

# INNOVATIVE

## TYRES & TUBES LTD

CIN NO. L25112GJ1995PLC086579

19<sup>th</sup> May 2022

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 Resolution Professional and 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 31<sup>st</sup> March 2022 along with statement of Assets & Liabilities as on 31<sup>st</sup> March 2022 and Cash flow for the year 2021-22. (Copy of results, Resolution Professional's Report are attached herewith along with Reports of the Auditors thereon and Statement of Impact of Audit Qualifications as **Annexure**)
- Approved Financial Statements (Standalone) of the Company for the financial Year 31<sup>st</sup> March 2022.
- Approved re-appointment of M/s Maloo Bhatt & Co., Chartered Accountants, as statutory auditor of the company for a second term of five years from the conclusion of 27<sup>th</sup> Annual General Meeting upto the conclusion of 32<sup>nd</sup> Annual General Meeting subject to the approval of members at the ensuing 27<sup>th</sup> AGM.
- Approved re-appointment of M/s. Swati Bhatt & Co., Practicing Company Secretary, Vadodara as Secretarial Auditor for the financial year 2022-23.

**The Board Meeting was commenced at 4:30 PM and concluded at 6:30 PM**

This is for your information and records.

Thanking you,  
**FOR INNOVATIVE TYRES & TUBES LIMITED**

  
**ARVIND TAMB**  
**CFO & COMPANY SECRETARY**  
Encl: As above



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

**INNOVATIVE**

**TYRES & TUBES LTD**

CIN NO. L25112GJ1995PLC086579

**Disclosures as prescribed under SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 concerning appointment of statutory auditor**

S. No.	Particulars	
1	Reason for Change, viz., appointment, resignation, removal, death or otherwise;	M/s Maloo Bhatt & Co., Chartered Accountants (Firm Registration No. 129572W) Re-appointment As required under section 139(2) of the Companies Act, 2013, re-appointment of M/s Maloo Bhatt & Co is being proposed as statutory auditor of the company for second term of five years at the ensuing 27th meeting (AGM) of the Company. The term of M/s Maloo Bhatt & Co. expires at the conclusion of ensuing 27th AGM
2	Date of appointment/cessation (as applicable) & terms of appointment	<b>Date of appointment:</b> Ensuing 27 <sup>th</sup> Annual general meeting of the Company. <b>Term of appointment:</b> 5 years from the conclusion of 27 <sup>th</sup> Annual General Meeting till conclusion of 32 <sup>nd</sup> Annual General Meeting.
3	Brief Profile	M/s Maloo Bhatt & Co. is a Firm of Chartered Accountants established in 2009 with the name of M/s Yash Bhatt & Co. as proprietorship concern, converted into partnership firm in 2011 with the same name and then in 2012 it was renamed as M/s Maloo Bhatt & Co. having branches at Vadodara and Bharuch. It is providing services related to Audit and Business Advisory, Direct and Indirect Tax Compliance, Regulatory advisory including FEMA and International taxation and Consultancy Services to individual and Corporate clients, both locally and internationally.
4	Disclosure of relationship between directors (in case of appointment of a director)	Not Applicable.

