

# INNOVATIVE

## TYRES & TUBES LTD

CIN NO. U25112GJ1995PLC086579

Date: 20<sup>th</sup> September, 2018

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

**COMPANY NAME: INNOVATIVE TYRES & TUBES LIMITED**  
**NSE EMERGE SYMBOL: INNOVATIVE**

**Sub: Annual Report for FY 2017-18.**

Dear Sir,

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith Annual Report for Financial Year 2017-18 duly approved and adopted at the 23<sup>rd</sup> Annual General Meeting of the Company held on Tuesday, September 18, 2018 as per the provisions of the Companies Act, 2013.

Kindly take the above on record.

Yours truly,  
**For Innovative Tyres & Tubes Limited**

  
**Arvind Tambi**  
Chief Financial officer & Company Secretary

Encl: as above.





**INNOVATIVE**  
TYRES & TUBES LTD

23<sup>rd</sup>  
**ANNUAL**  
REPORT

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

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

### CHIEF FINANCIAL OFFICER

Mr. Arvind Tambi (As CFO & CS w.e.f 5<sup>th</sup> Aug, 2018)

### COMPANY SECRETARY

Ms. Sejal Desai (Upto 4<sup>th</sup> Aug, 2018)

### STATUTORY AUDITORS

M/s. Maloo Bhatt & Co.,  
 Chartered Accountants,  
 204-207, Parshwa Complex,  
 Near Cash N carry, Subhanpura,  
 Ellorapark, Vadodara – 390023.

### COST AUDITORS

M/s. V P & Associates,  
 Cost Accountants,  
 15, Yogeshwer Society, Part 3,  
 Ground floor, Subhanpura,  
 Vadodara – 390023.

### REGISTRAR & SHARE TRANSFER AGENT

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

### REGISTERED OFFICE

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

### BANKERS

State Bank of India  
 Specialized Commercial Branch, Vadodara.

### AUDIT COMMITTEE

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

### NOMINATION AND REMUNERATION COMMITTEE

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

### STAKEHOLDERS RELATIONSHIP COMMITTEE

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

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

Contents	Page no
Notice of the Meeting	01
Directors Report	13
Extract of Annual Return	22
Report on Corporate Governance	37
Management Discussion & Analysis Report	43
Independent Auditor's Report	48
Financial Statements	51
Attendance Slip	71
Proxy Form	-

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of the members of Innovative Tyres & Tubes Limited will be held on Tuesday 18<sup>th</sup> September 2018 at 9:00 AM at Register Office : Plot No. 1201, 1202, 1203, GIDC Halol, Dist Panchmahals – 389350 to transact the following business:

### ORDINARY BUSINESS:

#### 1. ADOPTION OF FINANCIAL RESULTS

To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended on 31st March 2018, together with the Reports of the Board of Directors and Auditors thereon.

#### 2. APPOINTMENT OF MR. NITIN MANKAD AS A DIRECTOR LIABLE TO RETIRE BY ROTATION

To appoint a Director in place of Mr. Nitin Mankad, Whole Time Director (DIN: 00089701), who is liable to retire by rotation and being eligible, offers himself for re-appointment.

#### 3. RATIFICATION OF APPOINTMENT OF STATUTORY AUDITORS

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

**“RESOLVED THAT** pursuant to the provisions of sections 139, 141, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, (including any statutory enactment or modification thereof for the time being in force), pursuant to recommendation of audit committee of the Board of Directors, and pursuant to resolution passed by the members of the company at their AGM held on 10th July, 2017, the appointment of M/s. Maloo Bhatt & Co., Chartered Accountants, Vadodara (Firm Registration No. 129572W) as Statutory Auditors of the Company to hold office for the term of five consecutive years upto the conclusion of next AGM of the Company, be and is, hereby ratified and that the Board of Directors, be and is, hereby authorized to fix their remuneration for the financial year ended 31st March, 2019 as may be determined by audit committee in consultation with the Statutory Auditors.”

### SPECIAL BUSINESS:

#### 4. RE-APPOINTMENT OF MR. KEYOOR BAKSHI AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR FIVE CONSECUTIVE YEARS FOR SECOND TERM:

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

**“RESOLVED THAT** pursuant to the provisions of sections 149 and 152 read with Schedule IV any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment & Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force), Mr. Keyoor Bakshi (DIN: 00133588) who was appointed as an Independent Director by the Board subject to approval of members at this Annual General Meeting, and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (Five) consecutive years on the Board of the Company.”

#### 5. RE-APPOINTMENT OF MR. KALYANARAMAN GANESAN AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR FIVE CONSECUTIVE YEARS FOR SECOND TERM:

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

**“RESOLVED THAT** pursuant to the provisions of sections 149 and 152 read with Schedule IV any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Companies (Appointment & Qualification of Directors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 (including any statutory modifications or re-enactments thereof, for the time being in force), Mr. Kalyanaraman Ganesan (DIN: 02013349) who was appointed as an Independent Director by the Board subject to approval of members at this Annual General Meeting, and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (Five) consecutive years on the Board of the Company.”

#### 6. RATIFICATION OF REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR. 2018-19

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

**“RESOLVED THAT** pursuant to section 148 and other applicable provisions of the Companies Act, 2013, if any, and the Companies (Audit and Auditors) Rules, 2014, including statutory modification(s) or re-enactment thereof for the time being in force, remuneration of

Rs 50,000/- p.a. plus applicable taxes and out of pocket expenses that may be incurred, as approved by the Board, be paid to **M/s. V. P. & Associates**, Cost Accountants, Vadodara, for conducting the audit of cost records for the financial year 2018-19 be and is hereby ratified and confirmed by the members of the Company.”

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

#### 7.TO APPROVE RELATED PARTY TRANSACTIONS TO BE ENTERED INTO BY THE COMPANY:

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

“**RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013(“the Act”) read with the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as recommended by Audit Committee and subject to approval of members of the company at their ensuing Annual General Meeting, approval of Board of Directors be and is hereby accorded for the related party transactions to be entered with the below mentioned related parties during a period of five years commencing from 1<sup>st</sup> October 2018:

Sr. No.	Name of Related Party	Name of Director/KMP, who is related and nature of their relationship	Nature of transactions	Aggregate Value of transactions during five years
1.	Future Tyres Private Limited	Mr. Mukesh Desai and Mr. Pradeep Kothari Nature of relationship: Common Directors	Transactions related to purchase and sale of goods, materials and job works	Upto Rs.250 Crores at prevailing market prices from time to time
2.	GAIA Batteries Private Limited	Mr. Mukesh Desai and Mr. Pradeep Kothari Nature of relationship: Relative of Director is Director	Transactions related to purchase and sale of goods	Upto Rs.25 Crores at prevailing market prices from time to time
3.	Raman Enterprises	Mr. Pradeep Kothari Nature of relationship: Proprietorship of Director	Transactions related to purchase and sale of goods, materials and job works	Upto Rs.100 Crores at prevailing market prices from time to time
4.	Kosync	Mr. Pradeep Kothari Nature of relationship: Proprietorship of relative of Director	Transactions related to purchase and sale of goods, materials and job works	Upto Rs.250 Crores at prevailing market prices from time to time
<b>Total</b>				<b>Upto Rs. 625 Crores</b>

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

Date: 4<sup>th</sup> August 2018  
Place : Halol

#### Registered Office:

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

CIN: L25112GJ1995PLC086579

Website: www.innovativetyres.com

E-mail: investors@innovativetyres.co.in

Tel: 02676 -220621

**Mukesh Desai**  
Chairman and Managing Director



#### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate should not be more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Company has notified closure of Register of members and Share transfer books from Monday, September 17, 2018 to Tuesday, September 18, 2018 (both days inclusive). Notice of the Meeting is being sent to all the Members, whose names appeared in the Register of Members as on August 03, 2018.
4. The Business as set out in the Notice will be transacted through E-Voting. The Company is providing the facility for voting by Electronic means i.e. e-voting. The instructions and other information relating to e-voting are given under point no. 17 of notes below.
5. Corporate members intending to send their authorised representatives to attend the meeting are requested to send a certified true copy of Board Resolution.
6. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business set out above is annexed hereto.
7. Brief profile of Director who has proposed to be appointed / re-appointed, nature of his expertise in specific functional areas, name of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding as stipulated under regulation 36(3) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, are annexed to the Notice.
8. In case of Joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
9. Relevant documents referred to in the accompanying Notice is open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
10. Members are requested to:
  - a. Intimate immediately any change in their address to the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited, C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083.
  - b. Quote Folio No. in all correspondence and in case the shares are held in dematerialized form, quote DP ID and Client ID number.
  - c. Register their e-mail address with their respective depository participant to receive the Annual Report and other communications from the Company in electronic form.
11. Members intending to obtain information about the accounts to be approved in the meeting are requested to inform the Company 7 (seven) days in advance from the date of the Annual General Meeting.
12. As a measure of economy, copies of Annual Report will not be distributed at the ensuing Annual General Meeting. Therefore, members are requested to bring their copy of Annual Report in the Meeting. Members/Proxies should also bring the Attendance Slip attached herewith, duly filled in all aspects for attending the meeting.

13. In order to support the “Green Initiative” taken by Ministry of Corporate Affairs and to save the environment, the Annual Report of the Company will be available on company’s website i.e. [www.innovativetyres.com](http://www.innovativetyres.com) and on the website of stock exchange where the equity shares of the company are listed i.e. [www.nseindia.com/emerge](http://www.nseindia.com/emerge). As per Section 136(1) of the Act, the physical copies of the aforesaid documents will also be available at the Company’s registered office for inspection during normal business hours on working days. Members who require communication in physical mode in addition to e-communication or have any other queries can write to us at [investors@innovativetyres.co.in](mailto:investors@innovativetyres.co.in).
14. The route map showing directions to reach the venue of the 23<sup>rd</sup> Annual General Meeting is annexed with the report.
15. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting.
16. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Tuesday, September 11, 2018, shall be entitled to avail the facility of remote e-voting as well as voting at the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
17. **The instructions for members voting electronically are as under**
- (i) The voting period begins **on Saturday, September 15, 2018 at 09.00 a.m. IST** and ends on **Monday, September 17, 2018 at 05.00 p.m. IST**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 11, 2018 may cast their vote electronically. The e-voting module shall be disabled by LINKINTIME for voting thereafter.
  - (ii) Visit the e-voting system of LIPL. Open web browser by typing the following URL:  
<https://instavote.linkintime.co.in>.
  - (iii) Click on “Login” tab, available under ‘Shareholders’ section.
  - (iv) Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on “SUBMIT”.
  - (v) Your User ID details are given below:
    - a. Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
    - b. Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
    - c. Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No. + Folio Number registered with the Company
  - (vi) Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:  
Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

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

(vii) If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

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

- Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

• In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

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

• For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

• It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(ix) Cast your vote electronically

• After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of Innovative Tyres and Tubes Limited. you choose to vote.

• On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

• Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

• Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.

• If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.

• After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.

• Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

• You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.



**General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL:

<https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'.

- They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

- In case the shareholders have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [insta.vote@linkintime.co.in](mailto:insta.vote@linkintime.co.in) or Call us: - Tel: 022 - 49186000.

(x) M/s Swati Bhatt & Co., Practicing Company Secretary (Membership No. FCS 7323, COP No. 8004), has been appointed as Scrutinizer to scrutinize the voting and e-Voting process in a fair and transparent manner.

(xi) The Chairman shall, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the e-Voting facility.

(xii) The Scrutinizer shall after conclusion of voting at the Annual General Meeting, will count the votes cast at the meeting in the presence of at least two witnesses not in employment of the Company and shall make a consolidated scrutinizer's report, not later than three days of the conclusion of the AGM, of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him, who shall countersign the same and declare the result of the voting forthwith.

(xiii) The Results of the voting with the report of the Scrutinizer shall be placed on the website of the Company [www.innovativetyres.com](http://www.innovativetyres.com) immediately after declaration of the results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the National Stock Exchange of India Limited.

(xiv) Your default Sequence Number has been printed on the address sticker, which is to be used for E-voting purpose as you have not updated your PAN details.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:****ITEM NO: 4 - RE-APPOINTMENT OF MR. KEYOOR BAKSHI AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR CONSECUTIVE FIVE YEARS FOR SECOND TERM**

Mr. Keyoor Bakshi (DIN: 00133588) was appointed as an Independent Director on the Board of the Company pursuant to the provisions of section 149 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014. He holds office as an Independent Director for period of three consecutive years up to 31<sup>st</sup> May, 2018 (First term in line with the explanation to Section 149(10) and 149(11) of the Act). Subsequently, Board of Directors at their meeting held on 5<sup>th</sup> May, 2018 unanimously decided to re-appoint him as an independent director for another period of five consecutive years, subject to the approval of members at their ensuing Annual General Meeting.

Section 149(10) of the Act provides that an independent director shall hold office for a term up to five consecutive years on the Board and shall be eligible for re-appointment for another term of five consecutive years, subject to passing special resolution by the members of the company and disclosure of such appointment in its Board Report. Section 149(11) provides that an independent director may hold office up to two consecutive terms.

The Board of Directors, on the basis of report on performance evaluation of Independent Director, has recommended re-appointment of Mr. Keyoor Bakshi as an Independent Director for a second term of five consecutive years on the Board of the Company.

The Board, based on the performance evaluation as recommended by Nomination & Remuneration Committee, considers that, given his background, experience and contribution given by him during his tenure, the continued association of Mr. Keyoor Bakshi would be beneficial to the company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Keyoor Bakshi as an Independent Director, not liable to retire by rotation, for a second term of five consecutive years on the Board of the Company.

The Company has also received declaration from Mr. Keyoor Bakshi that he meets with the criteria of Independence as prescribed under Section 149(6) of the Act and SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015. Mr. Keyoor Bakshi is not disqualified from being appointed as Director in terms of section 164 of the Companies Act, 2013.

Details of Mr. Keyoor Bakshi whose re-appointment as an Independent Director is provided as an "Annexure" to this Notice pursuant to the provisions of (i) SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (ii) Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Mr. Keyoor Bakshi setting out the terms and conditions of appointment is available for inspection by members at the registered office of the company and will also be available on the website of the company i.e. [www.innovativetyres.com](http://www.innovativetyres.com). Mr. Keyoor Bakshi is interested in the resolution set out in the Item No. 4 and his relatives may deem to be interested in the said resolution to the extent of their shareholding, if any.

Save and except the above, none of the directors/key managerial persons /their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

The Board recommends the special resolution set out in Item No. 4 of the Notice for approval by the members.

#### **ITEM NO: 5 - RE-APPOINTMENT OF MR. KALYANARAMAN GANESAN AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR FIVE CONSECUTIVE YEARS SECOND TERM**

Mr. Kalyanaraman Ganesan (DIN: 02013349) was appointed as an Independent Director on the Board of the Company pursuant to the provisions of section 149 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014. He holds office of Independent Director for period of three consecutive years up to 31<sup>st</sup> May, 2018 (First term in line with the explanation to Section 149(10) and 149(11) of the Act). Consecutively, Board of Directors at their meeting held on 5<sup>th</sup> May, 2018 has unanimously decided to re-appoint him as an independent director for another period of five consecutive years, subject to approval of members at their ensuing Annual General Meeting.

Section 149(10) of the Act provides that an independent director shall hold office for a term up to five consecutive years on the Board and shall be eligible for re-appointment for another term of five consecutive years, subject to passing special resolution by the members of the company and disclosure of such appointment in its Board Report. Section 149(11) provides that an independent director may hold office up to two consecutive terms.

The Board of Directors, on the basis of report on performance evaluation of Independent Director has recommended re-appointment of Mr. Kalyanaraman Ganesan as an Independent Director for a second term of five consecutive years on the Board of the Company.

The Board, based on the performance evaluation as recommended by Nomination & Remuneration Committee, considers that, given his background, experience and contribution given by him during his tenure, the continued association of Mr. Kalyanaraman Ganesan would be beneficial to the company and it is desirable to continue to avail his services as an Independent Director. Accordingly, it is proposed to re-appoint Mr. Kalyanaraman Ganesan as an Independent Director, not liable to retire by rotation, for a second term of five consecutive years on the Board of the Company.

The Company has also received declaration from Mr. Kalyanaraman Ganesan that he meets with the criteria of Independence as prescribed under both Section 149(6) of the Act and SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015. Mr. Kalyanaraman Ganesan is not disqualified from being appointed as Director in terms of section 164 of the Act.

Details of Mr. Kalyanaraman Ganesan whose re-appointment as an Independent Director is provided as an "Annexure" to this Notice pursuant to the provisions of (i) SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (ii) Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Mr. Kalyanaraman Ganesan setting out the terms and conditions of appointment is available for inspection by members at the registered office of the company and will also be available on the website of the company i.e. [www.innovativetyres.com](http://www.innovativetyres.com). Mr. Kalyanaraman Ganesan is interested in the resolution set out in the Item No. 5 and his relatives may deem to be interested in the said resolution to the extent of their shareholding if any.

