



ANNUAL  
REPORT | 2022  
2023

**INNOVATIVE**  
TYRES & TUBES LTD

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Mr. Mukesh Desai  
(DIN No. 00089598) *Non-Executive Chairman*  
(upto 9<sup>th</sup> August 2023)

Mr. Keyoor Bakshi  
(DIN No. 00133588) *Independent Director*  
(upto 9<sup>th</sup> August 2023)

Dr. Mrs. Kalpana Joshipura  
(DIN No. 07849507) *Independent Director*  
(upto 9<sup>th</sup> August 2023)

(Above members were suspended by virtue of NCLT order dated 28-03-2022)

Mr. Munish Chawla  
(DIN No. 06454015) *Managing Director*  
(w.e.f. 9<sup>th</sup> August 2023)

Mr. Robin Chawla  
(DIN No. 10277507) *Director*  
(w.e.f. 9<sup>th</sup> August 2023),  
*Director & CFO*  
(w.e.f. 10<sup>th</sup> November, 2023)

Mr. Ramesh Chander Chawla  
(DIN No. 08303533) *Director*  
(w.e.f. 9<sup>th</sup> August 2023)

Mrs. Roshni Chawla  
(DIN No. 10276412) *Director*  
(w.e.f. 10<sup>th</sup> November 2023)

Mr. Umesh Ved  
(DIN No. 00003393) *Independent Director*  
(w.e.f. 10<sup>th</sup> November 2023)

Ms. Jasmin Doshi  
(DIN No. 08686876) *Independent Director*  
(w.e.f. 10<sup>th</sup> November 2023)

## RESOLUTION PROFESSIONAL

### Abhishek Nagori

Regn. No. IBBI/IPA-001/IP-P00020/2016-17/10044  
(upto 9<sup>th</sup> August 2023)

## CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

**Mr. Arvind Tambi** (upto 30<sup>th</sup> November 2022)

## COMPANY SECRETARY & COMPLIANCE OFFICER

**Mrs. Shweta Pankaj Sharma** (w.e.f. 10<sup>th</sup> November 2023)

## STATUTORY AUDITORS

### M/s. Haribhakti & Co. LLP,

Chartered Accountants,  
701, Leela Business Park,  
Andheri Kurla Road,  
Andheri (E), Mumbai – 400059

## INTERNAL AUDITORS

**M/s Khode & Associates** (w.e.f. 4<sup>th</sup> December 2023)

Chartered Accountants  
307, Orion Arcade  
Near Rang Multiplex,  
Zadeshwar Road,  
Bharuch -392011

## REGISTRAR & SHARE TRANSFER AGENT

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

## REGISTERED OFFICE

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

## BANKERS

State Bank of India

## AUDIT COMMITTEE

Mr. Umesh Ved – Chairman (w.e.f. 10-11-2023)  
Ms. Jasmin Doshi – Member (w.e.f. 10-11-2023)  
Mr. Ramesh Chander Chawla – Member (w.e.f. 10-11-2023)

## NOMINATION AND REMUNERATION COMMITTEE

Mr. Umesh Ved – Chairman (w.e.f. 10-11-2023)  
Ms. Jasmin Doshi – Member (w.e.f. 10-11-2023)  
Mr. Ramesh Chander Chawla – Member (w.e.f. 10-11-2023)

## STAKEHOLDERS RELATIONSHIP COMMITTEE

Ms. Jasmin Doshi – Chairperson (w.e.f. 10-11-2023)  
Mr. Umesh Ved – Member (w.e.f. 10-11-2023)  
Mr. Ramesh Chander Chawla – Member (w.e.f. 10-11-2023)

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## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting of the members of Innovative Tyres & Tubes Limited will be held on Friday, 29<sup>th</sup> December, 2023 through Video Conferencing('VC') / Other Audio-Visual Means ('OAVM') at 10.00 a.m. to transact the following business(es):

The Company has obtained extension for holding the 28<sup>th</sup> AGM upto 31<sup>st</sup> December, 2023 vide order dated 4<sup>th</sup> December, 2023 issued by Ministry of Corporate Affairs (MCA)

### ORDINARY BUSINESS:

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

To receive, consider and adopt the Audited Financial Statements of the company for the financial year ended on 31<sup>st</sup> March 2023, together with the Reports of the Board of Directors and Auditors thereon.

#### Item No. 2: Appointment of statutory auditors of the Company

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, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 ('the Act') M/s Haribhakti & Co. LLP, Chartered Accountants, (Firm Registration No. 103523W/W100048), be and are hereby appointed as the Statutory Auditors of the Company, to hold the office from the conclusion of this meeting up to the conclusion of 32<sup>nd</sup> Annual General Meeting (for the balance four years in their Second term of five years), on such remuneration as may be determined by the Board of Directors based on the recommendation of Audit Committee"

### SPECIAL BUSINESS:

#### Item No. 3: Ratification of Appointment and approve Remuneration of Mr. Munish Chawla (DIN: 06454015) as Managing Director of the Company.

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

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Munish Chawla (DIN: 06454015), be and is hereby appointed as the as Managing Director ('MD') of the Company for a period of Five years commencing from August 9, 2023 made pursuant to the 'Resolution Plan' submitted by Ten on Ten Rubtech Private Limited (Resolution Applicant (RA), as approved by the Honourable National Company Law Tribunal, Ahmedabad Bench ("NCLT") via order dated 9<sup>th</sup> August, 2023 on the remuneration and on such terms and conditions as set out below with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the scope of Schedule V of the Companies Act, 2013, or any amendments thereto or any reenactment thereof as may be agreed to between the Board of Directors and Mr. Munish Chawla be and is hereby approved and ratified by the members of the Company.

**RESOLVED FURTHER THAT** in the event of loss or inadequacy of profit in any financial year during the currency of tenure of services of Mr. Munish Chawla, the payment of salary, perquisites and other allowances shall be governed by the limits prescribed under Section II of Part II of Schedule V of the Companies Act, 2013;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary, desirable or expedient to give effect to this resolution."

#### Item No. 4: Ratification of Appointment of Mr. Robin Chawla (DIN: 10277507) as Director & CFO of the Company.

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

**"RESOLVED THAT** pursuant to the Resolution Plan as approved by the Committee of Creditors ('COC') on December 31, 2022 and National Company Law Tribunal, Ahmedabad bench ('NCLT') vide its order dated August 09, 2023 and applicable provisions of the Companies Act, 2013 and rules made thereunder read with the applicable provisions of the Insolvency and bankruptcy Code, 2016 (including any statutory modification(s) or re- enactment thereof for the time being in force), consent of the members be and is hereby granted for ratification of appointment of Mr. Robin Chawla (DIN: 10277507), who was appointed as a Director of the Company with effect from 9<sup>th</sup> August 2023 and as Chief Financial Officer of the Company w.e.f 10<sup>th</sup> November 2023.

**"RESOLVED FURTHER THAT** pursuant to section 152, 160, 203 and other applicable provisions of The Companies Act 2013 read with Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as well as Listing Obligation and Disclosure requirement regulations 2015, Mr. Robin Chawla (DIN: 10277507) be and is hereby appointed and designated as a Director & CFO of the Company, who is liable to retire by rotation on the remuneration and on such terms and conditions as set out in the explanatory statement annexed hereto, with liberty and authority to the Board of Directors to alter and vary the terms and conditions of the said appointment from time to time within the

scope of provisions of the Companies Act, 2013, or any amendments thereto or any reenactment thereof as may be agreed to between the Board of Directors and Mr. Robin Chawla be and is hereby approved and ratified by the members of the Company.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above to settle all matters arising out of and incidental thereto and to sign and execute all documents and filing of requisite forms that may be required on behalf of the Company, and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect this resolution.

**Item No. 5: Ratification of Appointment of Mr. Ramesh Chander Chawla (DIN: 08303533) as Director of the Company.**

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

**"RESOLVED THAT** pursuant to the Resolution Plan as approved by the Committee of Creditors ('COC') on December 31, 2022 and National Company Law Tribunal, Ahmedabad bench ('NCLT') vide its order dated August 09, 2023 and applicable provisions of the Companies Act, 2013 and rules made thereunder read with the applicable provisions of the Insolvency and bankruptcy Code, 2016 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Ramesh Chander Chawla (DIN: 08303533) who was appointed as a Director of the Company, be and is hereby ratified by the members of the Company, who is liable to retire by rotation.

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory or otherwise, in relation to the above to settle all matters arising out of and incidental thereto and to sign and execute all documents and filing of requisite forms that may be required on behalf of the Company, and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect this resolution."

**Item No.6 : Appointment of Mr. Umesh Ved as an Independent Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, applicable provisions of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), Mr. Umesh Ved (DIN 00003393) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a first term of 5 (Five) consecutive years on the Board of the Company.

**Item No.7 : Appointment of Ms. Jasmin Doshi as an Independent Director of the Company**

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

**"RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with schedule IV and Section 161(1) read with Companies (Appointment and Qualification of Directors) Rules, 2014, applicable provisions of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015 and other applicable provisions, sections, rules of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof for the time being in force), Ms. Jasmin Doshi (DIN 08686876) be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a first term of 5 (Five) consecutive years on the Board of the Company.

**Item No. 8 : Appointment of Mrs. Roshni Chawla (DIN-10276412) as Director of the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of sections 152 and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mrs. Roshni Chawla (DIN-10276412), be and is hereby appointed as non-executive Director of the Company."

**Item No. 9 : To approve Related Party Transactions to be entered into by the Company.**

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

**"RESOLVED THAT** pursuant to the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, ("SEBI Listing Regulations"), the applicable provisions of the Companies Act, 2013 ("Act") read with Rules made thereunder, other applicable laws/statutory provisions, if any, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force), and subject to such other approvals, consents, permissions and sanctions of other authorities as may be necessary and on the basis of the approval of the Board of Directors of the Company, the consent of the members of the Company be and is hereby accorded to enter into Related Party Contracts/Arrangements/ Transactions (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with the below mentioned related parties being 'Related Parties' within the meaning of the Act and the SEBI Listing Regulations, in the course of sale, purchase or supply of any goods or materials ("Related Party Transactions"), on such material terms and conditions as detailed in the explanatory statement to this Resolution and as may be mutually agreed between related party and the Company, during a period of five years commencing from 1<sup>st</sup> January 2024:

Sr. No.	Name of Related Party	Name of Director/KMP, who is related and nature of their relationship	Nature of transactions	Aggregate Value of transactions during five years
1.	Ten on Ten Rubtech Private Limited	Mr. Munish Chawla & Mr. Ramesh Chander Chawla Nature of relationship: Common Directors	Internal purchase/sale of goods, Capital Goods and providing/availing Loans, services/using resources/entering into agreement for use of properties, providing corporate Guarantee, Providing Securities to third party for any Borrowing or otherwise	Upto ₹ 600 Crores at prevailing market prices from time to time.
2.	TOT Tyres Private Limited	Mr. Munish Chawla & Mr. Ramesh Chander Chawla Nature of relationship: Common Directors	Internal purchase/sale of goods, Capital Goods and providing/availing Loans, services/using resources/entering into agreement for use of properties, providing corporate Guarantee, Providing Securities to third party for any Borrowing or otherwise	Upto ₹ 600 Crores at prevailing market prices from time to time.
3.	Ten on Ten International Private Limited	Mr. Munish Chawla & Mr. Ramesh Chander Chawla Nature of relationship: Common Directors	Internal purchase/sale of goods, Capital Goods and providing/availing Loans, services/using resources/entering into agreement for use of properties, providing corporate Guarantee, Providing Securities to third party for any Borrowing or otherwise	Upto ₹ 600 Crores at prevailing market prices from time to time.
4.	TOT Elastomers LLP	Mr. Munish Chawla Nature of relationship: Director is Designated Partner	Internal purchase/sale of goods, Capital Goods and providing/availing Loans, services/using resources/entering into agreement for use of properties, providing corporate Guarantee, Providing Securities to third party for any Borrowing or otherwise	Upto ₹ 50 Crores at prevailing market prices from time to time.

**RESOLVED FURTHER THAT** the Board of Directors (hereinafter referred to as the “Board” which term shall be deemed to include any Committee thereof) be and are hereby authorized to perform and execute all such acts, deeds, matters and things including delegation of authority as may be deemed necessary or expedient to give effect to this resolution and for the matters connected therewith or incidental thereto.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

**Place:** Halol

**Date:** 4<sup>th</sup> December, 2023

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

**Munish Chawla**  
DIN-06454015  
Director

**Registered Office:**

1201, 1202, 120 3, GIDC Halol,  
Panchmahal – 389350.

CIN: L25112GJ1995PLC086579

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

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

Tel: 02676 -220621

**NOTES:**

- Pursuant to the General Circular nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 05, 2020, 02/2021 dated January 13, 2021, 21/2021 dated December 14, 2021, 02/2022 dated May 05, 2022, 10/2022 dated December 28, 2022 and 9/2023 September 25, 2023, issued by the Ministry of Corporate Affairs (“MCA”) and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79, SEBI/HO/CFD/CMD2/CIR/P/2021/11, SEBI/HO/CFD/CMD2/CIR/P/2022/62, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 and SEBI/HO/CFD/POD2/P/CIR/2023/167 issued by The Securities and Exchange Board of India (“SEBI”) (hereinafter referred to as “the Circulars”), the Companies are allowed to hold AGM through video conference (“VC”) or other audio visual means (“OAVM”), without the physical presence of members at a common venue and also allowed to send notice and annual report through electronic mode only. Hence, in compliance with the aforesaid Circulars, the AGM of the Company is being held through VC. The deemed venue for AGM shall be the Registered Office of the Company.
- In compliance with the aforesaid MCA Circulars and SEBI Circular dated 12<sup>th</sup> May, 2020, Circular dated 15<sup>th</sup> January, 2021, SEBI Circular dated 13<sup>th</sup> May, 2022, Circular dated 5<sup>th</sup> January, 2023 and Circular dated 7<sup>th</sup> October, 2023 (hereinafter referred to as “SEBI Circulars”), the notice of the AGM alongwith the Annual Report is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report will also be available on the Company’s website [www.innovativetyres.com](http://www.innovativetyres.com), website of National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com).

3. Since this AGM is being held through VC/ OAVM, pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. **Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.**
4. Participation of members through VC/ OAVM will be reckoned for the purpose of quorum for the AGM as per Section 103 of the Act.
5. Facility of joining the AGM through VC / OAVM shall open 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC / OAVM. Corporate members intending to authorize their representatives to participate and vote at the meeting, are requested to send a certified copy of the Board Resolution / authorization letter to the Company or upload on the VC / OAVM portal / e-voting portal.
7. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM, based on the request being received on [investors@innovativetyres.co.in](mailto:investors@innovativetyres.co.in).
8. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice upto the date of AGM. Members seeking to inspect such documents can send an email to [investors@innovativetyres.co.in](mailto:investors@innovativetyres.co.in)
9. The Register of Members and Share Transfer Books of the Company will be closed from **Saturday, 23<sup>rd</sup> December 2023 to Friday, 29<sup>th</sup> December, 2023** (both days inclusive) for the purpose of the Twenty-eighth AGM of the Company.
9. Members are requested to:
  - i) Register their correct email ID and correct Bank Account details:  
 In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/ Depositories, log in details for e-voting are being sent on the registered email address.  
 In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:
    - a) In the case of Shares held in physical mode: The shareholder may please email to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) or the Company at [investors@innovativetyres.co.in](mailto:investors@innovativetyres.co.in).
    - b) In the case of Shares held in Demat mode: The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
  - ii) Intimate the Registrar and Share Transfer Agent, M/s. Link Intime India Pvt. Ltd. for consolidation into a single folio Members, if they have shares in physical form in multiple folios in identical names or joint holding in the same order of names.
  - iii) Convert their holdings in dematerialised form to eliminate risks associated with physical shares and better management of the securities. Members can write to the company's registrar and share transfer agent in this regard.
  - iv) Members may avail themselves of the facility of nomination in terms of Section 72 of the Companies Act, 2013 by nominating in the prescribed form a person to whom their shares in the Company shall vest in the event of their death. Members holding shares in physical form may obtain the Nomination forms from the Company's Registrar and Share Transfer Agent and Members holding shares in electronic form may obtain the Nomination forms from their respective Depository Participant(s).
10. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts(s). Members holding shares in physical form can submit their PAN details to M/s. Link Intime India Pvt. Ltd. at C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.
12. All documents referred to in the accompanying Notice can be obtained for inspection by sending E-mail to Company on [investors@innovativetyres.co.in](mailto:investors@innovativetyres.co.in). Electronic copies of necessary statutory registers and auditors' report/certificates will be available for inspection by the members at the time of AGM.
13. Members desiring any information relating to the Accounts are requested to address their queries to the Registered Office of the Company at least seven days before the date of the AGM, to enable the management to keep the information ready.



14. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
15. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Link Intime India Private Limited, Company's Registrar and Transfer Agent for assistance in this regard.
16. Consolidation of Shares under one folio The Company would urge shareholders holding shares of the Company under different folios to consolidate the shares under one folio. This would substantially reduce paperwork and transaction costs and benefit the shareholders and the Company. Shareholders can do so by writing to the Registrar with details on folio numbers, order of names, shares held under each folio, and the folio under which all shareholding should be consolidated. Share certificates need not be sent.
17. The Members who hold shares in physical mode and have not registered their e-mail address may register their email ids with the Company / Registrar and Transfer Agent (Link Intime India Private Limited) to enable the Company to send Notices of General Meeting/Postal Ballot, Annual Report and other shareholders communication by electronic mode.