*Chandana*





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CIN: L25112GJ1995PLC086579

REGD. OFFICE: 1201,1202,1203-GIDC, Halol-389350, Panchmahal, Gujarat, India

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, 2022

Sr. No.	Particulars	(Rs. in Lacs)				
		Half Year Ended			Year Ended	Year Ended
		31.03.2022 (Audited)	30.09.2021 (unaudited)	31.03.2021 (Audited)	31.03.2022 (Audited)	31.03.2021 (Audited)
1	Revenue from Operations	1,013.07	4,143.92	7,594.00	5,156.98	13,917.21
2	Other Income	159.06	45.45	87.44	204.51	101.58
3	<b>Total Income</b>	<b>1,172.13</b>	<b>4,189.37</b>	<b>7,681.44</b>	<b>5,361.50</b>	<b>14,018.79</b>
4	<b>Expenses:</b>					
	(a) Cost of Raw Materials consumed	1,020.20	3,794.69	5,216.33	4,814.90	9,823.44
	(b) Change in inventories of finished goods and work-in-progress	3,318.59	(65.37)	(161.82)	3,253.22	167.01
	(c) Employee benefits expense	153.69	322.32	454.05	476.01	800.68
	(d) Finance Costs	117.89	188.61	176.86	306.50	363.85
	(e) Depreciation and amortisation expense	341.71	438.57	429.18	780.28	837.14
	(f) Other expenses	516.43	1,125.20	1,638.82	1,641.63	2,914.06
	<b>Total Expenses</b>	<b>5,468.51</b>	<b>5,804.02</b>	<b>7,753.42</b>	<b>11,272.53</b>	<b>14,906.16</b>
5	<b>Profit/(Loss) before Tax</b>	<b>(4,296.38)</b>	<b>(1,614.65)</b>	<b>(71.98)</b>	<b>(5,911.03)</b>	<b>(887.37)</b>
6	<b>Tax Expense:</b>					
	(a) Current Tax	-	-	-	-	-
	(b) Deferred Tax	11.37	(28.39)	19.37	(17.02)	(3.25)
7	<b>Profit/(Loss) after tax for the period</b>	<b>(4,307.75)</b>	<b>(1,586.26)</b>	<b>(91.35)</b>	<b>(5,894.01)</b>	<b>(884.12)</b>
8	<b>Earnings per equity share:</b>					
	Basic (in Rs.)	(23.94)	(8.82)	(0.51)	(32.76)	(4.91)
	Diluted (in Rs.)	(23.94)	(8.82)	(0.51)	(32.76)	(4.91)

### Notes :

- These audited financial results have been prepared by the management of the company in consultation with the Resolution Professional of the Company. The audit of the half year and year ended on 31st March 2022, as required under Regulation 33 of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 has been carried out by the Statutory Auditors of the Company.
- The Company is undergoing Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency & Bankruptcy Code, 2016 (Insolvency Code) in terms of Order dated 28th March 2022 passed by Hon'ble NCLT, Ahmedabad Bench. In terms of Section 20 of Insolvency code, the management and operations of the Company are being managed by Interim Resolution Professional (IRP) / Resolution Professional (RP) after commencement of CIRP.
- An application was filed against Innovative Tyres & Tubes Limited under Section 9 of Insolvency and Bankruptcy Code, 2016 before the Hon'ble NCLT Ahmedabad with a prayer to commence the Corporate Insolvency Resolution Process (CIRP) in respect of itself. The said application for initiation of Corporate Insolvency Resolution Process (CIRP), has been admitted by Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench (Hon'ble NCLT/Hon'ble Adjudicating Authority) vide its order dated 28th March 2022. Under the IBC proceedings, the power of the Board were suspended with effect from 28th March, 2022. The NCLT order also provided for a moratorium with effect from 28th March 2022 till the completion of the Corporate Insolvency Resolution process (CIRP) or until it approves the resolution plan or passes an order for liquidation of the company, whichever is earlier.
- As CIRP is ongoing, the above audited financial results have been considered and recommended by the Board of Directors alongwith the Resolution Professional.
- The Company's bank accounts have been classified as Non Performing Asset (NPA) by the lenders. The Lenders have not charged any interest for the month of March 2022 and it has reversed unrealised interest already charged in accounts. The Company has not made any provision for interest which has not been charged (including unrealised interest) by the bank on account of NPA on Bank Borrowings and accordingly the loss & finance cost for the half year and year ended 31st March, 2022 are understated and not quantifiable.



