



24th  
Annual Report  
2018-2019



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Mukesh Desai – Chairman & Managing Director  
Mr. Pradeep Kothari – Whole Time Director  
Mr. Nitin Mankad – Whole Time Director  
Mr. Keyoor Bakshi – Independent Director  
Mr. Kalyanaraman Ganesan – Independent Director  
Dr. Mrs. Kalpana Joshipura – Independent Director

### CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

Mr. Arvind Tambi  
(upto 4 Aug 18 as CFO)

### STATUTORY AUDITORS

#### M/s. Maloo Bhatt & Co.

Chartered Accountants  
204-207, Parshwa Complex,  
Near Cash N carry, Subhanpura,  
Ellorapark, Vadodara – 390023.

### COST AUDITORS

#### M/s. V P & Associates

Cost Accountants  
15, Yogeshwer Society, Part 3,  
Ground floor, Subhanpura,  
Vadodara – 390023.

### REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited  
C-101, 247 Park, L.B.S.Marg,  
Vikhroli (West), Mumbai - 400083.  
Contact: 022 4918 6000  
Website: www.linkintime.co.in

### REGISTERED OFFICE

1201, 1202, 1203 GIDC Halol,  
Panchmahals – 389350, Gujarat.  
Contact No: 02676 – 220621  
E-mail id: investors@innovativetyres.co.in  
Website: www.innovativetyres.com

### BANKERS TO THE COMPANY

State Bank of India  
Specialized Commercial branch, Vadodara.

### AUDIT COMMITTEE

Mr. Keyoor Bakshi – Chairman  
Mr. Kalyanaraman Ganesan – Member  
Mr. Mukesh Desai – Member

### NOMINATION AND REMUNERATION COMMITTEE

Dr. Mrs. Kalpana Joshipura – Chairperson  
Mr. Kalyanaraman Ganesan – Member  
Mr. Keyoor Bakshi – Member

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Dr. Mrs. Kalpana Joshipura – Chairperson  
Mr. Mukesh Desai – Member  
Mr. Pradeep Kothari – Member

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Dr. Mrs. Kalpana Joshipura – Chairperson  
Mr. Mukesh Desai – Member  
Mr. Pradeep Kothari – Member

CONTENTS	PAGE NO
Notice of the Meeting	01
Directors Report	08
Extract of Annual Report	15
Report on Corporate Governance	28
Management Discussion & Analysis Report	34
Independent Auditor's Report	39
Financial Statements	42
Attendance Slip	63
Proxy Form	63

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 24<sup>th</sup> Annual General Meeting of the members of Innovative Tyres & Tubes Limited will be held on Monday 30<sup>th</sup> September, 2019 at 9.00 AM at its registered office situated at Plot No. 1201-02-03, GIDC, Halol Dist. Panchmahals, Gujarat Pin code 389350 to transact the following business:

### ORDINARY BUSINESS:

#### Item No. 1: Adoption of financial results

To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended on 31<sup>st</sup> March 2019, together with the Reports of the Board of Directors and Auditors thereon.

#### Item No. 2: Appointment of Mr. Pradeep R Kothari as a director liable to retire by rotation

To appoint a Director in place of Mr. Pradeep R Kothari, Whole Time Director (DIN: 00572331), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

#### Item No. 3: Ratification of appointment of statutory auditors

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of sections 139, 141, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, (including any statutory enactment or modification thereof for the time being in force), pursuant to recommendation of audit committee of the Board of Directors, and pursuant to resolution passed by the members of the company at their AGM held on 10<sup>th</sup> July, 2017, the appointment of M/s. Maloo Bhatt & Co., Chartered Accountants, Vadodara (Firm Registration No. 129572W) as Statutory Auditors of the Company to hold office for the term of five consecutive years upto the conclusion of next AGM of the Company be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix their remuneration for the financial year ended 31<sup>st</sup> March, 2020 as may be determined by audit committee in consultation with the Statutory Auditors."

### SPECIAL BUSINESS:

#### 4. RE-APPOINTMENT OF MR. NITIN J MANKAD AS A WHOLE TIME DIRECTOR OF THE COMPANY:

To consider and if thought fit to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Nitin J Mankad (DIN: 00089701) as Whole time Director of the Company, for a period of 1 (one) year, with effect from April 01, 2019, on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors and Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Nitin J Mankad, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profit in any financial year, the Company shall pay remuneration by way of salary, allowances, perquisites and other benefits to Mr. Nitin J Mankad, in respect of such financial year, as the Board of Directors may deem fit, subject to the limits and conditions prescribed in Schedule V to the Act for the time being in force.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**5. RATIFICATION OF REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2019-20**

To consider and if thought fit, to pass, with or without modification(s), the following resolutions as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to section 148 and other applicable provisions of the Companies Act, 2013, if any, and the Companies (Audit and Auditors) Rules, 2014, including statutory modification(s) or re-enactment thereof for the time being in force, remuneration of Rs. 60,000/- p.a. plus applicable taxes and out of pocket expenses that may be incurred, as approved by the Board, be paid to **M/s. V. P. & Associates**, Cost Accountants, Vadodara, for conducting the audit of cost records for the financial year 2019-20 be and is hereby ratified and confirmed by the members of the Company.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all such acts and take all such steps as may be necessary, to implement the said resolution.”

Place: Halol  
Date : 20<sup>th</sup> August 2019

By order of the Board of Directors  
**For Innovative Tyres & Tubes Limited**

Registered Office:  
1201, 1202, 1203, GIDC Halol,  
Panchmahal – 389350.  
CIN: L25112GJ1995PLC086579  
Website: [www.innovativetyres.com](http://www.innovativetyres.com)  
E-mail: [investors@innovativetyres.co.in](mailto:investors@innovativetyres.co.in)  
Tel: 02676 -220621

**Mukesh Desai**  
Chairman & Managing Director

**NOTES:**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate should not be more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Company has notified closure of Register of members and Share transfer books from Saturday, September 28, 2019 to Monday, September 30, 2019 (both days inclusive). Notice of the Meeting is being sent to all the Members, whose names appeared in the Register of Members as on August 23, 2019.
4. The Business as set out in the Notice will be transacted through E-Voting. The Company is providing the facility for voting by Electronic means i.e. e-voting. The instructions and other information relating to e-voting are given under point no. 17 of notes below.
5. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified true copy of Board Resolution.
6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business set out above is annexed hereto.
7. Brief profile of Director who has proposed to be appointed / re-appointed, nature of his expertise in specific functional areas, name of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding as stipulated under regulation 36(3) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, are annexed to the Notice.
8. In case of Joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
9. Relevant documents referred to in the accompanying Notice is open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
10. Members are requested to:
  - a. Intimate immediately any change in their address to the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083.
  - b. Quote Folio No. in all correspondence and in case the shares are held in dematerialized form, quote DP ID and Client ID number.
  - c. Register their e-mail address with their respective depository participant to receive the Annual Report and other communications from the Company in electronic form.
11. Members intending to obtain information about the accounts to be approved in the meeting are requested to inform the Company 7 (seven) days in advance from the date of the Annual General Meeting.

12. As a measure of economy, copies of Annual Report will not be distributed at the ensuing Annual General Meeting. Therefore, members are requested to bring their copy of Annual Report in the Meeting. Members/Proxies should also bring the Attendance Slip attached herewith, duly filled in all aspects for attending the meeting.
13. In order to support the "Green Initiative" taken by Ministry of Corporate Affairs and to save the environment, the Annual Report of the Company will be available on company's website i.e. [www.innovativetyres.com](http://www.innovativetyres.com) and on the website of stock exchange where the equity shares of the company are listed i.e. [www.nseindia.com/merge](http://www.nseindia.com/merge). As per Section 136(1) of the Act, the physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. Members who require communication in physical mode in addition to e-communication or have any other queries can write to us at [investors@innovativetyres.co.in](mailto:investors@innovativetyres.co.in).
14. The route map showing directions to reach the venue of the 24<sup>th</sup> Annual General Meeting is annexed with the report.
15. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of voting through electronic means is provided through the e-voting platform of Central Depository Services (India) Limited ("remote e-voting").
16. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Monday, September 23, 2019, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
17. **The instructions for members voting electronically are as under:**
  - (i) The voting period begins **on Friday, September 27, 2019 at 09.00 a.m. IST** and ends on **Sunday, September 29, 2019 at 05.00 p.m. IST**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2019 may cast their vote electronically. The e-voting module shall be disabled by LINKINTIME for voting thereafter.
  - (ii) Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
  - (iii) Click on "Login" tab, available under Shareholders' section.
  - (iv) Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
  - (v) Your User ID details are given below:
    - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
    - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
    - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No. + Folio Number registered with the Company
  - (vi) Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form	
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders). <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN Field</li> </ul>
DOB/DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details (Last four Digits) as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> <li>Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the abovementioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (v).</li> </ul>

(vii) If you are holding shares in demat form and had registered on to e-Voting system of LIPL:

<https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

(viii) If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".
- In case shareholder is having valid email address, Password will be sent to the shareholders registered email address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

- For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) Cast your vote electronically

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of Innovative Tyres and Tubes Limited. you choose to vote.
- On the voting page, you will see "Resolution Description" and against the same the option 'Favour/ Against' for voting.
- Cast your vote by selecting appropriate option i.e. 'Favour/Against' as desired.
- Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.
- If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'YES', else to change your vote, click on 'NO' and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

#### General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL:  
<https://instavote.linkintime.co.in> and register themselves as "**Custodian / Mutual Fund / Corporate Body**".
  - They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the "**Custodian / Mutual Fund / Corporate Body**" login for the Scrutinizer to verify the same.
  - During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
  - Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
  - In case the shareholders have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in) or Call us: - Tel: 022 - 49186000.
- (x) M/s Swati Bhatt & Co., Practicing Company Secretary (Membership No. FCS 7323, COP No. 8004), has been appointed as Scrutinizer to scrutinize the voting and e-Voting process in a fair and transparent manner.
- (xi) The Chairman shall, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the e-Voting facility.
- (xii) The Scrutinizer shall after conclusion of voting at the Annual General Meeting, will count the votes cast at the meeting in the presence of at least two witnesses not in employment of the Company and shall make a consolidated scrutinizer's report, not later than three days of the conclusion of the AGM, of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him, who shall countersign the same and declare the result of the voting forthwith.
- (xiii) The Results of the voting with the report of the Scrutinizer shall be placed on the website of the Company [www.innovativetyres.com](http://www.innovativetyres.com) immediately after declaration of the results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the National Stock Exchange of India Limited.
- (xiv) Your default Sequence Number has been printed on the address sticker, which is to be used for E-voting purpose as you have not updated your PAN details.



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:

### ITEM NO: 4 - RE-APPOINTMENT OF MR. NITIN J MANKAD AS A WHOLE TIME DIRECTOR OF THE COMPANY

The Board of Directors of the Company ("Board"), at their meeting held on February 13, 2019 has re-appointed Mr. Nitin J Mankad (DIN: 00089701) as Whole Time Director, for a period of 1 (one) year with effect from April 01, 2019, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee ("NRC Committee").

It is proposed to seek members' approval for the reappointment of and remuneration payable to Mr. Nitin J Mankad as Whole Time Director of the Company, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of, and remuneration payable to Mr. Nitin J Mankad are as under:

1. Salary Rs. 87,500/- per month.
2. Perquisites: Car with Driver, telephone.
3. Subject to overall ceiling on remuneration, the Whole time Director may be given other allowances, benefits and perquisites, as may be decided by the Board of Directors from time to time. However, the overall amount of salary and perquisites shall not exceed an amount equal to the annual salary of Rs. 10.50 Lakhs.

In computing the monetary ceilings on perquisites, Company's contribution to Provident Fund, Pension Fund and Gratuity shall not be taken into account."

In event of no profits or inadequacy of profits, in any financial year, during the currency of term of Mr. Nitin Mankad, the Company shall pay, the remuneration as per Section II of Schedule V to the Companies Act, 2013, as applicable to the Company or such other limits, as may be prescribed by the Central Government from time to time."

None of the directors/Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested in the resolution set out at Item No. 4 of the Notice except Mr. Nitin J Mankad.

The Board recommends a Special Resolution set out at Item No. 4 of the Notice for approval by the Members.

### ITEM NO: 5 – RATIFICATION OF REMUNERATION OF COST AUDITOR OF THE COMPANY

The Board of Directors at their meeting held on 16<sup>th</sup> May, 2019, on recommendation of Audit Committee, has approved to pay remuneration of Rs. 60,000/- p.a. plus applicable taxes and out of pocket expenses that may be incurred, as approved by the Board, to the Cost Auditors, M/s. V P & Associates, Cost Accountants, to conduct the audit of the cost records of the company for the financial year ended March 31, 2020. According to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to cost auditors as recommended by Audit Committee and approved by the Board, has to be ratified by the members of the company.

The Company has already received consent letter from the Cost Auditors. Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year 2019-20 by passing an Ordinary Resolution as set out in Item No. 5 of the Notice.

None of the directors/key managerial persons /their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

The Board recommends the ordinary resolution set out in Item No. 6 of the Notice for approval by the members.

Place : Halol

Date : 20<sup>th</sup> August 2019

Registered Office:

1201, 1202, 1203, GIDC Halol,  
Panchmahal – 389350.

CIN: L25112GJ1995PLC086579

Website: [www.innovativetyres.com](http://www.innovativetyres.com)

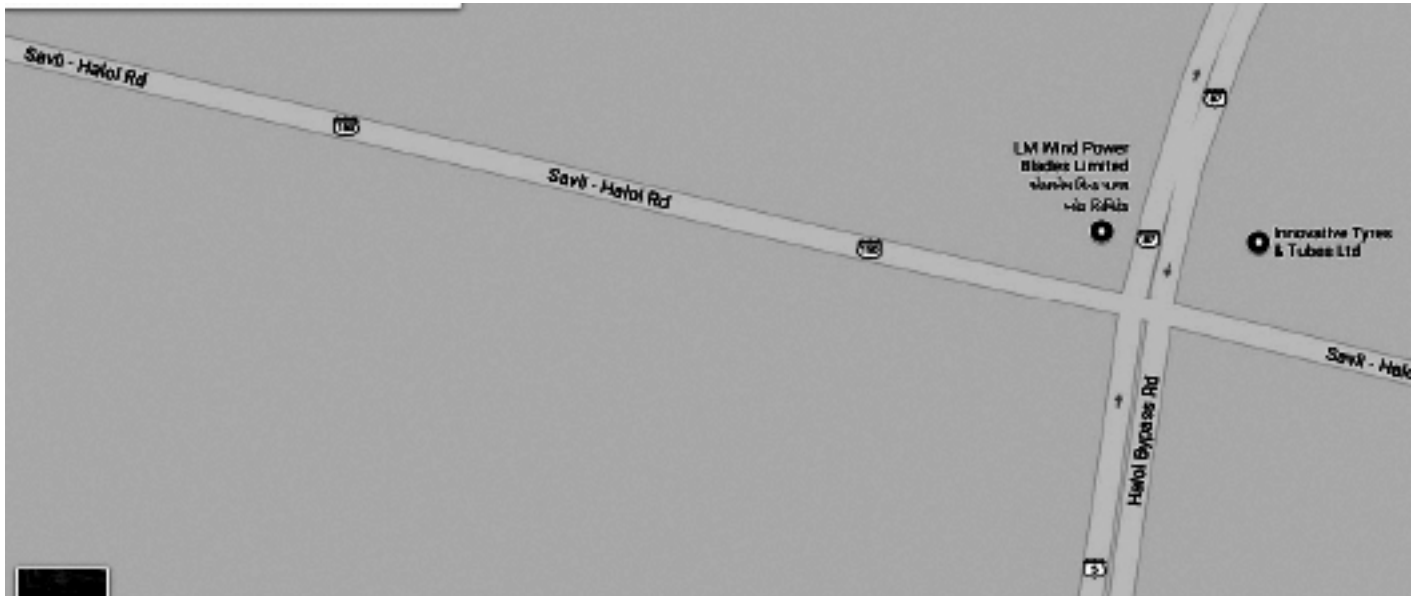
E-mail: [investors@innovativetyres.co.in](mailto:investors@innovativetyres.co.in)

Tel: 02676 -220621

By order of the Board of Directors  
**For Innovative Tyres & Tubes Limited**

**Mukesh Desai**  
Chairman & Managing Director

## ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING





# ANNEXURE TO THE NOTICE DATED 20<sup>th</sup> AUGUST, 2019

## BRIEF PROFILE OF DIRECTORS REAPPOINTMENT, RETIRING BY ROTATION/ELIGIBLE FOR RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Particulars	Mr. Nitin Mankad	Mr. Pradeep Kothari
Age	70 years	55 years
Qualifications	B. Sc	High School
Experience (including expertise in specific functional area)/Brief Resume	Mr. Nitin Mankad is a well-known personality in the Gujarat industries fraternity and has held several coveted offices in his career. He is the current President of the Federation of Gujarat Industries, a member of National Council of ASSOCHAM and ex-President of EXIM Club, ex-VP of Vadodara Chamber of Commerce and Industries, among several other key positions. As the most experienced Director of the company, Mr. Mankad is currently entrusted with legal operations of the company, government liaising and assessment of new business avenues.	Mr. Pradeep Kothari, is a director since June, 2014 and was designated as a Whole Time Director w.e.f. April, 2017. He has immense experience as a multinational company's representation by way of trading. He has also been credited with successfully managing a 50-bed hospital, along with several other industrial units in the plastics industry. Apart from looking after procurement and finance, Mr. Kothari is an excellent strategist and is credited with providing key inputs to formulate the growth strategy of the company. He has steered the company through various strategic expansion drives such as acquisition of a smaller unit to enter a high-potential market segment.
Terms and conditions of appointment/re-appointment	As per the Agreement entered into with Whole Time Director at the time of his appointment.	As per the Agreement entered into with Whole Time Director at the time of his appointment
Remuneration last drawn (including sitting fees if any) {For FY 2018-19}	Rs. 10.50 lakhs p.a.	Rs. 10.50 lakhs p.a.
Remuneration proposed to be paid	As per existing terms and conditions	As per existing terms and conditions
Date of first appointment on Board	01/04/2000	14/06/2014
Shareholding in the company as on 31.03.2019	1,04,300	34,95,676
Relationship with other directors or Key Managerial Personnel	Not related to any Director or Key Managerial Personnel	Not related to any Director or Key Managerial Personnel
Number of Meetings of Board attended during the year	4	4
Directorships on other Boards as on March 31, 2019	NIL	Future Tyres Pvt. Ltd.
Membership/Chairmanship of Committees of other Boards as on March 31, 2019	NIL	NIL

Place : Halol  
Date : 20<sup>th</sup> August 2019

Registered Office:  
1201, 1202, 1203, GIDC Halol,  
Panchmahal – 389350.  
CIN: L25112GJ1995PLC086579  
Website: [www.innovativetyres.com](http://www.innovativetyres.com)  
E-mail: [investors@innovativetyres.co.in](mailto:investors@innovativetyres.co.in)  
Tel: 02676 -220621

By order of the Board of Directors  
**For Innovative Tyres & Tubes Limited**

**Mukesh Desai**  
Chairman & Managing Director

## DIRECTORS' REPORT

To,  
The Members  
**Innovative Tyres & Tubes Limited**

Your directors have pleasure in presenting their 24<sup>th</sup> Annual Report together with the audited financial statements of the company for the financial year ended March 31, 2019.

### FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2019 is summarized below:

(Rs. in Lakhs)

Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Revenue from Operations	17,178.75	13,950.35
Other Income	208.46	58.79
<b>Total Revenue</b>	<b>17,387.21</b>	<b>14,009.14</b>
<b>Total expenses</b>	<b>17,295.96</b>	<b>13,385.22</b>
<b>Profit before taxation and extraordinary items</b>	<b>91.25</b>	<b>623.92</b>
Add: Extraordinary items	-	-
<b>Profit before taxation</b>	<b>91.25</b>	<b>623.92</b>
Less: tax expense (including adjusted deferred tax, MAT credit)	(7.87)	184.08
<b>Profit after tax</b>	<b>99.12</b>	<b>439.84</b>

### STATEMENT OF COMPANIES AFFAIRS

#### o Total Revenue:

During the year under review, total revenue of the company has increased by 24.11% as compared to previous financial year. The Company has reported total revenue of Rs. 17,387.21 lakhs for the financial year 2018-19 as compared to Rs. 14,009.14 lakhs for the previous financial year.

#### o Total expenses

During the year under review, total expenses of the company has increased by 29.22% as compared to previous financial year mainly on account of increase in cost of raw materials and depreciation expense during current financial year.

#### o Net Profit

During the year under review, Profit before tax has reduced from Rs. 623.92 lakhs to Rs. 91.25 Lakhs as compared to previous financial year. Correspondingly, the Net Profit after tax has also been decreased on account of tax implications during current financial year.

### DIVIDEND

Considering the better opportunity in increasing the market shares, the Company needs to expand its' existing facilities in quantum and in quality and considering strengthening the existing net worth and future wealth of the Company and of its' Shareholders, your Directors unanimously decided to plough back the profit of the company as a resource for its activities and expansion thereof, do not propose any dividend for the financial year ended March 31, 2019.

### TRANSFER TO RESERVE

During the year under review, the Company has not proposed any amount to be transferred to General Reserve out of the Net Profits of the Company for the financial year ended 31<sup>st</sup> March, 2019.

### SUBSIDIARIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company do not have any subsidiaries. Further in case of consolidation of associate concern, the Company is falling within the exemption of AS-23 hence; there is no need to prepare consolidated financial statement for the financial year 2018-19.

### LISTING WITH STOCK EXCHANGE

The Equity Shares of your Company are listed and actively traded on the EMERGE platform of National Stock Exchange of India Limited ("NSE"). The Company had paid Annual Listing fees to the stock exchange for the Financial Year 2019-20 within the stipulated time.

#### **MATERIAL CHANGES AND COMMITMENT:**

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31<sup>st</sup> March, 2019. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

#### **EXPANSION OF PRODUCTION CAPACITY:**

During the year under review the Company has commissioned its expansion facilities.

#### **RISK MANAGEMENT:**

A key factor in determining a Company's capacity to create sustainable value is the risks that the Company is willing to take (at strategic and operational levels) and its ability to manage them effectively. Our Company is mainly in manufacturing and supply of tyres and tubes. Many risks exist in a company's operating environment and they emerge on a regular basis. The Company's Risk Management processes focuses on ensuring that these risks are identified on a timely basis and addressed.

The Company has laid down a risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor and non – business risks. In our company, audit committee has an additional oversight in the area of financial risks and its controls. Other major operational risks are being identified by the management of the Company from time to time. However, constitution of Risk Management Committee is not applicable as it is applicable to top 100 listed companies only.

#### **EXTRACT OF ANNUAL RETURN**

The Extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and administration) Rules, 2014, in Form No. MGT-9, for the financial year ending 31<sup>st</sup> March, 2019 is attached as **Annexure 1**.

#### **SECRETARIAL AUDIT REPORT**

In compliance of the provisions of section 204 of the Companies Act, 2013, other applicable provisions of the Act, the Companies (Appointment and Managerial Personnel) Rules, 2014, the Board of Directors at their meeting held on 5<sup>th</sup> May, 2018 appointed M/s. Swati Bhatt & Co., Practicing Company Secretary, Vadodara as Secretarial Auditor of the company for the F.Y. 2018-19. The Secretarial Audit Report is attached as **Annexure – 2**. The Secretarial Audit Report does not contain any qualifications or adverse remarks.

#### **CORPORATE GOVERNANCE**

Your company has incorporated the appropriate standards of corporate governance. Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company being SME listed company, is not required to mandatorily comply with the provisions of certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, company is not filing Corporate Governance report to stock exchange quarterly. However as per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, company is giving report on corporate governance in Annual Report of the company. Corporate Governance Report is as per **Annexure – 3**. The requisite Certificate issued by M/s. Swati Bhatt & Co., Practicing Company Secretary, Vadodara is attached to Corporate Governance Report.

#### **MANAGEMENT DISCUSSION & ANALYSIS REPORT:**

As per Regulation 34 read with Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 the Management Discussion and Analysis Report is attached as **Annexure – 4** to this Annual Report.

#### **DISCLOSURE ON DEPOSITS UNDER CHAPTER V**

The Company has neither accepted nor renewed any deposits during the financial year 2018-19 in terms of Chapter V of the Companies Act, 2013. Further, the Company is not having any unpaid or unclaimed deposits at the end of the financial year.

#### **INTERNAL FINANCIAL CONTROL SYSTEM**

According to section 134(5)(e) of the Companies Act, 2013, the term Internal Financial Control (IFC) means the policies and procedures adopted by the Company 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 fraud and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

Your Company follows Internal Control Systems which are covering all business aspects to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly, as per applicable statutes. The Company generally adheres to rules, policy, statutes and laws ensuring that statutory compliances are thoroughly followed.

Your Company's Audit Committee reviews and takes suitable actions for any deviation, observation or recommendation suggested by the Internal Auditor. The employees of the Company follow the Code of Conduct devised for conducting the business of the Company. Your Company's internal control systems commensurate with the size and nature of business operations.

**DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors comprises of following six directors:

Sr. No.	Name of Directors/KMP	Designation
1.	Mr. Mukesh Desai	Chairman & Managing Director
2.	Mr. Nitin Mankad	Whole time Director
3.	Mr. Pradeep Kothari	Whole time Director
4.	Mr. Keyoor Bakshi	Independent Director
5.	Mr. Kalyanaraman Ganesan	Independent Director
6.	Dr. Mrs. Kalpana Joshipura	Independent Director

Mr. Keyoor Bakshi and Mr. Kalyanaraman Ganesan were re-appointed as Independent Director for second term of five consecutive years from 1<sup>st</sup> June 2018.

Pursuant to sections 149, 152 and other applicable provisions of the Companies Act, 2013, one-third of the executive directors are liable to retire by rotation, and if eligible offer themselves for re-appointment. In this Annual General Meeting, Mr. Pradeep Kothari, whole time Director of the Company is liable to retire by rotation and being eligible and offer himself for re-appointment. Details of Mr. Pradeep Kothari as required under Secretarial Standards on General Meeting and Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is annexed to the notice of AGM of the company.

The terms of appointment of Mr. Mukesh Desai, Chairman & Managing Director is expiring on 30<sup>th</sup> September 2019.

The Key Managerial Personnel (KMP) in the Company as per section 2(51) read with Section 203 of the Companies Act, 2013 are as follows:

Sr. No.	Name of Directors/KMP	Designation
1.	Mr. Mukesh Desai	Chairman & Managing Director
2.	Mr. Nitin Mankad	Whole time Director
3.	Mr. Pradeep Kothari	Whole time Director
4.	Mr. Arvind Tambi	Chief Financial Officer & Company Secretary

Mr. Arvind Tambi was appointed as Chief Financial Officer of our Company was re-designated as Chief Financial Officer cum Company Secretary w.e.f. 5<sup>th</sup> August 2018.

Ms. Sejal Desai worked as Company Secretary and Compliance Officer upto 4<sup>th</sup> August 2018.

**MEETINGS OF BOARD OF DIRECTORS**

During the year, the Board met 4 (Four) times i.e. on May 05, 2018, August 04, 2018, November 14, 2018 and February 13, 2019. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Details of Directors presence in each board meeting is mentioned below:

Name of Directors	Number of Meetings attended / Total Meetings held during the F.Y. 2018-19.
Mr. Mukesh Desai	04/04
Mr. Nitin Mankad	04/04
Mr. Pradeep Kothari	04/04
Mr. Keyoor Bakshi	04/04
Mr. Kalyanaraman Ganesan	03/04
Dr. Mrs. Kalpana Joshipura	04/04

Pursuant to the requirement of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, a separate meeting of Independent Directors of the company was held on 13<sup>th</sup> February, 2019.

**DECLARATION BY INDEPENDENT DIRECTORS AND RE-APPOINTMENT, IF ANY**

During the year under review, all the Independent Directors have given their declarations stating that they meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. In the opinion of Board, they fulfill the requirement of independence as specified in the Companies Act, 2013 and rules made thereunder. All the independent Directors have given their statement of independence as on beginning of every financial year.

## STATUTORY AUDITORS

The members of the company at their Annual General Meeting held on 10<sup>th</sup> July, 2017 have appointed M/s. Maloo Bhatt & Co., Chartered Accountants, Vadodara having Firm Registration Number - 129572W as Statutory Auditors of the Company to conduct the audit for the 5 (five) financial years subject to the ratification at every Annual General Meeting at such remuneration as may be decided by the Board and auditors mutually.

## COST AUDITORS

The Audit Committee of the Company at their meeting held on 16<sup>th</sup> May, 2019 has recommended to the Board of Directors for appointment and fixing of remuneration of M/s. V. P. & Associates, Cost Accountants, Vadodara for audit of cost records of the Company for the financial year 2019-20. The Board of Directors of the company at their meeting held on 16<sup>th</sup> May, 2019 appointed M/s. V. P. & Associates, Cost Accountants, Vadodara as cost auditors subject to ratification of the remuneration by the members of the Company at the ensuing Annual General Meeting. The Cost Audit Report for the financial year 2017-18, issued by M/s. V. P. & Associates, Cost Accountants, Vadodara as prescribed under Cost Audit Rules was filed with the Ministry of Corporate Affairs within due date on 22<sup>nd</sup> August 2018. The Cost Auditors' Report for the financial year 2017-18 did not contain any qualification, reservation or adverse remark.

## SECRETARIAL AUDITORS

Board of Directors at their meeting held on 5<sup>th</sup> May, 2018 appointed M/s. Swati Bhatt & Co., Practicing Company Secretary, Vadodara as Secretarial Auditor to conduct the secretarial audit for the financial year 2018-19.

Further, Board of Directors at their meeting held on 16<sup>th</sup> May, 2019 re-appointed M/s. Swati Bhatt & Co., Practicing Company Secretary, Vadodara as Secretarial Auditor to conduct the secretarial audit for the financial year 2019-20.

## BOARD'S COMMENT ON THE AUDITORS' REPORT

The notes referred to in the Auditor's Report are self-explanatory and they do not call for any further explanation as required under section 134 of the Companies Act, 2013.

## CHANGES IN SHARE CAPITAL

During the year under review, your company has not issued any shares or shares with different rights, sweat equity shares or employee stock options.

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

With reference to Section 134(3)(g) of the Companies Act, 2013, no loans, guarantees and investments other than trade investments have been made under section 186 of the Companies Act, 2013 in the earlier years as well as during the year under review.

## RELATED PARTY TRANSACTIONS

With reference to section 134(2)(h) of the Companies Act, 2013, all related party transactions that were entered into during the financial year ended 31<sup>st</sup> March, 2019 were on an arm's length basis and in the ordinary course of business, hence disclosure under Form AOC-2 not required. Details of related party transactions made during the year are attached to the notes to the balance sheet. The Board has approved a policy for related party transactions which has been updated on the Company's website. The web-link as required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is [http://www.innovativetyres.com/investor\\_relations/policies\\_programme](http://www.innovativetyres.com/investor_relations/policies_programme)

## DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES (CSR)

As per provisions of Section 135 of the Companies Act, 2013, provisions for CSR is applicable to every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year. Your Company has incurred Net profit before tax exceeding Rs. 5 crores during previous financial years, so CSR provisions are applicable to your Company for the financial year 2018-19.

**Compositions of CSR Committee is as follows:**

Name of Member	Category
Dr. Mrs. Kalpana Joshipura	Chairperson
Mr. Mukesh Desai	Member
Mr. Pradeep Kothari	Member

During the year under review, CSR Committee met on 13<sup>th</sup> February, 2019. Details of CSR activities under taken during the current financial year are detailed in **Annexure - 5** to this report.

**DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE**

Pursuant to Section 177(1) of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2013, the company has formulated Audit Committee. Composition of Audit Committee is as follows.

Name of Member	Category
Mr. Keyoor Bakshi	Chairman
Mr. Kalyanaraman Ganesan	Member
Mr. Mukesh Desai	Member

During the year under review, members of the audit committee met on April 30, 2018, May 05, 2018, August 04, 2018, November 14, 2018 and February 13, 2019. Chairman of Audit Committee was present in the Annual General Meeting held during current financial year on 18<sup>th</sup> September, 2018.

**VIGIL MECHANISM**

In compliance with the requirement of Section 177(9) & (10) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, a Vigil Mechanism or Whistle Blower Policy for Directors, employees and other stakeholders to report genuine concerns has been established. The same has been uploaded on the website of the Company i.e. [www.innovativetyres.com](http://www.innovativetyres.com)

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

Pursuant to Section 178 of the Companies Act, 2013 the company has formulated Nomination & Remuneration Committee. Composition of Nomination & Remuneration Committee is as follows

Name of Member	Category
Dr. Mrs. Kalpana Joshipura	Chairperson
Mr. Keyoor Bakshi	Member
Mr. Kalyanaraman Ganesan	Member

The brief contents of Nomination & Remuneration Policy of the Company prepared in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 are provided in Corporate Governance Report.

During the year under review, members of the Nomination & Remuneration committee met on May 05, 2018, August 04, 2018 and February 13, 2019. Nomination & Remuneration Committee met on 13<sup>th</sup> February, 2019 to evaluate performance of individual directors for the FY 2018-19.

**STAKEHOLDERS GRIEVANCES COMMITTEE**

To solve the investor's grievances, company has constituted Stakeholders/Investor Grievance Committee. Composition of Committee is as follows:

Name of Member	Category
Dr. Mrs. Kalpana Joshipura	Chairperson
Mr. Mukesh Desai	Member
Mr. Pradeep Kothari	Member

The Chairperson of this Committee is non-executive director pursuant to the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015.

During the year under review, members of the Stakeholders/Investor Grievance Committee met on February 13, 2019.

**THE DISCLOSURES PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT' 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016:**

The Disclosure pertaining to remuneration as required under Section 197(12) of the Companies Act' 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 is provided as **Annexure – 6**.

**DIRECTORS RESPONSIBILITY STATEMENT**

In accordance with the provisions of Section 134(3) (C) of the Companies Act, 2013 the Board hereby submit its responsibility Statement: —

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 affairs of the company at the end of the financial year and of the profit and loss of the company for that period;



- c) 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;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) 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;
- f) The directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating efficiently.

#### **BOARD EVALUATION**

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information, functioning etc. The performance of the Committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committee, effectiveness of committee meetings etc.

The Board and the Nomination & Remuneration Committee reviewed the performance of the individual directors on the basis of criteria such as the contribution of individual director to the board and committee meetings, representation of shareholders interest and enhancing shareholders value etc. In addition, Chairman was also evaluated on the key aspects of his role. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

#### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

##### **A. CONSERVATION OF ENERGY**

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgos have been furnished below:

##### **1. Following jobs were carried out during the year for conservation of energy:**

- In house training and awareness programmes.
- Upgradation of utility in water lines.
- Recovery of process discharged water which was otherwise being disposed off to surface drain.
- Installation of Pressure Regulating Control Valve at steam header.
- Correction of the APH of 10 TPH boiler to prevent mixing of combustion air and flue gas.
- Water recycling project doing 100% recycling of water of tyre plant.
- Use of LED flood lights at Tyre Plant.
- Upgradation of 10 TPH boiler operations resulting to reduction in running time.
- Installation of VFDC Variable Frequency Distributors reducing maintainance of equipment cost.

##### **2. The steps taken by the Company for utilizing alternate sources of energy:**

- Use of day lights by providing transparent roof sheets.
- Use of Solar Power – 1<sup>st</sup> Phase of 240 KW is installed and commissioned.
- Phase II for 600 KW at tyre plant is under finalisation.