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

18. Voting through electronic means (Remote E-voting):
  - i) In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide to its Members the facility to exercise their right to vote on resolutions proposed to be considered at the 26<sup>th</sup> 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 (LI IPL).
  - ii) The remote e-voting period commences on **Tuesday, December 26, 2023 (9:00 a.m. IST)** and ends on **Thursday, December 28, 2023 (5:00p.m. IST)**. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **Friday, 22<sup>nd</sup> December, 2023** may cast their vote electronically. The remote e-voting module shall be disabled by LI IPL e-voting platform for voting thereafter.
  - iii) The Members, whose names appear in the Register of Members / list of Beneficial Owners as on **Friday, 22<sup>nd</sup> December, 2023**, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice.
  - iv) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - v) The facility for e-voting at the AGM will be available and the Members attending the meeting who have not cast their vote by remote e-Voting shall be able to exercise their right at the meeting through e-voting.
  - vi) The Company has appointed Mrs. Swati Bhatt, Proprietor of M/s. Swati Bhatt & Co., Practising Company Secretaries as Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.
  - vii) The Scrutinizer shall, immediately after the conclusion of voting at the annual general meeting, would first unblock the e-voting at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the company and make within a period not exceeding two (2) days from the conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any and submit forth with to the Chairman of the Company or a person authorized by him in writing who shall countersign the same.
  - viii) The results declared along with the Scrutinizer's Report shall be placed on the Company's website <https://www.innovativetyres.com/> and on the website of LI IPL 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. **December 29, 2023** subject to receipt of sufficient votes.

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

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

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

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

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



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

#### **Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as ‘Custodian / Mutual Fund / Corporate Body’. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.

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

- o Click on ‘Login’ under ‘SHARE HOLDER’ tab and further Click ‘forgot password?’
- o Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on ‘Submit’.
  - In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
  - Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
  - The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

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

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

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

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022-48867000 and 022-24997000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no.: 1800 22 55 33.

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

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

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

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

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

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

**NOTE:** Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

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

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

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

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

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

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

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

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

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

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

- a) Please download and install the Webex application by clicking on the link <https://www.webex.com/downloads.html/>  
or
- b) If you do not want to download and install the Webex application, you may join the meeting by following the process mentioned as under:  
Step 1: Enter your First Name, Last Name and Email ID and click on Join Now.  
1 (A): If you have already installed the Webex application on your device, join the meeting by clicking on Join Now  
1 (B): If Webex application is not installed, a new page will appear giving you an option to either Add Webex to chrome or Run a temporary application.  
Click on Run a temporary application, an exe file will be downloaded. Click on this exe file to run the application and join the meeting by clicking on Join Now.

#### **General Guidelines for Shareholders:**

- I. A Member may participate in the AGM even after exercising his right to vote through remote e-Voting but shall not be allowed to vote again at the AGM.
- II. A person, whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date, i.e., Friday, 22<sup>nd</sup> December, 2023, only shall be entitled to avail the facility of remote e-Voting as well as e-Voting at the AGM.  
  
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 authorized representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
- III. During the voting period, Shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- IV. Shareholders holding multiple folios / demat account shall choose the voting process separately for each of the folios / demat account.
- V. 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](mailto:enotices@linkintime.co.in) or Call us: - Tel: +91 (022) – 4918 6000.
- VI. The Chairman shall, during the AGM / at the end of discussion / after every business item for the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by way of eVoting system for the purpose of conducting a poll for all those Members who are present at the AGM but have not cast their votes by availing the remote e-Voting facility.
- VII. The Scrutinizer will submit his report to the Chairman or to any other person authorized by the Chairman after the completion of the scrutiny of the e-Voting (votes cast during the AGM and votes casted through remote e-Voting), not later than 2 working days from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to NSE and RTA and will also be displayed on the Company's website at [www.innovativetyres.com](http://www.innovativetyres.com) and on the RTA's website at <https://instavote.linkintime.co.in>.
- VIII. The voting results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.innovativetyres.com](http://www.innovativetyres.com) immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the National Stock Exchange.

## ANNEXURE TO NOTICE

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

**Item No. 2**

M/s Haribhakti & Co. LLP, Chartered Accountants, (Firm Registration No. 103523W/W100048), were appointed as Statutory Auditors of the Company at the previous Annual General Meeting (AGM) of the Company held on 28<sup>th</sup> September 2022, to hold the office till the conclusion of 28<sup>th</sup> AGM. The said appointment was the first year in their Second term of five years. Pursuant to the provisions of Section 139 of the Companies Act, 2013, the Company is required to appoint the Statutory Auditor for a term of 5 consecutive years. Therefore, it is proposed to appoint M/s Haribhakti & Co. LLP, Chartered Accountants, (Firm Registration No. 103523W/W100048), as Statutory Auditors of the Company for the balance period of four years in their second term of five years i.e. to hold the office till the conclusion of 32<sup>nd</sup> AGM.

The Board of Directors recommends the resolution at Item No. 2 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof has any concern or interest, financial or otherwise in the resolution at Item No. 2 of this Notice.

**Item No. 3**

Pursuant to the 'Resolution Plan' (RP) submitted by Ten-on-Ten Rubtech Private Limited (Resolution Applicant (RA), as approved by the National Company Law Tribunal, Ahmedabad Bench ("NCLT") vide order dated 9<sup>th</sup> August 2023, the Company has appointed Mr. Munish Chawla (DIN.: 06454015) as a Managing Director of the Company w.e.f. 9<sup>th</sup> August, 2023 for a period of five years from the date of appointment, pursuant to schedule V of the Act, and on such terms and conditions as set out in the proposed resolution.

Pursuant to the NCLT order and based on NCLT order, the Approval of Members is considered as deemed, the Board has appointed Mr. Munish Chawla (DIN.: 06454015) as a Managing Director of the Company w.e.f. 9<sup>th</sup> August, 2023 for a period of five years in compliance of Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the same was intimated to exchange.

The Board on account of good corporate governances and initiative, decided to seek the approval of members of the company by passing of special resolution at ensuing Annual General Meeting for ratification of appointment of Mr. Munish Chawla (DIN.: 06454015) as a Managing Director of the Company w.e.f. 9<sup>th</sup> August, 2023 for a period of five years and approval of his remuneration and to comply with Schedule V to the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for a term of five years as under:

**Broad particulars of the terms of re-appointment of, and remuneration payable to Mr. Munish Chawla are as under:**

1. Salary ₹ 1,87,500/- per month.
2. Perquisites: Car with Driver, telephone.
3. Subject to overall ceiling on remuneration, the Managing 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 salary and perquisites shall not exceed an amount equal to the annual salary of ₹ 22.50 Lakhs.

Accordingly, the Board recommends passing of the resolution as set at Item No. 3 of the Notice as a Special Resolution.

Except Mr. Munish Chawla, Mr. Robin Chawla, Mrs. Roshni Chawla and Mr Ramesh Chander Chawla Directors, no one or their relatives are concerned or interested in the said resolution.

**Item No 4 :**

Pursuant to the 'Resolution Plan' (RP) submitted by Ten-on-Ten Rubtech Private Limited (Resolution Applicant (RA), as approved by the National Company Law Tribunal, Ahmedabad Bench ("NCLT") vide order dated 9<sup>th</sup> August, 2023, the Company has appointed Mr. Robin Chawla (DIN.: 10277507) as a Director of the Company w.e.f. 9<sup>th</sup> August, 2023, liable to retire by rotation.

Pursuant to the NCLT order, the Approval of Members is considered as deemed, for the ratification of appointment of Mr. Robin Chawla (DIN.: 10277507) as Non-Executive Director of the Company w.e.f. 9<sup>th</sup> August, 2023, liable to retire by rotation.

Subsequent to that he was Re-designated as Director & CFO as on 10th November, 2023.

The Board, decided to seek the approval of members of the company by passing of special resolution at ensuing Annual General Meeting for ratification of appointment of Mr. Robin Chawla (DIN.: 10277507) as Non-Executive Director of the Company w.e.f. 9<sup>th</sup> August, 2023, liable to retire by rotation.

Accordingly, the Board recommends passing of the resolution as set at Item No. 4 of the Notice as an Special Resolution.

Except Mr. Munish Chawla, Mr. Robin Chawla, Mrs. Roshni Chawla and Mr. Ramesh Chander Chawla, being appointee Directors, none of the Key Managerial Personnel or their relatives, are interested or concerned in the resolutions.

The Board recommends the Special Resolution set out at item No. 4 of the accompanying Notice in the interests of the Company.

#### **Item No 5 :**

Pursuant to the 'Resolution Plan' (RP) submitted by Ten-on-Ten Rubtech Private Limited (Resolution Applicant (RA), as approved by the National Company Law Tribunal, Ahmedabad Bench ("NCLT") vide order dated 9<sup>th</sup> August, 2023, the Company has appointed Mr. Ramesh Chander Chawla (DIN.: 08303533) as a Director of the Company w.e.f. 9<sup>th</sup> August, 2023, liable to retire by rotation.

Pursuant to the NCLT order, the Approval of Members is considered as deemed, for the ratification of appointment of Mr. Ramesh Chander Chawla (DIN.: 08303533) as Non-Executive Director of the Company w.e.f. 9<sup>th</sup> August, 2023, liable to retire by rotation.

He has around ten years of experience in import of rubber material that will improve Company's performance.

The Board, decided to seek the approval of members of the company by passing of special resolution at ensuing Annual General Meeting for ratification of appointment of Mr. Ramesh Chander Chawla (DIN.: 08303533) as Non-Executive Director of the Company w.e.f. 9<sup>th</sup> August, 2023, liable to retire by rotation.

Accordingly, the Board recommends passing of the resolution as set at Item No. 5 of the Notice as a Special Resolution.

Except Mr. Munish Chawla, Mr. Robin Chawla, Mrs. Roshni Chawla and Mr. Ramesh Chander Chawla, none of the Key Managerial Personnel or their relatives, are interested or concerned in the resolutions.

The Board recommends the Special Resolution set out at item No. 5 of the accompanying Notice in the interests of the Company.

#### **Item No.6:**

The Board proposed to appoint Mr. Umesh Ved as independent director in terms of Section 149 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Obligation and Disclosure Requirement Regulation 2015 to hold office for a period of five years consecutive years.

The Company has received consent in writing from Mr. Umesh Ved to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014. The Company has received a declaration from Mr. Umesh Ved that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and the Listing Obligation and Disclosure Requirement Regulation 2015. In the opinion of the Board Mr. Umesh Ved fulfils the conditions for appointment as Independent Director as specified in the Companies Act, 2013.

Further, Mr. Umesh Ved is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given his intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified under sub section (2) of section 164 of the Companies Act, 2013.

The Board recommends the Special Resolution set out at item No. 6 of the accompanying Notice in the interests of the Company.

The Board decided to seek the approval of members of the company by passing of special resolution at ensuing Annual General Meeting for ratification of appointment of Mr. Umesh Ved who is a qualified Company Secretary and commerce graduate and having experience of more than 3 decades as a practicing professional in Ahmedabad, w.e.f 10<sup>th</sup> November 2023.

Copy of the draft letters for his appointment as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company between working hours on any working day upto the date of the AGM. Item No. 6 of the Notice with regard to their respective appointments.

Except Mr. Umesh ved, being appointee Director, none of the Directors and Key Managerial Personnel or their relatives, are interested or concerned in this resolution.

#### **Item No.7:**

The Board proposed to appoint CS Jasmin Doshi (DIN 08686876) as independent director in terms of Section 149 and any other applicable provisions of the Companies Act, 2013 and Clause 49 of the Listing Obligation and Disclosure Requirement Regulation 2015 to hold office for a period of five years consecutive years.

The Company has received consent in writing from CS Jasmin Doshi (DIN 08686876) to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014. The Company has received a declaration from CS Jasmin Doshi (DIN 08686876) that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and the Listing Obligation and Disclosure Requirement Regulation 2015. In the opinion of the Board CS Jasmin Doshi (DIN 08686876) fulfill the conditions for appointment as Independent Director as specified in the Companies Act, 2013. Further, CS Jasmin Doshi (DIN 08686876) is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given their intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified under sub section (2) of section 164 of the Companies Act, 2013.

The Board recommends the Special Resolution set out at item No. 7 of the accompanying Notice in the interests of the Company.

The Board, decided to seek the approval of members of the company by passing of special resolution at ensuing Annual General Meeting for ratification of appointment of CS Jasmin Doshi (DIN 08686876) who is a qualified Company Secretary and commerce graduate, w.e.f 10<sup>th</sup> November 2023.



Copy of the draft letters for his appointment as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company between working hours on any working day up to the date of the AGM. Item No. 7 of the Notice with regard to their respective appointments.

Except Ms. Jasmin Doshi, being appointee Director, none of the Directors and Key Managerial Personnel or their relatives, are interested or concerned in this resolution.

**Item No. 8 :**

As per sections 152, 161, and other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Rules framed there under, read with Schedule IV to the Act, as amended from time to time, Mrs. Roshni Chawla (DIN-10276412), who is eligible for appointment, be and is hereby appointed as non-executive additional Director of the Company to hold the office up to the conclusion of ensuing Annual General meeting of the Company."

The Board, decided to seek the approval of members of the company by passing of ordinary resolution at ensuing Annual General Meeting for ratification of appointment of Mrs. Roshni Chawla as Non-Executive Director of the company w.e.f. 10th November 2023 liable to retire by rotation." Accordingly, The Board recommends passing of resolution as set at Item No.9 of the Notice as Ordinary Resolution.

The Company has received consent in writing from Mrs. Roshni Chawla (DIN-10276412) to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014. The Company has received a declaration from Mrs. Roshni Chawla (DIN-10276412) that he meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and the Listing Obligation and Disclosure Requirement Regulation 2015. In the opinion of the Board Mrs. Roshni Chawla (DIN-10276412) fulfill the conditions for appointment as Independent Director as specified in the Companies Act, 2013. Further, Mrs. Roshni Chawla (DIN-10276412) is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013 and have given their intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that they are not disqualified under sub section (2) of section 164 of the Companies Act, 2013.

The Board, decided to seek the approval of members of the company by passing of ordinary resolution at this Annual General Meeting for ratification of appointment of Mrs. Roshni Chawla (DIN-10276412), She is a graduate in Arts. Mrs. Roshni Chawla has decades of experience in international business while managing SME operations in countries such as USA and Canada. She has insightful information and network for global materials sourcing, w.e.f 10th November 2023.

Copy of the draft letters for his appointment as setting out the terms and conditions are available for inspection by members at the Registered Office of the Company between working hours on any working day up to the date of the AGM.

Except Mrs. Roshni Chawla, Mr. Munish Chawla, Mr. Robin Chawla and Mr. Ramesh Chander Chawla, none of the Directors and Key Managerial Personnel or their relatives, are interested or concerned in this resolution.

**Item No 9 :**

**TO APPROVE RELATED PARTY TRANSACTIONS TO BE ENTERED BY THE COMPANY:**

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

Pursuant to the rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, the name of related party, nature of relationship and type of transactions with the related parties, to be entered during a period of five years commencing from 1<sup>st</sup> January, 2024, are mentioned herein below:

These transactions will be entered in the ordinary course of business and on arm's length basis Further as per the provisions of Section 188 (1) of the Companies Act, 2013 read with Companies (Meeting of Board and its Powers) Rules, 2014 and provisions of Regulation 23 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as recommended and approved, defined as material related party transaction by the Audit Committee, prior approval of the shareholders of the Company is required for entering into contracts or agreements with related party transaction(s).



Other details of the transactions, pursuant to the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/ 662 dated 22<sup>nd</sup> November, 2021, and Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are given hereunder:

1	Name of the related party	Ten on Ten Rubtech Private Limited, TOT Tyres Private Limited, Ten on Ten International Private Limited, TOT Elastomers LLP
2	Name of Director and KMP who is related, if any	Mr. Munish Chawla, Mr. Ramesh Chander Chawla and Mrs. Roshni Chawla
3	Nature of relationship with the Company including nature of its concern or interest (financial or otherwise)	Directors and their relatives are Directors and Designated Partners in the Company (ies)/ entities
4	Type/nature, material terms, monetary value and particulars of the proposed transaction	Internal purchase/sale of goods and providing/availing Loans, services/ using resources/entering into agreement for use of properties, providing corporate Guarantee, Providing Securities to third party for any Borrowing or otherwise
5	Tenure	Duration of five years for a period from January 01, 2024 to December 31, 2028
6	Monetary Value	Internal purchase/sale of goods and providing/availing Loans, services/ using resources/entering into agreement for use of properties, providing corporate Guarantee, Providing Securities to third party for any Borrowing or otherwise: Ten on Ten Rubtech Private Limited upto ₹ 600 crore. , TOT Tyres Private Limited- upto ₹ 600 crore, Ten on Ten International Private Limited upto ₹ 600 crore, TOT Elastomers LLP upto ₹ 50 crore
7	Any advance paid	No
8	The manner of determining the pricing and other commercial terms, both included as part of contract and not considered as part of contract	Generally accepted in the market
9	Justification as to why the related party transaction is in the interest of the Company	The Company and Related Parties have been engaged in rubber business. The entities are having vast experience and strategic capabilities that it has developed in this field. The proposed transactions will aid the growth of the Company's business.
10	Valuation Report on which the Company has relied upon	Not Applicable
11	Percentage of the Company's annual consolidated turnover for the immediately preceding financial year, that is represented by the value of the proposed transaction	As the Company was under IBC the Company was not having adequate turnover in last financial year.

