

Reg. Office : 1201, 1202, 1203 - GIDC
Halol - 389 350,
Panchmahal,
Gujarat, INDIA.
Phone : 02676 - 220621

INNOVATIVE

TYRES & TUBES LTD

CIN NO. L25112GJ1995PLC086579

30th June, 2020

To
The Manager – Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G-Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051, India.

Dear Sir/Madam,

Sub: Outcome of Board Meeting and compliance of Regulation 30 of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015

**Ref.: SYMBOL – INNOVATIVE
ISIN: INE070Y01015**

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we wish to inform that the Board of Directors of the Company, at their just concluded meeting have unanimously approved the following matters.

- Approved standalone audited financial results for the half year and year ended 31st March 2020 along with statement of Assets & Liabilities as on 31st March 2020. (Copy of results are attached herewith alongwith Reports of the Auditors thereon as **Annexure**)
- Approved Financial Statements (Standalone) of the Company for the financial Year 31st March 2020.
- Approved re-appointment of Dr. Mrs Kalpana Joshipura as an independent director of the company for the second term of three years w.e.f. 10th July 2020 (Based on the recommendation of Nomination and Remuneration Committee)
- Approved re-appointment of Mr. Yashwant Singh, Chartered Accountant, as internal auditor of the company for the financial year 2020-21.
- Approved re-appointment of M/s. Swati Bhatt & Co., Practicing Company Secretary, Vadodara as Secretarial Auditor for the financial year 2020-21.
- Approved re-appointment M/s. V P & Associates, Cost Accountants, Vadodara as Cost auditors of the company for the financial year 2020-21.

The Board meeting was commenced at 4:30 PM and concluded at 5.45 PM

This is for your information and records.

Thanking you,
FOR INNOVATIVE TYRES & TUBES LIMITED


ARVIND TAMBHI
CFO & COMPANY SECRETARY
Encl: As above



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**Additional Information pursuant to the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015
Concerning appointment/re-appointment of director**

S.No.	Particulars	Dr. Mrs. Kalpana Joshipura (DIN: 007849507)
1	Reason for change viz. appointment, resignation, removal, death of director, otherwise	Re-appointment as independent director
2.	Date of Appointment	10 th July 2020
3.	Term of Appointment	3 Years
4	Brief Profile	Dr. Mrs. Kalpana Joshipura is having vast experience almost 38 years and above as a Principal. She is currently associated with Kalarav School, Halol. She is holding various positions at various associations, councils and other educational trust. She has contributed towards cultural development of rural women and children.
5.	Disclosure of relationships between (in case of appointment of a director)	None.



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website: www.innovativetyres.com Email: investors@innovativetyres.co.in Tel: 02676-220621

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE HALF YEAR AND YEAR ENDED 31ST MARCH, 2020

(Rs. in Lacs)

Sr. No.	Particulars	Half Year Ended			Year Ended	
		31.03.2020	30.09.2019	31.03.2019	31.03.2020	31.03.2019
		(Audited)	(unaudited)	(Audited)	(Audited)	(Audited)
1	Revenue from Operations	6,565.53	8,320.68	8,292.64	14,886.20	17,178.75
2	Other Income	40.38	129.21	157.83	169.60	208.46
3	Total Revenue	6,605.91	8,449.89	8,450.47	15,055.80	17,387.21
4	Expenses:					
	(a) Cost of Raw Materials consumed	5,330.17	5,967.02	6,340.76	11,297.19	13,975.12
	(b) Change in inventories of finished goods and work-in-progress	(489.86)	399.19	3.87	(90.67)	(1,079.20)
	(c) Employee benefits expense	440.22	485.27	423.44	925.49	779.36
	(d) Finance Costs	132.45	149.25	99.26	281.69	207.40
	(e) Depreciation and amortisation expense	429.64	397.95	312.86	827.60	645.55
	(f) Other expenses	1,346.15	1,394.60	1,244.99	2,740.75	2,767.74
	Total Expenses	7,188.78	8,793.29	8,425.18	15,982.06	17,295.96
5	Profit/(Loss) before Tax	(582.87)	(343.39)	25.29	(926.26)	91.25
6	Tax Expense:					
	(a) Current Tax	-	-	7.97	-	21.42
	Less: MAT Credit Entitlement	-	-	7.97	-	21.42
	Current Tax (Net of MAT Credit)	-	-	-	-	-
	(b) MAT Credit (Prior years)	-	-	(46.29)	-	(92.50)
	(c) Deferred Tax	21.26	30.81	65.80	52.07	83.78
	(d) Provision for Income Tax of earlier years	(0.15)	4.51	0.21	4.36	0.86
7	Profit/(Loss) after tax for the period	(603.98)	(378.71)	5.57	(982.69)	99.12
8	Earnings per equity share:					
	Basic (in Rs.)	(3.36)	(2.10)	0.03	(5.46)	0.55
	Diluted (in Rs.)	(3.36)	(2.10)	0.03	(5.46)	0.55



