and when its due. Also, Company has not made any transaction with struck off company.
25. Company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period. Charges on assets with State bank of India, already registered with registrar.

For Rajani & Co
Chartered Accountants
FRNo.003433S



Rajani Kant Sharma,
Partner
M.No.229881
UDIN: 23021394BGZHWG8717
Place: Chennai
Date: 01st September 2023



Note -2. SHARE CAPITAL

Particulars	31-03-2023		31-03-2022	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised	1,40,00,000	18,50,00,000	1,40,00,000	18,50,00,000
1,35,00,000 Equity Shares of Rs.10 each	1,35,00,000	13,50,00,000	1,35,00,000	13,50,00,000
5,00,000 15% Cumulative Non Convertible Redeemable Preference Share Of Rs.100/- Each	5,00,000	5,00,00,000	5,00,000	5,00,00,000
(b) Issued, Subscribed and Paid up	65,60,489	6,56,04,890	65,60,489	6,56,04,890
65,60,489(PY 65,60,489) Equity Shares of Rs.10 each	65,60,489	6,56,04,890	65,60,489	6,56,04,890
Total	65,60,489	6,56,04,890	65,60,489	6,56,04,890
List of Shareholders holding more than 5% share capital				
Name of Shareholders	No. of Shares	%	Value/Share	Total Value
Equity Shares				
V Thirupathi	8,50,500	12.96%	10.00	85,05,000
T Kannaki	3,40,000	5.18%	10.00	34,00,000
V T Chandrasekharan	34,35,974	52.37%	10.00	3,43,59,740
Karthikeyan Swarnam	5,17,165	7.88%	10.00	51,71,650
TOTAL	51,43,639	78.40%		5,14,36,390

NOTE 1A. SHARES HELD BY PROMOTORS

Current Reporting Period				
Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Mr. V.Thirupathi	8,50,500	12.96%	-24.98%
2	Mrs.T.Kannaki	3,40,000	5.18%	-16.88%
3	Mr.V.T.Chandrasekharan	34,35,974	52.37%	43.77%
4	Mr.V.T.Srinivas	2,72,940	4.16%	0.00%

Previous reporting Period				
Sr No.	Promotor's Name	No of shares	% of total shares	% Change during the year
1	Mr. V.Thirupathi	24,89,310	37.94%	1.65%
2	Mrs.T.Kannaki	14,47,650	22.07%	0.96%
3	Mr.V.T.Chandrasekharan	5,64,514	8.60%	0.37%
4	Mr.V.T.Srinivas	2,72,940	4.16%	0.18%



NOTE- 1B. STATEMENTS OF CHANGES IN EQUITY

Current Reporting Period				
Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period error	Related Balance at the beginning of the current reporting period	Changes in Equity Share Capital during the current year	Balance at the end of the current reporting period
65,60,489				65,60,489

Previous reporting Period				
Balance at the beginning of the previous reporting period	Changes in Equity Share Capital due to prior period error	Related Balance at the beginning of the previous reporting period	Changes in Equity Share Capital during the previous year	Balance at the end of the previous reporting period
62,87,824			2,72,665	65,60,489

See accompanying notes to the Financial Statements

In terms of our Report Attached

For and On Behalf of the Board of Directors

For **Rajani & co**

Chartered Accountants

Firm Registration No.003433S

Rajani Kant Sharma

Partner

M No. 021394

UDIN: 23021394BGZHWG8717

Chennai, 1st September 2023

V T Chandhrasekharan

Chairman

DIN 00628816

V Krishnaram

Director

DIN 01739216



TERMS ATTACHED TO SHARES:

Equity Shares:

The Equity Shares have a par value of Rs.10/- each. Each holder of equity share is entitled to one vote per share. The dividend when proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. Repayment of capital on liquidation will be in proportion to the number of Equity Shares held.

a) Term Loans from SBI are secured by: -

1. Equitable Mortgage by deposit of title deeds of 6.25 acres of Leasehold Land situated at Plot #79 & 3.80 acres of Leasehold Land at Plot # 80, EPIP, Sipcot Industrial Complex, Gummidipoondi.
2. Equitable Mortgage over superstructures constructed on Leasehold Land mentioned above.
3. Hypothecation of Plant & Machinery created/ to be created out of term loans.

