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# **TIRUPATI TYRES LIMITED**

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**Annual Report 2016– 17**

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**DIRECTORS' REPORT**

To,  
The Members,

Your Directors have pleasure in presenting the Annual Report together with the Audited statement of Accounts of the Company for the year ended 31<sup>st</sup> March, 2017.

**OPERATION DURING THE YEAR**

The company's operational activity was satisfactory.

**FINANCIAL RESULTS**

Your Company financial performance during the year 2016-17 is summarized below:

Particulars	(Rs. In Lacs)	
	2016-2017	2015-2016
Income from Operations	726.39	912.14
Less: Expenses	725.36	897.31
Profit / (Loss) Before Tax	1.03	14.83
Less: Taxation	0	4.58
Profit/ (Loss) After Tax	1.03	10.25

**OPERATIONS**

The Company's net profit for the Financial Year ended March 31, 2017 stood at Rs.1.03 lacs as against a net profit of Rs. 10.25 lacs in the previous year.

Subsequent to the end of financial year the Company has received order from Regional Director, Delhi vide order dated July 27, 2016 confirming shifting of registered office from state of Punjab to state of Maharashtra.

**DIVIDEND**

As there was minimal income in the current year, to strengthen the financial position of the Company and to augment working capital your directors regret to declare any dividend.

**RESERVES**

The company's profit of Rs. 1.03 lacs for the current year has been carried to the reserves.

**PUBLIC DEPOSITS**

During the year, the Company has not accepted any deposit.

**AUDITORS**

M/s. S. K. Kumar & Company, Chartered Accountants were appointed as Statutory Auditor of the Company in the previous AGM held on September 30, 2016 for a period of 4 (four) years i.e. from the conclusion of that Annual General Meeting till the conclusion of subsequent fourth Annual General Meeting of the Company, at a remuneration to be determined by the Board of Directors of the Company.

**Statutory Auditors**

The Auditors' Report on the financial statement for the current year is self-explanatory, therefore does not require any further explanation.

**Secretarial Auditor**

M/s. K. B Chokhani & Associates were appointed as Secretarial Auditor to conduct the Secretarial Audit of the Company for the Financial Year 2016-2017 pursuant to section 204 of the Companies Act, 2013 and rules made there under.

Secretarial Audit Report is annexed to this Board Report as Annexure IV.

**DIRECTORS**

During the period under review, the Board of Directors of the Company in their meeting held on January 25, 2017 appointed Mr. Jitendra Yadav as Executive director of the Company subject to approval of members of the Company.

The Board re-appointed Ms. Nagma Mistry as Compliance and Whole time Director of the Company subject to approval of members of the Company.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & 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 as Annexure I.

**VIGIL MECHANISM**

The Company has established a Vigil Mechanism that enables the Directors and Employees to report genuine concerns. The Vigil Mechanism provides for (a) adequate safeguards against victimization of persons who use the Vigil Mechanism; and (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company in appropriate or exceptional cases. The web link for the policy is <http://www.tirupatityresltd.com/documents/policies/whistle-blower-policy.pdf>

**PARTICULARS OF EMPLOYEES**

The Company does not have any employee/Director who is in receipt of remuneration aggregating to the sum prescribed in Section 197 of the Companies Act, 2013 ("the Act") read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

**CORPORATE SOCIAL RESPONSIBILITY**

CSR Provisions does not apply to the company.

**RELATED PARTY TRANSACTIONS**

No transactions were carried out between any of the related parties in the year under review. The web link for the policy is <http://www.tirupatityresltd.com/documents/policies/related-party-transaction.pdf>

## **RISK MANAGEMENT**

The Company has devised and implemented a mechanism for risk management and has developed a Risk Management Policy. The Policy provides for creating a Risk Register, identifying internal and external risks and implementing risk mitigation steps.

## **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS**

The Company proactively keeps its Directors informed of the activities of the Company, its management and operations and provides an overall industry perspective as well as issues being faced by the industry.