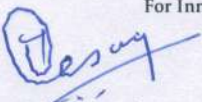


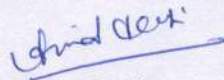
- 6 The company has incurred net loss of Rs. 5894.01 Lakhs during the year ended 31st March 2022 and have accumulated losses of Rs.5281.88 Lakhs as on 31st March 2022. Though its networth has been substantially eroded and the financial performance of the Company had deteriorated substantially and inspite all the manufacturing operations have been stand still and currently the company is under Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency & Bankruptcy Code, 2016 (Insolvency Code) and though the Company continue to deal with a range of uncertainties and presently not able to service its debts. Inspite all the facts, the Company Management has prepared the Company's Financial Results on a going concern basis with the hope of success of resolution plan on a going concern basis and Company re-instate everything back as fully operational.
- 7 Cost of Change in inventory of finished goods and work in process includes cost of Inventory and finished goods which were deteriorated on account of non rotation of operation cycle due to pandemic resulted into ecological developments and some changes in properties of various grades including compound.
- 8 The Company is engaged in the business of Tyre & Tubes and therefore, there is only one reportable segment in accordance with the Accounting Standard on Segment Reporting (AS-17).
- 9 The Company's current level of capacity covering more than 250 plus sizes of tyres across 25 plus countries are an indication of the future performance of the Company. Various Core machineries were installed in recent years. Resolution Professional appointed in terms of Insolvency and Bankruptcy Code has discussed with management for preparation of a viable resolution plan and management has suggested that company will be able to implement a successful resolution plan. The Management is expected to guide to Resolution Professional to propose for strategy and develop a business plan post which reliable projections of availability of future cash flows of the company and these supporting the carrying value of Property, Plant and Equipment will be available. Accordingly, impairment testing under AS 28 has not been performed while preparing financial statements.
- 10 The figures for the half year ended 31st March 2022 are the balancing figure between the audited figure for the financial year 31st March 2022 and the half year ended 30th September 2021.
- 11 L.C. Acceptance amounting to Rs. 1272.54 lakhs under Trade payable during previous year has been regrouped into short term borrowing to match and reconcile the claim from bank.
- 12 The previous half years'/years' figures have been regrouped/rearranged wherever necessary to make it comparable with the current period.

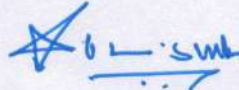
Date : 19th May 2022  
Place : Vadodara



For Innovative Tyres & Tubes Limited

  
Mukesh Desai  
Director  
DIN No.00089598

  
Arvind Tambi  
CFO & CS

  
Abhishek Nagori  
Resolution Professional (RP)

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CIN: L25112GJ1995PLC086579

REGD. OFFICE: 1201,1202,1203-GIDC, Halol-389350, Panchmahal, Gujarat, India

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

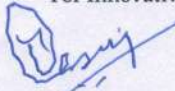
## Statement of Assets and Liabilities

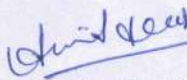
(Rs. Lacs)

Particulars	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
<b>I. EQUITY AND LIABILITIES</b>		
<b>(1) Shareholder's Funds</b>		
(a) Share Capital	1,799.16	1,799.16
(b) Reserves & Surplus	(927.65)	4,966.36
Sub- Total of Shareholders' Funds	871.51	6,765.52
<b>(2) Non-Current Liabilities</b>		
(a) Long term Borrowing	-	611.31
(b) Deferred tax liabilities (Net)	846.72	863.74
(c) Long term provisions	-	143.12
Sub- Total of Non Current Liabilities	846.72	1,618.17
<b>(3) Current Liabilities</b>		
(a) Short-term borrowings	3,759.71	3,084.94
(b) Trade payables		
(i) Due to Micro & Small enterprises	112.78	188.60
(ii) Others	2,922.14	3,125.91
(c) Other current liabilities	1,248.17	1,300.99
(d) Short-term provisions	-	62.20
Sub- Total of Current Liabilities	8,042.80	7,762.64
<b>TOTAL EQUITY AND LIABILITIES</b>	9,761.03	16,146.33
<b>II. ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, Plant & Equipments and Intangible Assets		
(i) Property, Plant & Equipments	8,961.07	9,687.07
(ii) Capital work-in-progress	24.67	143.82
(ii) Intangible Assets	0.05	0.16
(b) Non-current investments	1.08	1.08
(c) Long term loans and advances	-	26.08
(d) Other Non Current Assets	198.85	227.47
Sub- Total of Non Current Assets	9,185.72	10,085.68
<b>(2) Current assets</b>		
(a) Inventories	255.23	3,909.28
(b) Trade receivables	193.98	1,396.19
(c) Cash and cash equivalents	29.27	407.63
(d) Short-term loans and advances	2.94	38.03
(e) Other Current Assets	93.89	309.51
Sub- Total of Current Assets	575.31	6,060.65
<b>TOTAL ASSETS</b>	9,761.03	16,146.33



