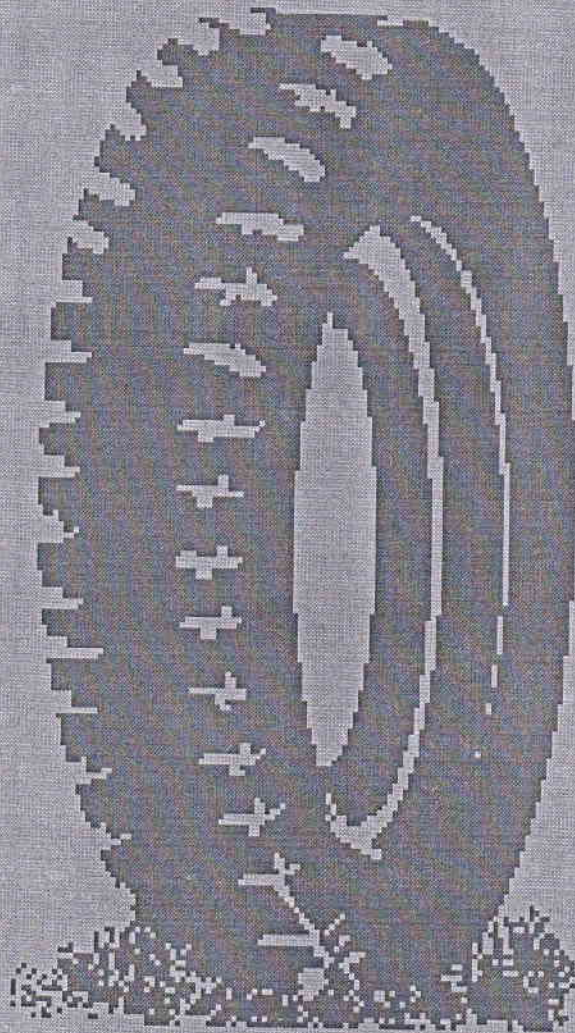


**Balance Sheet as at
31st March'2015**



Innovative Tyres & Tubes Ltd.

INNOVATIVE

TYRES & TUBES LTD

CIN NO. U25112MH1995PLC094817

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the **Twentieth Annual Report** of the business and operations of your Company with the Audited Accounts for the year ended 31st March, 2015.

1. FINANCIAL RESULTS

	Rupees	
	For the Year ended 31 st March, 2015	For the Year ended 31 st March, 2014
Profit Before Tax	4,52,31,775	3,39,39,618
Provision for Tax	92,10,000	38,61,000
Deferred Tax (Notional)	75,36,292	-1,09,00,789
Profit After Tax	2,84,85,483	3,79,79,407

2. DIVIDEND

Directors have not recommended any Dividend for the year.

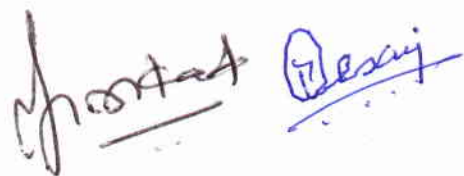
3. UNCLAIMED DEPOSIT

As of 31st March, 2015 no unclaimed deposits were outstanding.

4. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND R & D

A statement giving details of conservation of energy, technology and foreign exchange earning and outgo in accordance with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is annexed hereto and form part of the report.

The Company has earned Income in foreign exchange for Rs. 63,42,19,341/- (Last year Rs. 81,37,80,415/-) and made expenditure in foreign exchange for Rs. 33,22,36,499/- (Last year Rs. 33,02,34,233/-)



5. INDUSTRIAL RELATION

Relations between the management and employees of the company remained cordial during the year under review. Your Directors expect that cordial relations with the employees will continue and will help in achieving the objectives of the company and place on record their appreciation for their dedicated services rendered by the executives, staff and other employees of the Company.

6. DIRECTORS

At the ensuing Annual General Meeting Shri Nitin J Mankad retire by rotation and being eligible have offered himself for reappointment.

7. AUDITORS

The Auditors **M/S. Parikh Mehta & Associates**, Chartered Accountants, bearing Reg No. 112832W being eligible is reappointment as Auditors of your company hold office from the conclusion of ensuing Annual General Meeting until conclusion of the 7th Annual General Meeting (subject to ratification of their appointment at every Annual General Meeting), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.

8. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your director's state:

- that all the applicable standards have been followed.
- that accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company as at the end of March 31, 2015 and of the profit of the company for the year ended on that date.
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- that the annual accounts of the Company have been prepared on a "going concern" basis.
- 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

9. Appointment of Company Secretary

As per Section 203 of the Companies Act 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, all public companies having paid capital of Rs. 5 crore or more has to mandatorily have a company Secretary in whole time employment. The Company is in process of searching the candidates for the same.



10. APPRECIATION:

We acknowledge the dedication, commitment and the constant process of self- renewal of our staff at all levels in the Company. We also acknowledge and thank our Customers , Distributors, Suppliers, Banks, Share holders for their continued support and for the faith they have reposed in Innovative Tyres & Tubes Limited.

On behalf of the Board of Directors

Date: 25th August' 2015
Vadodara


Chairman

ANNEXURE 'A' TO THE DIRECTOR'S REPORT

Additional information as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

(A) CONSERVATION OF ENERGY

Following jobs were carried out during the year for conservation of energy.

- i) In house training and awareness programmes for supervisors were regularly carried out during the year.
- ii) Energy Conservation measures taken.
- iii) Improved thermal insulations of hot surface base in curing and utility department.
- iv) Staggered usage of Machinery
- v) Better Utilisation of Equipments.
- vi) Effective CFT working on power has resulted in improved power consumption per kg. of production.
- vii) Installation of variable drive to reduce the power consumption.
- viii) Consumption:.

		2014-15 For Tyres	For Tubes	2013-14 For Tyre	For Tubes
Power	Unit per Kg	0.94	0.91	1.00	1.06
Lignite/Coal/fire wood Etc.	Kg per Kg of tyre W/H	1.45	2.92	1.48	2.81

(B) TECHNOLOGY ABSORPTION / R&D

Efforts in brief made towards technology absorption, adaptation and innovation.

- i) In House development of new size in New sizes of tyre ULT and LCV Creation of in house testing facility like endurance test and Breaking energy.

Handwritten signature: Ghanshyam Desai

PARIKH MEHTA & ASSOCIATES
Chartered Accountants

D.B.Parikh

M.Com., F.C.A.

S.J.Mehta

B.Com. F.C.A. Grad. C.W.A.

Ashish D Parikh

B.Com. A.C.A.

Mrs. H.M.Desai

B.Com., F.C.A., LL. B.

Mrs Tejal A Parikh

B.Com. F.C.A.

Happy Home Apt. No. 2, 10, Sampatrao Colony, R.C.Dutt Road, Vadodara – 390 007.

