

Annual Report 2019-2020



CORPORATE INFORMATION

BOARD OF DIRECTORS

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

CHIEF FINANCIAL OFFICER & 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

REGISTERED OFFICE

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

BANKERS TO THE COMPANY

State Bank of India
Specialized Commercial branch, Vadodara.

AUDIT COMMITTEE

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

NOMINATION AND REMUNERATION COMMITTEE

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

STAKEHOLDERS RELATIONSHIP COMMITTEE

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

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 25th Annual General Meeting of the members of Innovative Tyres & Tubes Limited will be held on Thursday, 24th September, 2020 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 2020, together with the Reports of the Board of Directors and Auditors thereon.

Item No. 2: Appointment of Mr. Mukesh Desai as a director liable to retire by rotation

To appoint a Director in place of Mr. Mukesh Desai, Non-Executive Chairman (DIN: 00089598), 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, 2021 as may be determined by audit committee in consultation with the Statutory Auditors."

SPECIAL BUSINESS:

4. RE-APPOINTMENT OF MR. NITIN J MANKAD AS A WHOLE TIME DIRECTOR OF THE COMPANY:

To consider and if thought fit to pass, the following resolution as a **Special Resolution**:

RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Nitin J Mankad (DIN: 00089701) as Whole time Director of the Company, for a period of 3 (three) years, with effect from April 01, 2020, on the terms and conditions including remuneration as set out in the explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors and Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Nitin J Mankad, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit in any financial year, the Company shall pay remuneration by way of salary, allowances, perquisites and other benefits to Mr. Nitin J Mankad, in respect of such financial year, as the Board of Directors may deem fit, subject to the limits and conditions prescribed in Schedule V to the Act for the time being in force.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. RE-APPOINTMENT OF MR. MUKESH DESAI AS NON-EXECUTIVE CHAIRMAN.

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

RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the members be and is hereby accorded to re-appoint Mr. Mukesh Desai (DIN: 00089598) as Non-Executive Chairman of the Company, for a period of 5 (five) years, with effect from October 01, 2019, on the terms and conditions as set out in the explanatory statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors and Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment as it may deem fit and as may be acceptable to Mr. Mukesh Desai.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. RE-APPOINTMENT OF DR. MRS. KALPANA JOSHIPURA AS AN INDEPENDENT DIRECTOR FOR THREE YEARS.

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

RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), Dr. Mrs. Kalpana Joshipura (DIN: 07849507), who was appointed as an Independent Director at 22nd (Twenty Second) Annual General Meeting of the company and is eligible for re-appointment and meets the criteria of Independence as provided in section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations and has submitted a declaration to that effect and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 3 (Three) consecutive years with effect from 10th July, 2020.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. RATIFICATION OF REMUNERATION OF COST AUDITORS FOR THE FINANCIAL YEAR 2020-21.

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 Accountants, Vadodara, for conducting the audit of cost records for the financial year 2020-21 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 : 13th August 2020

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
E-mail: investors@innovativetyres.co.in
Tel: 02676 -220621

Mukesh Desai
Chairman

NOTES:

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business(es) at Sr. 4 to 7 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 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 Directors under item no. 2 of the Notice, is also annexed.
2. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") 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, 25th Annual General Meeting of the Members of the Company is being held through VC/OAVM.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting 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 Annual General Meeting 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 to office.swatibhatt@gmail.com with copies marked to the Company at investors@innovativetyres.co.in and to its RTA at 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 25th Annual General Meeting of the Company along with the Annual Report for the financial year 2019-20 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. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company's website www.innovativetyres.com and also on website of the Stock Exchanges i.e National Stock Exchange at www.nseindia.com. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
7. The Register of Members and the Share Transfer Books of the Company will be closed from Friday, 18th September 2020 to Thursday, 24th September, 2020 (both days inclusive) for the purpose of the Twenty-fifth Annual General Meeting of the Company.
8. Since the Twenty-fifth AGM will be held through VC/OAVM, the route map is not annexed.
9. Members are requested to:
 - i) Register their email ID and 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, the following instructions to be followed:
 - a) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email Registration - fill in the details and upload the required documents and submit.
 - b) In the case of Shares held in Demat mode: The shareholder may please contact the Depository Participant ("DP") and register the email address in the demat account as per the process followed and advised by the DP.
 - ii) Intimate the Registrar and Share Transfer Agents, 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 Agents 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, 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.
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. SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/ GN/2018/49 dated November 30, 2018, requests for effecting transfer of securities (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 unless the securities are held in the dematerialized form with the depositories. Therefore, Shareholders are requested to take action to dematerialize the Equity Shares of the Company, promptly.

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. 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 (SS2) 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 25th 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.
- ii) The remote e-voting period commences on Monday, September 21, 2020 (9:00 a.m. IST) and ends on Wednesday, September 23, 2020 (5:00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Thursday, 17th September, 2020 may cast their vote electronically. The remote e-voting module shall be disabled by Link Intime India Private Limited e-voting platform for voting thereafter.
- iii) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Thursday, 17th September, 2020, 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 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 forthwith 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 <http://www.innovativetyres.com/> and on the website of Link Intime India Private Limited 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 24, 2020 subject to receipt of sufficient votes.

The instructions for shareholders voting electronically are as under:

Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on "Login" tab, available under 'Shareholders' section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
4. Your User ID details are given below:
 - a. Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - c. Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form

PAN: Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).

Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number provided to you, if applicable.

DOB/ DOI: Enter the DOB (Date of Birth)/ DOI (Date of Incorporation) as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.

Bank Account Number: Enter the Bank Account number (last four digits) as recorded in your demat account or in the company records for the said demat account or folio number.

Please enter the DOB/ DOI or Bank Account number in order to register. If the above-mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (4-c).

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

If Shareholders holding shares in Demat Form or Physical Form have forgotten password: Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

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

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL. For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

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

Cast your vote electronically

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.

7. On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

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

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

8. If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

- General Guidelines for shareholders:

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

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

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call at :- Tel : 022 - 49186000.

Instructions for Shareholders/Members to Attend the Annual General Meeting through InstaMeet:

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled of the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/ OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time.

Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for InstaMeet <> select the "Company" and "Event Date" and register with your following details:
 - a. DP ID/ Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID/ Client ID or Beneficiary ID or Folio Number registered with the Company
 - b. PAN: Enter your 10-digit Permanent Account Number (PAN)
 - c. Mobile No.
 - d. Email ID
2. Click "Go to Meeting"

Note:

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 the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186270) InstaMeet Support Desk, Link Intime India Private Limited

Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

Shareholders/ Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at investors@innovativetyres.co.in from 19th September, 2020 (9.00 a.m. IST) to 21st September, 2020 (5.00 p.m. IST).

Shareholders will receive "speaking serial number" once they mark attendance for the meeting.

Other shareholder may ask questions to the panellist, via active chat-board during the meeting.

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.

Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

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

Once the electronic voting is activated by the scrutiniser 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 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.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call us: - Tel: (022-49186270)

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013:**ITEM NO: 4 - RE-APPOINTMENT OF MR. NITIN J MANKAD AS A WHOLE TIME DIRECTOR OF THE COMPANY**

The Board of Directors of the Company ("Board"), at their meeting held on February 21, 2020 has re-appointed Mr. Nitin J Mankad (DIN: 00089701) as Whole Time Director, for a period of 3 (Three) years with effect from April 01, 2020, on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee ("NRC Committee").

It is proposed to seek members' approval for the reappointment of and remuneration payable to Mr. Nitin J Mankad as Whole Time Director of the Company, in terms of the applicable provisions of the Act.

Broad particulars of the terms of re-appointment of, and remuneration payable to Mr. Nitin J Mankad are as under:

1. Salary Rs. 87,500/- per month.
2. Perquisites: Car with Driver, telephone.
3. Subject to overall ceiling on remuneration, the Whole time Director may be given other allowances, benefits and perquisites, as may be decided by the Board of Directors from time to time. However, the overall amount of perquisites shall not exceed an amount equal to the annual basic salary of Rs. 10.50 Lakhs.

In computing the monetary ceilings on perquisites, Company's contribution to Provident Fund, Pension Fund and Gratuity shall not be taken into account."

In event of no profits or inadequacy of profits, in any financial year, during the currency of term of Mr. Nitin J. Mankad, the Company shall pay, the remuneration as per Section II of Schedule V to the Companies Act, 2013, as applicable to the Company or such other limits, as may be prescribed by the Central Government from time to time."

Save and except the above, none of the directors/Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested in the resolution set out at Item No. 4 of the Notice except Mr. Nitin J Mankad.

The Board recommends a Special Resolution set out at Item No. 4 of the Notice for approval by the Members.

ITEM NO: 5 - RE-APPOINTMENT OF MR. MUKESH DESAI AS NON-EXECUTIVE CHAIRMAN OF THE COMPANY FOR FIVE CONSECUTIVE YEARS

Sh. Mukesh Desai (DIN: 00089598) was appointed as an additional Director w.e.f. 1st October, 2019 on the Board of the Company pursuant to the provisions of section 149 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014. His appointment is on the terms and conditions as recommended by the Nomination and Remuneration Committee ("NRC Committee").

Save and except the above, none of the directors/Key Managerial Personnel of the Company or their relatives are in anyway concerned or interested in the resolution set out at Item No. 5 of the Notice except Sh. Mukesh Desai .

It is proposed to seek members' approval for the reappointment of Mr. Mukesh Desai as Non-Executive Chairman of the Company, for a period of five years w.e.f. 1st October, 2019, in terms of the applicable provisions of the Act.

The Board recommends an Ordinary Resolution set out at Item No. 5 of the Notice for approval by the Members.

ITEM NO: 6 - RE-APPOINTMENT OF DR. MRS. KALPANA JOSHIPURA AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR THREE CONSECUTIVE YEARS SECOND TERM

Dr. Mrs. Kalpana Joshipura (DIN: 07849507) was appointed as an Independent Director on the Board of the Company pursuant to the provisions of section 149 of the Act read with the Companies (Appointment & Qualification of Directors) Rules, 2014. She holds office of Independent Director for period of three consecutive years up to 9th July, 2020 (First term in line with the explanation to Section 149(10) and 149(11) of the Act). Subsequently, Board of Directors at their meeting held on 30th June, 2020 has unanimously decided to re-appoint her w.e.f. 10th July 2020 as an independent director for another period of three consecutive years, subject to approval of members at their ensuing Annual General Meeting.