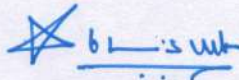
For Innovative Tyres & Tubes Limited

  
**Mukesh G Desai**  
 Director  
 DIN No.00089598

  
**Arvind Tambi**  
 CFO & CS



Date : 19th May 2022  
Place : Vadodara

  
**Abhishek Nagori**  
 Resolution Professional



**INNOVATIVE TYRES & TUBES LTD**

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**Cash Flow Statement for the year ended on 31st March 2022**

(Rs. in Lacs)

Sr. No.	Particulars	31.03.2022	31.03.2021
1)	<b>Cash Flow from Operating Activities</b>		
	Profit before taxation	(5,911.03)	(887.37)
	<b>Adjustment for:</b>		
	(Profit)/Loss on sale of Fixed Assets	(48.93)	(48.82)
	Depreciation	780.28	837.14
	Provision for gratuity	116.02	3.88
	Provision for leave	(74.64)	14.26
	Interest Received	(19.51)	(16.98)
	Doubtful Debts	18.19	74.17
	Sundry balance write off/ write back	(97.18)	(3.53)
	Interest and finance charges	306.50	363.85
	Operating profit before working capital changes	<b>(4,930.30)</b>	<b>336.61</b>
	<b>(Increase)/Decrease in</b>		
	Inventories	3,654.05	257.76
	Trade Receivables	1,184.02	314.72
	Short Term Loans and Advances	35.10	(73.00)
	Other current assets	215.63	(41.92)
	Long Term loans and Advances	-	0.14
	Other Non Current Assets	28.62	
	<b>Increase/ (Decrease) in</b>		
	Trade payables	(182.41)	(647.09)
	Other current liabilities	(52.82)	171.78
	Short-term/long term provisions	(246.70)	23.77
	Other Long Term Liabilities	-	(2.90)
	Cash generated from operations	(294.82)	339.85
	Income taxes and other taxes (net of refunds)	-	-
	<b>Net cash from Operating Activities - A</b>	<b>(294.82)</b>	<b>339.85</b>
2)	<b>Cash flow from Investment Activities</b>		
	Purchase of fixed assets	(25.87)	(237.65)
	Interest received	19.51	16.98
	Investment in Shares	-	-
	Sale of Fixed Assets	165.87	98.70
	<b>Net cash from Investment Activity - B</b>	<b>159.51</b>	<b>(121.98)</b>
3)	<b>Cash Flow from Financing Activities:</b>		
	Net Proceeding from All borrowings	63.46	235.05
	Proceeds from Share issue & premium from promoters	-	-
	Share issue Expenses	-	-
	Interest and finance charges paid	(306.50)	(363.85)
	<b>Net cash from Financing Activities - C</b>	<b>(243.04)</b>	<b>(128.80)</b>
	<b>Net Increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(378.36)</b>	<b>89.07</b>
	Cash and cash equivalents as on 1 <sup>st</sup> April, 2021	407.63	318.55
	<b>Cash and cash equivalents as on 31st March 2022</b>	<b>29.27</b>	<b>407.63</b>