Save and except the above, none of the directors/key managerial persons /their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

The Board recommends the special resolution set out in Item No. 5 of the Notice for approval by the members.

#### **ITEM NO: 6 – RATIFICATION OF REMUNERATION OF COST AUDITOR OF THE COMPANY**

The Board of Directors at their meeting held on 5th May, 2018, on recommendation of Audit Committee, has approved to pay remuneration of ₹ 50,000/- p.a. plus applicable taxes and out of pocket expenses that may be incurred, as approved by the Board, to the Cost Auditors, M/s. V P & Associates, cost accountants, to conduct the audit of the cost records of the company for the financial year ended March 31, 2019. According to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to cost auditors as recommended by Audit Committee and approved by the Board, has to be ratified by the members of the company.

The Company has already received consent letter from the Cost Auditors. Accordingly, ratification by the members is sought to the remuneration payable to the Cost Auditors for the financial year 2018-19 by passing an Ordinary Resolution as set out in Item No. 6 of the Notice.

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

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

# ITEM NO: 7 – TO APPROVE RELATED PARTY TRANSACTIONS TO BE ENTERED BY THE COMPANY:

As per the provisions of Section 188 of the Companies Act, 2013 ("the Act"), other applicable provisions of the Act, the Companies (Meetings of Board and its Powers), Rules 2014, other applicable rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force), it is provided that in case of a company having paid-up share capital of ten crore rupees or more, no contract or arrangement shall be entered into except with the approval of the members by a resolution, other than any transaction entered into by the company in its ordinary course of business and are at arm's length. According to the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and amendments thereof, all related party transactions to be entered by listed entity being material in nature (i.e. A transaction shall be considered as material if transactions entered into individually or taken together during a financial year exceeds ten percent of the annual consolidated turnover of the listed entity as per last audited financial statements of the listed entity) shall be approved by members of the Company.

Audit committee need to provide omnibus approval for the transactions to be entered during the year subject to shareholders' approval. All transactions with the related parties mentioned in the Item No. 7 may meet the criteria of materiality. It is therefore, proposed to seek approval of such transactions which are either existing or proposed to be entered into by the Company.

Pursuant to the rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, the name of related party, nature of relationship and type of transactions with the related parties to be entered during a period of five years commencing from 1<sup>st</sup> October 2018 are mentioned herein below:

Sr. No.	Name of Related Party	Name of Director/KMP, who is related and nature of their relationship	Nature of transactions	Aggregate Value of transactions during five years
1.	Future Tyres Private Limited	Mr. Mukesh Desai and Mr. Pradeep Kothari Nature of relationship: Common Directors	Transactions related to purchase and sale of goods, materials and job works	Upto Rs.250 Crores at prevailing market prices from time to time
2.	GAIA Batteries Private Limited	Mr. Mukesh Desai and Mr. Pradeep Kothari Nature of relationship: Relative of Director is Director	Transactions related to purchase and sale of goods	Upto Rs.25 Crores at prevailing market prices from time to time
3.	Raman Enterprises	Mr. Pradeep Kothari Nature of relationship: Proprietorship of Director	Transactions related to purchase and sale of goods, materials and job works	Upto Rs.100 Crores at prevailing market prices from time to time
4.	Kosync	Mr. Pradeep Kothari Nature of relationship: Proprietorship of relative of Director	Transactions related to purchase and sale of goods, materials and job works	Upto Rs.250 Crores at prevailing market prices from time to time
<b>Total</b>				<b>Upto Rs. 625 Crores</b>

Board recommends the resolution set out at Item No. 7 of the Notice for approval of Members. Except Mr. Mukesh Desai and Mr. Pradeep Kothari, Directors of the Company and their relatives (to the extent of their shareholding interest in the Company), no other directors or Key Managerial Personnel or their relatives, are concerned or interested, financially or otherwise, in passing of this resolution.

Date : 4<sup>th</sup> August, 2018

Place : Halol

## Registered Office:

1201, 1202, 1203 GIDC Halol,

Panchmahals – 389350.

CIN: L25112GJ1995PLC086579

Website: www.innovativetyres.com

E-mail: investors@innovativetyres.co.in

Tel: 02676 -220621

**10 INNOVATIVE TYRES & TUBES LIMITED**

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

**Mukesh Desai**

Chairman and Managing Director

## ROUTE MAP TO THE VENUE OF ANNUAL GENERAL MEETING



### ANNEXURE TO THE NOTICE DATED 4<sup>th</sup> AUGUST, 2018

#### DETAILS OF DIRECTORS RETIRING BY ROTATION/ELIGIBLE FOR RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING

Name of Director	Mr. Nitin Mankad	Mr. Keyoor Bakshi	Mr. Kalyanaraman Ganesan
Age	68 years	61 years	61 years
Qualifications	B. Sc	CS, B.com, LLB	Diploma in Mechanical Engineering, B.A. and P.G Diploma in Operation Management.
Experience (including expertise in specific functional area)/Brief Resume	Mr. Nitin Mankad is a well-known personality in the Gujarat industries fraternity and has held several coveted offices in his career. He is the current President of the Federation of Gujarat Industries, a member of National Council of ASSOCHAM and ex-President of EXIM Club, ex-VP of Vadodara Chamber of Commerce and Industries, among several other key positions. As the most experienced Director of the company, Mr. Mankad is currently entrusted with legal operations of the company, government liaising and assessment of new business avenues.	Mr. Keyoor Bakshi has been an Independent Director of the company since June, 2015. As one of the leading practicing Company Secretaries in India, he is a former President of the Institute of Company Secretaries of India (ICSI) and International Federation of Company Secretaries. He is also a former member of the National Advisory Committee on Accounting Standards (NACAS) of Govt. of India and Corporate Laws Committee of the Gujarat Chamber of Commerce & Industry. He is on the Board of Directors of Infibeam Incorporation Ltd., Kiri Industries Ltd., Gokul Agro Resources Ltd. and Saanvy Advisors Ltd.	Mr. K Ganesan has been an Independent Director of the company since June, 2015, brings on board his rich experiences of engineering, manufacturing and industrial engineering. Heralded as an expert of manufacturing process, he has held coveted positions throughout his illustrious career. He was the Plant Head for Dunlop India Ltd, Director of Manufacturing for J K Tyres Ltd and Vice-President(Manufacturing) for CEAT Ltd before retiring as the Executive Vice-President(Manufacturing) of Exide Industries Ltd and Executive Director-Exide Sri Lanka. He has also interacted deeply and worked with Continental Tyres-Germany, Sumito Tyres-U.K., East Penn Manufacturing Company-USA and Furukawa Battery Company-Japan.

Name of Director	Mr. Nitin Mankad	Mr. Keyoor Bakshi	Mr. Kalyanaraman Ganesan
Terms and conditions of appointment/re-appointment	As per the Agreement entered into with Whole Time Director at the time of his appointment.	As per the terms for appointment as an Independent Director. Detailed terms and conditions are available on the website of our company.	As per the terms for appointment as an Independent Director. Detailed terms and conditions are available on the website of our company.
Remuneration last drawn (including sitting fees if any) {For FY 2017-18}	Rs. 10.50 lakhs	Rs. 0.65 Lakh	Rs. 0.65 Lakh
Remuneration proposed to be paid	As per existing terms and conditions	As per existing terms and conditions	As per existing terms and conditions
Date of first appointment on Board	01/04/2000	01/06/2015	01/06/2015
Shareholding in the company as on 31.03.2018	3,47,300 Equity Shares	NIL	NIL
Relationship with other directors or Key Managerial Personnel	Not related to any Director or Key Managerial Personnel	Not related to any Director or Key Managerial Personnel	Not related to any Director or Key Managerial Personnel
Number of Meetings of Board attended during the year	11	11	11
Directorships on other Boards as on March 31, 2018	NIL	Gokul Agro Resources Limited Trupti Twisters Limited Kiri Industries Limited Infibeam Incorporation Limited Saanvi Advisors Limited Cemseal Infraaid Private Limited	Jaguar Software Private Limited Xyant Technology India Private Limited Sraeyes Technology Private Limited Jaguar Staffing Solutions Private Limited Varietas Green Energy Engineering Private Limited Siddhisia Enterprises Private Limited
Membership/Chairmanship of Committees of other Boards as on March 31, 2018	NIL	<b>Audit Committee Chairmanship:</b> -Infibeam Incorporation Limited -Kiri Industries Limited -Gokul Agro Resources Limited <b>Membership:</b> -Saanvi Advisors Limited -Trupti Twisters Limited <b>Stakeholder Relationship Committee Membership:</b> -Trupti Twisters Limited	NIL

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

Date : 4<sup>th</sup> August 2018

Place : Halol

**Registered Office:**

1201, 1202, 1203 GIDC Halol,

Panchmahals – 389350.

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Tel: 02676 -220621

**Mukesh Desai**

Chairman and Managing Director



## DIRECTORS' REPORT

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

Your directors have pleasure in presenting their 23<sup>rd</sup> Annual Report together with the audited financial statements of the company for the financial year ended March 31, 2018.

### FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2018 is summarized below:

(Rs in Lakhs)		
Particulars	Year ended 31 <sup>st</sup> March 2018	Year ended 31 <sup>st</sup> March 2017
Revenue from Operations	13,950.35	13,083.69
Other Income	58.79	170.23
<b>Total Revenue</b>	<b>14,009.14</b>	<b>13,253.92</b>
<b>Total expenses</b>	<b>13,385.22</b>	<b>12,635.79</b>
Profit before taxation and extraordinary items	623.92	618.13
Add: Extraordinary items	-	-
<b>Profit before taxation</b>	<b>623.92</b>	<b>618.13</b>
Less: tax expense (including adjusted deferred tax)	184.08	129.60
<b>Profit after tax</b>	<b>439.84</b>	<b>488.53</b>

### STATEMENT OF COMPANIES AFFAIRS

- Total Revenue:

During the year under review, total revenue of the company has increased by 5.70% as compared to previous financial year. The Company has reported total revenue of Rs. 14,009.14 lakhs for the financial year 2017-18 as compared to Rs. 13,253.92 lakhs for the previous financial year.

- Total expenses

During the year under review, total expenses of the company has increased by 5.93% as compared to previous financial year mainly on account of increase in cost of raw materials, employee benefit expenses and depreciation expense during current financial year.

- Net Profit

During the year under review, Profit before tax has increased from Rs. 618.13 lakhs to Rs. 623.92 Lakhs as compared to previous financial year. However, Net Profit after tax has marginally decreased on account of tax implications during current financial year.

### DIVIDEND

Considering the better opportunity in increasing the market shares the Company needs to expand its' existing facilities in quantum and in quality and considering strengthening the existing net worth and future wealth of the Company and of its' Shareholders, your Directors unanimously decided to plough back the profit of the company as a resources for its activities and expansion thereof, do not propose any dividend for the financial year ended March 31, 2018.

### TRANSFER TO RESERVE

During the year under review, the Company has not proposed any amount to be transferred to General Reserve out of the Net Profits of the Company for the financial year ended 31<sup>st</sup> March, 2018.

## SUBSIDIARIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company do not have any subsidiaries hence there is no need to prepare consolidated financial statement for the financial year 2017-18.

## LISTING WITH STOCK EXCHANGE

Your Board is pleased to inform that the Company has successfully completed the Initial Public Offer (IPO) and equity shares of the Company were listed on EMERGE platform of National Stock Exchange of India Limited ("NSE") with effect from 5<sup>th</sup> October, 2017. The Initial Public Offering (IPO) of Company comprised of a fresh issue of 62,97,000 equity shares at a price of Rs. 45/- per equity share (inclusive of premium of Rs. 35/- per share.)

Consequently Paid up share capital of the Company increased from Rs 11,69,45,610/- to Rs 17,99,15,610/- after making allotment of fresh issue of shares.

### Issue Details:

- »» **Issue Open:** From Sep 22, 2017 - To Sep 26, 2017
- »» **Issue Type:** Book Built Issue IPO
- »» **Issue Size:** 62,97,000 Equity Shares aggregating up to Rs 2,833.65 Lakhs
- »» **Face Value:** Rs 10/- per Equity Share
- »» **Premium:** Rs 35/- per Equity Share
- »» **Price Band:** Rs 42/- to Rs. 45/- per Equity Share
- »» **Market Lot for application:** in multiple of 3000 Equity Shares

### Share Issue Expenses

The Company has incurred expenses of Rs 232.08 Lakhs relating to fresh issue of equity shares which has been adjusted to securities premium account in terms of Section 52 of the Companies Act, 2013.

### Details of utilization of IPO proceeds

(Rs in Lakhs)			
Sr. No.	Particulars	Amount to be utilized	Actual Amount utilized as on 31.03.2018
1.	Expansion of existing facility	1,700.00	869.50
2.	Long term working capital Requirements	400.00	-
3.	General Corporate Purposes	483.65	483.65
4.	IPO Expenses#	250.00	232.08
<b>Total</b>		<b>2,833.65</b>	<b>1,585.23</b>

# Amount for IPO expenses pending utilization has been reserved for future use based on requirement.

### MATERIAL CHANGES AND COMMITMENT:

There have been no material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31<sup>st</sup> March, 2018. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

### RISK MANAGEMENT:

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

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

## EXTRACT OF ANNUAL RETURN

The Extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and administration) Rules, 2014, in Form No. MGT-9, for the financial year ending 31<sup>st</sup> March, 2018 is attached as **Annexure 1**.

## SECRETARIAL AUDIT REPORT

In compliance of the provisions of section 204 of the Companies Act, 2013, other applicable provisions of the and, the Companies (Appointment and Managerial Personnel) Rules, 2014, the Board of Directors at their meeting held on 25<sup>th</sup> January, 2018 appointed M/s. Swati Bhatt & Co., Practicing Company Secretary, Vadodara as Secretarial Auditors of the company for the F.Y. 2017-18. The Secretarial Audit Report is attached as **Annexure – 2**. The Secretarial Audit Report does not contain any qualifications or adverse remarks.

## CORPORATE GOVERNANCE

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

## MANAGEMENT DISCUSSION & ANALYSIS REPORT:

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

## DISCLOSURE ON DEPOSITS UNDER CHAPTER V

The Company has neither accepted nor renewed any deposits during the financial year 2017-18 in terms of Chapter V of the Companies Act, 2013. Further, the Company is not having any unpaid or unclaimed deposits at the end of the financial year ending 31<sup>st</sup> March 2018.

## INTERNAL FINANCIAL CONTROL SYSTEM

According to section 134(5)(e) of the Companies Act, 2013, the term Internal Financial Control (IFC) means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of fraud and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

Your Company has appointed Chief Financial Officer with effect from 10<sup>th</sup> February, 2017 to focus on review of business processes and suggest improvements as applicable. Independence of the audit and compliance is ensured by direct reporting to the Audit Committee of the Board by the internal auditor.

## DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors comprises of following six directors:

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

During the year under review, Mr. Mukesh Desai was designated as Chairman and Managing Director w.e.f. 1<sup>st</sup> April, 2017.

Mr. Pradeep Kothari and Mr. Nitin Mankad were designated as Whole time Director w.e.f. 1<sup>st</sup> April, 2017.

Dr. Mrs. Kalpana Joshipura was appointed as additional director w.e.f. 15<sup>th</sup> June, 2017 up to the conclusion of ensuing Annual General Meeting. Subsequently, she was appointed as Independent Director for the term of three consecutive years by the members of the company at their Annual General Meeting held on 10<sup>th</sup> July, 2017.

Mr. Keyoor Bakshi and Mr. Kalyanaraman Ganesan were re-appointed as Independent Director for second term of five consecutive years by Board at their meeting held on 5<sup>th</sup> May, 2018 subject to approval of members at their ensuing Annual General Meeting.

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

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

Sr. No.	Name of Directors/KMP	Designation
1.	Mr. Mukesh Desai	Chairman & Managing Director
2.	Mr. Nitin Mankad	Whole time Director
3.	Mr. Pradeep Kothari	Whole time Director
4.	Mr. Arvind Tambi	Chief Financial Officer
5.	Ms. Sejal Desai	Company Secretary & Compliance Officer (upto 4 <sup>th</sup> Aug., 2018)

Mr. Mukesh Desai was appointed as Managing Director of your Company w.e.f. 21<sup>st</sup> November, 2016. He was further designated as Chairman and Managing Director w.e.f. 1<sup>st</sup> April, 2017.

During the year under review, Mr. Pradeep Kothari and Mr. Nitin Mankad were appointed as Whole time Director w.e.f. 1<sup>st</sup> April, 2017.

Mr. Arvind Tambi was appointed as Chief Financial Officer of our Company w.e.f. 10<sup>th</sup> February, 2017. He has been re-designated as Chief Financial Officer and Company Secretary w.e.f. 5<sup>th</sup> Aug 2018.