##### **3. Capital investment on energy conservation equipments: NIL**

##### **B. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION**

###### **a. Efforts made towards technology absorption:**

The Company is exploring technology options for better manufacturing process. Development of R & D Centre is mainly focused for exploring better technologies available in the existing product and new models.

###### **b. Benefits derived like product improvement, cost reduction, product development or import substitution**

The company is able to cater its customers through innovation in technology and through product mix

###### **c. Information regarding technology imported, during the last 3 years:** The Company has not imported technology. However, it has made indigenized technological development by in-house developing and installing carbon bulk handling system, Chemical ingredient weighted Machine, Four Roll Calendar Equipment, OTR band building machine, band Inserter introduced on Truck Tyre Building Machine and Hot water curing Machine installed for better performance of product.



**d. Expenditure incurred on Research and Development – NIL****C. FOREIGN EXCHANGE EARNINGS AND OUTGO****(Rs. in Lakhs)**

Particulars	2018-19	2017-18
Total foreign exchange outgo (incl. High Seas)	2,072.64	3,073.16
Total foreign exchange inflow	7,605.74	6,510.78

**DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS AND TRIBUNALS**

No significant and material order has been passed by any other regulators, courts, tribunals impacting the going concern status and Company's operations in future.

**UP GRADATION IN CREDIT RATING:**

Your directors are pleased to inform you that during the year under review, the long-term credit rating of the Company improved from "BB+" to "BBB+" with "Stable" outlook by its rating agencies viz. CRISIL.

**DISCLOSURE OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE UNDER WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company is committed to provide a safe and conducive work environment to its employees, during the year under review.

**ACKNOWLEDGEMENTS**

The Board acknowledges with gratitude the co-operation and assistance provided to your company by its bankers, Financial Institutions, and government as well as Non-government agencies. The Board wishes to place on record its appreciation to the contribution made by employees of the company during the year under review. Your Directors thanks the customers, clients, vendors, other business associates, Auditors, RTA and members for their continued support in the Company's growth.

**FOR THE BOARD OF DIRECTORS  
INNOVATIVE TYRES & TUBES LIMITED**

**Date: 20<sup>th</sup> August 2019  
Place: Halol**

**Mukesh Desai  
Chairman & Managing Director  
(DIN: 00089598)**

# ANNEXURE – 1

## FORM NO. MGT-9

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31<sup>st</sup> March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS:

CIN	:	L25112GJ1995PLC086579
Registration Date	:	28/11/1995
Name of the Company	:	INNOVATIVE TYRES & TUBES LIMITED
Category/Sub-Category of the Company	:	Company Limited by Share /Indian Non-government Company
Address of the Registered office and contact details	:	1201, 1202, 1203 GIDC Halol, Panchmahals – 389 350, Gujarat.
Whether listed company	:	Yes / No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083. Tel - 022 4918 2000 Website: www.linkintime.co.in

#### II. PRINCIPLE BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of rubber and plastics products	Division 22	100 %

Note: NIC code of product is as per National Industrial Classification, 2008

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and address of the Company	CIN / GLN	Holding/subsidiary/ associate	% of shares held	Applicable section
NOT APPLICABLE					

#### IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

##### i. Category-wise Share Holding:

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	4,375,809	-	4,375,809	24.32	4,466,104	-	4,466,104	24.82	0.50
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(1)	4,375,809	-	4,375,809	24.32	4,466,104	-	4,466,104	24.82	0.50

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				(% Change during the year)
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total Shares	
[2]	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>4,375,809</b>	<b>-</b>	<b>4,375,809</b>	<b>24.32</b>	<b>4,466,104</b>	<b>-</b>	<b>4,466,104</b>	<b>24.82</b>	<b>0.50</b>
(B)	<b>Public Shareholding</b>									
[1]	<b>Institutions</b>									
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub Total (B)(1)</b>	-	-	-	-	-	-	-	-	-
[2]	<b>Central Government/ State Government(s)/ President of India</b>									
	<b>Sub Total (B)(2)</b>	-	-	-	-	-	-	-	-	-
[3]	<b>Non-Institutions</b>									
(a)	<b>Individuals</b>									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	2,976,697	7,805	2,984,502	16.59	3,428,284	10	3,428,294	19.06	2.47
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4,814,950	665,800	5,480,750	30.46	4,914,706	0	4,914,706	27.31	(3.15)
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				(% Change during the year)
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total Shares	
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Hindu Undivided Family	406,500	-	406,500	2.26	411,000	-	411,000	2.28	0.02
	Foreign Companies	-	1,637,731	1,637,731	9.10	-	1,637,731	1,637,731	9.10	0.00
	Non-Resident Indians (Non Repat)	3,000	-	3,000	0.02	3,000	-	3,000	0.02	0.00
	Non-Resident Indians (Repat)	75,000	500,027	5,75,027	3.20	93,000	500,027	593,027	3.30	0.10
	Clearing Member	250,219	-	250,219	1.39	176,947	-	176,947	0.98	(0.41)
	Bodies Corporate	2,278,023	-	2,278,023	12.66	2,360,752	-	2,360,752	13.12	0.46
	<b>Sub Total (B)(3)</b>	<b>10,804,389</b>	<b>2,811,363</b>	<b>13,615,752</b>	<b>75.68</b>	<b>11,387,689</b>	<b>2,137,768</b>	<b>13,525,457</b>	<b>75.18</b>	<b>(0.50)</b>
	<b>Total Public Shareholding(B)=(B)(1) +(B)(2) + (B)(3)</b>	<b>10,804,389</b>	<b>2,811,363</b>	<b>13,615,752</b>	<b>75.68</b>	<b>11,387,689</b>	<b>2,137,768</b>	<b>13,525,457</b>	<b>75.18</b>	<b>(0.50)</b>
	Total (A)+(B)	15,180,198	2,811,363	17,991,561	100.00	15,853,793	2,137,768	17,991,561	100.00	-
<b>(C)</b>	<b>Non-Promoter - Non-Public</b>									
[1]	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	<b>Total (A)+(B)+(C)</b>	<b>15,180,198</b>	<b>2,811,363</b>	<b>17,991,561</b>	<b>100.00</b>	<b>15,853,793</b>	<b>2,137,768</b>	<b>17,991,561</b>	<b>100.00</b>	<b>-</b>

## ii. Shareholding of Promoter and Promoter Group:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% change in Share holding during the year
		No.of Shares Held	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No.of Shares Held	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	
1	Pradeep Ravichandra Kothari	3,495,676	19.43	8.30	3,495,676	19.43	9.24	-
2	Mukesh Gunvantra Desai	609,267	3.39	0.59	699,562	3.89	1.53	0.50%
3	Rajeshree Pradeep Kothari	114,428	0.64	0.24	114,428	0.64	0.24	-
4	Kashmira Mukesh Desai	75,000	0.42	0.30	75,000	0.42	0.30	-
5	Kothari Manthan Pradeep	71,438	0.40	0.00	71,438	0.40	0.00	-
6	Harsh Pradeep Kothari	10,000	0.06	-	10,000	0.06	-	-
	<b>Total</b>	<b>4,375,809</b>	<b>24.32</b>	<b>9.43</b>	<b>4,466,104</b>	<b>24.82</b>	<b>11.31</b>	<b>0.50%</b>

## iii. Change in Promoters' Shareholding\* ( PLEASE SPECIFY, IF THERE IS NO CHANGE):

Sr. No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	<b>Pradeep Ravichandra Kothari</b>	3,495,676	19.43	-	-	-	-
	Changes During The Year	NO CHANGE					
	<b>At The End Of The Year</b>	-	-	-	-	3,495,676	19.43
2	<b>Mukesh Gunvantrai Desai</b>	609,267	3.39	-	-	-	-
	Transfer	-	-	23/11/2018	82,500	691,767	3.84
	Transfer	-	-	24/11/2018	7,795	699,562	3.89
	<b>At The End Of The Year</b>	-	-	-	-	699,562	3.89
3	<b>Rajeshree Pradeep Kothari</b>	114,428	0.64	-	-	-	-
	At The End Of The Year	-	-	-	-	114,428	0.64
	<b>Changes During The Year</b>	NO CHANGE					
4	<b>Kashmira Mukesh Desai</b>	75,000	0.42	-	-	-	-
	<b>At The End Of The Year</b>	-	-	-	-	75,000	0.42
	Changes During The Year	NO CHANGE					
5	<b>Kothari Manthan Pradeep</b>	71,438	0.40	-	-	-	-
	Changes During The Year	NO CHANGE					
	<b>At The End Of The Year</b>	-	-	-	-	71,438	0.40
6	<b>Harsh Pradeep Kothari</b>	10000	0.06	-	-	-	-
	Changes During The Year	NO CHANGE					
	<b>At The End Of The Year</b>	-	-	-	-	10,000	0.06

## iv. Shareholding Pattern of Top Ten Shareholders (Other Than Directors, Promoters and Holders of GDRs And ADRs):

Sr. No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	<b>KIRIT TULSIDAS VASSA</b>	2,259,608	12.56	-	-	-	-
	Transfer	-	-	29/03/2019	(9,000)	2,250,608	12.51
	Transfer	-	-	30/03/2019	95,590	2,346,198	13.04
	AT THE END OF THE YEAR	-	-			2,346,198	13.04
2	<b>MAXIM GOLD DEVELOPMENT LIMITED</b>	1,637,731	9.10	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	1,637,731	9.10
3	<b>GOLDMINE STOCKS PVT LTD</b>	1,099,647	6.11	-	-	-	-
	Transfer	-	-	06/04/2018	36,000	1,135,647	6.31
	Transfer	-	-	13/04/2018	(6,000)	1,129,647	6.28
	Transfer	-	-	20/04/2018	18,000	1,147,647	6.38
	Transfer	-	-	27/04/2018	132,000	1,279,647	7.11
	Transfer	-	-	11/05/2018	(6,000)	1,273,647	7.08
	Transfer	-	-	25/05/2018	6,000	1,279,647	7.11

Sr. No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer	-	-	01/06/2018	18,000	1,297,647	7.21
	Transfer	-	-	22/06/2018	3,000	1,300,647	7.23
	Transfer	-	-	06/07/2018	(9,000)	1,291,647	7.18
	Transfer	-	-	13/07/2018	3,000	1,294,647	7.20
	Transfer	-	-	20/07/2018	12,000	1,306,647	7.26
	Transfer	-	-	27/07/2018	12,000	1,318,647	7.33
	Transfer	-	-	03/08/2018	3,000	1,321,647	7.35
	Transfer	-	-	17/08/2018	(3,000)	1,318,647	7.33
	Transfer	-	-	24/08/2018	18,000	1,336,647	7.43
	Transfer	-	-	31/08/2018	3,000	1,339,647	7.44
	Transfer	-	-	07/09/2018	(6,000)	1,333,647	7.41
	Transfer	-	-	14/09/2018	(9,000)	1,324,647	7.36
	Transfer	-	-	29/09/2018	12,000	1,336,647	7.43
	Transfer	-	-	05/10/2018	(6,000)	1,330,647	7.40
	Transfer	-	-	12/10/2018	9,000	1,339,647	7.45
	Transfer	-	-	19/10/2018	(6,000)	1,333,647	7.41
	Transfer	-	-	26/10/2018	(6,000)	1,337,647	7.38
	Transfer	-	-	02/11/2018	(3,000)	1,324,647	7.36
	Transfer	-	-	09/11/2018	(3,000)	1,321,647	7.35
	Transfer	-	-	23/11/2018	(3,000)	1,318,647	7.33
	Transfer	-	-	30/11/2018	3,000	1,321,647	7.35
	Transfer	-	-	07/12/2018	3,000	1,324,647	7.36
	Transfer	-	-	14/12/2018	6,000	1,330,647	7.40
	Transfer	-	-	21/12/2018	(6,000)	1,324,647	7.36
	Transfer	-	-	28/12/2018	(6,000)	1,318,647	7.33
	Transfer	-	-	31/12/2018	99,000	1,417,647	7.88
	Transfer	-	-	04/01/2019	(93,000)	1,324,647	7.36
	Transfer	-	-	11/01/2019	9,000	1,333,647	7.41
	Transfer	-	-	18/01/2019	(12,000)	1,321,647	7.35
	Transfer	-	-	25/01/2019	12,000	1,333,647	7.41
	Transfer	-	-	01/02/2019	3,000	1,336,647	7.43
	Transfer	-	-	08/02/2019	6,000	1,342,647	7.46
	Transfer	-	-	15/02/2019	15,000	1,357,647	7.55
	Transfer	-	-	22/02/2019	(6,000)	1,351,647	7.51
	Transfer	-	-	08/03/2019	(9,000)	1,342,647	7.46
	Transfer	-	-	22/03/2019	9,000	1,351,647	7.51
	Transfer	-	-	29/03/2019	105,000	1,456,647	8.10
	AT THE END OF THE YEAR	-	-	-	-	1,456,647	8.10

Sr. No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
4	<b>SHARMISTHA CHANDRAVADAN SHAH</b>	833,887	4.63	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	833,887	4.63
5	<b>MAYUR SANGHVI</b>	462,885	2.57	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	462,885	462,885	2.57
6	<b>KARVY STOCK BROKING LTD(BSE)</b>	363,000	2.02	-	-	-	-
	Transfer	-	-	06/04/2018	(138,000)	225,000	1.25
	Transfer	-	-	13/04/2018	(66,000)	159,000	0.88
	Transfer	-	-	20/04/2018	(27,000)	132,000	0.73
	Transfer	-	-	27/04/2018	(69,000)	63,000	0.35
	Transfer	-	-	04/05/2018	(57,000)	6,000	0.03
	Transfer	-	-	25/05/2018	6,000	12,000	0.06
	Transfer	-	-	01/06/2018	3,000	15,000	0.08
	Transfer	-	-	08/06/2018	(6,000)	9,000	0.05
	Transfer	-	-	30/11/2018	3,000	12,000	0.08
	Transfer	-	-	07/12/2018	(3,000)	9,000	0.05
	AT THE END OF THE YEAR	-	-	-	-	9,000	0.05
7	<b>SUBHASH P RATHOD</b>	357,000	1.98	-	-	-	-
	Transfer	-	-	06/04/2018	(3,000)	354,000	1.97
	Transfer	-	-	27/04/2018	(12,000)	342,000	1.90
	Transfer	-	-	04/05/2018	(3,000)	339,000	1.88
	Transfer	-	-	25/05/2018	(72,000)	267,000	1.48
	Transfer	-	-	01/06/2018	(57,000)	210,000	1.17
	Transfer	-	-	08/06/2018	(15,000)	195,000	1.08
	Transfer	-	-	03/08/2018	(12,000)	183,000	1.01
	Transfer	-	-	17/08/2018	(12,000)	171,000	0.95
	Transfer	-	-	24/08/2018	(27,000)	144,000	0.80
	Transfer	-	-	14/09/2018	(15,000)	129,000	0.72
	Transfer	-	-	21/09/2018	(9,000)	120,000	0.67
	Transfer	-	-	23/11/2018	(21,000)	99,000	0.55
	Transfer	-	-	30/11/2018	(30,000)	69,000	0.38
	Transfer	-	-	14/12/2018	(9,000)	60,000	0.33
	Transfer	-	-	04/01/2019	(12,000)	48,000	0.27
	Transfer	-	-	11/01/2019	(27,000)	21,000	0.12
	Transfer	-	-	25/01/2019	(21,000)	0	0.00
	AT THE END OF THE YEAR	-	-	-	-	0	0.00
8	<b>AAPT DISTRIBUTION PVT LTD</b>	281,792	1.57	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	281,792	1.57



Sr. No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
9	<b>MINAKSHI MANKAD</b>	236,000	1.31	-		-	-
	Transfer			30/03/2019	(15,590)	220,410	1.23
	AT THE END OF THE YEAR					220,410	1.23
10	<b>SANJAY MANKAD</b>	221,660	1.23				
	AT THE END OF THE YEAR					221,660	1.23
11	<b>ARDENT VENTURES LLP</b> (Our Independent Director Mr. Keyoor Bakshi is designated Partner of connected person)	-	-	-		-	-
	Transfer			30/11/2018	99,000	99,000	0.55
	Transfer			04/01/2019	99,000	198,000	1.10
	Transfer *			29/03/2019	99,000	297,000	1.65
	AT THE END OF THE YEAR					297,000	1.65
12	<b>PKMG KNOWLEDGE CENTER P LTD</b>	156,000-	0.87	-		-	-
	Transfer			21/12/2018	6,000	162,000	0.90
	Transfer			18/01/2019	6,000	168,000	0.93
	AT THE END OF THE YEAR					168,000	0.93

\* Transaction of 29th March 2019 reflects in seller on 2nd April as transaction being T+2.

**v. Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name	Shareholding at the beginning of the year		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	<b>Mr. Mukesh Desai</b> – Chairman & Managing Director							
	At the beginning of the year	6,09,267	3.39%					
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease e.g. allotment/ transfer/bonus/ sweat equity etc)			23/11/18	Transfer	82,500	691,767	3.84%
				24/11/18	Transfer	7,795	699,562	3.89%
	At the End of the year						6,99,562	3.89%

Sr. No.	Name	Shareholding at the beginning of the year		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
2.	<b>Mr. Pradeep Kothari</b> – Whole time Director							
	At the beginning of the year	34,95,676	19.43%					
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease e.g. allotment/ transfer/bonus/ sweat equity etc)							
	At the End of the year						34,95,676	19.43%

Sr. No.	Name	Shareholding at the beginning of the year		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
3.	Mr. Nitin Mankad – Whole time Director							
	At the beginning of the year	4,29,800	2.39%					
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease e.g. allotment/transfer/bonus/ sweat equity etc)			23/11/18	Transfer	(82,500)	3,47,300	1.93%
				31/12/18	Transfer	(99,000)	2,48,300	1.38%
				29/03/19	Transfer	(99,000)	1,49,300	0.83%
				30/03/19	Transfer	(45,000)	1,04,300	0.58%
	At the End of the year						1,04,300	0.58%

Sr. No.	Name	Shareholding at the beginning of the year		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
4.	Mr. Arvind Tambi – Chief Financial Officer & Company Secretary							
	At the beginning of the year	9,000	0.05%					
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease e.g. allotment/ transfer/bonus/ sweat equity etc)							
	At the End of the year	9,000	0.05%				9,000	0.05%

Sr. No.	Name	Shareholding at the beginning of the year		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
5.	Ms. Sejal Desai** – Company Secretary & Compliance Officer							
	At the beginning of the year	9,000	0.05%					
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease e.g. allotment/ transfer/bonus/ sweat equity etc)							
	At the End of the year						**	

\*\*Ms. Sejal Desai worked as Company Secretary & Compliance Officer upto 4th Aug 2018.