Date : 19th May 2022

Place : Vadodara



For Innovative Tyres & Tubes Limited

*Mukesh G Desai*  
Mukesh G Desai  
Director

DIN No.00089598

*Arvind Tambi*  
Arvind Tambi  
CFO & CS

*Abhishek Nagori*  
Abhishek Nagori  
Resolution Professional





Abhishek Nagori  
Insolvency Professional  
Resolution Professional for M/s Innovative Tyres and Tubes Limited  
(Under Corporate Insolvency Resolution Process)  
Regn. No. IBBI/IPA-001/IP-P00020/2016-2017/10044  
330/348, Third Floor, Tower-A, Atlantis K-10,  
Opp. Vadodara Central, Sarabhai Main Road,  
Vadodara-390 023, Gujarat- India  
E-mail: cirp.ittl@ddip.in; jlnusb@gmail.com

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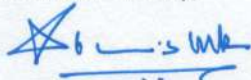
### Report of Resolution Professional

The members are informed that the Hon'ble National Company Law Tribunal, Ahmedabad Bench, has ordered the Commencement of Corporate Insolvency Resolution Process of "M/s Innovative Tyres and Tubes Limited" (Corporate Debtor) (CIN- L25112GJ1995PLC086579) vide NCLT order No. C.P (I.B) No. 261/NCLT(AHM)2021, Dated: 28.03.2022 (CIRP Process Commencement Date). Pursuant to the Order, Mr. Abhishek Nagori, insolvency professional (having IBBI Registration number (IBBI/IPA-001/IP-P00020/2016-17/10044) has been appointed as Interim Resolution Professional. On 26th April 2022 Mr. Abhishek Nagori confirmed as Resolution Professional of M/s Innovative Tyres and Tubes Limited by passing unanimous resolution in the 1<sup>st</sup> Committee of Creditor meeting at Ahmedabad.

The Statement of Audited Standalone Financial Results for the half year ended 31<sup>st</sup> March 2022 and year ended 31<sup>st</sup> March 2022 have been prepared by the management of company and certified by Mr. Mukesh G Desai - Director (suspended) and Mr. Arvind Tambi - Chief Financial Officer. The Resolution Professional has relied upon the certifications, representations and statements made by the management while reviewing the financial results.

The Resolution Professional has, however not authenticated the correctness of enclosed the Statement of Audited Standalone Financial Results for the half year ended 31<sup>st</sup> March 2022 and year ended 31<sup>st</sup> March 2022 of the company for any purpose whatsoever including but not limited to the Companies Act, 2013 and the Securities and Exchange Board of India Act, 1992 when they belong to the period before initiation of the Corporate Insolvency Resolution Process i.e. 28.03.2022.

Yours sincerely,



Abhishek Nagori  
Resolution Professional for M/s Innovative Tyres and Tubes Limited  
IBBI/IPA-001/IP-P00020/2016-2017/10044

Date: 19<sup>th</sup> May 2022  
Place: Vadodara







## **Independent Auditor's Report on Audited Financial Results**

### **To the Resolution Professional and Board of Directors Innovative Tyres and Tubes Limited**

#### **Qualified Opinion**

We have audited the accompanying financial results of Innovative Tyres and Tubes Limited for the half-year ended 31<sup>st</sup> March, 2022 and the year-to-date results for the period from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022, 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. except for the possible effects of matters described in basis of qualified opinion below, 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 31<sup>st</sup> March, 2022 as well as the year to date results for the period from 1<sup>st</sup> April, 2021 to 31<sup>st</sup> March, 2022.

#### **Basis for Qualified Opinion**

1. Attention is invited to Note 5 of the statement, the Company has defaulted in repayment of loan taken from State Bank of India. Company's accounts have been classified as Non-Performing Assets (NPA) by the Bank as on 6<sup>th</sup> March 2022. The Company's Bankers have not charged any interest for the month of March 2022, and it has reversed unrealised interest already charged in accounts. The Company has not made any provision for Interest which has not been charged (including unrealized interest) by the bank on account of NPA on Bank Borrowings and accordingly the loss & finance cost for the half year and year ended 31<sup>st</sup> March 2022 are understated and not quantifiable.
2. The Company has received claims from its Operational and Financial Creditors post initiation of Corporate Insolvency Resolution Process. Claims of these creditors are under process of verification with books of accounts and no impact has been taken in books of accounts. Due to pending process of



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verifications and reconciliations, consequential impact of the same on financial results of the company cannot be ascertained.