Ms. Sejal Desai was appointed as Company Secretary of our Company w.e.f. 1<sup>st</sup> July, 2016 further designated as Compliance Officer w.e.f. 1<sup>st</sup> April, 2017 has worked till 4<sup>th</sup> Aug., 2018.

## MEETINGS OF BOARD OF DIRECTORS

During the year, the Board met 11 (Eleven) times i.e. on April 01, 2017, May 25, 2017, June 15, 2017, July 10, 2017, August 7, 2017, August 31, 2017, September 7, 2017, September 14, 2017, September 27, 2017 October 03, 2017, and January 25, 2018. The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

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

Name of Directors	Number of Meetings attended / Total Meetings held during the F.Y.2017-2018.
Mr. Mukesh Desai	11/11
Mr. Nitin Mankad	11/11
Mr. Pradeep Kothari	11/11
Mr. Keyoor Bakshi	11/11
Mr. Kalyanaraman Ganesan	11/11
Dr. Mrs. Kalpana Joshipura	09/09*

\*Dr. Mrs. Kalpana Joshipura was appointed as additional director w.e.f. 15<sup>th</sup> June, 2017.

Pursuant to the requirement of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, a separate meeting of Independent Directors of the company was held on 25<sup>th</sup> January, 2018.

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

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

## STATUTORY AUDITORS

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

## COST AUDITORS

The Audit Committee of the Company at its meeting held on 5<sup>th</sup> May, 2018 has recommended to the Board of Directors for appointment and fixing of remuneration of M/s. V. P. & Associates, Cost Accountants, Vadodara for audit of cost records of the Company for the financial year 2018-19. The Board of Directors of the company at their meeting held on 5<sup>th</sup> May, 2018 appointed M/s. V. P. & Associates, Cost Accountants, Vadodara as cost auditors subject to ratification of the remuneration by the members of the Company at the ensuing Annual General Meeting.

The Cost Audit Report for the financial year 2016-17, issued by M/s. V. P. & Associates, Cost Accountants, Vadodara as prescribed under Cost Audit Rules was filed with the Ministry of Corporate Affairs within due date. The Cost Auditors' Report for the financial year 2016-17 did not contain any qualification, reservation or adverse remark.

## SECRETARIAL AUDITORS

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

## BOARD'S COMMENT ON THE AUDITORS' REPORT

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

## CHANGES IN SHARE CAPITAL

During the year under review, following changes took place in the share capital of the Company:

### **Conversion of Preference shares into equity shares of the Company**

The members of the company at their extraordinary general meeting held on 25<sup>th</sup> May, 2017 approved conversion of 73,55,000 preference shares into 21,01,424 equity shares at a price of Rs. 35/- per equity share.

### **Allotment of equity shares:**

The Company has allotted 62,97,000 equity shares by way of Initial Public Offer (IPO).

Consequently, as on 31<sup>st</sup> March, 2018, the authorized share capital of the company is Rs 19,00,00,000/- divided into 1,90,00,000 equity shares of Rs 10/- each and paid up share capital is Rs 17,99,15,610/- divided into 1,79,91,561 equity shares of Rs10/- each.

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

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

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

## RELATED PARTY TRANSACTIONS

With reference to section 134(2)(h) of the Companies Act, 2013, all related party transactions that were entered into during the financial year ended 31<sup>st</sup> March, 2018 were on an arm's length basis and in the ordinary course of business, hence disclosure under Form AOC-2 is not required. Details of related party transactions made during the year are attached to the notes to the balance sheet. The Board has approved a policy for related party transactions which is available on the Company's website. The web-link as required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is [http://www.innovativetyres.com/investor\\_relations/policies\\_programme](http://www.innovativetyres.com/investor_relations/policies_programme)

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

As per provisions of Section 135 of the Companies Act, 2013, provisions for CSR is applicable to every company having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during any financial year.

Your Company has earned Net profit before tax exceeding Rs 5 crores during the previous financial year, therefore CSR provisions are applicable to your Company for the financial year 2017-18 and accordingly Board of Directors have constituted CSR Committee at their meeting held on 3<sup>rd</sup> October, 2017 comprising of following members:

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

On recommendation of Corporate Social Responsibility Committee, the Board has formulated Corporate Social Responsibility Policy and adopted the same. The detailed CSR policy of the Company is available on the website of the Company [www.innovativetyres.com](http://www.innovativetyres.com). During the year under review, CSR Committee met on 25<sup>th</sup> January, 2018. Details of CSR activities undertaken during the current financial year are detailed in **Annexure - 5** to this report.

## DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE

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

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

During the year under review, members of the audit committee met on 25<sup>th</sup> May, 2017 and 25<sup>th</sup> January, 2018. Chairman of Audit Committee was present in the Annual General Meeting held during current financial year on 10<sup>th</sup> July, 2017.

## VIGIL MECHANISM

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

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

As per the provisions of Section 178 of the Companies Act, 2013, the Company has re-constituted its Nomination & Remuneration Committee with following members' w.e.f. 15<sup>th</sup> June, 2017.

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

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

Nomination & Remuneration Committee met on 5<sup>th</sup> May, 2018 to evaluate performance of individual directors for the FY 2017-18 and to evaluate the performance of Mr. Keyoor Bakshi and Mr. Kalyanaraman Ganesan for their continuation of term as independent director.

## STAKEHOLDERS GRIEVANCES COMMITTEE

To resolve the investor's grievances, company has formulated Stakeholders/Investor Grievance Committee w.e.f. 15<sup>th</sup> June, 2017. Composition of the Committee is as follows:



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

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

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

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

**DIRECTORS RESPONSIBILITY STATEMENT**

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

- In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the directors had prepared the annual accounts 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;
- The directors have laid down internal financial controls to be followed by the company and such internal financial controls are adequate and operating efficiently.

**BOARD EVALUATION**

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

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

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

**A. CONSERVATION OF ENERGY**

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

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

- In house training and awareness programmes.
- Installation of Energy meters at the TBM m/cs.
- Recovery of process discharged water which was otherwise being disposed off to surface drain.

- Recovery of Hot Water Return directly to the Hot Water Generator resulting to reduction of running time of the Hot Water Generator Make-up Pump.
- Installation of Pressure Regulating Control Valve at E-line HP steam header.
- Correction of the APH of 10 TPH boiler to prevent mixing of combustion air and flue gas resulting to stoppage of the 2<sup>nd</sup> FD Fan at 10 TPH boiler.
- Rationalisation and modification of steam distribution system resulting to reduction of 01 set of steam header including related pipe fittings and valves.
- Use of LED flood lights at RMS Store.
- Upgradation of 10 TPH boiler operations resulting to reduction in running time of the 05 TPH boiler.

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

- Use of day lights by providing transparent roof sheets.
- Use of Solar Power – 1<sup>st</sup> Phase of 240 KW is installed and commissioned.
- Use of Bio-mass fuel in the coal fired process boiler.

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

**B. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION**

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

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

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

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

**c. Information regarding technology imported, during the last 3 years:**

The Company has not imported technology. However, it has made indigenized technological development by in-house developing and installing carbon bulk handling system, Chemical ingredient weighing Machine, Four Roll Calendar Equipment, OTR band building machine, band Inserter introduced on Truck Tyre Building Machine and Hot water curing Machine installed for better performance of product.

**d. Expenditure incurred on Research and Development - Rs. 37.05 lakhs**

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Rs in Lakhs)

Particulars	2017-18	2016-17
Total foreign exchange outgo	1330.65	2984.26
Total foreign exchange inflow	6,062.40	3,951.98

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

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

**UPGRADATION IN CREDIT RATING:**

Your directors are pleased to inform you that during the year under review, the credit Rating Agency, M/s India Rating & Research has improved the credit rating from "B-" to "BB+" with "Stable" outlook.

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

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

## **ACKNOWLEDGEMENTS**

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

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

**Date :** 4<sup>th</sup> August 2018

**Place :** Halol

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

**ANNEXURE – 1**
**FORM NO. MGT-9**
**EXTRACT OF ANNUAL RETURN**
**As on the financial year ended on 31<sup>st</sup> March, 2018**

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN	: L25112GJ1995PLC086579
Registration Date	: 28/11/1995
Name of the Company	: INNOVATIVE TYRES & TUBES LIMITED
Category/Sub-Category of the Company	: Company Limited by Share /Indian Non-government Company
Address of the Registered office and contact details	: 1201, 1202, 1203 GIDC Halol, Panchmahals – 389 350, Gujarat. Contact No. 02676 220621
Whether listed company	: Yes / <del>No</del>
Name, Address and Contact details of Registrar and Transfer Agent, if any:	: Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083. Tel - 022 4918 6000 Website: www.linkintime.co.in

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

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

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

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

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

Sr. No.	Name and address of the Company	CIN / GLN	Holding/subsidiary/ associate	% of shares held	Applicable section
NIL					

**IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):**
**i. Category-wise Share Holding:**

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	-	542,090	542,090	5.65	4,375,809	-	4,375,809	24.32	18.67
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A)(1)</b>	-	<b>542,090</b>	<b>542,090</b>	<b>5.65</b>	<b>4,375,809</b>	-	<b>4,375,809</b>	<b>24.32</b>	<b>18.67</b>

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				(% Change during the year)
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total Shares	
<b>[2]</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)</b>	-	<b>542,090</b>	<b>542,090</b>	<b>5.65</b>	<b>4,375,809</b>	-	<b>4,375,809</b>	<b>24.32</b>	<b>18.67</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>[1]</b>	<b>Institutions</b>									
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub Total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>[2]</b>	<b>Central Government/ State Government(s)/ President of India</b>									
	<b>Sub Total (B)(2)</b>	-	-	-	-	-	-	-	-	-

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				(% Change during the year)
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total Shares	
[3]	<b>Non-Institutions</b>									
(a)	<b>Individuals</b>									
(i)	Individual shareholders holding nominal share capital upto ` 1 lakh.	-	10,010	10,010	0.10	2,976,697	7,805	2,984,502	16.59	16.49
(ii)	Individual shareholders holding nominal share capital in excess of ` 1 lakh	-	6,446,516	6,446,516	67.20	4,814,950	665,800	5,480,750	30.46	(36.74)
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Hindu Undivided Family	-	-	-	-	406,500	-	406,500	2.26	2.26
	Foreign Companies	-	1,637,731	1,637,731	17.07	-	1,637,731	1,637,731	9.10	(7.97)
	Non Resident Indians (Non Repat)	-	-	-	-	3,000	-	3,000	0.02	0.02
	Non Resident Indians (Repat)	-	-	-	-	75,000	500,027	575,027	3.20	3.20
	Clearing Member	-	-	-	-	250,219	-	250,219	1.39	1.39
	Bodies Corporate	-	956,790	956,790	9.98	2,278,023	-	2,278,023	12.66	2.68
	<b>Sub Total (B)(3)</b>	-	<b>9,051,047</b>	<b>9,051,047</b>	<b>94.35</b>	<b>10,804,389</b>	<b>2,811,363</b>	<b>13,615,752</b>	<b>75.68</b>	<b>(18.67)</b>
	<b>Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)</b>	-	<b>9,051,047</b>	<b>9,051,047</b>	<b>94.35</b>	<b>10,804,389</b>	<b>2,811,363</b>	<b>13,615,752</b>	<b>75.68</b>	<b>(18.67)</b>
	Total (A)+(B)	-	9,593,137	9,593,137	100.00	15,180,198	2,811,363	17,991,561	100.00	-
(C)	<b>Non Promoter - Non Public</b>									
[1]	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	<b>Total (A)+(B)+(C)</b>	-	<b>9,593,137</b>	<b>9,593,137</b>	<b>100.00</b>	<b>15,180,198</b>	<b>2,811,363</b>	<b>17,991,561</b>	<b>100.00</b>	<b>-</b>

**Notes:**

- (1) Paid up share capital of the company (Face Value Rs. 10.00) at the beginning of the year is 95, 93,137 equity shares.  
(2) During the year the company converted 73, 55,000 preference shares into 21, 01,424 equity shares. Subsequently the company has allotted 62,97,000 equity shares by way of Initial Public Offering (IPO)



ii. Shareholding of Promoter and Promoter Group:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			% change in Share holding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Pradeep Ravichandra Kothari	2,867,134	29.89	15.56	3,495,676	19.43	8.30	(10.46%)
2	Mukesh Gunvantrai Desai	176,400	1.84	1.11	609,267	3.39	0.59	1.55%
3	Rajeshree Pradeep Kothari	43,000	0.45	0.45	114,428	0.64	0.24	0.19%
4	Kashmira Mukesh Desai	75,000	0.78	0.56	75,000	0.42	0.30	(0.36%)
5	Kothari Manthan Pradeep	10	0.00	0.00	71,438	0.40	0.00	0.40%
6	Harsh Pradeep Kothari	10,000	0.10	-	10,000	0.06	-	(0.04%)
	<b>Total</b>	<b>3,171,544</b>	<b>33.06</b>	<b>17.68</b>	<b>4,375,809</b>	<b>24.32</b>	<b>9.43</b>	<b>(8.74%)</b>

**Notes:**

1. Paid up share capital of the company (Face Value Rs. 10.00) at the beginning of the year is 95, 93,137 equity shares.
2. During the year the company converted 73, 55,000 preference shares into 21, 01,424 equity shares. Subsequently the company has allotted 62,97,000 equity shares by way of Initial Public Offering (IPO)

**Shareholding of Promoters (From 01.04.2017 to 05.10.2017)\***

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2017			Shareholding at the end of the year - 2018			% change in Share holding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Mr. Ashwinkumar Mehta	10	0.00%	-	-	-	-	-
2	Mr. Sanjay Mankad	2,71,660	2.83%	-	2,21,660	1.23%	-	(1.60%)
3	Mrs. Minakshi Mankad	2,20,410	2.30%	-	2,36,000	1.31%	-	(0.99%)
4	Mr. Bipin Mankad	50,010	0.52%	-	-	-	-	(0.52%)
	<b>Total</b>	<b>5,42,090</b>	<b>5.65%</b>	<b>-</b>	<b>4,57,660</b>	<b>2.54%</b>	<b>-</b>	<b>(3.11%)</b>

\*Above promoters were classified based on their subscription to Memorandum of Association of the Company at the time of incorporation. Mr. Mukesh Desai & Mr. Pradeep Kothari are promoters of the company pursuant to Offer Document dated 27.09.2017 published for Initial Public Offer of the Company.

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

Sr. No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	<b>Pradeep Ravichandra Kothari</b>	2,867,134	29.89	-	-	-	-
	Conversion Of Preference Shares	-	-	25/05/2017	628,542	3,495,676	19.43
	At The End Of The Year	-	-	-	-	3,495,676	19.43
2	<b>Mukesh Gunvantrai Desai</b>	176,400	1.84	-	-	-	-
	Conversion Of Preference Shares	-	-	25/05/2017	372,857	549,257	3.05
	Transfer	-	-	08/06/2017	60,010	609,267	3.39
	At The End Of The Year	-	-	-	-	609,267	3.39
3	<b>Rajeshree Pradeep Kothari</b>	43,000	0.45	-	-	-	-
	Conversion Of Preference Shares	-	-	25/05/2017	71,428	114,428	0.64
	At The End Of The Year	-	-	-	-	114,428	0.64
4	<b>Kashmira Mukesh Desai</b>	75,000	0.78	-	-	-	-
	At The End Of The Year	-	-	-	-	75,000	0.42
5	<b>Kothari Manthan Pradeep</b>	10	0.00	-	-	-	-
	Conversion Of Preference Shares	-	-	25/05/2017	71,428	71,438	0.40
	At The End Of The Year	-	-	-	-	71,438	0.40
6	<b>Harsh Pradeep Kothari</b>	10000	0.10	-	-	-	-
	At The End Of The Year	-	-	-	-	10,000	0.06

**Note:**

1. Paid up share capital of the company (Face Value Rs. 10.00) at the beginning of the year is 95, 93,137 equity shares.
2. During the year the company converted 73, 55,000 preference shares into 21, 01,424 equity shares. Subsequently the company has allotted 62,97,000 equity shares by way of Initial Public Offering (IPO)

