

# INNOVATIVE

## TYRES & TUBES LTD

CIN NO. L25112GJ1995PLC086579

14<sup>th</sup> November, 2021

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

Dear Sir/Madam,

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

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

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

- Approved the Unaudited Standalone Financial Statements for the half year ended September 30, 2021 as recommended by the Audit Committee;

A copy of the standalone half yearly financial results, Cash Flow Statement, Assets and Liability statement is enclosed.

Further, pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016, for the Limited Review Report for the half year ended on 30<sup>th</sup> September, 2021 is also enclosed.

The meeting commenced at 4:00 PM and concluded at 5:15 PM.

This is for your information and records.

Thanking you,

**FOR INNOVATIVE TYRES & TUBES LIMITED**

*Arvind Tambi*  
**ARVIND TAMBHI  
CFO & COMPANY SECRETARY**

*Encl: as above.*



# INNOVATIVE TYRES & TUBES LTD

CIN: L25112GJ1995PLC086579

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

website: [www.innovativetyres.com](http://www.innovativetyres.com) Email: [investors@innovativetyres.co.in](mailto:investors@innovativetyres.co.in) Tel: 02676-220621

## STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE HALF YEAR ENDED 30TH SEPTEMBER, 2021

| Sr. No. | Particulars                                                      | (Rs. in Lacs)     |                 |                 |                  |
|---------|------------------------------------------------------------------|-------------------|-----------------|-----------------|------------------|
|         |                                                                  | Half Year Ended   |                 | Year Ended      |                  |
|         |                                                                  | 30.09.2021        | 31.03.2021      | 30.09.2020      | 31.03.2021       |
|         |                                                                  | (unaudited)       | (Audited)       | (unaudited)     | (Audited)        |
| 1       | Revenue from Operations                                          | 4,143.92          | 7,594.00        | 6,323.21        | 13,917.21        |
| 2       | Other Income                                                     | 45.45             | 87.44           | 14.14           | 101.58           |
| 3       | <b>Total Income</b>                                              | <b>4,189.37</b>   | <b>7,681.44</b> | <b>6,337.35</b> | <b>14,018.79</b> |
| 4       | <b>Expenses:</b>                                                 |                   |                 |                 |                  |
|         | (a) Cost of Raw Materials consumed                               | 3,794.69          | 5,216.33        | 4,607.11        | 9,823.44         |
|         | (b) Change in inventories of finished goods and work-in-progress | (65.37)           | (161.82)        | 328.83          | 167.01           |
|         | (c) Employee benefits expense                                    | 322.32            | 454.05          | 346.63          | 800.68           |
|         | (d) Finance Costs                                                | 188.61            | 176.86          | 186.98          | 363.85           |
|         | (e) Depreciation and amortisation expense                        | 438.57            | 429.18          | 407.96          | 837.14           |
|         | (f) Other expenses                                               | 1,125.20          | 1,638.82        | 1,275.23        | 2,914.06         |
|         | <b>Total Expenses</b>                                            | <b>5,804.02</b>   | <b>7,753.42</b> | <b>7,152.74</b> | <b>14,906.16</b> |
| 5       | <b>Profit/(Loss) before Tax</b>                                  | <b>(1,614.65)</b> | <b>(71.98)</b>  | <b>(815.39)</b> | <b>(887.37)</b>  |
| 6       | <b>Tax Expense:</b>                                              |                   |                 |                 |                  |
|         | (a) Current Tax                                                  | -                 | -               | -               | -                |
|         | (b) Deferred Tax                                                 | (28.33)           | 19.37           | (22.62)         | (3.25)           |
| 7       | <b>Profit/(Loss) after tax for the period</b>                    | <b>(1,586.26)</b> | <b>(91.35)</b>  | <b>(792.77)</b> | <b>(884.12)</b>  |
| 8       | <b>Earnings per equity share:</b>                                |                   |                 |                 |                  |
|         | Basic (in Rs.)                                                   | (8.82)            | (0.51)          | (4.41)          | (4.91)           |
|         | Diluted (in Rs.)                                                 | (8.82)            | (0.51)          | (4.41)          | (4.91)           |