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

The Board of Directors, on the basis of report on performance evaluation of Independent Director has recommended re-appointment of Dr. Mrs. Kalpana Joshipura as an Independent Director for a second term of three consecutive years on the Board of the Company.

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

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

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

Copy of draft letter of appointment of Dr. Mrs. Kalpana Joshipura setting out the terms and conditions of appointment is available for inspection by members at the registered office of the company and will also be available on the website of the company i.e. www.innovativetyres.com. Dr. Mrs. Kalpana Joshipura is interested in the resolution set out in the Item No. 6 and his relatives may deem to be interested in the said resolution to the extent of their shareholding if any.

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

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

ITEM NO: 7 – RATIFICATION OF REMUNERATION OF COST AUDITOR OF THE COMPANY

The Board of Directors at their meeting held on 30th June, 2020, 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 Accountants, to conduct the audit of the cost records of the company for the financial year ended March 31, 2021. 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 2020-21 by passing an Ordinary Resolution as set out in Item No. 7 of the Notice.

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

The Board recommends the ordinary resolution set out in Item No. 7 of the Notice for approval by the members.

Place : Halol
Date : 13th August 2020

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
E-mail: investors@innovativetyres.co.in
Tel: 02676 -220621

Mukesh Desai
Chairman

ANNEXURE TO THE NOTICE DATED 13th AUGUST, 2020**BRIEF PROFILE OF DIRECTORS REAPPOINTMENT, RETIRING BY ROTATION/ELIGIBLE FOR RE-APPOINTMENT AT THE ENSUING ANNUAL GENERAL MEETING**

Particulars	Mr. Mukesh Desai	Mr. Nitin Mankad	Dr. Mrs. Kalpana Joshipura
Age	64 years	71 years	65 years
Qualifications	B Tech., PG Diploma in Management Studies	B. Sc	B Com., M.Ed., Ph.D
Experience (including expertise in specific functional area)/Brief Resume	Mr. Desai, aged 64, has been associated with the company since its inception as the production In-charge. He has been a director of the company since April, 2000 and was designated as Chairman and Managing Director w.e.f. April, 2017. An engineer with more than 35 years of industry experience, Mr. Desai is known to be an exceptionally capable techno-commercial manager and a master of project set-up and execution. He is a firm believer in the- hard-work is the solution to all problems- philosophy and is known to drive his team to beat all previously accepted timeline norms. Apart from being well known in the Indian tyre industry fraternity, he holds several other offices in industry bodies. He has been the President of Gujarat Rubber Manufacturers Association. He is the Secretary of Halol Industries Association, a powerful industrial body comprising of more than 1000 SMEs and several MNCs, and the Vice-President of Panchmahal Federation of Industries. He is also an Independent Director on the Board of Kiri Industries Limited and a Governing Council Member in the Indo-German Tool Room, an MSME enterprise by the Govt. of India	Mr. Nitin Mankad is a well-known personality in the Gujarat industries fraternity and has held several coveted offices in his career. He is the current President of the Federation of Gujarat Industries, a member of National Council of ASSOCHAM and ex-President of EXIM Club, ex-VP of Vadodara Chamber of Commerce and Industries, among several other key positions. As the most experienced Director of the company, Mr. Mankad is currently entrusted with legal operations of the company, government liaising and assessment of new business avenues.	Dr. Mrs. Kalpana Joshipura aged 65 years, joined the board in June, 2017. She holds Doctorate Degree in 'The study of Values, Attitude of Adolance, Reasons and Solutions of Female Infanticide Amongst Teachers and Parents of Secondary School'. She is considered one of the finest School Principals in the country and has been honored with The Best Teacher's Award in India-2005 by Dr. APJ Abdul Kalam, the then President of India, and The Best Principal of Gujarat award by Hon. Smt. Anandiben Patel, the CM of Gujarat. A highly respected figure in Panchmahals District, Dr. Joshipura works in tandem with several international NGOs, including UNESCO to create environmental awareness. She has made immense contribution to rural welfare, social upliftment, performing arts and culture in Gujarat. She has worked with and held several offices in various committees in Panchmahals District that work for the betterment of the villages in the district
Terms and conditions of appointment/re-appointment	As per the terms for appointment as Non Executive Director. Detailed terms and conditions are available on the website of our company.	As per the Agreement entered into with Whole Time Director at the time of his appointment.	As per the terms for appointment as an Independent Director. Detailed terms and conditions are available on the website of our company.
Remuneration last drawn (including sitting fees if any) {For FY 2019-20}	Rs. 13.70 lakhs	Rs. 10.24 lakhs	Rs. 0.50 lakh
Remuneration proposed to be paid	As per existing terms and conditions	As per existing terms and conditions	As per existing terms and conditions
Date of first appointment on Board	01/04/2000	01/04/2000	15/06/2017

Particulars	Mr. Mukesh Desai	Mr. Nitin Mankad	Dr. Mrs. Kalpana Joshipura
Shareholding in the company as on 31.03.2020	6,99,562	1,04,300	-
Relationship with other directors or Key Managerial Personnel	Not related to any Director or Key Managerial Personnel	Not related to any Director or Key Managerial Personnel	Not related to any Director or Key Managerial Personnel
Number of Meetings of Board attended during the year	5	5	5
Directorships on other Boards as on March 31, 2020	Halol industries Environment & Infrastructure Limited Future Tyres Pvt. Ltd. Kiri Industries Ltd. Govind Rubber Ltd	NIL	NIL
Membership/Chairmanship of Committees of other Boards as on March 31, 2020	Nomination & Remuneration Committee Chairmanship: -Kiri Industries Limited CSR Committee Membership -Kiri Industries Limited Stakeholder Relationship Committee Membership: -Kiri Industries Limited Audit Committee Membership: --Kiri Industries Limited	NIL	NIL

Place: Halol
Date : 13th August 2020

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
E-mail: 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 25th Annual Report together with the audited financial statements of the company for the financial year ended March 31, 2020

FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2020 is summarized below:

(Rs. in Lakhs)

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Revenue from Operations	14,886.20	17,178.75
Other Income	169.60	208.46
Total Revenue	15,055.80	17,387.21
Total expenses	15,982.06	17,295.96
Profit/(Loss) before taxation and extraordinary items	(926.26)	91.25
Add: Extraordinary items	-	-
Profit/(Loss) before taxation	(926.26)	91.25
Less: tax expense (including adjusted deferred tax)	(56.43)	(7.87)
Profit/(Loss) after tax	(982.69)	99.12
EPS (Basic)	(5.46)	0.55
EPS (Diluted)	(5.46)	0.55

STATEMENT OF COMPANIES AFFAIRS

o Total Revenue:

During the year under review, total revenue of the company has reduced by 13.41% as compared to previous financial year. The Company has reported total revenue of Rs. 15,055.80 lakhs for the financial year 2019-20 as compared to Rs. 17,387.21 lakhs for the previous financial year.

o Total expenses

During the year under review, total expenses of the company has reduced by 7.60% 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, employee costs, finance costs and depreciation expense during current financial year.

o Net Profit

During the year under review, Profit before tax has reduced from Rs. 91.25 lakhs to loss of Rs. 926.26 Lakhs as compared to previous financial year. Correspondingly, the Net Profit 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, 2020.

TRANSFER TO RESERVE

During the year under review, the Company has does not have profits, hence not proposed any amount to be transferred to General Reserve for the financial year ended 31st March, 2020.

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 2019-20.

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 2020-21.

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, 2020 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. Slowdown in Automobile industry for past few months along with outbreak of this pandemic has witnessed and impacted the growth of the company viz a viz its expansion plan along with profitability of the company, effectively from January 2020.

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

In view of the aforesaid circumstantial facts, the Company expects high pressure on its working capital resulting in to higher costs and difficulties in supporting its current and future operations. The situation may worsen if impact of pandemic on economy lasts longer. The exact impact of this lockdown is difficult to estimate at this point in time. Further, it is hereby confirmed that there has been no change in the nature of business of the Company.

EXPANSION OF PRODUCTION CAPACITY:

During the year under review the Company has commissioned its R & D facilities.

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 deal 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

The Extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and administration) Rules, 2014, in Form No. MGT-9, for the financial year ending 31st March, 2020 is attached as **Annexure 1**.

SECRETARIAL AUDIT REPORT

In compliance of the provisions of section 204 of the Companies Act, 2013, other applicable provisions of the Act, the Companies (Appointment and Managerial Personnel) Rules, 2014, the Board of Directors at their meeting held on 16th May, 2019 appointed M/s. Swati Bhatt & Co., Practicing Company Secretary, Vadodara as Secretarial Auditor of the company for the F.Y. 2019-20. The Secretarial Audit Report is attached as **Annexure – 2**. The Secretarial Audit Report does not contain any qualifications or adverse remarks.

CORPORATE GOVERNANCE

Your company has incorporated the appropriate standards of corporate governance. Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company being SME listed company, is not required to mandatorily comply with the provisions of certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Hence, company is not filing Corporate Governance report to stock exchange quarterly. However as per Regulation 34(3) read with Schedule V of SEBI (Listing Obligations

and Disclosure Requirements) Regulations, 2015, company is giving report on corporate governance in Annual Report of the company. Corporate Governance Report is attached as **Annexure – 3**. The requisite Certificate has been obtained from M/s. Swati Bhatt & Co., Practicing Company Secretary, Vadodara and 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 – 4 to this Annual Report.

DISCLOSURE ON DEPOSITS UNDER CHAPTER V

The Company has neither accepted nor renewed any deposits during the financial year 2019-20 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, appointed from 2020-21 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 six directors:

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

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. Mukesh Desai, Non-Executive Chairman of the Company is liable to retire by rotation and being eligible and offer himself for re-appointment. Details of Mr. Mukesh Desai as required under Secretarial Standards on General Meeting and Regulation 36(3) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is annexed to the notice of AGM of the company.

The terms of appointment of Dr. Mrs. Kalpana Joshipura, Independent Director is expired on 9th July, 2020. Her re-appointment as Independent Director has been recommended for second term of three consecutive years from 10th July, 2020.