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Statement of Assets and Liabilities

(Rs. In Lacs)

Particulars	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
I. EQUITY AND LIABILITIES		
(1) Shareholder's Funds		
(a) Share Capital	1,799.16	1,799.16
(b) Reserves & Surplus	5,850.49	6,833.17
Sub- Total of Shareholders' Funds	7,649.65	8,632.33
(2) Non-Current Liabilities		
(a) Long term Borrowing	455.13	564.01
(a) Deferred tax liabilities (Net)	866.99	814.93
(b) Other Long term liabilities	2,512.03	2,616.29
(c) Long term provisions	111.88	104.57
Sub- Total of Non Current Liabilities	3,946.03	4,099.80
(3) Current Liabilities		
(a) Short-term borrowings	1,618.46	1,493.09
(b) Trade payables		
(i) Due to Micro & Small enterprises	120.11	125.86
(ii) Others	2,693.00	2,466.96
(c) Other current liabilities	1,035.37	892.99
(d) Short-term provisions	175.08	99.25
Sub- Total of Current Liabilities	5,642.02	5,078.15
TOTAL EQUITY AND LIABILITIES	17,237.70	17,810.28
II. ASSETS		
(1) Non-current assets		
(a) Property, Plant & Equipments		
(i) Tangible assets	10,445.18	10,816.21
(ii) Capital work-in-progress	16.08	113.93
(ii) Intangible Assets	0.16	0.21
(b) Non-current investments	1.08	1.08
(c) Long term loans and advances	272.68	575.92
Sub- Total of Non Current Assets	10,735.18	11,507.35
(2) Current assets		
(a) Inventories	4,167.05	4,236.18
(b) Trade receivables	1,785.07	1,269.13
(c) Cash and cash equivalents	318.55	352.71
(d) Short-term loans and advances	184.20	247.15
(e) Other Current Assets	47.65	197.76
Sub- Total of Current Assets	6,502.52	6,302.93
TOTAL ASSETS	17,237.70	17,810.28



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Cash Flow Statement for the year ended on 31st March, 2020

Rs. Lakhs

Sr. No.	Particulars	31st March 2020	31st March 2019
1)	Cash Flow from Operating Activities		
	Profit before taxation	(926.26)	91.25
	Adjustment for:		
	(Profit)/Loss on sale of Fixed Assets	(41.70)	(88.57)
	Depreciation	827.60	645.55
	Provision for gratuity	19.54	(3.21)
	Provision for leave	0.05	(10.84)
	Interest Received	(26.26)	(25.06)
	Doubtful Debts	6.05	6.50
	Sundry balance write off/write back	0.74	0.75
	Interest and finance charges	281.69	207.40
	Operating profit before working capital changes	141.46	823.77
	(Increase)/Decrease in		
	Inventories	69.14	(1,091.52)
	Trade Receivables	(522.00)	(155.76)
	Short Term Loans and Advances	62.95	182.19
	Other current assets	142.73	(149.36)
	Long Term loans and Advances	(3.63)	(255.13)
	Increase/ (Decrease) in		
	Trade payables	219.56	166.60
	Other current liabilities	217.55	49.13
	Short-term/long term provisions	63.54	(48.53)
	Other Long Term Liabilities	(104.26)	836.55
	Cash generated from operations	287.03	357.96
	Income taxes and other taxes (net of refunds)	3.01	91.64
	Net cash from Operating Activities - A	290.05	449.60
2)	Cash flow from Investment Activities		
	Purchase of fixed assets	(141.33)	(1,858.18)
	Interest received	26.26	25.06
	Investment in Shares	-	(0.75)
	Sale of Fixed Assets	131.25	163.25
	Net cash from Investment Activity - B	16.17	(1,670.62)
3)	Cash Flow from Financing Activities:		
	Net Proceeding from All borrowings	(58.69)	989.56
	Interest and finance charges paid	(281.69)	(207.40)
	Net cash from Financing Activities - C	(340.38)	782.16
	Net Increase/(decrease) in Cash and cash equivalents (A+B+C)	(34.16)	(438.87)
	Cash and cash equivalents as on 1 st April, 2019	352.71	791.58
	Cash and cash equivalents as on 31st March 2020	318.55	352.71



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Notes :

- 1 The above results were audited by the Statutory Auditors, recommended by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 30th June, 2020.
- 2 The Company is engaged in the business of Tyre & Tubes only and therefore, there is only one reportable segment in accordance with the Accounting Standard on Segment Reporting (AS-17).