3. We draw attention to the note no. 9 of the statement with respect to assessment of impairment of Property, Plant and Equipments, based on internal evidences and in accordance to AS 28 "Impairment of Asset", the Company is required to determine impairment losses in respect of Property, Plant and Equipments as per the methodology prescribed under the said Standard. However, the Management of the Company has not done impairment testing for the reasons explained in note no. 9. In the absence of any working for impairment of the Property, Plant and Equipments as per AS, the impact of impairment losses, if any, on the financial results is not ascertainable.
4. The Company has appointed external agency for internal audit under section 138 of the Companies Act 2013. However no internal audit report has been furnished to us.

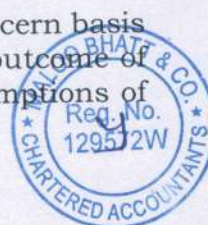
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Results* section of our report. 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 thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

#### **Material Uncertainty Related to Going Concern:**

The Company has been continuously incurring cash losses past three years. Net worth of the Company has been substantially eroded. The Company has incurred operating losses and is undergoing substantial financial stress. It has defaulted in repayment of loans (including interest thereon) taken from lenders. Further credit rating of the Company is also downgraded to "D" grade from "BB" grade during the year. The Company is unable to utilise its assets effectively.

One Operational creditor has filed the petition for initiation of Corporate Insolvency Resolution Process (CIRP) with Hon'ble NCLT Ahmedabad under section 9 of Insolvency and Bankruptcy Code 2016. The said petition has been admitted vide Order of Hon'ble NCLT Ahmedabad dated 28<sup>th</sup> March 2022. Mr. Abhishek Nagori has been appointed as the Resolution Professional (RP) in terms of the Insolvency and Bankruptcy code 2016 to manage the affairs of the Company as per the provisions of the Code.

The financial results of the Company have been prepared on the going concern basis under the ongoing Corporate Insolvency Resolution Process (CIRP), the outcome of which cannot be presently ascertained. The appropriateness of the assumptions of





the going concern is critically depended upon outcome of the ongoing CIRP. 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 standalone annual financial statements. The Company's management under direction of Resolution Professional (RP) are responsible for the preparation of these financial results that give a true and fair view of the net profit (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 management under direction of Resolution Professional (RP) 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Management under direction of Resolution Professional (RP) 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 management.
- Conclude on the appropriateness of the management' 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.

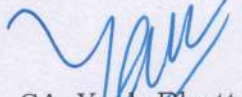




## Other Matter

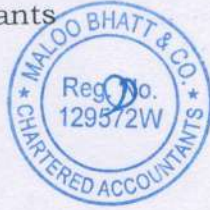
The standalone annual financial results include the results for the half-year ended 31 March, 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the half-year of the current financial year which were subject to limited review by us.

