

Date: 4<sup>th</sup> September, 2021

To,  
The Manager,  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot No. C/1, G Block,  
Bandra Kurla Complex, Bandra (East),  
Mumbai - 400 051.

Dear Sir/Madam,

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

**Sub: Intimation of 26<sup>th</sup> Annual General Meeting of the Company**

Notice is hereby given that the 26<sup>th</sup> Annual General Meeting of members of Innovative Tyres & Tubes Limited will be held on Wednesday, the 29<sup>th</sup> September, 2021 at 9:00 AM through Video Conferencing('VC') / Other Audio-Visual Means ('OAVM') to transact the business as set out in the notice convening the AGM.

We enclose herewith the copy of 26<sup>th</sup> Annual Report Containing the notice of the Annual General Meeting for the financial year 2020-21.

This is for your information and record.

Thanking you,

Yours faithfully,  
**FOR INNOVATIVE TYRES & TUBES LIMITED**

*Arvind Tambi*



**ARVIND TAMBHI**  
**CFO & COMPANY SECRETARY**  
Encl: as above

ANNUAL | 2020  
REPORT | 2021



**INNOVATIVE**  
TYRES & TUBES LTD

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Mukesh Desai	<i>Non-Executive Chairman</i>
Mr. Pradeep Kothari	<i>Whole Time Director</i>
Mr. Nitin Mankad	<i>Whole Time Director (Upto 28th December, 2020)</i>
Mr. Keyoor Bakshi	<i>Independent Director</i>
Mr. Kalyanaraman Ganesan	<i>Independent Director (Upto 28th February, 2021)</i>
Dr. Mrs. Kalpana Joshipura	<i>Independent Director</i>

## CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

**Mr. Arvind Tambi**

## STATUTORY AUDITORS

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

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

## INTERNAL AUDITORS

**M/s. Parikh Mehta & Associates,**

Chartered Accountants,  
202, Yogi Complex, Sampatrao Colony,  
R.C. Dutt Road,  
Alkapuri, Vadodara -390 007.

## 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](http://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](mailto:investors@innovativetyres.co.in)  
Website: [www.innovativetyres.com](http://www.innovativetyres.com)

## BANKERS TO THE COMPANY

State Bank of India  
Specialized Commercial branch, Vadodara.

## AUDIT COMMITTEE

Mr. Keyoor Bakshi – Chairman  
Dr. Mrs. Kalpana Joshipura – Member (From 01-03-2021)  
Mr. Kalyanaraman Ganesan – Member (Upto 28-02-2021)  
Mr. Mukesh Desai – Member

## NOMINATION AND REMUNERATION COMMITTEE

Dr. Mrs. Kalpana Joshipura – Chairperson  
Mr. Kalyanaraman Ganesan – Member (Upto 28-02-2021)  
Mr. Mukesh Desai – Member (From 01-03-2021)  
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	11
Report on Corporate Governance	21
Management Discussion & Analysis Report	28
Independent Auditor's Report	34
Financial Statements	38

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 26th Annual General Meeting of the members of Innovative Tyres & Tubes Limited will be held on Wednesday, 29th September, 2021 through Video Conferencing('VC') / Other Audio-Visual Means ('OAVM') at 9.00 a.m. to transact the following business(es):

### ORDINARY BUSINESS:

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

To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended on 31st March 2021, together with the Reports of the Board of Directors and Auditors thereon.

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

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

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

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

**"RESOLVED THAT** pursuant to the provisions of sections 139, 141, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, (including any statutory enactment or modification thereof for the time being in force), pursuant to recommendation of audit committee of the Board of Directors, and pursuant to resolution passed by the members of the company at their AGM held on 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, 2022 as may be determined by audit committee in consultation with the Statutory Auditors."

### SPECIAL BUSINESS:

#### Item No. 4: Ratification of Remuneration of Cost Auditors for the Financial Year 2021-22.

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

**"RESOLVED THAT** pursuant to section 148 and other applicable provisions of the Companies Act, 2013, if any, and the Companies (Audit and Auditors) Rules, 2014, including statutory modification(s) or re-enactment thereof for the time being in force, remuneration of Rs. 60,000/- p.a. plus applicable taxes and out of pocket expenses that may be incurred, as approved by the Board, be paid to M/s. V. P. & Associates, Cost & Management Accountants, Vadodara, for conducting the audit of cost records for the financial year 2021-22 be and is hereby ratified and confirmed by the members of the Company."

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

Place : Halol  
Date : 21<sup>st</sup> August 2021

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

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

**Mukesh Desai**  
Chairman

### NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), relating to the Special Business at Sr. 4 to be transacted at the Annual General Meeting is annexed hereto. The relevant details as required under regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Clause 1.2.5 of SS-2 (Secretarial Standards – 2) on General meetings by the Institute of Company Secretaries of India, in respect of the person seeking appointment / re-appointment as Director under item no. 2 of the Notice, is also annexed.
2. In view of the continuing Covid-19 pandemic and social distancing norms, the Ministry of Corporate Affairs ("MCA") vide its Circular No. 14

dated April 8, 2020 read with Circular No. 17 dated April 13, 2020, Circular No. 20 dated May 5, 2020 and General Circular No.02/2021 dated January 13, 2021 (hereinafter collectively referred to as "MCA Circulars") and SEBI vide its Circular dated 15th January, 2021 reference no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 extended relaxations granted under circular dated 12th May, 2020 which permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 26<sup>th</sup> Annual General Meeting of the Members of the Company is being held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/ OAVM only.

3. Pursuant to the provisions of the Companies Act, 2013, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address at [office@swatibhatt.com](mailto:office@swatibhatt.com) with copies marked to the Company at [investors@innovativetyres.co.in](mailto:investors@innovativetyres.co.in) and to its RTA at [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in).
5. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. The Notice of the 26<sup>th</sup> Annual General Meeting of the Company along with the Annual Report for the financial year 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020 and January 15, 2021. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2020-21 will also be available on the Company's website [www.innovativetyres.com](http://www.innovativetyres.com), website of the National Stock Exchange at [www.nseindia.com](http://www.nseindia.com). Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
7. The Register of Members and Share Transfer Books of the Company will be closed from Thursday, 23<sup>rd</sup> September 2021 to Wednesday, 29<sup>th</sup> September, 2021 (both days inclusive) for the purpose of the Twenty-sixth AGM of the Company.
8. Since the Twenty-sixth AGM will be held through VC/OAVM, the route map is not annexed.
9. Members are requested to:
  - i) Register their correct email ID and correct Bank Account details:  
 In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, log in details for e-voting are being sent on the registered email address.  
 In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:
    - a) In the case of Shares held in physical mode: The shareholder may please email to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or the Company at [investors@innovativetyres.co.in](mailto:investors@innovativetyres.co.in).
    - b) In the case of Shares held in Demat mode: The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
  - ii) Intimate the Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd. for consolidation into a single folio Members, if they have shares in physical form in multiple folios in identical names or joint holding in the same order of names.
  - iii) Convert their holdings in dematerialised form to eliminate risks associated with physical shares and better management of the securities. Members can write to the company's registrar and share transfer agent in this regard.
  - iv) Members may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. Members holding shares in physical form may obtain the Nomination forms from the Company's Registrar and Share Transfer Agent and Members holding shares in electronic form may obtain the Nomination forms from their respective Depository Participant(s).
10. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts(s). Members holding shares in physical form can submit their PAN details to M/s.

Link Intime India Pvt. Ltd. at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.

12. All documents referred to in the accompanying Notice and the Explanatory Statement can be obtained for inspection by sending E-mail to Company on [investors@innovativetyres.co.in](mailto:investors@innovativetyres.co.in). Electronic copies of necessary statutory registers and auditors' report/certificates will be available for inspection by the members at the time of AGM.
13. Members desiring any information relating to the Accounts are requested to address their queries to the Registered Office of the Company at least seven days before the date of the AGM, to enable the management to keep the information ready.
14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Link Intime India Private Limited, Company's Registrar and Transfer Agent for assistance in this regard.
16. Consolidation of Shares under one folio The Company would urge shareholders holding shares of the Company under different folios to consolidate the shares under one folio. This would substantially reduce paperwork and transaction costs and benefit the shareholders and the Company. Shareholders can do so by writing to the Registrar with details on folio numbers, order of names, shares held under each folio, and the folio under which all shareholding should be consolidated. Share certificates need not be sent.
17. The Members who hold shares in physical mode and have not registered their e-mail address may register their email ids with the Company / Registrar and Transfer Agent (Link Intime India Private Limited) to enable the Company to send Notices of General Meeting/Postal Ballot, Annual Report and other shareholders communication by electronic mode.

Members are requested to support this Green Initiative by registering/updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialised form) or with Registrar and Share Transfer Agents. (in case of Shares held in physical form).

18. Voting through electronic means (Remote E-voting):
  - i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its Members the facility to exercise their right to vote on resolutions proposed to be considered at the 26th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Link Intime India Private Limited (LIPL).
  - ii) The remote e-voting period commences on Sunday, September 26, 2021 (9:00 a.m. IST) and ends on Tuesday, September 28, 2021 (5:00p.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 (record date) of Wednesday, 22nd September, 2021 may cast their vote electronically. The remote e-voting module shall be disabled by LIPL e-voting platform for voting thereafter.
  - iii) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Wednesday, 22nd September, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice.
  - iv) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - v) The facility for e-voting at the AGM will be available and the Members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the meeting through e-voting.
  - vi) The Company has appointed Mrs. Swati Bhatt, Proprietor of M/s. Swati Bhatt & Co., Practising Company Secretaries as Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.
  - vii) The Scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, would first unblock the e-voting at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the company and make within a period not exceeding two (2) days from the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any and submit forth with to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.
  - viii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website <https://www.innovativetyres.com/> and on the website of LIPL immediately after the result is declared. The Company shall simultaneously forward the results to National Stock Exchange ("NSE"), where the shares of the Company are listed.

ix) The Resolution shall be deemed to be passed on the date of AGM i.e. September 29, 2021 subject to receipt of sufficient votes.

Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

**Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility. Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:**

**Login method for Individual shareholders holding securities in demat mode/ physical mode is given below:**

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.</li> <li>After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
Individual Shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> <li>Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>
Individual Shareholders (holding securities in demat mode) & login through their depository participants	<ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>

Type of shareholders	Login Method
Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.	<ol style="list-style-type: none"> <li>Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - <ol style="list-style-type: none"> <li>User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.</li> <li>PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> <li>DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li>Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.</li> </ol> </li> <li>Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above <ul style="list-style-type: none"> <li>Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>Click "confirm" (Your password is now generated).</li> </ul> </li> </ul> </li> <li>Click on 'Login' under 'SHARE HOLDER' tab.</li> <li>Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.</li> <li>After successful login, you will be able to see the notification for e-voting. Select 'View' icon.</li> <li>E-voting page will appear.</li> <li>Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).</li> <li>After selecting the desired option i.e. Favour / Against, 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.</li> </ol>

#### **Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <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.

#### **Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:**

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
  - In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
  - 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.

#### **Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:**

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
  - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
  - During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

#### **Helpdesk for Individual Shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/

CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43.

Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

#### **Process and manner for attending the Annual General Meeting through InstaMeet:**

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
  - > Select the "Company" and 'Event Date' and register with your following details: -
    - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No
      - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
      - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
      - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
    - B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
    - C. Mobile No.: Enter your mobile number.
    - D. Email ID: Enter your email id, as recorded with your DP/Company.
  - > Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

#### **Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

1. Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company mentioning their name, demat account no./folio no., email id, mobile no. at [investors@innovativetyres.co.in](mailto:investors@innovativetyres.co.in)
  2. Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
  3. Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
  4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
  5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.
- Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

#### **Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. 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'.

5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

**Note:** Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

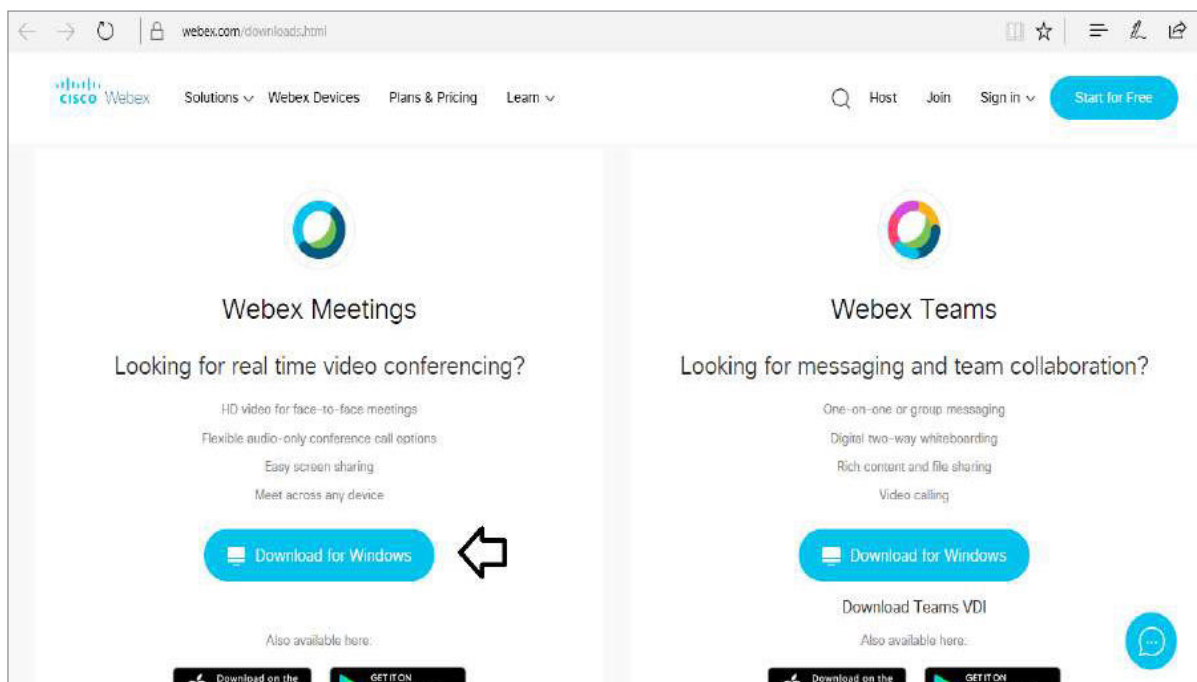
In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.

## Annexure

Guidelines to attend the AGM proceedings of Link Intime India Pvt. Ltd.: InstaMEET

For a smooth experience of viewing the AGM proceedings of Link Intime India Pvt. Ltd. InstaMEET, shareholders/ members who are registered as speakers for the event are requested to download and install the Webex application in advance by following the instructions as under:

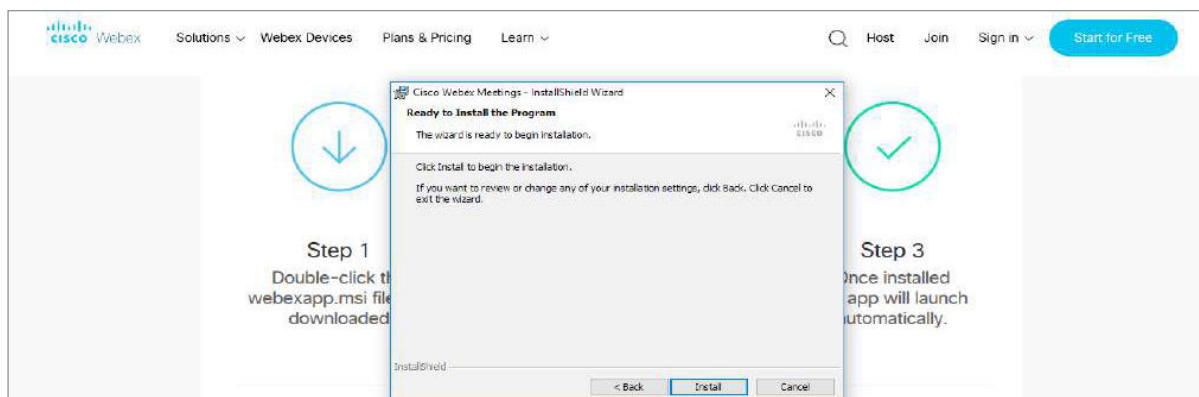
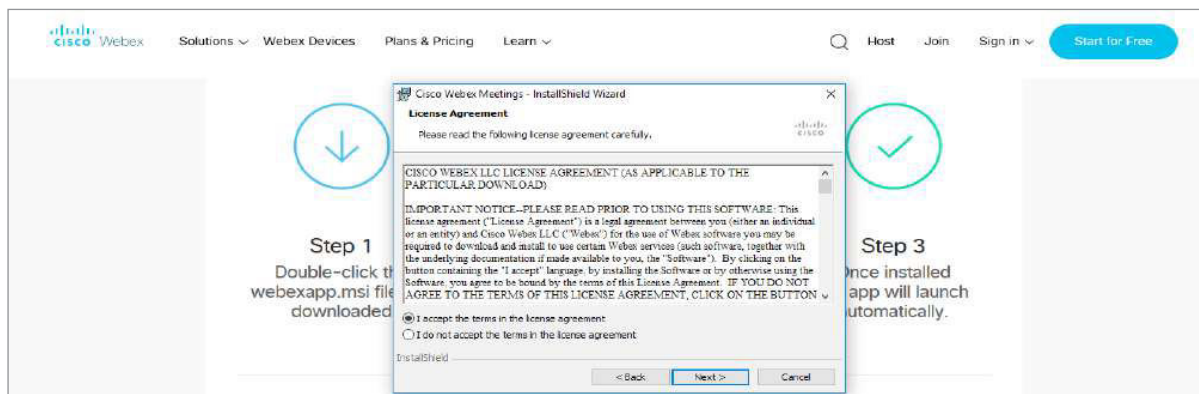
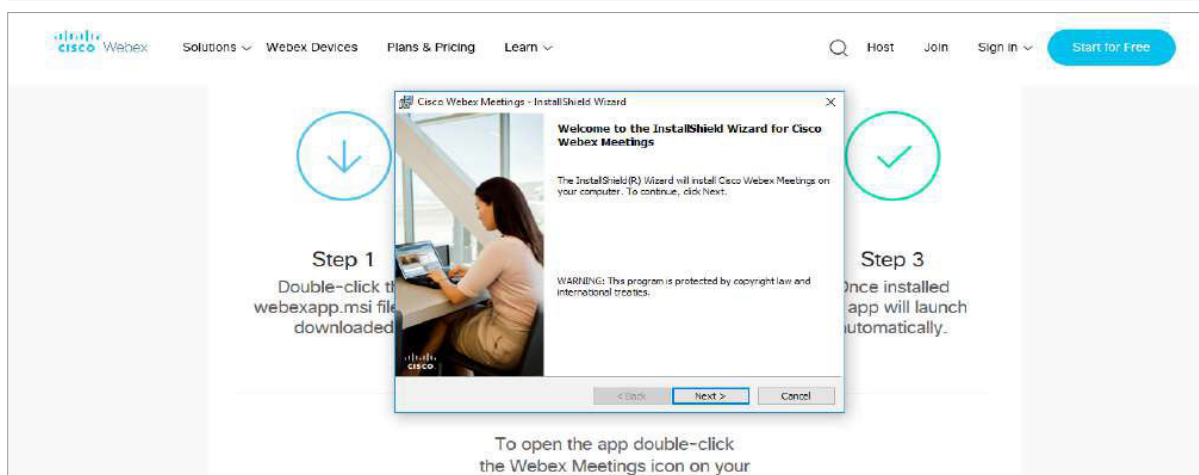
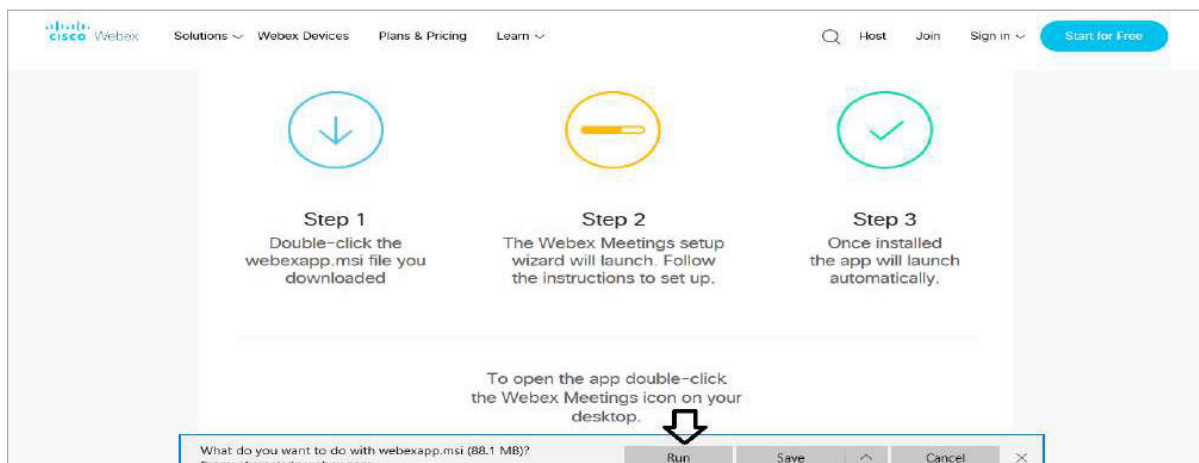
- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>



# 1 NOTICE

# 2 STATUTORY REPORTS

# 3 FINANCIAL STATEMENTS



or

- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:

**Step 1: Enter your First Name, Last Name and Email ID and click on Join Now.**

1 (A): If you have already installed the Webex application on your device, join the meeting by clicking on Join Now

1 (B): If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.

**Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now.**

The screenshot shows the Cisco Webex Event Information page. On the left, there is a section for 'Event Information' with fields for 'Event status:', 'Date and time:', 'Duration:', and 'Description:'. Below this, there is a link to 'Terms of Service and Privacy Statement'. On the right, there is a 'Join Event Now' button. Below this button, there is a message: 'You cannot join the event now because it has not started.' Below this message, there are input fields for 'First name:', 'Last name:', 'Email address:', and 'Event password:'. A red arrow points to the 'Join Event Now' button. Another red arrow points to the 'Join by browser' button, which is labeled 'NEW!'. A text box on the right says 'Mention your First name, Last name and email address.'

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

### ITEM NO: 4 – RATIFICATION OF REMUNERATION OF COST AUDITOR OF THE COMPANY

The Board of Directors at their meeting held on 29th June, 2021, on recommendation of Audit Committee, has approved to pay remuneration of Rs. 60,000/- p.a. plus applicable taxes and out of pocket expenses that may be incurred, as approved by the Board, to the Cost Auditors, M/s. V P & Associates, Cost & Management Accountants, to conduct the audit of the cost records of the company for the financial year ended March 31, 2022. 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 2021-22 by passing an Ordinary Resolution as set out in Item No. 4 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. 4 of the Notice for approval by the members.

Place : Halol

Date : 21<sup>st</sup> August 2021

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

Registered Office:

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

CIN: L25112GJ1995PLC086579

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

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

Tel: 02676 -220621

**Mukesh Desai**  
Chairman

## ANNEXURE TO THE NOTICE DATED 21ST AUGUST 2021

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

Particulars	Mr. Pradeep Kothari
Age	57 years
Qualifications	High School
Experience (including expertise in specific functional area)/Brief Resume	Mr. Pradeep Kothari, is a director since June, 2014 and was designated as a Whole Time Director w.e.f. April, 2017. He has immense experience as a multinational company's representation by way of trading. He has also been credited with successfully managing a 50-bed hospital, along with several other industrial units in the plastics industry. Apart from looking after procurement and finance, Mr. Kothari is an excellent strategist and is credited with providing key inputs to formulate the growth strategy of the company. He has steered the company through various strategic expansion drives such as acquisition of a smaller unit to enter a high-potential market segment.
Terms and conditions of appointment/re-appointment	As per the Agreement entered into with Whole Time Director at the time of his appointment
Remuneration last drawn (including sitting fees if any) {For FY 2020-21}	Rs. 5.25 lakhs p.a.
Remuneration proposed to be paid	As per existing terms and conditions
Date of first appointment on Board	14/06/2014
Shareholding in the company as on 31.03.2021	34,95,676
Relationship with other directors or Key Managerial Personnel	Not related to any Director or Key Managerial Personnel
Number of Meetings of Board attended during the year	4
Directorships on other Boards as on March 31, 2021	1. Future Tyres Pvt. Ltd. 2. Ahmedabad Bariatrics and Cosmetics Private Limited
Membership/Chairmanship of Committees of other Boards as on March 31, 2021	NIL

Place: Halol  
Date : 21<sup>st</sup> August 2021

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

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

**Mukesh Desai**  
Chairman

## DIRECTORS' REPORT

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

Your directors have pleasure in presenting their 26th Annual Report together with the audited financial statements of the company for the financial year ended March 31, 2021.

### FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2021 is summarized below:

(Rs. in Lakhs)

Particulars	Year ended 31st March 2021	Year ended 31st March 2020
Revenue from Operations	13,917.21	14,886.20
Other Income	101.58	169.60
<b>Total Revenue</b>	<b>14,018.79</b>	<b>15,055.80</b>
<b>Total expenses</b>	<b>14,906.16</b>	<b>15,982.06</b>
<b>Profit/(Loss) before taxation and extraordinary items</b>	<b>(887.37)</b>	<b>(926.26)</b>
Add: Extraordinary items	-	-
<b>Profit /(Loss) before taxation</b>	<b>(887.37)</b>	<b>(926.26)</b>
Less: tax expense (including adjusted deferred tax)	3.25	(56.43)
<b>Profit /(Loss) after tax</b>	<b>(884.12)</b>	<b>(982.69)</b>
EPS (Basic)	(4.91)	(5.46)
EPS (Diluted)	(4.91)	(5.46)

### STATEMENT OF COMPANIES AFFAIRS

#### o Total Revenue:

During the year under review, total revenue of the company has reduced by 6.89% as compared to previous financial year. The Company has reported total revenue of Rs. 14,018.79 lakhs for the financial year 2020-21 as compared to Rs. 15,055.80 lakhs for the previous financial year.

#### o Total expenses

During the year under review, total expenses of the company has reduced by 6.73 % as compared to previous financial year mainly on account of reduction in turnover. However, it has increased due to increase in cost of raw materials, finance costs and depreciation expense during current financial year.

#### o Net Profit

During the year under review, Loss before tax has marginally reduced from Rs. 926.26 lakhs to Rs. 887.37 Lakhs as compared to previous financial year. Correspondingly, the Net loss after tax has also been decreased on account of tax implications during current financial year.

### DIVIDEND

Considering the loss during the current financial year, your directors unanimously decided not to propose any dividend for the financial year ended March 31, 2021.

### TRANSFER TO RESERVE

During the year under review, the Company does not have profits, hence not proposed any amount to be transferred to General Reserve for the financial year ended 31st March, 2021.

### SUBSIDIARIES AND CONSOLIDATED FINANCIAL STATEMENTS

The Company do not have any subsidiaries. Further in case of consolidation of associate concern, the Company is falling within the exemption of AS-23 hence; there is no need to prepare consolidated financial statement for the financial year 2020-21.

**LISTING WITH STOCK EXCHANGE**

The Equity Shares of your Company are listed and actively traded on the EMERGE platform of National Stock Exchange of India Limited ("NSE"). The Company had paid Annual Listing fees to the stock exchange for the Financial Year 2021-22.

**MATERIAL CHANGES AND COMMITMENT:**

There have been material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2021 due to Pandemic.

The outbreak of Coronavirus (COVID -19) pandemic globally and in India has led to unpredictable challenges for the human mankind. This pandemic has caused disturbance and slowdown down in the economic activities worldwide and impacted business, by interruption in supply and demand chains, unavailability of personnel, closure of production facilities and offices and also posed unforeseen challenges before business especially in automobile sector. The health of the employees and workers became a priority; stoppage of operations for an uncertain period resulted in a large financial burden on the one hand and workforce idling on the other. COVID-19 is an unprecedented challenge. The lockdown gave India time to make a concerted effort to flatten the outbreak curve.

However, towards later part of the year consequent to significant opening of the economic activity across the nation, the demand picked up compared to that during the initial period of Covid-19. India has just come out experiencing a massive second wave of Covid-19 infections. However, we expect no major changes in the economic activity as the nation is preparing to face the Pandemic with vaccines and preparedness.

Material changes and commitments have occurred due to the epidemic COVID 19 across the globe at the end of the financial year to which the financial statements relates and the date of this Report and their impact on financial position of the company is not determinable.

However, the Company expects some impacts of COVID-19 viz. disruption of supply-chain; impacts on the workforce and production facilities; financial constraints, etc.

In view of the aforesaid circumstantial facts, the Company expects high pressure on its working capital resulting in to higher costs and difficulties in supporting its current and future operations. The situation may worsen if impact of pandemic on economy lasts longer.

**RISK MANAGEMENT:**

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

The Company has laid down a risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. A detailed exercise is being carried out to identify, evaluate, manage and monitor and non – business risks. In our company, audit committee has an additional oversight in the area of financial risks and its controls. Other major operational risks are being identified by the management of the Company from time to time. However, constitution of Risk Management Committee is not applicable as it is applicable to top 500 listed companies only.

**EXTRACT OF ANNUAL RETURN**

In accordance with the Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the annual return of the Company as on March 31, 2021 in the prescribed format is available on the Company's website. The web-link as required under the Act is as under:

LINK:[https://www.innovativetyres.com/investor\\_relations/announcements/innovatedraftAnnualReturnFY2020-21](https://www.innovativetyres.com/investor_relations/announcements/innovatedraftAnnualReturnFY2020-21)

**SECRETARIAL AUDIT REPORT**

In compliance of the provisions of section 204 of the Companies Act, 2013, other applicable provisions of the Act, the Companies (Appointment and Managerial Personnel) Rules, 2014, the Board of Directors at their meeting held on 30th June, 2020 appointed M/s. Swati Bhatt & Co., Practicing Company Secretary, Vadodara as Secretarial Auditor of the company for the F.Y. 2020-21. The Secretarial Audit Report is attached as **Annexure – 1**. The Secretarial Audit Report does not contain any qualifications or adverse remarks.

**CORPORATE GOVERNANCE**

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

## MANAGEMENT DISCUSSION & ANALYSIS REPORT:

As per Regulation 34 read with Schedule V of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 the Management Discussion and Analysis Report is attached as **Annexure – 3** to this Annual Report.

## DISCLOSURE ON DEPOSITS UNDER CHAPTER V

The Company has neither accepted nor renewed any deposits during the financial year 2020-21 in terms of Chapter V of the Companies Act, 2013. Further, the Company is not having any unpaid or unclaimed deposits at the end of the financial year.

## INTERNAL FINANCIAL CONTROL SYSTEM

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

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

Your Company's Audit Committee reviews and takes suitable actions for any deviation, observation or recommendation suggested by the Internal Auditor, who is an independent auditor mandated to conduct internal audit. Your Company also adheres to environment protection laws. The employees of the Company follow the Code of Conduct devised for conducting the business of the Company. Your Company's internal control systems commensurate with the size and nature of business operations.

## DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors comprises of following directors:

Sr. No.	Name of Directors/KMP	Designation
1.	Mr. Mukesh Desai	Non-Executive Chairman
2.	Mr. Nitin Mankad	Whole time Director (sad demise on 28-12-2020)
3.	Mr. Pradeep Kothari	Whole time Director
4.	Mr. Keyoor Bakshi	Independent Director
5.	Mr. Kalyanaraman Ganesan	Independent Director (resigned w.e.f. 28-02-2021)
6.	Dr. Mrs. Kalpana Joshipura	Independent Director

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

During the year our whole-time director Mr. Nitin Mankad passed away on 28-12-2020. His unexpected passing away is an irreparable loss to the Company and the directors convey deep sympathy, sorrow and condolences to his family.

During the year our independent director Mr. Kalyanaraman Ganesan resigned w.e.f.28-02-2021 due to his health reasons to travel and limited time & work commitments.

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. Pradeep Kothari	Whole time Director
2.	Mr. Arvind Tambi	Chief Financial Officer & Company Secretary

## MEETINGS OF BOARD OF DIRECTORS

During the year, the Board met 4 (Four) times i.e. on June 30, 2020, August 13, 2020, November 9, 2020 and February 27, 2021. 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. 2020-21.
Mr. Mukesh Desai	04/04
Mr. Nitin Mankad	03/03
Mr. Pradeep Kothari	04/04
Mr. Keyoor Bakshi	04/04
Mr. Kalyanaraman Ganesan	01/04
Dr. Mrs. Kalpana Joshipura	04/04

Pursuant to the requirement of Schedule IV to the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, a separate meeting of Independent Directors of the company was held on 27th February, 2021.

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

#### COST AUDITORS

The Audit Committee of the Company at their meeting held on 29th June, 2021 has recommended to the Board of Directors for appointment and fixing of remuneration of M/s. V. P. & Associates, Cost & Management Accountants, Vadodara for audit of cost records of the Company for the financial year 2021-22. The Board of Directors of the company at their meeting held on 29th June, 2021 appointed M/s. V. P. & Associates, Cost & Management Accountants, Vadodara as cost auditors subject to ratification by the members of the Company at the ensuing Annual General Meeting.

The Cost Audit Report for the financial year 2019-20, issued by M/s. V. P. & Associates, Cost & Management Accountants, Vadodara as prescribed under Cost Audit Rules was filed with the Ministry of Corporate Affairs within due date on 10th September, 2020. The Cost Auditors' Report for the financial year 2019-20 did not contain any qualification, reservation or adverse remark.

#### SECRETARIAL AUDITORS

Board of Directors at their meeting held on 30th June 2020 appointed M/s. Swati Bhatt & Co., Practicing Company Secretary, Vadodara as Secretarial Auditor to conduct the secretarial audit for the financial year 2020-21. Secretarial Audit Report for financial year 2020-21 is attached to this report as **Annexure - 1**.

Further, Board of Directors at their meeting held on 29th June, 2021 re-appointed M/s. Swati Bhatt & Co., Practicing Company Secretary, Vadodara as Secretarial Auditor to conduct the secretarial audit for the financial year 2021-22.

#### BOARD'S COMMENT ON THE AUDITORS' REPORT

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

#### CHANGES IN SHARE CAPITAL

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

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

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

## RELATED PARTY TRANSACTIONS

With reference to section 134(2)(h) of the Companies Act, 2013, all related party transactions that were entered into during the financial year ended 31st March, 2021 were on an arm's length basis and in the ordinary course of business, hence disclosure under **Form AOC-2** not required. Details of related party transactions made during the year are attached to the notes to the balance sheet. The Board has approved a policy for related party transactions which has been updated on the Company's website. The web-link as required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is [http://www.innovativetyres.com/investor\\_relations/policies\\_programme](http://www.innovativetyres.com/investor_relations/policies_programme)

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

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

Our Company has incurred Net profit before tax less than Rs. 5 crores during previous financial years, so CSR provisions are not applicable to our Company for the financial year 2020-21. During the year under review, CSR Committee met on 27th February, 2021. Detailed Report on CSR for the current financial year is detailed in **Annexure - 4** 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 (upto 28-02-2021)
Dr. Mrs Kalpana Joshipura	Member to the Committee (w.e.f. 01-03-2021)
Mr. Mukesh Desai	Member to the Committee

During the year under review, members of the audit committee met on June 30, 2020, August 13, 2020, November 9, 2020 and February 27, 2021. Chairman of Audit Committee was present in the Annual General Meeting held during current financial year on 24th September, 2020.

## VIGIL MECHANISM

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

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

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. 15th June, 2017.

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

Name of Member	Category
Dr. Mrs. Kalpana Joshipura	Chairperson
Mr. Keyoor Bakshi	Member
Mr. Kalyanaraman Ganesan	Member (upto 28-02-2021)
Mr. Mukesh Desai	Member (w.e.f. 01-03-2021)

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

During the year under review, members of the Nomination & Remuneration committee met on June 30, 2020. Minutes of Nomination & Remuneration Committee meeting are reviewed by the Board of directors.

**STAKEHOLDERS GRIEVANCES COMMITTEE**

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

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

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

During the year under review, members of the Stakeholders/Investor Grievance Committee met on February 27, 2021.

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

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

**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 was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committee, effectiveness of committee meetings etc.

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

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

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

- Steps taken or impact on conservation of energy:
  - Recovery of process discharged water which was otherwise being disposed off.
  - Steam utilization efficiency improvement (Leakage).
  - Rationalisation and modification of steam distribution system

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 – 1st 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 during the year 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 Quality improvement

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

## C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. in Lakhs)

Particulars	2020-21	2019-20
Total foreign exchange outgo (incl. High Seas)	2,144.87	2,183.19
Total foreign exchange inflow	3,877.84	7,014.74

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

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

## DOWNGRADATION IN CREDIT RATING:

During the year under review, the long-term credit rating of the Company downgraded from "BBB-" to "BB" to "D" by its rating agencies viz. CRISIL.