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

Sr. No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	<b>KIRIT TULSIDAS VASSA</b>	1,618,323	16.87	-	-	-	-
	Conversion of Preference Shares	-	-	25/05/2017	314,285	-	-
	Transfer	-	-	03/10/2017	129,000	2,061,608	11.46
	Transfer	-	-	19/01/2018	198,000	2,259,608	12.56
	AT THE END OF THE YEAR	-	-			2,259,608	12.56
2	<b>MAXIM GOLD DEVELOPMENT LIMITED</b>	1,637,731	17.07	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	1,637,731	9.10
3	<b>GOLDMINE STOCKS PVT LTD</b>	956,790	9.97	-	-	-	-
	Conversion of Preference Shares	-	-	25/05/2017	142,857	1,099,647	6.11
	IPO Allotment	-	-	03/10/2017	327,000	1,426,647	
	Transfer	-	-	13/10/2017	987,000	2,413,647	13.42
	Transfer	-	-	20/10/2017	117,000	2,530,647	14.07
	Transfer	-	-	27/10/2017	126,000	2,656,647	14.77
	Transfer	-	-	10/11/2017	(15,000)	2,641,647	14.68
	Transfer	-	-	17/11/2017	159,000	2,800,647	15.57
	Transfer	-	-	24/11/2017	117,000	2,917,647	16.22
	Transfer	-	-	01/12/2017	(18,000)	2,899,647	16.12
	Transfer	-	-	08/12/2017	(12,000)	2,887,647	16.05
	Transfer	-	-	15/12/2017	(24,000)	2,863,647	15.92
	Transfer	-	-	22/12/2017	(3,000)	2,860,647	15.90
	Transfer	-	-	29/12/2017	15,000	2,875,647	15.98
	Transfer	-	-	05/01/2018	(117,000)	2,758,647	15.33
	Transfer	-	-	12/01/2018	(36,000)	2,722,647	15.13
	Transfer	-	-	19/01/2018	(966,000)	1,756,647	9.76
	Transfer	-	-	26/01/2018	(51,000)	1,705,647	9.48
	Transfer	-	-	02/02/2018	(150,000)	1,555,647	8.65
	Transfer	-	-	09/02/2018	(6,000)	1,549,647	8.61
	Transfer	-	-	16/02/2018	(93,000)	1,456,647	8.10
	Transfer	-	-	23/02/2018	(18,000)	1,438,647	8.00
	Transfer	-	-	02/03/2018	9,000	1,447,647	8.05
	Transfer	-	-	09/03/2018	(228,000)	1,219,647	6.78
	Transfer	-	-	23/03/2018	9,000	1,228,647	6.83
	Transfer	-	-	31/03/2018	(129,000)	1,099,647	6.11
	AT THE END OF THE YEAR	-	-	-	-	1,099,647	6.11
4	<b>SHARMISTHA CHANDRAVADAN SHAH</b>	833,887	8.69	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	833,887	4.63

Sr. No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
<b>5</b>	<b>MAYUR SANGHVI</b>	-	-	-	-	-	-
	Conversion of Preference Shares	-	-	25/05/2017	462,885	462,885	2.57
	AT THE END OF THE YEAR	-	-	-	462,885	462,885	2.57
<b>6</b>	<b>KARVY STOCK BROKING LTD(BSE)</b>	-	-	-	-	-	-
	Transfer	-	-	13/10/2017	15,000	15,000	0.08
	Transfer	-	-	20/10/2017	(3,000)	12,000	0.07
	Transfer	-	-	10/11/2017	3,000	15,000	0.08
	Transfer	-	-	24/11/2017	(3,000)	12,000	0.07
	Transfer	-	-	29/12/2017	3,000	15,000	0.08
	Transfer	-	-	05/01/2018	3,000	18,000	0.10
	Transfer	-	-	12/01/2018	(3,000)	15,000	0.08
	Transfer	-	-	19/01/2018	255,000	270,000	1.50
	Transfer	-	-	26/01/2018	3,000	273,000	1.52
	Transfer	-	-	02/02/2018	(51,000)	222,000	1.23
	Transfer	-	-	09/02/2018	(54,000)	168,000	0.93
	Transfer	-	-	16/02/2018	6,000	174,000	0.97
	Transfer	-	-	02/03/2018	3,000	177,000	0.98
	Transfer	-	-	09/03/2018	204,000	381,000	2.12
	Transfer	-	-	23/03/2018	(9,000)	372,000	2.07
	Transfer	-	-	31/03/2018	(9,000)	363,000	2.02
	AT THE END OF THE YEAR	-	-	-	-	363,000	2.02
<b>7</b>	<b>SUBHASH P RATHOD</b>	-	-	-	-	-	-
	Transfer	-	-	05/01/2018	96,000	96,000	0.53
	Transfer	-	-	12/01/2018	99,000	195,000	1.08
	Transfer	-	-	19/01/2018	198,000	393,000	2.18
	Transfer	-	-	16/02/2018	6,000	399,000	2.22
	Transfer	-	-	02/03/2018	(12,000)	387,000	2.15
	Transfer	-	-	31/03/2018	(30,000)	357,000	1.98
	AT THE END OF THE YEAR	-	-	-	-	357,000	1.98
<b>8</b>	<b>AAPT DISTRIBUTION PVT LTD</b>	-	-	-	-	-	-
	Transfer	-	-	07/06/2017	281,792	281,792	1.57
	AT THE END OF THE YEAR	-	-	-	-	281,792	1.57
<b>9</b>	<b>MINAKSHI MANKAD</b>	220,410	2.30	-	-	-	-
	Transfer due to splitting of share certificate			10/07/2017	15,590	236,000	1.31
	AT THE END OF THE YEAR				15,590	236,000	1.31
<b>10</b>	<b>SANJAY MANKAD</b>	271,660	2.83				
	Transfer			07/06/2017	(50,000)	221,660	1.23
	AT THE END OF THE YEAR					221,660	1.23

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	<b>Mr. Mukesh Desai – Chairman &amp; Managing Director</b>							
	At the beginning of the year	1,76,400	1.84%					
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease e.g. allotment/ transfer/bonus/ sweat equity etc)			25/05/17	Conversion of preference shares	3,72,857	5,49,257	4.70%
				08/06/17	Transfer	60,010	6,09,267	5.21%
	At the End of the year						6,09,267	3.39%

Sr. No.	Name	Shareholding at the beginning of the year		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
2.	<b>Mr. Pradeep Kothari – Whole time Director</b>							
	At the beginning of the year	28,67,134	29.89%					
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease e.g. allotment/ transfer/bonus/ sweat equity etc)			25/05/17	Conversion of preference shares	6,28,542	34,95,676	29.89%
	At the End of the year						34,95,676	19.43%

Sr. No.	Name	Shareholding at the beginning of the year		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
3.	<b>Mr. Nitin Mankad – Whole time Director</b>							
	At the beginning of the year	3,27,300	3.41%					
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease e.g. allotment/transfer/bonus/ sweat equity etc)			07/06/17	Transfer	(50,000)	2,77,300	2.37%
				10/07/17	Transmission	45,000	3,22,300	2.75%
				10/07/17	Transfer	25,000	3,47,300	2.97%
	At the End of the year						3,47,300	1.93%

Sr. No.	Name	Shareholding at the beginning of the year		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
4.	<b>Mr. Arvind Tambi – Chief Financial Officer</b>							
	At the beginning of the year	0	0					
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease e.g. allotment/ transfer/bonus/ sweat equity etc)			03/10/17	IPO Allotment	9,000	9,000	0.05%
	At the End of the year						9,000	0.05%

Sr. No.	Name	Shareholding at the beginning of the year		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
5.	<b>Ms. Sejal Desai – Company Secretary &amp; Compliance Officer</b>							
	At the beginning of the year	0	0					
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease e.g. allotment/ transfer/bonus/ sweat equity etc)			03/10/17	IPO Allotment	9,000	9,000	0.05%
	At the End of the year						9,000	0.05%



## V. INDEBTEDNESS:

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

(Rs in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	2,019.60	--	--	2,019.60
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>2,019.60</b>	<b>--</b>	<b>--</b>	<b>2,019.60</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	--	--	--	--
• Reduction	(761.81)	--	--	(761.81)
<b>Net Change</b>	<b>(761.81)</b>	<b>--</b>	<b>--</b>	<b>(761.81)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,257.79	--	--	1,257.79
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total</b>	<b>1,257.79</b>	<b>--</b>	<b>--</b>	<b>1,257.79</b>

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

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

(Rs in Lakhs)

Sl. No.	Particulars of Remuneration	Name Of Directors			
		Mr. Mukesh Desai (Managing Director)	Mr. Pradeep Kothari (Whole time Director)	Mr. Nitin Mankad (Whole time Director)	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.00	10.50	10.50	48.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	27.00	10.50	10.50	48.00
	Ceiling as per the Act				61.81

**Remuneration to Other Directors:**

(Rs in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
1.	<b>Independent Directors</b>	<b>Mr. Keyoor Bakshi</b>	<b>Mr. Kalyanaraman Ganesan</b>	<b>Dr. Mrs. Kalpana Joshipura</b>	
	Fee for attending board / committee meetings	0.65	0.65	0.50	1.80
	Commission	-	-	-	
	Others, please specify	-	-	-	
	<b>Total (1)</b>	<b>0.65</b>	<b>0.65</b>	<b>0.50</b>	<b>1.80</b>
2.	<b>Other Non-Executive Directors</b>	-	-	-	
	Fee for attending board / committee meetings	-	-	-	
	Commission	-	-	-	
	Others, please specify	-	-	-	
	<b>Total (2)</b>	-	-	-	
	<b>Total (B)=(1+2)</b>	-	-	-	
	<b>Total Managerial Remuneration</b>	<b>0.65</b>	<b>0.65</b>	<b>0.50</b>	<b>1.80</b>
	Overall Ceiling as per the Act	Rs. 1 Lakh per meeting			

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

(Rs in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	2.85	10.67	13.52
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	-	<b>2.85</b>	<b>10.67</b>	<b>13.52</b>

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

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

**ANNEXURE – 2**  
**FORM NO. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**For the Financial Year ended 31.03.2018**

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. INNOVATIVE TYRES & TUBES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon. Based on our verification of the books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31<sup>st</sup> March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minutes book, forms and returns filed and other records maintained by **M/s. Innovative Tyres & Tubes Limited (“The Company”)** for the Financial Year ended on 31<sup>st</sup> March, 2018 according to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (**‘SCRA’**) and the Rules made there under;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**‘SEBI Act’**) is applicable to the Company w.e.f 5<sup>th</sup> October, 2017:-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014;

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

- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

Not applicable as the Company has not issued any Debt Securities during the year under review.

- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

Not applicable as the Company has not delisted any of its shares from any of the Stock Exchanges during the year under review.

- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and

Not applicable as the Company has not bought back any of its securities during the year under review.

- j) The Company has complied with the requirements under the Equity Listing Agreements entered into with **BSE Limited**, National Stock Exchange of India Limited;

VI. Other laws specifically applicable to the Company as per the representation given by the Company.

SR. NO.	NAME OF ACT
1	Air (Prevention and Control of Pollution) Act, 1981 and rules made there under.
2	Water (Prevention and control of pollution) Act, 1974 and rules made there under.
3	Apprentices Act, 1961 and Apprenticeship Rules, 1992.
4	Labour Welfare Fund (Gujarat) Rules, 1962.
5	The Customs Act, 1962.
6	Central Goods & Services Tax (CGST).
7	State Goods & Services Tax (SGST).
8	Integrated Goods and Service Tax (IGST).
9	Child Labour (prohibition & Regulation) Act, 1986.
10	Contract Labour Regulation and Abolition Act, 1970.
11	Customs Valuation (Determination of value of imported goods) Rules, 2007.
12	Electricity Act, 2003 and Indian Electricity Rules, 1956/2005.
13	Employee Deposit linked insurance scheme, 1976.
14	Employee Compensation Act, 1923 and rules made there under.
15	Employees Provident Fund and Miscellaneous Provisions Act, 1952.
16	Employee State Insurance Act, 1948.
17	Employment Exchange Act, 1959 and Rules made there under.
18	Equal Remuneration Act, 1976 and Equal Remuneration Rules, 1976.
19	Explosives Act, 1884 and rules made there under.
20	Factories Act, 1948.
21	Foreign Trade Policy.
22	Foreign Trade (Development & Regulation) Act, 1992 and Foreign Trade (Regulation) Rules, 1993.
23	Gujarat Panchayats, Municipalities municipal corporation Act, 1992 and Rules made there under.
24	Gujarat Lifts and Escalators Act, 2008.
25	Income Tax Act, 1961 and Income Tax Rules, 1962.
26	Industrial Employment Act, 1946.
27	Information Technology Act, 2008.
28	Maternity Benefit Act, 1961.
29	Minimum Wages Act, 1948 .
30	Motor Vehicles Act, 1988 and Central Motor Vehicle Rules, 1989.
31	Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975.
32	Payment of Gratuity Act, 1972.
33	Payment of Wages Act, 1936.
34	Petroleum Act, 1934 and Petroleum Rules, 2002.
35	Professional Tax Act, 1987.
36	Public Liability Insurance Act, 1991 and Public Liability Insurance Rules, 1991.
37	Gujarat Shop & Establishment Act.
38	Sexual Harassment of women at workplace prevention, prohibition redressal Act, 1991.
39	Shipping Bill and Bill of Export (Form ) Regulations, 1991.

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

- 1) Secretarial Standards issued by The Institute of Company Secretaries of India.
- 2) The Listing Agreements entered into by the Company with the ~~BSE Limited~~, National Stock Exchange of India Limited.

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

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

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

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

Sr. No.	No. of shares	Nature	Date
1.	2,81,792	Transfer	07.06.2017
2.	60,010	Transfer	08.06.2017
3.	70,000	Transmission	10.07.2017

- n) Declaration and payment of dividends;  
(During the year under review, The Company has not declared dividend)

- o) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs; (During the year under review, no dividend was declared, hence provision of Investors Education and Protection Fund is not applicable.)
- p) Borrowings and registration, modification and satisfaction of charges wherever applicable;
- q) Investment of the Company's funds including investments and loans to others;
- r) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
- s) Directors' report;
- t) Contracts, common seal, registered office and publication of name of the Company; and
- u) Generally, all other applicable provisions of the Act and the Rules made under the Act.

3. We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- d) The Company has obtained all necessary approvals under the various provisions of the Act; and
- e) There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.
- f) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the Code of Business Conduct & Ethics for Directors and Management Personnel;

4. The Company has complied with the provisions of the Securities Contracts (Regulation) Act, 1956 and the Rules made under that Act, with regard to maintenance of minimum public shareholding.
5. We further report that the Company has complied with the provisions of the Depositories Act, 1996 and the Byelaws framed there under by the Depositories with regard to dematerialization / rematerialization of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
6. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.
7. We further report that based on the information received and records maintained there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
8. We further report that during the period under review, the company has allotted 62,97,000 equity shares at a price of Rs. 45/- (including premium of Rs. 35/- per equity share) by way of **Public issue**.

**For, Swati Bhatt & Co.**

Swati Bhatt  
Practicing Company Secretary  
Proprietor  
M. No. 7323  
COP: 8004

Place : Vadodara  
Date : 4<sup>th</sup> August 2018

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

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

To,  
The Members,  
M/s. INNOVATIVE TYRES & TUBES LIMITED  
CIN: L25112GJ1995PLC086579  
1201, 1202, 1203 - GIDC Halol,  
Panchmahals, Halol, Gujarat – 389350.

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

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

**For, Swati Bhatt & Co.**

Swati Bhatt  
Practicing Company Secretary  
Proprietor  
M. No. 7323  
COP: 8004

Place : Vadodara  
Date : 4<sup>th</sup> August 2018

### ANNEXURE – 3 CORPORATE GOVERNANCE REPORT

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

#### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

#### BOARD OF DIRECTORS

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

The details of composition of Board, nature of relationships, number of meetings held and attended and the directorships in other companies as at 31<sup>st</sup> March, 2018 are detailed below:

Sr. No.	Name of Directors	Category	No. of Board Meetings held and attended during the year	Attendance at last AGM held on 10.07.2017	No. of Directorships in other companies	No. of Committee positions held in other public companies
1.	Mr. Mukesh Desai	Chairman & Managing Director	11/11	Yes	03	01
2.	Mr. Pradeep Kothari	Whole time Director	11/11	Yes	0	0
3.	Mr. Nitin Mankad	Whole time Director	11/11	Yes	0	0
4.	Mr. Keyoor Bakshi	Independent Director	11/11	Yes	11	7
5.	Mr. Kalyanaraman Ganesan	Independent Director	11/11	Yes	6	0
6.	Dr. Mrs. Kalpana Joshipura	Independent Director	9/9*	Yes	0	0

\*Dr. Mrs. Kalpana Joshipura was appointed on the Board with effect from 15.06.2017.

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

None of the Directors are related inter-se.

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

Non Executive Directors do not hold any shares and convertible instruments in the Company.

#### FAMILIARIZATION TO INDEPENDENT DIRECTORS:

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

#### AUDIT COMMITTEE:

The Audit Committee of the company consists of two Independent Directors and one Executive Director of the Company. All the Directors have good understanding Finance, Accounts and Law. During the financial year under review, audit committee met two times on 25<sup>th</sup> May, 2017 and 25<sup>th</sup> January, 2018. Composition of audit committee of the company is as follows:

Sr. No.	Name	Category	Nos. of meeting attended
1.	Mr. Keyoor Bakshi	Chairman	02
2.	Mr. Kalyanaraman Ganesan	Member	02
3.	Mr. Mukesh Desai	Member	02

Ms. Sejal Desai, Company Secretary acts as a Secretary to the Committee.