## **COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

Company's policy relating to directors appointment, payment of remuneration and discharge of their duties is annexed herewith as Annexure II.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134 of the Companies Act, 2013 the Directors state that:

- (a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit and loss of the Company for the year ended March 31, 2017;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis;
- (e) Proper internal financial controls were followed by the Company and such internal financial controls are adequate and were operating effectively;
- (f) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **PARTICULARS OF LOANS GIVEN, GUARANTEES GIVEN OR INVESTMENTS MADE UNDER SECTION 186 OF COMPANIES ACT, 2013**

Particulars of loans, guarantees and investments made by Company pursuant to Section 186 of the Companies Act, 2013 are given in the notes to the financial accounts forms part of the Annual Report.

## **CORPORATE GOVERNANCE**

Pursuant to Regulation 15(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, compliance of Corporate Governance is not mandatory. However, the company has complied with the provisions of Regulation 17 to 27 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, to the extent possible.

Tirupati Tyres Limited believes that Corporate Governance is an integral part of an organizational system. Keeping eye on this, Company has adopted good policies for corporate governance.

**DECLARATION BY INDEPENDENT DIRECTOR**

Pursuant to Section 149(6) of the Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, the Independent Directors of the Company have given the declaration to the Company that they qualify the criteria of independence as required under the Act.

**SEPARATE INDEPENDENT DIRECTOR MEETING**

The Board of Directors of the Company meets once in every Financial Year without the presence of Executive Directors and Management of the Company. The role of the Committee is as per the provisions of Companies Act, 2013 as well as the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**BOARD EVALUATION**

Pursuant to the provisions of Companies Act, 2013 and Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, the Board has carried out annual performance evaluation of its own performance, the directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholders' Relationship Committee, including the Chairman of the Board who were evaluated on parameters such as level of engagement and contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure – III.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS**

There were no significant and material orders were passed by any authority during the period under review.

**SUBSIDIARY**

The Company acquired 90% stake in Aspen Lifestyles LLP, balance 10% is held by Mr. Shamseerhussain K Khan, Director (Finance) of the Company. The acquisition is through internal accruals. Since, there was no business in the LLP, the accounts are not enclosed.

**ACKNOWLEDGEMENTS**

Your Directors takes opportunity to show gratitude towards the assistance and co-operation received from Shareholders, Bankers and Regulatory Bodies.

**Date: May 29, 2017**

**Place: Mumbai**

For and on Behalf of the Board of Directors of  
**Tirupati Tyres Limited**

**Director**

**Director**

**Annexure I**

**A. CONSERVATION OF ENERGY**

**(a) Major energy conservation measures taken during the year:**

The Company has taken adequate measures to conserve energy by continuous monitoring and effective use of energy, which is continuous process.

**(b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:** No additional investment proposed.

**(c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:**

Since it is continuous process of monitoring and usage, the impact is not quantifiable.

**(d) Electricity consumed during the year - NIL**

**B. TECHNOLOGY ABSORPTION**

Particulars with respect to technology absorption are given below:

**Research and Development (R & D)**

**i. Specific areas in which R & D carried out by the Company:**

The Company has not carried out any research and development activities during the year under review.

**ii. Benefits derived as a result of the above R & D:** Not Applicable

**iii. Future plan of Action:** Nil

**iv. Expenditure on R & D.:** Nil

**v. Technology absorption, adaption and innovations:** Nil

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:** Nil

**Annexure II**

**POLICY RELATING TO DIRECTORS AND KEY MANAGERIAL PERSONNEL APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES**

Extracts of the Policy are as under:

**Appointment of Directors:**

The appointments of Directors are recommended by the Nomination and Remuneration Committee of the Company however all the appointments are subject to approval of Board of Directors of the Company.

**Remuneration to Directors and Key Managerial Personnel:**

None of the directors are entitled to any Remuneration or any sitting fees however reimbursement of expenses is allowed wherever expense is made for the Company.

**Discharge of Duties:**

Directors and KMP are required to perform all the duties which are mentioned under the Articles and all other duties as may be prescribed by the Board of Directors of the Company.



## CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company firmly believes that Corporate Governance and compliance practices are of paramount importance in order to maintain the trust and confidence of the stakeholders, clients, and the good reputation of the Company and the unquestioned integrity of all personnel involved with the Company.

The Company's philosophy on Corporate Governance envisages the attainment of highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, the government and lenders.