The Board recommends the **Special resolution** set out in Item No. 9 of the Notice for approval by the members.

**Annexure A**

Details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard- 2 on "General Meetings" issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM:

Particulars	Mr. Munish Chawla (DIN 06454015)
Age	52 Years
Date of Appointment	09-08-2023
Designation	Managing Director
Qualifications	Post Graduate
Experience (including expertise in specific functional area)/Brief Resume	<p>A natural businessman, Munish Chawla has been conducting business his whole life. Born to a businessman father who dealt with garments and boutique timepieces, he had gravitated to this line of work from an early age. He graduated with an engineering degree from Maharashtra University in Aurangabad. After working his first post-grad job for merely a few days, he quit and started his first manufacturing plant in plastics at just the age of 22. With bigger aspirations, he left India behind to pursue the American dream with just a couple hundred dollars to his name. From gas station attendant to restaurant owner, to truck stop owner, he has been able to apply his natural business acumen to various types of industries and succeed. In 2011, he began Ten on Ten International Private Limited, an India-based business specializing in trading off-grade polymers by exporting material to India from manufacturing plants in US and Canada. After finding great potential in this untapped business model, and with a key focus on forward and backward integration, he made his way from trader, to dealer, to distributor, and eventually to manufacturer of his own state-of-the-art developed rubber compound with his second India-based company Ten on Ten Rubtech Pvt Ltd, within the span of a few short years.</p> <p>Apart from manufacturing, Munish Chawla is an avid investor with ventures across various industries such as real estate and IT. With a key focus on real estate, he has amassed various real-estate assets in India and Canada and that too with reputed tenants such as Incuspaze Solutions, State Bank of India, ICICI Bank, Domino's Pizza, Burger King, Alcor. He also has 22% equity in Incuspaze Solutions, which specializes in providing office space solutions to start-ups, SMEs and large enterprises.</p> <p>Today, Munish Chawla is running 9 companies across 3 countries, with suppliers spanning across 4 continents and customers spanning across the entire globe.</p> <p>With his vast experience and spot on business acumen, Munish Chawla also brings on vast network of suppliers, customers and most importantly his technical know-how in rubbers and rubber compounds, which shall absolutely critical to the turnaround of the Company.</p>
Terms and conditions of appointment/re-appointment	<p>Compensation ₹ 22,50,000/-per annum.</p> <p>Period five years. Not liable to retire by rotation.</p>
Relationship with other directors or Key Managerial Personnel	<p>Mr. Robin Chawla (Son)</p> <p>Mr. Ramesh Chander Chawla (Father)</p> <p>Mrs. Roshni Chawla (Wife)</p>
Names of listed entities in which the person also holds the directorship and the membership of Committees of the Board	Nil
Total shares held by him in the company	Nil

Particulars	Mr. Robin Chawla (DIN-10277507)
Date of Appointment	09-08-2023
Designation	Director & CFO (w.e.f. 10.11.2023)
Age	24 years
Qualifications	Graduate
Experience (including expertise in specific functional area)/ Brief Resume	A graduate in Data Science from the University of Toronto, Robin Chawla has forgone several opportunities to work high-paying tech jobs in Silicon Valley to join the TOT Group. He is currently heading the Tyre division. With the spirit of youth and knowledge of engineering technology, his commitment to the Group's growth is unwavering. His youthful energy and knowledge of the latest technology will be critical in achieving a restart and upscaling and upskilling of the operations of the he turnaround of the Company.
Terms and conditions of appointment/re-appointment	Compensation ₹ NIL per annum. He shall be liable to retire by rotation
Relationship with other directors or Key Managerial Personnel	Mr. Munish Chawla (Father) Mr. Ramesh Chander Chawla (Grand Father) Mrs. Roshni Chawla (Mother)
Names of listed entities in which the person also holds the directorship and the membership of Committees of the Board	Nil
Total shares held by him in the company	Nil

Particulars	Mr. Ramesh Chander Chawla (DIN- 08303533)
Date of Appointment	09-08-2023
Designation	Director
Age	81 Years
Qualifications	High School
Experience (including expertise in specific functional area)/ Brief Resume	Importer of Raw Rubber Materials from last 10 years
Terms and conditions of appointment/re-appointment	Compensation ₹ Nil per annum. Period three years.
Relationship with other directors or Key Managerial Personnel	Mr. Munish Chawla (Son) Mr. Robin Chawla (Grand Son) Mrs. Roshni Chawla (Daughter-in-law)
Names of listed entities in which the person also holds the directorship and the membership of Committees of the Board	Nil
Total shares held by him in the company	Nil

Particulars	Mrs. Roshni Chawla (DIN-10276412)
Age	48 years
Qualifications	Graduate
Experience (including expertise in specific functional area)/ Brief Resume	She is a graduate in arts. Roshni Chawla has decades of experience in international business while managing SME operations in countries such as USA and Canada. She has insightful information and network for global materials sourcing.
Terms and conditions of appointment/re-appointment	Compensation Rs. NIL per annum.
Remuneration last drawn (including sitting fees if any) {For FY 2022-23}	Rs. NIL lakhs p.a.
Relationship with other directors or Key Managerial Personnel	Spouse of Mr. Munish Chawla, Managing Director Mother of Mr. Robin Chawla Director & CFO Daughter in law of Mr Ramesh Chander Chawla, Director
Date of Appointment	10/11/2023
Names of listed entities in which the person also holds the directorship and the membership of Committees of the Board	Nil
Total shares held by him in the company	Nil

Particulars	Ms. Jasmin Doshi (DIN 08686876)	Mr. Umesh Ved (DIN 00003393)
Age	35 Years	57 Years
Date of Appointment	10-11-2023	10-11-2023
Designation	Independent Director	Independent Director
Qualifications	B.Com., ACS	B.Com, LL.B., FCS, Insolvency Professional
Experience (including expertise in specific functional area)/Brief Resume	A profession exposure of over 9 years of experience as a professional. Presently serving in M/s prime Fresh Limited	<p>A Practicing Company Secretary from Ahmedabad is having a post-qualification experience of almost three decades. He is proprietor of Umesh Ved &amp; Associates, a leading Practising Company Secretaries Firm of Western India, specializing in Mergers, Amalgamations, Takeovers, Restructuring of companies, IBC, Securities Laws and Foreign Exchange Management, etc. and providing value added services to corporate clients in the field of legal, compliances and Appearance before the Quasi-Judicial Bodies</p> <p>An active member of the ICSI, Mr. Ved was a member of the Central Council of the ICSI for the term 2011-14. He was also the Chairman of Ahmedabad Chapter of Western India Regional Council in the year 2000 and Chairman of Western India Regional Council of the ICSI in the year 2008. He is a regular speaker at Seminars, Workshops organized by the professional bodies and a visiting faculty at Professional Institutes of repute. Mr. Ved is actively associated with various Religious and Charitable Trusts. Widely travelled Mr. Ved is a avid reader, prolific writer and has contributed several papers and articles in prestigious professional Journals, magazines and leading financial dailies.</p> <p>He is having professional experience of more than 25 years in Company Law, FEMA and other Legislations focusing mainly in Mergers and Acquisitions, Corporate Restructuring, Joint Ventures and Foreign Collaborations, Due Diligence Audits, Capital Market Issues, etc. He has also served and continues to serve as advisor to the Board of Directors / Management Council of number of listed / unlisted companies in India He has been actively engaged in dealing with company law matters and obtaining approvals and registrations with various governmental, statutory, regulatory and administrative authorities like Registrar of Companies, NCLT, Regional Directors, and Ministry of Corporate Affairs, Reserve Bank of India, Stock Exchanges, SEBI and other statutory Authorities and representing before the said Authorities on behalf of clients.</p>
		<p>He is having professional experience of more than 25 years in Company Law, FEMA and other Legislations focusing mainly in Mergers and Acquisitions, Corporate Restructuring, Joint Ventures and Foreign Collaborations, Due Diligence Audits, Capital Market Issues, etc. He has also served and continues to serve as advisor to the Board of Directors / Management Council of number of listed / unlisted companies in India He has been actively engaged in dealing with company law matters and obtaining approvals and registrations with various , statutory, regulatory and administrative authorities like Registrar of Companies, NCLT, Regional Directors, and Ministry of Corporate Affairs, Reserve Bank of India, Stock Exchanges, SEBI and other statutory Authorities and representing before the said Authorities on behalf of clients.</p>
Terms and conditions of appointment/re-appointment	Compensation NIL. Appointment for 5 years	Compensation NIL. Appointment for 5 years
Relationship with other directors or Key Managerial Personnel	None	None

Particulars	Ms. Jasmin Doshi (DIN 08686876)	Mr. Umesh Ved (DIN 00003393)
Names of Companies in which the person also holds the directorship.	Independent Director- TGB Banquets and Hotels Limited	Director in Reni Consultants Private Limited, Adani Solar Energy Four Limited, Adani Solar Energy Chitrakoot One Limited Adani Solar Energy Kutchh One Limited, Mbiz Solutions Private Limited, Vishwam Advisory Private Limited, Adani Solar Energy Ap Six Private Limited, Adani Solar Energy Jodhpur Three Private Limited, Adani Solar Energy Jodhpur Four Limited, Adani Solar Energy Ap Seven Private Limited, Adani Solar Energy Jodhpur Five Private Limited, Adani Solar Energy Ka Nine Private Limited, Anamaya (India) Private Limited, Umesh Ved Advisors Private Limited.
Membership of Committees of the Board	Member in Audit Committee, N.R.C and Stackholder Relationship Committee of above.	
Total shares held by him in the company	Nil	Nil

#### Annexure-B

#### STATEMENT IN TERMS OF ITEM (IV) OF THIRD PROVISIO OF SECTION II OF PART II OF SCHEDULE V TO THE COMPANIES ACT, 2013

##### I. General Information

Sr.No.	Particulars	Remark																														
1.	Name of Industry	Tyre and Tube Manufacturing Industry																														
2.	Date or expected date of commercial production	The Company was incorporated on 28 <sup>th</sup> November 1995 and commenced commercial production thereafter.																														
3.	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable																														
4.	Financial Performance	<table> <tr> <th>Particulars</th><th>2022-23 Rs. In lakhs</th><th>2021-22 Rs. In lakhs</th></tr> <tr> <td>Turnover including other income</td><td>186.83</td><td>5,361.50</td></tr> <tr> <td>EBIDTA</td><td>-5,313.74</td><td>-4,824.25</td></tr> <tr> <td>Depreciation</td><td>818.32</td><td>780.28</td></tr> <tr> <td>Finance Cost</td><td>8.77</td><td>306.50</td></tr> <tr> <td>Profit Before Tax</td><td>-6,140.83</td><td>-5,911.03</td></tr> <tr> <td>Tax</td><td>-847.18</td><td>-17.02</td></tr> <tr> <td>Profit After Tax</td><td>-5,293.65</td><td>-5,894.01</td></tr> <tr> <td>Paid up Capital</td><td>1,799.16</td><td>1,799.16</td></tr> <tr> <td>Reserves &amp; Surplus</td><td>-6,221.3</td><td>-927.64</td></tr> </table>	Particulars	2022-23 Rs. In lakhs	2021-22 Rs. In lakhs	Turnover including other income	186.83	5,361.50	EBIDTA	-5,313.74	-4,824.25	Depreciation	818.32	780.28	Finance Cost	8.77	306.50	Profit Before Tax	-6,140.83	-5,911.03	Tax	-847.18	-17.02	Profit After Tax	-5,293.65	-5,894.01	Paid up Capital	1,799.16	1,799.16	Reserves & Surplus	-6,221.3	-927.64
Particulars	2022-23 Rs. In lakhs	2021-22 Rs. In lakhs																														
Turnover including other income	186.83	5,361.50																														
EBIDTA	-5,313.74	-4,824.25																														
Depreciation	818.32	780.28																														
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Profit Before Tax	-6,140.83	-5,911.03																														
Tax	-847.18	-17.02																														
Profit After Tax	-5,293.65	-5,894.01																														
Paid up Capital	1,799.16	1,799.16																														
Reserves & Surplus	-6,221.3	-927.64																														
5.	Foreign Investments or collaboration, if any	There is no direct foreign investment in the Company except to the extent shares held by Foreign Company. There is no foreign collaboration in the company.																														

##### II. Information about the Managing Director:

Sr.No.	Particulars	Shri Munish Chawla
1.	Background details	Please refer Item No. 3 of statement pursuant to Section 102(1) of the Act of this notice.
2.	Past Remuneration	NA
3.	Recognition and Awards	Nil
4.	Job Profile and his suitability	Given in the body of this statement

Sr.No.	Particulars	Shri Munish Chawla
5	Remuneration proposed	Since the same have been already explained in detail in the statement, the same are not repeated. It is to be informed that it is same as earlier term.
6	Comparative remuneration profile with respect to industry, size of company, profile of the position and person.	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is commensurate with the industry standards and Board level positions held in similar sized and similarly positioned businesses.
7	Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial Personnel, if any.	Apart from receiving managerial remuneration and holding directorship in Resolution Applicant company, he does not have any other pecuniary relationship with the Company.

### III. Other Information

#### 1. Reasons of loss or inadequate profits:

There were no operations in the company during Current financial year being it in CIRP.

#### 2. Steps taken or proposed to be taken for improvement:

The new resolution applicant has taken over the charge in August 2023. The new management is taking efforts to ramp up the business volumes of the Company by way of infusion of adequate Working Capital in the Company and the management is hopeful of a turnaround in the fortunes of the Company in the coming years.

#### 3. Expected increase in productivity and profits in measurable terms:

Barring unforeseen circumstances, the Company hopes to increase the revenue and profits by improved margins in the current year.

### IV. Disclosures:

Disclosure as required under sub clause IV of clause (iv) of Section II of Part II of Schedule V are mentioned in the Board's Report under the heading "Corporate Governance".

The above explanatory statement (together with Annexure-A and Annexure-B thereto) shall be construed to be memorandum setting out the terms of the re-appointment as specified under Section 190 of the Companies Act, 2013.

**Place:** Halol

**Date:** 4<sup>th</sup> December, 2023

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

**Munish Chawla**  
DIN-06454015  
Director

#### Registered Office:

1201, 1202, 120 3, GIDC Halol,

Panchmahal – 389350.

CIN: L25112GJ1995PLC086579

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

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

Tel: 02676 -220621



## DIRECTORS' REPORT

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

Your Board of Directors present the 28<sup>th</sup> Annual Report and the Audited Financial Statements for the financial year ended March 31, 2023.

The members are informed that the Hon'ble National Company Law Tribunal, Ahmedabad Bench, ordered the Commencement of Corporate Insolvency Resolution Process vide NCLT order No. C.P (I.B) No. 261/NCLT(AHM)2021, Dated: 28.03.2022 (CIRP Process Commencement Date). The NCLT had, pursuant to the Admission Order, appointed an Interim Resolution Professional (IRP) for the Corporate Debtor vide its order of even date. In terms of the admission order, inter alia, the management of the affairs of the Corporate Debtor was vested with the IRP. Subsequently, the Committee of Creditors ("CoC") appointed the IRP as the Resolution Professional (RP) to manage the day-to-day affairs of the Company. On appointment of the IRP/RP, the powers of the Board of Directors of the Company were suspended.

In accordance with the provisions of the Code, resolution plan in respect of the Company was received by the RP. The CoC of the Company, in their meeting held on December 31, 2022 had approved the Resolution Plan submitted by M/s. Ten on Ten Rubtech Private Limited ("Successful Resolution Applicants") which was subsequently submitted to the Hon'ble NCLT in accordance with Section 30(6) of the Code.

The Hon'ble NCLT, Ahmedabad bench, vide its order dated August 09, 2023 approved the Resolution Plan submitted by the Successful Resolution Applicant. A new Board was constituted on August 09, 2023 and a new management was put in place.

The approved Resolution Plan is binding on the Company and its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force, such as authorities to whom statutory dues are owed such as guarantors and other stakeholders involved in the Resolution Plan.

The newly constituted Board of Directors were not in office for the period to which this report pertains. During the period of the CIRP i.e. from March 28, 2022 till August 09, 2023, the IRP/RP was in-charge of the affairs of the Operations of the Company. The newly constituted Board is submitting this report in compliance with the provisions of the Companies Act, 2013, and the rules framed thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015. The newly constituted Board is not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the financial year under review.