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

MEETINGS OF BOARD OF DIRECTORS

During the year, the Board met 5 (Five) times i.e. on May 16, 2019, August 20, 2019, September 30, 2019, November 13, 2019 and February 21, 2020. 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. 2019-20.
Mr. Mukesh Desai	05/05
Mr. Nitin Mankad	05/05
Mr. Pradeep Kothari	04/05
Mr. Keyoor Bakshi	05/05
Mr. Kalyanaraman Ganesan	02/05
Dr. Mrs. Kalpana Joshipura	05/05

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 21st February, 2020.

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.

The terms of appointment of Dr. Mrs. Kalpana Joshipura, Independent Director is expired on 9th July, 2020. Her re-appointment as Independent Director has been recommended for second term of three consecutive years from 10th July, 2020.

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 of their remuneration 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 30th June, 2020 has recommended to the Board of Directors for appointment and fixing of remuneration of M/s. V. P. & Associates, Cost Accountants, Vadodara for audit of cost records of the Company for the financial year 2020-21. The Board of Directors of the company at their meeting held on 30th June, 2020 appointed M/s. V. P. & Associates, Cost Accountants, Vadodara as cost auditors subject to ratification of their remuneration by the members of the Company at the ensuing Annual General Meeting.

The Cost Audit Report for the financial year 2018-19, issued by M/s. V. P. & Associates, Cost Accountants, Vadodara as prescribed under Cost Audit Rules was filed with the Ministry of Corporate Affairs within due date on 19th September, 2019. The Cost Auditors' Report for the financial year 2018-19 did not contain any qualification, reservation or adverse remark.

SECRETARIAL AUDITORS

Board of Directors at their meeting held on 30th June, 2020 re-appointed M/s. Swati Bhatt & Co., Practicing Company Secretary, Vadodara as Secretarial Auditor to conduct the secretarial audit for the financial year 2020-21.

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, 2020 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

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 exceeding Rs. 5 crores during previous financial years, so CSR provisions are applicable to our Company for the financial year 2019-20. During the year under review, CSR Committee met on 21st February, 2020. Details of CSR activities under taken during the current financial year are detailed in **Annexure - 5** to this report.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE

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

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

During the year under review, members of the audit committee met on May 16, 2019, August 20, 2019, November 13, 2019 and February 21, 2020. Chairman of Audit Committee was present in the Annual General Meeting held during current financial year on 30th September, 2019.

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

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

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

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 September 30, 2019 and February 21, 2020. Nomination & Remuneration Committee met on 21st February, 2020 to evaluate performance of individual directors for the FY 2019-20.

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 21, 2020.

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 – 6**.

DIRECTORS RESPONSIBILITY STATEMENT

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

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) 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;
- c) 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;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) 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;
- f) 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:

1. Steps taken or impact on conservation of energy:
 - Optimisation of Compound Mixer by improving pass.
 - Steam utilization efficiency improvement (Leakage).
 - Reduction of Heat loss due to redundant steam pipeline
 - Recovery of process discharged water.
 - Audits to correct air leakage at compressor plant
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	2019-20	2018-19
Total foreign exchange outgo (incl. High Seas)	1,708.73	2,072.64
Total foreign exchange inflow	7,014.74	7,605.74

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.

CREDIT RATING:

During the year under review, the long-term credit rating of the Company downgraded from "BBB+" to "BBB-" with "Stable" outlook 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.

Place : Halol

Date : 13th August 2020

Registered Office:

1201, 1202, 1203, GIDC Halol,

Panchmahal – 389350.

CIN: L25112GJ1995PLC086579

Website: www.innovativetyres.comE-mail: investors@innovativetyres.co.in

Tel: 02676 -220621

For the Board of Directors
For Innovative Tyres & Tubes Limited

Mukesh Desai

Chairman

(DIN : 00089598)

ANNEXURE – 1

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2020

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

I. REGISTRATION AND OTHER DETAILS:

CIN	:	L25112GJ1995PLC086579
Registration Date	:	28/11/1995
Name of the Company	:	INNOVATIVE TYRES & TUBES LIMITED
Category/Sub-Category of the Company	:	Company Limited by Share /Indian Non-government Company
Address of the Registered office and contact details	:	1201, 1202, 1203 GIDC Halol, Panchmahals – 389 350, Gujarat.
Whether listed company	:	Yes / No
Name, Address and Contact details of Registrar and Transfer Agent, if any:	:	Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083. Tel - 022 4918 2000 Website: www.linkintime.co.in

II. PRINCIPLE BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. No.	Name and address of the Company	CIN / GLN	Holding/subsidiary/ associate	% of shares held	Applicable section
NOT APPLICABLE					

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY):

i. Category-wise Share Holding:

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				(% Change during the year)
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	4,466,104	-	4,466,104	24.82	4,466,104	-	4,466,104	24.82	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(1)	4,466,104	-	4,466,104	24.82	4,466,104	-	4,466,104	24.82	-
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-

Sr. No.	Category of Shareholders	Shareholding at the beginning of the year - 2019				Shareholding at the end of the year - 2020				(% Change during the year)
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of total Shares	
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	4,466,104	-	4,466,104	24.82	4,466,104	-	4,466,104	24.82	-
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	-	-	-	-	-	-	-	-	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	-	-	-	-	-	-	-	-	-
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	34,28,284	10	34,28,294	19.06	33,01,765	10	33,01,775	18.35	(0.70)
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	49,14,706	0	49,14,706	27.32	52,76,020	0	52,76,020	29.33	2.01
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Hindu Undivided Family	4,11,000	0	4,11,000	2.28	4,83,000	0	4,83,000	2.68	0.40
	Foreign Companies	0	16,37,731	16,37,731	9.10	0	16,37,731	16,37,731	9.10	-
	Non-Resident Indians (Non Repat)	3,000	0	3,000	0.02	3,000	0	3,000	0.02	-
	Non-Resident Indians (Repat)	93,000	5,00,027	5,93,027	3.30	81,000	5,00,027	5,81,027	3.23	(0.07)
	Clearing Member	1,76,947	0	1,76,947	0.98	18,000	0	18,000	0.10	(0.88)
	Bodies Corporate	23,60,752	0	23,60,752	13.12	22,24,904	0	22,24,904	12.37	(0.76)
	Sub Total (B)(3)	1,13,87,689	21,37,768	1,35,25,457	75.18	1,13,87,689	21,37,768	1,35,25,457	75.18	-
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	1,13,87,689	21,37,768	1,35,25,457	75.18	1,13,87,689	21,37,768	1,35,25,457	75.18	-
	Total (A)+(B)	1,58,53,793	21,37,768	1,79,91,561	100.00	1,58,53,793	21,37,768	1,79,91,561	100.00	-
(C)	Non-Promoter - Non-Public									
[1]	Custodian/DR Holder									
(1)	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)									
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	1,58,53,793	21,37,768	1,79,91,561	100.00	1,58,53,793	21,37,768	1,79,91,561	100.00	-

ii. Shareholding of Promoter and Promoter Group:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the end of the year - 2020			% change in Share holding during the year
		No. of Shares Held	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares Held	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	PRADEEP RAVICHANDRA KOTHARI	3,495,676	19.43	9.24	3,495,676	19.43	9.24	-
2	RAJESHREE PRADEEP KOTHARI	114,428	0.64	0.24	114,428	0.64	0.24	-
3	KOTHARI MANTHAN PRADEEP	71,438	0.40	0.00	71,438	0.40	0.00	-
4	HARSH PRADEEP KOTHARI	10,000	0.06	-	10,000	0.06	-	-
5	MUKESH GUNVANTRAI DESAI	699,562	3.89	1.53	699,562	3.89	1.53	-
6	KASHMIRA MUKESH DESAI	75,000	0.42	0.30	75,000	0.42	0.30	-
	Total	4,466,104	24.82	11.31	4,466,104	24.82	11.31	-

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

Sr. No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	PRADEEP RAVICHANDRA KOTHARI	3,495,676	19.43	-	-	-	-
	CHANGES DURING THE YEAR	NO CHANGE					
	AT THE END OF THE YEAR	-	-	-	-	3,495,676	19.43
2	RAJESHREE PRADEEP KOTHARI	114,428	0.64	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	114,428	0.64
	CHANGES DURING THE YEAR	NO CHANGE					
3	KOTHARI MANTHAN PRADEEP	71,438	0.40	-	-	-	-
	CHANGES DURING THE YEAR	NO CHANGE					
	AT THE END OF THE YEAR	-	-	-	-	71,438	0.40
4	HARSH PRADEEP KOTHARI	10000	0.06	-	-	-	-
	CHANGES DURING THE YEAR	NO CHANGE					
	AT THE END OF THE YEAR	-	-	-	-	10,000	0.06
5	MUKESH GUNVANTRAI DESAI	699,562	3.89	-	-	-	-
	CHANGES DURING THE YEAR	NO CHANGE					
	AT THE END OF THE YEAR	-	-	-	-	699,562	3.89
6	KASHMIRA MUKESH DESAI	75,000	0.42	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	75,000	0.42
	CHANGES DURING THE YEAR	NO CHANGE					