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

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

## ACKNOWLEDGEMENTS

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

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

**MUKESH DESAI**  
Chairman  
(DIN: 00089598)

Date: 21st August 2021  
Place: Halol

**ANNEXURE – 1****FORM NO. MR-3****SECRETARIAL AUDIT REPORT****For the Financial Year ended 31.03.2021**

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s. INNOVATIVE TYRES & TUBES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon. Based on our verification of the books, papers, minutes book, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minutes book, forms and returns filed and other records maintained by M/s. Innovative Tyres & Tubes Limited ("The Company") for the financial year ended on 31st March, 2021 according to the provisions of:
  - I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
  - II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
  - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') is applicable to the Company: -
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
    - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 / The Securities and Exchange Board of India (Share Based Employees Benefits), Regulations, 2014;

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

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

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

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

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

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

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

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

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

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

Sr. No.	NAME OF ACT
1	Air (Prevention and Control of Pollution) Act, 1981 and rules made there under.
2	Water (Prevention and control of pollution) Act, 1974 and rules made there under.
3	Apprentices Act, 1961 and Apprenticeship Rules, 1992.
4	Labour Welfare Fund (Gujarat) Rules, 1962.
5	The Customs Act, 1962.
6	Central Goods & Services Tax (CGST).
7	State Goods & Services Tax (SGST).
8	Integrated Goods and Service Tax (IGST).
9	Child Labour (prohibition & Regulation) Act, 1986.
10	Contract Labour Regulation and Abolition Act, 1970.

SR. NO.	NAME OF ACT
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:

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

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

- 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:
  - Maintenance of various statutory registers and documents and making necessary entries therein;
  - Closure of the Register of Members;
  - Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - Notice of Board meetings and Committee meetings of Directors;
  - The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - The Annual General Meeting held on 24TH September, 2020 for the financial year 2019-20;
  - Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
  - Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
  - Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
  - Appointment and remuneration of Auditors and Cost Auditors;
  - 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, no shares were transferred.)
  - Declaration and payment of dividends;
 

(During the year under review, the Company has not declared dividend)
  - 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.)
  - 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 / rematerialisation of securities and reconciliation of records of dematerialized securities with all securities issued by the Company.
6. The Company has complied with the provisions of the FEMA, 1999 and the Rules and Regulations made under that Act to the extent applicable.

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

**For, Swati Bhatt & Co.**

**Swati Bhatt**

Practicing Company Secretary

M. No. 7323

COP: 8004

Place: Vadodara

Date: 21st August 2021

UDIN No.:F007323C000816065

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

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

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

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

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

**For, Swati Bhatt & Co.**

**Swati Bhatt**

Practicing Company Secretary

M. No. 7323

COP: 8004

Place: Vadodara

Date: 21st August 2021

UDIN No.:F007323C000816065

## ANNEXURE – 2

### CORPORATE GOVERNANCE REPORT

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

#### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

#### BOARD OF DIRECTORS

The Board of Directors of the Company ("Board") has optimum combination of Executive and Non-Executive Directors comprising One Executive Director 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 31st March, 2021 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 24.09.2020	No. of Directorships in other public companies	No. of Committee positions held in other public companies	
						as Chairman#	as member#
1.	Mr. Mukesh Desai	Non-Executive Chairman	04/04	Yes	3	1	3
2.	Mr. Pradeep Kothari	Whole time Director	04/04	No	0	0	0
3.	Mr. Nitin Mankad	Whole time Director	03/03	Yes	N.A.***	N.A.***	N.A.***
4.	Mr. Keyoor Bakshi	Independent Director	04/04	Yes	8	1	1
5.	Mr. Kalyanaraman Ganesan	Independent Director	01/04	No	N.A.***	N.A.***	N.A.***
6.	Dr. Mrs. Kalpana Joshipura	Independent Director	04/04	Yes	0	0	0

\* Other Directorships do not include directorships of private limited companies, Companies formed under section 8 of the Companies Act, 2013 and foreign companies.

#Chairmanship/ Membership of Board Committees include only Audit Committee and Stakeholders Relationship Committee

\*\*\* During the year Mr. Nitin Mankad whole time Director passed away on 28-12-2020. Also Mr. Kalyanaraman Ganesan, Independent Director resigned from 28-02-2021)

#### 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:

Ardent Ventures LLP, where Mr. Keyoor Bakshi, Non-Executive Director, is a designated partner, is holding 3,06,000 equity shares as a Connected person. Other Non-executive directors do not hold any shares and convertible instruments in the Company.

#### FAMILIARIZATION TO INDEPENDENT DIRECTORS:

In Compliance of SEBI (LODR) Regulation 2015 Company has conducted a familiarization 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 are posted on the website of the Company and can be accessed at [http://www.innovativetyres.com/investor\\_relations/policies\\_programme](http://www.innovativetyres.com/investor_relations/policies_programme)

**AUDIT COMMITTEE:**

The Audit Committee of the company consists of two Independent Directors and one Non-Executive Director of the Company. During the year one independent director was inducted and one independent director resigned. All the Directors have good understanding Finance, Accounts and Law. During the financial year under review, audit committee met four times June 30, 2020, August 13, 2020, November 9, 2020 and February 27, 2021. Composition of audit committee of the company is as follows:

Sr. No.	Name	Category	Nos. of meeting attended
1.	Mr. Keyoor Bakshi	Chairman	04/04
2.	Mr. Kalyanaraman Ganesan (upto 28-02-21)	Member	01/04
3.	Dr. Mrs. Kalpana Joshipura (from 01-03-2021)	Member	00/00
4.	Mr. Mukesh Desai	Member	04/04

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

**Brief description of terms of reference:**

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

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

**NOMINATION & REMUNERATION COMMITTEE:**

The Nomination & Remuneration Committee of the company consisted of three Independent Directors of the Company. During the year under review, one independent director resigned and one non- executive director was inducted. The members of the Nomination & Remuneration committee met on June 30, 2020. Composition of Nomination & Remuneration committee of the company is as follows:

Sr. No.	Name	Category	Nos. of meeting attended
1.	Dr. Mrs. Kalpana Joshipura	Chairperson	01/01
2.	Mr. Keyoor Bakshi	Member	01/01
3.	Mr. Kalyanaraman Ganesan (upto 28-02-21)	Member	01/01
3.	Mr. Mukesh Desai (w.e.f. 01-03-2021)	Member	00/00

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

**Brief description of terms of reference:**

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

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

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

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

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

During the year, performance evaluation of the Chairman and the Executive Director were carried out by the Independent Directors at their separate meeting held on 27th February, 2021. The Directors were satisfied with the evaluation results. Performance evaluation of entire Board, and individual directors and that of Committees for the financial year 2020-21 was done at their meeting held on 29th June, 2021.

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

The aggregate value of salary and perquisites paid during the year 2020-21 to the Executive Directors are as follows:

Mr. Pradeep Kothari, Whole time Director – Rs. 5.25 lakhs

Mr. Nitin Mankad, Whole time Director (upto 28-12-2020) – Rs. 3.94 lakhs

Sitting fees paid to Independent & Non-Executive Directors during the year 2020-21 are as follows:

Mr. Keyoor Bakshi, Independent Director – Rs. 0.50 lakh

Mr. Kalyanaraman Ganesan, Independent Director (upto 28-02-2021) – Rs. 0.15 lakh

Dr. Mrs. Kalpana Joshipura, Independent Director – Rs. 0.40 lakh

Mr. Mukesh Desai, Non-Executive Chairman – Rs. 0.50 lakh

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

In compliance with Section 178 of the Companies Act, 2013 and Regulation 20 and Schedule II, Part D of the SEBI (LODR) Regulations, 2015, a Stakeholders' Relationship Committee of the Board has been constituted to solve the investor's grievances. During the year under review, members of the Stakeholders/Investor Grievance Committee met on February 27, 2021. 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 2020-21 are as follows:

Number of shareholders complaints received and resolved – NIL

Number of complaints not solved to the satisfaction of shareholders – NIL

Number of pending complaints – NIL

#### GENERAL BODY MEETING

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

Year	Day, Date and Time	Venue
2019-20	Thursday, 24th September, 2020 at 9:00 a.m.	Through Video Conferencing (VC) /Other Audio-Visual Means (OVAM).
2018-19	Monday, 30th September, 2019 at 9:00 a.m.	Plot No. 1201,1202, 1203, GIDC Halol, Dist Panchmahals-389350.
2017-18	Tuesday, 18th September, 2018 at 9:00 a.m.	Plot No. 1201,1202, 1203, GIDC Halol, Dist Panchmahals-389350.

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

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

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

The members have passed one special resolutions in the 24th AGM held on 30th September, 2019:

- Re-appointment of Mr. Nitin J Mankad as whole Time Director for one year.

The members have passed two special resolutions in the 25th AGM held on 24th September, 2020:

- Re-appointment of Mr. Nitin J Mankad as whole Time Director for three years.
- Re-appointment of Dr. Mrs. Kalpana Joshipura as Independent Director for three years.

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

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

**MEANS OF COMMUNICATION**

Company is listed on NSE Emerge platform. Hence, during the financial year 2020-21, half year results and year ended results have been filed with Stock Exchange in compliance of Listing Regulations. Requirement of Publishing of Results in Newspaper as per Regulation 46 of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 is not applicable for SME Listed companies. The official announcements, presentations are posted on official website of the company [www.innovativetyres.com](http://www.innovativetyres.com)

**GENERAL SHAREHOLDER INFORMATION**

<b>Date, Time and Venue of AGM</b>	29th September, 2021 through video conferencing or other audio-visual means at 9.00 A.M.
<b>Financial Year</b>	From 1st April to 31st March of the following year
<b>Date of Book Closure</b>	Thursday, September 23, 2021 to Wednesday, September 29, 2021 (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 and Performance in comparison to other indices**

The Company is listed on EMERGE platform of National Stock Exchange of India. Monthly market price high, low for the year 2020-21 and comparison at NSE is given hereunder:

Months	High (Rs.)	Low (Rs.)	NSE-Shares (Volume)
Apr-20	6.40	5.60	63,000
May-20	6.95	5.75	96,000
Jun-20	8.25	6.90	6,24,000
Jul-20	7.80	6.30	4,62,000
Aug-20	7.85	5.95	2,25,000
Sep-20	7.45	6.30	1,14,000
Oct-20	6.60	5.85	78,000
Nov-20	6.15	5.65	33,000
Dec-20	10.35	6.05	2,22,000
Jan-21	9.45	8.40	7,05,000
Feb-21	10.50	8.20	12,12,000
Mar-21	9.05	8.20	13,53,000

**Details of Registrar and Share Transfer Agent**

M/s Link Intime India Private Limited

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

Contact No: 022 4918 6000

Website: [www.linkintime.co.in](http://www.linkintime.co.in)

**Share Transfer System**

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

**Distribution of Shareholding as on 31st March, 2021**

Sr. No.	Shareholding of Nominal Value (INR)			Number of Shareholders	% Of Total	Share Amount (INR)	% of Total Share Amount
1	1	to	5000	1	0.10	100	0.00
2	5001	to	10000	4	0.39	30,000	0.02
3	10001	to	20000	2	0.19	37,950	0.02
4	20001	to	30000	675	65.79	2,02,50,000	11.25
5	30001	to	40000	0	0.00	0	-
6	40001	to	50000	0	0.00	0	-
7	50001	to	100000	240	23.39	1,79,50,000	9.98
8	100001	to	*****	104	10.14	14,16,47,560	78.73
<b>Total</b>				<b>1026</b>	<b>100.00</b>	<b>17,99,15,610</b>	<b>100.00</b>

#### **Dematerialization of Shares and Liquidity:**

As on 31st March, 2021 out of total 1,79,91,561 share, 1,58,53,793 shares (88.12% of the issued capital of the company) are in dematerialized mode. All promoters' shares are in dematerialized mode. Company is listed on NSE Emerge platform and all the shares are traded on NSE Emerge platform.