Tel. No : (0265) 6581665 / 2338100 Mobile – S.J.Mehta – 94260 19863

To the Members of

Innovative Tyres & Tubes Limited

Report On the Financial Statement

We have audited the accompanying financial statements of **Innovative Tyres & Tubes Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements:

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31/03/2015;
- b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 129 and section 133 of the Companies Act, 2013;
 - e) on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



**For Parikh Mehta & Associates
Chartered Accountants**

**Sachin J. Mehta
Partner
Membership No. 039258
FRN No: 112832W**

**Date : 25/08/2015
Place : Vadodara.**

ANNEXURE

Ref.: **Innovative Tyres and Tubes Limited**

1.
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) We are informed that the management during the year has physically verified fixed assets of the Company. In our opinion, the frequency of verification is reasonable, having regard to the size of the company and the nature of business. We are informed that no serious discrepancies between the book records and physical verification have been noticed.
 - (c) In our opinion, a substantial part of fixed assets has not been disposed off by the company during the year
2.
 - (a) The inventory of consumables and spares has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the company and the Nature of its business.
 - (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. We are informed that no material discrepancies have been noticed on physical verification of stocks as compared to books of account.
3.
 - (a) The Company has taken unsecured loans from companies, firms or other parties listed in register maintained u/s 301 of the Company Act 1956. The company has not granted any loans to parties listed in register maintained under section 301 of company act 1956.
 - (b) During the year, the company has taken unsecured loans from persons listed in the register maintained under Section 301 of the companies Act, 1956. The total year-end balance amounted to Rs. NIL (Previous Year Rs. 25,720/-)



4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and with regard to sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in the internal control system.
5. According to the information and explanations given to us, there are contracts or arrangements referred to section 301 of the Companies Act, 1956 that need to be entered in a register required to be maintained under that section.
6. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA or any other relevant provision of the Act and the Companies (Acceptance of Deposits) rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company. The Company has received unsecured loan from Directors their family members & shareholders during the year.
7. The Company has established formal Internal Audit System and its control procedures ensure reasonable internal checking of its financial and other records.
8. In our opinion and according to information and explanations given to us, the company is not required to maintain cost records as required under Section 209(1) (d) and the company has taken the compliance certificate from Cost Accountant.
9. Company is regular in depositing statutory dues in respect of provident Fund, Professional Tax, Income Tax & Other material statutory dues applicable to it with appropriate authorities. There are no arrears of outstanding statutory dues as at 31st March 2015 for a period of more than six months from the date they became payable
10. The accumulated losses of the company at the end of the year are not less than fifty percent of its net worth and the company has not incurred cash losses in the current financial year and also in the immediately preceding financial year.
11. According to the records of the company examined by us, the company has taken cash credit loans from banks. Company has not borrowed any money from financial institutions or issued any debentures.



12. In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund / nidhi / mutual benefit fund / society. Therefore, Clause 4(xiii) of the companies (Auditor's Report) order 2003 is not applicable to the company.
14. The company has maintained proper records of transactions and contracts and made timely entries therein in respect of investments made by the company. The company's investments are held in its own name.
15. The company has not given any guarantee for loans taken by others from any bank or financial institutions.
16. To the best of our knowledge and belief and according to the information and explanation given to us the company has not availed any term loan during year and hence requirement of utilization of same is not applicable.
17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on short-term basis, prima facie, which have been used for long-term investment.
18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act during the year.
19. The Company has not issued any debentures during the year.
20. The company has not raised any money by public issues during the year.



21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

**FOR PARIKH MEHTA & ASSOCIATES
CHARTERED ACCOUNTANTS**



(SACHIN J MEHTA)

PARTNER

Membership No.039258

FRN No.112832W.

Place: Vadodara

Date: 25/08/2015

INNOVATIVE TYRES & TUBES LIMITED

AUDITED BALANCE SHEET AS AT 31ST MARCH, 2015

Amount In ₹

Particulars	Notes No	As at 31 March,2015	As at 31 March,2014
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	3	130,931,370	93,431,370
(b) Reserves and Surplus	4	257,591,661	227,020,020
(2) Non-Current Liabilities			
(a) Long-Term Borrowings	5	204,494,636	234,133,623
(b) Deferred Tax Liabilities (Net)	6	20,435,579	12,899,287
(c) Other Long Term Liabilities	7	63,969,534	66,855,550
(d) Long Term Provisions	8	12,864,490	17,709,386
(3) Current Liabilities			
(a) Short Term Borrowings	9	166,820,760	149,663,041
(b) Trade Payables	10	366,227,885	196,739,599
(c) Other Current Liabilities	11	87,963,912	72,218,339
(d) Short-Term Provisions	12	13,535,039	2,564,177
TOTAL		1,324,834,865	1,073,234,392
II.ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(i) Tangible Assets	13	597,537,968	608,393,578
(ii)Intangible Assets	13	72,717	1,360,074
(iii) Capital Work-in-progress	13	135,101,196	84,495,358
(b) Long term loans and advances	14	59,937,091	40,956,295
(c) Other non-current assets	15	33,400	33,400
(2) Current Assets			
(a) Inventories	16	264,327,715	178,065,383
(b) Trade receivables	17	200,531,613	78,691,821
(c) Cash and cash equivalents	18	33,860,153	40,319,164
(d) Short-term loans and advances	19	33,433,011	40,919,320
TOTAL		1,324,834,865	1,073,234,392

Significant Accounting Policies Note No.2

The accompanying notes are an integral part of the financial statements

As per tax audit report u/s 44ab of the Income Tax Act' 1961.

For Parikh Mehta & Associates
Chartered Accountants

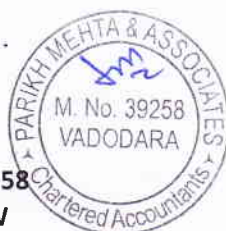
Sachin J. Mehta
Partner

Membership No. : 039258

Firm Reg. No.: 112832W

Place : Vadodara

Date : 25th August' 2015



For Innovative Tyres & Tubes Limited

Nitin J. Mankad
(Director)

Mukesh G Desai
(Director)

Place : Vadodara

Date : 25th August' 2015

INNOVATIVE TYRES & TUBES LIMITED

AUDITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

Amount In ₹

Sr. No	Particulars	Notes No	Year Ended 31.3.2015	Year Ended 31.3.2014
I	Revenue from operations	20	1,298,599,078	1,262,133,536
II	Other Income	21	6,409,861	3,301,768
III	III. Total Revenue (I +II)		1,305,008,939	1,265,435,304
IV	Expenses:			
	Cost of materials consumed	22	839,116,727	739,973,675
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-	56,433,645	5,874,134
	Employee Benefit Expense	23		
	Financial Costs	24	42,045,370	36,486,511
	Depreciation and Amortization Expense	25	45,072,225	44,621,710
	Other Expenses	26	28,165,447	19,148,526
		27	361,811,041	385,391,129
	Total Expenses (IV)		1,259,777,165	1,231,495,686
V	Profit before exceptional and extraordinary items and tax	(III - IV)	45,231,775	33,939,618
VI	Tax expense:			
	(1) Current tax		9,210,000	6,861,000
	(2) Deferred tax		7,536,292	- 10,900,789
VII	Profit/(Loss) for the period (XI + XIV)		28,485,483	37,979,407
VIII	Earning per equity share:			
	(1) Basic		3.05	4.06
	(2) Diluted		3.05	4.06

Significant Accounting Policies Note No.2

The accompanying notes are an integral part of the financial statements

As per tax audit report u/s 44ab of the Income Tax Act' 1961.