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

Sr. No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	KIRIT TULSIDAS VASSA	2346198	13.0405	-	-	-	-
	Transfer	-	-	05 Apr 2019	221660	2567858	14.2726
	Transfer			12 Jul 2019	(3000)	2564858	14.2559
	Transfer			26 Jul 2019	(9000)	2555858	14.2059
	Transfer			02 Aug 2019	(6000)	2549858	14.1725
	Transfer			23 Aug 2019	(3000)	2546858	14.1558
	Transfer			06 Sep 2019	(6000)	2540858	14.1225
	Transfer			20 Sep 2019	(6000)	2534858	14.0891
	Transfer			27 Sep 2019	(12000)	2522858	14.0225
	Transfer			04 Oct 2019	(9000)	2513858	13.9724
	Transfer			18 Oct 2019	(6000)	2507858	13.9391
	Transfer			25 Oct 2019	(18000)	2489858	13.8390
	Transfer			31 Mar 2020	(6000)	2483858	13.8057
	AT THE END OF THE YEAR	-	-			2483858	13.8057
2	MAXIM GOLD DEVELOPMENT LIMITED	1,637,731	9.10	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	1,637,731	9.10
3	GOLDMINE STOCKS PVT LTD	1456647	8.0963			-	-
	Transfer	-	-	05 Apr 2019	(105000)	1351647	7.5127
	Transfer	-	-	12 Apr 2019	3000	1354647	7.5293
	Transfer	-	-	26 Apr 2019	(3000)	1351647	7.5127
	Transfer	-	-	10 May 2019	3000	1354647	7.5293
	Transfer	-	-	24 May 2019	3000	1357647	7.5460
	Transfer	-	-	31 May 2019	6000	1363647	7.5794
	Transfer	-	-	07 Jun 2019	(3000)	1360647	7.5627
	Transfer	-	-	21 Jun 2019	3000	1363647	7.5794
	Transfer	-	-	29 Jun 2019	3000	1366647	7.5960
	Transfer	-	-	05 Jul 2019	6000	1372647	7.6294
	Transfer	-	-	12 Jul 2019	(9000)	1363647	7.5794
	Transfer	-	-	19 Jul 2019	(12000)	1351647	7.5127
	Transfer	-	-	26 Jul 2019	(12000)	1339647	7.4460
	Transfer	-	-	02 Aug 2019	12000	1351647	7.5127
	Transfer	-	-	09 Aug 2019	3000	1354647	7.5293
	Transfer	-	-	16 Aug 2019	3000	1357647	7.5460
	Transfer	-	-	30 Aug 2019	(3000)	1354647	7.5293
	Transfer	-	-	06 Sep 2019	15000	1369647	7.6127
	Transfer	-	-	13 Sep 2019	(3000)	1366647	7.5960
	Transfer	-	-	20 Sep 2019	18000	1384647	7.6961
	Transfer	-	-	27 Sep 2019	9000	1393647	7.7461
	Transfer	-	-	04 Oct 2019	15000	1408647	7.8295

Sr. No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
	Transfer	-	-	11 Oct 2019	9000	1417647	7.8795
	Transfer	-	-	18 Oct 2019	3000	1420647	7.8962
	Transfer	-	-	25 Oct 2019	15000	1435647	7.9796
	Transfer	-	-	01 Nov 2019	(18000)	1417647	7.8795
	Transfer	-	-	15 Nov 2019	3000	1420647	7.8962
	Transfer	-	-	22 Nov 2019	9000	1429647	7.9462
	Transfer	-	-	29 Nov 2019	(6000)	1423647	7.9129
	Transfer	-	-	06 Dec 2019	3000	1426647	7.9295
	Transfer	-	-	13 Dec 2019	6000	1432647	7.9629
	Transfer	-	-	03 Jan 2020	(3000)	1429647	7.9462
	Transfer	-	-	10 Jan 2020	3000	1432647	7.9629
	Transfer	-	-	17 Jan 2020	(9000)	1423647	7.9129
	Transfer	-	-	24 Jan 2020	(3000)	1420647	7.8962
	Transfer	-	-	31 Jan 2020	(3000)	1417647	7.8795
	Transfer	-	-	07 Feb 2020	(12000)	1405647	7.8128
	Transfer	-	-	28 Feb 2020	12000	1417647	7.8795
	Transfer	-	-	06 Mar 2020	6000	1423647	7.9129
	Transfer	-	-	13 Mar 2020	6000	1429647	7.9462
	Transfer	-	-	20 Mar 2020	3000	1432647	7.9629
	Transfer	-	-	27 Mar 2020	(12000)	1420647	7.8962
	AT THE END OF THE YEAR	-	-			1420647	7.8962
4	SHARMISTHA CHANDRAVADAN SHAH	833,887	4.63	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	833,887	4.63
5	MAYUR SANGHVI	462,885	2.57	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	462,885	462,885	2.57
6	AAPT DISTRIBUTION PVT LTD	281,792	1.57	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	281,792	1.57
7	MINAKSHI MANKAD	220,410	1.23	-	-	-	-
	AT THE END OF THE YEAR					220,410	1.23
8	SANJAY MANKAD	221,660	1.23				
	Transfer	-	-	07 Apr 2020	(221660)	-	-
	AT THE END OF THE YEAR					-	-
9	ARDENT VENTURES LLP (Our Independent Director Mr. Keyoor Bakshi is designated Partner of connected person)	198000	1.1005				
	Transfer			05 Apr 2019	99000	297000	1.6508
	Transfer			27 Mar 2020	3000	300000	1.6674
	Transfer			31 Mar 2020	3000	303000	1.6841
	AT THE END OF THE YEAR					303000	1.6841

Sr. No.	Name & Type Of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
10	PKMG KNOWLEDGE CENTER P LTD	168000	0.9338	-		-	-
	Transfer			06 Mar 2020	(168000)	0	
	AT THE END OF THE YEAR					0	
11	AMAR MUKESHBHAI SHAH	0	0.0000			0	0.0000
	Transfer			06 Mar 2020	108000	108000	0.6003
	AT THE END OF THE YEAR					108000	0.6003

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1.	Mr. Mukesh Desai – Chairman & Managing Director							
	At the beginning of the year	6,99,562	3.89%					
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease e.g. allotment/ transfer/bonus/ sweat equity etc)							
	At the End of the year						6,99,562	3.89%

Sr. No.	Name	Shareholding at the beginning of the year		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
2.	Mr. Pradeep Kothari – Whole time Director							
	At the beginning of the year	34,95,676	19.43%					
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease e.g. allotment/ transfer/bonus/ sweat equity etc)							
	At the End of the year						34,95,676	19.43%

Sr. No.	Name	Shareholding at the beginning of the year		Date	Reason	No. of shares	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
3.	Mr. Nitin Mankad – Whole time Director							
	At the beginning of the year	1,04,300	0.58%					
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease e.g. allotment/transfer/bonus/ sweat equity etc)							
	At the End of the year						1,04,300	0.58%

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

V. INDEBTEDNESS:

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

(Rs. in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	2,247.35	--	--	2,247.35
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total (i+ii+iii)	2,247.35	--	--	2,247.35
Change in Indebtedness during the financial year				
• Addition	--	--	--	--
• Reduction	58.69	--	--	58.69
Net Change	58.69	--	--	58.69
Indebtedness at the end of the financial year				
i) Principal Amount	2,188.66	--	--	2,188.66
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
Total	2,188.66	--	--	2,188.66

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Total Amount			
		Mr. Mukesh Desai (Managing Director)	Mr. Pradeep Kothari (Whole time Director)	Mr. Nitin Mankad (Whole time Director)	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13,50,000*	10,23,750	10,23,750	33,97,500
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	20,000**	-	-	20,000
	Total (A)	13,70,000	10,23,750	10,23,750	34,17,500

* Mr. Mukesh Desai was Chairman & Managing Director upto 30th September, 2019.

** Mr. Mukesh Desai is Non-Executive Chairman w.e.f. 1st October, 2019.

Remuneration to Other Directors:

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Keyoor Bakshi	Mr. Kalyanaraman Ganesan	Dr. Mrs. Kalpana Joshipura	
1.	Independent Directors				
	Fee for attending board / committee meetings	70,000	35,000	50,000	1,55,000
	Commission	-	-	-	
	Others, please specify	-	-	-	
	Total (1)	70,000	35,000	50,000	1,55,000
2.	Other Non-Executive Directors	-	-	-	
	Fee for attending board / committee meetings	-	-	-	
	Commission	-	-	-	
	Others, please specify	-	-	-	
	Total (2)	-	-	-	
	Total (B)=(1+2)	-	-	-	
	Total Managerial Remuneration	70,000	35,000	50,000	1,55,000
	Overall Ceiling as per the Act	₹ 1 Lakh per meeting			

Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:

(Rs. in Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO & CS	Total
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	11,68,966	11,68,966
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	-	11,68,966	11,68,966

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

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

ANNEXURE – 2
FORM NO. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year ended 31.03.2020

[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, 2020, 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, 2020 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.
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:

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) 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.

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

- a) Maintenance of various statutory registers and documents and making necessary entries therein;
- b) Closure of the Register of Members;
- c) Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
- d) Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
- e) Notice of Board meetings and Committee meetings of Directors;
- f) The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
- g) The Annual General Meeting held on 30th September, 2019 for the financial year 2018-19;
- h) Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
 - i) Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
- j) Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
- k) Payment of remuneration to Directors including the Managing Director and Whole-time Directors,
- l) Appointment and remuneration of Auditors and Cost Auditors;
- m) Transfers and transmissions of the Company's shares and make necessary endorsement on the reverse side of the respective Share Certificates; (During the year under review, no shares were transferred.)
- n) Declaration and payment of dividends;

(During the year under review, the Company has not declared dividend)
- o) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;

(During the year under review, no dividend was declared, hence provision of investors education and protection fund is not applicable.)
- p) Borrowings and registration, modification and satisfaction of charges wherever applicable;
- q) Investment of the Company's funds including investments and loans to others;

- r) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule III 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 : 13th August 2020

"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 : 13th August 2020

ANNEXURE – 3 CORPORATE GOVERNANCE REPORT

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

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 Two Executive Directors and Four 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, 2020 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 18.09.2019	No. of Directorships in other companies	No. of Committee positions held in other public companies
1.	Mr. Mukesh Desai	Non-Executive Chairman	05/05	Yes	4	1
2.	Mr. Pradeep Kothari	Whole time Director	04/05	Yes	1	0
3.	Mr. Nitin Mankad	Whole time Director	05/05	Yes	0	0
4.	Mr. Keyoor Bakshi	Independent Director	05/05	Yes	8	5
5.	Mr. Kalyanaraman Ganesan	Independent Director	02/05	No	7	0
6.	Dr. Mrs. Kalpana Joshipura	Independent Director	05/05	Yes	0	0

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 3,03,000 equity shares as a Connected person. Mr. Mukesh Desai, promoter director is holding 6,99,562 equity shares. 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 programme 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

AUDIT COMMITTEE:

The Audit Committee of the company consists of two Independent Directors and one Non-Executive Director of the Company. All the Directors have good understanding Finance, Accounts and Law. During the financial year under review, audit committee met four times May 16, 2019, August 20, 2019, November 13, 2019 and February 21, 2020. Composition of audit committee of the company is as follows:

Sr. No.	Name	Category	Nos. of meeting attended
1.	Mr. Keyoor Bakshi	Chairman	04
2.	Mr. Kalyanaraman Ganesan	Member	02
3.	Mr. Mukesh Desai	Member	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 consists of three Independent Directors of the Company. During the year under review, members of the Nomination & Remuneration committee met on September 30, 2019 and February 21, 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	02
2.	Mr. Keyoor Bakshi	Member	02
3.	Mr. Kalyanaraman Ganesan	Member	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 21st February, 2020. The Directors were satisfied with the evaluation results. Performance evaluation of Independent Directors to be re-appointed was carried out by Nomination & Remuneration Committee at their meeting held on 21st February, 2020. Performance evaluation of entire Board, and individual directors and that of Committees for the financial year 2019-20 was done at their meeting held on 30th June, 2020.