## FINANCIAL RESULTS

The Company's financial performance for the year ended March 31, 2023 is summarized below:

(₹ in Lakhs)

Particulars	Year ended 31 <sup>st</sup> March 2023	Year ended 31 <sup>st</sup> March 2022
Revenue from Operations	162.44	5,156.99
Other Income	24.39	204.51
<b>Total Revenue</b>	<b>186.83</b>	<b>5,361.50</b>
<b>Total expenses</b>	<b>6,327.67</b>	<b>11,272.53</b>
<b>Profit/(Loss) before taxation and extraordinary items</b>	<b>(6,140.83)</b>	<b>(5,911.03)</b>
Add: Extraordinary items	-	-
<b>Profit/(Loss) before taxation</b>	<b>(6,140.83)</b>	<b>(5,911.03)</b>
Less: tax expense (including adjusted deferred tax)	847.18	17.02
<b>Profit/(Loss) after tax</b>	<b>(5,293.65)</b>	<b>(5,894.01)</b>
EPS (Basic)	(29.42)	(32.76)
EPS (Diluted)	(29.42)	(32.76)

## STATEMENT OF COMPANIES AFFAIRS

During the year under review the total turnover from operations was ₹ 162.44 lakhs as against the last year's turnover of ₹ 5156.99 lakhs. The revenue reduced drastically due to discontinuation of manufacturing operations during CIRP period. During the year, the company recorded a net loss of ₹ 5293.65 lakhs as against the previous year's net loss of ₹ 5894.01 lakhs.

In accordance with the provisions of the Insolvency and Bankruptcy Code, the Company was admitted to undergo CIRP pursuant to the Order of the Hon'ble NCLT, Ahmedabad Bench, on March 28, 2022.

The Hon'ble NCLT, Ahmedabad Bench vide its Order dated August 09, 2023 has approved the Resolution Plan submitted by the Successful Resolution Applicants. Pursuant to the approval of the Resolution Plan, the new management has taken over the management of the operations of the Company. It is to be noted that during the CIRP period (i.e. between March 28, 2022 till August 09, 2023), Resolution Professional was entrusted with and responsible for the management of the affairs of the Company.

#### **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, 2023.

#### **TRANSFER TO RESERVE**

During the year under review, the Company does not have profits, hence not proposed any amount to be transferred to General Reserve for the financial year ended 31<sup>st</sup> March, 2023.

#### **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 2022-23.

#### **LISTING WITH STOCK EXCHANGE**

The Equity Shares of your Company are listed 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 2023-24.

#### **MATERIAL CHANGES AND COMMITMENT:**

There have not been any material changes and commitments affecting the financial position of the Company since the close of financial year i.e. since 31<sup>st</sup> March, 2023 due to the company is not in operations.

Pursuant to the Order dated August 09, 2023 passed by the Hon'ble NCLT, Ahmedabad bench, the following events took place;

- (i) Constitution of New Management: The new management has w.e.f. August 17, 2023 being the effective date, taken control of the operations of the Company.
- (ii) Reconstitution of the Board of Directors: Consequent to the NCLT Order dated August 09, 2023, all the Directors as of the date of the order were deemed to have vacated/resigned from their office. New Board was re-constituted on August 09, 2023 consisting of Mr. Munish Chawla, Mr. Robin Chawla and Mr. Ramesh Chander Chawla.
- (iii) Implementation of Resolution Plan: The Resolution Plan envisages amongst other things, Reduction in the existing Share Capital of the Company, Consolidation of the Equity Shares of the Company, fresh issue and allotment of Equity Shares to the Resolution Applicants. Since the order approving the Resolution Plan was passed on August 09, 2023 and the effective date for taking over the management of the Company by the Resolution Applicants was August 09, 2023, the impact of the Resolution Plan shall be given effect in the half yearly results of the financial year 2023-24. Further, there is a difference in promoter shareholding as per resolution plan and as on the date of the NCLT order (dated August 09, 2023) the Monitoring Committee Chairman has filed Interlocutory application before the NCLT, Ahmedabad for modification so the Reduction in the existing Share Capital of the Company, Consolidation of the Equity Shares of the Company, fresh issue and allotment of Equity Shares to the Resolution Applicant can take place.
- (v) Constitution of Implementation and Monitoring: As provided for in the approved Resolution Plan the Implementation and Monitoring Committee was constituted on August 16, 2023, comprising of three members viz. the erstwhile Resolution Professional (redesignated as the Chairperson to the Implementation & Monitoring Committee), one member from Secured Creditors and one member from Resolution Applicant. The Company being Corporate Debtor is in the process of making payments to the Operational creditors, Financial Creditors, CIRP Cost, Employee dues as per the Resolution plan approved by the Hon'ble NCLT, Ahmedabad Bench.

The Resolution Applicants shall be liable to make the payment towards only the liabilities assumed in the Resolution Plan and only for the specifically accepted amount as per the proposed Resolution Plan. No crystallized or contingent Liabilities as on the Resolution Plan approval date shall be payable which has not been specifically accepted and provided for in the Resolution Plan. All payment proposed against deemed assumed Liabilities, contingent Liabilities, disputed Liabilities and such other liabilities shall be considered as full and final amount payable towards such liabilities. No further claims or litigation shall be admissible against the Corporate Debtor or Resolution Applicants for any such Liabilities stated herein. No liabilities shall be admissible which has not specifically been assumed under the Resolution Plan. Further any liability crystallizing out of the contingent liabilities or disputed legal cases of the Company or any other unknown or unclaimed liability pertaining to a transaction or incident dating to a period prior to the Insolvency commencement date or during the CIRP which does not find a place in the approved Resolution Plan, shall be deemed to have lapsed/extinguished on the approval of the Resolution Plan and the Company shall be deemed to have been duly discharged from all legal liability arising from such antecedent claims. Hence no fresh claims shall be entertained by the company in future and all outstanding liabilities shall be deemed to be extinguished.

## RISK MANAGEMENT:

During the year, all the risk related to compliance and activity in relation to Corporate Insolvency Resolution Process has been managed by Resolution Professional.

The new management of the Company shall review the existing risk management policy and lay down defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. Management is yet to set up exercises to be carried out to identify and evaluate, manage and monitor various risk. However, constitution of Risk Management Committee is not applicable as it is applicable to top 500 listed companies only.

## EXTRACT OF ANNUAL RETURN

In accordance with the Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the annual return of the Company as on March 31, 2023 in the prescribed format is available on the Company's website. The web-link as required under the Act is as under:

LINK: [https://www.innovativetyres.com/investor\\_relations/announcements/innovativedraftAnnualReturnFY2022-23](https://www.innovativetyres.com/investor_relations/announcements/innovativedraftAnnualReturnFY2022-23)

## 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 19<sup>th</sup> May, 2022 appointed M/s. Swati Bhatt & Co., Practicing Company Secretary, Vadodara as Secretarial Auditor of the company for the F.Y. 2022-23. The Secretarial Audit Report is attached as **Annexure – 1**.

## CORPORATE GOVERNANCE

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

## MANAGEMENT DISCUSSION & ANALYSIS REPORT:

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

## DISCLOSURE ON DEPOSITS UNDER CHAPTER V

The Company has neither accepted nor renewed any deposits during the financial year 2022-23 in terms of Chapter V of the Companies Act, 2013. However, there are some advances received from the customers against supply of materials which are lying unadjusted over one year. The delay in supplying of materials was on account discontinuance of manufacturing operations during the CIRP period. Further, the Company is not having any unpaid or unclaimed deposits at the end of the financial year.

## INTERNAL FINANCIAL CONTROL SYSTEM

Pursuant to the taking over of the operations of the Company by the new management, the Company is putting in place a framework for Internal Financial Controls, commensurate with the size, scale and complexity of the Company's operations.

## DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors comprises of following directors:

Sr. No.	Name of Directors/KMP	Designation
1.	Mr. Mukesh Desai	Non-Executive Chairman (upto 09-08-2023)
2.	Mr. Keyoor Bakshi	Independent Director (upto 09-08-2023)
3.	Dr. Mrs. Kalpana Joshipura	Independent Director (upto 09-08-2023)
4.	Mr. Munish Chawla	Managing Director (w.e.f. 09-08-2023)
5.	Mr. Robin Chawla	Non-executive Director (w.e.f. 09-08-2023) and Director & CFO (w.e.f. 10-11-2023)
6.	Mr. Ramesh Chander Chawla	Non-executive Director (w.e.f. 09-08-2023)
7.	Mr. Umesh Ved	Independent Director (w.e.f. 10-11-2023)
8.	Ms. Jasmin Doshi	Independent Director (w.e.f. 10-11-2023)
9.	Mrs. Roshni Chawla	Non-Executive Director (w.e.f. 10-11-2023)
10.	Mrs. Shweta Pankaj Sharma	Company Secretary & Compliance Officer (w.e.f. 10-11-2023)

During the year the company was under CIRP and during the CIRP period (i.e. between March 28, 2022 till August 09, 2023), Resolution Professional was entrusted with and responsible for the management of the affairs of the Company.

#### MEETINGS OF BOARD OF DIRECTORS

During the year, the Board met 4 (four) times i. e. on May 19, 2022, August 18, 2022, August 31 2022 and November 14 2022.

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. 2022-23.
Mr. Mukesh Desai	04/04
Mr. Keyoor Bakshi	03/04
Dr. Mrs. Kalpana Joshipura	04/04

#### STATUTORY AUDITORS

The Board of Directors of the Company at their meeting held on 26<sup>th</sup> October, 2023 proposed, subject to approval of shareholders, the appointment of M/s Haribhakti & Co. LLP, Chartered Accountants, (Firm Registration No. 103523W/W100048), as Statutory Auditors of the Company, to hold office for the balance Period of four years in their second term i.e. from the conclusion of ensuing Annual General Meeting up to the conclusion of 32<sup>nd</sup> Annual General Meeting of the Company. M/s Haribhakti & Co. LLP, Chartered Accountants, (Firm Registration No. 103523W/W100048), have given their consent, confirming that their appointment, if made, would be in accordance with the provisions of Section 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014.

The Auditor's Report for financial year 2022-23 contains qualification, reservation. These were because during the financial year 2022-23 the company was under Corporate Insolvency Resolution Process and Mr. Abhishek Nagori was appointed as the Interim Resolution Professional ("IRP") and subsequently Resolution Professional ("RP") in term of the Insolvency and Bankruptcy Code, 2016 ("Code") to manage the affairs of the Company as per the provisions of the Code.

#### FRAUD REPORTED BY AUDITOR UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013

There was no instance of fraud reported by the auditor in their report under Section 143 (12) of the Companies Act, 2013.

#### COST AUDITORS

The Company has not appointed the Cost Auditor to conduct the Cost Audit for the financial year 2022-23, as per Section 148 of Companies Act, 2013 due to no production envisaged during the year as the Company was under Corporate Insolvency Resolution Process.

The Company had appointed the Cost Auditor to conduct the Cost Audit for the financial year 2021-22, M/s. V. P. & Associates, Cost & Management Accountants, Vadodara.

The Cost Audit Report for the financial year 2021-22, issued by M/s. V. P. & Associates, Cost & Management Accountants, Vadodara as prescribed under Cost Audit Rules was filed with the Ministry of Corporate Affairs after due date on 10<sup>th</sup> February, 2023. The Cost Auditors' Report for the financial year 2021-22 did not contain any qualifications and reservation or adverse remark.

#### SECRETARIAL AUDITORS

Board of Directors at their meeting held on 19<sup>th</sup> May 2022 appointed M/s. Swati Bhatt & Co., Practicing Company Secretary, Vadodara as Secretarial Auditor to conduct the secretarial audit for the financial year 2022-23. Secretarial Audit Report for financial year 2022-23 is attached to this report as Annexure - 1.

#### INTERNAL AUDITOR:

M/s Khode & Associates, Chartered Accountants, has been appointed as the Internal Auditors of the Company for FY 2023-24 to conduct the Internal Audit on the basis of detailed Internal Audit Plan.

#### STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION)

The Impact of Audit Qualifications (for audit report with modified opinion) for financial year 2022-23 is attached to this report as Annexure - 5.

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

In the Report of the Independent Auditors for the year ended March 31, 2023, forming part of this Annual Report, the Auditors have given following observations: -

- 1) Clause (i) (A) of the Annexure 1 to the Independent Auditor's Report.
- 2) Clause (5) of the Annexure 1 to the Independent Auditor's Report.
- 3) Clause (vi) of the Annexure 1 to the Independent Auditor's Report.
- 4) Clause (vii)(a) and (b) and (ix) (a) of the Annexure A to the Independent Auditor's Report.
- 5) Clause (xiv) of the Annexure A to the Independent Auditor's Report.

### In relation to the observations referred above, the point wise submissions are as under:

1. During the year under review the Company has not maintained proper records of fixed assets showing full particulars including quantitative details and situation of property, plant and equipment. However, since the new management has taken charge and will ensure the maintenance in coming period.
2. During the year under review, the Company has not accepted any deposits. However, there are some advances received from the customers against supply of materials which are lying unadjusted over one year. The delay in supplying of materials is on account of the pandemic and halting of operations. Subsequent to that the company was in CIRP for the full financial year. Now as per the Hon'ble NCLT order, the SRA is making payment as per implementation of Resolution Plan.
3. During the year under review the operations were closed and the company was having only limited number of employees during the CIRP period. However, since the new management has taken charge and will ensure the maintenance in coming period.
4. Due to liquidity issue, the Company has not paid the undisputed statutory dues and the loan liabilities. Other observations and opinions of the Statutory Auditors in their report are self-explanatory.
5. Due to halting of operations and liquidity issue, the Company could not get done its internal audit.

Other observations and opinions of the Statutory Auditors in their report are self-explanatory and they do not call for any further explanation as required under section 134 of the Companies Act, 2013.

## SHARE CAPITAL

The Company's issued and paid up Share Capital is ₹ 17,99,15,610/- divided into 1,79,91,561 fully paid up Equity shares of ₹ 10/- each. Proposed Reduction & Consolidation of Equity Shares as per Resolution Plan:

Pursuant to the Resolution Plan approved by the Hon'ble NCLT, Mumbai Bench, vide its Order dated August 09, 2023 the Equity Share Capital of the Company shall stand reduced from the existing ₹ 17,99,15,610/- to ₹ 10,01,00,000/- and the equity shares of the Company shall be consolidated from the existing into 1,79,91,561 Equity Shares of ₹ 10/- each to 5,10,000 Equity Shares of ₹ 10/- each by cancelling promoters shareholding and the Resolution Applicant and/or its nominees shall be issued 95,00,000 equity shares of ₹ 10/- each aggregating ₹ 9,50,00,000/- as equity capital infusion.

The process of restructuring of share capital, as proposed in Approved Resolution Plan, could not be commenced because there is a discrepancy in number of public and promoter shareholding as on the date of order of the honourable NCLT order and as per the Approved Resolution plan. The public shareholding has increased by 9,87,000 equity shares and promoter shareholding has decreased by 9,87,000 equity shares. As on the date of NCLT order approving the Resolution Plan, i.e. 09.08.2023, the equity shares held by Promoters/Associates/Group were reduced to 25,19,104 equity shares and not 35,06,104 equity shares as stipulated in the Approved Resolution Plan. Further, As on the date of NCLT order approving the Resolution Plan, i.e. 09.08.2023, the public shareholding was increased to 1,54,72,457 equity shares from 1,44,85,457 equity shares as stipulated in the approved Resolution Plan. In order to make correction in the order dated August 09, 2023, an Interlocutory Application has been filed with the Honorable NCLT Ahmedabad Bench by the Resolution Professional on 01-November 2023.

## FRESH ISSUE OF EQUITY SHARES

Fresh issue of equity shares:

Post reduction of Equity Share Capital and Consolidation of existing Equity Shares, 95,00,000 fresh Equity Shares of the Company will be issued and allotted to the Resolution Applicants and its affiliates at a price of ₹ 10/- each.

**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, no related party transactions were entered into during the financial year ended 31<sup>st</sup> March, 2023 hence disclosure under Form AOC-2 not required. The Board has approved a policy for related party transactions which has been updated on the Company's website. The web-link as required under SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 is [http://www.innovativetyres.com/investor\\_relations/policies\\_programme](http://www.innovativetyres.com/investor_relations/policies_programme)

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

The Company has constituted a Corporate Social Responsibility (CSR) Committee as per provisions of Section 135 of Companies Act, 2013 to spend in various CSR initiatives as provided under schedule VII of the Companies Act, 2013 and rules made thereunder.

However due to losses suffered, the company has not spent on any CSR activities/projects. However, your Company is enthusiastic to serve the society at large, which it will do in the coming years.

**DISCLOSURE OF COMPOSITION OF COMMITTEE**

In view of suspension of all the directors during the CIRP period by virtue of NCLT Order dated March 28, 2022 the committees viz. Audit Committee, Stakeholders Committee, Nomination and remuneration committee etc. were not functioning.

However, after NCLT order approving Resolution Plan on 09/08/2023, the Resolution Applicant appointed Independent Directors & reconstituted the committees w.e.f. 10<sup>th</sup> November, 2023 as under.

**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 re-constituted Audit Committee. Composition of Audit Committee is as follows.

The Audit Committee of the company reconstituted with Two Independent Directors and one Non-Executive Director of the company w.e.f. 10<sup>th</sup> November, 2023. All the Directors have good understanding of Finance, Accounts and Law.

Name of Member	Category
Mr. Umesh Ved	Chairman to the Committee
Ms. Jasmin Doshi	Member to the Committee
Mr. Ramesh Chander Chawla	Member to the Committee

Mrs. Shweta Pankaj Sharma, Company Secretary acts as a Secretary to the committee.