For Parikh Mehta & Associates

For Innovative Tyres & Tubes Limited

Chartered Accountants




Sachin J. Mehta
Partner



Nitin J. Mankad
(Director)



Mukesh G Desai
(Director)

Membership No. : 039258

Firm Reg. No.: 112832W

Place : Vadodara

Date : 25th August' 2015

Place : Vadodara

Date : 25th August' 2015

INNOVATIVE TYRES & TUBES LIMITED

Notes Forming Integral Part of Financial Statements

Note : 13 Fixed Asset

Amount in

Sr. No	Particulars	Gross Block				Depreciation				Transferred from / to General reserve	Net Block	
		Value at the beginning	Addition during the year	Deduction during the year	Value at the end	Value at the beginning	Addition during the year	Deduction during the year	Value at the end		WDV as on 31.03.2015	WDV as on 31.03.2014
I	Tangible Assets											
	Free Hold Land	5,216,886	-	-	5,216,886	-	-	-	-		5,216,886	5,216,886
1	Plant & Equipment	679,080,871	11,899,731		690,980,602	136,766,543	18,903,566	-	155,670,109	20,642	535,331,135	542,314,328
2	Electrical Installation	17,352,099	334,781		17,686,880	2,970,081	760,683		3,730,764		13,956,116	14,382,018
3	Laboratory Equipments	319,020			319,020	164,562	18,612		183,174	2,210	138,056	154,458
4	Building	50,479,328			50,479,328	12,753,071	3,658,902		16,411,973		34,067,355	37,726,257
5	Furniture & Fixtures	1,932,668			1,932,668	1,091,616	1,460,010		2,551,626	715,592	96,634	841,052
6	Office Equipments	3,065,624	148,550		3,214,174	1,120,775	337,088		1,457,863		1,756,311	1,944,849
7	Vehicles	7,824,342	2,479,225	1,767,013	8,536,554	2,010,612	1,543,840	820,049	2,734,403	1,071,901	6,874,052	5,813,730
8	Computer & Peripherals	1,646,271			1,646,271	1,646,271	174,390		1,820,661	275,813	101,423	-
	TOTAL (A)	766,917,109	14,862,287	1,767,013	780,012,383	158,523,531	26,857,091	820,049	184,560,573	2,086,158	597,537,968	608,393,578
II	Intangible Assets											
9	Technical Knowhow	12,597,561	21,000	-	12,618,561	11,337,805	1,280,756		12,618,561		-	1,259,757
10	Trade Mark	138,000		-	138,000	37,683	27,600		65,283		72,717	100,317
	TOTAL (B)	12,735,561	21,000	-	12,756,561	11,375,488	1,308,356	-	12,683,844		72,717	1,360,074
	Total (A+B)(Current Year)	779,652,670	14,883,287	1,767,013	792,768,944	169,899,019	28,165,447	820,049	197,244,417		597,610,685	609,753,652
	(Previous Year)	762,516,869	24,051,539	6,915,738	779,652,670	153,977,405	19,148,526	3,226,913	169,899,018		609,753,652	608,539,464
	Capital work in progress										135,101,196	84,495,358
	Total										732,711,881	694,249,010



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INNOVATIVE TYRE & TUBES LIMITED

Notes Forming Integral Part of Financial Statements

Note : 3 Share Capital

Amount In ₹

Sr. No	Particulars	As at 31st March, 2015	As at 31st March, 2014
1	AUTHORIZED CAPITAL 1,41,00,000 Equity Shares of Rs. 10/- each. (Previous year 95,00,000 of Rs.10/- each)	141,000,000	95,000,000
		141,000,000	95,000,000
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL 93,43,137 Equity Shares of Rs. 10/- each fully paid up (Previous year 93,43,137 of Rs.10/- each)	93,431,370	93,431,370
3	SHARE APPLICATION MONEY PENDING ALLOCATION Equity Share Application Money pending allocation Preference Share Application pending allocation	2,500,000 35,000,000	- -
	Total in (Rs)...	130,931,370	93,431,370

(a) Reconciliation of number of equity shares and amount outstanding at the beginning & end of the reporting period

Sr. No	Particulars	No. of Shares as at 31st March, 2015	As at 31st March'2015	No. of Shares as at 31st March, 2014	As at 31st March'2014
1	At the beginning of the year	9,343,137	93,431,370	7,843,137	78,431,370
	-Addition/Substraction during the year	-	-	1,500,000	15,000,000
	Closing Balance at the year end	9,343,137	93,431,370	9,343,137	93,431,370
	At the end of the year	9,343,137	93,431,370	9,343,137	93,431,370

(b) Terms/Rights attached to equity shares

- * The Company has only one class of equity shares having a par value of Rs. 10.
- * The equity shares have rights, preferences and restrictions which are in accordance with the provisions of the law, in particular the Companies Act, 1956

(d) Details of shareholders holding more than 5% shares in the Company other than as shown (c) above.

Sr. No	Name of the shareholder	As at 31st March, 2015		As at 31st March, 2014	
	Equity shares of Rs. 10/- each fully paid	No. of Shares	% of holding	No. of Shares	% of holding
1	Maxim Gold Development Limited	3,843,137	41.13	3,843,137	41.13
3	Goldmine Stocks Pvt Ltd.	956,790	10.24	-	-
5	Mani Market Creators Limited	-	-	1,003,790	10.74
6	Sharmistha C Shah	996,410	10.66	-	-
2	Pradeep R Kothari	756,620	8.10	-	-
4	Chandravadan K Shah	-	-	700,010	7.49



(Handwritten signature)

Note : 4 Reserve & Surplus

Sr. No	Particulars	As at 31st March'2015	As at 31st March'2014
1	Securities Premium	92,645,383	92,645,383
	Balance as at the beginning & end of the year		
2	General Reserve		
	Balance as at the beginning and at the end of the year	714,079	714,079
	Addition during the year	2,086,158	-
	Closing Balance at the year end	2,800,237	714,079
	TOTAL	95,445,620	93,359,462
3	Surplus in the Statement of Profit & Loss Account		
	Balance as at the beginning of the year	133,660,558	95,681,149
	Add: Profit for the year	28,485,483	37,979,409
	Balance as at the end of the year	162,146,041	133,660,558
	GRAND TOTAL	257,591,661	227,020,020

Note : 5 Long Term Borrowings

Amount In ₹

Sr. No	Particulars	As at 31st March'2015	As at 31st March'2014
1	Secured Loan		
	- Term Loan Account from State Bank of India	52,321,254	85,686,569
	Less : Current Maturity of long terms borrowings	32,909,927	39,000,000
	Total (a)	19,411,327	46,686,569
	(Refer Note No.11)		
	(Secured by equitable mortgage of Land, Building, Plant & Machinery of the Company and personally guaranteed by Directors of the Company.)		
	(Interest Payable monthly @ 14.35%. Repayable in 60 monthly installments. First Installment starts from Feb.2012 & last installment will be payable in Nov.2017)		
	-Term Loans (Vehicle) from Various Banks	3,491,661	2,720,604
	Less : Current Maturity of long terms borrowings	1,501,045	1,023,550
	Total (b)	1,990,616	1,697,054
2	UnSecured Loan		
	- From Directors	1,308,000	1,549,760
	- From Others	181,784,693	184,200,240
	Total (C)	183,092,693	185,750,000
	Total (a) + (b) + (C)	204,494,636	234,133,623

Note : 6 Deferred Tax Liabilities (Net)

Sr. No	Particulars	As at 31st March'2015	As at 31st March'2014
1	Deferred Tax Liabilities		
	Depreciation Allowance	12,899,287	23,800,076
	Add: Total DTL for the year	7,536,292	10,900,789
2	Deferred Tax Assets		
	Disallowance u/s 43B of the Income Tax Act, 1961	-	-
		20,435,579	12,899,287
	Total in (Rs)...	20,435,579	12,899,287



Note : 7 Other Long Term Liabilities

Amount In ₹

Sr. No	Particulars	As at 31st March'2015	As at 31st March'2014
1	Trade Payables (Other Than Micro, Small & Medium Enterprise)	26,394,717	29,349,941
2	Other Creditors		
	- Security Deposit	35,213,700	35,213,700
	- For Capital Goods	2,361,117	2,291,909
	Total	63,969,534	66,855,550

Note : 8 Long Term Provisions

Sr. No	Particulars	As at 31st March'2015	As at 31st March'2014
1	Gratuity (LIC)	5,605,547	2,652,723
2	Provision for Income Tax - 2011-12	-	3,273,000
3	Provision for Income Tax - 2012-13	4,790,663	4,922,663
4	Provision for Income Tax - 2013-14	2,468,280	6,861,000
	Total	12,864,490	17,709,386