DETAILS OF REMUNERATION TO ALL THE DIRECTORS:

The aggregate value of salary and perquisites paid during the year 2019-20 to the Executive Directors are as follows:

Mr. Mukesh Desai, Chairman & Managing Director (Upto 30th September, 2019) – Rs. 13.50 lakhs

Mr. Pradeep Kothari, Whole time Director – Rs. 10.24 lakhs

Mr. Nitin Mankad, Whole time Director – Rs. 10.24 lakhs

Sitting fees paid to Independent & Non-Executive Directors during the year 2019-20 are as follows:

Mr. Keyoor Bakshi, Independent Director – Rs. 0.70 lakh

Mr. Kalyanaraman Ganesan, Independent Director – Rs. 0.35 lakh

Dr. Mrs. Kalpana Joshipura, Independent Director – Rs. 0.50 lakh

Mr. Mukesh Desai, Non-Executive Chairman (Since 1st October, 2019) – Rs. 0.20 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 21, 2020. 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 2019-20 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
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.
2016-17	Monday, 10th July, 2017 at 4:30 p.m.	Govindkrupa Bungalow, Ground Floor, Opp. 15 Alkapuri Society, B/H Alkapuri Police Chowki, R.C. Dutt Road, Vadodara – 390007.

Details of Special Resolutions passed in the previous three AGMs:

The members have passed one special resolution in the 22nd AGM held on 10th July 2017:

- Shifting of Registered office from Vadodara to Halol.

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.

Details of special resolutions passed through postal ballot:

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

MEANS OF COMMUNICATION

Company is listed on NSE Emerge platform. Hence, during the financial year 2019-20, 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

GENERAL SHAREHOLDER INFORMATION

Date, Time and Venue of AGM	24th September, 2020 through video conferencing or other audio-visual means at 9.00 A.M.
Financial Year	From 1st April to 31st March of the following year
Date of Book Closure	Friday, September 18, 2020 to Thursday, September 24, 2020 (both days inclusive)
Dividend payment date	No Dividend declared
Listed on Stock Exchange	National Stock Exchange of India, EMERGE platform
Trading Symbol	INNOVATIVE
ISIN	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 2019-20 and volume at NSE is given hereunder:

Months	High (Rs.)	Low (Rs.)	NSE-Shares (Volume)
Apr-19	23.90	20.05	66,000
May-19	22.20	19.00	69,000
Jun-19	20.55	15.05	108,000
Jul-19	17.75	14.60	180,000
Aug-19	16.25	14.50	93,000
Sep-19	15.45	13.15	126,000
Oct-19	15.25	11.55	129,000
Nov-19	14.60	12.15	48,000
Dec-19	12.55	11.50	33,000
Jan-20	13.20	10.85	63,000
Feb-20	11.60	7.65	99,000
Mar-20	8.00	5.40	399,000

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

Share Transfer System

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

Distribution of Shareholding as on 31st March, 2020

Sr. No.	Shareholding of Nominal Value (INR)			Number of Shareholders	% Of Total	Share Amount (INR)	% of Total Share Amount
1	1	to	5000	2	0.20	400	0.00
2	5001	to	10000	5	0.49	39,700	0.02
3	10001	to	20000	3	0.30	57,950	0.03
4	20001	to	30000	685	67.69	2,05,50,000	11.42
5	30001	to	40000	0	0.00	0	-
6	40001	to	50000	1	0.10	44,350	0.02
7	50001	to	100000	224	22.13	1,69,00,000	9.39
8	100001	to	*****	92	9.09	14,23,23,210	79.11
Total				1012	100.00	17,99,15,610	100.00

Dematerialization of Shares and Liquidity:

As on 31st March, 2020 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

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

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

Legal Compliances:

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

Vigil Mechanism:

The Company has a formal Whistle Blower Policy/ Vigil Mechanism Policy. The Directors of the Company affirms that no personnel 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
Innovative Tyres & Tubes Limited
(CIN: L25112GJ1995PLC086579)

I have examined the compliance of conditions of corporate governance by M/s. Innovative Tyres & Tubes Limited, for the year ended March 31, 2020, as stipulated in Regulation 34 (3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

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

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

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

For Swati Bhatt & Co.,

Swati Yash Bhatt

Proprietor

Membership No. 7323

COP No. 8004

Date: 13th August, 2020

Place: Vadodara

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

I, 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, 2020.

For Innovative Tyres & Tubes Limited

Sd/-

Pradeep R Kothari

Whole Time Director

DIN: 00572331

Place: Halol

Date: 13th August 2020

ANNEXURE – 4 MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

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

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

INDUSTRY STRUCTURE AND DEVELOPMENTS

Growth and Development of industry is largely driven by demand and supply conditions. The Indian Tyre industry in particular has two major components of demand and supply viz. Original Equipment Market segment and Replacement Market segment. Though the Replacement sales of M & HCV accounted over 70% of total domestic product as per the data released by ATMA, but the momentum of growth was consistently lowering in the fiscal 2019-20 mainly due to liquidity and lowering demand in key consumption sectors, which worsened in the last quarter of the year as pandemic Covid-19 impacted adversely the global demand.

In comparison to developed countries, Natural Rubber dominates the raw material mix of the Indian Tyre industry, and in this context, the gap between domestic rubber production and demand will continue to remain an area of concern. During the Fiscal 2019-20 though the prices of Chemicals and Carbon Black supported tyre industry but the prices of domestic natural rubber increased. Rubber producing countries viz. Indonesia and Thailand could produce lower quantum because of fungal leaf disease was also some of the key factors in increase of rubber price.

Keeping in view of the sluggishness of demand it became difficult to pass on the impact of increased costs to the customers. Also, the year ahead is also looks challenging because of consistent struggling with Covid-19 is not reviving demand and consumer sentiment in coming months ahead.

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 government's "Atmanirbhar Yojana" initiative improving its position as a manufacturing hub. The stabilised GST laws and ease and simplification in various procedures and compliances making positive signs in the manufacturing segment

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 asses and minimizes risks without losing opportunities while ensuring enhancement in shareholders' value. Some of the risks related to Tyre industries are follows:

Though Chinese imports have reduced in the market due to the sustained imposition of anti-dumping duty. However, low-cost imports from few other countries have started taking their place, resulting in an almost similar situation as it was earlier.

Pandemic COVID-19 has disrupted the entire supply chain across the globe which has led to higher delivery time coupled with increase in logistic cost. A consistent development of alternative sources will help the company in reducing lead time as well as costs.

Though the pandemic COVID-19 has adversely impacted supply chain across the globe, yet the company believes it to be of a short term in nature and will not long last.

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 2019-20, your Company achieved a turnover of 14,886.20 Lakhs as against Rs. 17,178.75 Lakhs for the previous year ended 31st March 2019

OVERVIEW & OUTLOOK

The year 2020 witnessed downswings in key manufacturing segments mainly due to the pandemic Covid-19. Moreover, the pandemic also triggered a tussle between two powerful countries viz. US and PRC which may also adversely impact the global business. It is expected that the coming period would register a nominal growth as the replacement market is improving; improvement of domestic demand due to the falling import with sustained imposition of anti-dumping duty; extended support from financial institutions etc. Moreover, the long-term outlook on industry profile is stable

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

The Company has adequate internal control systems in place, and also has reasonable assurance on authorizing, recording and reporting transactions of its operations. The Company through its own Internal Audit department carries out periodical Audits at all locations and functions based on the Plan as approved by the Audit Committee.

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

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

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

(Rs. In Lakhs)

Particulars	2019-20	2018-19
Revenue from operations	14,886.20	17,178.75
Other income	169.60	208.46
Total Income	15,055.80	17,387.21
Total expenses	15,982.06	17,295.96
Profit/(Loss) before tax	(926.26)	91.25
Current tax	-	-
Mat Credit previous years	-	92.50
Deferred Tax	52.07	83.78
Excess provision of Income Tax	4.36	0.86
Profit/(Loss) after tax	(982.69)	99.12

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 – 5**REPORT ON CORPORATE SOCIAL RESPONSIBILITY****1. Brief outline of the Company's CSR Policy**

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

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

2016-17_ Rs. 618.13 lakhs

2017-18_ Rs. 623.92 lakhs

2018-19_ Rs. 91.25 lakhs

4. Prescribed CSR Expenditure:

2% of average profit during last three years – Rs. 8.89 lakhs

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

Total Prescribed CSR Expenditure Rs. 8.89 lakhs

5. Details of CSR spent during the financial year

a) Total amount spent for the financial year: Rs. 9.00 lakhs

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
4.	Contribution towards promoting nursery education	Education	Halol, Panchmahals	9.00	9.00	9.00	Kalarav Nursery Trust

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

Not applicable.

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

Sd/-

Dr. Mrs. Kalpana Joshipura
Chairperson to the Committee

Sd/-

Pradeep Kothari
Member to the Committee

Annexure - 6

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

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

Sr. No.	Name of Directors/KMP	Remuneration of Director/KMP for FY 2019-20 (Rs. In Lakhs)	% increase in Remuneration in the F.Y. 2019-20	Ratio of Remuneration of each Director/to median remuneration of employees
1.	Mr. Mukesh Desai Chairman & Managing Director	13.50	0.00%	23.08:1
2.	Mr. Pradeep Kothari Whole time Director	10.24	0.00%	8.75:1
3.	Mr. Nitin Mankad Whole time Director	10.24	0.00%	8.75:1
4.	Mr. Keyoor Bakshi Independent Director	NA	NA	NA
5.	Mr. Kalyanaraman Ganesan Independent Director	NA	NA	NA
6.	Dr. Mrs. Kalpana Joshipura Independent Director	NA	NA	NA
7.	Mr. Arvind Tambi Chief Financial Officer & Company Secretary	11.69	NA	9.99:1

The median remuneration of employees of the Company during the current financial year was Rs. 1,17,000/-

The percentage increase in the median remuneration of employees in the current financial year is -4.60 %

There were 287 permanent employees on the rolls of the Company as on March 31, 2020;

Average percentage increase made in the salaries of employees other than the managerial personnel in comparison of the last financial year is 21.62%.