a. The Term Loans from SBI are also collaterally secured by:-

4. Hypothecation of movable fixed assets belonging to Mixing division.
 5. Equitable Mortgage by deposit of title deeds of 3380 sqft land and residential house thereon situated at #3, Ninth Lane, Shastri Nagar, Adyar, Chennai in the name of Mr V Thirupathi
 6. Pledge of 939,500 shares of the face value of Rs 10/- each of Emerald Resilient Tyre Manufacturers P Ltd, owned by Mr V Thirupathi and his family members.
 7. Hypothecation of movable fixed assets of the company (present & future).
 8. Personal Guarantee of Mr V Thirupathi, Mrs T Kannaki, Mr V T Chandrashekharan & Mr V T Srinivas.
- b) Bank Borrowings are secured by way of hypothecation of all the Current Assets of the company. The above loans are additionally secured by the collateral securities given to the Term Loans provided by the bank. The loans are also secured by the Personal Guarantees of Mr V Thirupathi, Mrs T Kannaki, Mr V T Chandrashekharan & V T Srinivas.
- c) Equipment Finance from Tata Capital Financial Services Limited (TCFSL) are secured by, Hypothecation of Machinery Purchased out of TCFSL Fund and unconditional & irrevocable personal guarantees of Mr V Thirupathi, Mrs T Kannaki and Mr V T Chandrasekharan.



NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET
Note 3 RESERVES AND SURPLUS

Particulars	31-03-2023	31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
Securities premium account		
Opening balance	1,062.79	790.13
Add: Received during the year	-	272.67
Closing balance	1,062.79	1,062.79
General Reserve		
Opening Balance	181.00	181.00
Add: Transfer from Surplus in statement of P & L A/c.	-	-
Closing Balance	181.00	181.00
Preference Share Redemption Reserve		
Opening Balance	-	100.00
Add: Transfer from Surplus in statement of P & L A/c.	-	400.00
Less: Transfer to Capital Redemptin Reseved Account	-	500.00
Closing Balance	-	-
Capital Redemption Reserve Account		
Opening Balance	500.00	-
Add: Transfer from Preference Share Redemption Reserve	-	500.00
Less: Utilized.	-	-
Closing Balance	500.00	500.00
Surplus - Balance in Statement of P&L Account		
Opening Balance	1,657.71	1,665.74
Add: Transfer Due to Amalgamation	-	-
Add: PAT For the year	709.76	419.44
Less: Appropriations -		
Less : Proposed Dividend on Preference Shares	-	27.47
Less: Distribution Tax on Preference Shares		
Less: Transfer to Preference Share Redemption Reserve	-	400.00
Closing Balance	2,367.48	1,657.71
Total	4,111.27	3,401.51



Note 4 LONG TERM BORROWINGS

Particulars	31-03-2023	31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
<u>UNSECURED LOANS</u>		
<u>Compulsory Convertible Debentures</u>		
Compulsory Convertible Debentures	250.00	250.00
10 year 15% Compulsorily Convertible Debenture (CCD) of Rs.160/- each. Each CCD will be converted into one equity share of Rs.10/- each together with a premium of Rs.150/- per equity share at the end of fifth year from the date of allotment.		
<u>Secured Loans from Banks</u>		
Term Loans.		
<u>From Banks</u>		
<u>State Bank of India :-</u>		
Guaranteed Emergency Credit Line	187.15	321.29
Guaranteed Emergency Credit Line 1.0	370.00	372.33
Term Loan VI	385.65	
<u>From NBFC :-</u>		
Tata Capital Financial Services	887.20	564.39
YES BANK CAR LOAN CLM 19-20(MAHINDRA XUV300)	-	2.64
YES BANK CAR LOAN CLM 19-20(TOYOTA INNOVA)	4.11	10.91
<u>Unsecured Loans</u>		
From Banks	121.89	154.91
Other Than Banks	1,841.79	1,743.34
	4,047.79	3,419.81
Less : Current Maturities of Long Term Debts	1,789.31	1,170.97
TOTAL	2,258.48	2,248.83

Note 5 Other Long Term Liabilities

Particulars	31-03-2023	31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
Deposits from Dealers	141.38	114.09
Total	141.38	114.09

Note 6 SHORT TERM BORROWINGS

Particulars	31-03-2023	31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
<u>SECURED LOANS</u>		
1. Secured Loans		
<u>State Bank of India</u>		
Cash Credit	580.43	512.64
Export Packing Credit	2,500.14	1,989.70
Stand By Limit	150.00	151.14
LC payable (Not due)	338.42	400.50
<u>Current Maturities of Long Term Debts</u>		
State Bank of India	162.94	134.14
Tata Capital Financial Services	305.70	
NBFC	1,320.66	1,036.83
Others	295.38	257.25
TOTAL	5,653.67	4,482.20