- 3 The outbreak of Coronavirus (COVID -19) pandemic globally and in India has led to unpredictable challenges for the human mankind. This pandemic has caused disturbance and slowdown down in the economic activities worldwide and impacted business, by interruption in supply and demand chains, unavailability of personnel, closure of production facilities and offices and also posed unforeseen challenges before business especially in automobile sector. Slowdown in Automobile industry for past few months alongwith outbreak of this pandemic has witnessed and impacted the growth of the company viz a viz its expansion plan along profitability of the company, effectively from January 2020

Plants of the Company at Halol were shut down from 24th March, 2020 following the nationwide lockdown by the Government of India to prevent the community spread of COVID-19. The manufacturing activities at plants were partially resumed from 21st April, 2020 and the production was increased in a phased manner taking into account directives issued by the Government and local authorities. The production and sales of the Company is significantly impacted due to this lockdown. The Company has achieved about 35% in April to 50% in May and now in June 65% of its production capacity as on the current date. The Company is closely monitoring the situation and making all the necessary efforts to operate at full capacity subject to improving the market and response from the Customers post relaxation of lockdown all over India and abroad

In view of the aforesaid circumstantial facts, the Company expects high pressure on its working capital resulting in to difficulties in supporting its current and future operations. The situation may worsen if impact of pandemic on economy lasts longer. The exact impact of this lockdown is difficult to estimate at this point in time

- 4 Pursuant to the Taxation Laws (Amendment) Ordinance, 2019 issued on 20 September 2019, corporate assesses have been given the option to apply lower income tax rate with effect from 01 April 2019, subject to certain conditions specified therein. The Company has carried out an evaluation and based on its forecasted profits, believes it will not be beneficial for the Company to choose the lower tax rate option in the near future. Accordingly, no effect in this regard has been considered in measurement of tax expense for the half year and year ended 31 March 2020. Management, however, will continue to review its profitability forecast at regular intervals and make necessary adjustments to tax expense when there is reasonable certainty to avail the beneficial (lower) rate of tax
- 5 The previous quarters'/years' figures have been regrouped/rearranged wherever necessary to make it comparable with the current period.

Date : 30th June 2020
Place : Vadodara



For Innovative Tyres & Tubes Limited

Mukesh G Desai
Chairman



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Independent Auditor's Report on Audited Financial Results

To the Board of Directors of
Innovative Tyres and Tubes Limited

Opinion

We have audited the accompanying standalone half yearly financial results of Innovative Tyres and Tubes Limited for the half year ended 31st March 2020 and the year to date results for the period from 1st April 2019 to 31st March 2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations")

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other financial information for the half year ended 31st March, 2020 as well as the year to date results for the period from 1st April, 2019 to 31st March, 2020.

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 Results* 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 results 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.



Emphasis of Matter

We draw attention to Note 3 of the Financial Results, which explain the uncertainties and management's assessment of the impact due to COVID- 19 pandemic and other related restrictions on the business operations of the Company. A Definitive assessment of the impact is not possible in view of high uncertain economic environment. Our Opinion is not modified in respect of this matter.

Management's Responsibilities for the Financial Results

These half yearly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net loss and other financial information in accordance with the recognition and measurement principles laid down in Accounting Standard 25, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 standalone financial results.

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

- Identify and assess the risks of material misstatement of the standalone financial results, 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, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 results 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 standalone financial results, including the disclosures, and whether the financial results 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.



Other Matter

The standalone annual financial results include the results for the half year ended 31 March, 2020 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the first half year of the current financial year which were subject to limited review by us.

For Maloo Bhatt & Co.

Chartered Accountants

F.R.No. 129572W



CA. Yash Bhatt
Partner

M. No. 117745

UDIN: 20117745 AAAAC 63793

Place: Vadodara

Date: 30th June 2020

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TYRES & TUBES LTD

CIN NO. L25112GJ1995PLC086579

30th June, 2020

To
The Manager – Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
G-Block, Bandra Kurla Complex,
Bandra (E), Mumbai – 400051, India.

Dear Sir/Madam,

Sub: Declaration pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015

Ref.: SYMBOL – INNOVATIVE

ISIN: INE070Y01015

Pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we wish to declare that the Statutory Auditors of the Company, M/s Maloo Bhatt & CO.(Reg No. 129572W) have issued the Audit report with unmodified opinion for the Annual Audited Financial Results of the Company for the year ended 31st March, 2020.

This is for your information and records.

Thanking you,
FOR INNOVATIVE TYRES & TUBES LIMITED

Arvind Tambi
ARVIND TAMBHI
CFO & COMPANY SECRETARY