**Brief description of terms of reference:**

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

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

**NOMINATION & REMUNERATION COMMITTEE:**

The Nomination & Remuneration Committee of the company consists of three Independent Directors of the Company. During the financial year under review, Company has re-constituted Nomination & Remuneration Committee. Composition of Nomination & Remuneration committee of the company is as follows:

Sr. No.	Name	Category
1.	Dr. Mrs. Kalpana Joshipura	Chairperson
2.	Mr. Keyoor Bakshi	Member
3.	Mr. Kalyanaraman Ganesan	Member

Ms. Sejal Desai, Company Secretary acts as a Secretary to the Committee.

**Brief description of terms of reference:**

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

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

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

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

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

During the year, performance evaluation of the Chairman and the Executive Director were carried out by the Independent Directors at their separate meeting held on 25<sup>th</sup> January, 2018. The Directors were satisfied with the evaluation results. Performance evaluation of Independent Directors to be re-appointed was carried out by Nomination & Remuneration Committee at their meeting held on 5<sup>th</sup> May, 2018. Performance evaluation of entire Board, and individual directors and that of Committees for the financial year 2017-18 was done at their meeting held on 5<sup>th</sup> May, 2018.



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

The aggregate value of salary and perquisites paid during the year 2017-18 to the Executive Directors are as follows:

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

Sitting fees paid to Independent Directors during the year 2017-18 are as follows:

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

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

In compliance with Section 178 of the Companies Act, 2013 and Regulation 20 and Schedule II, Part D of the SEBI (LODR) Regulations, 2015, a Stakeholders' Relationship Committee of the Board has been constituted to resolve the investor's grievances w.e.f. 15<sup>th</sup> June, 2017. Composition of the Committee is as follows:

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

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

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

Details of investor complaints received and redressed during the year 2017-18 are as follows:

Number of shareholders complaints received and resolved	– 02
Number of complaints not solved to the satisfaction of shareholders	– NIL
Number of pending complaints	– NIL

#### GENERAL BODY MEETING

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

Year	Day, Date and Time	Venue
2016-17	Monday, 10 <sup>th</sup> July, 2017 at 4:30 p.m.	Govindkrupa Bungalow, Ground Floor, Opp. 15 Alkapuri Society, B/H Alkapuri Police Chowki, R.C. Dutt Road, Vadodara – 390007.
2015-16	Saturday, 24 <sup>th</sup> September, 2016 at 1:00 p.m.	Govindkrupa Bungalow, Ground Floor, Opp. 15 Alkapuri Society, B/H Alkapuri Police Chowki, R.C. Dutt Road, Vadodara – 390007.
2014-15	Wednesday, 16 <sup>th</sup> September, 2015 at 11:00 a.m.	5/105, Nityanand Nagariv Swami Nityanand Road, Andheri, (East), Mumbai – 400069

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

No Special Resolutions were passed by the members of the Company during the AGM of 2014-15 and 2015 -16  
The members have passed one special resolution in the 22<sup>nd</sup> AGM held on 10<sup>th</sup> July 2017

- Shifting of Registered office from Vadodara to Halol.

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

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

#### MEANS OF COMMUNICATION

Company was listed on NSE Emerge platform on 5<sup>th</sup> October, 2017. Hence, during the financial year 2017-18, financial results for the half year ended 30<sup>th</sup> September, 2017 was not mandatorily required to be filed with Stock Exchange. However, Company have filed half year and year ended results for the year 2017 - 18 with Stock Exchange in compliance of Listing Regulations. Requirement of Publishing of Results in Newspaper as per Regulation 46 of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 is not applicable for SME Listed companies. The official announcements, presentations are posted on official website of the company [www.innovativetyres.com](http://www.innovativetyres.com)

**GENERAL SHAREHOLDER INFORMATION**

<b>Date, Time and Venue of AGM</b>	Tuesday 18 <sup>th</sup> September 2018 at Plot No. 1201, 1202, 1203 GIDC Halol, Panchmahals - 389350, Gujarat at 9:00 A.M.
<b>Financial Year</b>	From 1 <sup>st</sup> April to 31 <sup>st</sup> March of the following year
<b>Date of Book Closure</b>	Monday 17 <sup>th</sup> September, 2018 to Tuesday 18 <sup>th</sup> September, 2018 (Both days inclusive)
<b>Dividend payment date</b>	No Dividend declared
<b>Listed on Stock Exchange</b>	National Stock Exchange of India, EMERGE platform
<b>Trading Symbol</b>	INNOVATIVE
<b>ISIN</b>	INE070Y01015

**Market Price Data**

Company has listed on NSE Emerge platform on 5<sup>th</sup> October, 2017. Hence, data of monthly market price high, low for the full year 2017-18 is not available.

**Performance in comparison to other indices:**

Company has listed on NSE Emerge platform on 5<sup>th</sup> October, 2017. Hence, data of performance in comparison to other indices for the year 2017-18 is not available.

**Details of Registrar and Share Transfer Agent**

M/s Link Intime India Private Limited

C-101, 1<sup>st</sup> Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West) Mumbai, Maharashtra – 400083.

Contact No: 022 4918 6000 Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**Share Transfer System**

Share transfer requests, which are received in physical from one processed and the share certificates are returned within a period of 15 days from the date of receipt, subjected the documents are in order and complete in all respects.

**Distribution of Shareholding as on 31<sup>st</sup> March, 2018**

Sr. No.	Shareholding of Nominal Value (INR)			Number of Shareholders	% Of Total	Share Amount (INR)	% of Total Share Amount
1	0001	to	10000	05	0.52	9,160	0.00
2	10001	to	20000	04	0.41	59,010	0.03
3	20001	to	30000	666	68.73	1,99,79,450	11.10
4	40001	to	50000	01	0.10	45,000	0.02
5	50001	to	100000	202	20.85	1,57,73,600	8.76
6	100001	to	*****	91	9.39	14,40,49,390	80.06
Total				969	100.00	17,99,15,610	100.00

**Dematerialization of Shares and Liquidity:**

As on 31<sup>st</sup> March, 2018 out of total 1,79,91,561 share, 1,51,80,198 shares (84.37% of the issued capital of the company) are in dematerialized mode. All promoters' shares are in dematerialized mode. Company was listed on NSE Emerge platform on 5<sup>th</sup> October, 2017 and all the shares which were issued in IPO of the Company are traded on NSE Emerge platform from 5<sup>th</sup> October, 2017. All pre-issued shares are in lock-in mode as per SEBI (ICDR) Regulations.

**Outstanding GDRs/ADRs/Warrants or any Convertible Instruments: NIL****Plant Locations:**

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

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

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

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

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

Contact No.: 02676 - 220621

CIN: L25112GJ1995PLC086579

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

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

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

**Legal Compliances:**

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

**Vigil Mechanism:**

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

**Mandatory & Non Mandatory Requirements:**

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

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**COMPLIANCE CERTIFICATE**

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

To,

**The Members**

**Innovative Tyres & Tubes Limited**

**(CIN: L25112GJ1995PLC086579)**

We have examined the compliance of conditions of corporate governance by M/s. Innovative Tyres & Tubes Limited, for the year ended March 31,2018, as stipulated in Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

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

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

**For Swati Bhatt & Co.,**

**Swati Yash Bhatt**

Proprietor

Membership No. 7323

COP No. 8004

**Date :** 4<sup>th</sup> August 2018

**Place :** Vadodara

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

I, Mukesh Gunvantrai Desai, Chairman and Managing Director of M/s Innovative Tyres & Tubes Limited hereby declare that all the members of the Board of Directors of the Company and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Part D Schedule V (Regulation 34) of the Listing Regulation entered into with the Stock Exchanges for the financial year ended March 31, 2018.

**For Innovative Tyres & Tubes Limited**

**Sd/-**

**Mukesh Desai**

**Chairman & Managing Director**

DIN: 00089598

Place : Halol

Date : 4<sup>th</sup> August 2018

## ANNEXURE – 4

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

#### ABOUT INNOVATIVE TYRES & TUBES LIMITED (ITTL)

Incorporated in the year 1995, we are a tyre and tube manufacturing Company, manufacturing & marketing our products under our flagship brand - Innovative. We started our journey with the acquisition of a greenfield manufacturing unit at Halol in auction from Gujarat State Financial Corporation and State Bank of Bikaner & Jaipur vide agreement dated December 15, 1995. Thereafter we revamped the closed company to our tube manufacturing facility at this property and started manufacturing of tubes in the year 1996. Within a short time after our inception, we were able to successfully get our facility approved by CEAT Limited for carrying out job work activities for them.

Today our product range covers all highway sizes, Off The Road (OTR) highway sizes, agriculture and industrial tyres. Your company listed its shares on SME platform of National Stock Exchange of India Limited in the financial year 2017-18 and achieved new growth towards successful journey from incorporation.

#### INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian Tyre Industry is in modernization phase and is largely driven by demand and supply conditions. Manufacturing has emerged as one of the high growth sectors in India. The Indian auto industry is one of the largest in the world. The industry accounts for 7.1 per cent of the country's Gross Domestic Product (GDP). The Two Wheelers segment with 81 per cent market share is the leader of the Indian Automobile market owing to a growing middle class and a young population. Moreover, the growing interest of the companies in exploring the rural markets further aided the growth of the sector. Indian tyre industry is

highly competitive with the presence of a large number of global and Indian auto-companies. Tyre demand is directly proportional to the automobiles demand. Therefore, demand swings in the automobiles have an impact on the demand for tyres.

The domestic tyre industry is expected to post volumes growth of 7-8 per cent to 1,805 lakh tyres during FY2018, despite the weak volumes during the first quarter and part of second quarter during GST rollout.

The industry volumes prior to July had remained tepid during the first quarter in FY18 due to pre-buying in the fourth quarter in FY17 and fleet operators deferring new vehicle purchases in view of incoming GST regulation from July 2017.

#### OPPORTUNITIES

The rapidly globalizing world is opening up newer avenues for the transportation industry, especially while it makes a shift towards electric, electronic and hybrid cars, which are deemed more efficient, safe and reliable modes of transportation. Over the next decade, this will lead to newer verticals and opportunities for auto-component manufacturers. It is estimated that the overall tyre imports into India is estimated to have grown in revenue terms by 10 to 12% in fiscal 2017. With the government's focus on infrastructure growth backed by huge allocations of funds, building and construction activity has gained momentum with big growth seen in road building and construction equipment manufacturers. This bodes well for the growth of the large OTR tyres segment.

Customer centricity and quality consciousness have been our major strengths. We believe in a customer centric business model and endeavour to supply customized products to meet our customer's demands. Experienced and dedicated management team is one of the great strength for long term progress of our company.

During the year under review, the Company has successfully commissioned a state of Art Four Roll Calendaring Line which was developed in-house, which enable the Company to produce in larger quantities with better quality. In line with the object of IPO, management is equally focusing on enhancing production capacity and focusing on strengthening the fixed base capital.

#### THREATS, RISKS AND CONCERNS

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

Deep concession on finished product (tyres) and no concession on key Raw Materials (natural rubber) goes contrary to the objective of domestic value addition/'Make in India' programme. The proposed

National Rubber Policy is yet to be announced and the concerns of producers and consumers remain unresolved. In light of these market forces, there is extreme pressure on the pricing and bottom line of tyre companies.

Change in regulatory norms in India or else where in exporting countries shall effect the operation of Company.

If the price of energy sources increases, our operating expenses could increase significantly and our results of operations and cash flows could be materially and adversely affected.

We are dependent on our Top 5 suppliers for uninterrupted supply of raw-materials. Any disruption in supply of raw materials from these suppliers will adversely affect our operations.

Our products are subject to continued pricing pressure, which may materially and adversely affect our profits, results of operations and cash flows. Volatility in raw material prices impact the profitability of the industry.

We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.

#### SEGMENT WISE OR PRODUCT WISE PERFORMANCE

One such major industry in the overall manufacturing sector is Automobile Industry which if further classified into -Auto Components Manufacturing Industry, which in turn encompasses various segments; one of them being - Tyres and Tubes Manufacturing Segment. Currently, our Company caters to all three segments of market viz. exports, domestic/after sales market and OEM like CEAT Limited. During the financial year 2017-18, your Company achieved a turnover of Rs.13,950.35 Lakhs as against Rs. 13,083.69 Lakhs for the previous year ended 31<sup>st</sup> March 2017.

#### OVERVIEW & OUTLOOK

According to the Automotive Mission Plan (AMP) 2026, Indian automotive industry is targeted to grow 3.5 to 4 times of the current value of USD 74 billion to USD 260 billion or 300 billion in the 2016-2026 periods, which will make India one of the top three automotive industries in the world. The fast development of road infrastructure in India is another factor that would boost the prospects of the domestic automobile and tyre industries.

The issue of raw material cost escalation especially of natural rubber may reduce operational margins for a while in the foreseeable future. Tyres are classified as cross-ply (bias) and radial based on the technology deployed during it's manufacturing process. In India, the commercial tyre segment continues to be dominated by cross-ply tyres due to road conditions and the high initial cost of radials. The positive sentiment shown by the infrastructure and rural sectors in recent months will definitely have an impact on the demand in the tyre industry, both in the OE and the Replacement markets

#### INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company has adequate internal control systems in place, and also has reasonable assurance on authorizing, recording and reporting transactions of its operations. The Company through its own Internal

Audit department carries out periodical Audits at all locations and functions based on the Plan as approved by the Audit Committee.

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

#### DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

(Rs In Lakhs)

Particulars	2017-18	2016-17
Revenue from operations	13,950.35	13,083.69
Other income	58.79	170.23
Total Income	14,009.14	13,253.92
Total expenses	13,385.22	12,635.79
Profit before tax	623.92	618.13
Current tax	206.00	115.51
Deferred Tax	(26.44)	19.41
Excess provision of Income Tax	4.52	(5.32)
Profit after tax	439.84	488.53

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

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

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

The Company's employee's strength as at 31<sup>st</sup> March, 2018 was 347 employees.

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

## ANNEXURE – 5

### REPORT ON CORPORATE SOCIAL RESPONSIBILITY

#### 1. Brief outline of the Company's CSR Policy

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

#### 2. The Composition of CSR Committee

Dr.Mrs. Kalpana Joshipura – Chairperson

Mr. Mukesh Desai – Member

Mr. Pradeep Kothari – Member

#### 3. Average net profit of the Company in last three financial years

**Profit before tax for last three years**

2014-15 - Rs. 452.31 lakhs

2015-16 - Rs. 336.67 lakhs

2016-17 - Rs. 618.13 lakhs

#### 4. Prescribed CSR Expenditure:

2% of average profit during last three years – Rs. 9.38 Lakhs

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

Total Prescribed CSR Expenditure – Rs. 9.38 Lakhs

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

a) Total amount spent: Rs.9.46Lakhs

b) Amount unspent, if any: Rs. NIL

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

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or Programs was undertaken	Amount outlay (budget) project or programs wise [in Rs. lakhs]	Amount spent on the projects or programs Sub-heads (1) Direct expenditure on projects or programs (2) Over heads [in Rs. lakhs]	Cumulative expenditure up to the reporting period\ [in Rs. lakhs]	Amount spent Direct or through implementing agency
1.	To promote rural sports	Sports	Halol, Panchmahals	1.51	1.51	1.51	Panch Mahotsav, Halol.
2.	Promoting health care	Health Care	Karamsad	0.20	0.20	1.71	Charutar Arogya Mandal
3.	Contribution towards purchase/ maintainance of Ambulance for benefit of members	Health Care	Halol	1.25	1.25	2.96	Halol Industries GIDC Association
4.	Contribution towards promoting nursery education	Education	Halol	6.50	6.50	9.46	Kalarav Nursury Trust

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

Not applicable.

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

Sd/-

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

Sd/-

**Mukesh Desai**  
Member to the Committee

**Annexure - 6**

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

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

Sr. No.	Name of Directors/KMP	Remuneration of Director/KMP for FY 2017-18 (Rs. In Lakhs)	% increase in Remuneration in the F.Y. 2017-18	Ratio of Remuneration of each Director/to median remuneration of employees
1.	Mr. Mukesh Desai Chairman & Managing Director	27.00	0.00%	31.20:1
2.	Mr. Pradeep Kothari Whole time Director	10.50	0.00%	12.13:1
3.	Mr. Nitin Mankad Whole time Director	10.50	0.00%	12.13:1
4.	Mr. Keyoor Bakshi Independent Director	NA	NA	NA
5.	Mr. Kalyanaraman Ganesan Independent Director	NA	NA	NA
6.	Dr. Mrs. Kalpana Joshipura Independent Director	NA	NA	NA
7.	Mr. Arvind Tambi Chief Financial Officer	10.66	NA	12.32:1
8.	Ms. Sejal Desai Company Secretary & Compliance Officer	2.85	13.98%	3.29:1

The median remuneration of employees of the Company during the current financial year was Rs.86,550/-

The percentage increase in the median remuneration of employees in the current financial year is 116%

There were 347 permanent employees on the rolls of the Company as on March 31, 2018;

Average percentage increase made in the salaries of employees other than the managerial personnel in comparison of the last financial year is 17.53%.