Note 7 TRADE PAYABLES
as on 31-03-2023

Particulars	Outstanding for following periods from due date of payment				Values in Lakhs
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	575.29	-	-	-	575.29
Others	1,191.90	-	-	-	1,191.90
Dispute dues-MSME	-	-	-	-	-
Dispute dues	-	-	-	-	-
Others	-	-	-	-	-
Total					1,767.19

as on 31-03-2022

Particulars	Outstanding for following periods from due date of payment				Values in Lakhs
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	514.76	-	-	-	514.76
Others	954.29	7.59	-	-	961.88
Dispute dues-MSME	-	-	-	-	-
Dispute dues	-	-	-	-	-
Others	-	-	-	-	-
Total					1,476.64

Note 8 OTHER CURRENT LIABILITIES

Particulars	31-03-2023	31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
Others		
Statutory Dues	43.72	22.80
Advances from Customers	92.34	480.99
Capital Goods Suppliers	99.58	73.43
Others	45.12	408.10
Total	280.76	985.32

Note 9 SHORT TERM PROVISIONS

Particulars	31-03-2023	31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
(a) Provision for employee benefits		
Contribution to Provident Fund	8.41	9.77
Gratuity & Superannuation Fund	13.37	15.31
Bonus	27.50	21.44
Salaries & Wages	47.56	32.11
LTA Payable	20.36	15.03
Contribution to ESI	0.85	0.98
Others	14.46	39.97
(b) Provision - for TAX		
Provision for Taxation (Net of Advance Taxes and Credits)	271.94	220.48
Provision for Proposed Preference Shares Dividend	-	27.47
Total	404.45	382.55



Note No.10 Fixed Assets & Depreciation (FY : 2022 - 2023) As per Companies Act											(Rs. In lakhs)
Sl. No	Particulars	Gross Block			Depreciation			Net Block			
		WDV as on 01-04-2022	Additions	Deletion	Gross Block 31-03-2023	Depreciation as at 31-03-2022	Depreciation For the year	Depreciation Deletion	Net Block 31.03.2023	Net Block 31.03.2022	
	Tangible Assets										
a)	Land -Leasehold	78.77	-	11.66	67.11	3.38	-		63.73	75.39	
b)	Buildings	840.48	12.77		853.25	388.59	24.73		439.94	451.90	
c)	Plant and Equipments	6,583.01	1,811.11		8,394.12	4,230.78	345.43		3,817.91	2,352.23	
d)	Furniture & Fixtures	89.46	-		89.46	83.33	1.69		4.44	6.13	
e)	Vehicles	89.87	1.52		91.38	47.21	6.55		37.62	42.65	
f)	Office Equipment										
1	Computer	112.07	4.88		116.95	93.97	4.79		18.19	18.10	
	Sub total (Tangible Assets)	7,793.66	1,830.28	11.66	9,612.28	4,847.27	383.19	-	4,381.83	2,946.39	
g)	Intangible Assets										
1	Softwares (Amortization)	70.50	4.73		75.23	56.38	6.44		12.41	14.11	
2	Research & Development	273.96	-		273.96	140.13	8.48		125.35	133.82	
	Capital Work In Progress	1,039.44	716.93	1,071.89	684.48	-	-	-	684.48	1,039.44	
	Grand Total	9,177.55	2,551.94	1,083.54	10,545.95	5,043.78	398.11	-	5,204.06	4,133.77	



Note-11 Capital Work-in Progress (CWIP)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Projects in Progress	388.00			296.48	684.48
Projects temporarily suspended					

Note 12 NON CURRENT INVESTMENTS

Particulars	31-03-2023	31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
Fixed Deposit	118.24	113.08
Mutual Fund	100.00	100.00
Emrald Middle East FZE	29.58	29.58
Emrald Tyre Europe BV BA	489.33	489.33
Harvey Healthcare Limited	9.00	9.00
Aadhav Green Power Private Limited	1.28	1.28
Total	747.44	742.27

Note 13 LONG TERM LOAN & ADVANCES

Particulars	31-03-2023	31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
Security Deposits	205.14	154.39
Advances for Capital Goods & Others	150.72	343.33
Prepaid Expenses	35.34	21.61
Staff Loans	0.59	0.59
Income Tax Receivable	30.17	31.11
TDS Receivables from NBFC	35.12	19.53
Total	457.08	570.56