#### V. INDEBTEDNESS:

##### Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,257.79	--	--	1,257.79
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>1,257.79</b>	<b>--</b>	<b>--</b>	<b>1,257.79</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	989.56	--	--	989.56
• Reduction	--	--	--	--
<b>Net Change</b>	<b>989.56</b>	<b>--</b>	<b>--</b>	<b>989.56</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,247.35	--	--	2,247.35
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total</b>	<b>2,247.35</b>	<b>--</b>	<b>--</b>	<b>2,247.35</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Remuneration to Managing Director, Whole-time Directors and/or Manager

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Total Amount			
		Mr. Mukesh Desai (Managing Director)	Mr. Pradeep Kothari (Whole time Director)	Mr. Nitin Mankad (Whole time Director)	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.00	10.50	10.50	48.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	27.00	10.50	10.50	48.00

### Remuneration to Other Directors:

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	<b>Independent Directors</b>	<b>Mr. Keyoor Bakshi</b>	<b>Mr. Kalyanaraman Ganesan</b>	<b>Dr. Mrs. Kalpana Joshipura</b>	
	Fee for attending board / committee meetings	0.65	0.55	0.50	1.70
	Commission	-	-	-	
	Others, please specify	-	-	-	
	<b>Total (1)</b>	<b>0.65</b>	<b>0.55</b>	<b>0.50</b>	<b>1.70</b>
2.	<b>Other Non-Executive Directors</b>	-	-	-	
	Fee for attending board / committee meetings	-	-	-	
	Commission	-	-	-	
	Others, please specify	-	-	-	
	<b>Total (2)</b>	-	-	-	
	<b>Total (B)=(1+2)</b>	-	-	-	
	<b>Total Managerial Remuneration</b>	<b>0.65</b>	<b>0.55</b>	<b>0.50</b>	<b>1.70</b>
	Overall Ceiling as per the Act	₹ 1 Lakh per meeting			

**Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:**

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	0.98	12.00	12.98
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>0.98</b>	<b>12.00</b>	<b>12.98</b>

- Ms. Sejal Desai, worked as Company Secretary & Compliance Officer upto 4th Aug 2018.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Not Applicable**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD /NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding					
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

**ANNEXURE – 2**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For the Financial Year ended 31.03.2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Innovative Tyres & Tubes Limited**  
(CIN: L25112GJ1995PLC086579)  
Plot No. 1201, 1202, 1203 GIDC Halol,  
Panchmahals – 389350, Gujarat.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. INNOVATIVE TYRES & TUBES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minutes book, forms and returns filed and other records maintained by M/s. Innovative Tyres & Tubes Limited ("The Company") for the financial year ended on 31st March, 2019 according to the provisions of:
  - I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') is applicable to the Company: -
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase

Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014;

Not applicable as the Company has not issued any options/ shares under the said Regulations during the year under review.

- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;  
Not applicable as the Company has not issued any Debt Securities during the year under review.
  - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;  
Not applicable as the Company has not delisted any of its shares from any of the Stock Exchanges during the year under review.
  - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and  
Not applicable as the Company has not bought back any of its securities during the year under review.
  - j) The Company has complied with the requirements under the Equity Listing Agreements entered into with National Stock Exchange of India Limited;
- VI. Other laws specifically applicable to the Company as per the representation given by the Company.

SR. NO.	NAME OF ACT
1	Air (Prevention and Control of Pollution) Act, 1981 and rules made there under.
2	Water (Prevention and control of pollution) Act, 1974 and rules made there under.
3	Apprentices Act, 1961 and Apprenticeship Rules, 1992.
4	Labour Welfare Fund (Gujarat) Rules, 1962.
5	The Customs Act, 1962.
6	Central Goods & Services Tax (CGST).
7	State Goods & Services Tax (SGST).
8	Integrated Goods and Service Tax (IGST).
9	Child Labour (prohibition & Regulation) Act, 1986.
10	Contract Labour Regulation and Abolition Act, 1970.
11	Customs Valuation (Determination of value of imported goods) Rules, 2007.
12	Electricity Act, 2003 and Indian Electricity Rules, 1956/2005.

- 13 Employee Deposit linked insurance scheme, 1976.
- 14 Employee Compensation Act, 1923 and rules made there under.
- 15 Employees Provident Fund and Miscellaneous Provisions Act, 1952.
- 16 Employee State Insurance Act, 1948.
- 17 Employment Exchange Act, 1959 and Rules made there under.
- 18 Equal Remuneration Act, 1976 and Equal Remuneration Rules, 1976.
- 19 Explosives Act, 1884 and rules made there under.
- 20 Factories Act, 1948.
- 21 Foreign Trade Policy.
- 22 Foreign Trade (Development & Regulation) Act, 1992 and Foreign Trade (Regulation) Rules, 1993.
- 23 Gujarat Panchayats, Municipalities municipal corporation Act, 1992 and Rules made there under.
- 24 Gujarat Lifts and Escalators Act, 2008.
- 25 Income Tax Act, 1961 and Income Tax Rules, 1962.
- 26 Industrial Employment Act, 1946.
- 27 Information Technology Act, 2008.
- 28 Maternity Benefit Act, 1961.
- 29 Minimum Wages Act, 1948.
- 30 Motor Vehicles Act, 1988 and Central Motor Vehicle Rules, 1989.
- 31 Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975.
- 32 Payment of Gratuity Act, 1972.
- 33 Payment of Wages Act, 1936.
- 34 Petroleum Act, 1934 and Petroleum Rules, 2002.
- 35 Professional Tax Act, 1987.
- 36 Public Liability Insurance Act, 1991 and Public Liability Insurance Rules, 1991.
- 37 Gujarat Shop & Establishment Act.
- 38 Sexual Harassment of women at workplace prevention, prohibition redressal Act, 1991.
- 39 Shipping Bill and Bill of Export (Form) Regulations, 1991.

We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with the National Stock Exchange of India Limited.

During the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc as mentioned above.

2. We further report that the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Rules made under the said Act and the Memorandum and Articles of Association of the Company, with regard to:

- a) Maintenance of various statutory registers and documents and making necessary entries therein;
- b) Closure of the Register of Members;
- c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- d) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) Notice of Board meetings and Committee meetings of Directors;
- f) The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g) The Annual General Meeting held on 10th July, 2017 for the financial year 2016-17;
- h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
- i) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- k) Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- l) Appointment and remuneration of Auditors and Cost Auditors;
- m) Transfers and transmissions of the Company's shares and make necessary endorsement on the reverse side of the respective Share Certificates;

During the year under review, following shares were transferred/transmitted:

Sr. No.	No. of shares	Nature	Date
1.	82,500	Transfer	23.11.2018
2.	7,795	Transfer	24.11.2018

- n) Declaration and payment of dividends;  
(During the year under review, the Company has not declared dividend)
- o) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;  
(During the year under review, no dividend was declared, hence provision of investors education and protection fund is not applicable.)
- p) Borrowings and registration, modification and satisfaction of charges wherever applicable;
- q) Investment of the Company's funds including investments and loans to others;

- r) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III to the Act;
  - s) Directors' report;
  - t) Contracts, common seal, registered office and publication of name of the Company; and
  - u) Generally, all other applicable provisions of the Act and the Rules made under the Act.
3. We further report that:
- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
  - b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
  - c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
  - d) The Company has obtained all necessary approvals under the various provisions of the Act; and
  - e) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
  - f) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;
4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
5. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed there under by the Depositories with regard to dematerialization / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
6. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

7. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
8. We further report that during the period under review, the company has not allotted any equity shares.

**For, Swati Bhatt & Co.**

**Swati Bhatt**

Practicing Company Secretary

M. No. 7323

COP: 8004

Place: Vadodara

Date : 20<sup>th</sup> August 2019

Note: This report is to be read with our letter of even date which is annexed as "ANNEXURE A" and forms an integral part of this report.

#### **"ANNEXURE A TO SECRETARIAL AUDIT REPORT"**

To,

The Members,

M/s. INNOVATIVE TYRES & TUBES LIMITED

CIN: L25112GJ1995PLC086579

1201, 1202, 1203 - GIDC Halol,

Panchmahals, Halol, Gujarat – 389350.

Our report of even date is to be read along with this letter:

1. Maintenance of Secretarial records is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we follow provide a responsible basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, We have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For, Swati Bhatt & Co.**

**Swati Bhatt**

Practicing Company Secretary

M. No. 7323

COP: 8004

Place: Vadodara

Date : 20<sup>th</sup> August 2019



**ANNEXURE – 3****CORPORATE GOVERNANCE REPORT**

*In terms of Regulation 27 and 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the report containing details of corporate governance systems and processes at Innovative Tyres & Tubes Limited is as under:*

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE**

Your Company is committed to good Corporate Governance and has benchmarked itself against the prescribed standards. The fundamental objective of Corporate Governance is the enhancement of shareholders' value and protecting the interest of the stakeholders. The good corporate governance is one of the factors towards growth of company for a long-term prosperity and sustainability. Your Company's philosophy of Corporate Governance is aimed at assisting the management in the efficient conduct of the business of the Company and in the meeting its obligations to shareholders and others. A report on the matters and the practices followed by the Company is detailed herein below:

**BOARD OF DIRECTORS**

The Board of Directors of the Company ("Board") has optimum combination of Executive and Non-Executive Directors comprising Three Executive Directors and Three Non-Executive Directors. None of the Directors hold directorship in more than 20 public limited companies nor is a member of more than 10 committees or chairman of more than 5 committees across all the public limited companies in which they are Directors.

The details of composition of Board, nature of relationships, number of meetings held and attended and the directorships in other companies as at 31<sup>st</sup> March, 2019 are detailed below:

Sr. No.	Name of Directors	Category	No. of Board Meetings held and attended during the year	Attendance at last AGM held on 18.09.2018	No. of Directorships in other companies	No. of Committee positions held in other public companies
1.	Mr. Mukesh Desai	Chairman & Managing Director	04/04	Yes	02	01
2.	Mr. Pradeep Kothari	Whole time Director	04/04	Yes	1	0
3.	Mr. Nitin Mankad	Whole time Director	04/04	Yes	0	0
4.	Mr. Keyoor Bakshi	Independent Director	04/04	Yes	11	5
5.	Mr. Kalyanaraman Ganesan	Independent Director	03/04	No	6	0
6.	Dr. Mrs. Kalpana Joshipura	Independent Director	04/04	Yes	0	0

**DISCLOSURE OF RELATIONSHIPS BETWEEN DIRECTORS INTER-SE:**

None of the Directors are related inter-se.

**NUMBER OF SHARES AND CONVERTIBLE INSTRUMENTS HELD BY NON-EXECUTIVE DIRECTORS:**

Mr. Keyoor Bakshi Non-Executive Director is holding 2,97,000 equity shares as designated partner of the Connected person M/s Ardent Ventures LLP. Other Non-executive directors do not hold any shares and convertible instruments in the Company.

**FAMILIARIZATION TO INDEPENDENT DIRECTORS:**

In Compliance of SEBI (LODR) Regulation 2015 Company has conducted a familiarization programme for Independent Directors of the Company for familiarizing with their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of such familiarization programme for Independent Directors are posted on the website of the Company and can be accessed at [http://www.innovativetyres.com/investor\\_relations/policies\\_programme](http://www.innovativetyres.com/investor_relations/policies_programme)

**AUDIT COMMITTEE:**

The Audit Committee of the company consists of two Independent Directors and one Executive Director of the Company. All the Directors have good understanding Finance, Accounts and Law. During the financial year under review, audit committee met five times on April 30, 2018, May 05, 2018, August 04, 2018, November 14, 2018 and February 13, 2019. Composition of audit committee of the company is as follows:

Sr. No.	Name	Category	Nos. of meeting attended
1.	Mr. Keyoor Bakshi	Chairman	05
2.	Mr. Kalyanaraman Ganesan	Member	04
3.	Mr. Mukesh Desai	Member	05

Mr. Arvind Tambi, CFO & Company Secretary acts as a Secretary to the Committee.

#### Brief description of terms of reference:

Role of the Audit Committee is prescribed under the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014, and Regulation 18 of the SEBI (LODR), Regulations, 2015. Brief description of the same includes:

1. Overseeing the Company's financial reporting process;
2. Approval or any subsequent modification of transactions of the company with related parties;
3. Recommendation for appointment, remuneration and terms of appointment/re-appointment of auditors of the company.
4. Evaluation of internal financial controls and risk management systems.
5. Monitoring the end use of funds raised through public offers and related matters.
6. Examination of the financial statement and auditor's report thereon.

#### NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee of the company consists of three Independent Directors of the Company. During the year under review, members of the Nomination & Remuneration committee met on May 05, 2018, August 04, 2018 and February 13, 2019. Composition of Nomination & Remuneration committee of the company is as follows:

Sr. No.	Name	Category	Nos. of meeting attended
1.	Dr. Mrs. Kalpana Joshipura	Chairperson	03
2.	Mr. Keyoor Bakshi	Member	03
3.	Mr. Kalyanaraman Ganesan	Member	03

Mr. Arvind Tambi, CFO & Company Secretary acts as a Secretary to the Committee.

#### Brief description of terms of reference:

In compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR), Regulation, 2015, the Company has constituted a Nomination & Remuneration Committee of the Board. All members of the Committee are Independent Directors. The terms of reference of the Committee inter alia, include:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
2. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. Discharge such other function(s) or exercise such power(s) as may be delegated to the Committee by the Board from time to time.

The Board have approved a Nomination and Remuneration Policy of the Company and available on the website of the Company. This Policy is in compliance with Section 178 of the Companies Act, 2013, read with the applicable rules thereto and Regulation 19 and Schedule II, Part D of the SEBI (LODR), Regulations, 2015.

#### Performance Evaluation Criteria of selection of Independent Directors:

Pursuant to applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the process, format, attributes and criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors.

During the year, performance evaluation of the Chairman and the Executive Director were carried out by the Independent Directors at their separate meeting held on 13<sup>th</sup> February, 2019. The Directors were satisfied with the evaluation results. Performance evaluation of Independent Directors to be re-appointed was carried out by Nomination & Remuneration Committee at their meeting held on 5<sup>th</sup> May, 2018. Performance evaluation of entire Board, and individual directors and that of Committees for the financial year 2018-19 was done at their meeting held on 16<sup>th</sup> May, 2019.

#### DETAILS OF REMUNERATION TO ALL THE DIRECTORS:

The aggregate value of salary and perquisites paid during the year 2018-19 to the Executive Directors are as follows:

Mr. Mukesh Desai, Chairman & Managing Director	– Rs. 27.00 lakhs
Mr. Pradeep Kothari, Whole time Director	– Rs. 10.50 lakhs
Mr. Nitin Mankad, Whole time Director	– Rs. 10.50 lakhs

Sitting fees paid to Independent Directors during the year 2018-19 are as follows:

Mr. Keyoor Bakshi, Independent Director	– Rs. 0.65 lakh
Mr. Kalyanaraman Ganesan, Independent Director	– Rs. 0.55 lakh
Dr. Mrs. Kalpana Joshipura, Independent Director	– Rs. 0.50 lakh

**STAKEHOLDERS, SHAREHOLDERS'/ INVESTOR'S GRIEVANCES COMMITTEE:**

In compliance with Section 178 of the Companies Act, 2013 and Regulation 20 and Schedule II, Part D of the SEBI (LODR) Regulations, 2015, a Stakeholders' Relationship Committee of the Board has been constituted to solve the investor's grievances. During the year under review, members of the Stakeholders/Investor Grievance Committee met on February 13, 2019. Composition of the Committee is as follows:

Sr. No.	Name	Category
1.	Dr. Mrs. Kalpana Joshipura	Chairperson
2.	Mr. Mukesh Desai	Member
3.	Mr. Pradeep Kothari	Member

**Name of the Non-Executive Director heading the committee:**

Stakeholders' Relationship Committee is headed by Dr. Mrs. Kalpana Joshipura, Independent Director of the Company.

**Details of investor complaints received and redressed during the year 2018-19 are as follows:**

Number of shareholders complaints received and resolved – NIL  
 Number of complaints not solved to the satisfaction of shareholders – NIL  
 Number of pending complaints – NIL

**GENERAL BODY MEETING**

The details of Annual General Meetings held during the last three years are as follows:

Year	Day, Date and Time	Venue
2017-18	Tuesday, 18th September, 2018 at 9:00 a.m.	Plot No. 1201, 1202, 1203, GIDC Halol, Dist Panchmahals-389350.
2016-17	Monday, 10th July, 2017 at 4:30 p.m.	Govindkrupa Bungalow, Ground Floor, Opp. 15 Alkapuri Society, B/H Alkapuri Police Chowki, R.C. Dutt Road, Vadodara – 390007.
2015-16	Saturday, 24th September, 2016 at 1:00 p.m.	Govindkrupa Bungalow, Ground Floor, Opp. 15 Alkapuri Society, B/H Alkapuri Police Chowki, R.C. Dutt Road, Vadodara – 390007.

**Details of Special Resolutions passed in the previous three AGMs:**

No Special Resolutions were passed by the members of the Company during year 2015-16.