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

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

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

CEO AND CFO CERTIFICATION

We, Mr. 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, 2020 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, 2020 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, 2020, 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, 2020, 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.

Emphasis of Matter

We draw attention to Note 12 of the Financial Statements, which explain the uncertainties and management's assessment of the impact due to the lock-downs and other restrictions and conditions related to Coronavirus disease (COVID-19) on the business operations of the Company. A Definitive assessment of the impact is not possible in view of high uncertain economic environment. Our Opinion is not modified in respect of this matter.

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.

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

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. 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.

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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) The company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020 based on the internal control over financial reporting criteria established by the company.
- 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:20117745AAAACG3793

Place: Vadodara
Date: 30th June, 2020

“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, 2020:

- 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. However due to imposition of nation-wide lockdown at year ended, inventory could not be physically verified at plant locations. Hence, we are unable to comment on any material discrepancies between the book stock and physical stock at year end.
- 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, 2020 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:20117745AAAACG3793

Place: Vadodara
Date: 30th June, 2020

Balance Sheet as at 31st March, 2020

(Rs. in Lakhs)

Particulars	Note No	As at 31 st March, 2020	As at 31 st March, 2019
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	A	1,799.16	1,799.16
(b) Reserves and Surplus	B	5,850.49	6,833.17
(2) Non-Current Liabilities			
(a) Long-term borrowings	C	455.13	564.01
(b) Deferred tax liabilities (Net)	D	866.99	814.93
(c) Other Long term liabilities	E	2,512.03	2,616.29
(d) Long term provisions	F	111.88	104.57
(3) Current Liabilities			
(a) Short-term borrowings	G	1,618.46	1,493.09
(b) Trade payables	H		
(i) Due to Micro & Small enterprises		120.11	125.86
(ii) Others		2,693.00	2,466.96
(c) Other current liabilities	I	1,035.37	892.99
(d) Short-term provisions	J	175.08	99.25
Total		17,237.70	17,810.28
II. ASSETS			
(1) Non-current assets			
(a) Property, Plant & Equipments			
(i) Tangible assets	K	10,445.18	10,816.21
(ii) Capital work-in-progress		16.08	113.93
(iii) Intangible assets		0.16	0.21
(b) Non-current investments	L	1.08	1.08
(c) Long term loans and advances	M	272.68	575.92
(2) Current assets			
(a) Inventories	N	4,167.05	4,236.18
(b) Trade receivables	O	1,785.07	1,269.13
(c) Cash and Bank Balance	P	318.55	352.71
(d) Short-term loans and advances	Q	184.20	247.15
(e) Other Current Assets	R	47.65	197.76
Total		17,237.70	17,810.28
Notes forming Part of the Financial Statements	Z		

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

CA. Yash Bhatt
Partner
M. No. 117745
Halol, 30th June, 2020

For and on behalf of Board of Directors

Whole-time Director
(Nitin J Mankad)

Chairman
(Mukesh G Desai)

CFO & CS
(Arvind Tambi)

Whole-time Director
(Pradeep R Kothari)

Profit & Loss Statement for the year ended 31st March, 2020

(Rs. in Lakhs)

Particulars	Note No	Year ended 31 st March, 2020	Year ended 31 st March, 2019
I. Revenue from operations	S	14,886.20	17,178.75
II. Other Income	T	169.60	208.46
III. Total Revenue (I +II)		15,055.80	17,387.21
IV. Expenses:			
Cost of materials, consumed	U	11,297.19	13,975.11
Stores, Spares & Containers Consumed		-	-
Changes in inventories of Finished Goods and Work in progress	V	(90.67)	(1,079.20)
Employee benefits expense	W	925.49	779.36
Financial costs	X	281.69	207.40
Depreciation and amortisation expense		827.60	645.55
Other expenses	Y	2,740.75	2,767.74
V. Total Expenses		15,982.06	17,295.96
VI. Profit/(Loss) before tax		(926.26)	91.25
VII. Tax expense:			
Current Tax		-	21.42
Less: MAT Credit Entitlement		-	(21.42)
Current Tax (Net of MAT credit)		-	-
MAT Credit (Prior Years)		-	(92.50)
Deferred Tax		52.07	83.78
Provision of Income Tax (Earlier years)		4.36	0.86
VIII. Profit/(Loss) for the period		(982.69)	99.12
IX. Earning per equity share: (FV Rs. 10/- each) (Refer item No. 8 of Note Z)			
- Basic		(5.46)	0.55
- Diluted		(5.46)	0.55
Notes forming Part of the Accounts	Z		

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

CA. Yash Bhatt
Partner
M. No. 117745
Halol, 30th June, 2020

For and on behalf of Board of Directors

Whole-time Director
(Nitin J Mankad)

Chairman
(Mukesh G Desai)

CFO & CS
(Arvind Tambi)

Whole-time Director
(Pradeep R Kothari)

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

(Rs. in Lakhs)

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

As per our Report of even date

For Maloo Bhatt & Co.

Chartered Accountants

F R No. 129572W

CA. Yash Bhatt

Partner

M. No. 117745

Halol, 30th June, 2020

For and on behalf of Board of Directors

Whole-time Director

(Nitin J Mankad)

Chairman

(Mukesh G Desai)

CFO & CS

(Arvind Tambi)

Whole-time Director

(Pradeep R Kothari)

NOTES TO BALANCE SHEET

A. SHARE CAPITAL :

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Shares authorized :		
19,000,000 Equity shares of ₹10/- each (Previous year 19,000,000 equity shares of ₹ 10/- each)	1,900.00	1,900.00
Total	1,900.00	1,900.00
(b) Shares issued, subscribed and fully paid :		
17,991,561 Equity Shares of ₹10/- each (Previous year 17,991,561 equity shares of ₹ 10/- each)	1,799.16	1,799.16
Total	1,799.16	1,799.16

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

	No. of shares	Amount in Rs.	No. of shares	Amount in Rs.
	As at 31.03.2020	As at 31.03.2020	As at 31.03.2019	As at 31.03.2019
Authorized Equity Share Capital				
At the beginning of the year	19,000,000	190,000,000	19,000,000	190,000,000
Closing Balance at the end of the year	19,000,000	190,000,000	19,000,000	190,000,000
Issued, Subscribed and Paid Up Equity Shares				
At the beginning of the year	17,991,561	179,915,610	17,991,561	179,915,610
Closing Balance at the end of the year	17,991,561	179,915,610	17,991,561	179,915,610

(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 2020		As at 31st March 2019	
	Numbers	% held	Numbers	% held
1 Pradeep R Kothari	3,495,676	19.43	3,495,676	19.43
2 Kirit T Vassa	2,483,858	13.81	2,346,198	13.04
3 Maxim Gold Development Limited	1,637,731	9.10	1,637,731	9.10
4 Goldmine Stocks P Ltd	1,420,647	7.90	1,456,647	8.10

B. RESERVES AND SURPLUS:

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Securities Premium A/c		
Balance as per the last financial statements	3,625.74	3,625.74
	3,625.74	3,625.74
(b) Revaluation Reserve		
Balance as per the last financial statements	728.49	728.49
(c) Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per the last financial statements	2,478.94	2,379.82
Add : Amount transferred from Statement of Profit & Loss	(982.69)	99.12
Total	1,496.25	2,478.94
Net Surplus in the Statement of Profit and Loss	1,496.25	2,478.94
Total Reserves and Surplus	5,850.49	6,833.17

C. LONG-TERM BORROWINGS :

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Secured		
Term Loan From Banks		
Term Loan from State Bank of India (Loan-1)	224.73	325.75
(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).		
Term Loan from State Bank of India (Loan-2)	315.86	401.35
(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 will be payable in Dec., 2023. Now extended by six months to June 2024)		
Secured by:		
(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 residential flat no.6 admeasuring 948 sq ft, Block A Type B , RS No 614,P,Siddharthnagar Apartment Co-operative Housing Society Gorwa, Dist- Vadodara and land & Building situated at plot no 1704 admeasuring 11200Sq mtr RS No 1583/P(New Survey No.126), GIDC Halol, Dist-Panchmahal.)		
(Pledge of Shares 20,34,580 shares of Company and personal guarantees of Mr. Mukesh Desai, Mr. Nitin Manked and Mr. Pradeep Kothari)		
Less: Current Maturities (Note- I)	(107.38)	(184.08)
Total	433.22	543.02
Long Term maturities of Finance lease Obligations		
Vehicle Lease Finances (Refer Note below)	29.60	27.16
Less: Current Maturities (Note- I)	(7.69)	(6.16)
Secured by: (hypothecation charge on respective Vehicles)		
Total	21.91	20.99
Total Term Loans	455.13	564.01

Note- 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)
01-09-22	State Bank of India- 9.35%	29	3.43	1.35
01-03-23	State Bank of India- 9.80%	36	4.10	1.29
20-07-23	Kotak Mahindra Bank Limited- 9.75%	40	13.26	3.53
07-01-25	HDFC Bank Limited- 9.00%	58	8.81	1.52
Total			29.60	7.69

D. DEFERRED TAX LAIBILITIES (NET):

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Opening Deferred Tax Liability (Net)	814.93	731.15
	814.93	731.15
Add: Deferred tax Liability (Net)		
For the Year	52.07	83.78
For Prior Years	-	-
	52.07	83.78
Deferred Tax Liabilities (Net)	866.99	814.93

E. OTHER LONG TERM LIABILITIES :

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Trade Deposits	52.20	238.06
Trade Payables materials and Expenses (Other than MSME)	2,436.50	2,370.96
Trade Payables Capital Goods (Other than MSME)	23.33	7.27
Total	2,512.03	2,616.29

F. LONG TERM PROVISIONS:

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for employee benefits		
Provision for Leave benefits	20.32	20.20
Provision for Gratuity benefits	91.56	84.37
Total	111.88	104.57