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

#### **Plant Locations:**

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

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

#### **Address for Correspondence:**

Innovative Tyres & Tubes Limited

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

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

Contact No.: 02676 - 220621

CIN: L25112GJ1995PLC086579

#### **OTHER DISCLOSURES:**

##### **Related Party Transactions:**

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

There are no materially significant transactions with the related parties viz. promoters, directors or the management or their relatives or subsidiaries/associate concerns etc. that had potential conflict with the company's interest. Therefore, there is no requirement to report any transaction in Form No. AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

##### **Legal Compliances:**

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

##### **Vigil Mechanism:**

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

##### **Mandatory & Non-Mandatory Requirements:**

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

**COMPLIANCE CERTIFICATE**

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

**To,  
The Members of  
Innovative Tyres and Tubes Limited,  
1201-02-03, GIDC Halol-389350  
Dist Panchmahals.**

The Corporate Governance Report prepared by Innovative Tyres & Tubes Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended March 31, 2021 pursuant to the Listing Agreement of the Company with the Bombay Stock Exchange Limited (Herein after referred to as the "Stock Exchange").

**Management's Responsibility:**

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

**Auditor's Responsibility:**

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether for the year ended March 31, 2021 the Company has complied, with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Our examination was limited to procedures and implementation thereof adopted 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.

**Opinion:**

In our opinion, based on our examination of the relevant records and to the best of our information and according to explanations given to us, and representations provided by the management, we certify that, the Company, has complied with the conditions of Corporate Governance as stipulated, in the above-mentioned Listing Regulations.

**Other Matters and Restriction on use:**

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.

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, for the year ended March 31, 2021, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For Swati Bhatt & Co.**

**Swati Bhatt**

Practicing Company Secretary

M. No. 7323

COP: 8004

ICSI UDIN: F007323C000816076

Place: Vadodara

Date: 21st August 2021

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

I, Pradeep R Kothari, Whole Time 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, 2021.

**For Innovative Tyres & Tubes Limited**

Place: Halol  
Date: 21st August 2021

**Sd/-**  
**Pradeep R Kothari**  
**Whole Time Director**  
DIN: 00572331

### ANNEXURE – 3

## 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 year 2017 and achieved new growth towards successful journey from incorporation.

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Demand of domestic Tyre Industry is driven by both OEM and replacement market and the latter is determined by several factors like truck utilization, infra and mining performance as also overall economic activity. 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 Two Wheelers segment with over 80 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.

Like all other sectors of the economy, the Tyre Industry was buffeted by the impact of the COVID-19 induced lockdown and the subsequent economic disruption especially in Q1. With economic revival, the tyre industry being the wheels of the economy gathered momentum. In second half of the year overall domestic demand bounced back.

### OPPORTUNITIES

The company produces diversified products of Tyres used by all segments. These are used mainly in replacement market and its share is growing. As per ATMA reports it is over 70% of total domestic product. Besides this the company is consistently developing large number of SKUs to meet the applications for diverse needs in Tyre Industry.

The company is committed to spread the wings, reach at all the areas across the globe. The Company has a pan India infrastructure that becomes easy for the customer to purchase and get the delivery on expected timelines.

### THREATS, RISKS AND CONCERNS

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

Covid-19 has been the overriding concern for our people during the year as the pandemic affected virtually every part of their lives. People are being very careful before buying anything due to the uncertainty. In addition, the market is partially open which affects the sale of the product due to less number of working hours and days of the market remaining open. Additionally, situations have become more challenging due to the steep increase of raw material prices.

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

Automobile Industry is classified into Auto Components Manufacturing Industry, which in turn encompasses various segments; one of them being Tyres and Tubes Manufacturing Segment. Currently, our Company caters to all three segments of market viz. exports, domestic/after sales market and OEM like CEAT Limited. During the financial year 2020-21, your Company achieved a turnover of Rs. 13,917.21 Lakhs as against Rs. 14,886.20 Lakhs for the previous year ended 31st March 2020

#### OVERVIEW & OUTLOOK

The year 2021 witnessed an extremely volatile and challenging. As the cases of Covid-19 continued to rise exponentially, the economy declined sharply. The world economy reported a DE growth of 3.5% in the year 2020. Covid-19 changed nearly every aspect of human lives in ways never imagined. Operational challenges mounted due to restricted movement and disrupted supply lines. The year under evaluation was largely affected due to Covid -19. The operations gradually started from July 2020 and were optimistic. In spite of the second wave of Covid-19, the company is very optimistic due to its quality products across the globe.

#### 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 external auditors 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.

#### 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	2020-21	2019-20
Revenue from operations	13,917.21	14,886.20
Other income	101.58	169.60
Total Income	14,018.79	15,055.80
Total expenses	14,906.16	15,982.06
Profit/(Loss) before tax	(887.37)	(926.26)
Deferred Tax	(3.25)	52.07
Excess provision of Income Tax	-	4.36
Profit/(Loss) after tax	(884.12)	(982.69)

#### 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 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 – 4****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

2017-18\_ Rs. 623.92 lakhs

2018-19\_ Rs. 91.25 lakhs

2019-20\_ Rs. 926.26 lakhs (Loss)

**4. Prescribed CSR Expenditure:**

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

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

Total Prescribed CSR Expenditure Rs. NIL

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

a) Total amount spent for the financial year: N.A.

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
N.A.							

**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/-

**Pradeep Kothari**  
Member to the Committee

# Annexure - 5

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 2020-21 (Rs. In Lakhs)	% Increase in Remuneration in the F.Y. 2020-21	Ratio of Remuneration of each Director/to median remuneration of employees
1.	Mr. Mukesh Desai Non-Executive Chairman	N.A.	N.A.	N.A.
2.	Mr. Pradeep Kothari Whole time Director	5.25	0.00%	4.05:1
3.	Mr. Nitin Mankad (upto 28-12-2020) Whole time Director	3.94	0.00%	4.05:1
4.	Mr. Keyoor Bakshi Independent Director	NA	NA	N.A.
5.	Mr. Kalyanaraman Ganesan (upto 28-02-2021) Independent Director	NA	NA	N.A.
6.	Dr. Mrs. Kalpana Joshipura Independent Director	NA	NA	N.A.
7.	Mr. Arvind Tambi Chief Financial Officer & Company Secretary	9.60	NA	7.41:1

The median remuneration of employees of the Company during the current financial year was Rs. 1,29,600/-

The percentage increase in the median remuneration of employees in the current financial year is 10.77%

There were 302 permanent employees on the rolls of the Company as on March 31, 2021;

Average percentage increase made in the salaries of employees other than the managerial personnel in comparison of the last financial year is -12.43%.

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.*

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

To,  
The Members of  
**Innovative Tyres and Tubes Limited,**  
1201-02-03, GIDC Halol-389350  
Dist Panchmahals.

We have examined the relevant Registers, Records, forms, returns and disclosures received from the Directors of Innovative Tyres and Tubes Limited having CIN: L25112GJ1995PLC086579 and having registered office at 1201-02-03, GIDC Halol-389350 Dist Panchmahals (hereinafter referred to as "the Company"), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory.

S No	Name of Director	DIN	Date of Appointment in the Company
1	Mr. Mukesh Desai	00089598	01-04-2000
2	Mr. Nitin Mankad	00089701	01-04-2000 (Sad Demise on 28-12-2020)
3	Mr. Keyoor Bakshi	00133588	01-06-2015
4	Mr. Pradeep Kothari	00572331	14-06-2014
5	Mr. Kalyanaraman Ganesan	02013349	01-06-2015 (Resigned w.e.f. 28-02-2021)
6	Dr. Mrs. Kalpana Joshipura	07849507	15-06-2017

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Swati Bhatt & Co.**

**Swati Bhatt**

Practicing Company Secretary

M. No. 7323

COP: 8004

ICSI UDIN: F007323C000816087

Place: Vadodara  
Date: 21st August 2021

## CEO AND CFO CERTIFICATION

We, Mr. Pradeep Kothari, Whole Time Director and Mr. Arvind Tambi, Chief Financial Officer & Company Secretary, certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2021 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 31st March, 2021 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/-

**Pradeep Kothari**  
Whole Time 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

#### Opinion

We have audited the financial statements of Innovative Tyres and Tubes Limited, which comprise the Balance Sheet as at 31st March, 2021, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (The Act) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidences we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting standards (AS) specified under section 133 of the Act read with relevant rules issued there-under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

The Company's Management is responsible for establishing and maintaining internal financial controls based on essential components of the internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively 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 frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion on the Company's internal financial controls system over financial reporting and the standalone financial statements. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Report on Other Legal and Regulatory Requirements**

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

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

- 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 it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards (AS) specified under Section 133 of the Act, read with relevant rules issued there-under.

- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) In our opinion considering nature of business, size of the operation and organizational structure of the entity, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021 based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 3 to Financial Statements
- 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 which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

**CA. Yash Bhatt  
Partner**

**M No. 117745**

**UDIN: 21117745AAAADF4881**

**Place: Vadodara  
Date: 29th June 2021**

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

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2021:

- 1) (a) The Company has maintained fixed asset register containing proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) We have been informed that the Fixed Assets have been physically verified by the management every two to three years which is a reasonable time considering the quantum of fixed assets & nature of industry, no material discrepancies between the book records and the physical fixed assets have been noticed.
- (c) The title deeds of immovable properties are held in the name of the company.
- 2) As explained to us, all the inventory of the Company has been physically verified by the management at reasonable intervals. In our opinion, the frequency of the verification is reasonable. According to the information and explanations 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) In our opinion and according to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, making investments and providing guarantees and securities, as applicable.
- 5) According to information and explanations given to us, the Company has not accepted any deposits during the year, therefore the provisions of the clause 3 (v) of the Order are not applicable to the company.
- 6) To the best of our knowledge and explanations provided by the management, the maintenance of cost records has been prescribed by the Central Government under section 148 (1) (d) of the Companies Act 2013 and cost records are maintained accordingly.
- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more

than six months from the date on when they become payable.

- (b) There is no disputed amount due of income tax, sales tax, service tax, duty of custom, duty of excise or GST
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or Government. The Company has not obtained any borrowings by way of debentures.
- 9) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) The Company has utilized the amount of Term Loans for the purpose for which loan was taken.
- 10) According to the information and explanations given to us, we have not noticed or reported any fraud by the Company or any fraud on the Company by its officers or employees during the year.
- 11) The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- 12) Clause 3 (xii) of the Order is not applicable to the Company as the Company is not a Nidhi Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 14) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- 15) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him and the provisions of section 192 of Companies Act, 2013 have been complied with.
- 16) Clause 3(xvi) of the Order is not applicable to the Company as the Company is not a required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**CA. Yash Bhatt**  
**Partner**

**M No. 117745**

**UDIN: 21117745AAAADF4881**

**Place: Vadodara**  
**Date: 29th June 2021**

Balance Sheet as at 31<sup>st</sup> March, 2021

(Rs. in Lakhs)

Particulars	Note No	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	A	1,799.16	1,799.16
(b) Reserves and Surplus	B	4,966.36	5,850.49
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	C	611.31	455.13
(b) Deferred tax liabilities (Net)	D	863.74	866.99
(c) Other Long term liabilities	E	2,509.12	2,512.03
(d) Long term provisions	F	143.12	111.88
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	G	1,386.80	1,618.46
(b) Trade payables	H		
(i) Due to Micro & Small enterprises		188.60	120.11
(ii) Others		1,973.89	2,693.00
(c) Other current liabilities	I	1,518.47	1,036.16
(d) Short-term provisions	J	185.76	175.08
<b>Total</b>		<b>16,146.33</b>	<b>17,238.48</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant & Equipments			
(i) Tangible assets	K	9,687.07	10,445.18
(ii) Capital work-in-progress		143.82	16.08
(iii) Intangible assets		0.16	0.16
(b) Non-current investments	L	1.08	1.08
(c) Long term loans and advances	M	253.55	272.68
<b>(2) Current assets</b>			
(a) Inventories	N	3,909.28	4,167.05
(b) Trade receivables	O	1,396.19	1,785.07
(c) Cash and Bank Balance	P	407.63	318.55
(d) Short-term loans and advances	Q	257.98	184.98
(e) Other Current Assets	R	89.57	47.65
<b>Total</b>		<b>16,146.33</b>	<b>17,238.48</b>
<b>Notes forming Part of the Financial Statements</b>	<b>Z</b>		

As per our Report of even date  
**For Maloo Bhatt & Co.**  
Chartered Accountants  
F R No. 129572W