For **Maloo Bhatt & Co.**  
Chartered Accountants  
FRN 129572W

  
CA. Yash Bhatt  
Partner

M. No.: 117745

UDIN: 22117745AJWVEF3480



Place: Vadodara

Date: 19<sup>th</sup> May 2022



**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted  
along with Annual Audited Financial Results**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022 [See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I	Sr. No	Particulars	Audited Figures (as reported before adjusting for qualifications)	Rs. In Lacs Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	5,361.50	5,361.50
	2	Total Expenditure	11,272.53	11,272.53
	3	Net Profit/(Loss)	(5,894.01)	(5,894.01)
	4	Earnings Per Share	(32.76)	(32.76)
	5	Total Assets	9,761.03	9,761.03
	6	Total Liabilities	8,889.52	8,889.52
	7	Net Worth	871.51	871.51
	8	Any other financial item(s) (as felt appropriate by the management)		
II	Audit Qualification (each audit qualification separately):			
	a.	Details of Audit Qualification:	<p>1.Attention is invited to Note 5 of the statement, the Company has defaulted in repayment of loan taken from State Bank of India. Company's accounts have been classified as Non-Performing Assets (NPA) by the Bank as on 6th March 2022. The Company's Bankers have not charged any interest for the month of March 2022, and it has reversed unrealised interest already charged in accounts. The Company has not made any provision for Interest which has not been charged (including unrealized interest) by the bank on account of NPA on Bank Borrowings and accordingly the loss &amp; finance cost for the half year and year ended 31st March 2022 are understated and not quantifiable.</p> <p>2.The Company has received claims from its Operational and Financial Creditors post initiation of Corporate Insolvency Resolution Process. Claims of these creditors are under process of verification with books of accounts and no impact has been taken in books of accounts. Due to pending process of verifications and reconciliations, consequential impact of the same on financial results of the company cannot be ascertained.</p> <p>3.We draw attention to the note no. 9 of the statement with respect to assessment of impairment of Property, Plant and Equipments, based on internal evidences and in accordance to AS 28 "Impairment of Asset", the Company is required to determine impairment losses in respect of Property, Plant and Equipments as per the methodology prescribed under the said Standard. However, the Management of the Company has not done impairment testing for the reasons explained in note no. 9. In the absence of any working for impairment of the Property, Plant and Equipments as per AS, the impact of impairment losses, if any, on the financial results is not ascertainable.</p>	

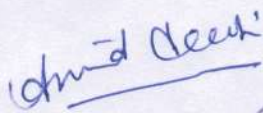

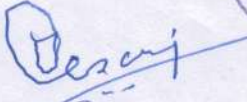

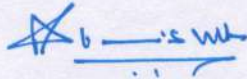




		4. The Company has appointed external agency for internal audit under section 138 of the Companies Act 2013. However no internal audit report has been furnished to us.
		<p><b><u>Company management informed that:</u></b></p> <p>The Financial condition of the company was badly affected due to pandemic, substantial hike in raw material prices and reduction in exports due to which the Loan became NPA. The Company is not in operation i.e. no production is going on and the company is under the Corporate Resolution Insolvency Process under the IBC.</p> <p>Further management is trying to revive the company from this situation.</p>
	b.	<p>Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion</p> <p>Qualified</p>
	c.	<p>Frequency of qualification: Whether appeared first time / repetitive / since how long continuing</p> <p>First time. There is an indication on financial of the company by emphasis of the matter in first half yearly results</p>
	d.	<p>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</p> <p>Impact is not ascertainable as the reasons mentioned in the auditor's report itself</p>
	e.	<p>For Audit Qualification(s) where the impact is not quantified by the auditor:</p>
	i.	<p>Management's estimation on the impact of audit qualification</p> <p>Impact is not ascertainable as the Company is under IBC and CIR Process initiated.</p>
	ii	<p>If management is unable to estimate the impact, reasons for the same</p> <p>Impact is not ascertainable as the Company is under IBC and CIR Process initiated.</p>
	iii	<p>Auditors' Comments on (i) or (ii) above:</p> <p>Refer Basis of qualified opinion in audit report read with relevant notes in the financial results, the same is self-explanatory</p>
III		Signatories





 Arvind Tambi Chief Financial Officer	 for Maloo Bhatt & Co. Chartered Accountants FRN: 129572W
 Mukesh G Desai Director DIN No. 00089598	
 Mr. Abhishek Nagori Resolution Professional In the matter of innovative Tyres and Tubes Limited IBBI Reg. No. IBBI/IPA-001/IP-P00020/2016-2017/10044	
Place: Vadodara Dated: 19-05-2022	Place: Vadodara Dated: 19-05-2022