**BRIEF DESCRIPTION OF TERMS OF REFERENCE:**

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the utilisation of proceeds of a public issue, rights issue and preferential issue etc. before submitting the same to Stock Exchanges;
- Examination of the Financial statements



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

As per the provisions of Section 178 of the Companies Act, 2013, and Regulation 19 of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 the Company has re-constituted its Nomination & Remuneration Committee inducting the following members w.e.f. 10th November 2023.

Name of Member	Category
Mr. Umesh Ved	Chairman to the Committee
Ms. Jasmin Doshi	Member to the Committee
Mr. Ramesh Chander Chawla	Member to the Committee

Mrs. Shweta Pankaj Sharma, Company Secretary acts as a Secretary to the committee.

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. Minutes of Nomination & Remuneration Committee meeting are reviewed by the Board of directors.

### BRIEF DESCRIPTION OF TERMS OF REFERENCE:

In compliance with section 178 of the companies Act 2013 & Regulation 19 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 The Company has reconstituted a Nomination & Remuneration Committee of the Board. All members of the committee are non-Executive Directors and two of them are Independent Directors. The terms of reference of Nomination and Remuneration Committee ("the Committee") would inter alia include:

- 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/or removal.
- To carry out the evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director.
- To recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees. Such Remuneration policy shall be disclosed in the Annual Report of the Company.
- To review and recommend, subject to the Shareholders' approval, the remuneration of the Managing Director and other Whole-time/ Executive Directors.

### STAKEHOLDERS RELATIONSHIP COMMITTEE

To solve the investor's grievances, company has re-constituted Stakeholders/Investor Grievance Committee w.e.f. 10<sup>th</sup> November, 2023.

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

#### Composition of Committee is as follows:

Name of Member	Category
Ms. Jasmin Doshi	Chairperson to the Committee
Mr. Umesh Ved	Member to the Committee
Mr. Ramesh Chander Chawla	Member to the Committee

**Familiarization Programme:** All the Independent Directors were suspended during the Financial Year 2022-2023 So, familiarisation programme was not conducted.

### VIGIL MECHANISM

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

### 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 – 4**.

## DIRECTORS RESPONSIBILITY STATEMENT

Members may kindly note that, the Directors of the Reconstituted Board were not in office for the period to which this report primarily pertains. During the CIRP (i.e. between March 28, 2022 to August 09, 2023), Resolution Professional was entrusted with and responsible for the management of the affairs of the Company. The Reconstituted Board is submitting this report in compliance with the Companies Act, 2013 and Listing Regulations and the Directors, as on date, are not to be considered responsible to discharge fiduciary duties with respect to the oversight on financial and operational health of the Company and performance of the management for the period under review. The Reconstituted Board of Directors have been appointed only since August 09, 2023.

Consequently, the Reconstituted Board has only a limited overview of the effectiveness of the internal financial and other controls of the Company for the financial year 2022-23.

Accordingly, pursuant to Section 134(5) of the Act, the Reconstituted Board of Directors, based on the knowledge/ information gained by them, about the affairs of the Company, in a limited period of time and based on understanding of the then existing processes of the Company and to the best of their knowledge state that:

- i. In preparation of the annual accounts for the financial year ended March 31, 2023, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- ii. We have 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 as at March 31, 2023 and of the loss of the Company for the year ended on that date;
- iii. Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual financial statements for the financial year ended March 31, 2021 have been prepared on a 'going concern' basis; Internal financial controls have been laid down to be followed by the Company and such financial controls are adequate and are operating effectively, and
- vi. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## BOARD EVALUATION

In view of suspension of all the directors during the CIRP period by virtue of NCLT Order dated March 28, 2022 the Board Evaluation was not held during the year under review.

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

- A. CONSERVATION OF ENERGY
- B. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION
- C. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year under review no operations took place.

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

There have been no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Company's operations. However, the Hon'ble NCLT, Ahmedabad bench, has passed an Order dated 9<sup>th</sup> August 2023 approving the Resolution Plan submitted by M/s Ten on Ten Rubtech Private Limited for revival of the Company.

## MATTER LISTED WITH NCLT

An application was filed against Innovative Tyres & Tubes Limited under Section 9 of Insolvency and Bankruptcy Code, 2016 before the Hon'ble NCLT Ahmedabad with a prayer to commence the Corporate Insolvency Resolution Process (CIRP). The said application for initiation of Corporate Insolvency Resolution Process (CIRP), has been admitted by Hon'ble National Company Law Tribunal (NCLT), Ahmedabad Bench (Hon'ble NCLT/Hon'ble Adjudicating Authority) vide its order dated 28<sup>th</sup> March 2022. Under the IBC proceedings, the powers of the Board were suspended with effect from 28<sup>th</sup> March, 2022. The NCLT order also provided for a moratorium with effect from 28<sup>th</sup> March 2022 till the completion of the Corporate Insolvency Resolution process (CIRP) or until it approves the resolution plan or passes an order for liquidation of the company, whichever is earlier.

Subsequently the Hon'ble NCLT, Ahmedabad bench, has passed an Order dated 9<sup>th</sup> August 2023 approving the Resolution Plan submitted by M/s Ten on Ten Rubtech Private Limited for revival of the Company, thereby the Company has come out of the CIRP

## 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, the Company has not received any complaints under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**ADDITIONAL DISCLOSURES UNDER COMPANIES ACT, 2013:**

- a) The Company has not issued any bonus shares, sweat equity shares, shares with differential voting rights and equity shares on rights basis during the year under review.
- b) No material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year of the Company and date of this report.
- c) There was no change in the nature of business during the year under review.
- d) The provisions regarding receipt of remuneration or commission from holding or subsidiary of the Company are not applicable and hence, the disclosure under Section 197 (14) is not required.
- e) The Company has complied with the Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

**ACKNOWLEDGEMENTS**

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

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

**Munish Chawla**  
Director  
(DIN: 06454015)

**Date:** 4<sup>th</sup> December 2023  
**Place:** Halol

**ANNEXURE – 1****FORM NO. MR-3****SECRETARIAL AUDIT REPORT****For the Financial Year ended 31.03.2022**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial 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 31<sup>st</sup> March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minutes book, forms and returns filed and other records maintained by M/s. Innovative Tyres & Tubes Limited ("The Company") for the financial year ended on 31<sup>st</sup> March, 2023 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.

Sr. No.	Name of Act
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.

During the year under review, generally the company has complied all applicable provisions of above-mentioned acts, but due to liquidity issue, the Company has not paid the undisputed statutory dues and the loan liabilities.

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

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

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc as mentioned above subject to the following observation:

The Hon'ble National Company Law Tribunal, Ahmedabad Bench, has ordered the Commencement of Corporate Insolvency Resolution Process of "M/s Innovative Tyres and Tubes Limited" (Corporate Debtor) (CIN- L25112GJ1995PLC086579) vide NCLT order No C.P. (I.B)/261(AHM)2021, Dated: 28<sup>th</sup> March, 2022 (CIRP Process Commencement Date).

Pursuant to the Order, Mr. Abhishek Nagori, insolvency professional having IBBI Registration number (IBBI/PA-001/IP-P00020/2016-17/10044) was appointed as Interim Resolution Professional. On 26<sup>th</sup> April, 2022 Mr. Abhishek Nagori was confirmed as Resolution Professional of M/s Innovative Tyres and Tubes Limited by-passing unanimous resolution in the 1<sup>st</sup> Committee of Creditor meeting at Ahmedabad.

- We further report that, the Company has, in our opinion, complied with the provisions of the Companies Act, 2013 as notified by Ministry of Corporate Affairs and the Rules made under the said Act and the Memorandum and Articles of Association of the Company, with regard to:
  - Maintenance of various statutory registers and documents and making necessary entries therein;
  - Closure of the Register of Members;
  - Forms, returns, documents and resolutions required to be filed with the Registrar of Companies and the Central Government;
  - Service of documents by the Company on its Members, Auditors and the Registrar of Companies;
  - Notice of Board meetings and Committee meetings of Directors;
  - The meetings of Directors and Committees of Directors including passing of resolutions by circulation;
  - The Annual General Meeting held on 29<sup>th</sup> September, 2021 for the financial year 2020-21;
  - Minutes of proceedings of General Meetings and of the Board and its Committee meetings;
  - Approvals of the Members, the Board of Directors, the Committees of Directors and the government authorities, wherever required;
  - Constitution of the Board of Directors / Committee(s) of Directors, appointment, retirement and reappointment of Directors including the Managing Director and Whole-time Directors;
  - Payment of remuneration to Directors including the Managing Director and Whole-time Directors,

- 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 and transmission.)
  - n) Declaration and payment of dividends;  
(During the year under review, the Company has not declared dividend.)
  - o) Transfer of certain amounts as required under the Act to the Investor Education and Protection Fund and uploading of details of unpaid and unclaimed dividends on the websites of the Company and the Ministry of Corporate Affairs;  
(During the year under review, no dividend was declared, hence provision of investors education and protection fund is not applicable.)
  - p) Borrowings and registration, modification and satisfaction of charges wherever applicable;
  - q) Investment of the Company's funds including investments and loans to others;
  - r) Form of balance sheet as prescribed under Part I, form of statement of profit and loss as prescribed under Part II and General Instructions for preparation of the same as prescribed in Schedule VI to the Act;
  - s) Directors' report;
  - t) Contracts, common seal, registered office and publication of name of the Company; and
  - u) Generally, all other applicable provisions of the Act and the Rules made under the Act.
3. **We further report that:**
- A) With respect to the NCLT order dated 28<sup>th</sup> March, 2022, the insolvency proceedings against the company was admitted due to which the powers of the Board were suspended and the same were vested with the Resolution Professional.
  - 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 / re-materialization 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. F7323

COP: 8004

Place: Vadodara

Date: 4<sup>th</sup> December, 2023

Peer Review Certificate No.: 2448/2022

UDIN: F007323E002814666

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



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

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

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

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

**For, Swati Bhatt & Co.**

**Swati Bhatt**

Practicing Company Secretary

M. No. F7323

COP: 8004

Peer Review Certificate No.: 2448/2022

UDIN: F007323E002814666

Place: Vadodara

Date: 4<sup>th</sup> December, 2023

**ANNEXURE – 2****CORPORATE GOVERNANCE REPORT**

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

**COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE****BACKGROUND:**

The Company was admitted to Corporate Insolvency Resolution Process ("CIRP") vide order of the Hon'ble National Company Law Tribunal ("NCLT"), Ahmedabad bench, dated March 28, 2022 ("Insolvency Commencement Date") under the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code").

In connection with the Corporate Insolvency Resolution Process of the Company, the NCLT vide its order dated August 09, 2023 approved the Resolution Plan, submitted by M/s. Ten on Ten Rubtech Private Limited (Successful Resolution Applicants).

Pursuant to the Hon'ble NCLT Order, the Management of the operations of the Company have been taken over by the Representatives of Resolution Applicant/s on August 17, 2023, being the Effective Date. A new Board has been constituted in the current financial year i.e. on August 09, 2023 and a new management has been put in place.

In accordance with the provisions of the Code and the NCLT order, the approved Resolution Plan is binding on the Company and its employees, members, Creditors including the Central Government any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force is due, guarantors and other stakeholders involved in the Resolution Plan till the date of the approved order.

**Company's Philosophy on Code of Governance**

The Company is committed to the adoption and adherence to Corporate Governance Practices that ensure; adequate transparency and build trust for Impactful collaboration with all its Stakeholders. The Company is committed to maintain high standards of Corporate Governance to achieve excellence and gain confidence of all stakeholders.

**Board of Directors of the Company (the "Board"):**

Since the powers of the Board stood suspended with effect from March 28, 2022 i.e. the date of commencement of the Insolvency proceedings and continued to remain so for the period under review, four Board meetings were held during the financial year under review on May 19, 2022, August 18, 2022, August 31 2022 and November 14 2022.

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. 2022-23.
Mr. Mukesh Desai	04/04
Mr. Keyoor Bakshi	03/04
Dr. Mrs. Kalpana Joshipura	04/04

**Composition:**

During the period under review, the Board had 3 directors, comprising of one non-executive director & two Non-Executive Independent Directors. In terms of the SEBI (LODR) Regulations, 2015, a Company undergoing CIR process is not required to comply with Regulation 17, dealing with the requirement of composition of the Board of Directors. Further, pursuant to the approval of the Resolution Plan, the existing Board ceased to exist and a new Board was reconstituted comprising of the following directors;

Mr. Munish Chawla, Managing Director

Mr. Robin Chawla, Non Executive Director,

Mr. Ramesh Chander Chawla, Non Executive Director

In view of the company Continuing to remain under CIRP and suspension of the powers of the Board. The Resolution Professional was entrusted with the job The of managing the affairs of the Company.

**Meeting and attendance:**

In view of the company remained under CIRP and suspension of the powers of the Board, no Committee meeting was held during the year.

The last Annual General Meeting (AGM) was held on September 28, 2022. The AGM was attended by:

1. Mr. Mukesh Desai – Non executive Chairman
2. Dr Mrs Kalpana Joshipura Independent Director

### Board Procedure:

Since the powers of the Board remained suspended, the matters required to be tabled to the Board of Directors were put up for the review and the decision of the Resolution Professional from time to time in accordance with the provisions of the Insolvency Bankruptcy Code, 2016, was obtained.

### Statutory Committees:

Since the Company continued to remain under Corporate Insolvency Resolution Process (CIRP), during the period under review, as per Regulation 15 (2A) and 15 (2B) of the Securities and Exchange Board of India (LODR) Regulations, 2015 the provisions of Regulation 17, 18, 19, 20 and 21 of the Listing Regulations relating to various committees including Audit Committee was not applicable to the Company, The roles and responsibilities of the Board and the Committees were fulfilled by the Resolution Professional, Mr. Abhishek Nagori, in accordance with the provisions of the section 23 of the Insolvency Bankruptcy Code, 2016.

### Independent Directors' Meeting:

During the year, no meetings of Independent Directors were held as the powers of the board stood suspended since the commencement of Corporate Insolvency Resolution Process and continued to remain suspended during the period under review

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

None of the Directors are related inter-se except new board appointed in 2023-24.

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

Mr. Mukesh Desai Promoter and non-executive chairman, is holding 6,99,562 equity shares. Other Non-executive directors do not hold any shares and convertible instruments in the Company.

Details of investor complaints received and redressed during the year 2022-23 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
2021-22	Wednesday, 28 <sup>th</sup> September, 2022 at 10:00 a.m.	Through Video Conferencing (VC) /Other Audio-Visual Means (OVAM).
2020-21	Wednesday, 29 <sup>th</sup> September, 2021 at 9:00 a.m.	Through Video Conferencing (VC) /Other Audio-Visual Means (OVAM).
2019-20	Thursday, 24 <sup>th</sup> September, 2020 at 9:00 a.m.	Through Video Conferencing (VC) /Other Audio-Visual Means (OVAM).

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

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

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

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

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

### MEANS OF COMMUNICATION

Company is listed on NSE Emerge platform. Hence, during the financial year 2022-23, half year results and year ended results have been filed with Stock Exchange in compliance of Listing Regulations. Requirement of Publishing of Results in Newspaper as per Regulation 46 of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 is not applicable for SME Listed companies. The official announcements, presentations are posted on official website of the company [www.innovativetyres.com](http://www.innovativetyres.com)

**GENERAL SHAREHOLDER INFORMATION**

Date, Time and Venue of AGM	29 <sup>th</sup> December, 2023 through video conferencing or other audio-visual means at 10.00 A.M.
Financial Year	From 1 <sup>st</sup> April to 31 <sup>st</sup> March of the following year
Date of Book Closure	Saturday, December 23, 2023 to Friday, December 29, 2023 (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 2022-23 and comparison at NSE is given hereunder:

Months	High (₹)	Low (₹)	NSE-Shares (lakhs) (Volume)	NSE-Shares (lakhs) (Value)
Apr-22	5.80	4.95	32.52	170.79
May-22	5.00	2.90	11.79	43.66
Jun-22	3.65	2.15	10.86	30.39
Jul-22	3.55	2.10	9.57	23.67
Aug-22	3.40	2.95	0.30	0.97
Sep-22	3.35	2.45	9.00	25.64
Oct-22	3.00	2.65	2.10	6.02
Nov-22	2.75	2.40	3.90	9.97
Dec-22	2.95	2.30	6.30	16.25
Jan-23	2.80	2.40	3.99	10.35
Feb-23	2.70	2.10	4.92	11.85
Mar-23	2.90	2.15	5.91	15.20

**Details of Registrar and Share Transfer Agent****M/s Link Intime India Private Limited**

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

Contact No: 022 4918 6000

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

**Share Transfer System**

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

Distribution of Shareholding as on 31<sup>st</sup> March, 2023

Sr. No.	Shareholding of Nominal Value (INR)			Number of Shareholders	% Of Total	Share Amount (INR)	% of Total Share Amount
1	1	to	5000	1	0.0561	100	0.0001
2	5001	to	10000	5	0.2807	40000	0.0222
3	10001	to	20000	3	0.1684	54420	0.0302
4	20001	to	30000	1112	62.4368	33354380	18.5389
5	30001	to	40000	0	0.00	0	-
6	40001	to	50000	0	0.00	0	-
7	50001	to	100000	413	23.1892	29310000	16.2910
8	100001	to	*****	247	13.8686	117156710	65.1176
<b>Total</b>				<b>1781</b>	<b>100.00</b>	<b>17,99,15,610</b>	<b>100.00</b>

#### **DEMATERIALIZATION OF SHARES AND LIQUIDITY:**

As on 31<sup>st</sup> March, 2023 out of total 1,79,91,561 share, 1,58,53,793 shares (88.12% of the issued capital of the company) are in dematerialized mode. All promoters' shares are in dematerialized mode. Company is listed on NSE Emerge platform and all the shares are traded on NSE Emerge platform.