The members have passed one special resolution in the 22<sup>nd</sup> AGM held on 10<sup>th</sup> July 2017:

- Shifting of Registered office from Vadodara to Halol.

The members have passed two special resolutions in the 23<sup>rd</sup> AGM held on 18<sup>th</sup> September, 2018:

- Re-appointment of Mr. Keyoor Bakshi as Independent Director for 5 consecutive years.
- Re-appointment of Mr. Kalyanaraman Ganesan as Independent Director for 5 consecutive years.

**Details of special resolutions passed through postal ballot:**

No special resolutions passed through postal ballot since last three years.

**MEANS OF COMMUNICATION**

Company is listed on NSE Emerge platform. Hence, during the financial year 2018-19, half year results and year ended results have been filed with Stock Exchange in compliance of Listing Regulations. Requirement of Publishing of Results in Newspaper as per Regulation 46 of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 is not applicable for SME Listed companies. The official announcements, presentations are posted on official website of the company [www.innovativetyres.com](http://www.innovativetyres.com)

**GENERAL SHAREHOLDER INFORMATION**

Date, Time and Venue of AGM	30th September, 2019 at Plot No. 1201, 1202, 1203 GIDC Halol, Panchmahals - 389350, Gujarat at 9.00 A.M.
Financial Year	From 1st April to 31st March of the following year
Date of Book Closure	Saturday, September 28, 2019 to Monday, September 30, 2019 (both days inclusive)
Dividend payment date	No Dividend declared
Listed on Stock Exchange	National Stock Exchange of India, EMERGE platform
Trading Symbol	INNOVATIVE
ISIN	INE070Y01015

### Market Price Data and Performance in comparison to other indices

The Company is listed on EMERGE platform of National Stock Exchange of India. Monthly market price high, low for the year 2018-19 and volume of shares at NSE is given hereunder:

Months	High (Rs.)	Low (Rs.)	NSE-Shares (Volume)
Apr-18	54.00	38.80	1,431,000
May-18	45.00	38.00	333,000
Jun-18	40.00	35.20	243,000
Jul-18	39.00	34.50	180,000
Aug-18	37.70	34.25	249,000
Sep-18	37.00	29.30	186,000
Oct-18	32.40	23.60	243,000
Nov-18	30.80	24.50	279,000
Dec-18	27.80	23.50	177,000
Jan-19	25.25	21.30	147,000
Feb-19	23.60	20.55	114,000
Mar-19	26.00	20.60	306,000

### Details of Registrar and Share Transfer Agent

M/s Link Intime India Private Limited  
C-101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg,  
Vikhroli (West) Mumbai, Maharashtra – 400083.  
Contact No: 022 4918 6000  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

### Share Transfer System

All the transfer requests received are processed by the Registrars and Transfer Agents.

### Distribution of Shareholding as on 31<sup>st</sup> March, 2019

Sr. No.	Shareholding of Nominal Value (INR)			Number of Shareholders	% Of Total	Share Amount (INR)	% of Total Share Amount
1	1	to	5000	3	0.28	3,630	0.00
2	5001	to	10000	4	0.38	30,000	0.02
3	10001	to	20000	4	0.38	67,950	0.04
4	20001	to	30000	728	68.29	2,18,39,170	12.14
5	30001	to	40000	1	0.09	40,000	0.02
6	40001	to	50000	1	0.09	50,000	0.03
7	50001	to	100000	235	22.05	1,78,24,790	9.90
8	100001	to	*****	90	8.44	14,00,60,070	77.85
<b>Total</b>				<b>1066</b>	<b>100.00</b>	<b>17,99,15,610</b>	<b>100.00</b>

### Dematerialization of Shares and Liquidity:

As on 31<sup>st</sup> March, 2019 out of total 1,79,91,561 share, 1,58,53,793 shares (88.12% of the issued capital of the company) are in dematerialized mode. All promoters' shares are in dematerialized mode. Company is listed on NSE Emerge platform and all the shares are traded on NSE Emerge platform.

### Outstanding GDRs/ADRs/Warrants or any Convertible Instruments: NIL

### Plant Locations:

Tyre Plant: Plot No. 1201, 1202, 1203 GIDC Halol, Panchmahals – 389350, Gujarat.

Tube Plant: Plot No. 1704, GIDC Halol, Panchmahals – 389350, Gujarat.

**Address for Correspondence:****Innovative Tyres & Tubes Limited**

Reg. Off.: Plot No. 1201, 1202, 1203 GIDC Halol, Panchmahals – 389350, Gujarat.

E-mail: [investors@innovativetyres.co.in](mailto:investors@innovativetyres.co.in)

Contact No.: 02676 - 220621

CIN: L25112GJ1995PLC086579

**OTHER DISCLOSURES:****Related Party Transactions:**

During the financial year under review, your Company has transactions / contracts / agreements that are classified as “Related Party Transactions” under provisions of the Companies Act, 2013 and the Rules framed thereunder. These contracts/arrangements/ agreements have been in the ordinary course of business, to facilitate the business of the Company and have been approved by the Audit Committee from time to time. Necessary disclosures as required by Accounting Standards (AS-18) have been made in the Notes to the financial statements. As required under Regulation 46(2) of SEBI (LODR), Regulations, 2015, the Company has also formulated a Related Party Transactions Policy which is available on the website of the Company [http://www.innovativetyres.com/investor\\_relations/policies\\_programme](http://www.innovativetyres.com/investor_relations/policies_programme)

There are no materially significant transactions with the related parties viz. promoters, directors or the management or their relatives or subsidiaries/associate concerns etc. that had potential conflict with the company's interest.

**Legal Compliances:**

There were no instances of material non-compliances during the year under review. No strictures or penalties were imposed on the Company by SEBI, Stock Exchanges or any statutory authority on any matter related to capital markets during the last three years.

**Vigil Mechanism:**

The Company has a formal Whistle Blower Policy/ Vigil Mechanism Policy. The Directors of the Company affirms that no personnel have been denied access to the Audit Committee.

**Mandatory & Non-Mandatory Requirements:**

The Company has complied with all the mandatory requirements of Corporate Governance and endeavors to adopt good corporate governance practices which help in adoption of non-mandatory requirements.

**COMPLIANCE CERTIFICATE**

*{Under Regulation 34(3) and Schedule V (E) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015}*

To,

**The Members**

**Innovative Tyres & Tubes Limited**

**(CIN: L25112GJ1995PLC086579)**

I have examined the compliance of conditions of corporate governance by M/s. Innovative Tyres & Tubes Limited, for the year ended March 31, 2019, as stipulated in Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, by the company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In my opinion and to the best of our information and according to the explanations given to me and the representations made by the Directors and Management, I certify that the company has complied with conditions of corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Swati Bhatt & Co.,**

**Swati Yash Bhatt**

Proprietor

Membership No. 7323

COP No. 8004

**Date:** 20 August, 2019

**Place:** Vadodara

**ANNUAL DECLARATION BY CEO / MANAGING DIRECTOR PURSUANT TO PART D OF SCHEDULE V (REGULATION 34) OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENT) REGULATIONS, 2015**

I, Mukesh Gunvantrai Desai, Chairman and Managing Director of M/s Innovative Tyres & Tubes Limited hereby declare that all the members of the Board of Directors of the Company and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Part D Schedule V (Regulation 34) of the Listing Regulation entered into with the Stock Exchanges for the financial year ended March 31, 2019.

**For Innovative Tyres & Tubes Limited**

Place: Halol  
Date: 20<sup>th</sup> August 2019

**Sd/-**  
**Mukesh Desai**  
**Chairman & Managing Director**  
DIN: 00089598

## **ANNEXURE – 4**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Management Discussion and Analysis Report (MDAR) is structured as follows:

- Industry structure and developments
- Opportunities
- Segment-wise or product-wise performance
- Outlook
- Threats, Risk and Concerns
- Internal Control System
- Financial and operational performance
- Material Development in Human Resources

Some Statements in this discussion may be forward looking. The Company's actual results, performance or achievements can thus differ materially from those projected in any such forward-looking statements in the management discussion and analysis on account of various factors such as changes in Government regulations, tax regimes, impact of competition, etc.

#### **INDUSTRY STRUCTURE AND DEVELOPMENTS**

Indian Tyre Industry is at transforming phase and is largely driven by demand and supply conditions. It had faced challenges during the year. In comparison to developed countries, Natural Rubber dominates the raw material mix of the Indian tyre industry, and in this context, the gap between domestic rubber production and demand will continue to remain an area of concern. The geo-political situation in the Middle East and US sanctions on Iran are some of the factors that might operate as headwinds in keeping the fuel prices volatile. The supply of natural rubber was severely impacted by the floods in Kerala and rupee depreciation. Crude prices kept fluctuating and later stabilised at over 10% higher than what it was at the beginning of the year.

Keeping in view of the sluggishness of demand it became difficult to pass on the impact of increased costs to the customers. It is hoped that the demand and consumer sentiment will revive in coming months ahead.

#### **OPPORTUNITIES**

The rapidly globalizing world has opened up newer avenues for the transportation industry, however the overall growth outlook of auto industry is estimated as moderate during FY2020. Since couple of years the tyre industry stands out for the substantial investments made to support the growth of auto sector. Your company has also commissioned its expansion in Year 2019.

The government's "Make in India" initiative improving its position as a manufacturing hub. The stabilised GST laws and ease and simplification in various procedures and compliances making positive signs in the manufacturing segment

#### **THREATS, RISKS AND CONCERNS**

Risk and opportunities are an inherent feature of any business. The Company's Directors and management bear this in mind while taking all decisions. The Company has developed a set of processes and systems to assess and minimizes risks without losing opportunities while ensuring enhancement in shareholders' value. Some of the risks related to tyre industries are follows:

Though Chinese imports have reduced in the market due to the imposition of anti-dumping duty. However, low-cost imports from few other countries have started taking their place, resulting in an almost similar situation as it was earlier.

Import of natural rubber continuously increased resulting decrease in share of domestic rubber that increased risk of higher reliance on imports which is linked to volatile currency fluctuations.

Besides Crude oil prices are also strengthening, impacting the prices of almost all major raw materials required for Tyre manufacturing.

#### **SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

Automobile Industry is classified into Auto Components Manufacturing Industry, which in turn encompasses various segments; one of them being Tyres and Tubes Manufacturing Segment. Currently, our Company caters to all three segments of market viz. exports, domestic/after sales market and OEM like CEAT Limited. During the financial year 2018-19, your Company achieved a turnover of 17,178.75 Lakhs as against Rs. 13,950.35 Lakhs for the previous year ended 31<sup>st</sup> March 2018



## OVERVIEW & OUTLOOK

The year 2019 witnessed upswings and downswings in auto segment. It is expected that the coming period would register a nominal growth due to the ongoing slowdown in domestic automotive industry, rising raw material (RM) prices and higher spend towards debt-funded capacity expansion. However, the long-term outlook on industry profile is stable

## INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company has adequate internal control systems in place, and also has reasonable assurance on authorizing, recording and reporting transactions of its operations. The Company through its own Internal Audit department carries out periodical Audits at all locations and functions based on the Plan as approved by the Audit Committee.

The Company's internal control environment provides assurance on efficient conduct of operations, security of assets, prevention and detection of frauds/ errors, accuracy and completeness of accounting records and the timely preparation of reliable financial information. The Company has also appointed internal auditor pursuant to applicable provisions of the Companies Act, 2013 in order to submit internal audit report from time to time.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

The financial statements have been prepared in accordance with the requirement of the Companies Act 2013, and applicable accounting standards issued by the Institute of Chartered Accountants of India.

(Rs. In Lakhs)

Particulars	2018-19	2017-18
Revenue from operations	17,178.75	13,950.35
Other income	208.46	58.79
Total Income	17,387.21	14,009.14
Total expenses	17,295.96	13,385.22
Profit before tax	91.25	623.92
Current tax	-	206.00
Mat Credit previous years	92.50	-
Deferred Tax	83.78	(26.44)
Excess provision of Income Tax	0.85	4.52
Profit after tax	99.12	439.84

## MATERIAL DEVELOPMENT IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NO OF PEOPLE EMPLOYED

Your Company firmly believes that its human resources are the key enablers for the growth of the Company and important asset. Hence, the success of the Company is closely aligned to the goals of the human resources of the Company. People – employees, customers, partners, investors etc – form the bedrock for the success of any company. We recognize the importance of having a business –focused and performance-driven team that drives us to achieve growth ambitions.

The Company maintained cordial and harmonious industrial relations in all its manufacturing units. Several HR and industrial relations initiatives implemented by the Company have significantly helped in improving the work culture, enhancing productivity and enriching the quality of life of the workforce and maintaining your Company's supremacy in the market.

The Company also recognizes the importance of providing training and development opportunities to its people to enhance their skills and experiences, which in turn enables the Company to achieve its business objectives.

**ANNEXURE – 5****REPORT ON CORPORATE SOCIAL RESPONSIBILITY****1. Brief outline of the Company's CSR Policy**

We believe that Health, Education, Environment and Disaster Relief are some of our Key priorities in the area of Corporate Social Responsibility (CSR). We strive to make good health accessible to the local communities and society at large. We help people achieve their rights to good health. To know more about CSR policy of the Company kindly visit our website [www.innovativetyres.com](http://www.innovativetyres.com)

**2. The Composition of CSR Committee**

Dr. Mrs. Kalpana Joshipura – Chairperson

Mr. Mukesh Desai – Member

Mr. Pradeep Kothari – Member

**3. Average net profit of the Company in last three financial years****Profit before tax for last three years**

2015-16\_ Rs. 336.67 lakhs

2016-17\_ Rs. 618.13 lakhs

2017-18\_ Rs. 623.92 lakhs

**4. Prescribed CSR Expenditure:**

2% of average profit during last three years – Rs. 10.53 lakhs

+ Carry forward of last year unspent amount – Rs. NIL

Total Prescribed CSR Expenditure – Rs. 10.53 lakhs

**5. Details of CSR spent during the financial year**

a) Total amount spent for the financial year: Rs. 11.00 lakhs

b) Amount unspent, if any: Rs. NIL

c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs wise [in Rs. lakhs]	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Over heads [in Rs. lakhs]	Cumulative expenditure up to the reporting period\ [in Rs. lakhs]	Amount spent Direct or through implementing agency
1.	Contribution towards promoting nursery education	Education	Halol, Panchmahals	11.00	11.00	11.00	Kalarav Nursury Trust

**6. Company fails to spend two percent of the net profit then reason of the same shall be provided in the Board Report of the Company:**

Not applicable.

**7. We hereby confirm that the implementation and monitoring of CSR Policy is in compliance with Company's CSR objectives and CSR Policy of the Company.**

Sd/-

**Dr. Mrs. Kalpana Joshipura**  
Chairperson to the Committee

Sd/-

**Mukesh Desai**  
Member to the Committee

## Annexure - 6

THE DISCLOSURES PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT' 2013 READ WITH RULE 5 (1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016 ARE AS UNDER:

**The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;**

Sr. No.	Name of Directors/KMP	Remuneration of Director/KMP for FY 2018-19 (Rs. In Lakhs)	% increase in Remuneration in the F.Y. 2018-19	Ratio of Remuneration of each Director/to median remuneration of employees
1.	Mr. Mukesh Desai Chairman & Managing Director	27.00	0.00%	22.21:1
2.	Mr. Pradeep Kothari Whole time Director	10.50	0.00%	8.64:1
3.	Mr. Nitin Mankad Whole time Director	10.50	0.00%	8.64:1
4.	Mr. Keyoor Bakshi Independent Director	NA	NA	NA
5.	Mr. Kalyanaraman Ganesan Independent Director	NA	NA	NA
6.	Dr. Mrs. Kalpana Joshipura Independent Director	NA	NA	NA
7.	Mr. Arvind Tambi Chief Financial Officer & Company Secretary	12.00	0.00%	9.87:1
8.	Ms. Sejal Desai Company Secretary & Compliance Officer*	0.98	0.00%	NA

\*Ms. Sejal Desai worked upto 4th August, 2018.

The median remuneration of employees of the Company during the current financial year was Rs. 1,21,560/-

The percentage increase in the median remuneration of employees in the current financial year is 4.54%

There were 387 permanent employees on the rolls of the Company as on March 31, 2019;

Average percentage increase made in the salaries of employees other than the managerial personnel in comparison of the last financial year is 8.21%.

The remuneration of KMP is as per the recommendations of the Nomination & Remuneration Committee.

It is hereby affirmed that the remuneration paid is as per the remuneration policy for Directors, Key Managerial Personnel and other Employees.

*None of the employees of the company who has drawn salary more than the amount prescribed under the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014 along with the circular issued by the Ministry of Corporate Affairs on June 30, 2016. Therefore, the Company is not required to provide statement under section 197[12] of the Act read with Rule 5[2] of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014 and hence the said statement is not available for inspection at the Registered Office of the Company.*

**CEO AND CFO CERTIFICATION**

We, Mr. Mukesh Desai, Chairman & Managing Director and Mr. Arvind Tambi, Chief Financial Officer & Company Secretary, certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31<sup>st</sup> March, 2019 and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2019 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Sd/-  
**Mukesh Desai**  
Chairman & Managing Director

Sd/-  
**Arvind Tambi**  
Chief Financial Officer

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

To the Members of  
**Innovative Tyres & Tubes Limited**

### Opinion

We have audited the financial statements of Innovative Tyres and Tubes Limited, which comprise the Balance Sheet as at 31st March, 2019, 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 Companies Act, 2013 (The Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and 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 there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There is no key audit matter to communicate in our report.

### Information Other than the Financial Statements and Auditor's 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information are expected to be made available to us after this Auditor's Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

### Management's Responsibility 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 and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards (AS) specified under section 133 of the Act read with relevant rules issued there-under.

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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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.

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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- 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.