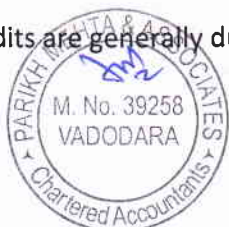
Note : 9 Short Term Borrowings

Sr. No	Particulars	As at 31st March'2015	As at 31st March'2014
	<u>Secured Loan</u>		
1	-Cash Credit Limit a/c Hypothecation of entire current assets of the company including raw material, stock in trade, finished goods and receivable of the company.	146,820,760	42,351,407
2	- PCFC / Buyers Credit / Stand by Line of Credit Hypothecation of entire current assets of the company including raw material, stock in trade, finished goods and receivable of the company.	20,000,000	107,311,634
	Total	166,820,760	149,663,041

Note

(i) Cash Credit is repayable on demand and carries variable interest (average for the year 13.95%)

(ii) Buyer's Credits are generally due within 180 days and carry variable interest (average for the year 2%)



Sr. No	Particulars	As at 31st March'2015	As at 31st March'2014
1	Due to Micro & Small Enterprise. (To the Extent Identified on the basis of information available with the company)	1,372,742	2,196,893
2	Due to Others	364,855,143	194,542,706
	Total	366,227,885	196,739,599

*Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of intimation received from the "Suppliers" regarding their status under the MicroSmall and medium Enterprises Development Act. 2006. The Company does not have any information regarding payment made to suppliers beyond the due dates during the year.

Note : 11 Other Current Liabilities

Amount in Rs.

Sr. No	Particulars	As at 31st March'2015	As at 31st March'2014
1	Current Maturity of long terms borrowings - Term Loan from SBI - Term Loan (Vehicle) - Interest on Vehicle Loan accrued but not due (Refer Note No. 5)	32,909,927 1,501,045 -	39,000,000 1,023,550 -
2	Advance received from Sundry Debtors	51,750,106	31,743,274
3	Professional Tax	31,070	12,410
4	Unpaid Salary & wages	1,030,489	105,488
5	TDS Payable	- 100,122	333,617
6	Interest on SLC payable	42,466	-
7	Other Liabilities	798931	-
	Total	87,963,912	72,218,339

Note : 12 Short Term Provisions

Sr. No	Particulars	As at 31st March'2015	As at 31st March'2014
1	Provision for Employees Benefits - Contribution to PF and ESIC - Leave Encashment - Bonus	- 47,160 1,372,199 3,000,000	- 42,444 806,621 1,800,000
2	Provision for Income Tax - 2014-15	9,210,000	-
	Total	13,535,039	2,564,177



INNOVATIVE TYRES & TUBES LIMITED**Notes Forming Integral Part of Financial Statements****Note : 14 Long Term Loans and Advances****Amount In ₹**

Sr. No	Particulars	As at 31st March,2015	As at 31st March,2014
	a) Unsecured, Considered Good :		
1	Security Deposit		
	- Telephone Deposit 223480	10,146	10,146
	- Security Deposit with GEB/MGVCL	6,152,348	3,953,150
	- ITI Godhara Deposit	500	500
	- Internet Deposit - VSNL	1,000	1,000
	- Rent Deposit	70,000	70,000
	- Telephone Deposit	38,987	38,987
	- Cell Phone Deposit	5,000	5,000
	- Cell Phone Deposit- Birla A T & T	3,000	3,000
	- Cell Phone Deposit- Fascell	3,000	3,000
	- Infrastructure Deposit with HGIA	193,750	193,750
	- Gas Connection Deposit	7,650	7,650
	- Halol G.I.D.C. Industries Association	187,343	187,343
	- Mobile Phone Deposit -	2,000	2,000
	- Telephone Deposit Tata Tele. No. 223480	500	500
	- Rent Deposit Hasuben D. Patel	63,690	55,000
	- Earnest Money Deposit	228,238	228,238
	- Nandesari Environment Control Ltd	83,708	83,708
2	Capital Advance	1,288,704	2,278,613
3	Other Advance for Purchase	355,062	1,043,948
4	Balance With Government Authorities	27,867,255	19,813,514
5	FMS Receivable	14,119,354	12,158,742
6	DEPB Income Receivable	818,506	818,506
7	Duty Drawback Receivable	8,437,350	-
	TOTAL	59,937,091	40,956,295



INNOVATIVE TYRES & TUBES LIMITED

Notes Forming Integral Part of Financial Statements

Note : 15 Non-Current Investment (Valued at Cost)

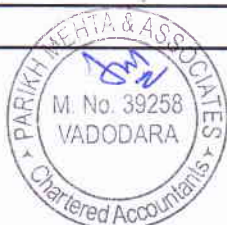
Amount In ₹			
Sr. No	Particulars	As at 31st March,2015	As at 31st March,2014
1	<u>Other Investments</u>		
	- Quoted:		
	1100 shares of Rs. 10 each of Indian Overseas Bank at a premium of Rs.14 (At the Beginning And at the End of the Year)	26,400	26,400
2	- Unquoted:		
	140 shares of Rs. 50 each, fully paid up of The Halol Mercantile Co-Operative Bank Ltd., Halol (At the Beginning And at the End of the Year.)	7,000	7,000
	TOTAL	33,400	33,400

Note : 16 Inventories (As Certified By the Management)

Amount In ₹			
Sr. No	Particulars	As at 31st March,2015	As at 31st March,2014
	At lower of Cost or Net Realisable Value		
1	Consumables Stores and Spares	8,298,861	12,714,472
2	Raw Material	46,314,234	11,939,498
3	Packing Materials	-	130,438
4	Work In Progress	122,988,597	70,838,096
5	Finished Goods		
	- Tyres	75,194,844	55,940,506
	- Tubes	8,395,300	17,659,827
	- Flaps	2,953,700	8,273,182
6	Scrap Material	182,179	569,364
	TOTAL	264,327,715	178,065,383

Note : 17 Trade Receivables

Amount In ₹			
Sr. No	Particulars	As at 31st March,2015	As at 31st March,2014
1	<u>Trade receivables outstanding for a period exceeding Six Months from the date they were due for payment</u>		
	a) Unsecured , Considered Good:	13,255,278	3,455,851
2	<u>Other trade receivables</u>		
	a) Unsecured, Considered Good :	187,276,335	75,235,970
	TOTAL	200,531,613	78,691,821



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INNOVATIVE TYRES & TUBES LIMITED

Notes Forming Integral Part of Financial Statements

Note : 18 Cash & Cash Equivalent

Amount In ₹

Sr. No	Particulars	As at 31st March,2015	As at 31st March,2014
1	<u>Cash-in-Hand</u>		
	Cash Balance	30,488	1,342,446
	Sub Total (A)	30,488	1,342,446
2	<u>Balance with Banks</u>		
	Fixed Deposit with State Bank of India	38,659,336	33,619,884
	Interest on F.D. Accured		5,124,094
3	<u>In Current Account</u>		
	State Bank of India -C/A No. 30094419858	526,996	390,891
	State Bank of India -C/A No. 10184845681	(4848889)	(1386851)
	State Bank of India -C/A No. 30050608062	- 2	69
	State Bank of India, Halol -C/A No. 10462017617		(33736)
	State Bank of India, Halol -C/A No. 10462017606	145,278	12,776
	State Bank of India -C/A No. 3004803240	- 678,078	1,224,567
	Uco Bank A/c No. 20310210001363	6,841	6,841
	The Halol Mercantile Co-Op. Bank Ltd.	450	450
4	State Bank of India EEFC a/c No. 30536291123	17,733	17,733
	Sub Total (B)	33,829,665	38,976,718
	Total [A + B]	33,860,153	40,319,164
	Of the above, the balances that meets the defination		
	of cash and cash equivalants as per AS 3 is	- 4,799,183	1,575,186