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

#### **Plant Locations:**

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

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

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

#### **Innovative Tyres & Tubes Limited**

Reg. Off.: Plot No. 1201, 1202, 1203 GIDC Halol,

Panchmahals – 389350,

Gujarat.

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

Contact No.: 02676 - 220621

CIN: L25112GJ1995PLC086579

#### **OTHER DISCLOSURES:**

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

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

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

#### **Legal Compliances:**

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

#### **Vigil Mechanism:**

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

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

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

**COMPLIANCE CERTIFICATE**

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

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

The Corporate Governance Report prepared by Innovative Tyres & Tubes Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") with respect to Corporate Governance for the year ended March 31, 2023 pursuant to the Listing Agreement of the Company with the National Stock Exchange Ltd (Herein after referred to as the "Stock Exchange").

**Management's Responsibility:**

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

**Auditor's Responsibility:**

Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether for the year ended March 31, 2023 the Company has complied, with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

**Opinion:**

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

Other Matters and Restriction on use:

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

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, for the year ended March 31, 2023, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For Swati Bhatt & Co.**

**Swati Bhatt**

Practicing Company Secretary

M. No. F7323

COP: 8004

Peer Review Certificate No.: 2448/2022

UDIN: F007323E002816129

**Place:** Vadodara

**Date:** 4<sup>th</sup> December, 2023



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

I, Munish Chawla, Managing Director of M/s Innovative Tyres & Tubes Limited hereby declare that all the members of the Board of Directors of the Company and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Part D Schedule V (Regulation 34) of the Listing Regulation entered into with the Stock Exchanges for the financial year ended March 31, 2023.

**For Innovative Tyres & Tubes Limited**

Sd/-

**Munish Chawla**

Managing Director

(DIN 0645015)

**Place:** Vadodara

**Date:** 4<sup>th</sup> December, 2023

**Note:** The Company was undergoing Corporate Insolvency Resolution Process, vide Hon'ble NCLT, Ahmedabad Bench Order dated March 28, 2022 and Mr. Abhishek Nagori was appointed as Resolution Professional. The powers of the Board were suspended since then. The Resolution Professional was in-charge of the assets and affairs of the Company during the year under review.

**ANNEXURE – 3****MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

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

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

**INDUSTRY OVERVIEW**

The Company is principally engaged in the business of manufacturing and Processing of Automotive Tyres and Tubes. During the year under review the Company continued to remain under the Corporate Insolvency Resolution Process (CIRP). The operations were closed so revenue decreased drastically.

The Resolution Plan submitted by M/s. Ten on Ten Rubtech Private Limited was approved by the Committee of Creditors on December 31, 2022 and the said Resolution Plan was then approved by the Hon'ble National Company Law Tribunal, Ahmedabad Bench ('NCLT') vide its order dated August 09, 2023. Subsequently, the new Board of Directors have been appointed in place of erstwhile Board of Directors of the Company in the current financial year. The new management has taken control of the operations of the Company pursuant to the order of the Hon'ble NCLT. The new management is taking efforts to ramp up the business volumes of the Company by way of infusion of adequate Working Capital in the Company and the management is hopeful of a turnaround in the fortunes of the Company in the coming years.

**OPPORTUNITIES AND THREATS:**

The new management of the Company is well equipped with the vision to take Company towards high growth with optimum utilization of resources of the Company in proper manner. New management is taking diligent efforts to boost the capacity utilization of the Company which remained under utilized in the past few years due to inadequate working capital. The Company is in the process of hiring qualified professionals to stimulate the vision of new management towards the Company. The Company is well placed to encash the opportunity in terms of ease of doing business and the relaxations provided by the government which will accelerate the business of the company in terms of revenue.

The Company had not been performing well in the past few years with respect to business operations due to tremendous financial pressure which led to inadequate working Capital. The new management of the Company is trying to streamline the business activities of the Company. The extent of impact on the future operational and financial performance of the Company will depend on the future developments, including duration, spread & gravity of the pandemic, the impact of the same on customers, vendors all of which are uncertain and cannot be predicted at this point in time.

**SEGMENT WISE PERFORMANCE**

Since, the company operates its business under one segment only the report on segment wise performance is not furnished.

**OUTLOOK:**

The new management of the Company shall review the existing risk management policy and lay down defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process. Management is yet to set up exercises to be carried out to identify and evaluate, manage and monitor various risk.

#### Annexure - 4

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 2022-23 (₹ In Lakhs)	% Increase in Remuneration in the F.Y. 2022-23	Ratio of Remuneration of each Director/to median remuneration of employees	Comparison of the remuneration of the KMP against the performance of the company
1.	Mr. Mukesh Desai Non-Executive Chairman	N.A.	N.A.	N.A.	Company incurred net loss before tax ₹ 5293.65 lakhs during 2022-23 as compared to the previous year 2021-22 ₹ 5894.01 Lakhs.
3.	Mr. Keyoor Bakshi Independent Director	NA	NA	N.A.	
4.	Dr. Mrs. Kalpana Joshipura Independent Director	NA	NA	N.A.	
5.	Mr. Arvind Tambi Chief Financial Officer & Company Secretary	4.00	0.00%	N.A.	

The remuneration of KMP is as per the recommendations of the Committee of Creditors in terms of Insolvency and bankruptcy Code, 2016.

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

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

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory.

S No	Name of Director	DIN	Date of Appointment in the Company
1	Mr. Mukesh Desai	00089598	01-04-2000
2	Mr. Keyoor Bakshi	00133588	01-06-2015
3	Dr. Mrs. Kalpana Joshipura	07849507	15-06-2017

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

**For Swati Bhatt & Co.**

**Swati Bhatt**

Practicing Company Secretary

M. No. 7323

COP: 8004

Peer Review Certificate No.: 2448/2022

UDIN: F007323E002815865

**Place:** Vadodara

**Date:** 4<sup>th</sup> December, 2023

## CEO AND CFO CERTIFICATION

I, Mr. Munish Chawla, Managing Director, certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31<sup>st</sup> March, 2023 and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31<sup>st</sup> March, 2023 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.

Place: Vadodara

Date: 4<sup>th</sup> December, 2023

**Sd/-**  
**Robin Chawla**  
Director & CFO  
(DIN 10277507)

**Sd/-**  
**Munish Chawla**  
Managing Director  
(DIN 0645015)

**Note:** The Company was undergoing Corporate Insolvency Resolution Process, vide Hon'ble NCLT, Ahmedabad Bench Order dated March 28, 2022 and Mr. Abhishek Nagori was appointed as Resolution Professional. The powers of the Board were suspended since then. The Resolution Professional was in-charge of the assets and affairs of the Company during the year under review.

## Annexure - 5

**STATEMENT ON IMPACT OF AUDIT QUALIFICATIONS (FOR AUDIT REPORT WITH MODIFIED OPINION)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2023

[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I	Sr. No	Particulars	₹ In Lacs Audited Figures (as reported before adjusting for qualifications)	₹ In Lacs Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income	186.83	186.83
	2	Total Expenditure	6,327.67	6,327.67
	3	Net Profit/(Loss)	(5,293.65)	(5,293.65)
	4	Earnings Per Share	(29.42)	(29.42)
	5	Total Assets	3,603.49	3,603.49
	6	Total Liabilities	8,025.64	8,025.64
	7	Net Worth	(4,422.15)	(4,422.15)
	8	Any other financial item(s) (as felt appropriate by the management)	--	--
II	<b>Audit Qualification (each audit qualification separately):</b>			
	a.	Details of Audit Qualification:	<p>(a) As stated in Note 2 to the Statement, RP has taken charge of the affairs of the Company on 28 March, 2022 and that he is not liable or responsible for any actions and regarding the information pertaining to the period prior to 28 March, 2022 and has relied upon the explanations, clarifications, certifications, representations and statements made by the existing officials of the Company, who were also part of the Company prior to the appointment of the RP.</p> <p>(b) Company is under Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency and Bankruptcy Code, 2016. Resolution professional has received claims of creditors amounting to ₹13,216/-lacs as per CIRP, and of which ₹ 13,121 Lacs-(secured portion is ₹3,915/-lacs and unsecured portion is of ₹9,206/-lacs) have been accepted by RP as of 11<sup>th</sup> October, 2022. However, the company has not made any provision for the additional liabilities admitted and accepted through CIRP process.</p> <p>(c) The company is under Insolvency Process, the interest of the financial creditors is accrued but not booked into books of accounts as the said financial creditors is under moratorium period due to CIRP process. However, the amount of interest is not quantifiable.</p> <p>(d) We draw attention to the Note 6 of the statement with respect to assessment of impairment of Property, Plant &amp; Equipment, based on internal evidences and in accordance to AS 28 "Impairment of Asset", the company is required to determine impairment losses in respect of Property Plant and Equipment as per the methodology prescribed under the said Standard. The management has recognized impairment loss of ₹ 4915.41 Lacs on the basis of independent valuation reports. However, since the future projects has not drawn by Company as required to compute "Value in Use" as per AS 28, the financial impact of impairment loss to be provided in annual financial results is presently not ascertainable.</p> <p>(e) The company has not appointed internal auditor as required under Section 138 of The Companies Act, 2013.</p> <p><b>Company management informed that:</b> An application was filed for the initiation of Corporate Insolvency Resolution Process ("CIRP") under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("IBC") against Innovative Tyres &amp; Tubes Limited ("the Company") before the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT"), with a prayer to commence the CIRP. The Hon'ble NCLT vide its order dated 28<sup>th</sup> March 2022 admitted the said application for initiation of CIRP against the Company. Further, the Hon'ble NCLT gave orders for the appointment of Mr. Abhishek Nagori as the Interim Resolution Professional ("IRP") to perform all the functions as per the IBC and that the management of the Company shall vest in the IRP. The NCLT order also provided for a moratorium with effect from 28<sup>th</sup> March 2022 till the completion of the CIRP under the IBC, or until the Hon'ble NCLT approves the</p>	



		resolution plan or passes an order for liquidation of the company, whichever is earlier. Further, In the ongoing CIRP of the Corporate Debtor, the Resolution Professional (RP) with the approval of Committee of Creditors (CoC) re-invited the Expression of Interest (EOI) in Form G on 31.10.2022 from the Potential Resolution Applicants (PRAs) to submit the Resolution Plan. Thereafter, the RP has received Resolution Plans from the Resolution Applicants. Subsequently, the CoC has approved the Resolution Plan submitted by Resolution Applicant in the 12 <sup>th</sup> meeting held on 31.12.2022 and the said Resolution Plan has also been submitted to the honourable NCLT for approval. The order of the honourable NCLT for approval of Resolution Plan is awaited. The relevant details and explanations are given in Financial Result, Financial Statements and Notes. Also, after the approval of Resolution Plan, and implementation of Approved Resolution Plan, the Financial Statements will be re-stated accordingly.
b.	Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified
c.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive.
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Impact is not ascertainable as the reasons mentioned in the auditor's report itself.
e.	For Audit Qualification(s) where the impact is not quantified by the auditor:	
	i. Management's estimation on the impact of audit qualification	Impact is not ascertainable as the Company is under IBC and CIRP Process initiated.
	ii. If management is unable to estimate the impact, reasons for the same	Impact is not ascertainable as the Company is under IBC and CIRP Process initiated.
	iii. Auditors' Comments on (i) or (ii) above:	Refer Basis of qualified opinion in audit report read with relevant notes in the financial results, the same is self-explanatory

### III Signatories

**For Haribhakti & Co LLP.**  
Chartered Accountants  
FRN: 103523W/W100048

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

**Yash N.BHATT**  
M.no : 117745

**Mr. Abhishek Nagori**  
Resolution Professional  
In the matter of innovative Tyres and Tubes Limited  
IBBI Reg. No. IBBI/IPA-001/IP-P00020/2016-2017/10044

Place: Vadodara  
Dated: 06-07-2023

Place: Vadodara  
Dated: 06-07-2023

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Innovative Tyres and Tubes Limited

#### Report on the Audit of the Financial Statements

##### Qualified Opinion

We have audited the accompanying financial statements of Innovative Tyres and Tubes Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss and the 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 (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, 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, 2023, its loss and its cash flows for the year ended on that date.

##### BASIS FOR QUALIFIED OPINION

- (a) As stated in Note Z(1)(Q) of the financial statement, RP has taken charge of the affairs of the Company on 28 March, 2022 and that he is not liable or responsible for any actions and regarding the information pertaining to the period prior to 28 March, 2022 and has relied upon the explanations, clarifications, certifications, representations and statements made by the existing officials of the Company, who were also part of the Company prior to the appointment of the RP.
- (b) The company is under Corporate Insolvency Resolution Process (CIRP) under the provisions of Insolvency and Bankruptcy Code, 2016. Resolution professional has received claims of creditors amounting to ₹13,216/-lacs as per CIRP, and of which ₹ 13,121 Lacs-(secured portion is ₹3,915/-lacs and unsecured portion is of ₹9,206/-lacs) have been accepted by RP as of 11<sup>th</sup> October, 2022. However, the company has not made any provision for the additional liabilities admitted and accepted through CIRP process.
- (c) The company is under Insolvency Process, the interest of the financial creditors is accrued but not booked into books of accounts as the said financial creditors is under moratorium period due to CIRP process. However, the amount of interest is not quantifiable.
- (d) We draw attention to the Note Z(19) and Note J of the financial statement with respect to assessment of impairment of Property, Plant & Equipment, based on internal evidences and in accordance to AS 28 "Impairment of Asset", the company is required to determine impairment losses in respect of Property Plant and Equipment as per the methodology prescribed under the said Standard. The management has recognized impairment loss of ₹ 4922.45 Lacs on the basis of independent valuation reports. However, since the future projects. has not drawn by Company as required to compute "Value in Use" as per AS 28, the financial impact of impairment loss to be provided in annual financial results is presently not ascertainable.

- (e) The company has not appointed an internal auditor as required under Section 138 of The Companies Act, 2013.

We conducted our audit in accordance with Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

##### 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 year. 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. Except for the matters described in the Basis for Qualified Opinion section above, we have determined that there are no other key audit matters to communicate in our report.

##### Other Information

The Resolution Professional (RP), Board of Directors and the management are responsible for 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

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 in the 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.

##### Responsibilities of Resolution Professional (RP), Management and Those Charged with Governance for the Financial Statements

The Resolution Professional (RP) and Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance

and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the resolution professional (RP) and the management are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are 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 this 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 resolution professional (RP) and 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

- a) The audit of financial statements for the year ended March 31, 2022, was carried out and reported by M/s Maloo Bhatt & Co., vide their unmodified audit report dated 19<sup>th</sup> May, 2022, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the financial statements.

Our opinion is not modified in respect of this matter.

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

- (1) As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we report in "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by section 143(3) of the Act, we report that:
  - a. We have sought and except for the matters described in the Basis for Qualified Opinion section above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- b. Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, 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 Statement of Cash Flows dealt with by this report are in agreement with the books of account;
- d. Except for the possible effects of the matters described in the Basis for Qualified Opinion section above, in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder;
- e. The matters described under the Basis for Qualified Opinion above, in our opinion, may have an adverse effect on the functioning of the Company;
- f. On the basis of the written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors and resolution professional (RP), none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of section 164(2) of the Act. However, Since the Company is under Corporate Insolvency Resolution Process (CIRP), all the directors of the Company are suspended and powers of the board of directors are vested in the hands of Resolution Professional (RP).
- g. The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section above.
- h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" and we have expressed disclaimer of opinion for the reasons stated in the said report;
- i. With respect to the other matter 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 and to the best of our information and according to the explanations given to us, since the Company is under CIRP and RP has taken charge of the affairs of the Company, No remuneration has been paid and provided by the Company to its directors during the year.
- j. 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, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) Except for the matters described in the Basis for Qualified Opinion section above, The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note Z(3) on Contingent Liabilities to the 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;
- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (iv) (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (iv) (c) Based on the audit procedures that are considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- (v) The Company has not declared nor paid any dividend during the year. Hence, reporting the compliance with section 123 of the Act is not applicable.
- (vi) As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

**For Haribhakti & Co. LLP**  
Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

**Yash Bhatt**  
Partner

Membership No. 117745  
UDIN: 23117745BGYEKQ7113

Place: Mumbai  
Date: July 6, 2023



## ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT

**[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section in the Independent Auditor's Report of even date to the members of Innovative Tyres and Tubes Limited ("the Company") on the Financial statements for the year ended March 31, 2023]**

Based on the audit procedures performed for the purpose of reporting a true and fair view on the Financial statements of the Company and taking into consideration the information, explanations and written representation given to us by the management and the books of account and other records examined by us in the normal course of audit, we report that:

- (i) (a) (A) The Company has not maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has not maintained proper records showing full particulars of Intangible Assets.
- (b) During the year, the property, plant and Equipment of the company have been physically verified by the management through independent Valuer following an IBC guideline and we have been informed that there are no material discrepancies, However no such Valuation report has been provided to us.
- In our opinion, the frequency of verification is reasonable having regard to the operation and size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties, disclosed in the financial statements are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment and Intangible Assets during the year.
- (e) No proceedings have been initiated or are pending against the Company as at March 31, 2023 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) During the year, the inventory of the company have been physically verified by the management through independent valuer following an IBC guideline. In our opinion, the coverage and procedure of such verification by the management is appropriate. We have been informed that there are no material discrepancies. However, no such valuation report has been provided to us.
- (b) The Company has not been sanctioned working capital limits in excess of five crore rupees during the year, in aggregate from financial institution, on the basis of security of current assets. Therefore, reporting under clause (ii)(b) of paragraph 3 of the Order is not applicable. The Company has been classified by the Bank as NPA and hence, no existing sanctions of loans has been renewed by the Bank during the year.
- (iii) The Company has not made any investments in, provided any loans or provided advances in the nature of loans, or stood guarantee, or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, reporting under clause (iii) of paragraph 3 of the Order is not applicable.
- (iv) The Company has not granted any loans, made any investment or provided any guarantees or security to the parties covered under Section 185 and 186 of the Act. Hence the provisions of sections 185 and 186 of the Act is not applicable on the Company.