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

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

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



## CEO AND CFO CERTIFICATION

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

- a) We have reviewed the financial statements and cash flow statement for the year ended 31<sup>st</sup> March, 2018 and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2018 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

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

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

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

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

## 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 31<sup>st</sup> March, 2018 and the Statement of Profit and Loss and the 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:

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act 2013 ( the Act ) with respect to the preparation of these financial statements that give a true and fair view of the financial position, and financial performance of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies ( Accounts) Rules,2014.This responsibility includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the company and for preventing and detecting the 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 internal finance control that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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 have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 financial control relevant to the Company's preparation of the financial statements that give true and fair view 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 Company's Directors, 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 on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2018, and its profit and its 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 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act 2013, we give in the Annexure I, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - 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 and 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with relevant rules issued thereunder;
  - e. On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164(2) of the Act.
  - f. The Company has, in all material respects, an adequate internal financial controls system over financial reporting

and such internal financial control over financial reporting were operating effectively as at 31st March, 2018, based on the internal control over financial reporting criteria established by the company

- g. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us,
  - i. The Company does not have any pending litigations which would impact its financial position.
  - ii. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts required to be transferred to the Investor education and protection fund.

**For Maloo Bhatt & Co.,  
Chartered Accountants  
FRN No.129572W**

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

Place : Halol  
Date : May 05, 2018

## ANNEXURE I TO THE AUDITORS' REPORT

**(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" of our report of even date on Accounts of Innovative Tyres & Tubes Limited for the year ended March 31, 2018)**

### 1. In respect of its fixed assets:

- a. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
- b. During the year, part of fixed assets has been physically verified by the management in accordance with a phased programme of verification which, in our opinion is reasonable and to cover all the items of fixed assets over a period of three years having regards to the size of the Company and the nature of its assets. According to information and explanation given to us, there was no material discrepancies noticed on such physical verification.
- c. The title deeds of immovable properties are held in the name of the company.

2. As explained to us, inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. According to information and explanation given to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. According to information and explanations given to us and to the best of our knowledge, the company has complied with provisions of section 185 and 186 in respect of the loans, investments, guarantees and security.
5. According to the information and explanations give to us, the Company has not accepted any deposits from the public during the year. Therefore, the provisions of Para (v) of paragraph 3 of the CARO 2016 are not applicable to the Company.
6. To the best of our knowledge and explanations provided by the management, the maintenance of cost records has been prescribed by the Central Government under section 148 (1) (d) of the Companies Act 2013 and are maintained accordingly.
7. According to information and explanations given to us and the records of the Company examined by us, in our opinion:
  - a. The company has been regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, Income Tax, Sales Tax, Duty of Custom, Duty of Excise, Service tax, GST, Professional Tax, Cess and other

material statutory dues, as applicable, with the appropriate authorities during the year. No undisputed amounts payable in respect of such statutory dues are in arrears, as on March 31, 2018 for a period of more than six months from the date they became payable.

- b. There is no disputed amount due of income tax, sales tax, service tax, duty of custom, duty of excise or GST.
8. Based on our audit procedures and on the information and explanations given by management, we are of the opinion that the Company has not defaulted in repayments of loans or borrowings to a financial institutions or banks and Government. The Company has not raised money via debentures.
9. The company has raised money by way of initial public offer. The company has also availed term loans during the year. In our opinion and according to the information and explanations given to us, the money raised has been applied for the purpose for which they were raised. (Refer Point no 11 of Note no. Y of Financial Statements).
10. According to the information and explanations given to us, we have not noticed or reported any fraud by the company or any fraud on the Company by its officers or employees during the year.
11. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. According to information and explanations given to us, the Company is not a Nidhi Company and hence, provisions of para 3(xii) of the Order are not applicable to the Company.

13. According to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
14. According to information and explanations given to us and to the best of our knowledge and belief the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence para 3(xiv) of the Order is not applicable to the Company.
15. According to information and explanations given to us and to the best of our knowledge and belief, the Company has not entered into any non-cash transactions (except conversion of preference shares into equity) with its directors or persons connected to them. Accordingly, the provisions of para 3(xv) of the Order are not applicable to the Company.
16. According to information and explanations given to us the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Maloo Bhatt & Co.,  
Chartered Accountants  
FRN No.129572W**

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

Place : Halol  
Date : May 05, 2018

## Balance Sheet as on 31<sup>st</sup> March, 2018

(Rs. in Lakhs)

Particulars	Note No	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	A	1,799.16	1,694.81
(b) Reserves and Surplus	B	6,734.05	3,594.93
(c) Money received against share warrants		-	-
<b>(2) Share application money pending allotment</b>		-	-
<b>(3) Non-Current Liabilities</b>			
(a) Long-term borrowings	C	326.02	354.07
(b) Deferred tax liabilities (Net)	D	731.15	757.59
(c) Other Long term liabilities	E	1,956.96	2,349.64
(d) Long term provisions	F	96.61	85.36
<b>(4) Current Liabilities</b>			
(a) Short-term borrowings	G	825.41	1,573.96
(b) Trade payables	H		
(i) Due to Micro & Small enterprises		11.24	5.81
(ii) Others		1,122.21	1,474.76
(c) Other current liabilities	I	1,882.73	1,723.25
(d) Short-term provisions	J	161.84	307.30
<b>Total</b>		<b>15,647.38</b>	<b>13,921.48</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant & Equipments			
(i) Tangible assets	K	8,834.64	6,517.18
(ii) Capital work-in-progress		1,005.80	1,529.57
(iii) Intangible assets		0.36	0.41
(b) Non-current investments	L	0.33	0.33
(c) Long term loans and advances	M	20.57	81.63
<b>(2) Current assets</b>			
(a) Inventories	N	3,144.66	3,064.17
(b) Trade receivables	O	1,119.87	1,434.69
(c) Cash and Bank Balance	P	791.58	427.19
(d) Short-term loans and advances	Q	729.57	866.31
<b>Total</b>		<b>15,647.38</b>	<b>13,921.48</b>
<b>Notes forming Part of the Financial Statements</b>	Y		

**For Maloo Bhatt & Co.**

Chartered Accountants

F R No. 129572W

**CA. Yash Bhatt**

Partner

M. No. 117745

Halol, 5<sup>th</sup> May, 2018

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

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

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

**Company Secretary**  
(Sejal Desai)

**CFO**  
(Arvind Tambi)

## Profit & Loss Statement for the year ended 31<sup>st</sup> March, 2018

(Rs. in Lakhs)

Particulars	Note No	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
I. Revenue from operations	R	13,950.35	13,083.69
II. Other Income	S	58.79	170.23
III. Total Revenue (I +II)		<b>14,009.14</b>	<b>13,253.92</b>
IV. Expenses:			
Cost of materials, consumed	T	9,226.62	8,595.60
Changes in inventories of Finished Goods and Work in progress	U	209.58	(1,023.49)
Employee benefits expense	V	724.35	516.45
Financial costs	W	278.90	420.14
Depreciation and amortisation expense		532.13	400.08
Other expenses	X	2,413.64	3,727.01
V. Total Expenses		<b>13,385.22</b>	<b>12,635.79</b>
VI. Profit before tax		<b>623.92</b>	<b>618.13</b>
VII. Tax expense:			
Current Tax		206.00	197.41
Less: MAT Credit Entitlement		-	81.90
Current Tax (Net of MAT credit)		206.00	115.51
Deferred Tax		(26.44)	19.41
Excess Provision of Income Tax		4.52	(5.32)
VIII. Profit/(Loss) for the period		<b>439.84</b>	<b>488.53</b>
IX. Earning per equity share: (FV Rs. 10/- each) (Refer item No. 8 of Note Y)			
- Basic		3.04	5.09
- Diluted		2.94	4.79
Notes forming Part of the Accounts	Y		

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

**CA. Yash Bhatt**  
Partner  
M. No. 117745  
Halol, 5<sup>th</sup> May, 2018

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

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

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

**Company Secretary**  
(Sejal Desai)

**CFO**  
(Arvind Tambi)

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2018

(Rs. in Lakhs)

Sr. No.	Particulars	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
1)	<b>Cash Flow from Operating Activities</b>		
	Profit before taxation	623.92	618.13
	<b>Adjustment for:</b>		
	(Profit)/Loss on sale of Fixed Assets	5.82	6.80
	Depreciation	532.13	400.08
	Provision for gratuity	55.98	12.71
	Provision for leave	10.03	3.37
	Interest Received	(51.24)	(31.49)
	Sundry balance write off/write back	(4.59)	(4.69)
	Interest and finance charges	278.90	420.14
	<b>Operating profit before working capital changes</b>	<b>1,450.95</b>	<b>1,425.06</b>
	<b>(Increase)/Decrease in</b>		
	Inventories	(80.50)	(966.72)
	Trade Receivables	314.82	134.27
	Short Term Loans and Advances	136.74	(89.29)
	Other current assets	0.00	290.20
	Long Term loans and Advances	61.06	74.74
	<b>Increase/ (Decrease) in</b>		
	Trade payables	(342.53)	(440.31)
	Other current liabilities	144.69	(177.90)
	Short-term provisions	(185.43)	110.68
	Other Long Term Liabilities	(392.68)	153.32
	<b>Cash generated from operations</b>	<b>1,107.13</b>	<b>514.05</b>
	Income taxes and other taxes (net of refunds)	(210.52)	(192.08)
	<b>Net cash from Operating Activities – A</b>	<b>896.61</b>	<b>321.97</b>
2)	<b>Cash flow from Investment Activities</b>		
	Purchase of fixed assets	(2,336.20)	(436.80)
	Interest received	51.24	31.49
	Sale of Fixed Assets	4.61	15.75
	<b>Net cash from Investment Activity – B</b>	<b>(2,280.35)</b>	<b>(389.56)</b>
3)	<b>Cash Flow from Financing Activities:</b>		
	Net Proceeding from All borrowings	(776.60)	370.32
	Proceeds from Share issue& premium from promoters	3,035.71	157.50
	Share issue Expenses	(232.08)	-
	Interest and finance charges paid	(278.90)	(420.14)
	<b>Net cash from Financing Activities - C</b>	<b>1,748.13</b>	<b>107.68</b>
	<b>Net Increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>364.39</b>	<b>40.09</b>
	Cash and cash equivalents as on 1st April, 2017	427.19	387.10
	Cash and cash equivalents as on 31st March, 2018	791.58	427.19

**For Maloo Bhatt & Co.**

Chartered Accountants  
F R No. 129572W

**CA. Yash Bhatt**

Partner

M. No. 117745

Halol, 5<sup>th</sup> May, 2018

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

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

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

**Company Secretary**  
(Sejal Desai)

**CFO**  
(Arvind Tambi)

## NOTES TO FINANCIAL STATEMENTS

### A. Share Capital :

(Rs. in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>(a) Shares authorized :</b>		
19,000,000 Equity shares of Rs.10/- each (Previous year 1,05,00,000 equity shares of Rs. 10/- each)	1,900.00	1,050.00
Cumulative Redeemable Preference Shares of Rs.10/- each (Previous year 40,00,000 shares of Rs. 10/- each)	-	400.00
Convertible Preference Shares of Rs.10/- each (Previous year 45,00,000 shares of Rs. 10/- each)	-	450.00
<b>Total</b>	<b>1,900.00</b>	<b>1,900.00</b>
<b>(b) Shares issued, subscribed and fully paid :</b>		
17,991,561 Equity Shares of Rs.10/- each (Previous year 95,93,137 equity shares of Rs. 10/- each)	1,799.16	959.31
Cumulative Redeemable Preference Shares of Rs.10/- each (Previous year 40,00,000 shares of Rs. 10/- each)	-	400.00
Convertible Preference Shares of Rs.10/- each (Previous year 33,55,000 shares of Rs. 10/- each)	-	335.50
<b>Total</b>	<b>1,799.16</b>	<b>1,694.81</b>

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

	No. of shares As at 31.03.2018	Amount in Rs. As at 31.03.2018	No. of shares As at 31.03.2017	Amount in Rs. As at 31.03.2017
<b>Authorized Equity Share Capital</b>				
At the beginning of the year	10,500,000	105,000,000	10,500,000	105,000,000
Increase due to reclassification of preference share capital into Equity Share Capital	8,500,000	85,000,000	-	-
<b>Closing Balance at the end of the year</b>	<b>19,000,000</b>	<b>190,000,000</b>	<b>10,500,000</b>	<b>105,000,000</b>
<b>Issued, Subscribed and Paid Up Equity Shares</b>				
At the beginning of the year	9,593,137	95,931,370	9,593,137	95,931,370
Increase due to conversion of preference shares into Equity Shares	2,101,424	21,014,240	-	-
Increase due to fresh issue by way of Initial Public Offer	6,297,000	62,970,000	-	-
<b>Closing Balance at the end of the year</b>	<b>17,991,561</b>	<b>179,915,610</b>	<b>9,593,137</b>	<b>95,931,370</b>
<b>Authorized Preference Share Capital</b>				
At the beginning of the year	8,500,000	85,000,000	6,500,000	65,000,000
Increase due to fresh issue	-	-	2,000,000	20,000,000
Decrease due to reclassification of preference share capital into Equity Share Capital	(8,500,000)	(85,000,000)	-	-
<b>Closing Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>8,500,000</b>	<b>85,000,000</b>
<b>Issued, Subscribed and Paid Up Preference Shares</b>				
At the beginning of the year	7,355,000	73,550,000	3,500,000	35,000,000
Increase due to fresh issue	-	-	3,855,000	38,550,000
Decrease due to conversion of preference share capital into Equity Share Capital	(7,355,000)	(73,550,000)	-	-
<b>Closing Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>7,355,000</b>	<b>73,550,000</b>



Pursuant to the resolution passed by the shareholders in the EGM held on 25<sup>th</sup> May 2017, 40,00,000 Cumulative Redeemable Preference Shares has been reclassified to 40,00,000 convertible preference shares and thereafter, all 73,55,000 Convertible Preference Shares were converted into 21,01,424 equity shares at swap ratio of 1 : 3.5 i.e. 1 equity shares issued per 3.5 preference shares and balance fraction convertible preference shares has been paid in cash to preference shareholders.

Further, Company has allotted 62,97,000 equity shares at a price of Rs. 45/- per equity share (including Premium of Rs. 35/- per equity share) by way of Initial Public Offer. Pursuant to regulation 33 of SEBI (ICDR) Regulations, 2009, Shares premium of Rs 2,02,05,833 has been received from promoters over the Equity Shares acquired by them in last one year at a price lower than issue price.