Note 14 INVENTORIES

(At lower of cost and net realisable value)

Particulars	31-03-2023	31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
Raw Materials	429.83	397.36
Work-in-Progress	1,230.44	1,244.94
Finished Goods	2,827.46	2,481.90
Diesel/LDO	0.92	0.21
Engineering Spares	209.21	150.52
Fire Woods	14.63	8.84
Total	4,712.48	4,283.76



Note 15 TRADE RECEIVABLES as on 31-03-2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months -1Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Considered Goods	3,635.66	97.61	76.73	194.04	97.90	4,101.93
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables- Considered Goods	-	-	-	-	-	-
Disputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
Others						-

as on 31-03-2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 Months	6 Months -1Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Considered Goods	3,136.64	153.21	194.04	97.90	-	3,581.79
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables- Considered Goods	-	-	-	-	-	-
Disputed Trade Receivables- Considered Doubtful	-	-	-	-	-	-
Others						-

Note 16 CASH AND CASH EQUIVALENTS

Particulars	31-03-2023	31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
A) Cash In Hand	0.69	0.28
B) Bank Balance	66.47	16.09
Total	67.16	16.37



Note 17 SHORT TERM LOANS AND ADVANCES

Particulars	31-03-2023	31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
Advances for Purchases	-	-
Advances to Suppliers	-	-
Security Deposit with RICL	-	-
Security Deposit with BSNL	-	-
Additional Tax Recoverable C.G.	-	-
GST Balance with Department	121.01	454.18
Others	-	-
TDS Receivable P.Y	-	-
TDS Receivable A.Y 2022-23	-	-
Total	121.01	454.18

Note 18 OTHER CURRENT ASSETS

Particulars	31-03-2023	31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
Govt. Subsidies – Receivables	90.04	175.41
Salary Advances	34.84	12.97
	-	-
Total	124.89	188.38

See accompanying notes to the Financial Statements

In terms of our Report Attached

For and On Behalf of the Board of Directors

For **Rajani & co**

Chartered Accountants

Firm Registration No.003433S

Rajani Kant Sharma

Partner

M No. 021394

UDIN: 23021394BGZHWG8717

Chennai, 1st September 2023

V T Chandrasekharan

Chairman

DIN 00628816

V Krishnam

Director

DIN 01739216



Note 19 REVENUE FROM OPERATIONS		
Particulars	31-03-2023 Rs. In Lakhs	31-03-2022 Rs. In Lakhs
Sale of Products		
Domestic	3,790.43	3,514.66
Export	11,003.02	8,489.76
Other Operating Income		
Fitment Charges	5.59	5.28
Focus/MEIS Market Benefit	41.82	39.97
Duty Drawback on Export	263.30	187.67
Total - Sales	15,104.16	12,237.34
Note 20 OTHER INCOME		
Particulars	31-03-2023 Rs. In Lakhs	31-03-2022 Rs. In Lakhs
Interest on Deposits	9.50	8.17
Other Non - Operating Income	26.06	19.28
Net Gain on Foreign Currency Transactions	119.12	52.96
Total	154.68	80.40
Note 21 COST OF MATERIALS CONSUMED		
Particulars	31-03-2023 Rs. In Lakhs	31-03-2022 Rs. In Lakhs
Opening stock	397.36	293.97
Add: Purchases	9,394.68	8,149.93
Less: Closing stock	429.83	397.36
Cost of material consumed	9,362.21	7,966.41
Note 22 CHANGE IN INVENTORIES		
Particulars	31-03-2023 Rs. In Lakhs	31-03-2022 Rs. In Lakhs
<u>Inventories at the end of the year:</u>		
Finished goods	1,230.44	1,244.94
Work-in-progress	2,827.46	2,481.90
	4,057.89	3,726.84
<u>Inventories at the beginning of the year:</u>		
Finished goods	1,244.94	1,219.53
Work-in-progress	2,481.90	2,064.86
	3,726.84	3,284.40
Net (increase) / decrease	(331.06)	(442.44)



Note 23 EMPLOYEE BENEFIT EXPENSES		
Particulars	31-03-2023	31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
Salaries and wages	1,195.01	746.05
ESI Employees Contribution	85.63	73.48
Staff Welfare	124.96	110.21
Total	1,405.61	929.75