- (v) In our opinion, the Company has complied with the directives issued by Reserve Bank of India, the provisions of sections 73 to 76 of the Act and the rules made there under with regard to the acceptance of deposits or amounts which are deemed to be deposits, except for customer advances amounting to ₹ 681.55 lacs which are outstanding for more than 365 days as on 31<sup>st</sup> March, 2023. Further, as informed, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal on the Company in respect of the aforesaid deposits or amounts which are deemed to be deposits.

- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of section 148 of the Act and rules thereunder. We have broadly reviewed such records and are of the opinion that, prima facie, the prescribed accounts and records have not been made and maintained.

- (vii) (a) The Company is not regular in depositing with appropriate authorities, undisputed statutory dues including Goods and Services tax (GST), provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other material statutory dues applicable to it, and there have been serious delays in a large number of cases. During the year 2017-18, sales tax, value added tax, service tax and duty of excise subsumed in GST and are accordingly reported under GST.

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, GST, customs duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable, except as follows:

Statement of Arrears of Statutory Dues Outstanding for More than Six Months

Name of the statute	Nature of the dues	Amount (in Lacs)
The Employees Provident Fund Scheme, 1952	Provident Fund	7.95
The Employee State Insurance Act, 1948	Employee State Insurance	1.09
Gujarat State Tax on Professions Act, 1976	Professional Tax	3.36
Income Tax Act, 1961	Tax deducted/ collected at source	16.16
The Bombay Labour Welfare Fund Act, 1953	Labour welfare fund	0.03

- (b) There are no dues with respect to provident fund, employees' state insurance, income tax, GST, sales tax, service tax, value added tax, customs duty, excise duty and cess, which have not been deposited on account of any dispute. However, there are certain claims submitted by the government authorities to Resolution Professional (RP) after commencement of Corporate Insolvency Resolution Process. The said claims has not been accounted by the RP in the books of accounts and details are not made available to us and hence we are unable to comment on the same.
- (viii) We have not come across any transaction which were previously not recorded in the books of account of the Company that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

- (ix) (a) The Company has defaulted in repayment of loans (term loan and working capital loans) taken from the lenders. The Company's accounts have been classified as Non-Performing Assets (NPA) by the lenders on 6<sup>th</sup> March, 2022. The Borrowing Accounts has gone into the moratorium pursuant to commencement of Corporate Insolvency Resolution Plan (CIRP) under Insolvency and Bankruptcy Code. The Bank has not charged any interest on the company's borrowing from March, 2022 onwards and has reversed the unrealised interest already charged in the accounts. The Company has not made any provision for such interest in the books of account. The amount of interest is not quantified. Hence we are unable to comment on the quantum of the defaults in repayment of loans.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not obtain any money by way of term loans during the year. Accordingly, reporting under clause (ix) (c) of paragraph 3 of the Order is not applicable.
- (d) On an overall examination of the Financial statements of the Company, no funds raised on short-term basis have, been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture as defined under the Act. Hence reporting under clause (ix)(e) and (f) of the Order is not applicable.
- (x) (a) The Company has not raised money by way of initial public issue offer / further public offer (including debt instruments) during the year. Therefore, reporting under clause (x)(a) of paragraph 3 of the Order is not applicable.
- (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Therefore, reporting under clause (x)(b) of paragraph 3 of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and accordingly to the information and explanations given to us, we have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management.
- (b) No report under section 143(12) of the Act has been filed with the Central Government by the auditors of the Company in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, during the year or upto the date of this report.
- (c) There are no whistle blower complaints received by the Company during the year and upto the date of this report.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, reporting under clause (xii) of paragraph 3 of the Order is not applicable.
- (xiii) All transactions entered into by the Company with the related parties, if any are in compliance with sections 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial statements as required by the applicable accounting standards.
- (xiv) (a) In our opinion, though the Company is required to have an internal audit system under section 138 of the Act, however, it does not have same established during the year.
- (b) The Company did not have an internal audit system for the period under audit. Hence, no Internal Audit Reports of the Company for the aforesaid period were provided.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with them during the year and hence, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, reporting under clause (xvi)(a) and (b) of paragraph 3 of the Order are not applicable.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without having a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company (CIC) as defined in Core Investment Companies (Reserve Bank) Directions, 2016 ("Directions") by the Reserve Bank of India. Accordingly, reporting under clause (xvi)(c) and (d) of paragraph 3 of the Order are not applicable.
- (xvii) The Company has incurred cash losses amounting to ₹ 400.06 lacs and ₹ 5130.75 lacs for the current financial year and immediately preceding financial year respectively.
- (xviii) There has been resignation of the statutory auditors during the year, however, no issues, objections or concerns were raised by the outgoing auditors.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Financial statements and our knowledge of the resolution plans received from resolution applicants by the resolution professional (RP) and approval of plans by the committee of creditors (COC) and based on our examination of the evidence supporting the assumptions and relying on Note No Z (18) of the financial statement, nothing has come to our attention, which causes us to believe that material uncertainty exists as on the date of this audit report and that the Company may not be capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of section 135 of the Act are not applicable to the Company. Hence, reporting under clause (xx) of paragraph 3 of the Order is not applicable.
- (xxi) Since the Company is not required to prepare consolidated financial statements, clause 3 (xxi) is not applicable.

**For Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 103523W / W100048

**Yash Bhatt**

Partner

Place: Mumbai

Date: July 6, 2023

Membership No. 117745

UDIN: 23117745BGYEKQ7113



## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT

**[Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of Innovative Tyres and Tubes Limited on the Financial statements for the year ended March 31, 2023]**

### **Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

We were engaged to audit the internal financial controls with reference to financial statements of Innovative Tyres and Tubes Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the ICAI.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit

evidence to provide a basis for an audit opinion on internal financial controls with reference to financial statements of the Company.

#### **Meaning of Internal Financial Controls with reference to Financial Statements**

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

#### **Disclaimer of Opinion**

According to the information and explanation given to us, the Company has not established its internal financial controls with reference to financial statements on criteria based on or considering the essential components of internal control stated in the Guidance Note issued by ICAI.

Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls with reference to financial statements and whether such internal financial controls were operating effectively as at March 31, 2023.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Financial statements of the Company, and the disclaimer does not affect our opinion on the Financial statements of the Company.

**For Haribhakti & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No. 103523W / W100048

**Yash Bhatt**  
Partner  
Membership No. 117745  
UDIN: 23117745BGYEKQ7113

Place: Vadodara  
Date: July 6, 2023

**Balance Sheet as at 31<sup>st</sup> March, 2023**

(₹ in Lakhs)

Particulars	Note No	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	A	1,799.16	1,799.16
(b) Reserves and Surplus	B	(6,221.30)	(927.64)
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	C	-	-
(b) Deferred tax liabilities (Net)	D	-	846.72
(c) Other Long term liabilities		-	-
(d) Long term provisions	E	-	-
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	F	3,800.70	3,759.71
(b) Trade payables	G		
(i) Due to Micro & Small enterprises		112.78	112.78
(ii) Others		2,862.69	2,922.14
(c) Other current liabilities	H	1,249.46	1,248.17
(d) Short-term provisions	I	-	-
<b>Total</b>		<b>3,603.49</b>	<b>9,761.04</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
(a) Property, Plant & Equipments and Intangible Assets			
(i) Property, Plant & Equipments	J	3,210.09	8,961.07
(ii) Capital work-in-progress		24.67	24.67
(iii) Intangible assets		10.26	0.05
(b) Non-current investments	K	1.08	1.08
(c) Long term loans and advances	L	-	-
(d) Other Non Current Assets	M	170.77	198.85
<b>(2) Current assets</b>			
(a) Inventories	N	0.06	255.23
(b) Trade receivables	O	10.39	193.99
(c) Cash and cash equivalents	P	123.65	29.27
(d) Short-term loans and advances	Q	2.96	2.94
(e) Other Current Assets	R	49.56	93.89
<b>Total</b>		<b>3,603.49</b>	<b>9,761.04</b>
<b>Notes forming Part of the Financial Statements</b>	Z		

**As per our Report of even date**  
**For Haribhakti & Co. LLP**  
Chartered Accountants  
F R No. 103523W/W100048

**Yash Bhatt**  
Partner  
M. No. 117745  
Date : 6<sup>th</sup> July, 2023

**For and on behalf of the Company**

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

**Resolution Professional**  
**(Abhishek Nagori)**

## Statement of Profit & Loss for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakhs)

Particulars	Note No	Year ended 31 <sup>st</sup> March, 2023	Year ended 31 <sup>st</sup> March, 2022
<b>I. Revenue from operations</b>	S	162.44	5,156.98
<b>II. Other Income</b>	T	24.39	204.51
<b>III. Total Revenue (I +II)</b>		<b>186.83</b>	<b>5,361.50</b>
<b>IV. Expenses:</b>			
Cost of materials, consumed	U	100.29	4,814.90
Changes in inventories of Finished Goods and Work in progress	V	154.88	3,253.22
Employee benefits expense	W	19.83	476.01
Financial costs	X	8.77	306.50
Depreciation and amortisation expense	J	818.32	780.28
Other expenses	Y	5,225.57	1,641.63
<b>V. Total Expenses</b>		<b>6,327.66</b>	<b>11,272.53</b>
<b>VI. Profit/(Loss) before tax</b>		<b>(6,140.83)</b>	<b>(5,911.03)</b>
<b>VII. Tax expense:</b>			
Deferred Tax		(846.72)	(17.02)
Current Tax Expense		(0.46)	
<b>VIII. Profit/(Loss) for the period</b>		<b>(5,293.65)</b>	<b>(5,894.01)</b>
<b>IX. Earning per equity share: (FV ₹ 10/- each) (Refer item No. 8 of Note Z)</b>			
- Basic		(29.42)	(32.76)
- Diluted		(29.42)	(32.76)
<b>Notes forming Part of the Accounts</b>	<b>Z</b>		

**As per our Report of even date**  
**For Haribhakti & Co. LLP**  
Chartered Accountants  
F R No. 103523W/W100048

**Yash Bhatt**  
Partner  
M. No. 117745  
Date : 6<sup>th</sup> July, 2023

**For and on behalf of the Company**

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

**Resolution Professional**  
**(Abhishek Nagori)**

Cash Flow Statement for the year ended 31<sup>st</sup> March, 2023

(₹ in Lakhs)

Sr. No.	Particulars	31 <sup>st</sup> March 2023	31 <sup>st</sup> March 2022
1)	<b>Cash Flow from Operating Activities</b>		
	Profit before taxation	(6,140.83)	(5,911.03)
	<b>Adjustment for:</b>		
	(Profit)/Loss on sale of Fixed Assets	-	(48.93)
	Impairment loss	4,922.45	
	Depreciation	818.32	780.28
	Provision for gratuity	-	116.02
	Provision for leave	-	(74.64)
	Interest Received	(7.41)	(19.51)
	Doubtful Debts	165.58	18.19
	Sundry balance write off/write back	3.80	(97.18)
	Interest and finance charges	8.77	306.50
	<b>Operating profit before working capital changes</b>	<b>(229.32)</b>	<b>(4,930.30)</b>
	<b>(Increase)/Decrease in</b>		
	Inventories	255.17	3,654.05
	Trade Receivables	18.00	1,184.02
	Short Term Loans and Advances	(0.02)	35.10
	Other current assets	42.61	208.00
	Long Term loans and Advances	-	-
	Other Non Current Assets	24.29	28.62
	<b>Increase/ (Decrease) in</b>		
	Trade payables	(59.44)	(182.41)
	Other current liabilities	1.29	(52.82)
	Short-term/long term provisions	-	(246.70)
	Other Long Term Liabilities	-	-
	<b>Cash generated from operations</b>	<b>52.57</b>	<b>(302.44)</b>
	Income taxes and other taxes (net of refunds)	2.19	7.63
	<b>Net cash from Operating Activities - A</b>	<b>54.76</b>	<b>(294.82)</b>
2)	<b>Cash flow from Investment Activities</b>		
	Purchase of fixed assets	-	(25.87)
	Interest received	7.41	19.51
	Investment in Shares	-	-
	Sale of Fixed Assets	-	165.87
	<b>Net cash from Investment Activity - B</b>	<b>7.41</b>	<b>159.51</b>
3)	<b>Cash Flow from Financing Activities:</b>		
	<b>Net Proceeding from All borrowings</b>	<b>40.99</b>	<b>63.46</b>
	Proceeds from Share issue & premium from promoters	-	-
	Share issue Expenses	-	-
	Interest and finance charges paid	(8.77)	(306.50)
	<b>Net cash from Financing Activities - C</b>	<b>32.21</b>	<b>(243.04)</b>
	<b>Net Increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>94.38</b>	<b>(378.36)</b>
	<b>Cash and cash equivalents as on 1<sup>st</sup> April, 2022</b>	<b>29.27</b>	<b>407.63</b>
	<b>Cash and cash equivalents as on 31<sup>st</sup> March 2023</b>	<b>123.65</b>	<b>29.27</b>

As per our Report of even date

For Haribhakti &amp; Co. LLP

Chartered Accountants

F R No. 103523W/W100048

Yash Bhatt

Partner

M. No. 117745

Date : 6<sup>th</sup> July, 2023

For and on behalf of the Company

Director  
(Mukesh G Desai)  
DIN No.00089598

Resolution Professional  
(Abhishek Nagori)

## NOTES TO BALANCE SHEET

### A. SHARE CAPITAL :

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>(a) Shares authorized :</b>		
19,000,000 Equity shares of ₹10/- each (Previous year 19,000,000 equity shares of ₹ 10/- each)	1,900.00	1,900.00
<b>Total</b>	<b>1,900.00</b>	<b>1,900.00</b>
<b>(b) Shares issued, subscribed and fully paid :</b>		
17,991,561 Equity Shares of ₹10/- each (Previous year 17,991,561 equity shares of ₹ 10/- each)	1,799.16	1,799.16
<b>Total</b>	<b>1,799.16</b>	<b>1,799.16</b>

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

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

### (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 31 <sup>st</sup> March 2023		As at 31 <sup>st</sup> March 2022	
		Numbers	% held	Numbers	% held
1	Pradeep R Kothari	1,695,676	9.42	2,682,676	14.91
2	Maxim Gold Development Limited	1,637,731	9.10	1,637,731	9.10

### (f) Shares held by promoters at the end of the year

S No	Name of Promoter	As at 31 <sup>st</sup> March 2023			As at 31 <sup>st</sup> March 2022		
		No. of Equity Shares	% of total shares	% change during the year	No. of Equity Shares	% of total shares	% change during the year
1	Mr. Pradeep Kothari	1,695,676	9.42%	-5.49%	2,682,676	14.91%	23.26%
2	Mr. Mukesh Desai	699,562	3.89%		699,562	3.89%	
	<b>Total</b>	<b>2,395,238</b>	<b>13.31%</b>		<b>3,382,238</b>	<b>18.80 %</b>	

**B. RESERVES AND SURPLUS:**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>(a) Securities Premium A/c</b>		
Balance as per the last financial statements	3,625.74	3,625.74
	<b>3,625.74</b>	<b>3,625.74</b>
<b>(b) Revaluation Reserve</b>		
Balance as per the last financial statements	728.49	728.49
<b>(c) Surplus / (Deficit) in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	(5,281.88)	612.13
Add : Amount transferred from Statement of Profit & Loss	(5,293.65)	(5,894.01)
<b>Total</b>	<b>(10,575.53)</b>	<b>(5,281.88)</b>
<b>Net Surplus in the Statement of Profit and Loss</b>	<b>(10,575.53)</b>	<b>(5,281.88)</b>
<b>Total Reserves and Surplus</b>	<b>(6,221.30)</b>	<b>(927.64)</b>