### Notes:

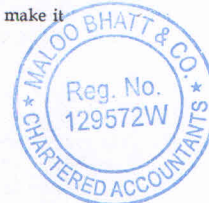
- The above results were reviewed by the Statutory Auditors, recommended by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on 14th November, 2021.
- The Company is engaged in the business of Tyre & Tubes only and therefore, there is only one reportable segment in accordance with the Accounting Standard on Segment Reporting (AS-17).
- Covid-19 outbreak as a pandemic has led unpredictable challenges to the Company. Operations of the Company were adversely impacted during the first wave of Covid-19 due to imposition of national lockdown by the Government of India. The Company was trying to regain its operational capacity after relaxations in restrictions of lockdowns. However, due to resurgence of COVID-19 cases during the second wave in India, the entire operations and production cycle have been adversely impacted. Meanwhile due to disturbance in supply chain of materials, all input costs have risen significantly. Since the Company could not achieve full operational capacity, it was unable to pass on the price rises to its customers for pre-confirmed orders. This has resulted in pressure on Company's operating margins.
- Due to Covid-19 led challenges, The Company is undergoing substantial financial stress since beginning of the previous financial year. The Company has suffered consistent downgrades in its credit ratings and there was a continuous pressure on working capital financing which has been exacerbated due to further delay in approval of restructuring of its banking facilities. These developments have resulted into mismatch between its assets and liabilities and delay in making certain statutory and other payments. The Company is taking active steps for effective utilisation of its assets and overcoming the current situation.
- The previous half years/years' figures have been regrouped/rearranged wherever necessary to make it comparable with the current period.

Date: 14th November 2021  
Place: Vadodara



For Innovative Tyres & Tubes Limited

Mukesh S. Desai  
Chairman



visit us on : [www.innovativetyres.com](http://www.innovativetyres.com)

# INNOVATIVE TYRES & TUBES LTD

CIN: L25112GJ1995PLC086579

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

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

## Statement of Assets and Liabilities

| Particulars                                            | (Rs. Lacs)                          |                                  |
|--------------------------------------------------------|-------------------------------------|----------------------------------|
|                                                        | As at<br>30.09.2021<br>(Un-audited) | As at<br>31.03.2021<br>(Audited) |
| <b>I. EQUITY AND LIABILITIES</b>                       |                                     |                                  |
| (1) Shareholder's Funds                                |                                     |                                  |
| (a) Share Capital                                      | 1,799.16                            | 1,799.16                         |
| (b) Reserves & Surplus                                 | 3,380.10                            | 4,966.36                         |
| Sub- Total of Shareholders' Funds                      | 5,179.26                            | 6,765.53                         |
| (2) Non-Current Liabilities                            |                                     |                                  |
| (a) Long term Borrowing                                | 900.63                              | 611.31                           |
| (a) Deferred tax liabilities (Net)                     | 835.36                              | 863.74                           |
| (b) Other Long term liabilities                        | 2,830.45                            | 2,509.12                         |
| (c) Long term provisions                               | 148.76                              | 143.12                           |
| Sub- Total of Non Current Liabilities                  | 4,715.20                            | 4,127.28                         |
| (3) Current Liabilities                                |                                     |                                  |
| (a) Short-term borrowings                              | 2,695.94                            | 1,812.41                         |
| (b) Trade payables                                     |                                     |                                  |
| (i) Due to Micro & Small enterprises                   | 120.59                              | 188.60                           |
| (ii) Others                                            | 927.47                              | 1,973.89                         |
| (c) Other current liabilities                          | 1,155.33                            | 1,092.86                         |
| (d) Short-term provisions                              | 200.03                              | 185.76                           |
| Sub- Total of Current Liabilities                      | 5,099.36                            | 5,253.51                         |
| <b>TOTAL EQUITY AND LIABILITIES</b>                    | <b>14,993.81</b>                    | <b>16,146.33</b>                 |
| <b>II. ASSETS</b>                                      |                                     |                                  |
| (1) Non-current assets                                 |                                     |                                  |
| (a) Property, Plant & Equipments and Intangible Assets |                                     |                                  |
| (i) Property, Plant & Equipments                       | 9,264.61                            | 9,687.07                         |
| (ii) Capital work-in-progress                          | 304.75                              | 143.82                           |
| (ii) Intangible Assets                                 | 0.08                                | 0.16                             |
| (b) Non-current investments                            | 1.08                                | 1.08                             |
| (c) Long term loans and advances                       | 6.80                                | 26.08                            |
| (d) Other Non Current Assets                           | 207.01                              | 205.76                           |
| Sub- Total of Non Current Assets                       | 9,784.33                            | 10,063.97                        |
| (2) Current assets                                     |                                     |                                  |
| (a) Inventories                                        | 3,839.99                            | 3,909.28                         |
| (b) Trade receivables                                  | 895.09                              | 1,396.19                         |
| (c) Cash and cash equivalents                          | 179.02                              | 407.63                           |
| (d) Short-term loans and advances                      | 34.24                               | 38.03                            |
| (e) Other Current Assets                               | 261.14                              | 331.22                           |
| Sub- Total of Current Assets                           | 5,209.48                            | 6,082.36                         |
| <b>TOTAL ASSETS</b>                                    | <b>14,993.81</b>                    | <b>16,146.33</b>                 |