G. SHORT-TERM BORROWINGS:

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
From Banks		
Working Capital Facilities	329.83	1,137.28
Standby Line of Credit	100.00	-
Export Packing Credit	1,181.99	355.81
Secured by:		
(i) Hypothecation charge over Stocks, book debts and other current assets.		
(ii) Mortgage charges over residential flat no.6 admeasuring 948 sq ft, Block A Type B , RS No 614,P,Siddharthnagar Apartment Co-operative Housing Society Gorwa, Dist- Vadodara and land & Building situated at plot no 1704 admeasuring 11200Sq mtr RS No 1583/P (New Survey No. 126), GIDC Halol, Dist-Panchmahal. Pledge of 20,34,580 shares of Company and personal guarantees of Mr. Mukesh Desai, Mr. Nitin Manked and Mr. Pradeep Kothari.		
(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		
Interest Accrued and not due	6.64	-
Total	1,618.46	1,493.09

H. TRADE PAYABLE:

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
For supplies/services		
a) Due to Micro & Small enterprises	120.11	125.86
b) Others	1,331.36	1,228.21
c) Acceptances	1,361.64	1,238.75
Total	2,813.11	2,592.82

I. OTHER CURRENT LAIBILITIES:

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Current Maturities of Long term borrowings		
i) Term Loan from banks	107.38	184.08
ii) Finance lease obligations(Vehicle Finance)	7.69	6.16
(b) Statutory Dues (Liabilities)		
- PF, ESI, Prof. Tax & Others	10.95	8.54
- VAT, CST, GST & CENVAT etc	61.33	38.18
- TDS	4.33	1.83
(c) Staff payables	232.41	107.10
(d) Advance from Customers	421.53	309.73
(e) Creditors for Capital Goods	47.05	80.08
(f) Creditors for Expenses	136.58	155.76
(g) Other Current Liabilities	6.12	1.53
Total	1,035.37	892.99

J. SHORT-TERM PROVISIONS:

(Rs. in Lakhs)

Particulars	As at 31.03.2020		As at 31.03.2019	
(a) Provision for employee benefits				
Provision for Leave benefits		3.05		3.11
Provision for Gratuity benefits		51.34		38.99
Provision for Bonus		22.00		22.00
(b) Others				
Provision for Expenses		98.69		35.15
Total (a) + (b)		175.08		99.25

K. PROPERTY PLANT AND EQUIPMENTS:

(Rs. in Lakhs)

ASSETS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As on 01.04.2019	Additions	Deductions/ Adjustments	As on 31.03.2020	As on 01.04.2019	Additions	Deductions/ Adjustments	As on 31.03.2020	As on 31.03.2020	As on 31.03.2019
(i) TANGIBLE										
Free Hold Land	780.66	-	-	780.66	-	-	-	-	780.66	780.66
Plant & Equipment	12,249.98	514.54	99.87	12,664.65	2,863.67	762.64	10.31	3,616.00	9,048.66	9,386.31
Electrical Installation	236.78	6.72	-	243.50	114.21	22.76	-	136.97	106.53	122.57
Laboratory Equipments	39.71	0.42	-	40.13	7.29	3.80	-	11.09	29.04	32.42
Building	659.40	1.09	-	660.49	228.13	20.92	-	249.05	411.44	431.27
Furniture & Fixture	21.74	3.90	-	25.64	19.65	0.43	-	20.07	5.56	2.09
Office Equipments	42.70	4.64	-	47.34	37.94	1.42	-	39.35	7.99	4.76
Vehicles	95.89	10.41	-	106.30	45.66	11.88	-	57.54	48.76	50.24
Computer & Peripherals	25.50	4.34	-	29.84	19.61	3.70	-	23.30	6.54	5.89
Total A	14,152.36	546.06	99.87	14,598.56	3,336.15	827.54	10.31	4,153.38	10,445.18	10,816.21
(ii) INTANGIBLE										
Intangible Assets	126.19	-	-	126.19	126.19	-	-	126.19	-	-
Technical Knowhow	1.50	-	-	1.50	1.29	0.06	-	1.34	0.16	0.21
Total B	127.69	-	-	127.69	127.47	0.06	-	127.53	0.16	0.21

ASSETS	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
	As on 01.04.2019	Additions	Deductions/ Adjustments	As on 31.03.2020	As on 01.04.2019	Additions	Deductions/ Adjustments	As on 31.03.2020	As on 31.03.2020	As on 31.03.2019
(iii) CAPITAL WORK-IN-PROGRESS										
Capital WIP	113.93	448.21	546.06	16.08	-	-	-	-	16.08	113.93
Total C	113.93	448.21	546.06	16.08	-	-	-	-	16.08	113.93
GRAND TOTAL (A+B+C)	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
Previous Year	13,063.07	4,581.40	3,250.49	14,393.98	3,222.27	645.55	404.19	3,463.62	10,930.36	9,840.80

L. NON-CURRENT INVESTMENTS (AT COST):

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Trade Investments :		
Quoted Equity Instruments		
Others		
1,100 (Previous year- 1,100) equity shares of ₹10/- each fully paid up in Indian Overseas Bank.	0.26	0.26
Unquoted Equity Instruments		
Associate*		
7500 (Previous year- 7500) equity shares of Rs.10/- each fully paid up in Halol Industries Environment & Infrastructure Ltd. Halol	0.75	0.75
Others		
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
Total	1.08	1.08
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	0.08	0.16

* Refer to Note No. 1 (c)

M. LONG TERM LOANS AND ADVANCES :

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Capital Advances	45.07	351.94
Income tax Assets (Non Current)	125.66	128.10
Security Deposit	80.24	75.77
Balance With Govt Authorities	21.71	20.11
Total	272.68	575.92

N. INVENTORIES*:

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Raw materials	311.47	453.44
(b) Work-in-progress	2,497.89	2,485.13
(c) Finished goods	1,077.21	999.30
(d) Stores, Spares & Consumables	280.48	298.31
Total	4,167.05	4,236.18

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

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

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

O. TRADE RECEIVABLES (UNSECURED):

(Rs. in Lakhs)

Particulars	As at 31.03.2020		As at 31.03.2019	
(a) Over Six months from the due date				
Considered good	382.89		172.82	
Considered doubtful	12.56		6.50	
Less : Provision for doubtful debts	12.56	382.89	6.50	172.82
(b) Others Considered good		1,402.18		1,096.31
Total		1,785.07		1,269.13

P. CASH & BANK BALANCE:

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Cash & Cash equivalents :		
(i) Balances with Bank in Current Accounts	6.81	42.95
(ii) Cash on hand	9.23	15.64
(b) Other Bank Balance :		
- in Deposit Accounts with Bank having Maturity Period upto 12 months (Held as Margin Money against LC, bank Guarantee and Security against borrowing)	302.51	294.11
Total	318.55	352.71

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

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Others		
(a) Advance given to Trade Creditors	20.20	81.22
(b) Balance with Government Authorities	85.86	68.87
(c) Advance Given to Employees	10.41	10.21
(d) Advance Recoverable in cash or in kind	24.34	18.43
(e) Accrued Income	34.03	33.88
(f) Current Tax assets (net of provisions)	9.36	34.54
Total	184.20	247.15

R. OTHER CURRENT ASSETS:

(Rs. in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Others		
(a) Assets held for Sale	47.65	48.40
(b) Contractual Asset*	-	149.36
Total	47.65	197.76

*(Contractual Asset comprises Material received for Job work retained by the company as settlement.)

S. REVENUE FROM:

(Rs. in Lakhs)

Particulars	Year ended 31.03.2020		Year ended 31.03.2019	
a. Sale of products				
- Domestic	7,248.94		8,919.01	
- Exports	7,014.74		7,605.74	
		14,263.68		16,524.75
b. Other Operating Revenues				
- Disposal Sales	38.57		26.13	
- Export Incentives	254.91		226.38	
- Service Income	329.04		401.49	
		622.52		654.00
Sub-total		14,886.20		17,178.75

T. OTHER INCOME:

(Rs. in Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Interest Income		
From Banks	20.47	20.48
From Others	5.79	4.58
Profit on Sales of Fixed Assets	41.70	88.57
Exchange Fluctuation Gain (Net)	101.64	94.83
Total	169.60	208.46

U. COST OF RAW MATERIAL CONSUMED:

(Rs. in Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Inventory at the beginning of the year	453.44	482.91
Add : Purchases	11,155.22	13,945.64
	11,608.66	14,428.55
Less: Inventory at the end of the year	311.47	453.44
Total	11,297.19	13,975.11

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

(Rs. in Lakhs)

Particulars	Year ended 31.03.2020		Year ended 31.03.2019	
Inventory at the end of the year				
Work in Process	2,497.89		2,485.13	
Finished Goods	1,077.21		999.30	
		3,575.10		3,484.43
Inventory at the beginning of the year				
Work in Process	2,485.13		1,749.71	
Finished Goods	999.30		655.52	
		3,484.43		2,405.23
Total		(90.67)		(1,079.20)

W. EMPLOYEE BENEFIT EXPENSES:

(Rs. in Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Salaries, Wages & Bonus (Refer note below)	784.57	678.31
Retirement benefits	35.50	1.61
Contribution to Provident and other funds	51.65	56.92
Staff welfare expense	53.77	42.52
Total	925.49	779.36

(Note: Salary, Wages & Bonus includes Directors' Remuneration Rs. 33.98 Lakhs (PY Rs. 48.00 Lakhs))

X. FINANCE COST: (Refer note below)

(Rs. in Lakhs)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Interest on Working Capital	101.04	48.00
Other Interest	93.33	65.43
Bank Charges	87.32	93.97
Total	281.69	207.40

(Note : During the year finance cost of Rs. Nil (P.Y. Rs. 78.70 Lakhs) has been capitalised as per AS-16 "Borrowing Cost")

Y. OTHER EXPENSES:

(Rs. in Lakhs)

Particulars	Year ended 31.03.2020		Year ended 31.03.2019	
Stores, Spares & Consumables		315.61		245.66
Conversion charges		180.73		261.05
Labour Charges		160.37		196.23
Repairs and Maintenance				
Buildings	0.18		0.30	
Computers	0.93		1.79	
Vehicle Maintenance	25.88		22.98	
Others	0.14	27.13	0.24	25.31
Freight and Forwarding Charges		238.66		270.79
Power & Fuel		1,450.51		1,471.02
Water Charges		44.23		37.31
Other manufacturing expenses		26.28		22.88
Selling & Distribution Expenses		97.26		63.32
Rent		33.17		11.38
Rates and Taxes		1.84		0.74
Insurance		45.09		19.03
Statutory Compliance Expenses		46.12		56.93
Payment to Auditor				
Audit Fees	2.00		2.00	
Tax Audit Fees	0.50		0.50	
Certification Fees	0.35		0.35	
Reimbursement of expenses	0.41	3.26	-	2.85
Directors' Sitting fees		1.75		1.70
Sundry balance Written off		0.74		0.75
Donation		0.19		2.05
Expenses on CSR Activities		9.00		11.00
Office & Other Expenses		58.81		67.74
Total		2,740.75		2,767.74

NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31ST MARCH, 2020

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 CENVAT / Service Tax / VAT /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, Excise Duty, Service tax, Sales Tax 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 :

Defined 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 unabsorbed 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. 28.90 lacs (Previous year for Rs.27.38 lacs).