Note :19 Short Terms Loans and Advances

Amount In ₹

Sr. No	Particulars	As at 31st March,2015	As at 31st March,2014
1	<u>(a)Unsecured, Considered Good :</u>		
	- Capital Advance	452,110	1,250,080
	- Advance to Sundry Creditors	12,893,705	8,831,008
	- Advance To Employees	247,846	605,837
	- Advance To Directors	101,929	-
	- Balnace with Revenue Authorities	13,976,406	19,284,788
	- Advance Others	5,649,383	10,812,185
	- Prepaid Expenses	111,632	135,422
	TOTAL	33,433,011	40,919,320



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Notes Forming Integral Part of Financial Statements

Amount In ₹

Note : 20 Revenue from Operations

Sr. No	Particulars	Year Ended 31.3.2015	Year Ended 31.3.2014
1	Sale of Products.		
	- Export Sale	634,219,341	813,780,415
	- Domestic Sale	316,463,728	120,585,838
		950,683,069	934,366,253
	Less : Excise Duty on Domestic Sale	26,501,975	13,260,799
		924,181,094	921,105,454
2	Sale of Services		
	- Job Work Charges CEAT Ltd	175,369,845	136,869,781
	- Job Work Charges Export Division	149,744,776	171,960,377
3	Other Operating Revenue		
	- Scarp Sale	1,760,647	1,328,280
	- FMS Income	16,020,965	3,186,660
	- Duty Drawback Income	12,435,834	3,500,000
	- Exchange Rate Difference-Debtors	3,442,782	10,552,391
	- Exchange Rate Difference-Creditors	7,509,268	4,990,037
	- Exchange Rate Difference - PCFC SBI		6,689,741
	- Profit on Sale of Assets		1,456,666
	- Sundry Balance W/o	8,131,150	494,149
	- Other Income	2,717	-
	Total	1,298,599,078	1,262,133,536

Note : 21 Other Income

Sr. No	Particulars	Year Ended 31.3.2015	Year Ended 31.3.2014
1	Interest on VAT Refund	1,395,525	-
2	Interest on Income Tax Refund	10,890	
3	Interest on Fixed Deposit Gross (Tax deducted at source Rs. 676083/-) (P.Y. Rs. 304958/-)	5,002,896	3,298,798
4	Dividend	550	2,970
	Total	6,409,861	3,301,768



Notes Forming Integral Part of Financial Statements

Note : 22 Cost of Material Consumed

Sr. No	Particulars	Year Ended 31.3.2015	Year Ended 31.3.2014
1	Opening Stock of Raw Material	11,939,498	18,256,470
	Add: Purchases	873,491,463	733,656,703
	Total	885,430,961	751,913,173
	Less: Closing Stock of Raw Material	46,314,234	11,939,498
	Total	839,116,727	739,973,675

Note: 22.1 Details of Raw Material Consumed

1	- Carbon Black	166,778,760	141,946,125
2	- Rubber Process Oil	31,108,372	19,705,234
3	- Chemicals	49,265,410	32,038,248
4	- Bead Wire	19,808,596	16,683,672
5	- Fabrics	371,921,764	179,819,714
6	- Rubber	167,290,131	323,637,209
7	- Bladder	4,963,202	4,656,912
8	- Zinc Oxide	22,380,187	14,283,252
9	- Valve , Nuts, Washers and Other	5,600,306	7,203,399
	Total	839,116,728	739,973,765
	Total	839,116,728	739,973,765

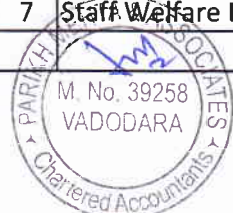
Note : 23 Change in Inventories of Finished Goods, Work-in-Progress & Scrap

Amount In ₹

Sr. No	Particulars	Year Ended 31.3.2015	Year Ended 31.3.2014
1	Opening Stock		
	Finished Goods	81,873,515	74,064,306
	Work In Process	70,838,096	84,859,952
	Scrap	569,364	230,851
		153,280,975	159,155,109
2	Closing Stock		
	Finished Goods	86,543,844	81,873,515
	Work In Process	122,988,597	70,838,096
	Scrap	182,179	569,364
		209,714,620	153,280,975
	Total	- 56,433,645	5,874,134

Note : 24 Employment Benefit Expenses

Sr. No	Particulars	Year Ended 31.3.2015	Year Ended 31.3.2014
1	Salary Expenses	31,637,471	25,452,441
2	Directors Remuneration	4,980,834	5,850,000
3	Bonus Expenses	1,200,000	1,800,000
4	Employer's Contribution to ESIC Fund	1,407,327	1,191,119
5	Employer's Contribution to Provident Fund	2,712,475	1,924,437
6	Employer's Labour Welfare Fund	4,008	3,873
7	Staff Welfare Expenses	103,255	264,641
	Total	42,045,370	36,486,511



Notes Forming Integral Part of Financial Statements

Note :25 Financial Cost

Sr. No	Particulars	Year Ended 31.3.2015	Year Ended 31.3.2014
1	<u>Interest on Borrowings</u>		
	Interest on Term loan	10,478,942	16,115,206
	Less: Interest on Term Loan Capitalised	-	-
		10,478,942	16,115,206
	Interest on Unsecured Loan	391,225	1,509,786
	Interest on C.C. Limit	12,691,288	3,991,871
	Interest on Working Capital Demand Loan	1,884,421	3,164,560
	Interest to Financial Institutions	670,273	730,061
	Interest on L.C.	8,822,815	8,173,377
2	<u>Interest Others</u>		
	Interest to Creditors	6,213,152	6,846,361
	Interest on delayed payment of Statutory Liabilities	289,507	93,076
3	<u>Other Borrowing Costs</u>		
	Bank Charges on Foreign Currency	574,031	393,892
	Cancellation charges for Forward Contract		
	Bank Charges	3,056,571	3,603,520
	Exchange Rate Fluctuation on L.C.	-	-
	Total	45,072,225	44,621,710

Note : 26 Depreciation & Amortised Cost

Sr. No	Particulars	Year Ended 31.3.2015	Year Ended 31.3.2014
1	Depreciation of Tangible Asset	26,857,091	17,875,039
2	Depreciation of InTangible Asset	1,308,356	1,273,487
	Total	28,165,447	19,148,526
	Less : Charged to Revaluation Reserve	-	-
	Total	28,165,447	19,148,526