For Innovative Tyres & Tubes Limited

Mukesh C. Desai  
Chairman



Date : 14th November 2021

Place : Vadodara

visit us on : [www.innovativetyres.com](http://www.innovativetyres.com)

**INNOVATIVE TYRES & TUBES LTD**

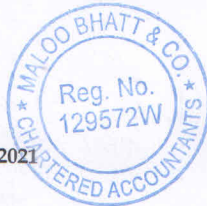
CIN: L25112GJ1995PLC086579

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

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

**Cash Flow Statement for the half year ended on 30th September, 2021**

| Sr. No. | Particulars                                                         | (Rs. Lacs)                    |                               |
|---------|---------------------------------------------------------------------|-------------------------------|-------------------------------|
|         |                                                                     | Half year ended<br>30.09.2021 | Half year ended<br>30.09.2020 |
| 1)      | <b>Cash Flow from Operating Activities</b>                          |                               |                               |
|         | Profit before taxation                                              | (1,614.65)                    | (815.39)                      |
|         | <b>Adjustment for:</b>                                              |                               |                               |
|         | (Profit)/Loss on sale of Fixed Assets                               | (1.42)                        | -                             |
|         | Depreciation                                                        | 438.57                        | 407.96                        |
|         | Provision for gratuity                                              | 2.42                          | (0.81)                        |
|         | Provision for leave                                                 | 4.12                          | 21.60                         |
|         | Interest Received                                                   | (9.79)                        | (10.68)                       |
|         | Doubtful Debts                                                      | 1.17                          | 105.65                        |
|         | Sundry balance write off/write back                                 | (6.28)                        | 0.08                          |
|         | Interest and finance charges                                        | 188.61                        | 186.98                        |
|         | Operating profit before working capital changes                     | (997.25)                      | (104.62)                      |
|         | <b>(Increase)/Decrease in</b>                                       |                               |                               |
|         | Inventories                                                         | 69.29                         | 209.57                        |
|         | Trade Receivables                                                   | 499.93                        | (288.14)                      |
|         | Short Term Loans and Advances                                       | 3.79                          | (178.40)                      |
|         | Other current assets                                                | 65.42                         | -                             |
|         | Other Non Current Assets                                            | (1.25)                        | 0.11                          |
|         | <b>Increase/ (Decrease) in</b>                                      |                               |                               |
|         | Trade payables                                                      | (1,108.16)                    | (33.26)                       |
|         | Other current liabilities                                           | 62.47                         | 48.31                         |
|         | Short-term/long term provisions                                     | 13.38                         | 9.73                          |
|         | Other Long Term Liabilities                                         | 321.33                        | 54.69                         |
|         | Cash generated from operations                                      | (1,071.05)                    | (282.01)                      |
|         | Income taxes and other taxes (net of refunds)                       | 4.67                          | -                             |
|         | <b>Net cash from Operating Activities - A</b>                       | <b>(1,066.38)</b>             | <b>(282.01)</b>               |
| 2)      | <b>Cash flow from Investment Activities</b>                         |                               |                               |
|         | Purchase of fixed assets                                            | (188.85)                      | (73.80)                       |
|         | Interest received                                                   | 9.79                          | 10.68                         |
|         | Investment in Shares                                                | -                             | -                             |
|         | Sale of Fixed Assets                                                | 32.59                         | -                             |
|         | <b>Net cash from Investment Activity - B</b>                        | <b>(146.47)</b>               | <b>(63.12)</b>                |
| 3)      | <b>Cash Flow from Financing Activities:</b>                         |                               |                               |
|         | Net Proceeding from All borrowings                                  | 1,172.86                      | 632.79                        |
|         | Proceeds from Share issue & premium from promoters                  | -                             | -                             |
|         | Share issue Expenses                                                | -                             | -                             |
|         | Interest and finance charges paid                                   | (188.61)                      | (186.98)                      |
|         | <b>Net cash from Financing Activities - C</b>                       | <b>984.25</b>                 | <b>445.81</b>                 |
|         | <b>Net Increase/(decrease) in Cash and cash equivalents (A+B+C)</b> | <b>(228.60)</b>               | <b>100.68</b>                 |
|         | Cash and cash equivalents as on 1 <sup>st</sup> April, 2021         | 407.63                        | 318.55                        |
|         | <b>Cash and cash equivalents as on 30th September 2021</b>          | <b>179.03</b>                 | <b>419.24</b>                 |



