

BTL/SE/Reg. 30/2022-2023

August 15, 2022

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

Sub: Unaudited Financial Results of the Company for the quarter ended June 30, 2022

Dear Sir(s) / Madam(s),

In continuation to our letter under reference BTL/SE/Reg. 29/2022-2023 dated August 09, 2022 and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (SEBI-LODR Regulations) we wish to inform you that the Resolution Professional has considered and taken on record the Statement of Unaudited Financial Results of the Company for the quarter ended June 30, 2022 on Monday, August 15, 2022.

Pursuant to Regulation 33 of the SEBI-LODR Regulations, we enclose herewith the copies of the Statement of Unaudited Financial Results along with the Limited Review Report issued by the Statutory Auditors for the aforesaid period.

You are requested to take the same on your record.

Yours faithfully,
For Birla Tyres Limited



Saurabh Mantri

Company Secretary & Compliance Officer

**Issued with approval of Mr. Seikh Abdul Salam,
Resolution Professional**

IBBI Reg. No.: IBBI/IPA-003/IP-N00250/2019-2020/12966



BIRLA TYRES LIMITED

Regd. Office : 9/1, R. N. Mukherjee Road, Kolkata - 700 001

Statement of Financial Results for the quarter ended 30th June, 2022

(Approved by the Resolution Professional on 15th August, 2022)

Rs./Lakhs

Sl. No.	Particulars	Current three months ended 30/06/2022 (Unaudited)	Preceding three months ended 31/03/2022 (Unaudited)	Corresponding three months ended in the previous year 30/06/2021 (Unaudited)	Previous Year ended 31/03/2022 (Audited)
1	Income				
	a) Revenue from Operations	19.74	104.12	289.43	541.64
	b) Other Income	20.50	449.27	103.06	1,702.64
	Total Income [1(a) + 1(b)]	40.24	553.39	392.49	2,244.28
2	Expenses				
	a) Cost of Materials consumed	-	-	-	-
	b) Purchases of stock-in-trade	-	-	-	-
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	45.15	604.43	179.85	1,097.43
	d) Employee benefits expense	167.78	(255.80)	863.38	1,233.17
	e) Depreciation and amortisation expense	635.53	672.79	771.26	2,960.54
	f) Finance Costs	1,757.69	4,607.04	4,188.63	17,614.97
	g) Other expenses	424.09	393.61	401.07	1,353.51
	Total Expenses [2(a) to 2(g)]	3,030.24	6,022.07	6,404.19	24,259.62
3	Profit/(Loss) before exceptional items and tax (1-2)	(2,990.00)	(5,468.68)	(6,011.70)	(22,015.34)
4	Exceptional items (Net) (Refer Note 5)	-	(39,026.48)	-	(43,551.70)
5	Profit/(Loss) before tax (3+4)	(2,990.00)	(44,495.16)	(6,011.70)	(65,567.04)
6	Tax expense				
	a) Current tax charge / (credit)	-	-	-	-
	b) Deferred tax charge / (credit)	-	-	-	-
7	Net Profit/(Loss) for the period (5-6)	(2,990.00)	(44,495.16)	(6,011.70)	(65,567.04)
	Other Comprehensive Income				
8	a. Items that will not be reclassified to the Statement of Profit and Loss:				
	Remeasurements of the defined benefit plans	28.77	(173.59)	96.22	115.06
	b. Income tax relating to items that will not be reclassified to the Statement of Profit and Loss	-	-	-	-
9	Total Comprehensive Income/(Loss) (7+8)	(2,961.23)	(44,668.75)	(5,915.48)	(65,451.98)
10	Paid-up equity share capital (Face value Rs. 10/-per share)	14,259.01	14,259.01	14,259.01	14,259.01
11	Reserves excluding Revaluation Reserve	-	-	-	(1,36,395.88)
12	Earnings Per Share (EPS) (Not Annualised) [Face value of Rs.10/- per share]				
a)	Basic EPS	Rs. (2.10)	(31.20)	(4.22)	(45.98)
b)	Diluted EPS	Rs. (2.10)	(31.20)	(4.22)	(45.98)