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

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

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

**(i) Equity Shares**

		As at 31st March 2018		As at 31st March 2017	
		Numbers	% held	Numbers	% held
1	Pradeep R Kothari	3,495,676	19.42	2,867,134	29.89
2	Kirit T Vassa	2,259,608	12.55	1,618,323	16.87
3	Maxim Gold Development Limited	1,637,731	9.10	1,637,731	17.07
4	Goldmine Stocks P Ltd	1,099,647	6.11	956,790	9.97
5	Sharmishtha C Shah	-	-	837,887	8.70

**(ii) Preference Shares**

		As at 31st March 2018		As at 31st March 2017	
		Numbers	% held	Numbers	% held
1	Pradeep R Kothari	-	-	2,199,900	29.91
2	Mayur Sanghvi	-	-	1,620,100	22.03
3	Mukesh Desai	-	-	1,305,000	17.74
4	Kirit T Vassa	-	-	1,100,000	14.96
5	Goldmine Stocks P Ltd	-	-	500,000	6.80

**B. RESERVES AND SURPLUS:**

Particulars	As at 31.03.2018	As at 31.03.2017
<b>(a) Securities Premium A/c</b>		
Balance as per the last financial statements	926.45	926.45
Add: Receipts through Initial Public Offer	2,203.95	-
Add: Receipts from Promoters prior to IPO	202.06	-
Add: Premium on Conversion of preference shares into Equity Shares	525.35	-
Less: Initial Public Offer Expenses	(232.08)	-
	<b>3,625.73</b>	<b>926.45</b>
<b>(b) Revaluation Reserve</b>		
Balance as per the last financial statements	728.49	728.49
<b>(c) Surplus / (Deficit) in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	1939.99	1963.87
Less: Deferred Tax Liabilities of Earlier years	-	(512.42)
Add : Amount transferred from Statement of Profit & Loss	439.84	488.53
<b>Total</b>	<b>2,379.82</b>	<b>1,939.99</b>
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>2,379.82</b>	<b>1,939.99</b>
<b>Total Reserves and Surplus</b>	<b>6,734.05</b>	<b>3,594.93</b>

**C. LONG-TERM BORROWINGS :**

(Rs. in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Term Loan From Banks</b>	414.80	429.60
(Interest Payable monthly average @ 12.10% p.a. (previous year 13.40% p. a.) Repayable in 54 monthly installments. First 46 Installments of Rs.8.34 lacs starts from June.2017 to March 2021, next 7 installments of Rs.`14.55 lacs from April 2021 to Oct 2021 and last installment of Rs.14.51lacs will be payable in Nov.2021)		
<b>Secured by:</b>		
(Hypothecation of entire Plant & Machinery of the Company.)		
(Hypothecation of Plant & Machinery acquired/ to be acquired put of new term Loan.)		
(Mortgage of Land, Building admeasuring 27833 Sq mtr situated at plot no 1201,1202,1203 RS no 1559/P & 2422/P, GIDC Halol, Panchmahal) .		
(Mortgage charges over residential flat no.6 admeasuring 948 sq ft , Block A Type B , RS No 614,P,Siddharthnagar Apartment Co-operative Housing Society Gorwa, Dist- Vadodara and land & Building situated at plot no 1704 admeasuring 11200Sq mtr RS No 1583/P, GIDC Halol, Dist- Panchmahal.)		
(Pledge of Shares 20,32,850 shares of Company and personally guaranteed by all executive directors of company.)		
Less: Current Maturities (Note- I)	(100.08)	(83.40)
<b>Total</b>	<b>314.72</b>	<b>346.20</b>
<b>Long Term maturities of Finance lease Obligations</b>		
Vehicle Lease Finances	17.58	16.04
Less: Current Maturities (Note- I)	(6.28)	(8.17)
<b>Secured by:</b> (hypothecation charge on respective Vehicles)		
<b>Total</b>	<b>11.29</b>	<b>7.87</b>
<b>Total Term Loans</b>	<b>326.02</b>	<b>354.07</b>

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

(` In Lacs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Opening Deferred Tax Liability (Net)</b>	757.59	225.76
Add: Deferred tax Liability (Net)		
For the Year	(26.44)	19.41
For Prior Years	-	512.42
<b>Total</b>	<b>(26.44)</b>	<b>531.83</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>731.15</b>	<b>757.59</b>

**E. OTHER LONG TERM LIABILITIES :**

(Rs. in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
Trade Deposits	92.40	284.91
Trade Payables materials and Expenses ( Other than MSME)	1,727.31	2,053.20
Trade Payables Capital Goods ( Other than MSME)	137.25	11.54
<b>Total</b>	<b>1,956.96</b>	<b>2,349.64</b>

**F. LONG TERM PROVISIONS:**

(Rs. in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Provision for employee benefits</b>		
Provision for Leave benefits	24.96	16.93
Provision for Gratuity benefits	71.66	68.43
<b>Total</b>	<b>96.61</b>	<b>85.36</b>

**G. SHORT-TERM BORROWINGS:**

(Rs. in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>From Banks</b>		
Working Capital facilities	481.41	1,493.96
Standby Letter of Credit	-	80.00
(i) Hypothecation charge over Raw material, stock in process, finished goods, book debts/ receivables and other current assets.		
(ii) Mortgage charges over residential flat no.6 admeasuring 948 sq ft, Block A Type B, RS No 614,P,Siddharthnagar Apartment Co-operative Housing Society Gorwa, Dist-Vadodara and land & Building situated at plot no 1704 admeasuring 11200Sq mtr RS No 1583/P, GIDC Halol, Dist-Panchmahal. Pledge of Shares 20,32,850 shares of Company and personally guaranteed by Directors of the Company.		
(iii) Mortgage charge over Factory Land and Building admeasuring 27833 Sq mtr situated at plot no 1201, 1202, 1203 RS no 1559/P & 2422/P, GIDC Halol, Panchmahal.		
(iv) Cash Credit is repayable on demand and carries variable interest average @ 12.10% p.a. (previous year @ 13.40% p.a.)		
<b>Bank Overdraft:</b>		
(Secured by Hypothecation of Fixed Deposits of Rs 400 lakhs)	344.00	-
<b>Total</b>	<b>825.41</b>	<b>1,573.96</b>

**TRADE PAYABLE:**
**H.**

(Rs. in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>For supplies/services</b>		
a) Due to Micro & Small enterprises	11.24	5.81
b) Others	1,122.21	1,474.75
<b>Total</b>	<b>1,133.45</b>	<b>1,480.56</b>

**I. OTHER CURRENT LIABILITIES:**

(Rs. in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>(a) Current Maturities of Long term borrowings</b>		
i) Term Loan from banks	100.08	83.40
ii) Finance lease obligations(Vehicle Finance)	6.28	8.17
<b>(b) Statutory Dues (Liabilities)</b>		
- PF, ESI, Prof. Tax & Others	8.88	7.37
- VAT, CST, GST & CENVAT etc	66.13	89.38
- TDS	6.33	10.39
<b>(c) Staff payables</b>	54.42	72.36
<b>(d) Advance from Customers</b>	346.43	241.15
<b>(e) Acceptances</b>	1,292.02	1,210.34
<b>(f) Other Current Liabilities</b>	2.16	0.67
<b>Total</b>	<b>1,882.73</b>	<b>1,723.25</b>

**J. SHORT-TERM PROVISIONS:**

(Rs. In Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>(a) Provision for employee benefits</b>		
Provision for Leave benefits	9.19	2.39
Provision for Gratuity benefits	54.92	6.97
Provision for Bonus	21.89	25.50
<b>(b) Others</b>		
Provision for Expenses	5.16	-
Provision for Excise Duty	-	108.12
Provision for Income Tax	206.00	197.41
Less: Income Tax Paid & MAT Credit	-135.32	-33.09
<b>Total (a) + (b)</b>	<b>161.84</b>	<b>307.30</b>

**K. PROPERTY PLANT AND EQUIPMENTS:**

(Rs. in Lakhs)

ASSETS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As on 01.04.2017	Additions	Deductions/ Adjustments	As on 31.03.2018	As on 01.04.2017	Additions	Deductions/ Adjustments	As on 31.03.2018	As on 01.04.2017	As on 31.03.2018
<b>(i) TANGIBLE</b>										
Free Hold Land	780.66	-	-	780.66	-	-	-	-	780.66	780.66
Plant & Equipment	7,413.04	2,834.99	-	10,248.03	2,199.96	473.10	-	2,673.06	7,574.98	5,213.08
Electrical Installation	207.84	-	-	207.84	74.72	19.74	-	94.47	113.37	133.12
Laboratory Equipments	14.93	0.52	-	15.45	3.48	1.46	-	4.94	10.50	11.45
Building	504.79	-	-	504.79	196.12	16.00	-	212.13	292.67	308.67
Furniture & Fixture	20.11	0.13	-	20.23	19.46	0.07	-	19.53	0.71	0.64
Office Equipments	38.60	3.18	-	41.77	28.46	7.00	-	35.46	6.31	10.14
Vehicles	88.90	16.03	18.22	86.71	35.22	11.02	7.78	38.45	48.26	53.68
Computer & Peripherals	19.08	5.01	-	24.08	13.34	3.57	-	16.90	7.18	5.74
<b>Total A</b>	<b>9,087.95</b>	<b>2,859.85</b>	<b>18.22</b>	<b>11,929.58</b>	<b>2,570.77</b>	<b>531.96</b>	<b>7.78</b>	<b>3,094.94</b>	<b>8,834.64</b>	<b>6,517.18</b>
<b>(ii) INTANGIBLE</b>										
Intangible Assets	126.19	-	-	126.19	126.19	-	-	126.19	-	-
Technical Knowhow	1.38	0.12	-	1.50	0.97	0.17	-	1.14	0.36	0.41
<b>Total B</b>	<b>127.57</b>	<b>0.12</b>	<b>-</b>	<b>127.69</b>	<b>127.16</b>	<b>0.17</b>	<b>-</b>	<b>127.32</b>	<b>0.36</b>	<b>0.41</b>
<b>(iii) CAPITAL WORK-IN-PROGRESS</b>										
Capital WIP	1,529.57	2,311.22	2,834.99	1,005.80	-	-	-	-	1,005.80	1,529.57
<b>Total C</b>	<b>1,529.57</b>	<b>2,311.22</b>	<b>2,834.99</b>	<b>1,005.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,005.80</b>	<b>1,529.57</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>10,745.08</b>	<b>5,171.19</b>	<b>2,853.21</b>	<b>13,063.07</b>	<b>2,697.92</b>	<b>532.13</b>	<b>7.78</b>	<b>3,222.27</b>	<b>9,840.80</b>	<b>8,047.16</b>
Previous Year	9,603.78	1,354.33	213.03	10,745.08	2,299.29	400.08	1.45	2,697.92	8,047.16	7,304.49

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

(Rs. in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Trade Investments :</b>		
<b>Quoted Equity Instruments</b>		
<b>Others</b> 1,100 (Previous year- 1,100) equity shares of Rs. 10/- each fully paid up in Indian Overseas Bank.	0.26	0.26
<b>Unquoted Equity Instruments</b>		
<b>Others</b> 140 (Previous year- 140) equity shares of Rs. 50/- each fully paid up in The Halol Mercantile Co Operative bank Ltd. Halol	0.07	0.07
<b>Total</b>	<b>0.33</b>	<b>0.33</b>
Aggregate book value of unquoted investments	0.07	0.07
Aggregate book value of quoted investments	0.26	0.26
Aggregate market value of quoted investments	0.19	0.29

**M. LONG TERM LOANS AND ADVANCES :**

(Rs. in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Capital Advances</b>	0.46	0.46
Other Advance for Purchases	-	61.06
<b>Balance with Govt. Authorities</b>	<b>20.11</b>	<b>20.11</b>
<b>Total</b>	<b>20.57</b>	<b>81.63</b>

**N. INVENTORIES\*:**

(Rs. in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Raw materials	482.91	269.52
(b) Work-in-progress	1,749.71	1,641.68
(c) Finished goods	655.52	973.12
(d) Stores, Spares & Consumables	256.53	179.84
<b>Total</b>	<b>3,144.66</b>	<b>3,064.17</b>

Raw Material, Work in progress, Semi finished goods, stores, spares and packing material valued at cost.

Finished Goods valued at Cost or Realizable value, whichever is lower.

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

**O. TRADE RECEIVABLES (UNSECURED):**

(Rs. in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>(a) Over Six months from the due date</b>		
Considered good	130.57	162.82
Considered doubtful	-	-
Less : Provision for doubtful debts		
<b>(b) Others Considered good</b>	<b>989.30</b>	<b>1,271.87</b>
<b>Total</b>	<b>1,119.87</b>	<b>1,434.69</b>

**P. CASH & BANK BALANCE:**

(Rs. in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>(a) Cash &amp; Cash equivalents :</b>		
(i) Balances with Bank in Current Accounts	69.57	110.66
(ii) Cash on hand	4.42	5.87
<b>(b) Other Bank Balance :</b>		
- in Deposit Accounts with Bank having Maturity Period upto 12 months (Held as Margin Money against LC, bank Guarantee and Security against borrowing)	717.58	310.66
<b>Total</b>	<b>791.58</b>	<b>427.19</b>

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

(Rs. in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
<b>Others</b>		
(a) Advance given to Trade Creditors	31.49	24.59
(b) Advance given to Capital Creditors	222.87	77.59
(c) Tender and Other Deposits	77.36	78.57
(d) Balance with Government Authorities	324.54	555.41
(e) Advance Given to Employees	4.50	3.55
(f) Advance Recoverable in cash or in kind	18.12	16.15
(g) Accrued Income	50.69	110.45
<b>Total</b>	<b>729.57</b>	<b>866.31</b>

**R. REVENUE FROM:**

(Rs. in Lakhs)

Particulars	2017- 18		2016-17	
<b>a. Sale of products</b>				
- Domestic	6350.14		4451.12	
- Exports	6510.78		5776.33	
Less: Excise Duty	151.46		419.38	
		<b>12,709.47</b>		<b>9,808.08</b>
<b>b. Other Operating Revenues</b>				
- Disposal Sales	33.13		20.50	
- Export Incentives	202.92		-	
- Service Income (TDS for 2017-18 Rs.19.25 Lakhs and for 2016-17 Rs. 29.79 lakhs)	1,004.82		3,255.12	
		<b>1,240.88</b>		<b>3,275.62</b>
<b>Revenue from Operations</b>		<b>13,950.35</b>		<b>13,083.69</b>

**S. OTHER INCOME:**

(Rs. in Lakhs)

Particulars	2017-18	2016-17
<b>Interest Income</b>		
From Banks (TDS for 2017-18 Rs. 3.60 Lakhs and for 2016-17 Rs. 2.62 lakhs)	36.00	26.18
From Others (TDS for 2017-18 Rs.0.53 Lakhs and for 2016-17 Rs. 0.53 lakhs)	15.24	5.30
Prior Period Income	2.96	0.18
Sundry Balance written back	4.59	4.69
Exchange Fluctuation Gain (Net)	-	133.87
<b>Total</b>	<b>58.79</b>	<b>170.23</b>

**T. COST OF RAW MATERIAL CONSUMED:**

(Rs. in Lakhs)

Particulars	2017-18	2016-17
<b>Inventory at the beginning of the year</b>	269.52	388.79
Add : Purchases	9,440.01	8,476.33
Less: Inventory at the end of the year	482.91	269.52
<b>Total</b>	<b>9,226.62</b>	<b>8,595.60</b>
<b>(i) Basic Raw Materials</b>		
Carbon	1,511.75	1,134.22
Rubber	4,713.03	4,141.58
Fabric	1,636.65	1,560.74
<b>(ii) Other items which in value individually account for less than 10% of the total value of Raw Materials consumed.</b>	1,365.19	1,759.06
<b>Total</b>	<b>9,226.62</b>	<b>8,595.60</b>

**U. CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS:**

(Rs. in Lakhs)

Particulars	2017-18	2016-17
<b>Inventory at the end of the year</b>		
Work in Process	1,749.71	1,641.68
Finished Goods	655.52	973.12
	<b>2,405.23</b>	<b>2,614.81</b>
<b>Inventory at the beginning of the year</b>		
Work in Process	1,641.68	975.93
Finished Goods	973.12	615.36
	<b>2,614.81</b>	<b>1,591.29</b>
<b>Total</b>	<b>209.58</b>	<b>(1,023.50)</b>

**V. EMPLOYEE BENEFIT EXPENSES:**

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Salaries, Wages & Bonus (Refer note below)	555.59	433.95
Retirement benefits	78.23	29.39
Contribution to Provident and other funds	50.74	42.16
Staff welfare expense	39.79	10.95
<b>Total</b>	<b>724.35</b>	<b>516.45</b>

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

**W. FINANCE COST:**

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Interest on Working Capital	125.22	214.23
Other Interest	39.73	68.10
Bank Charges	113.95	137.80
<b>Total</b>	<b>278.90</b>	<b>420.14</b>

**X. OTHER EXPENSES:**

(Rs. in Lakhs)

Particulars	2017-18	2016-17
Stores, Spares & Consumables	304.30	211.30
Conversion charges	257.01	2,000.27
Labour Charges	242.68	150.34
Repairs and Maintenance		
Buildings	0.14	-
Computers	0.72	0.46
Vehicle Maintenance	11.32	8.06
Others	0.57	0.30
Freight and Forwarding Charges	218.40	151.09
Power & Fuel	1,182.07	980.58
Water Charges	34.16	32.63
Other manufacturing expenses		
	17.72	2.49
Selling & Distribution Expenses	94.91	23.82
Rent	9.13	3.89
Rates and Taxes	1.89	7.99
Insurance	12.43	19.08
Statutory Compliance Expenses	49.42	47.39
Payment to Auditor		
Audit Fees	1.50	0.82
Tax Audit Fees	0.50	0.43
Certification Fees	0.35	0.25
Reimbursement of expenses	0.54	0.12
Directors' Sitting fees	1.80	2.10
Exchange Fluctuation Loss	1.54	-
Sundry balance Written off	-	1.81
Loss on Sales of Fixed Assets	5.82	6.80
Donation	0.38	1.42
Expenses on CSR Activities	9.46	-
Excise Duty	(108.12)	39.75
Office & Other Expenses	63.02	33.81
<b>Total</b>	<b>2,413.64</b>	<b>3,727.01</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2018

NOTE: Y

### I. SIGNIFICANT ACCOUNTING POLICIES:

#### A. Basis of Accounting:

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

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

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

#### C. Investments :

Investments are Long-term, unless stated otherwise and are stated at cost except where there is diminution in value other than temporary, in which case a provision is made to the carrying value to recognize the diminution.

#### D. Inventories:

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

- i) Raw materials, Packing materials, Stores and consumables are valued at cost using First -in-First Out method. The cost of Raw materials, stores and consumables includes cost of purchases after adjusting for CENVAT / VAT, direct expenses and other cost incurred in bringing the inventories to their present location and condition.
- ii) Work in Progress goods has been identified as such depending upon stage of completion of finished goods technically determined by the management. Work in Progress goods are valued at raw materials cost as calculated above plus weighted average cost of

production including appropriate proportion of cost of conversion to the extent of process, which is estimated and certified by the management.