**CA. Yash Bhatt**  
Partner  
M. No. 117745  
Date : 29<sup>th</sup> June, 2021  
Place : Vadodara

For and on behalf of Board of Directors

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

**Chairman**  
(Mukesh G Desai)

**CFO & CS**  
(Arvind Tambi)

## Profit & Loss Statement for the year ended 31<sup>st</sup> March, 2021

(Rs. in Lakhs)

Particulars	Note No	Year ended 31 <sup>st</sup> March, 2021	Year ended 31 <sup>st</sup> March, 2020
<b>I. Revenue from operations</b>	S	13,917.21	14,886.20
<b>II. Other Income</b>	T	101.58	169.60
<b>III. Total Revenue (I +II)</b>		<b>14,018.79</b>	<b>15,055.80</b>
<b>IV. Expenses:</b>			
Cost of materials, consumed	U	9,823.44	11,297.19
Stores, Spares & Containers Consumed		-	-
Changes in inventories of Finished Goods and Work in progress	V	167.01	(90.66)
Employee benefits expense	W	800.68	925.49
Financial costs	X	363.85	281.69
Depreciation and amortisation expense		837.14	827.60
Other expenses	Y	2,914.04	2,740.75
<b>V. Total Expenses</b>		<b>14,906.16</b>	<b>15,982.06</b>
<b>VI. Profit/(Loss) before tax</b>		<b>(887.37)</b>	<b>(926.26)</b>
<b>VII. Tax expense:</b>			
Deferred Tax		(3.25)	52.07
Provision of Income Tax (Earlier years)		-	4.36
<b>VIII. Profit/(Loss) for the period</b>		<b>(884.12)</b>	<b>(982.69)</b>
<b>IX. Earning per equity share: (FV Rs. 10/- each) (Refer item No. 8 of Note Z)</b>			
- Basic		(4.91)	(5.46)
- Diluted		(4.91)	(5.46)
<b>Notes forming Part of the Accounts</b>	<b>Z</b>		

As per our Report of even date  
**For Maloo Bhatt & Co.**  
Chartered Accountants  
F R No. 129572W

**CA. Yash Bhatt**  
Partner  
M. No. 117745  
Date : 29<sup>th</sup> June, 2021  
Place : Vadodara

For and on behalf of Board of Directors

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

**Chairman**  
**(Mukesh G Desai)**

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

## Cash Flow Statement for the year ended 31<sup>st</sup> March, 2021

(Rs. in Lakhs)

Sr. No.	Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
1)	<b>Cash Flow from Operating Activities</b>		
	Profit before taxation	(887.37)	(926.26)
	<b>Adjustment for:</b>		
	(Profit)/Loss on sale of Fixed Assets	(48.82)	(41.70)
	Depreciation	837.14	827.60
	Provision for gratuity	3.88	19.54
	Provision for leave	14.26	0.05
	Interest Received	(16.98)	(26.26)
	Doubtful Debts	74.17	6.05
	Sundry balance write off/write back	(3.53)	0.74
	Interest and finance charges	363.85	281.69
	<b>Operating profit before working capital changes</b>	<b>336.61</b>	<b>141.46</b>
	<b>(Increase)/Decrease in</b>		
	Inventories	257.76	69.14
	Trade Receivables	314.72	(522.00)
	Short Term Loans and Advances	(73.00)	62.95
	Other current assets	(41.92)	142.73
	Long Term loans and Advances	0.14	(3.63)
	<b>Increase/ (Decrease) in</b>		
	Trade payables	(647.09)	219.56
	Other current liabilities	171.78	217.55
	Short-term/long term provisions	23.77	63.54
	Other Long Term Liabilities	(2.90)	(104.26)
	<b>Cash generated from operations</b>	<b>339.85</b>	<b>287.03</b>
	Income taxes and other taxes (net of refunds)	-	3.01
	<b>Net cash from Operating Activities - A</b>	<b>339.85</b>	<b>290.05</b>
2)	<b>Cash flow from Investment Activities</b>		
	Purchase of fixed assets	(237.65)	(141.33)
	Interest received	16.98	26.26
	Sale of Fixed Assets	98.70	131.25
	Net cash from Investment Activity - B	(121.98)	16.17
3)	<b>Cash Flow from Financing Activities:</b>		
	<b>Net Proceeding from All borrowings</b>	<b>235.06</b>	<b>(58.69)</b>
	Interest and finance charges paid	(363.85)	(281.69)
	Net cash from Financing Activities - C	(128.79)	(340.38)
	<b>Net Increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>89.08</b>	<b>(34.16)</b>
	<b>Cash and cash equivalents as on 1st April, 2020</b>	<b>318.55</b>	<b>352.71</b>
	<b>Cash and cash equivalents as on 31st March 2021</b>	<b>407.63</b>	<b>318.55</b>

As per our Report of even date  
**For Maloo Bhatt & Co.**  
Chartered Accountants  
F R No. 129572W

**CA. Yash Bhatt**  
Partner  
M. No. 117745  
Date : 29<sup>th</sup> June, 2021  
Place : Vadodara

For and on behalf of Board of Directors

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

**Chairman**  
(Mukesh G Desai)

**CFO & CS**  
(Arvind Tambi)

## NOTES TO BALANCE SHEET

### A. SHARE CAPITAL :

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>(a) Shares authorized :</b>		
19,000,000 Equity shares of ₹10/- each (Previous year 19,000,000 equity shares of ₹ 10/- each)	1,900.00	1,900.00
<b>Total</b>	<b>1,900.00</b>	<b>1,900.00</b>
<b>(b) Shares issued, subscribed and fully paid :</b>		
17,991,561 Equity Shares of ₹10/- each (Previous year 17,991,561 equity shares of ₹ 10/- each)	1,799.16	1,799.16
<b>Total</b>	<b>1,799.16</b>	<b>1,799.16</b>

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

	No. of shares As at 31.03.2021	Amount in Rs. As at 31.03.2021	No. of shares As at 31.03.2020	Amount in Rs. As at 31.03.2020
<b>Authorized Equity Share Capital</b>				
At the beginning of the year	19,000,000	190,000,000	19,000,000	190,000,000
<b>Closing Balance at the end of the year</b>	<b>19,000,000</b>	<b>190,000,000</b>	<b>19,000,000</b>	<b>190,000,000</b>
<b>Issued, Subscribed and Paid Up Equity Shares</b>				
At the beginning of the year	17,991,561	179,915,610	17,991,561	179,915,610
<b>Closing Balance at the end of the year</b>	<b>17,991,561</b>	<b>179,915,610</b>	<b>17,991,561</b>	<b>179,915,610</b>

### (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 2021		As at 31st March 2020	
		Numbers	% held	Numbers	% held
1	Pradeep R Kothari	3,495,676	19.43	3,495,676	19.43
2	Goldmine Stocks P Ltd	1,711,647	9.51	1,420,647	7.90
3	Maxim Gold Development Limited	1,637,731	9.10	1,637,731	9.10
4	Kirit T Vassa	1,022,858	5.69	2,483,858	13.81

### B. RESERVES AND SURPLUS:

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>(a) Securities Premium A/c</b>		
Balance as per the last financial statements	3,625.74	3,625.74
	<b>3,625.74</b>	<b>3,625.74</b>
<b>(b) Revaluation Reserve</b>		
Balance as per the last financial statements	728.49	728.49
<b>(c) Surplus / (Deficit) in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	1,496.25	2,478.94
Add : Amount transferred from Statement of Profit & Loss	(884.12)	(982.69)
<b>Total</b>	<b>612.13</b>	<b>1,496.25</b>
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>612.13</b>	<b>1,496.25</b>
<b>Total Reserves and Surplus</b>	<b>4,966.36</b>	<b>5,850.49</b>

## C. LONG-TERM BORROWINGS :

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Secured</b>		
<b>Term Loan From Banks</b>		
<b>Term Loan from State Bank of India (Loan-1)</b>	178.97	224.73
(Interest Payable @ 2% above SBI MCLR p.a.(previous year 2% above SBI MCLR 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.14.51 lacs will be payable in Nov.2021. Now extended by six months to May 2022).		
<b>Term Loan from State Bank of India (Loan-2)</b>	273.57	315.87
(Interest Payable @ 2% above SBI MCLR p.a.(previous year 2% above SBI MCLR p.a.) Repayable in 57 monthly installments. First 56 Installments of Rs.7.00 lacs starts from Apr 2019 to Nov. 2023 and last installment of Rs.8.00 lacs payable in Dec., 2023. Now extended by six months to June 2024)		
<b>Covid CECL Loan from State Bank of India</b>	100.64	
(Interest Payable @ SBI MCLR p.a.(previous year NIL p.a.) Repayable in 18 monthly installments. First 17 Installments of Rs.8.335 lacs starts from Oct 2020 to Feb. 2023 and last installment of Rs.8.305 lacs will be payable in Mar. 2023)		
<b>Covid GECL Loan from State Bank of India</b>	429.68	
(Interest Payable @ 0.75% above SBI EBLR p.a.(previous year NIL p.a.) Repayable in 36 monthly installments. First 35 Installments of Rs.11.862 lacs starts from Sep 21 to Jul. 2024 and last installment of Rs.11.83 lacs will be payable in Aug 2024.)		
<b>Secured by:</b>		
(Hypothecation of entire Plant & Machinery of the Company.)		
(Mortgage of Land, Building admeasuring 27833 Sq mtr situated at plot no 1201,1202,1203 RS no 1559/P, 1660/P & 2422/P, New Survey No. 69,68 and b70, GIDC Halol, Panchmahal) .		
(Mortgage over land & Building situated at plot no 1704 admeasuring 11200Sq mtr RS No 1583/P(New Survey No.126), GIDC Halol, Dist-Panchmahal.)		
(Pledge of Shares 20,34,580 shares of Company and personal guarantees of Chairman & all executive directors of company.)		
Less: Current Maturities (Note- I)	(404.45)	(107.38)
<b>Total</b>	<b>578.41</b>	<b>433.22</b>
<b>Long Term maturities of Finance lease Obligations</b>		
Vehicle Lease Finances	29.88	29.60
Less: Current Maturities (Note- I)	(9.48)	(7.69)
<b>Secured by:</b>		
(hypothecation charge on respective Vehicles)		
<b>Total</b>	<b>20.40</b>	<b>21.91</b>
<b>Unsecured:</b>		
Loans from Financial Institutions	24.17	-
Less: Current Maturities (Note- II)	(11.67)	-
<b>Total</b>	<b>12.50</b>	<b>-</b>
<b>Total Term Loans</b>	<b>611.31</b>	<b>455.13</b>

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

Maturity Date	Name of the Lender and Rate of Interest	No. of Outstanding Instalments (in Months)	Outstanding Amount (Rs in Lakhs)	Current Maturities (Rs in Lakhs)
01-03-2023	State Bank of India- 9.80%	24	3.37	1.42
20-07-2023	Kotak Mahindra Bank Limited- 9.75%	28	9.71	3.89
07-01-2025	HDFC Bank Limited- 9.00%	46	7.29	1.67
05-07-2025	Kotak Mahindra Bank Limited- 8.30%	52	6.06	1.21
15-08-2023	Yes Bank Limited- 13.50%	29	3.45	1.29
<b>Total</b>			<b>29.88</b>	<b>9.48</b>

**Note- II: Terms of the repayment of Unsecured Loans:**

Maturity Date	Name of the Lender and Rate of Interest	No. of Outstanding Instalments (in Months)	Outstanding Amount (Rs in Lakhs)	Current Maturities (Rs in Lakhs)
02-02-2023	Bajaj Finance Limited- 17.50%	23	24.17	11.67

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

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Opening Deferred Tax Liability (Net)</b>	866.99	814.93
	<b>866.99</b>	<b>814.93</b>
Add: Deferred tax Liability (Net)		
For the Year	(3.25)	52.07
For Prior Years	-	-
	<b>(3.25)</b>	<b>52.07</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>863.74</b>	<b>866.99</b>

**E. OTHER LONG TERM LIABILITIES :**

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Trade Deposits	172.01	52.20
Trade Payables materials and Expenses (Other than MSME)	2,272.34	2,436.50
Trade Payables Capital Goods (Other than MSME)	64.77	23.33
<b>Total</b>	<b>2,509.12</b>	<b>2,512.03</b>