3 CONTINGENT LIABILITIES:

(Rs. in Lakhs)

Sr. No.	Particulars	2019-20	2018-19
i)	Export Obligation under Advance Licences	276.00	122.07
ii)	Interest to Creditors	-	1.30

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

(Rs. in Lakhs)

	2019-20	2018-19	2019-20	2018-19
	Gratuity		Leave Encashment	
Expense recognized in the Statement of Profit & Loss for the year ended March 31, 2020				
Current Service Cost	18.47	18.18	7.41	6.40
Interest Cost	9.29	9.70	1.64	2.37
Expected return on plan assets	(1.42)	(1.42)	-	-
Net Actuarial (Gains) / Losses	(2.39)	27.27	2.18	(7.21)
Past Service Cost	0.32	0.85	-	-
Total expense	24.27	0.05	11.23	1.56
Net Asset / (Liability) recognized in the Balance Sheet as at March 31, 2020				
Present value of Net Defined Benefit Obligation as at March 31, 2020	161.34	140.35	23.36	23.31
Fair value of plan assets as at March 31, 2019	18.45	16.99	-	-
Funded status [Surplus / (Deficit)]	(142.89)	(123.36)	(23.36)	(23.31)
Net asset / (liability) as at March 31, 2020	(142.89)	(123.36)	(23.36)	(23.31)

(Rs. in Lakhs)

	2019-20	2018-19	2019-20	2018-19
	Gratuity		Leave Encashment	
Change in Obligation during the Year ended March 31, 2020				
Present value of Defined Benefit Obligation at beginning of the year	140.35	142.26	23.31	34.15
Current Service Cost	18.47	18.18	7.41	6.40
Interest Cost	9.29	9.70	1.64	2.37
Past Service Cost	0.32	0.83	-	-
Actuarial (Gains) / Losses	(2.35)	(27.40)	2.18	(7.21)
Benefits Payments	(4.73)	(3.23)	(11.18)	(12.40)
Present value of Defined Benefit Obligation at the end of the year	161.34	140.35	23.36	23.31
Change in Assets during the Year ended March 31, 2020				
Plan assets at the beginning of the year	16.99	15.69	-	-
Expected return on plan assets	1.43	1.43	-	-
Actuarial Gains / (Losses)	0.04	(0.13)	-	-
Plan assets at the end of the year	18.45	16.99	-	-
Actual return on plan assets	1.42	1.43	-	-
Actuarial Assumptions:				
Discount Rate	6.80%	7.55%	7.55%	7.60%
Expected rate of return on plan assets	6.80%	7.55%	NA	NA
Mortality post 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	2019-20	2018-19
(a)	(i) The Principal amount remaining unpaid to any supplier at the end of accounting year	120.11	125.86
	(ii) The interest due on above	-	-
	Total of (i) & (ii) above	120.11	125.86
(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	2019-20	2018-19
India	7,248.94	8,919.01
Outside India	7,014.74	7,605.74
Total Sales	14,263.68	16,524.75

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. Mukesh G Desai	Non-Executive Chairman (Chairman & Managing Director Upto 30th Sept. 2019)
Mr. Nitin J Mankad	Whole Time Director
Mr. Pradeep R Kothari	Whole Time Director
Mr. Keyoor Bakshi	Independent Director
Mr. Kalyanaraman Ganesan	Independent Director
Dr. Mrs. Kalpana Joshipura	Independent Director
Mr. Arvind Tambi	CFO & CS

Relatives of Key Management Personnel:

Associate Companies:

Halol Industries Environment & Infrastructure Limited

Other Related Parties:

Future Tyres Private Limited

Gaia Batteries Pvt Ltd

Manthan Kothari

Kosync

Goldmine Commodities Pvt. Ltd.

(Rs. in Lakhs)

Sr. No.	Particulars	Relatives of Key Management Personnel		Key Management Personnel	
		2019-20	2018-19	2019-20	2018-19
1	Remuneration				
	Mr. Mukesh G Desai	-	-	13.50	27.00
	Mr. Nitin J Mankad	-	-	10.24	10.50
	Mr. Pradeep R Kothari	-	-	10.24	10.50
	Mr. Arvind Tambi	-	-	11.69	12.00

(Rs. in Lakhs)

Sr. No.	Particulars	Relatives of Key Management Personnel		Key Management Personnel	
		2019-20	2018-19	2019-20	2018-19
	Miss. Sejal Desai	-	-	-	0.98
	Mr. Manthan Kothari	4.13			
2	Purchase of Goods				
	Future Tyres Pvt Ltd	118.02	637.39	-	-
	Gaia Batteries Pvt Ltd	4.62	0.17	-	-
	Goldmine Commodities Pvt. Ltd.	-	296.14		
3	Purchase of Capital Goods				
	Goldmine Commodities Pvt. Ltd.	-	80.63	-	-
4	Job Work Expenses				
	Future Tyres Pvt Ltd	214.36	264.88	-	-
5	Reimbursement of Expenses				
	Future Tyres Pvt Ltd	-	8.87	-	-
	Gaia Batteries Pvt Ltd	-	(1.67)	-	-
	Kosync	-	2.76	-	-
6	Sales of Goods				
	Future Tyres Pvt Ltd	1,829.95	2,791.36	-	-
7	Receipt from Parties				
	Future Tyres Pvt Ltd	1,346.43	1743.00	-	-
	Gaia Batteries Pvt Ltd	0.13	3.62	-	-
8	Payment to Parties				
	Future Tyres Pvt Ltd	449.10	96.76	-	-
	Gaia Batteries Pvt Ltd	4.74	0.17	-	-
	Kosync	-	349.53	-	-
	Goldmine Commodities Pvt. Ltd.	-	136.63		
9	Sitting Fess				
	Mr. Keyoor Bakshi			0.70	0.65
	Mr. Kalyanaraman Ganesan			0.35	0.55
	Dr. Mrs. Kalpana Joshipura			0.50	0.50
	Mr. Mukesh Desai			0.20	-
10	Investment				
	Halol Industries Environment & Infrastructure Ltd.,	-	0.75		
	Outstanding Balances				
11	Creditors / Other Payable				
	Goldmine Commodities Pvt. Ltd.	410.06	410.06		
	Key Managerial Remuneration/ Salary	-	-	69.31	50.40
	Sitting Fee Payable	-	-	2.51	1.53
12	Debtors / Other Receivable				
	Future Tyres Pvt Ltd	995.06	394.82	-	-
13	Investment in Associate				
	Halol Industries Environment & Infrastructure Ltd.,	0.75	0.75		

8 EARNING PER SHARE:

(Rs. in Lakhs)

	As at 31 st March, 2020	As at 31 st March, 2019
Earning per share has been computed as under:		
a Profit after Taxation & before extra-ordinary items	(982.69)	99.12
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
c Earnings per Share (Face value Rs.10/- per share) (in Rs.)		
(Basic)	(5.46)	0.55
(Diluted)	(5.46)	0.55

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

(Rs. in Lakhs)

	2019-20	2018-19
A Value of imports calculated on C.I.F. basis made by the Company during the year :		
(i) Raw Materials (Including High Seas Purchase)	1,617.55	2,008.04
(ii) Capital goods	82.27	52.82
B Expenditure in foreign currency :		
(i) Foreign Traveling expenses	0.32	-
(ii) Testing Charges	0.82	1.68
(iii) Consultancy Charges	-	1.69
(iv) Foreign Bank Charges	7.77	8.41
C Value of imported raw materials, spare parts.		
Components and packing materials consumed during the year.	1,617.55	2,008.04
Value of indigenous raw materials, spare parts, Components and packing materials consumed during the year	9,679.65	11,981.03
Percentage to total consumption :		
(a) Imported raw materials, spare parts, components and packing materials consumed.	14.32%	14.35%
(b) Indigenous raw materials, spare parts, components and packing materials consumed.	85.68%	85.65%
D Earnings in Foreign Exchange (On accrual basis)		
Export Sales (On FOB Basis)	7,014.74	7,605.74

10 CORPORATE SOCIAL RESPONSIBILITY:

(Rs. in Lakhs)

	2019-20	2018-19
Amount required to be spent by the Company in accordance with Section 135 of Companies Act, 2013	8.89	10.52

Amount Spent during the year on	2019-20	2018-19
(i) Promotion of Rural Sports	-	-
(ii) Promotion of Health Care	-	-
(iii) Promotion of nursery education	9.00	11.00
Total	9.00	11.00

11 UTILISATION OF MONEY RAISED THROUGH PUBLIC ISSUE:

Particulars	(Rs. in Lakhs)
Amount raised through public issue during 2017-18	2,833.65
Less: amount utilized during the year 2017-18	1,585.23
Less: amount utilized during the year 2018-19	1,131.58
Less: amount utilized during the year 2019-20 for Project expenditure	116.84
	2,833.65
Unutilized amount at the end of the year	-

12 NOTE ON IMPLICATIONS OF CORONA VIRUS:

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

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

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

13 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
Halol, 30th June, 2020

For and on behalf of Board of Directors

Whole-time Director
(Nitin J Mankad)

Chairman
(Mukesh G Desai)

CFO & CS
(Arvind Tambi)

Whole-time Director
(Pradeep R Kothari)



(CIN: L25112GJ1995PLC086579)

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