- 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.
- 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.
- In our opinion, the aforesaid financial statements comply with the Accounting Standards (AS) specified under Section 133 of the Act, read with relevant rules issued there-under.
- On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- The company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019 based on the internal control over financial reporting criteria established by the company.
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 3 to Financial Statements
- The Company did not have any long- term contracts including derivative contracts for which there were any material foreseeable losses.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Maloo Bhatt & Co.**  
**Chartered Accountants**  
**F.R.No. 129572W**

**CA. Yash Bhatt**  
**Partner**  
**M No. 117745**

**Place: Vadodara**  
**Date: 16th May, 2019**



## “ANNEXURE A” TO THE INDEPENDENT AUDITORS’ REPORT

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2019:

- 1) In respect of its Fixed Assets:
  - a) The Company has maintained fixed asset register containing proper records showing full particulars, including quantitative details and situation of fixed assets;
  - b) We have been informed that the Fixed Assets have been physically verified by the management every two to three years which is a reasonable time considering the quantum of fixed assets & nature of industry, no material discrepancies between the book records and the physical fixed assets have been noticed.
  - c) The title deeds of immovable properties are held in the name of the company.
- 2) As explained to us, all the inventory of the Company has been physically verified by the management at reasonable intervals. During the period covered under audit, No material discrepancies has been noticed and reported between the book stock and physical stock.
- 3) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- 4) In our opinion and according to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, making investments and providing guarantees and securities, as applicable.
- 5) According to information and explanations given to us, the Company has not accepted any deposits during the year, therefore the provisions of the clause 3 (v) of the Order are not applicable to the company.
- 6) To the best of our knowledge and explanations provided by the management, the maintenance of cost records has been prescribed by the Central Government under section 148 (1) (d) of the Companies Act 2013 and cost records are maintained accordingly.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.
- (c) There is no disputed amount due of income tax, sales tax, service tax, duty of custom, duty of excise or GST.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. The Company has not obtained any borrowings by way of debentures.
- 9) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has utilized the amount of Term Loans for the purpose for which loan was taken.
- 10) According to the information and explanations given to us, we have not noticed or reported any fraud by the Company or any fraud on the Company by its officers or employees during the year.
- 11) The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 12) Clause 3 (xii) of the Order is not applicable to the Company as the Company is not a Nidhi Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15) 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 the provisions of section 192 of Companies Act, 2013 have been complied with.
- 16) Clause 3(xvi) of the Order is not applicable to the Company as the Company is not a required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Maloo Bhatt & Co.**  
**Chartered Accountants**  
**F.R.No. 129572W**

**CA. Yash Bhatt**  
**Partner**  
**M No. 117745**

**Place: Vadodara**  
**Date: 16th May, 2019**



**Balance Sheet as on 31<sup>st</sup> March, 2019**

(Rs. in Lakhs)

Particulars	Note No	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	A	1,799.16	1,799.16
(b) Reserves and Surplus	B	6,833.17	6,734.05
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	C	564.01	326.02
(b) Deferred tax liabilities (Net)	D	814.93	731.15
(c) Other Long term liabilities	E	2,616.29	1,787.70
(d) Long term provisions	F	104.57	96.61
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	G	1,493.09	825.41
(b) Trade payables	H		
(i) Due to Micro & Small enterprises		125.86	11.24
(ii) Others		1,279.24	1,122.21
(c) Other current liabilities	I	2,080.70	2,051.99
(d) Short-term provisions	J	99.26	161.84
<b>Total</b>		<b>17,810.28</b>	<b>15,647.38</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant & Equipments			
(i) Tangible assets	K	10,816.21	8,834.64
(ii) Capital work-in-progress		113.93	1,005.80
(iii) Intangible assets		0.21	0.36
(b) Non-current investments	L	1.08	0.33
(c) Long term loans and advances	M	20.11	20.57
<b>(2) Current assets</b>			
(a) Inventories	N	4,236.18	3,144.66
(b) Trade receivables	O	1,269.13	1,119.87
(c) Cash and Bank Balance	P	352.71	791.58
(d) Short-term loans and advances	Q	802.96	729.57
(e) Other Current Assets	R	197.76	-
<b>Total</b>		<b>17,810.28</b>	<b>15,647.38</b>
<b>Notes forming Part of the Financial Statements</b>	<b>Z</b>		

**As per our Report of even date**  
**For Maloo Bhatt & Co.**

Chartered Accountants  
 F R No. 129572W

**CA. Yash Bhatt**

Partner  
 M. No. 117745  
 Halol, 16<sup>th</sup> May, 2019

**For and on behalf of Board of Directors**

**Chairman & MD**  
**(Mukesh G Desai)**  
 (DIN: 00089598)

**Whole-time Director**  
**(Pradeep R Kothari)**  
 (DIN: 00572331)

**CFO & CS**  
**(Arvind Tambi)**

## Profit & Loss Statement for the year ended 31<sup>st</sup> March, 2019

(Rs. in Lakhs)

Particulars	Note No	Year ended 31 <sup>st</sup> March, 2019	Year ended 31 <sup>st</sup> March, 2018
<b>I. Revenue from operations</b>	R	17,178.75	13,950.35
<b>II. Other Income</b>	S	208.46	58.79
<b>III. Total Revenue (I +II)</b>		<b>17,387.21</b>	<b>14,009.14</b>
<b>IV. Expenses:</b>			
Cost of materials, consumed	T	13,989.07	9,226.62
Changes in inventories of Finished Goods and Work in progress	U	(1,079.20)	209.58
Employee benefits expense	V	779.35	724.35
Financial costs	W	207.40	278.90
Depreciation and amortisation expense		645.55	532.13
Other expenses	X	2,753.79	2,413.64
<b>V. Total Expenses</b>		<b>17,295.96</b>	<b>13,385.22</b>
<b>VI. Profit before tax</b>		<b>91.25</b>	<b>623.92</b>
<b>VII. Tax expense:</b>			
Current Tax		21.42	206.00
Less: MAT Credit Entitlement		(21.42)	-
		-	206.00
Current Tax (Net of MAT credit)		-	-
MAT Credit (Prior Years)		(92.50)	-
Deferred Tax		83.78	(26.44)
Excess Provision of Income Tax		0.86	4.52
<b>VIII. Profit/(Loss) for the period</b>		<b>99.12</b>	<b>439.84</b>
<b>IX. Earning per equity share: (FV Rs. 10/- each) (Refer item No. 8 of Note Y)</b>			
- Basic		0.55	3.04
- Diluted		0.55	2.94
<b>Notes forming Part of the Accounts</b>	<b>Z</b>		

**As per our Report of even date**

**For Maloo Bhatt & Co.**

Chartered Accountants

F R No. 129572W

**CA. Yash Bhatt**

Partner

M. No. 117745

Halol, 16<sup>th</sup> May, 2019

**For and on behalf of Board of Directors**

**Chairman & MD**

**(Mukesh G Desai)**

(DIN: 00089598)

**Whole-time Director**

**(Pradeep R Kothari)**

(DIN: 00572331)

**CFO & CS**

**(Arvind Tambi)**

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2019

(Rs. in Lakhs)

Sr. No.	Particulars	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018
1)	<b>Cash Flow from Operating Activities</b>		
	Profit before taxation	91.25	623.92
	<b>Adjustment for:</b>		
	(Profit)/Loss on sale of Fixed Assets	(88.57)	5.82
	Depreciation	645.55	532.13
	Provision for gratuity	(3.21)	55.98
	Provision for leave	(10.84)	10.03
	Interest Received	(25.06)	(51.24)
	Doubtful Debts	6.50	0.00
	Sundry balance write off/write back	0.75	(4.59)
	Interest and finance charges	207.40	278.90
	<b>Operating profit before working capital changes</b>	<b>823.77</b>	<b>1,450.95</b>
	<b>(Increase)/Decrease in</b>		
	Inventories	(1091.52)	(80.50)
	Trade Receivables	(155.76)	314.82
	Short Term Loans and Advances	(73.39)	136.74
	Other current assets	(149.36)	0.00
	Long Term loans and Advances	0.46	61.06
	<b>Increase/ (Decrease) in</b>		
	Trade payables	270.91	(342.53)
	Other current liabilities	(55.17)	144.69
	Short-term provisions	(40.57)	(185.43)
	Other Long Term Liabilities	828.59	(392.68)
	<b>Cash generated from operations</b>	<b>357.96</b>	<b>1,107.13</b>
	Income taxes and other taxes (net of refunds)	91.64	(210.52)
	<b>Net cash from Operating Activities – A</b>	<b>449.60</b>	<b>896.61</b>
2)	<b>Cash flow from Investment Activities</b>		
	Purchase of fixed assets	(1,858.18)	(2,336.20)
	Interest received	25.06	51.24
	Investment in Shares	(0.75)	
	Sale of Fixed Assets	163.25	4.61
	<b>Net cash from Investment Activity – B</b>	<b>(1,670.63)</b>	<b>(2,280.35)</b>
3)	<b>Cash Flow from Financing Activities:</b>		
	Net Proceeding from All borrowings	989.56	(776.60)
	Proceeds from Share issue & premium from promoters	-	3,035.71
	Share issue Expenses	-	(232.08)
	Interest and finance charges paid	(207.40)	(278.90)
	<b>Net cash from Financing Activities - C</b>	<b>782.16</b>	<b>1,748.13</b>
	<b>Net Increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(438.87)</b>	<b>364.39</b>
	Cash and cash equivalents as on 1st April, 2018	791.58	427.19
	Cash and cash equivalents as on 31st March, 2019	352.71	791.58

As per our Report of even date

For Maloo Bhatt & Co.

Chartered Accountants

F R No. 129572W

CA. Yash Bhatt

Partner

M. No. 117745

Halol, 16<sup>th</sup> May, 2019

For and on behalf of Board of Directors

Chairman & MD  
(Mukesh G Desai)  
(DIN: 00089598)

Whole-time Director  
(Pradeep R Kothari)  
(DIN: 00572331)

CFO & CS  
(Arvind Tambi)

## NOTES TO BALANCE SHEET

### A. SHARE CAPITAL :

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>(a) Shares authorized :</b>		
19,000,000 Equity shares of ₹10/- each (Previous year 19,000,000 equity shares of ₹ 10/- each)	1,900.00	1,900.00
<b>Total</b>	<b>1,900.00</b>	<b>1,900.00</b>
<b>(b) Shares issued, subscribed and fully paid :</b>		
17,991,561 Equity Shares of ₹10/- each (Previous year 17,991,561 equity shares of ₹ 10/- each)	1,799.16	1,799.16
<b>Total</b>	<b>1,799.16</b>	<b>1,799.16</b>

### (c) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:

	No. of shares As at 31.03.2019	Amount in Rs. As at 31.03.2019	No. of shares As at 31.03.2018	Amount in Rs. As at 31.03.2018
<b>Authorized Equity Share Capital</b>				
At the beginning of the year	19,000,000	190,000,000	10,500,000	105,000,000
Increase due to reclassification of preference share capital into Equity Share Capital			8,500,000	85,000,000
<b>Closing Balance at the end of the year</b>	<b>19,000,000</b>	<b>190,000,000</b>	<b>19,000,000</b>	<b>190,000,000</b>
<b>Issued, Subscribed and Paid Up Equity Shares</b>				
At the beginning of the year	17,991,561	179,915,610	9,593,137	95,931,370
Increase due to conversion of preference shares into Equity Shares			2,101,424	21,014,240
Increase due to fresh issue by way of Initial Public Offer			6,297,000	62,970,000
<b>Closing Balance at the end of the year</b>	<b>17,991,561</b>	<b>179,915,610</b>	<b>17,991,561</b>	<b>179,915,610</b>
<b>Authorized Preference Share Capital</b>				
At the beginning of the year			8,500,000	85,000,000
Increase due to fresh issue			-	-
Decrease due to reclassification of preference share capital into Equity Share Capital			(8,500,000)	(85,000,000)
<b>Closing Balance at the end of the year</b>			<b>-</b>	<b>-</b>
<b>Issued, Subscribed and Paid Up Preference Shares</b>				
At the beginning of the year			7,355,000	73,550,000
Increase due to fresh issue			-	-
Decrease due to conversion of preference share capital into Equity Share Capital			(7,355,000)	(73,550,000)
<b>Closing Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### (d) The rights, preferences and restrictions attached to capital :

The company is having only one class of shares i.e Equity carrying a nominal value of ₹10/- per share. Every holder of the equity share of the Company is entitled to one vote per share held. All other rights, preferences and restrictions attached to equity shares are as per provisions of Companies Act, 2013.

## (e) Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held :

## (i) Equity Shares

		As at 31st March 2019		As at 31st March 2018	
		Numbers	% held	Numbers	% held
1	Pradeep R Kothari	3,495,676	19.43	3,495,676	19.43
2	Kirit T Vassa	2,346,198	13.04	2,259,608	12.56
3	Maxim Gold Development Limited	1,637,731	9.10	1,637,731	9.10
4	Goldmine Stocks P Ltd	1,456,647	8.10	1,099,647	6.11

## B. RESERVES AND SURPLUS:

Particulars	As at 31.03.2019	As at 31.03.2018
<b>(a) Securities Premium A/c</b>		
Balance as per the last financial statements	3,625.74	926.45
Add: Receipts through Initial Public Offer		2,203.95
Add: Receipts from Promoters prior to IPO		202.06
Add: Premium on Conversion of preference shares into Equity Shares		525.25
Less: Initial Public Offer Expenses		(232.08)
	<b>3,625.74</b>	<b>3,625.74</b>
<b>(b) Revaluation Reserve</b>		
Balance as per the last financial statements	728.49	728.49
<b>(c) Surplus / (Deficit) in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	2,379.82	1939.99
Add : Amount transferred from Statement of Profit & Loss	99.12	439.84
<b>Total</b>	<b>2,478.94</b>	<b>2,379.82</b>
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>2,478.94</b>	<b>2,379.82</b>
<b>Total Reserves and Surplus</b>	<b>6,833.17</b>	<b>6,734.05</b>

## C. LONG-TERM BORROWINGS :

(₹ In Lacs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Term Loan From Banks</b>		
<b>Term Loan from State Bank of India (Loan-1)</b>	325.75	414.80
(Interest Payable @ 10.76% p.a. (previous year 12.10% p. a.) Repayable in 54 monthly installments. First 46 Installments of Rs.8.34 lacs start from June.2017 to March 2021, next 7 installments of Rs.14.55 lacs from April 2021 to Oct 2021 and last installment of Rs.14.51lacs will be payable in Nov.2021)		
<b>Term Loan from State Bank of India (Loan-2)</b>	401.35	-
((Interest Payable average @ 9.75% p.a. (previous year- N.A.) Repayable in 57 monthly installments. First 56 Installments of Rs.7.00 lacs start from Apr 2019 to Nov. 2023 and last installment of Rs.8.00 lacs will be payable in Dec., 2023)		
<b>Secured by:</b>		
(Hypothecation of entire Plant & Machinery of the Company.)		
(Mortgage of Land, Building admeasuring 27833 Sq mtr situated at plot no 1201,1202,1203 RS no 1559/P, 1660/P & 2422/P, New Survey No. 69,68 and b70, GIDC Halol, Panchmahal) .		
(Mortgage over residential flat no.6 admeasuring 948 sq ft, Block A Type B , RS No 614,P,Siddharthnagar Apartment Co-operative Housing Society Gorwa, Dist- Vadodara and land & Building situated at plot no 1704 admeasuring 11200Sq mtr RS No 1583/P(New Survey No.126), GIDC Halol, Dist-Panchmahal.)		
(Pledge of Shares 20,34,580 shares of Company and personal guarantees of all executive directors of company.)		
Less: Current Maturities (Note- I)	(184.08)	(100.08)
<b>Total</b>	<b>543.02</b>	<b>314.72</b>

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Long Term maturities of Finance lease Obligations</b>		
Vehicle Lease Finances (Refer Note below)	27.15	17.58
Less: Current Maturities (Note- I)	(6.16)	(6.28)
<b>Secured by:</b> (hypothecation charge on respective Vehicles)		
<b>Total</b>	<b>20.99</b>	<b>11.29</b>
<b>Total Term Loans</b>	<b>564.01</b>	<b>326.02</b>

**Note- Terms of the repayment of Finance lease obligations:**

Maturity Date	Name of the Lender and Rate of Interest	No. of Outstanding Instalments (in Months)	Outstanding Amount (Rs in Lakhs)	Current Maturities
10-08-2019	Kotak Mahindra Bank Limited- 11.00%	5	0.55	0.55
01-09-2022	State Bank of India- 9.35%	41	4.72	1.24
01-03-2023	State Bank of India- 9.80%	48	5.42	1.17
20-07-2023	Kotak Mahindra Bank Limited- 9.75%	52	16.46	3.20
			<b>27.15</b>	<b>6.16</b>

**D. DEFERRED TAX LAIBILITIES (NET):**

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Opening Deferred Tax Liability (Net)</b>	731.15	757.59
Add: Deferred tax Liability (Net)	83.78	(26.44)
<b>Deferred Tax Liabilities (Net)</b>	<b>814.93</b>	<b>731.15</b>

**E. OTHER LONG TERM LIABILITIES :**

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Trade Deposits	238.06	92.40
Trade Payables materials and Expenses	2,370.96	1,621.91
Trade Payables Capital Goods	7.27	73.39
<b>Total</b>	<b>2,616.29</b>	<b>1,787.70</b>

**F. LONG TERM PROVISIONS:**

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Provision for employee benefits</b>		
Provision for Leave benefits	20.20	24.96
Provision for Gratuity benefits	84.37	71.66
<b>Total</b>	<b>104.57</b>	<b>96.61</b>