Note 24 FINANCE COST		
Particulars	31-03-2023	31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
Interest	509.44	557.76
Bank Charges	327.85	68.75
Total	837.30	626.51

Note 25 OTHER EXPENSES		
Particulars	31-03-2023	31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
(A) DIRECT EXPENSES		
Consumables	227.76	148.53
Machinery Maintenance Expenses	92.42	71.50
Mixing Charges/Rim Processing Charges	139.80	99.49
Factory Expense	23.59	38.32
Factory Insurance	25.82	28.69
Packing Material	16.50	7.00
Power & Fuel	853.64	692.69
Freight Inward	119.79	114.20
Import Documentation Charges	2.68	14.54
Total (A)	1,502.02	1,214.98
(B) INDIRECT EXPENSES		
Travelling & Conveyance Expenses	25.39	16.87
Export freight Charges	51.58	293.27
Export Documentation Charges	219.91	138.90
Marketing & Sample Tyres Expenses	52.72	101.15
Discount on Sales	15.54	5.39
Directors Remuneration	306.58	264.96
ECGC Premium	30.45	27.12
Advance Price Ruling Expenses	15.00	
Freight Outwards	33.54	36.69
Postages & Telegram	0.71	0.38
Software Renewal/AMC/Cloud Server	21.99	29.20
Telephone Expenses	9.55	7.75
CSR Expenses	6.00	
Bad Debts	18.94	-
Overseas Travel & Expo Expenses	30.19	8.34



Particulars	31-03-2023	31-03-2022
	Rs. In Lakhs	Rs. In Lakhs
Tyre Compensation	5.93	5.35
Computer & Software Maintenance Expenses	1.65	2.53
Auditors Remuneration	1.85	1.75
Insurance Charges	-	6.14
Product Liability Insurance	8.33	6.82
Legal, Professional & Consultancy Charges	70.41	39.38
Vehicle Repairs & Maintenance	4.03	2.79
Printing & Stationery	9.27	1.10
Office Rent	12.94	12.84
Registration & Licence fees	28.05	10.40
Other misc. Expenses	83.49	36.29
Total (B)	1,064.06	1,055.41
Total (A+B)	2,566.07	2,270.38

See accompanying notes to the Financial Statements

In terms of our Report Attached

For and On Behalf of the Board of Directors

For **Rajani & co**

Chartered Accountants

Firm Registration No.0034335

Rajani Kant Sharma

Partner

M No. 021394

UDIN: **23021394BGZHWG8717**

Chennai, 1st September 2023

V.T. Chandrasekharan

V T Chandrasekharan

Chairman

DIN 00628816

V Krishnam

V Krishnam

Director

DIN 01739216



Additional Notes on Accounts**26. RATIOS**

	Ratios	Year ended 31st March 2023	Year ended 31st March 2022
1	Current Ratio	1.13	1.16
2	Debt-Equity Ratio	1.65	1.66
3	Debt Service Coverage Ratio	1.12	1.03
4	Gross Profit Ratios	27.55	17.23
5	Net Profit Ratio	6.76	5.19
6	Return on Equity Ratio	15%	10%
7	Return on Capital Employed	25%	19%

27. AUDITORS' REMUNERATION:

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Statutory Audit	1,50,000	1,50,000
Tax Audit	35,000	25,000
Total	1,85,000	1,75,000

28. MICRO, SMALL AND MEDIUM ENTERPRISES:

No amount is due to micro, small and medium enterprises based on and to the extent of the information received by the Company from the suppliers during the year regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

29. RELATED PARTY DISCLOSURES (As per AS-18 "Related Party Disclosure")**a. Key Management Personnel:-**

Name	Designation/Nature of Relation
Mr.V.Thirupathi	Founder & Promotor
Mr.V.T.Chandrasekharan	Chairman cum Managing Director
Mr.V.Krishnam	CEO & Joint Managing Director
Mr.R.Subramanian	Joint Managing Director
Mr.D.Eswarakrishnan	Director
Mr V T Srinivas	Executive
SA Rubber Engineering Pty Ltd	Related to Mr V T Srinivas
Enterprises over which the above persons exercise significant influence and with which the company had transactions during the year are:	
Emerald Middle East FZ LLC	
Emerald Tyres Europe BVBA	
Emerald Herbs & Plants P Ltd (Common control)	
Emerald Bio Fertilizers P Ltd (Common control)	