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- 1 Other Comprehensive Income includes re-measurement gains/ (losses) on actuarial valuation of post-employment defined benefits. These items will not be reclassified to profit or loss.
- 2 The Central Government has published The Code on Social Security, 2020 and Industrial Relations Code, 2020 ("the Codes") in the Gazette of India, inter alia, subsuming various existing labour and industrial laws which deals with employees related benefits including post employment. The effective date of the code and the rules are yet to be notified. The impact of the legislative changes, if any, will be assessed and recognised post notification of the relevant provisions.
- 3 The Company has only one business segment, i.e. "Tyres" and does not operate in any other reportable segment as per IND AS 108 - "Operating Segments".
- 4 The Hon'ble National Company Law Tribunal (NCLT), Kolkata Bench, vide its order dated 5th May, 2022 has admitted the company for initiation of Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (Code) and appointed Mr. Seikh Abdul Salam having registration number IBBI/PA-003/IP-N00250/2019-2020/12966 as the Interim Resolution Professional. Further The Hon'ble NCLT, Kolkata Bench, vide its order dated 29th June, 2022 has appointed the Interim Resolution Professional Mr. Seikh Abdul Salam as the Resolution Professional (RP).
- 5 As on 28th June, 2022, the RP has received, collated, verified the claims submitted by the creditors of the company. The RP received claims amounting to Rs. 1,12,826.21 lakhs from secured financial creditors and after verification admitted a sum of Rs. 1,10,162.83 lakhs as a claim, the amount of contingent claim is Rs 1,023.98 lakhs and the amount of claim under verification is Rs. 1,639.39 lakhs. The RP received claims amounting to Rs. 57,375.30 lakhs from unsecured financial creditors and after verification admitted a sum of Rs. 57,199.87 lakhs as a claim and the amount of claim under verification is Rs. 175.43 lakhs. The RP received claims amounting to Rs. 76,516.58 lakhs from operational creditors (including Statutory Authority) and after verification admitted a sum of Rs. 29,123.05 lakhs as a claim, the amount of claim not accepted is Rs. 8,075 lakhs and claim under verification is Rs. 39,318.53 lakhs. The RP received claims amounting to Rs. 11,529.48 lakhs from employees and workmen and after verification admitted a sum of Rs. 1,559.18 lakhs as a claim, the amount of claim not accepted is Rs. 1,760.55 lakhs and claim under verification is Rs. 8,209.74 lakhs.
- 6 It may be further noted that in consonance with the stipulations contained in Section 14 of the Code, a moratorium has been declared vide the order dated 5th May, 2022 passed by the Hon'ble NCLT inter alia, prohibiting the following:
 - a. the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgement, decree or other in any court of law, Tribunal, Arbitration panel or other Authority;
 - b. transferring, encumbering, alienating or disposing off by the Corporate debtor any of its assets or any legal right or beneficial interest there in;
 - c. any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Asset and Enforcement of Security Interest Act, 2002;
 - d. the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.
- 7 The balance of "Trade Receivables", "Trade Payables", "Advances from Customers", "Advances to Suppliers", "Balance to revenue authorities" includes balances remaining outstanding for a substantial period. These balances are subject to confirmations and reconciliations. In most of the cases, statutory dues remains unpaid and return filings are due. The reported financial results may have consequential impact upon the receipts and reconciliation of confirmation, if any.
- 8 Impairment assessment has been done during the year ended March, 2022 and corresponding impact has been taken in the books. However, post the CIRP initiation, no fresh impairment testing has been done. Operations of the company has been suspended for over a year. The consequent effect of the same, if any, is not ascertainable at this stage.
- 9 The company is incurring losses since financial year 2019-20 which has eroded its net worth completely. Based on the positive outlook, RP is confident about the revival of the company and its ability to continue as a going concern in the foreseeable future. The financial results for the quarter ended 30th June, 2022 have been prepared on going concern basis in line with the objective of the IBC and requirements thereunder. In the view of the RP, the going concern assumption considered for the preparation of financial results has not been vitiated.
- 10 Due to ongoing "No Work No Pay" notice issued by the Company, no provision for wages have been considered, The same is backed by the legal opinion.



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- 11 The claims have been submitted by Banks and Financial Institutions as on CIRP commencement date which includes principal amount, interest accrued, penal interest and other applicable charges, if any. However, the Company has not provided any interest thereafter as no interest is payable during CIRP period.
- 12 Physical Verification and Inventory Valuation could not be conducted during the quarter as most of the locations are under lock and key. Hence the impact for the same has been considered.
- 13 Figures for the previous year have been regrouped / reclassified wherever necessary to conform to current period's classification.