### BOARD OF DIRECTORS

#### Composition of Directors

The Board of Directors along with its Committees provides leadership and vision to the management and supervises the functioning of the Company. In terms of the Company's Corporate Governance Policy, all statutory and other significant and material information are placed before Board to enable it to discharge its responsibilities of strategic supervision of the Company as trustees of stakeholders. None of the Directors of the Company are inter-se related.

Details of Composition of Board, category of the Directors, number of other directorship are given below as on March 31, 2017:-

Name	Date of Appointment	Category	Directorship in other Companies <sup>#</sup>	Membership of Committee*	Member as Chairman of Committee*
Ms. Nagma Mistry	April 08, 2015	Whole Time Director	1	3	0
Mr. Naveen Pujari	March 11, 2014	Non - executive Independent Director	2	3	0
Mr. Parshottambhai Premjibhai Rupareliya**	February 14, 2014	Non - executive Independent Director	3	-	0
Mr. Nasir Ahmed Khan	February 14, 2014	Non - executive Independent Director	0	3	3
Mr. Jitendra Yadav	January 25, 2017	Executive Director	0	3	0

<sup>#</sup>includes this Entity, Private Companies but excludes Limited Liability Partnership, Foreign Companies, Section 8 Companies & Alternate Directorship

\*includes Audit Committee and Stakeholders Relationship Committee only

\*\* Mr. Parshottambhai Premjibhai Rupareliya tendered his resignation w.e.f May 15, 2017

Note: None of the Director is a member of more than 10 committees or acting as Chairman of more than 5 committees across all companies in which he is a director.

During the financial year 2016-17, Nine (9) Board Meetings were held on April 01, 2016, May 27, 2016, August 01, 2016, August 12, 2016, November 14, 2016, January 25, 2016, February 6, 2017, February 14, 2017 and March 27, 2017.

**ATTENDANCE OF DIRECTORS FOR THE YEAR 2016-17**

Name of Director	Board Meeting	Audit Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee
Mr. Nasir Khan	9 of 9	6 of 6	3 of 3	2 of 2
Ms. Nagma Mistry	9 of 9	6 of 6	3 of 3	2 of 2
Mr. Parshottambhai Rupareliya	0 of 9	0 of 6	1 of 3	0 of 2
Mr. Naveen Pujari	0 of 9	0 of 6	0 of 3	0 of 2
Mr. Shamseerhussain Khan	7 of 7	-	-	-
Mr. Jitendra Yadav	3 of 3	-		

**COMMITTEE'S OF THE BOARD**

There are various committees of the Board viz. the Audit Committee, the Stakeholders' Relationship Committee and Nomination and Remuneration Committee.

**AUDIT COMMITTEE**

The terms of reference of the Audit committee include the matters specified under Clause 49 of the Listing Agreement as well as in Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee, inter alia, include the following:

- Examination of Financial Statement and Statutory Auditors' report thereon and discussion of any related issues with the Internal & Statutory Auditors and the management of the Company.
- Review of Financial Statement before their submission to the Board, including Directors' Responsibility Statement, changes in accounting policies and practices, statutory compliances and qualification in draft audit report.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls.
- Evaluation of risk management system.
- Monitoring end use of funds raised through public offers and related matters.
- Establishing a vigil mechanism for Directors and employees to report genuine concerns and to make provision for direct access to the Chairperson of the Committee in appropriate or exceptional cases and review its findings.
- Review of Company's financial reporting processes and the disclosure of financial information to ensure that the Financial Statement is correct, sufficient and credible.
- Look into reasons for substantial defaults in payments to stakeholders.
- Approval of appointment of CFO or any other person heading Finance function after assessing the qualifications, experience, background etc. of the candidate.
- Recommendation for appointment, remuneration and terms of appointment of the Statutory Auditors of the Company.
- Review and monitor the Auditor's independence and performance, effectiveness of audit process and adequacy of internal control systems.
- Call for comments of the Statutory Auditors about internal control systems, the scope of audit, including the observations of the Statutory Auditors.
- Reviewing the adequacy of the Internal Audit function including the structure of the Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
- Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as post audit discussion to ascertain any area of concern.