Date : 14th November 2021  
Place : Vadodara

For Innovative Tyres & Tubes Limited



Mukesh G Desai  
Chairman



## Limited Review Report

**Review Report to**  
**The Board of Directors**  
**Innovative Tyres & Tubes Limited**

We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of **Innovative Tyres & Tubes Limited ('the Company')** for the **half year** ended on **30<sup>th</sup> September, 2021** being submitted by the company pursuant to the requirements of Regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, as amended read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

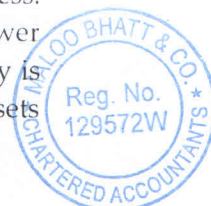
We conducted our review of the statement in accordance with Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the statement of financial results is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with AS i.e. applicable accounting standards and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read as amended, with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 including the manner in which it is to be disclosed, or that it contains any material misstatement.

### Emphasis of Matter:

Attention is invited to the following:

The Company has incurred operating losses and is undergoing substantial financial stress. Operating margins of the Company has been reduced due to higher input costs, lower capacity utilisation etc. during the half year ending 30<sup>th</sup> September 2021. The Company is unable to utilise its assets effectively and therefore there is a reduction in ratio of its assets over liabilities.



The Company has incurred losses of Rs. 1586.26 Lacs during the half year ending 30<sup>th</sup> September 2021 and has net current liabilities of 5099.36 Lacs as on 30<sup>th</sup> September 2021. Further the credit rating of the Company is also downgraded to "D grade" from "BB grade". These factors have substantially impaired ability of the Company to raise or generate funds to repay its obligations. We believe that sustainability of its business will be impaired in case of such factors persist for longer period.

Our review conclusion is not modified in respect of this matter.

Place: Vadodara  
Date: 14<sup>th</sup> November 2021



**For Maloo Bhatt & Co.**  
Chartered Accountants

FR. No. 129572W

YASH      Digitally  
NARENDR   signed by  
AKUMAR   YASH  
BHATT      NARENDRAK  
              UMAR BHATT

**CA. Yash Bhatt**  
Partner

M. No. 117745

UDIN: 21117745AAAAFE7502