**F. LONG TERM PROVISIONS:**

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Provision for employee benefits</b>		
Provision for Leave benefits	24.06	20.32
Provision for Gratuity benefits	119.06	91.56
<b>Total</b>	<b>143.12</b>	<b>111.88</b>

**G. SHORT-TERM BORROWINGS:**

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
<b>From Banks</b>		
Working Capital Facilities	1,012.40	329.83
Standby Line of Credit	0.20	100.00
Export Packing Credit	374.20	1,181.99
Secured by:		
(i) Hypothecation charge over Stocks, book debts and other current assets.		
(ii) Mortgage charges over land & Building situated at plot no 1704 admeasuring 11200Sq mtr RS No 1583/P (New Survey No. 126), GIDC Halol, Dist-Panchmahal. Pleage of Shares 20,34,580 shares of Company and personal guarantees of Chairman and all Executive Directors of the Company.		
(iii) Mortgage charge over Factory Land and Building admeasuring 27833 Sq mtr situated at plot no 1201,1202,1203 RS no 1559/P, 1660/P & 2422/P, New Survey No. 69,68 and b70,, GIDC Halol, Panchmahal .		
(iv) Cash Credit is repayable on demand		
<b>Interest Accrued and not due</b>	-	6.64
<b>Total</b>	<b>1,386.80</b>	<b>1,618.46</b>

## H. TRADE PAYABLE:

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>For supplies/services</b>		
a) Due to Micro & Small enterprises	188.60	120.11
b) Others	701.35	1,331.36
c) Acceptances	1,272.54	1,361.64
<b>Total</b>	<b>2,162.49</b>	<b>2,813.11</b>

## I. OTHER CURRENT LAIBILITIES:

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>(a) Current Maturities of Long term borrowings</b>		
i) Term Loan from banks	404.45	107.38
ii) Finance lease obligations(Vehicle Finance)	9.48	7.69
ii) Unsecured Loans from Financial Institutions	11.67	-
<b>(b) Statutory Dues (Liabilities)</b>		
- PF, ESI, Prof. Tax & Others	13.27	10.95
- GST	128.16	61.33
- TDS / TCS	8.46	4.33
<b>(c) Staff payables</b>	184.68	233.20
<b>(d) Advance from Customers</b>	582.38	421.53
<b>(e) Creditors for Capital Goods</b>	11.38	47.05
<b>(f) Creditors for Expenses</b>	152.22	136.58
<b>(g) Other Current Liabilities</b>	12.32	6.12
<b>Total</b>	<b>1,518.47</b>	<b>1,036.16</b>

## J. SHORT-TERM PROVISIONS:

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>(a) Provision for employee benefits</b>		
Provision for Leave benefits	3.19	3.05
Provision for Gratuity benefits	38.11	51.34
Provision for Bonus	20.90	22.00
<b>(b) Others</b>		
Provision for Expenses	123.56	98.69
<b>Total (a) + (b)</b>	<b>185.76</b>	<b>175.08</b>

**K. PROPERTY PLANT AND EQUIPMENTS:**

(Rs. in Lakhs)

ASSETS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As on 01.04.2020	Additions	Deductions/ Adjustments	As on 31.03.2021	As on 01.04.2020	Additions	Deductions/ Adjustments	As on 31.03.2021	As on 31.03.2021	As on 31.03.2020
<b>(i) TANGIBLE</b>										
Free Hold Land	780.66	-	-	780.66	-	-	-	-	780.66	780.66
Plant & Equipment	12,664.65	106.36	259.15	12,511.87	3,616.00	780.64	214.46	4,182.18	8,329.69	9,048.66
Electrical Installation	243.50	7.41	-	250.91	136.97	12.64	-	149.62	101.30	106.53
Laboratory Equipments	40.13	0.55	-	40.68	11.09	3.81	-	14.90	25.78	29.04
Building	660.49	-	-	660.49	249.05	20.94	-	269.99	390.50	411.44
Furniture & Fixtures	25.64	-	-	25.64	20.07	0.30	-	20.37	5.26	5.56
Office Equipments	47.34	3.12	-	50.46	39.35	1.79	-	41.15	9.31	7.99
Vehicles	106.30	11.15	8.36	109.09	57.54	12.70	3.18	67.06	42.03	48.76
Computer & Peripherals	29.84	0.31	-	30.15	23.30	4.31	-	27.61	2.54	6.54
<b>Total A</b>	<b>14,598.56</b>	<b>128.90</b>	<b>267.51</b>	<b>14,459.95</b>	<b>4,153.38</b>	<b>837.14</b>	<b>217.63</b>	<b>4,772.88</b>	<b>9,687.07</b>	<b>10,445.18</b>
<b>(ii) INTANGIBLE</b>										
Intangible Assets	126.19	-	-	126.19	126.19	-	-	126.19	-	-
Technical Knowhow	1.50	-	-	1.50	1.34	-	-	1.34	0.16	0.16
<b>Total B</b>	<b>127.69</b>	<b>-</b>	<b>-</b>	<b>127.69</b>	<b>127.53</b>	<b>-</b>	<b>-</b>	<b>127.53</b>	<b>0.16</b>	<b>0.16</b>
<b>(iii) CAPITAL WORK-IN-PROGRESS</b>										
Capital WIP	16.08	127.74	-	143.82	-	-	-	-	143.82	16.08
<b>Total C</b>	<b>16.08</b>	<b>127.74</b>	<b>-</b>	<b>143.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143.82</b>	<b>16.08</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>14,742.32</b>	<b>256.64</b>	<b>267.51</b>	<b>14,731.46</b>	<b>4,280.91</b>	<b>837.14</b>	<b>217.63</b>	<b>4,900.41</b>	<b>9,831.05</b>	<b>10,461.42</b>
Previous Year	14,393.98	994.27	645.93	14,742.32	3,463.62	827.60	10.31	4,280.91	10,461.42	10,930.36

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

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Trade Investments :</b>		
<b>Quoted Equity Instruments</b>		
<b>Others</b>		
1,100 (Previous year- 1,100) equity shares of ₹10/- each fully paid up in Indian Overseas Bank.	0.26	0.26
<b>Unquoted Equity Instruments</b>		
<b>Associate*</b>		
7500 (Previous year- 7500) equity shares of Rs.10/- each fully paid up in Halol Industries Environment & Infrastructure Ltd. Halol	0.75	0.75
<b>Others</b>		
140 (Previous year- 140) equity shares of ₹50/- each fully paid up in The Halol Mercantile Co Operative bank Ltd. Halol	0.07	0.07
<b>Total</b>	<b>1.08</b>	<b>1.08</b>
Aggregate book value of unquoted investments	0.82	0.82
Aggregate book value of quoted investments	0.26	0.26
Aggregate market value of quoted investments	0.18	0.08

\* Refer to Note No. 1 (c)

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

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Capital Advances	26.08	45.07
Income tax Assets (Non Current)	125.66	125.66
Security Deposit	80.10	80.24
Balance With Govt Authorities	21.71	21.71
<b>Total</b>	<b>253.55</b>	<b>272.68</b>

**N. INVENTORIES\*:**

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Raw materials	344.28	311.47
(b) Work-in-progress	2,498.55	2,497.89
(c) Finished goods	909.54	1,077.21
(d) Stores, Spares & Consumables	156.91	280.48
<b>Total</b>	<b>3,909.28</b>	<b>4,167.05</b>

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

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

(Rs. in Lakhs)

Particulars	As at 31.03.2021		As at 31.03.2020	
<b>(a) Over Six months from the due date</b>				
Considered good	173.08		382.89	
Considered doubtful	79.48		12.56	
Less : Provision for doubtful debts	79.48	173.08	12.56	382.89
<b>(b) Others Considered good</b>		1,223.11		1,402.18
<b>Total</b>		<b>1,396.19</b>		<b>1,785.07</b>

**P. CASH & BANK BALANCE:**

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>(a) Cash &amp; Cash equivalents :</b>		
(i) Balances with Bank in Current Accounts	53.18	6.81
(ii) Cash on hand	9.45	9.23
<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)	345.00	302.51
<b>Total</b>	<b>407.63</b>	<b>318.55</b>

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

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Others</b>		
(a) Advance given to Trade Creditors	30.49	20.20
(b) Balance with Government Authorities	138.71	85.86
(c) Advance Given to Employees	7.54	11.19
(d) Advance Recoverable in cash or in kind	26.99	24.34
(e) Accrued Income	30.26	34.03
(f) Current Tax assets ( net of provisions)	23.99	9.36
<b>Total</b>	<b>257.98</b>	<b>184.98</b>

**R. OTHER CURRENT ASSETS:**

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Others</b>		
(a) Assets held for Sale	47.15	47.65
(b) Contractual Asset*	42.42	-
<b>Total</b>	<b>89.57</b>	<b>47.65</b>

\*(From customers on account of additional GST difference)

**S. REVENUE FROM:**

(Rs. in Lakhs)

Particulars	Year ended 31.03.2021		Year ended 31.03.2020	
<b>a. Sale of products</b>				
- Domestic	9,551.23		7,248.94	
- Exports	3,877.84		7,014.74	
		<b>13,429.07</b>		<b>14,263.68</b>
<b>b. Other Operating Revenues</b>				
- Disposal Sales	103.47		38.57	
- Export Incentives	91.77		254.91	
- Service Income	292.90		329.04	
		<b>488.14</b>		<b>622.52</b>
<b>Revenue from Operations</b>		<b>13,917.21</b>		<b>14,886.20</b>

**T. OTHER INCOME:**

(Rs. in Lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
<b>Interest Income</b>		
From Banks	13.74	20.47
From Others	3.24	5.79
Sundry Balance written back	4.79	-
Profit on Sales of Fixed Assets	48.82	41.70
Exchange Fluctuation Gain (Net)	30.99	101.64
	<b>101.58</b>	<b>169.60</b>
<b>Total</b>	<b>101.58</b>	<b>169.60</b>

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

(Rs. in Lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
<b>Inventory at the beginning of the year</b>	311.47	453.44
Add : Purchases	9,856.25	11,155.22
	<b>10,167.72</b>	<b>11,608.66</b>
Less: Inventory at the end of the year	344.28	311.47
<b>Total</b>	<b>9,823.44</b>	<b>11,297.19</b>

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

(Rs. in Lakhs)

Particulars	Year ended 31.03.2021		Year ended 31.03.2020	
<b>Inventory at the end of the year</b>				
Work in Process	2,498.55		2,497.89	
Finished Goods	909.54		1,077.21	
		<b>3,408.09</b>		<b>3,575.10</b>
<b>Inventory at the beginning of the year</b>				
Work in Process	2,497.89		2,485.14	
Finished Goods	1,077.21		999.30	
		<b>3,575.10</b>		<b>3,484.44</b>
<b>Total</b>		<b>167.01</b>		<b>(90.66)</b>

**W. EMPLOYEE BENEFIT EXPENSES:**

(Rs. in Lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Salaries, Wages & Bonus (Refer note below)	686.11	784.57
Retirement benefits	30.66	35.50
Contribution to Provident and other funds	44.55	51.65
Staff welfare expense	39.36	53.77
<b>Total</b>	<b>800.68</b>	<b>925.49</b>

(Note: Salary, Wages &amp; Bonus includes Directors' Remuneration Rs. 9.19 Lakhs (PY Rs. 33.98 Lakhs))

**X. FINANCE COST:**

(Rs. in Lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Interest on Working Capital	125.14	101.04
Other Interest	132.35	93.33
Bank Charges	106.36	87.32
<b>Total</b>	<b>363.85</b>	<b>281.69</b>

**Y. OTHER EXPENSES:**

(Rs. in Lakhs)

Particulars	Year ended 31.03.2021		Year ended 31.03.2020	
Stores, Spares & Consumables		469.34		315.61
Conversion charges		257.71		180.73
Labour Charges		143.34		160.37
Repairs and Maintenance				
Buildings	-		0.18	
Computers	1.38		0.93	
Others	0.12	1.49	0.14	1.25
Vehicle Running & Maintenance		34.27		25.88
Freight and Forwarding Charges		198.45		238.66
Power & Fuel		1,400.58		1,450.51
Water Charges		30.83		44.23
Other manufacturing expenses		19.76		26.28
Selling & Distribution Expenses		85.98		91.21
Rent		40.38		33.17
Rates and Taxes		11.00		1.84
Insurance		41.65		45.09
Statutory Compliance Expenses		44.70		46.12
Payment to Auditor				
Audit Fees	2.25		2.00	
Tax Audit Fees	0.50		0.50	
Certification Fees	0.35		0.35	
Reimbursement of expenses	-	3.10	0.41	3.26
Allowances for Doubtful debts		66.93		6.05
Doubtful debts written off		7.24		-
Directors' Sitting fees		1.55		1.75
Sundry balance Written off		1.26		0.74
Prior Period Expenses		0.29		-
Donation		0.05		0.19
Expenses on CSR Activities		-		9.00
Office & Other Expenses		54.14		58.81
<b>Total</b>		<b>2,914.04</b>		<b>2,740.75</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2021

### NOTE: Z

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

##### (C) Investments :

- i) Investments are Long-term, unless stated otherwise and are stated at cost except where there is diminution in value other than temporary, in which case a provision is made to the carrying value to recognise the diminution.
- ii) In accordance with Accounting Standard – 23 'Accounting for Investments in Associates in Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India, the Company is required to furnish Consolidated Financial Statements alongwith the accounts of M/s Halol Industries Environment & Infrastructure Ltd. where the shareholding of the company is more than 20% as at Balance Sheet date.  
However, considering the long term restrictions imposed by M/s Halol Industries Environment & Infrastructure Ltd. on transfer of equity shares as well as the restriction on declarations on dividend, the company falls within the exemptions as stipulated in the AS-23. Consequently the Company is not required to prepare Consolidated Financial Statements. Therefore, the Company has not prepared Consolidated Financial Statement which is in line within AS-23.