Place: Kolkata

Date: 15th August, 2022

For Birla Tyres Limited



Seikh Abdul Salam
Resolution Professional



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NEHA BOTHRA & COMPANY

CHARTERED ACCOUNTANTS

9D ANKUR APARTMENTS

10, LORD SINHA ROAD

KOLKATA-700 071

Independent Auditor's Review Report

To,

The Resolution Professional

Birla Tyres Limited

(A Company under Corporate Insolvency Resolution Professional Process vide NCLT Order)

IP Registration no. IBBI/IPA-003/IP-N00250/2019-2020/12966

1. We have reviewed the accompanying statement of unaudited financial results of Birla Tyres Limited for the quarter ended 30th June, 2022 (the "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligation Disclosure Requirements) Regulations, 2015, as amended ('the Regulation'), read with SEBI Circular No. CIRICFD/CMD1/44/2019 dated March 29, 2019 ('the Circular').
2. The preparation of the Statement in accordance with the recognition and measurement principle laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under section 133 of Companies Act, 2013, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, read with the Circular is the responsibility of the company's management and has been approved by the Resolution Professional (RP) in their meeting held on 15th August, 2022. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410. "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedure applied to financial data and thus provides less assurance than audit. We have not performed audit accordingly; we do not express audit opinion.

Basis of Qualified Opinion

4. We draw attention to –
 - a. Note no. 5 of the financial results, pursuant to commencement of CIRP of the Company under Insolvency and Bankruptcy Code, 2016, claims have been submitted by the financial creditors, operational creditors, employees and workmen to the RP. The overall obligations and liabilities including interest on loans and the principal amount of loans shall be determined during the CIRP. Pending final outcome of the CIRP, no accounting impact in the books of accounts has been made in respect of excess, short, or non-receipts of claims. Hence, consequential impact, if any, is currently not ascertainable and we are unable to comment on possible financial impacts of the same.
 - b. Note no. 7 of the financial results, which indicates the balance of "Trade Receivables", "Trade payables", "Advances from Customer" and "Advance to Suppliers and Other Parties" etc. includes balances remaining outstanding for a substantial period. In the absence of confirmations and other corroborative evidence, we are unable to comment on the extent to which such balances are recoverable and the reported Financials may have consequential impact which remains unascertained.
 - c. Note no. 8 of the financial results, which indicate that Company has not carried out an impairment assessment of Property Plant & Equipment and Capital Work in Progress for the quarter ended June, 2022, which is not in accordance with the requirements of Ind AS 36: Impairment of Assets. Further we are unable to comment on the impairment loss, if any, of aforesaid assets and the reported Financials might have consequential impact which remains unascertained.



- d. Note no. 9 of the financial results, which indicate that company has accumulated losses and its net worth has completely eroded, the company has incurred losses during the current period and in the earlier period(s)/ year(s), the company current liabilities exceeds its current assets and company is having a high debt-equity ratio as at June 30, 2022, realizable value of assets is lower than amount payable to creditors, earning per share is negative. These conditions indicate existence of material uncertainty, which cast significant doubts about the Company's ability to continue as a going concern.
- e. Note no. 11 of the financial results regarding non provision of interest expense on the borrowings of the Company after commencement of CIRP i.e. 5th May, 2022, which is not in accordance with the requirements of Ind AS 23: Borrowing Costs read with Ind AS 109: Financial Instruments.
- f. Note no. 12 of the financial results regarding valuation and physical verification of raw material, finished goods, work in progress and store & spares of the Company during this quarter. Further, we are unable to comment on the recoverability of balances of inventories and the reported Financials might have consequential impact which remains unascertained.
- g. We are unable to comment on the appropriateness of expenses and balances of provision and the reported Financials might have consequential impact which remains unascertained.
- h. We have been informed by RP that certain information including minutes of COC meeting and the outcome of certain procedures carried out as part of CIRP process could not be shared with anyone other than Committee of Creditors and NCLT. Accordingly, we are unable to comment on the possible impact, presentation and disclosures, if any on aforesaid information not provided to us.
5. Based on our review conducted as above, except for the matters described in Para 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with recognition and measurement principle laid down in applicable Indian Accounting Standards ('Ind AS') specified under section 133 of companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Emphasis of Matter:

We draw attention to Note no. 4 of the Financial Results, The Hon'ble National Company Law Tribunal(NCLT), Kolkata Bench, vide its order dated 5th May, 2022 has admitted the company for initiation of Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC).

Our conclusion is not modified in respect of this matter.

For Neha Bothra & Company
Chartered Accountants
F.R.No.326938-E



N. Bothra

(Neha Bothra)
Partner
Membership No.067036

Place- Kolkata
Date- 15th August, 2022.

UDIN – 22067036AOZYRM3677