b. The company's transactions with the related parties are summarized below

Particulars -	Year ended 31st March 2023 (In ₹)	Year ended 31st March 2022 (In ₹)
Remuneration Paid		
Mr.V.Thirupathi	56,70,000	56,70,000
Mr.V.T.Chandhrasekharan	74,56,830	61,25,980
Mr.V.Krishnaram	65,25,000	58,00,000
Mr.D.Eswara Krishnan	45,53,727	36,69,980
Mr.V T Srinivas	64,51,980	52,29,980
Rent Paid		
Mr.V.T. Chandhrasekharan	9,60,000	9,60,000
Mr V T Srinivas	1,44,000	1,44,000
Goods Sold		
SA Rubber Engineering (PTY) Ltd	2,32,51,451	1,45,12,785

c. With Enterprises having substantial control

Name of the Related Party	Nature of Transaction	Maximum Amount Outstanding	Transaction Value for the year In ₹	Receivable/ (Payable) as on 31.03.2023 In ₹
Emerald Middle East FZ LLC	Amount of Goods Sold	4,70,72,571	2,44,56,326	4,18,78,656
Emerald Tyres Europe BVBA	Amount Of Goods Sold	11,59,88,363	27,38,11,922	16,60,26,129

30. Outstanding Payable:

Particulars	Outstanding for following periods from due date of payment			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
MSME	5,75,29,282	-	-	-
Others	11,91,89,578	-	-	-
Disputed dues - MSME	-	-	-	-
Disputed dues - Others	-	-	-	-



31. Trade Receivable:

Particulars	Outstanding for following periods from			
	Due Date of Payment			
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years
Undisputed Trade Receivables- Considered Good	37,33,26,880	76,72,971	1,94,03,823	97,89,581
Undisputed Trade Receivables- Considered Doubtful	-	-	-	-
Disputed Trade Receivables Considered Good	-	-	-	-
Disputed Trade Receivables considered Doubtful	-	-	-	-

32. Shareholding of the promoters:

Name of the Share Holder - Equity Shares	No. Of Shares
Mr. Thirupathi. V	8,50,500
Mrs Kannaki. T	3,40,000
Mr. Chandhrasekharan .V.T	34,35,974
Mr. Srinivas .V.T	2,72,940

33. Previous year's figures have been reclassified to confirm the current year's classification/presentation, wherever applicable.

34. Computation of Imported and Indigenous Materials (on total Raw Materials) and percentage thereof:

Raw Material Purchased	2022-23 (₹)	2022-23 (%)	2021-22 (₹)	2021-22 (%)
Imported	1,25,61,435	1.34	83,45,162	1.03
Indigenous	92,69,06,391	98.66	80,26,41,068	98.97
Total	93,94,67,826	100	81,09,86,230	100

35. CIF Value of imports and payment in foreign currency

Particulars	2022-23 (₹)	2021-22 (₹)
Raw Material (₹)	1,25,61,435	83,45,162
Capital Goods (₹)	82,07,201	2,11,23,697
Total	2,07,68,636	2,94,68,859



36. Foreign Exchange Earning and Outgo:

Particulars	2022-23 (₹)	2021-22 (₹)
Foreign Exchange earnings	1,03,07,39,416	81,38,20,259
Foreign Exchange Outgo	1,26,45,557	2,94,68,859


37. Contingent Liabilities:

S. No	Particulars	31.03.2023 (₹)	31.03.2022 (₹)
1	Disputed Income Tax Demand/Liabilities not provided for AY 2008-09*	22,11,320	22,11,320
2	Disputed Income Tax Demand/Liabilities not provided for AY 2014-15	22,79,370	22,79,370
3	Income Tax Faceless Assessment for AY 2018-19	3,83,02,430	3,83,02,430
4	Letter of undertaking (LUT) for Raw Materials imported under advance authorization scheme of DGFT, Chennai for meeting Export obligation	2,05,82,024	2,05,82,024
5	LUT for Capital Goods imported under EPCG advance authorization scheme of DGFT, Chennai for meeting Export obligation	56,92,267	56,92,267

* Out of the disputed Income Tax Demand of ₹ 22,11,320, 50% i.e., ₹ 11,05,660/- has been paid in the year 2012-13

For and On Behalf of the Board of Directors

For Rajani & co
Chartered Accountants
Firm Registration No.003433S


Rajani Kant Sharma
Partner
M No. 021394
UDIN: 230213948GZHWG8717
Chennai, 1st September 2023


V T Chandrasekharan
Chairman
DIN 00628816


V Krishnam
Director
DIN 01739216