##### (D) Inventories:

All Inventories are valued at lower of cost and net realisable 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 GST, direct expenses and other cost incurred in bringing the inventories to their present location and condition. : Cost is determined on moving weighted average
- 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 including appropriate proportion of cost of conversion to the extent of stage of progress and certified by the management.
- iii) Finished goods are valued at lower of cost or net realisable value. Finished goods are valued at cost of production, including appropriate proportion of allocable cost.
- iv) Scrap is valued at net Realisable Value.

##### (E) Revenue from Operations:

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

##### (F) Foreign Currency Transactions :

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

**(G) Employee Benefits:****(a) Short term employee benefits**

All employee Benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as Salaries, wages, and short term compensated absences etc. is recognised 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 recognised 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 capitalised 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 recognised to the extent of deferred tax liability in view of the certainty involved of its realisation 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. In situations, where the company has un absorbed depreciation and carry forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidences, that the same can be realised against future taxable profits.

**(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 recognised 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 recognised in the financial statements.

#### (N) Use of Estimates

The preparation of the financial statements requires the Management to make estimates and assumptions considered in the reported amounts of Assets and Liabilities (including Contingent Liabilities) as of the date of the financial statements and the reported income and expenses during the reported period. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could, however, differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known/ materialised

#### (O) Government grants

Government grants are recognised:

- (a) where there is reasonable assurance that the company will comply with the conditions attached to them and
- (b) where such benefits have been earned by the company and ultimate collection is reasonably certain.

#### (P) Leases

##### Operating lease

Payments are recognised as expenditure in the Statement of Profit and Loss on a straight-line basis over the lease term

##### Finance Lease

The lower of the fair value of the assets and present value of the minimum lease rentals is capitalised as Fixed Assets with corresponding amount disclosed as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Profit and Loss Statement

## 2 CAPITAL & OTHER COMMITMENT

Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) Rs. 13.50 lacs (Previous year for Rs. 28.90 lacs).

## 3 CONTINGENT LIABILITIES:

(Rs. in Lakhs)

Sr. No.	Particulars	2020-2021	2019-2020
i)	Export Obligation under Advance Licences	375.93	276.00

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

(Rs. in Lakhs)

	2020-2021	2019-2020	2020-2021	2019-2020
	Gratuity		Leave Encashment	
Expense recognised in the Statement of Profit & Loss for the year ended March 31, 2021				
Current Service Cost	20.28	18.47	6.47	7.41
Interest Cost	10.16	9.29	1.61	1.64
Employee Contributions	-	-	-	-
Expected return on plan assets	(1.39)	(1.42)	-	-
Net Acturial (Gains) / Losses	(9.06)	(2.39)	2.03	2.18
Past Service Cost	0.54	0.32	-	-
Total expense	20.54	24.27	10.12	11.23
Net Asset / (Liability) recognised in the Balance Sheet as at March 31, 2021				
Present value of Net Defined Benefit Obligation as at March 31, 2021	177.14	161.34	27.25	23.36
Fair value of plan assets as at March 31, 2021	19.98	18.45	-	-
Funded status [Surplus / (Deficit)]	(157.16)	(142.89)	(27.25)	(23.36)
Net asset / (liability) as at March 31, 2021	(157.16)	(142.89)	(27.25)	(23.36)

(Rs. in Lakhs)

	2020-2021	2019-2020	2020-2021	2019-2020
	Gratuity		Leave Encashment	
Change in Obligation during the Year ended March 31, 2021				
Present value of Defined Benefit Obligation at beginning of the year	161.34	140.35	23.36	23.31
Current Service Cost	20.28	18.47	6.47	7.41
Interest Cost	10.16	9.29	1.61	1.64
Past Service Cost	0.54	0.32	-	-
Acturial (Gains) / Losses	(8.92)	(2.35)	2.03	2.18
Benefits Payments	(6.28)	(4.73)	(6.23)	(11.18)
Present value of Defined Benefit Obligation at the end of the year	177.14	161.34	27.25	23.36
Change in Assets during the Year ended March 31, 2021				
Plan assets at the beginning of the year	18.45	16.99	-	-
Expected return on plan assets	1.39	1.43	-	-
Acturial Gains / (Losses)	0.14	0.04	-	-
Plan assets at the end of the year	19.98	18.45	-	-
Actual return on plan assets	1.39	1.42	-	-
Acturial Assumptions:				
Discount Rate	6.70%	6.80%	7.55%	7.55%
Expected rate of return on plan assets	6.70%	6.80%	NA	NA
Mortality pre retirement	NA	NA	NA	NA
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%

**5 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	2020-2021	2019-2020
(a)	(i) The Principal amount remaining unpaid to any supplier at the end of accounting year	188.60	120.11
	(ii) The interest due on above	-	-
	<b>Total of (i) &amp; (ii) above</b>	<b>188.60</b>	<b>120.11</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.

## 6 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	2020-21	2019-2020
India	9,551.23	7,248.94
Outside India (including Demed exports)	3,877.84	7,014.74
<b>Total Sales</b>	<b>13,429.07</b>	<b>14,263.68</b>

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

## 7 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.Nitin J Mankad	Whole Time Director (upto 28-12-2020)
Mr.Pradeep R Kothari	Whole Time Director
Mr. Mukesh G Desai	Non Executive Chairman
Mr.Keyoor Bakshi	Independent Director
Mr.Kalyanaraman Ganesan	Independent Director(upto 28-02-2021)
Ms.Kalpna Joshipura	Independent Director
Mr. Arvind Tambi	CFO & CS
Mr. Manthan P Kothari	Relative of Whole Time Director (Mr Pradeep Kothari)

#### Relatives of Key Management Personnel:

#### Associate Companies:

Halol Industries Environment & Infrastructure Limited

#### Other Related Parties:

Future Tyres Private Limited  
Gaia Batteries Pvt Ltd  
Goldmine Commodities Pvt. Ltd.

(Rs. in Lakhs)

Sr. No.	Particulars	Relatives of Key Management Personnel		Key Management Personnel	
		2020-21	2019-20	2020-21	2019-20
<b>1</b>	<b>Remuneration</b>				
	Mr.Mukesh G Desai	-	-	-	13.50
	Mr.Nitin J Mankad	-	-	3.94	10.24
	Mr.Pradeep R Kothari	-	-	5.25	10.24
	Mr.Arvind Tambi	-	-	9.60	11.69
	Mr.Manthan P Kothari	-	-	-	4.13

(Rs. in Lakhs)

Sr. No.	Particulars	Relatives of Key Management Personnel		Key Management Personnel	
		2020-21	2019-20	2020-21	2019-20
<b>2</b>	<b>Purchase of Inventory</b>				
	Future Tyres Pvt Ltd	308.56	118.02		
	Gaia Batteries Pvt Ltd	0.09	4.62		
<b>3</b>	<b>Job Work Expenses</b>				
	Future Tyres Pvt Ltd	286.42	214.36		
<b>4</b>	<b>Sales of Goods</b>				
	Future Tyres Pvt Ltd	1,753.55	1,829.95		
<b>5</b>	<b>Sitting Fess</b>				
	Mr.Keyoor Bakshi			0.50	0.70
	Mr. Kalyanaraman Ganeshan			0.15	0.35
	Mrs.Kalpana Joshipura			0.40	0.50
	Mr. Mukesh G Desai	-	-	0.50	0.20
	<b>Outstanding Balances</b>				
	<b>Outstanding Balances</b>				
<b>6</b>	<b>Creditors / Other Payable</b>				
	Key Managerial Remuneration	-	-	46.94	69.31
	Sitting Fee Payable	-	-	3.94	2.51
	Goldmine Commodities Pvt Ltd	410.06	410.06		
<b>7</b>	<b>Debtors / Other Receivable</b>				
	Future Tyres Pvt Ltd	649.29	995.06	-	-
<b>8</b>	<b>Investment in Associate</b>				
	Halol Industries Environment & Infrastructure Ltd.,	0.75	0.75		

**8 EARNING PER SHARE:**

(Rs. in Lakhs)

	As at 31 <sup>st</sup> March, 2021	As at 31 <sup>st</sup> March, 2020
<b>Earning per share has been computed as under:</b>		
<b>a</b> Profit after Taxation & before extra-ordinary items	(884.12)	(982.69)
<b>b</b> Total Ordinary shares		
Weighted Average Number of Equity Shares Outstanding	17,991,561	17,991,561
Weighted Average Number of Equity Shares Outstanding (including potential Equity Shares)	17,991,561	17,991,561
<b>c</b> Earnings per Share (Face value Rs.10/- per share) (in Rs.)		
(Basic)	(4.91)	(5.46)
(Diluted)	(4.91)	(5.46)

**9 INFORMATION REQUIRED UNDER SCHEDULE III OF THE COMPANIES ACT, 2013 AS CERTIFIED BY MANAGEMENT.** (Rs. in Lakhs)

	2020-21	2019-20
<b>A Value of imports calculated on C.I.F. basis made by the Company during the year :</b>		
(i) Raw Materials (Including High Seas Purchase)	2,123.33	2,092.01
(ii) Capital goods	16.77	82.27
<b>B Expenditure in foreign currency :</b>		
(i) Foreign Traveling expenses	-	0.32
(ii) Testing Charges	-	0.82
(iii) Subscription Charges	0.73	-
(iv) Foreign Bank Charges	4.04	7.77
<b>C Value of imported raw materials, spare parts.</b>		
Components and Packing materials consumed during the year.	2,123.33	2,092.01
Value of indigenous raw materials, spare parts,		
Components and packing materials consumed during the year	7,700.11	9,205.18
<b>Percentage to total consumption :</b>		
(a) Imported raw materials, spare parts, components and packing materials consumed.	21.61%	18.52%
(b) Indigenous raw materials, spare parts, components and packing materials consumed.	78.39%	81.48%
<b>D Earnings in Foreign Exchange (On accrual basis)</b>		
Export Sales (On FOB Basis)	3,877.84	7,014.74

**10 CORPORATE SOCIAL RESPONSIBILITY:** (Rs. in Lakhs)

	2020-21	2019-20
<b>Amount required to be spent by the Company in accordance with Section 135 of Companies Act, 2013</b>	-	8.89

Amount Spent during the year on	2020-21	2019-20
(i) Promotion of Rural Sports	-	-
(ii) Promotion of Health Care	-	-
(iii) Promotion of nursery education	-	9.00
<b>Total</b>	<b>-</b>	<b>9.00</b>

**11 PREVIOUS YEAR'S FIGURES**

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

**As per our Report of even date**

**For Maloo Bhatt & Co.**

Chartered Accountants

F R No. 129572W

**CA. Yash Bhatt**

Partner

M. No. 117745

Date : 29<sup>th</sup> June, 2021

Place : Vadodara

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

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

**Chairman**  
(Mukesh G Desai)

**CFO & CS**  
(Arvind Tambi)

[illegible]



**(CIN: L25112GJ1995PLC086579)**

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

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