Notes Forming Integral Part of Financial Statements

Note : 27 Other Expenses

Amount In ₹

Sr. No	Particulars	Year Ended 31.3.2015	Year Ended 31.3.2014
1	<u>Manufacturing Expenses</u>		
	Consumption of Stores and Spareparts (Including Packing Material & Repairs & Maintenance)	55,189,635	67,904,822
	Less: Boiler Fuel	32,316,622	38,818,239
	Total	22,873,013	29,086,583
	{ Refer 23 (i) Below }		
	Excess Material Consumption	1,237,161	4,018,290
	Rejection Tube/Tyre claims	1,001,958	1,411,980
	Labour Charges	17,501,839	13,956,301
	Conversion Charges TTF	160,035,551	171,960,377
	Conversion/Mixing charges	152,066	49,115
	Power & Fuel	91,967,270	89,767,758
	Water Charges	2,463,427	1,647,318
	Weighing Charges	154,780	147,440
	Factory Expenses	116,635	264,201
	Freight Inward	29,272,582	18,715,713
	<u>Adiministrative, Selling & Distribution Expenses, and</u>		
2	<u>Other Misc. Expenses</u>		
	Payment to Auditors as		
	- Auditor	154,420	154,420
	- For Company Law Matters	462,784	130,000
	- For Reimburshment of Expenses	4,011	33,680
	Sundry Balances written off	3,016,536	97,435
	Conveyance	78,415	198,070
	Donation & Charity	1,500	3,101
	Insurance Expenses	2,460,870	2,348,750
	Membership fees and Subscription	164,822	110,625
	Legal & Professional Expenses	2,081,767	1,482,152
	Loss on Sale of Assets	281,964	-
	Miscellaneous Expenses	3,434,869	29,016,211
	Office Expenses	76,823	140,879
	Repairs and Maintenance to others	68,956	96,836
	Repairs to Building	2,398	550
	Postage & Courier Expenses	266,150	450,254
	Printing & Stationery	182,364	315,782
	Rates & Taxes	423,997	313,838
	Security Expenses	1,304,665	1,156,812
	Telephone Expenses	658,545	777,742
	Travelling Expenses	133,831	584,315
	Vehicle Expenses	856,610	2,214,633
	Advertisement Expenses	165,294	39,420
	Sales Promotion Expenses	3,436,799	1,586,388
	Freight and Forwarding Expense	15,286,625	12,971,986
	Prior Period Adjstment (Net)	29,744	142,175
	Total	361,811,041	385,391,130



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INNOVATIVE TYRES & TUBES LIMITED**Notes Forming Integral Part of Financial Statements**

Note No. 27 (i) Consumption of Stores & Spare Parts			Amount In ₹
A	Consumables	Year Ended 31.3.2015	Year Ended 31.3.2014
	Opening Stock	9,655,054	14,960,892
	Add : Purchases		-
	Lignite/Imported Coal	32,721,653	33,529,172
	Freight For Purchase for Coal		2,023,571
	Diesel		709,469
	Fuel		210,747
	Other Misc. Consumable stores and spare parts	14,770,004	16,993,584
		57,146,711	68,427,435
	Less : Closing Stock	6,324,471	9,655,054
	TOTAL (A)	50,822,240	58,772,381
B	Packing Materials	Year Ended 31.3.2015	Year Ended 31.3.2014
	Opening Stock	130,438	130,438
	Add : Purchases	210,193	1,550,208
		340,631	1,680,646
	Less : Closing Stock	-	130,438
	TOTAL (B)	340,631	1,550,208
C	Repairs and Maintenance		
	Opening Stock	3,059,418	4,856,486
	Add : Purchases	2,941,736	5,785,164
		6,001,154	10,641,650
	Less : Closing Stock	1,974,390	3,059,418
	TOTAL (C)	4,026,764	7,582,233
	TOTAL (A) + (B) + (C) =	55,189,635	67,904,822



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2015

Sr. No.	Particulars	Year Ended 31st March 2015		Year Ended 31st March 2014	
(A)	CASH FLOW FROM OPERATING ACTIVITIES				
	Net Profit before tax and Extra Ordinary items		45,231,775		33,939,618
	Adjustment for Non-cash items / items required to be disclosed Separately				
	Add :				
	Depreciation (Net)	28,165,447		19,148,526	
	Deferred Revenue Expenditure written off	-		-	
	Bad Debt	3,016,536		97,435	
	Interest expenses	45,072,225		44,621,710	
	Unrealised Foreign Exchange Loss/Gain	-		-	
	Loss on sale of fixed assets	281,964		-	
	Total Addition	76,536,172		63,867,671	
	Less :				
	Short term Investment Income	6,409,311		3,298,798	
	Dividend	550		2,970	
	Profit on Sale of Assets	-		1,456,666	
	Credit Balance written Back	8,131,150		494,149	
	Total Deduction	14,541,011		5,252,583	
	Operating Profit before change in working capital	107,226,936		92,554,706	
	Adjustment for change in working capital and provisions :				
	Sundry Debtors	- 124,856,328		- 30,426,064	
	Inventories	- 86,262,333		- 19,294,013	
	Loans and Advances	- 18,980,796		- 16,523,386	
	Current Liabilities	189,539,539		47,758,254	
	Provisions	6,125,966		6,757,785	
	Cash Generated from operations	72,792,984		119,415,307	
	Net Cash Generated from operating activities		72,792,984		119,415,307
(B)	CASH FLOW FROM INVESTING ACTIVITIES				
	Purchase of Fixed Assets	- 14,883,287		- 24,051,539	
	Increase in Capital WIP	- 50,605,838		- 31,701,648	
	Sale of Fixed Assets	1,767,013		5,145,491	
	Short term Investment Income	6,409,311		3,298,798	
	Dividend Received	550		2,970	
	Net Cash used in Investing Activities		57,312,251		47,305,928
(C)	CASH FLOW FROM FINANCING ACTIVITIES				
	Increase in paid up Share capital	37,500,000		15,000,000	
	Increase in Share premium	-		-	
	Increase / (Decrease) in Working Capital loans	17,157,719		6,353,581	



Sr. No.	Particulars	Year Ended 31st March 2015		Year Ended 31st March 2014		
	Increase / (Decrease) in Secured Term loans	-	29,638,987	-	30,237,135	
	Increase / (Decrease) in Vehicle Loan		771,057	-	1,946,965	
	Increase / (Decrease) in Unsecured Loans from members	-	241,760	-	7,433,053	
	Increase / (Decrease) in Unsecured Loans / Others	-	2,415,547	-	1,092,512	
	Interest Payments	-	45,072,225	-	44,621,710	
	Net Cash used in financing activities		-	21,939,743	-	63,977,794
	Net Change in Cash and Cash equivalents (A+B+C)		-	6,459,010		8,131,585
	Cash and Cash equivalents (Opening Balance)			40,319,164		32,187,578
	Net Change in Cash and Cash equivalents		-	6,459,010		8,131,585
	Cash and Cash equivalents (Closing Balance)			33,860,153		40,319,164
	Net Change in Cash and Cash equivalents					
Notes :						
1	Cash and Cash equivalents comprise of :					
	Cash On hand			30,488		1,342,446
	Balance in Current Accounts :					
	In Current Accounts		-	4,829,671		5,356,834
	Fixed Deposits (Margin Money)			38,659,336		33,619,884
	Total			33,860,153		40,319,164
2	Cash flow statement has been prepared under the indirect method as set out in the Accounting Standard (AS) 3 "Cash Flow Statements"					

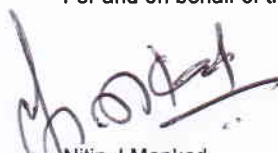
As per our attached report of even date

For Parikh Mehta & Associates
Chartered Accountants

Sachin J Mehta
Partner
Membership No : 039258
Firm Reg. No.: 112832W
Place : Vadodara
Date: 25th August'2015



For and on behalf of the Board of Directors


Nitin J Mankad
Director


Mukesh G Desai
Director

Place : Vadodara
Date: 25th August' 2015

INNOVATIVE TYRES & TUBES LIMITED

NOTE No. 1

Brief of the Company:

Innovative Tyres & Tubes Ltd was incorporated on 28-11-1995 with a view to set up Project for manufacturing of Butyl Rubber Tubes for 4 wheelers like Car, LCV, Truck, Bus etc for Ceat Ltd and made a dent in the supply market of butyl inner tubes during first few years of its operations with high standard of quality product which has helped to consolidate more co-operation and strong tie-up with Ceat Ltd.

Innovative Tyres & Tubes Ltd., part of the Innovative Group, is a leading manufacturer of automotive and industrial tyres and tubes based in Gujarat, India.