- iii) Finished goods are valued at lower of cost or net realisable value. Finished goods are valued based on weighted average cost of production, including appropriate proportion of cost of conversion. Excise duty is included in the value of finished goods inventory upto its applicability.
- iv) Scrap is valued at net Realizable Value.

#### E. Revenue from Operations:

- i) Sale of products are recognized when risk and rewards of ownership of the products are passed on to the customers, which is generally on dispatch of goods. Sales are inclusive of excise duty, upto 30<sup>th</sup> June 2017 but net of sales return, Service tax, Sales Tax and Goods & Service Tax.
- ii) Export benefits available under prevalent schemes are accounted on entitlement basis.
- iii) Service Income is recognized on completion of job work and are shown net of claims.
- iv) Inter Unit job processing was recognized as revenue and expenditure until the previous year. No such revenue or expenditure has been recognized during the current year.

#### F. Foreign Currency Transactions :

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

#### G. Employee Benefits:

- (a) Short term employee benefits

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

(b) Post Employment Benefits:

i. Defined Contribution Plans :

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

ii. Defined Benefit Plans:

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

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

**H. Borrowing Cost:**

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

**I. Earnings per share :**

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

**J. Taxes on Income:**

- i) Provision for taxation is made on the basis of the estimated taxable income for the current Accounting period in accordance with provision of the Income Tax Act, 1961.
- ii) The benefit of credit against the payment made towards MAT for the earlier years is available in

accordance with the provisions of section 115J (AA) of income tax act 1961 over a period of subsequent 15 assessment years and it is recognized to the extent of deferred tax liability in view of the certainty involved of its realization against reversal of deferred tax liability.

- iii) In accordance with Accounting Standard – 22 ‘ Accounting for Taxes on Income’, issued by the Institute of Chartered Accountants of India, the Deferred Tax for timing differences between the book profit and tax profit for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date.
- iv) Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets will be realized in future.

**K. Segment Reporting :**

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

**L. Impairment of Assets:**

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

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

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

**II. CAPITAL & OTHER COMMITMENT**

Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) Rs.186.62 lacs (Previous year for Rs. 91.96 lacs).

### III. CONTINGENT LIABILITIES:

(Rs. in Lakhs)

Sr. No.	Particulars	2017-18	2016-17
i)	Bank Guarantee	69.39	77.11
ii)	Export Obligation under Advance Licences	242.87	151.68
iii)	Income Tax Demand	-	3.32

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

	2017-2018	2016-2017	2017-2018	2016-2017
	Gratuity		Leave Encashment	
Expense recognized in the Statement of Profit & Loss for the year ended March 31, 2018				
Current Service Cost	15.87	15.24	5.40	2.76
Interest Cost	6.34	5.73	1.31	1.16
Employee Contributions	-	-	-	-
Expected return on plan assets	(1.13)	(1.13)	-	-
Net Acturial (Gains) / Losses	23.78	(2.05)	15.65	(0.57)
Past Service Cost	11.01	-	-	-
Settlement Cost	-	-	-	-
Total expense	55.87	17.79	22.36	3.35
Net Asset / (Liability) recognized in the Balance Sheet as at March 31, 2018				
Present value of Net Defined Benefit Obligation as at March 31, 2018	142.26	89.89	34.15	19.32
Fair value of plan assets as at March 31, 2018	15.69	14.49	-	-
Funded status [Surplus / (Deficit)]	(126.57)	(75.40)	(34.15)	(19.32)
Net asset / (liability) as at March 31, 2018	(126.57)	(75.40)	(34.15)	(19.32)
Change in Obligation during the Year ended March 31, 2018				
Present value of Defined Benefit Obligation at beginning of the year	89.89	76.07	19.32	15.96
Current Service Cost	15.87	15.24	5.39	2.77
Interest Cost	6.34	5.73	1.31	1.16
Settlement Cost	-	-	-	-
Past Service Cost	11.01	-	-	-
Employee Contributions	-	-	-	-
Acturial (Gains) / Losses	23.84	-2.08	15.65	(0.57)
Benefits Payments	(4.69)	(5.07)	(7.52)	-
Present value of Defined Benefit Obligation at the end of the year	142.26	89.89	34.15	19.32
Change in Assets during the Year ended March 31, 2018				
Plan assets at the beginning of the year	14.49	13.39	-	-
Assets acquired in amalgamation in previous year	-	-	-	-
Settlements	-	-	-	-
Expected return on plan assets	1.14	1.13	-	-
Contributions by Employer	-	-	-	-
Actual benefits paid	-	-	-	-
Acturial Gains / (Losses)	0.06	(0.03)	-	-
Plan assets at the end of the year	15.69	14.49	-	-
Actual return on plan assets	1.14	1.13	-	-

	2017-2018	2016-2017	2017-2018	2016-2017
	Gratuity		Leave Encashment	
Actuarial Assumptions:				
Discount Rate	7.55%	7.20%	7.60%	7.25%
Expected rate of return on plan assets	7.55%	7.80%	NA	NA
Mortality pre retirement	NA	NA	NA	NA
Mortality post retirement				
Withdrawal rate	5% at Younger ages reducing to 1% at older ages	5% at Younger ages reducing to 1% at older ages	5% at Younger ages reducing to 1% at older ages	5% at Younger ages reducing to 1% at older ages
Medical premium inflation	NA	NA	NA	NA
Annual Increment in Salary cost	7%	7%	7%	7%

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

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

(Rs. in Lakhs)

Sr. No.	Particulars	2017-18	2016-17
(a)	(i) The Principal amount remaining unpaid to any supplier at the end of accounting year	11.24	5.81
	(ii) The interest due on above	-	-
	<b>Total of (i) &amp; (ii) above</b>	<b>11.24</b>	<b>5.81</b>
(b)	Amount of interest paid by the buyer in terms of Section 16 of the Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	-	-
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Act.	-	-

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

#### VI. SEGMENT REPORTING:

##### (a) Primary Segment:

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

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

(Rs. in Lakhs)

Particulars	2017-2018	2016-2017
India	6,350.14	4,451.12
Outside India (including deemed exports)	6,510.78	5,776.33
<b>Total Sales</b>	<b>12,860.92</b>	<b>10,227.46</b>

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

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

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

**Key Management Personnel:**

Mr. Mukesh G Desai	Chairman & Managing Director
Mr. Nitin J Mankad	Whole Time Director
Mr. Pradeep R Kothari	Whole Time Director
Mr. Keyoor Bakshi	Independent Director
Mr. Kalyanaraman Ganesan	Independent Director
Ms. Kalpana Joshipura	Independent Director( w.e.f. 15-06-2017)
Mr. Anand Padman	Independent Director( upto 31-03-2017 )
Mr. Arvind Tambi	CFO
Ms. Sejal Desai	Company Secretary

**Relatives of Key Management Personnel:**

**Related Parties:**

Raman Enterprises  
Kosync  
Future Tyres Private Limited  
Gaia Batteries Pvt Ltd

(Rs. in Lakhs)

Sr. No.	Particulars	Relatives of Key Management Personnel		Key Management Personnel	
		2017-18	2016-2017	2017-18	2016-2017
<b>1</b>	<b>Remuneration</b>				
	- Individually more than 10%				
	Mr. Mukesh G Desai	-	-	27.00	27.00
	Mr. Nitin J Mankad	-	-	10.50	10.50
	Mr. Pradeep R Kothari	-	-	10.50	10.50
	Mr. Arvind Tambi			10.67	-
	Miss. Sejal Desai			2.85	1.85
<b>2</b>	<b>Purchase of Goods</b>				
	- Individually more than 10%				
	Future Tyres Pvt Ltd	730.35	1,012.77	-	-
	Gaia Batteries Pvt Ltd	9.81	1.29	-	-
	Kosync	1,302.25	277.55	-	-
	Raman Enterprises	51.65	1,576.40	-	-
<b>3</b>	<b>Job Work Expenses</b>				
	- Individually more than 10%				
	Future Tyres Pvt Ltd	284.92	174.09	-	-

Sr. No.	Particulars	Relatives of Key Management Personnel		Key Management Personnel	
		2017-18	2016-2017	2017-18	2016-2017
<b>4</b>	<b>Reimbursement of Expenses</b>				
	- Individually more than 10%				
	Future Tyres Pvt Ltd	17.36	6.70	-	-
	Gaia Batteries Pvt Ltd	(0.13)	-	-	-
	Kosync	16.55	3.69	-	-
	Raman Enterprises	-	15.61	-	-
	Mr. Mukesh G Desai	-	-	-	0.96
	Mr. Nitin J Mankad	-	-	-	0.20
<b>5</b>	<b>Sales of Goods</b>				
	- Individually more than 10%				
	Future Tyres Pvt Ltd	1,603.24	1,874.67	-	-
	Gaia Batteries Pvt Ltd	0.17	0.17	-	-
	Raman Enterprises	12.72	1,399.20	-	-
<b>6</b>	<b>Receipt from Parties</b>				
	- Individually more than 10%				
	Future Tyres Pvt Ltd	699.35	840.50	-	-
	Raman Enterprises	-	42.38	-	-
<b>7</b>	<b>Payment to Parties</b>				
	- Individually more than 10%				
	Future Tyres Pvt Ltd	127.08	25.05	-	-
	Gaia Batteries Pvt Ltd	12.27	0.49	-	-
	Kosync	1,165.14	88.14	-	-
	Raman Enterprises	77.02	683.91	-	-
<b>8</b>	<b>Sitting Fess</b>				
	- Individually more than 10%				
	Mr. Keyoor Bakshi	0.65	1.00	-	-
	Mr. Kalyanaraman Ganeshan	0.65	1.00	-	-
	Mrs. Kalpana Joshipura	0.50	-	-	-
	Mr. Anand Padman	-	0.10	-	-
	Outstanding Balances				
<b>10</b>	<b>Creditors / Other Payable</b>				
	- Individually more than 10%				
	Kosync	346.77	193.10	-	-
	Gaia Batteries Pvt Ltd	-	0.81	-	-
	Raman Enterprises	-	38.09	-	-
	Key Managerial Remuneration/Salary	-	-	36.22	24.35
	Sitting Fee Payable	-	-	1.62	1.90
<b>11</b>	<b>Debtors / Other Receivable</b>				
	- Individually more than 10%				
	Future Tyres Pvt Ltd	160.84	162.49	-	-
	Gaia Batteries Pvt Ltd	1.95	-	-	-

**VIII. EARNING PER SHARE:**

(Rs. in Lakhs)

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Earning per share has been computed as under:</b>		
<b>a</b> Profit after Taxation & before extra ordinary items	439.84	488.53
<b>b</b> Total Ordinary shares		
Weighted Average Number of Equity Shares Outstanding	14,489,035	9,593,137
Weighted Average Number of Equity Shares Outstanding (including potential Equity Shares)	14,985,391	10,193,982
<b>c</b> Earning per Share (Face value Rs. 10/- per share) (in Rs.)		
(Basic)	3.04	5.09
(Diluted)	2.94	4.79

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

(Rs. in Lakhs)

	2017-18	2016-2017
<b>A Value of imports calculated on C.I.F. basis made by the Company during the year :</b>		
(i) Raw Materials	1,236.82	2,930.97
(ii) Capital goods	78.63	36.66
<b>B Expenditure in foreign currency :</b>		
(i) Foreign Travelling expenses	3.74	5.79
(ii) Testing Charges	2.09	8.25
(iii) Consultancy Charges	4.00	-
(iv) Foreign Bank Charges	5.37	2.59
<b>C Value of imported raw materials, spare parts.</b> Components and packing materials consumed during the year. (Direct Import)	1236.82	2930.97
Value of indigenous raw materials, spare parts, Components and packing materials consumed during the year	7989.80	5664.69
<b>Percentage to total consumption :</b>		
(a) Imported raw materials, spare parts, components and packing materials consumed.	13.40%	34.10%
(b) Indigenous raw materials, spare parts, components and packing materials consumed.	86.60%	65.90%
<b>D Earnings in Foreign Exchange (On accrual basis)</b> Export Sales (On FOB Basis)	6,062.40	3,951.98

**X. CORPORATE SOCIAL RESPONSIBILITY:**

(Rs. in Lakhs)

	2017-18	2016-2017
Amount required to be spent by the Company in accordance with Section 135 of Companies Act, 2013	9.38	N.A.
<b>Amount Spent during the year 2017-18 on</b>	<b>Paid</b>	<b>To be Paid</b>
(i) Promotion of Rural Sports	1.51	-
(ii) Promotion of Health Care	1.45	-
(iii) Promotion of nursery education	6.50	-
<b>Total</b>	<b>9.46</b>	<b>-</b>

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

(Rs. in Lakhs)

	2017-18
Amount raised through public issue	2,833.65
<b>Less: amount utilized during the year</b>	
Payment towards share issue expenses	232.08
Payment towards project expenditure relating to new manufacturing facility	869.50
General Corporate Purposes	483.65
	<b>1,585.23</b>
Unutilized amount at the end of the year	1,248.42
<b>Details of short-term investments made from unutilized portion of public issue raised during the year ended 31<sup>st</sup> March 2018</b>	
Balance amount in current account and other working capital facilities	848.42
Investment in fixed deposits of banks	400.00
<b>Total</b>	<b>1,248.42</b>

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

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

**CA. Yash Bhatt**  
Partner  
M. No. 117745  
Halol, 5<sup>th</sup> May, 2018

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

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

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

**Company Secretary**  
(Sejal Desai)

**CFO**  
(Arvind Tambi)



### Innovative Tyres & Tubes Limited

CIN: L25112GJ1995PLC086579

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

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

#### ATTENDANCE SLIP

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

I/We hereby record my/our attendance at the 23<sup>rd</sup> Annual General Meeting of the company to be held on Tuesday 18<sup>th</sup> September 2018 at 9.00 AM at registered office Plot no 1201, 1202, 1203, GIDC Halol, Dist Panchmahals 389350.

\_\_\_\_\_  
Name of Member/Proxy in Block

\_\_\_\_\_  
Signature of member/Proxy

#### **Note:**

1. Please fill this attendance slip and hand it over at the entrance of the Meeting Hall.
2. Members' signature should be in accordance with the specimen signature in the Register of Members of the Company.
3. The Notice of AGM as well as the Annual Report for the year 2017-18 along with Attendance Slip and Proxy Form are being sent to all the Members whose email address is registered with the Company / Depository Participant. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
4. Physical copy of the Annual Report for the year 2017-18 and Notice of AGM along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all Members whose email address is not registered or have requested for a hard copy.

## Innovative Tyres & Tubes Limited

CIN: L25112GJ1995PLC086579

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

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

### PROXY FORM

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

Name of the member(s): \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail ID: \_\_\_\_\_

Folio No/DP ID/ Client ID/: \_\_\_\_\_

I/We, being the member(s) of ..... shares of Innovative Tyres and Tubes Limited., hereby appoint

1. Name:..... Address:.....

E-mail ID: .....Signature: .....or failing him

2. Name:..... Address:.....

E-mail ID: .....Signature: ..... or failing him

3. Name:..... Address:.....

E-mail ID: .....Signature: .....

As my/our proxy to attend and vote (on a poll) for me/ us and my/our behalf at the 23<sup>rd</sup> Annual General Meeting of the Company, to be held on Tuesday 18<sup>th</sup> September 2018 at registered office Plot no 1201, 1202, 1203, GIDC Halol, Dist Panchmahals 389350. At 9:00AM and at any adjournment thereof in respect of such resolutions as is indicated below:

Resolution No	Particulars of resolution	Optional( Please mention number of Shares held)	
		For	Against
	<b>ORDINARY BUSINESS</b>		
1.	Adoption of Audited Financial Statements, Auditor's & Director's Report		
2.	Re-appointment of Mr. Nitin Mankad, as a whole time director, liable to retire by rotation		
3.	Ratification of appointment of M/s Maloo Bhatt & Co, Chartered Accountants, as a Statutory Auditor of the Company		
	<b>SPECIAL BUSINESS</b>		
4.	Re-appointment of Mr. Keyoor Bakshi as Independent Director for second term of five consecutive years <b>as Special Resolution</b>		
5.	Re-appointment of Mr. Kalyanaraman Ganesan as Independent Director for second term of five consecutive years <b>as Special Resolution</b>		
6.	Ratification of remuneration of cost auditor <b>as Ordinary Resolution.</b>		
7.	To approve related party transactions to be entered by the company <b>as Ordinary Resolution</b>		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Signature of the shareholder \_\_\_\_\_

Signature of First Proxy Holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

#### Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the ~~19th~~ Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he / she deem appropriate.
4. Please complete all details including details of member (s) in the above box before submission

**INNOVATIVE TYRES & TUBES LIMITED**  
(CIN: L25112GJ1995PLC086579)

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Registered Office : 1201,1202, 1203 - GIDC Halol,  
Dist. Panchmahals, PIN-389350. Gujarat, India  
website : [www.innovativetyres.com](http://www.innovativetyres.com)