## G. SHORT-TERM BORROWINGS:

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>From Banks</b>		
Working Capital facilities	1,137.28	481.41
Standby Letter of Credit	355.81	-
(i) Hypothecation charge over Raw material, stock in process, finished goods, book debts/ receivables and other current assets.		
(ii) Mortgage charges over residential flat no.6 admeasuring 948 sq ft, Block A Type B, RS No 614,P,Siddharthnagar Apartment Co-operative Housing Society Gorwa, Dist- Vadodara and land & Building situated at plot no 1704 admeasuring 11200Sq mtr RS No 1583/P, GIDC Halol, Dist-Panchmahal. Pledge of Shares 20,34,580 shares of Company and personally guarantee by all Executive Directors of the Company.		
(iii) Mortgage charge over Factory Land and Building admeasuring 27833 Sq mtr situated at plot no 1201, 1202, 1203 RS no 1559/P, 1660/P & 2422/P, New Survey No. 69, 68 and b70, GIDC Halol, Panchmahal.		
(iv) Cash Credit is repayable on demand.		
<b>Bank Overdraft:</b>		
(Secured by Hypothecation of Fixed Deposits of Rs 400 lakhs)	-	344.00
<b>Total</b>	<b>1,493.09</b>	<b>825.41</b>

## H. TRADE PAYABLE:

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>For supplies/services</b>		
a) Due to Micro & Small enterprises	125.86	11.24
b) Others	1,279.24	1,122.21
<b>Total</b>	<b>1,405.10</b>	<b>1,133.45</b>

## I. OTHER CURRENT LAIBILITIES:

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>(a) Current Maturities of Long term borrowings</b>		
i) Term Loan from banks	184.08	100.08
ii) Finance lease obligations(Vehicle Finance)	6.16	6.28
<b>(b) Statutory Dues (Liabilities)</b>		
- PF, ESI, Prof. Tax & Others	8.54	8.88
- VAT, CST, GST & CENVAT etc	38.18	66.13
- TDS	1.84	6.33
<b>(c) Staff payables</b>	57.59	54.42
<b>(d) Advance from Customers</b>	309.73	346.43
<b>(e) Acceptances</b>	1,238.75	1,292.02
<b>(f) Creditors for Capital Goods</b>	80.08	63.86
<b>(g) Creditors for Expenses</b>	155.75	105.40
<b>(h) Other Current Liabilities</b>	-	2.16
<b>Total</b>	<b>2,080.70</b>	<b>2,051.99</b>



**J. SHORT-TERM PROVISIONS:**

(Rs. in Lakhs)

Particulars	As at 31.03.2019		As at 31.03.2018	
<b>(a) Provision for employee benefits</b>				
Provision for Leave benefits		3.11		9.19
Provision for Gratuity benefits		38.99		54.92
Provision for Bonus		22.00		21.89
<b>(b) Others</b>				
Provision for Expenses		35.16		5.16
Provision for Income Tax	-		206.00	
Less: Income Tax Paid & MAT Credit	-	-	135.32	70.68
<b>Total (a) + (b)</b>		<b>99.26</b>		<b>161.84</b>

**K. PROPERTY PLANT AND EQUIPMENTS:**

(Rs. in Lakhs)

ASSETS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As on 01.04.2018	Additions	Deductions/ Adjustments	As on 31.03.2019	As on 01.04.2018	Additions	Deductions/ Adjustments	As on 31.03.2019	As on 31.03.2019	As on 31.03.2018
<b>(i) TANGIBLE</b>										
Free Hold Land	780.66	-	-	780.66	-	-	-	-	780.66	780.66
Plant & Equipment	10,248.03	2,533.29	531.34	12,249.98	2,673.06	591.49	400.88	2,863.67	9,386.31	7,574.98
Electrical Installation	207.84	28.94	-	236.78	94.47	19.74	-	114.21	122.57	113.37
Laboratory Equipments	15.45	24.27	-	39.71	4.94	2.35	-	7.29	32.42	10.50
Building	504.79	154.61	-	659.40	212.13	16.00	-	228.13	431.27	292.67
Furniture & Fixture	20.23	1.51	-	21.74	19.53	0.12	-	19.65	2.09	0.71
Office Equipments	41.77	0.92	-	42.70	35.46	2.47	-	37.94	4.76	6.31
Vehicles	86.71	15.38	6.20	95.89	38.45	10.52	3.31	45.66	50.24	48.26
Computer & Peripherals	24.08	1.41	-	25.50	16.90	2.71	-	19.61	5.89	7.18
<b>Total A</b>	<b>11,929.58</b>	<b>2,760.32</b>	<b>537.34</b>	<b>14,152.36</b>	<b>3,094.94</b>	<b>645.40</b>	<b>404.19</b>	<b>3,336.15</b>	<b>10,816.21</b>	<b>8,834.64</b>
<b>(ii) INTANGIBLE</b>										
Intangible Assets	126.19	-	-	126.19	126.19	-	-	126.19	-	-
Technical Knowhow	1.50	-	-	1.50	1.14	0.15	-	1.29	0.21	0.36
<b>Total B</b>	<b>127.69</b>	<b>-</b>	<b>-</b>	<b>127.69</b>	<b>127.32</b>	<b>0.15</b>	<b>-</b>	<b>127.47</b>	<b>0.21</b>	<b>0.36</b>
<b>(iii) CAPITAL WORK-IN-PROGRESS</b>										
Capital WIP	1,005.80	1,821.08	2,712.95	113.93	-	-	-	-	113.93	1,005.80
<b>Total C</b>	<b>1,005.80</b>	<b>1,821.08</b>	<b>2,712.95</b>	<b>113.93</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113.93</b>	<b>1,005.80</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>13,063.07</b>	<b>4,581.40</b>	<b>3,250.49</b>	<b>14,393.98</b>	<b>3,222.27</b>	<b>645.55</b>	<b>404.19</b>	<b>3,463.62</b>	<b>10,930.36</b>	<b>9,840.80</b>
Previous Year	10,745.08	5,171.19	2,853.21	13,063.07	2,697.92	532.13	7.78	3,222.27	9,840.80	8,047.16

## L. NON-CURRENT INVESTMENTS (AT COST):

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Trade Investments :</b>		
<b>Quoted Equity Instruments</b>		
<b>Others</b>		
1,100 (Previous year- 1,100) equity shares of ₹10/- each fully paid up in Indian Overseas Bank.	0.26	0.26
<b>Associate*</b>		
7500 (Previous year- NIL) equity shares of Rs.10/- each fully paid up in Halol Industries Environment & Infrastructure Ltd. Halol	0.75	-
<b>Unquoted Equity Instruments</b>		
<b>Others</b>		
140 (Previous year- 140) equity shares of ₹50/- each fully paid up in The Halol Mercantile Co Operative bank Ltd. Halol	0.07	0.07
<b>Total</b>	<b>1.08</b>	<b>0.33</b>
Aggregate book value of unquoted investments	0.82	0.07
Aggregate book value of quoted investments	0.26	0.26
Aggregate market value of quoted investments	0.16	0.19

\* Refer to Note No. 1 (c)

## M. LONG TERM LOANS AND ADVANCES :

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Capital Advances</b>	-	0.46
<b>Balance with Govt. Authorities</b>	<b>20.11</b>	<b>20.11</b>
<b>Total</b>	<b>20.11</b>	<b>20.57</b>

## N. INVENTORIES\*:

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
(a) Raw materials	453.44	482.91
(b) Work-in-progress	2,485.13	1,749.71
(c) Finished goods	999.30	655.52
(d) Stores, Spares & Consumables	298.31	256.53
<b>Total</b>	<b>4,236.18</b>	<b>3,144.66</b>

\* Refer item No. 1(D) of Note Y -Accounting Policies for basis of valuation.

## O. TRADE RECEIVABLES (UNSECURED):

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>(a) Over Six months from the due date</b>		
Considered good	172.82	130.57
Considered doubtful	6.50	-
Less : Provision for doubtful debts	6.50	-
	-	-
	172.82	130.57
<b>(b) Others Considered good</b>	<b>1,096.31</b>	<b>989.30</b>
<b>Total</b>	<b>1,269.13</b>	<b>1,119.87</b>

**P. CASH & BANK BALANCE:**

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>(a) Cash &amp; Cash equivalents :</b>		
(i) Balances with Bank in Current Accounts	42.95	69.57
(ii) Cash on hand	15.65	4.42
<b>(b) Other Bank Balance :</b>		
- in Deposit Accounts with Bank having Maturity Period upto 12 months (Held as Margin Money against LC, bank Guarantee and Security against borrowing)	294.11	717.58
<b>Total</b>	<b>352.71</b>	<b>791.58</b>

**Q. SHORT-TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD):**

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Others</b>		
(a) Advance given to Trade Creditors	81.22	31.49
(b) Advance given to Capital Creditors	351.94	222.87
(c) Tender and Other Deposits	75.77	77.36
(d) Balance with Government Authorities	229.95	324.54
(e) Advance Given to Employees	10.21	4.50
(f) Advance Recoverable in cash or in kind	18.43	18.12
(g) Accrued Income	33.88	50.69
(h) Current Tax assets (net of provisions)	1.56	-
<b>Total</b>	<b>802.96</b>	<b>729.57</b>

**R. OTHER CURRENT ASSETS:**

(Rs. in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Others</b>		
(a) Assets held for Sale	48.40	-
(b) Contractual Asset*	149.36	-
<b>Total</b>	<b>197.76</b>	<b>-</b>

\*(Contractual Asset comprises Material received for Job work retained by the company as settlement.)

**S. REVENUE FROM:**

(Rs. in Lakhs)

Particulars	Year ended 31.03.2019		Year ended 31.03.2018	
<b>a. Sale of products</b>				
- Domestic	8,919.01		6350.14	
- Exports	7,605.74		6510.78	
Less: Excise Duty	-		151.46	
		<b>16,524.75</b>		<b>12,709.47</b>
<b>b. Other Operating Revenues</b>				
- Disposal Sales	26.13		33.13	
- Export Incentives	226.38		202.92	
- Service Income	401.49		1,004.83	
(TDS for 2018-19 Rs. 8.30 Lakhs and for 2017-18 Rs. 19.25 lakhs)				
		<b>654.00</b>		<b>1,240.88</b>
<b>Revenue from Operations</b>		<b>17,178.75</b>		<b>13,950.35</b>

## T. OTHER INCOME:

(Rs. in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<b>Interest Income</b>		
From Banks (TDS for 2018-19 Rs.2.22 Lakhs and for 2017-18 Rs. 3.60 Lakhs)	20.48	36.00
From Others (TDS for 2018-19 Rs.0.46 Lakhs and for 2017-18 Rs. 0.53 lakhs)	4.58	15.24
Prior Period Income	-	2.96
Sundry Balance written back	-	4.69
Profit on Sales of Fixed Assets	88.57	-
Exchange Fluctuation Gain (Net)	94.83	-
<b>Total</b>	<b>208.46</b>	<b>58.79</b>

## U. COST OF RAW MATERIAL CONSUMED:

(Rs. in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<b>Inventory at the beginning of the year</b>	482.91	269.52
Add : Purchases	13,959.62	9,440.01
Less: Inventory at the end of the year	453.44	482.91
<b>Total</b>	<b>13,989.07</b>	<b>9,226.62</b>

## V. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS:

(Rs. in Lakhs)

Particulars	Year ended 31.03.2019		Year ended 31.03.2018	
<b>Inventory at the end of the year</b>				
Work in Process	2,485.13		1,749.71	
Finished Goods	999.30		655.52	
		<b>3,484.43</b>		<b>2,405.23</b>
<b>Inventory at the beginning of the year</b>				
Work in Process	1,749.71		1,641.68	
Finished Goods	655.52		973.12	
		<b>2,405.23</b>		<b>2,614.81</b>
<b>Total</b>		<b>(1,079.20)</b>		<b>209.58</b>

## W. EMPLOYEE BENEFIT EXPENSES:

(Rs. in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Salaries, Wages & Bonus (Refer note below)	678.31	555.59
Retirement benefits	1.61	78.23
Contribution to Provident and other funds	56.92	50.74
Staff welfare expense	42.51	39.79
<b>Total</b>	<b>779.35</b>	<b>724.35</b>

(Note: Salary, Wages &amp; Bonus includes Directors' Remuneration Rs. 48.00 Lakhs (PY Rs. 48.00 Lakhs))

## X. FINANCE COST: (Refer note below)

(Rs. in Lakhs)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Interest on Working Capital	48.00	125.22
Other Interest	65.43	39.73
Bank Charges	93.57	113.95
<b>Total</b>	<b>207.40</b>	<b>278.90</b>

(Note: During the year Finance Cost of Rs. 78.70 Lakhs (PY. Rs. 59.82 Lakhs) has been Capitalised as per AS-16 "Borrowing Cost".)

**Y. OTHER EXPENSES:**

(Rs. in Lakhs)

Particulars	Year ended 31.03.2019		Year ended 31.03.2018	
Stores, Spares & Consumables		245.66		304.30
Conversion charges		261.05		257.01
Labour Charges		196.23		242.68
Repairs and Maintenance				
Buildings	0.30		0.14	
Computers	1.79		0.72	
Vehicle Maintenance	22.98		11.32	
Others	0.24	25.31	0.57	12.74
Freight and Forwarding Charges		270.79		218.40
Power & Fuel		1,471.02		1,182.07
Water Charges		37.31		34.16
Other manufacturing expenses		22.88		17.72
Selling & Distribution Expenses		49.37		94.91
Rent		11.38		9.13
Rates and Taxes		0.74		1.89
Insurance		19.03		12.43
Statutory Compliance Expenses		56.93		49.42
Payment to Auditor				
Audit Fees	2.00		1.50	
Tax Audit Fees	0.50		0.50	
Certification Fees	0.35	2.85	0.35	2.35
Directors' Sitting fees		1.70		1.80
Exchange Fluctuation Loss		-		1.54
Sundry balance Written off		0.75		-
Loss on Sales of Fixed Assets		-		5.82
Donation		2.05		0.38
Expenses on CSR Activities		11.00		9.46
Excise Duty		-		(108.12)
Office & Other Expenses		67.74		63.55
<b>Total</b>		<b>2,753.79</b>		<b>2,413.64</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2019

NOTE: Z

### I. SIGNIFICANT ACCOUNTING POLICIES:

#### A. Basis of Accounting:

The financial statements are prepared as per historical cost convention and ongoing concern basis and comply with the applicable accounting standards specified under section 133 of the Companies Act, 2013 read with Rules 7 of the Companies (Accounts) Rules 2014.

#### B. Property, Plant and Equipment:

- i) Property, Plant and Equipment are recorded at cost of acquisition / construction less accumulated depreciation & impairment loss, if any. Cost comprises of the purchase price and any attributable cost of bringing the assets to its working condition for its intended use, but excluding CENVAT / Service Tax / VAT / GST credit availed.
- ii) In respect of fixed assets (other than and capital work-in-progress) acquired during the year, depreciation is charged on a Straight-Line Basis so as to write off the cost of the assets over the useful lives. In respect of fixed assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life. The useful life of the fixed assets has been adopted as prescribed under the Companies Act, 2013.

#### C. Investments :

- i) Investments are Long-term, unless stated otherwise and are stated at cost except where there is diminution in value other than temporary, in which case a provision is made to the carrying value to recognize the diminution.
- ii) In accordance with Accounting Standard – 23 'Accounting for Investments in Associates in Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India, the Company is required to furnish Consolidated Financial Statements alongwith the accounts of M/s Halol Industries Environment & Infrastructure Ltd. where the shareholding of the company is more than 20% as at Balance Sheet date.

However, considering the long-term restrictions imposed by M/s Halol Industries Environment & Infrastructure Ltd. on transfer of equity shares as well as the restriction on declarations on dividend, the company falls within the exemptions as stipulated in the AS-23. Consequently, the Company is not required to prepare Consolidated Financial Statements. Therefore, the Company has not prepared Consolidated Financial Statement which is in line within AS-23.

#### D. Inventories:

All Inventories are valued at lower of cost and net realizable value.

- i) Raw materials, packing materials, Stores and consumables are valued at cost using First -in-First Out method. The cost of Raw materials, stores and consumables includes cost of purchases after adjusting for CENVAT / VAT, direct expenses and other cost incurred in bringing the inventories to their present location and condition.
- ii) Work in Progress goods has been identified as such depending upon stage of completion of finished goods technically determined by the management. Work in Progress goods are valued at raw materials cost as calculated above plus weighted average cost of production including appropriate proportion of cost of conversion to the extent of process, which is estimated and certified by the management.
- iii) Finished goods are valued at lower of cost or net realisable value. Finished goods are valued at cost of production, including appropriate proportion of allocable cost.
- iv) Scrap is valued at net Realizable Value.

#### **E. Revenue from Operations:**

- i) Sale of products are recognized when risk and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of goods. Sales are inclusive of excise duty, but net of sales return, Service tax, Sales Tax and Goods & Service Tax.
- ii) Export benefits available under prevalent schemes are accounted on entitlement basis.
- iii) Service Income is recognized on completion of job work and are shown net of claims.

#### **F. Foreign Currency Transactions :**

- i) Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.
- ii) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of the year are translated at year end rates.
- iii) The difference in translation of monetary assets and liabilities and realized gains and losses on foreign exchange transactions are recognised in the Profit and Loss Account.

#### **G. Employee Benefits:**

- (a) Short term employee benefits

All employee Benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as Salaries, wages, and short term compensated absences etc. is recognized in the period in which the employee renders the related service.

- (b) Post Employment Benefits:

- i. Defined Contribution Plans :

Define contribution plans are post employment benefit plans under which the company pays fixed contributions into separate entities (fund) or to financial institutions or state managed benefit schemes. The Company operates defined contribution plans pertaining to Provident Fund, Employees state Insurance, Pension Fund Scheme for eligible employees. The Company contribution to defined contribution plans are recognized in the profit and loss account in the financial year to which they relate.

- ii. Defined Benefit Plans:

The gratuity liabilities are funded partly with the Life Insurance Corporation of India with a recognized fund, which is administered by the trustees. The Company provides for gratuity liability payable on retirement on the basis of Actuarial Valuation as at the year end and the same is charged to profit and loss account under head Employees Cost.

The Company provides for accumulated leave liability payable on retirement on the basis of Actuarial Valuation as at the year end and the same is charged to profit and loss account under head Employees Cost.

#### **H. Borrowing Cost:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that takes necessarily substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.