Innovative Tyres offers a wide range of products in the Truck / Bus, Agricultural & OTR and Motorcycle / 3-wheeler segments. Our full range of products along with our tubes/flaps manufacturing facility allows us to offer you un-paralleled flexibility of products and delivery.

Quality at Innovative is not an act, but a habit. Our manufacturing facility maintains the highest standards of quality and strict in-process controls so that you are assured of a superior quality product. Our tyre testing centre includes compound testing, testing of chemical and physical properties and product performance testing like plunger tests and pulley-wheel testing.

Our manufacturing plants are located at Halol, Gujarat in India in the industrial friendly state of Gujarat. Our location on the upcoming Delhi-Mumbai Industrial Corridor ensures that we are in the middle of strong industrial belt with good base infrastructure and access to all key market areas.

Over a period of time, Innovative has established in-process controls that control quality and ensure that end-products are defect free. We routinely are subjected to audit by third-party certification authorities and key customers.

At Innovative, we believe in a business ethics and values and LIVE BY IT. Innovative stands for the values we believe in – that only socially responsible and ethical businesses would prosper in the long run. Most of all, we pride ourselves in putting PEOPLE FIRST – our employees, our business partners and the stakeholders at large.



INNOVATIVE TYRES & TUBES LIMITED
NOTES ON FORMING PART OF THE ACCOUNTS

NOTE No.2

(A) Significant Accounting Policies

1. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention in accordance with the standards on accounting issued by the Ministry of Corporate Affairs and referred to in section 211(3C) of the Companies Act, 1956.

2. Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates.

3. Revenue Recognition

(i) Sales

Sales are recognized on the basis of dispatch to customer and are net of Sales Tax, Excise Duty VAT, Trade discount, rebates and returns but inclusive of excise duty.

Conversion Charges

Conversion Charges are recognized on Warehousing of the goods and are shown net of claims.

(ii) Other Income

Other income is recognized on accrual basis except when realization of such income is uncertain.

(iii) Insurance Claims

Claims lodged with the Insurance Company in respect of risks covered are accounted for as and when received from the Insurance Company.

4. Fixed Assets

Fixed Assets other than re-valued during the year 1995-96 are stated at cost, net of CENVAT credit, if any, after reducing accumulated depreciation until the date of the Balance Sheet. Direct cost are capitalized until the assets are ready for use and include financing costs relating to any borrowing attributable to acquisition. Capital work - in- progress includes the cost of fixed assets that are not yet ready for the intended use, advances paid to acquire fixed assets and the cost of assets not put to use before the balance sheet date.

The company has opted for accounting the exchange differences arising on reporting of long term foreign currency monetary items in accordance with Companies (Accounting Standards) Amendment Rules 2009 on Accounting Standard 11 (AS-11) as notified by Government of India on March 31, 2009. Accordingly the effect of exchange differences on long term monetary liabilities of the company is accounted by addition or deduction to the cost of the assets so far it relates to depreciable capital assets.



5. Depreciation

- (i) Depreciation on fixed assets has been provided on Straight Line Method as per the rates prescribed in Schedule XIV to the Companies Act, 1956.
- (ii) In case of re-valued assets the additional charge of depreciation on account of revaluation is withdrawn from the revaluation reserve and credited to Profit and Loss Account.
- (iii) As per AS, 26 Accounting for Intangible Assets, Intangible Asset has been written off over the period of ten years.

6. Inventories:

Inventories are valued at cost or net realizable value, whichever is lower. The basis of determining cost for various categories of inventories is as follows -

- | | |
|--|---|
| 1. Raw materials | First-In-First-Out basis. |
| 2. Work in process | For Conversion: At Cost of Conversion
For Export: At Cost (Cost of Materials and overhead up to the Completed Stage of Production) |
| 3. Consumables, Stores and spares and Packing Material | First-In-First-Out basis. |
| 4. Finished Goods | At Cost or Net realizable value, whichever is lower. (Cost represents Material, Labour and Manufacturing expenses including depreciation) |

7. Investments

Long term Investments are shown at cost. However, when there is decline, other than temporary in the value of a long term investment, the carrying amount is reduced to recognize the decline.

8. Borrowing Costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of such assets. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expense in the period in which they are incurred.

9. Employee Benefits

- (i) Short term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.
- (ii) Payment to defined contribution retirement benefit schemes are charged as an expense as they fall due.



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(iii) For defined benefit schemes, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses comprised experience adjustments and the effect of changes in the actuarial assumptions and are recognized immediately in the profit and loss account.

(iv) Termination Benefits are recognized as an expense as and when incurred.

10. Taxes on Income

The provision for taxation is ascertained on the basis of assessable profits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax assets on timing differences are recognised only if there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. However, deferred tax assets on the timing differences when unabsorbed depreciation and losses carried forward exist, are recognised only to the extent that there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

11. Provisions and Contingent Liabilities

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

12. Prior Period Adjustments

All identifiable items of income and expenditure pertaining to prior period are accounted through "Prior Period Adjustments Account".

13. Impairment of Assets

The company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the Profit & Loss Account. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.



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B) NOTES TO ACCOUNTS

1. Contingent Liabilities not provided for in respect of : -

There is no any Contingent liabilities not provided for.

The Company has given guarantees aggregating Rs.1,62,44,600/- on behalf of others. As at 31st March'2015, the contingent liabilities under these guarantees amounts to Rs.1,62,44,600/-.

2. Auditors' remuneration* (including service tax, wherever applicable):

Particulars	(Amount in Rs.)	
	Year ended 31 st March, 2015	Year ended 31 st March, 2014
Audit fees	49,635	49,635
Tax Audit	27,575	27,575

3. Managerial Remuneration

(Amount in Rs)

Particulars`	Year ended (31 st March, A 2015 m	Year ended 31 st March, 2014
Director	49,80,834 o	58,50,000

4. Borrowing Cost

The amount of borrowing cost during the year amounts Rs.1,04,78,942/- (Previous Year Rs.1,61,15,206/-).

5. Employee Benefits.

(i) Defined contribution plans

The Company has recognized an amount of Rs. 69,77,746/- . (Previous Year Rs.34,59,344/-) as expenses under the Defined Contribution Plan in the Profit & Loss account for the period ended 31st March, 2015.

(ii) Defined benefit plan

The Company makes annual contributions to the Employees' Group Gratuity of the LIC, a funded defined benefit plan for employees. The scheme provides for payment to vested employees as under:

a) Normal retirement/ early retirement/ withdrawal/resignation:

As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.

b) On death in service:



The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity and leave encashment were carried out at March 31, 2015 by an actuary. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method, which recognize each period of service as giving rise to additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

The following table sets out the status of the gratuity plan and leave encashment and the amounts recognized in the Company's financial statements as at March 31, 2015.

(Amount in Rs.)

Sr. No	Particulars	Gratuity (Funded) As on 31 st March, 15	Gratuity (Funded) As on 31 st March, 14
I	<u>Reconciliation in present value of obligations (PVO) – defined benefit obligation :</u>		
	Current Service Cost	7,76,059	7,11,328
	Interest Cost	3,33,276	2,71,756
	Actuarial (gain) / losses	23,49,156	3,00,887
	Expected Return on Plan	(1,02,695)	(79,657)
	Benefits paid	(4,02,973)	(15,68,896)
	Past service cost	--	15,715
	PVO at the beginning of the year	37,86,509	40,63,685
	PVO at end of the year	68,41,374	37,86,509
II	<u>Change in fair value of plan assets :</u>		
	Expected return on plan assets	1,02,695	(79,657)
	Actuarial gain/(losses)	12,26,846	(7,966)
	Contributions by the employer	--	--
	Benefits paid	--	--
	Fair value of plan assets at beginning of the year	11,33,786	10,62,095
	Fair value of plan assets at end of the year	12,35,827	11,33,786
III	<u>Reconciliation of PVO and fair value of plan assets:</u>		
	PVO at end of period	--	--
	Fair Value of planned assets at end of	12,35,827	11,33,786



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	year		
	Net asset/ (liability) recognized in the balance sheet	56,05,547	26,52,723
IV	<u>Net cost for the year ended March 31, 2015 :</u>		
	Current Service cost	7,76,059	7,11,328
	Interest cost	3,33,276	2,71,756
	Adjustment to Fund	--	--
	Expected return on plan assets	(1,02,695)	(79,657)
	Actuarial (gain) / losses	23,49,156	3,00,887
	Net cost	33,55,796	12,20,429
V	<u>Category of assets as at 31st March'2015:</u>		
	Insurer Managed Funds (100%)	100%	100%
VI	<u>Actual return on the plan assets</u>	--	--
VI I	<u>Assumption used in accounting for the gratuity plan:</u>	--	--
	Discount rate (%)	7.75%	9.10%
	Salary escalation rate (%)	7 %	9.00%
	Annual Increase in Salary Cost	--	6.00%

6. Earning per Share has been calculated as follows:

Particulars	(Amount in Rs)	
	Year Ended 31st March, 2015	Year Ended 31st March, 2014
Profit/(Loss) after tax	2,84,85,483	3,79,79,407
Weighted average number of Equity Shares :	93,43,137	93,43,137
Basic and diluted Earnings per Share (in Rs.)	3.05	4.06



7. Related Party Disclosures :

Disclosures as required by Accounting Standard -18 are given below:-

Name of Related Parties	Nature of Relationship
Nitin J. Mankad	Key Management Personal
Mukesh G. Desai	Key Management Personal
Pradeep R Kothari	Key Management Personal
Nihar Mukesh Desai	Relative of Key Management

(Amount in Rs.)

Nature of Transaction	Associates	Key Mgt. personnel	Relatives of Key Mgt. Personnel	Total
<u>Transaction during the year</u>				
Remuneration	Nil (Nil)	49,80,834 (58,50,000)	16,56,666 (Nil)	66,37,500 (58,50,000)
Reimbursement of expense	Nil (Nil)	49,591 (2,06,081)	47,028 (71,242)	96,619 (2,77,323)
Interest on Deposit	1,72,625 (3,04,478)	49,591 (2,87,511)	47,025 (7,58,729)	2,69,241 (13,50,718)
Loan Taken	Nil (Nil)	Nil (Nil)	26,00,000 (Nil)	26,00,000 (Nil)
Loan Repaid	Nil (42,81,300)	Nil (15,63,000)	26,00,000 (91,55,700)	26,00,000 (1,50,00,000)
<u>Balances as on 31st March'2015</u>				
Balance Payables				
Unsecured Loan	Nil (25,730)	13,08,000 (15,49,760)	1,95,000 (9,46,580)	15,03,000 (25,22,070)
Managerial Remuneration Payable	Nil (Nil)	14,45,340 (2,96,469)	1,87,300 (Nil)	16,32,640 (2,96,469)



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(Figures for the previous year are indicated in brackets)

8. Deferred Taxation

The deferred tax (assets)/liabilities arising out of significant timing differences are as under
(Amount in Rs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Deferred Tax Liability		
Difference between book depreciation and tax depreciation	1,28,99,287	2,38,00,076
Deferred Tax Asset	--	--
Gratuity and Leave encashment		
Deferred Tax Liability	75,36,292	-1,09,00,789
Unabsorbed depreciation and Losses	Nil	Nil
Net Deferred Tax Liability / (Asset)	2,04,35,579	1,28,99,287

9. Additional information pursuant to the Provisions of Paragraphs 3, 4C, and 4D of part II of -

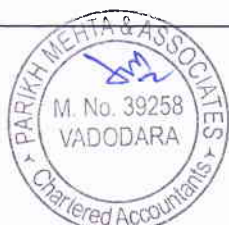
a) Consumption of Raw Materials:

(Amount in Rs.)

Particulars		2014-2015		2013-2014	
Item	Unit	Quantity	(Rs.)	Quantity	(Rs.)
Carbon Black	M.T.	20,62,012	16,67,78,760	17,27,941	14,19,46,125
Process Oil	M.T.	536290	3,11,08,372	3,87,843	1,97,05,234
Chemicals	M.T.	3,62,817	4,92,65,410	2,59,416	3,20,38,248
Bead Wire	M.T.	2,83,429	1,98,08,596	2,33,785	1,66,83,672
Rubber	M.T.	33,41,934	37,19,21,764	25,41,922	32,36,37,119
Fabrics	M.T.	7,00,965	16,72,90,131	6,74,308	17,98,19,714
Bladders	NOS	1457	49,63,202	1,453	46,56,912
Zinc Oxide	M.T.	1,59,055	2,23,80,187	1,15,905	1,42,83,252
Valves, Nuts, washers, and others	NOS	9,75,506	56,00,306	6,23,647	72,03,399
TOTAL			83,91,16,727		73,99,73,675

b) Value of Imported and Indigenous consumption of Raw Material and Stores, Spares and tools. (Amount in Rs.)

Particulars		2014-2015		2013-2014
Raw Materials	%	Amount in Rs.	%	Amount in Rs.
Imported	39.54	33,17,30,270	21.01	32,94,62,392
Indigenous	60.46	50,73,86,457	78.99	41,05,11,283
TOTAL	100	83,91,16,727	100	73,99,73,675
Stores, Spares and Tools				
Imported	--	--	1.39	--
Indigenous	100	5,48,49,004	98.61	6,63,54,614
TOTAL	100	5,48,49,004	100	6,63,54,614



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c) CIF Value of Imports:

(Amount in Rs)

Particulars	2014-2015	2013-2014
i) Raw Materials	33,10,18,927	32,92,31,404
ii) Consumable, Stores and Spares	--	1,72,152
iii) Capital Goods	--	--
TOTAL	33,10,18,927	32,94,03,556

d) Expenditure in Foreign currencies on account of:

(Amount in Rs)

Particulars	2014-2015	2013-2014
i) Travelling	--	--
ii) Testing Charges (GSC)	6,43,541	4,36,785
ii) Others	5,74,031	3,93,892
TOTAL	12,17,572	8,30,677

e) Earnings in Foreign exchange on account of:

(Amount in Rs)

	2014-2015	2013-2014
i) FOB value of Exports	63,42,91,704	81,37,80,415
TOTAL	63,42,91,704	81,37,80,415

f) Additional information pursuant to para 4C of Part II of schedule VI to the Companies Act, 1956.

10. The value of realization of Current Assets, Loans and Advances in the ordinary course of business will not be less than the value at which they are stated in the Balance Sheet.
11. The balances of Debtors, Creditors are subject to adjustments, if any, on reconciliation / settlement.
12. Share application money against Equity shares and Preference Shares pending allocation as on 31st March' 2015 is Rs.3,75,00,000/- against which shares have been allotted on 6th May' 2015 and accordingly return of allotment is file to the Registrar of Companies.
13. Figures of the previous year have been regrouped / reclassified wherever necessary.

For Parikh Mehta & Associates.
Chartered Accountants



Sachin J Mehta
Partner

Membership No. 039258

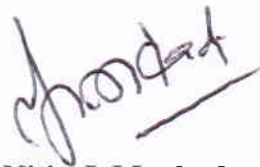
Firm Reg. No.112832W

Place: Vadodara

Date: 25th August, 2015



For Innovative Tyres & Tubes Limited



Nitin J. Mankad
Director

Place: Vadodara

Date: : 25th August' 2015



Mukesh G Desai
Director

Place:Vadodara