**I. Earnings per share :**

Basic and diluted earnings per share are computed by dividing the net profit attributable to equity shareholders for the year, by the weighted average number of equity shares outstanding during the year. (Including diluted potential equity shares in case of diluted EPS).

**J. Taxes on Income:**

- i) Provision for taxation is made on the basis of the estimated taxable income for the current Accounting period in accordance with provision of the Income Tax Act, 1961.
- ii) The benefit of credit against the payment made towards MAT for the earlier years is available in accordance with the provisions of section 115J (AA) of income tax act 1961 over a period of subsequent 15 assessment years and it is recognized to the extent of deferred tax liability in view of the certainty involved of its realization against reversal of deferred tax liability.
- iii) In accordance with Accounting Standard – 22 ‘Accounting for Taxes on Income’, issued by the Institute of Chartered Accountants of India, the Deferred Tax for timing differences between the book profit and tax profit for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date.
- iv) Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets will be realized in future.

**K. Segment Reporting :**

There is no separate reportable primary segment as per Accounting Standards 17, as most of the operations are related to only one Segment viz. Tyres & Tubes.

**L. Impairment of Assets:**

A Property, Plant and Equipment is treated as impaired when the carrying cost of assets exceeds its recoverable value. An Impairment Loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The Impairment Loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**M. Provisions, Contingent Liabilities and Contingent Assets :**

Provisions are recognized only when there is a present obligation as a result of past event and when a reliable estimate of the amount of the obligation can be made. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent liability is disclosed for (i) Possible obligations which will be confirmed only by the future events not wholly within the control of the company or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation can not be made. Contingent Assets are not recognized in the financial statements.

**II. CAPITAL & OTHER COMMITMENT**

Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) Rs.27.38 lacs (Previous year for Rs.186.62 lacs).

### III. CONTINGENT LIABILITIES:

(Rs. in Lakhs)

Sr. No.	Particulars	2018-19	2017-18
i)	Bank Guarantee	40.88	69.39
ii)	Export Obligation under Advance Licences	122.07	242.87
iii)	Income Tax Demand	1.30	-

### IV. DEFINED BENEFIT PLANS / COMPENSATED ABSENCES - AS PER ACTUARIAL VALUATION:

	2018-2019	2017-2018	2018-2019	2017-2018
	Gratuity		Leave Encashment	
Expense recognized in the Statement of Profit & Loss for the year ended March 31, 2018				
Current Service Cost	18.18	15.88	6.40	5.40
Interest Cost	9.70	6.34	2.37	1.31
Employee Contributions	-	-	-	-
Expected return on plan assets	(1.42)	(1.14)	-	-
Net Actuarial (Gains) / Losses	27.27	23.78	(7.21)	15.65
Past Service Cost	0.85	11.01	-	-
Settlement Cost	-	-	-	-
Total expense	0.05	55.87	1.56	22.36
Net Asset / (Liability) recognized in the Balance Sheet as at March 31, 2018				
Present value of Net Defined Benefit Obligation as at March 31, 2019	140.35	142.26	23.31	34.15
Fair value of plan assets as at March 31, 2019	16.99	15.69	-	-
Funded status [Surplus / (Deficit)]	(123.36)	(126.57)	(23.31)	(34.15)
Net asset / (liability) as at March 31, 2019	(123.36)	(126.57)	(23.31)	(34.15)
Change in Obligation during the Year ended March 31, 2019				
Present value of Defined Benefit Obligation at beginning of the year	142.26	89.89	34.15	19.32
Current Service Cost	18.18	15.88	6.40	5.40
Interest Cost	9.70	6.34	2.37	1.31
Settlement Cost	-	-	-	-
Past Service Cost	0.83	11.01	-	-
Employee Contributions	-	-		
Acturial (Gains) / Losses	(27.40)	23.84	(7.21)	15.65
Benefits Payments	(3.23)	(4.69)	(12.40)	(7.52)
Present value of Defined Benefit Obligation at the end of the year	140.35	142.26	23.31	34.15
Change in Assets during the Year ended March 31, 2019				
Plan assets at the beginning of the year	15.69	14.49	-	-
Assets acquired in amalgamation in previous year	-	-	-	-
Settlements	-	-	-	-
Expected return on plan assets	1.43	1.14	-	-
Contributions by Employer	-	-	-	-
Actual benefits paid	-	-	-	-
Acturial Gains / (Losses)	(0.13)	0.06	-	-
Plan assets at the end of the year	16.99	15.69	-	-
Actual return on plan assets	1.43	1.14	-	

	2018-2019	2017-2018	2018-2019	2017-2018
	Gratuity		Leave Encashment	
Actuarial Assumptions:				
Discount Rate	7.55%	7.55%	7.60%	7.25%
Expected rate of return on plan assets	7.55%	7.55%	NA	NA
Mortality pre retirement	NA	NA	NA	NA
Mortality post retirement				
Withdrawal rate	5% at Younger ages reducing to 1% at older ages	5% at Younger ages reducing to 1% at older ages	5% at Younger ages reducing to 1% at older ages	5% at Younger ages reducing to 1% at older ages
Medical premium inflation	NA	NA	NA	NA
Annual Increment in Salary cost	7%	7%	7%	7%

#### V. MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:

As per requirement of Section 22 of Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed to the extent identifiable:

(Rs. in Lakhs)

Sr. No.	Particulars	2018-19	2017-18
(a)	(i) The Principal amount remaining unpaid to any supplier at the end of accounting year	125.86	11.24
	(ii) The interest due on above	-	-
	<b>Total of (i) &amp; (ii) above</b>	<b>125.86</b>	<b>11.24</b>
(b)	Amount of interest paid by the buyer in terms of Section 16 of the Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Act.	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the company.

#### VI. SEGMENT REPORTING:

##### (a) Primary Segment:

The Company has identified "Tyres & Tubes" as the only primary reportable segment.

##### (b) Secondary Segment (By Geographical Segment)

(Rs. in Lakhs)

Particulars	2018-2019	2017-2018
India	8,919.01	6,350.14
Outside India	7,605.74	6,510.78
<b>Total Sales</b>	<b>16,524.75</b>	<b>12,860.92</b>

In view of the inter-woven / inter-mixed nature of business and manufacturing facility, other secondary segmental information is not ascertainable.

**VII. DISCLOSURE AS REQUIRED BY THE ACCOUNTING STANDARD - AS-18 RELATING TO “RELATED PARTIES DISCLOSURE” ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA ARE AS FOLLOWS:**

**Name of related parties and description of relationship:**

**Key Management Personnel:**

Mr. Mukesh G Desai	Chairman & Managing Director
Mr. Nitin J Mankad	Whole Time Director
Mr. Pradeep R Kothari	Whole Time Director
Mr. Keyoor Bakshi	Independent Director
Mr. Kalyanaraman Ganesan	Independent Director
Ms. Kalpana Joshipura	Independent Director
Mr. Arvind Tambi	CFO & CS
Ms. Sejal Desai	Company Secretary (Upto 04-08-2018)

**Relatives of Key Management Personnel:**

**Associate Companies:**

Halol Industries Environment & Infrastructure Limited

**Other Related Parties:**

Raman Enterprises

Kosync

Future Tyres Private Limited

Gaia Batteries Pvt Ltd

Goldmine Stocks Pvt. Ltd.

(Rs. in Lakhs)

Sr. No.	Particulars	Relatives of Key Management Personnel		Key Management Personnel	
		2018-19	2017-18	2018-19	2017-18
<b>1</b>	<b>Remuneration</b>				
	Mr. Mukesh G Desai	-	-	27.00	27.00
	Mr. Nitin J Mankad	-	-	10.50	10.50
	Mr. Pradeep R Kothari	-	-	10.50	10.50
	Mr. Arvind Tambi			12.00	10.67
	Miss. Sejal Desai			0.98	2.85
<b>2</b>	<b>Purchase of Goods</b>				
	Future Tyres Pvt Ltd	637.39	730.35	-	-
	Gaia Batteries Pvt Ltd	0.17	9.81	-	-
	Kosync	-	1,302.25	-	-
	Raman Enterprises	-	51.65	-	-
	Goldmine Commodities Pvt. Ltd.	296.14			
<b>3</b>	<b>Purchase of Capital Goods</b>				
	Goldmine Commodities Pvt. Ltd.	80.63	-	-	-

(Rs. in Lakhs)

Sr. No.	Particulars	Relatives of Key Management Personnel		Key Management Personnel	
		2018-19	2017-18	2018-19	2017-18
<b>4</b>	<b>Job Work Expenses</b>				
	Future Tyres Pvt Ltd	264.88	284.92	-	-
<b>5</b>	<b>Reimbursement of Expenses</b>				
	Future Tyres Pvt Ltd	8.87	17.36	-	-
	Gaia Batteries Pvt Ltd	(1.67)	(0.13)	-	-
	Kosync	2.76	16.55	-	-
<b>6</b>	<b>Sales of Goods</b>				
	Future Tyres Pvt Ltd	2,791.36	1,603.24	-	-
	Gaia Batteries Pvt Ltd		0.17	-	-
	Raman Enterprises		12.72	-	-
<b>7</b>	<b>Receipt from Parties</b>				
	Future Tyres Pvt Ltd	1743.00	699.35	-	-
	Gaia Batteries Pvt Ltd	3.62	-	-	-
<b>8</b>	<b>Payment to Parties</b>				
	Future Tyres Pvt Ltd	96.76	127.08	-	-
	Gaia Batteries Pvt Ltd	0.17	12.27	-	-
	Kosync	349.53	1,165.14	-	-
	Raman Enterprises	-	77.02	-	-
	Goldmine Commodities Pvt. Ltd.	136.63			
<b>9</b>	<b>Sitting Fess</b>				
	Mr. Keyoor Bakshi			0.65	0.65
	Mr. Kalyanaraman Ganeshan			0.55	0.65
	Mrs. Kalpana Joshipura			0.50	0.50
<b>10</b>	<b>Investment</b>				
	Halol Industries Environment & Infrastructure Ltd.,	0.75			
<b>11</b>	<b>Creditors / Other Payable</b>				
	Kosync	-	346.77	-	-
	Gaia Batteries Pvt Ltd	-	-	-	-
	Raman Enterprises	-	-	-	-
	Goldmine Commodities Pvt. Ltd.	410.06			
	Key Managerial Remuneration/Salary	-	-	50.40	36.22
	Sitting Fee Payable	-	-	1.53	1.62
<b>12</b>	<b>Debtors / Other Receivable</b>				
	Future Tyres Pvt Ltd	394.82	160.84	-	-
	Gaia Batteries Pvt Ltd	-	1.95	-	-
<b>13</b>	<b>Investment in Associate</b>				
	Halol Industries Environment & Infrastructure Ltd.	0.75			

**VIII. EARNING PER SHARE:**

(Rs. in Lakhs)

	As at 31 <sup>st</sup> March, 2019	As at 31 <sup>st</sup> March, 2018
<b>Earning per share has been computed as under:</b>		
<b>a</b> Profit after Taxation & before extra-ordinary items	99.12	439.84
<b>b</b> Total Ordinary shares		
Weighted Average Number of Equity Shares Outstanding	17,991,561	14,489,035
Weighted Average Number of Equity Shares Outstanding (including potential Equity Shares)	17,991,561	14,985,391
<b>c</b> Earnings per Share (Face value Rs.10/- per share) (in Rs.)		
(Basic)	0.55	3.04
(Diluted)	0.55	2.94

**IX. INFORMATION REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013 AS CERTIFIED BY MANAGEMENT.**

(Rs. in Lakhs)

	2018-19	2017-18
<b>A Value of imports calculated on C.I.F. basis made by the Company during the year :</b>		
(i) Raw Materials (Including High Seas Purchase)	2,008.04	2,979.33
(ii) Capital goods	52.82	78.63
<b>B Expenditure in foreign currency :</b>		
(i) Foreign Traveling expenses	-	3.74
(ii) Testing Charges	1.68	2.09
(iii) Consultancy Charges	1.69	4.00
(iv) Foreign Bank Charges	8.41	5.37
<b>C Value of imported raw materials, spare parts.</b>		
Components and packing materials consumed during the year.	2,008.04	2,979.33
Value of indigenous raw materials, spare parts, Components and packing materials consumed during the year	11,981.03	6,247.29
<b>Percentage to total consumption :</b>		
(a) Imported raw materials, spare parts, components and packing materials consumed.	14.35%	32.29%
(b) Indigenous raw materials, spare parts, components and packing materials consumed.	85.65%	67.71%
<b>D Earnings in Foreign Exchange (On accrual basis)</b>		
Export Sales (On FOB Basis)	7,605.74	6,510.78

**X. CORPORATE SOCIAL RESPONSIBILITY:**

(Rs. in Lakhs)

	2018-19	2017-18
Amount required to be spent by the Company in accordance with Section 135 of Companies Act, 2013	10.53	9.38
<b>Amount spent during the year</b>	<b>2018-19</b>	<b>2017-18</b>
(i) Promotion of Rural Sports	-	1.51
(ii) Promotion of Health Care	-	1.45
(iii) Promotion of nursery education	11.00	6.50
<b>Total</b>	<b>11.00</b>	<b>9.46</b>

**XI. UTILISATION OF MONEY RAISED THROUGH PUBLIC ISSUE:**

(Rs. in Lakhs)

	2018-19	2017-18
Amount raised/Carried over through public issue	1248.42	2,833.65
Less: amount utilized during the year		
Payment towards share issue expenses	-	232.08
Payment towards project expenditure relating to new manufacturing facility	731.58	869.50
General Corporate Purposes	-	483.65
Working Capital Purposes	400.00	
	<b>1,131.58</b>	<b>1,585.23</b>
Unutilized amount at the end of the year	116.84	1,248.42
Details of short-term investments made from unutilized portion of public issue raised during the year		
Balance amount in current account and other working capital facilities	116.84	848.42
Investment in Fixed Deposits of Banks		400.00
<b>Total</b>	<b>116.84</b>	<b>1,248.42</b>

**XII.** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**As per our Report of even date****For Maloo Bhatt & Co.**

Chartered Accountants

F R No. 129572W

**CA. Yash Bhatt**

Partner

M. No. 117745

Halol, 16<sup>th</sup> May, 2019**For and on behalf of Board of Directors****Chairman & MD****(Mukesh G Desai)**

(DIN: 00089598)

**Whole-time Director****(Pradeep R Kothari)**

(DIN: 00572331)

**CFO & CS****(Arvind Tambi)**



# Innovative Tyres & Tubes Limited

CIN: L25112GJ1995PLC086579

Reg. Off.: 1201,1202,1203 GIDC Halol, Panchmahals – 389350, Gujarat.

E-mail id: investors@innovativetyres.co.in Website: www.innovativetyres.com Tel: 02676-220621

## ATTENDANCE SLIP

Name of the member(s):			
Registered Address:			
Folio No.		*DP ID:	
No. of shares		*Client ID:	

\*Applicable to holders holding shares in demat/electronic mode

I hereby record my attendance at the 24<sup>th</sup> Annual General Meeting of the Company held on 30<sup>th</sup> September, 2019 at Plot No. 1201-02-03, GIDC Halol, Dist. Panchmahal -389350 at 9.00AM

Shareholder's Signature

# Innovative Tyres & Tubes Limited

CIN: L25112GJ1995PLC086579

Reg. Off.: 1201,1202,1203 GIDC Halol, Panchmahals – 389350, Gujarat.

E-mail id: investors@innovativetyres.co.in Website: www.innovativetyres.com Tel: 02676-220621

## Form MGT-11

## PROXY FORM

[Pursuant to section 105(6) if the Companies Act, 2013 and rule 19(3) if the Companies (Management and Administration Rules, 2014)]

Name of the member(s):	
Registered Address:	
E-mail ID:	
Folio No/ *Client ID:	
*DP ID:	

\*Applicable for holders holding shares in demat/ electronic mode

I/We, being the member(s) of ..... shares of the above named company, hereby appoint

- Name:..... Address:.....  
E-mail ID: .....Signature: ..... **or failing him**
- Name:..... Address:.....  
E-mail ID: .....Signature: ..... **or failing him**
- Name:..... Address:.....  
E-mail ID: .....Signature: .....

**Note:**

1. Please fill this attendance slip and hand it over at the entrance of the Meeting Hall.
2. Members signature should be in accordance with the specimen signature in the Register of Members of the Company.
3. The Notice of AGM as well as the Annual Report for the year 2018-19 along with Attendance Slip and Proxy Form are being sent to all the Members whose email address is registered with the Company / Depository Participant. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
4. Physical copy of the Annual Report for the year 2018-19 and Notice of AGM along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all Members whose email address is not registered or have requested for a hard copy.

Full Name of Proxy: \_\_\_\_\_

Signature : \_\_\_\_\_

(To be filled in if the Proxy attends instead of the Member)

As my/our proxy to attend and vote (on a poll) for me/ us and my/our behalf at the 24<sup>th</sup> Annual General Meeting of the Company, to be held on 30<sup>th</sup> September, 2019 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	Resolution	For	Against
1.	Adoption of Annual Accounts, Auditor's & Director's Report		
2.	Re-appointment of Mr. Pradeep Kothari, as a whole-time director, retire by rotation		
3.	Ratification of appointment of M/s Maloo Bhatt & Co, Chartered Accountants, as a Statutory Auditor of the Company		
4.	Re-appointment of Mr. Nitin Mankad, as a whole-time director,		
5.	Ratification of remuneration of cost auditor,		

Affix  
Rs. 1/-  
Revenue  
Stamp

**Signature of Shareholder**

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. This is only optional Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he / she thinks appropriate.
5. In the case of joint holders, the signatures of any one holder will be sufficient, but names of all the joint holders should be stated.

\*\*\*\*



**(CIN: L25112GJ1995PLC086579)**

Registered Office : 1201,1202,1203-GIDC Halol,  
Dist. Panchmahals, PIN-389350. Gujarat, India

Website : [www.innovativetyres.com](http://www.innovativetyres.com)