**C. LONG-TERM BORROWINGS :**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Secured</b>		
<b>Term Loan From Banks</b>		
<b>Term Loan from State Bank of India (Loan-1)</b>	143.53	143.53
(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 ₹8.34 lacs starts from June.2017 to March 2021, next 7 installments of ₹14.55 lacs from April 2021 to Oct 2021 and last installment of ₹14.51 lacs will be payable in Nov.2021. Now extended by 27 months and 2 instalment of ₹ 8.34 lakhs will due in Sep 23 and Oct 2023, 7 instlment of rs. 14.55 lakhs will due from Nov 2023 to May 2024 and 2 instalment of rs 10 lakh will due in Jun 24 and Jul24 and last one instalment of rs. 8.47 lakhs will due in Aug 2024).		
<b>Term Loan from State Bank of India (Loan-2)</b>	238.29	238.29
(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 ₹7.00 lacs starts from Apr 2019 to Nov. 2023 and last installment of ₹8.00 lacs will be payable in Dec., 2023. Now extended and next 33 instalments of rs. 7 lakhs will due from Aug 2023 to April 2026 and last one instalment of rs. 17 lakhs will due in May 2026)		
<b>Covid CECL Loan from State Bank of India</b>	25.13	25.13
(Interest Payable @ SBI MCLR p.a.(previous year NIL p.a.) Repayable in 18 monthly installments. First 17 Installments of ₹8.335 lacs starts from Oct 2020 to Feb. 2023 and last installment of ₹8.305 lacs will be payable in Mar. 2023)		
<b>Covid GECL Loan from State Bank of India</b>	370.14	370.14
(Interest Payable @ 0.75% above SBI EBLR p.a.(previous year NIL p.a.) Repayable in 36 monthly installments. First 35 Installments of ₹11.862 lacs starts from Sep 21 to Jul. 2024 and last installment of ₹11.83 lacs will be payable in Aug 2024.)		
<b>Covid GECL Loan 4 from State Bank of India</b>	213.00	213.00
(Interest Payable @ 1.00% above SBI EBLR p.a.(previous year NIL p.a.) Repayable in 36 monthly installments. First 35 Installments of ₹6 lacs starts from Sep 23 to Jul. 2026 and last installment of ₹3 lacs will be payable in Aug 2026.)		
<b>Secured by:</b>		
(Hypothecation of entire Plant & Machinery of the Company.)		
(Mortgage of Land, Building admeasuring 27833 Sq mtr situated at plot no 1201,1202,1203 RS no 1559/P, 1660/P & 2422/P, New Survey No. 69,68 and b70, GIDC Halol, Panchmahal) .		
(Mortgage over land & Building situated at plot no 1704 admeasuring 11200Sq mtr RS No 1583/P(New Survey No.126), GIDC Halol, Dist-Panchmahal.)		
(Pledge of Shares 20,34,580 shares of Company and personal guarantees of Mr. Mukesh Desai and Mr Pradeep Kothari)		
Less: Current Maturities	(990.09)	(990.09)
<b>Total</b>	<b>-</b>	<b>-</b>



Particulars	As at 31.03.2023	As at 31.03.2022
<b>Long Term maturities of Finance lease Obligations</b>		
Vehicle Lease Finances	16.06	15.98
Less: Current Maturities	(16.06)	(15.98)
<b>Secured by:</b> (hypothecation charge on respective Vehicles)		
<b>Total</b>	-	-
<b>Unsecured:</b>		
Loans from Financial Institutions	12.16	12.16
Less: Current Maturities	(12.16)	(12.16)
<b>Total</b>	-	-
<b>Total Term Loans</b>	-	-

**D. DEFERRED TAX LAIBILITIES (NET):** (₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Opening Deferred Tax Liability (Net)</b>	846.72	863.75
	<b>846.72</b>	<b>863.75</b>
Add: Deferred tax Liability (Net) for the year	(846.72)	(17.02)
<b>Closing Deferred Tax Liabilities (Net)</b>	-	<b>846.72</b>

**E. Other Long Term Liabilities :** (₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Trade Deposits	-	-
Trade Payables materials and Expenses ( Other than MSME)	-	-
Trade Payables Capital Goods ( Other than MSME)	-	-
<b>Total</b>	-	-

**E. LONG TERM PROVISIONS:** (₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Provision for employee benefits</b>		
Provision for Leave benefits	-	-
Provision for Gratuity benefits	-	-
<b>Total</b>	-	-

**F. SHORT-TERM BORROWINGS:** (₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>From Banks</b>		
Working Capital Facilities	2,659.14	2,618.23
Export Packing Credit	123.24	123.24
Secured by:		
(i) Hypothecation charge over Stocks, book debts and other current assets.		
(ii) Mortgage charge over land & Building situated at plot no 1704 admeasuring 11200Sq mtr RS No 1583/P (New Survey No. 126), GIDC Halol, Dist-Panchmahal.Pleage of Shares 20,34,580 shares of Company and personal guarantees of Mr. Mukesh Desai 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		
<b>Current Maturities of Long term borrowings</b>		
i) Term Loan from banks	990.09	990.09
ii) Finance lease obligations(Vehicle Finance)	16.06	15.98
ii) Unsecured Loans from NBFC	12.16	12.16
<b>Total</b>	<b>3,800.70</b>	<b>3,759.71</b>

\* L.C. Acceptance amounting to ₹ 1272.54 lakhs under Trade payable during previous year has been regrouped into short term borrowing to match and reconcile the claim from bank.

**G. TRADE PAYABLE:**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>For supplies/services</b>		
a) Due to Micro & Small enterprises	112.78	112.78
b) Others	2,862.70	2,922.14
<b>Total</b>	<b>2,975.48</b>	<b>3,034.92</b>

**H. OTHER CURRENT LAIBILITIES:**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Statutory Dues (Liabilities)		
- PF, ESI, Prof. Tax & Others	12.47	12.41
- VAT, CST, GST & CENVAT etc	0.50	-
- TDS & TCS	16.49	16.24
(b) Staff payables	458.35	458.35
(c) Advance from Customers	681.71	681.55
(d) Creditors for Capital Goods	51.98	51.98
(e) Other Current Liabilities	27.98	27.65
<b>Total</b>	<b>1,249.46</b>	<b>1,248.17</b>

**I. SHORT-TERM PROVISIONS:**

(₹ in Lakhs)

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>Provision for employee benefits</b>				
Provision for Leave benefits		47.61		47.61
Provision for Gratuity benefits	200.42		198.90	
Less: Balance with LIC for Trust fund	(22.24)	178.18	(20.71)	178.18
Provision for Bonus		35.95		35.95
Less: Transfer to staff payable in Current Liabilities		(261.75)		(261.75)
<b>Total</b>		-		-

**J. PROPERTY PLANT AND EQUIPMENTS:**

(₹ in Lakhs)

ASSETS	GROSS BLOCK AT COST				DEPRECIATION			NET BLOCK		
	As on 01.04.2022	Additions	Deductions/ Adjustments	As on 31.03.2023	As on 01.04.2022	Additions	Impairment	As on 31.03.2023	As on 31.03.2023	As on 31.03.2022
<b>(i) TANGIBLE</b>										
Lease hold Land	780.66	-	-	780.66	-	-	-	-	780.66	780.66
Plant & Equipment	12,056.86	-	10.22	12,046.64	4,377.26	763.20	4,910.38	10,050.84	1,995.80	7,679.60
Electrical Installation	246.22	-	-	246.22	171.40	23.39	7.03	201.82	44.40	74.82
Laboratory Equipments	40.89	-	-	40.89	18.77	3.88	5.03	27.69	13.20	22.12
Building	660.49	-	-	660.49	290.92	20.94	-	311.86	348.63	369.57
Furniture & Fixtures	22.61	-	-	22.61	20.98	0.30	-	21.28	1.33	1.62
Office Equipments	50.43	-	-	50.43	43.31	2.25	-	45.55	4.88	7.13
Vehicles	36.77	-	-	36.77	12.07	4.37	-	16.44	20.33	24.70
Computer & Peripherals	24.35	-	-	24.35	23.50	-	-	23.50	0.85	0.85
<b>Total A</b>	<b>13,919.28</b>	<b>-</b>	<b>10.22</b>	<b>13,909.06</b>	<b>4,958.21</b>	<b>818.32</b>	<b>4,922.45</b>	<b>10,698.98</b>	<b>3,210.09</b>	<b>8,961.06</b>
<b>(ii) INTANGIBLE</b>										
Intangible Assets	125.98	10.22	-	136.19	125.98	-	-	125.98	10.22	-
Technical Knowhow	1.71	-	-	1.71	1.66	-	-	1.66	0.05	0.05
<b>Total B</b>	<b>127.69</b>	<b>10.22</b>	<b>-</b>	<b>137.90</b>	<b>127.64</b>	<b>-</b>	<b>-</b>	<b>127.64</b>	<b>10.26</b>	<b>0.05</b>
<b>(iii) CAPITAL WORK-IN-PROGRESS</b>										
Capital WIP	24.67	-	-	24.67	-	-	-	-	24.67	24.67
<b>Total C</b>	<b>24.67</b>	<b>-</b>	<b>-</b>	<b>24.67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24.67</b>	<b>24.67</b>
<b>GRAND TOTAL (A+B+C)</b>	<b>14,071.63</b>	<b>10.22</b>	<b>10.22</b>	<b>14,071.63</b>	<b>5,085.85</b>	<b>818.32</b>	<b>4,922.45</b>	<b>10,826.62</b>	<b>3,245.02</b>	<b>8,985.78</b>
Previous Year	14,731.46	171.32	831.14	14,071.63	4,900.41	780.28	594.84	5,085.85	8,985.79	9,831.04

**Sub Notes:**
**1. Ageing Schedule of Capital WIP as on 31<sup>st</sup> March, 2023**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Project in Process	-	-	-	-	
Project temporarily suspended	-		3.74	20.93	24.67

**Ageing Schedule of Capital WIP as on 31<sup>st</sup> March, 2022**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
Project in Process	-	-	-	-	
Project temporarily suspended	-	3.74	18.68	2.25	24.67

- Land was revalued during F.Y. 2016-17 (effective date is 31-03-2017) based on independent valuers Report. The cost of land is ₹ 52.17 lakhs and it was valued as per prevailing market rates which works out to ₹ 780.66 lakhs. The balance of ₹ 728.49 lakhs is shown as revaluation reserve and not used for any distribution of profits.
- Based on Internal evidences, the Company has made impairment of Property, Plant and Equipment by ₹ 4922.45 Lacs on the basis of independent valuation reports.

The Disclosure as per AS-28 "Impairment of Assets" is as under:

- The Amount of Impairment Loss recognised in statement of Profit & Loss Account is ₹ 4922.45 Lacs.
- The Amount of reversal of Impairment Loss in statement of Profit & Loss Account is ₹ Nil.
- The Amount of impairment loss recognised directly against revaluation surplus during the year is Nil.
- The Amount of reversal of impairment loss recognised directly in revaluation surplus during the year is Nil.
- Recoverable Amount of the Asset is its net selling pricing estimated based on independent valuation reports.
- the class of Property, Plant and Equipment impaired and its impairment amount is shown in above table. (Note J)

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

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Trade Investments :</b>		
<b>Quoted Equity Instruments</b>		
<b>Others</b>		
1,100 (Previous year- 1,100) equity shares of ₹10/- each fully paid up in Indian Overseas Bank.	0.26	0.26
<b>Unquoted Equity Instruments</b>		
<b>Associate*</b>		
7500 (Previous year- 7500) equity shares of ₹10/- each fully paid up in Halol Industries Environment & Infrastructure Ltd. Halol	0.75	0.75
<b>Others</b>		
140 (Previous year- 140) equity shares of ₹50/- each fully paid up in The Halol Mercantile Co Operative bank Ltd. Halol	0.07	0.07
<b>Total</b>	<b>1.08</b>	<b>1.08</b>
Aggregate book value of unquoted investments	0.82	0.82
Aggregate book value of quoted investments	0.26	0.26
Aggregate market value of quoted investments	0.20	0.20

\* Refer to Item No. 1 (c) of Note : Z

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

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Capital Advances	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**M. OTHER NON CURRENT ASSETS :**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Income tax Assets (MAT Credit)	125.66	125.66
Security Deposit	45.11	73.19
Balance with Govt. Authorities	-	-
<b>Total</b>	<b>170.77</b>	<b>198.85</b>

**N. INVENTORIES:**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Raw materials	0.06	100.35
(b) Work-in-progress	-	14.52
(c) Finished goods	-	140.36
(d) Stores, Spares & Consumables	-	-
<b>Total</b>	<b>0.06</b>	<b>255.23</b>

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):**

(₹ in Lakhs)

Particulars	As at 31.03.2023		As at 31.03.2022	
<b>(a) Over Six months from the due date</b>				
Considered good	10.30		86.37	
Considered doubtful	263.26		97.68	
Less : Provision for doubtful debts	263.26	10.30	97.68	86.37
<b>(b) Others Considered good</b>		0.09		107.60
<b>Total</b>		<b>10.39</b>		<b>193.98</b>

**P. CASH & CASH EQUIVALENTS:**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>(a) Cash &amp; Cash equivalents :</b>		
(i) Balances with Bank in Current Accounts	17.93	16.96
(ii) Cash on hand	-	0.26
<b>(b) Other Bank Balance :</b>		
- in Deposit Accounts with Bank having Maturity Period upto 12 months (Held as Margin Money against LC, bank Guarantee and Security against borrowing)	4.38	12.05
- in Deposit Accounts with Bank having Maturity Period upto 12 months	101.34	
<b>Total</b>	<b>123.65</b>	<b>29.27</b>

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

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Others</b>		
(a) Advance given to Trade Creditors	2.96	2.94
<b>Total</b>	<b>2.96</b>	<b>2.94</b>

**R. OTHER CURRENT ASSETS:**

(₹ in Lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Others</b>		
(a) Assets held for Sale	8.00	9.98
(b) Balance with Government Authorities	32.79	35.09
(c) Advance Recoverable in cash or in kind	1.88	13.91
(d) Accrued Income	2.10	3.28
(e) Income Tax assets (net of provisions)	4.78	31.63
<b>Total</b>	<b>49.55</b>	<b>93.89</b>

**S. REVENUE FROM:**

(₹ in Lakhs)

Particulars	Year ended 31.03.2023		Year ended 31.03.2022	
<b>a. Sale of products</b>				
- Domestic	162.44		2,639.47	
- Exports	-		2,044.32	
	-	<b>162.44</b>	-	<b>4,683.79</b>
<b>b. Other Operating Revenues</b>				
- Disposal Sales	-		303.39	
- Export Incentives	-		13.30	
- Service Income	-		156.51	
		-		<b>473.20</b>
<b>Revenue from Operations</b>		<b>162.44</b>		<b>5,156.98</b>

**T. OTHER INCOME:**

(₹ in Lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
<b>Interest Income</b>		
From Banks	3.49	6.96
From Others	3.92	12.55
Lease Rental Income	16.98	-
Sundry Balance written back	-	97.18
Misc Income	-	5.56
Profit on Sales of Fixed Assets	-	48.93
Exchange Fluctuation Gain (Net)	-	33.34
<b>Total</b>	<b>24.39</b>	<b>204.51</b>

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

(₹ in Lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
<b>Inventory at the beginning of the year</b>	100.35	344.28
Add : Purchases	-	4,570.97
	<b>100.35</b>	<b>4,915.25</b>
Less: Inventory at the end of the year	0.06	100.35
<b>Total</b>	<b>100.29</b>	<b>4,814.90</b>

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

(₹ in Lakhs)

Particulars	Year ended 31.03.2023		Year ended 31.03.2022	
<b>Inventory at the end of the year</b>				
Work in Process	-		14.52	
Finished Goods	-		140.36	
		-		<b>154.88</b>
<b>Less : Inventory at the beginning of the year</b>				
Work in Process	14.52		2,498.55	
Finished Goods	140.36		909.54	
		<b>154.88</b>		<b>3,408.09</b>
<b>Total</b>		<b>154.88</b>		<b>3,253.22</b>

**W. EMPLOYEE BENEFIT EXPENSES:**

(₹ in Lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Salaries,Wages & Bonus (Refer note below)	19.35	400.44
Retirement benefits	-	41.87
Contribution to Provident and other funds	0.48	16.83
Staff welfare expense	-	16.87
<b>Total</b>	<b>19.83</b>	<b>476.01</b>

(Note: Salary, Wages &amp; Bonus includes Directors' Remuneration ₹ NIL (PY ₹ 3.28 Lakhs))

## X. FINANCE COST:

(₹ in Lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Interest on Working Capital	-	145.43
Other Interest	-	95.51
Bank Charges	8.77	65.56
<b>Total</b>	<b>8.77</b>	<b>306.50</b>

## Y. OTHER EXPENSES:

(₹ in Lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Stores Spares Consumables inventory at the beginning of the year	-	156.91
Add : Purchases	1.47	81.79
	<b>1.47</b>	<b>238.70</b>
Less : Inventory at the end of the year	-	-
Total Stores Spares Consumables Consumed during the year	<b>1.47</b>	<b>238.70</b>
Stores, Spares & Consumables	1.47	238.70
Conversion charges	-	63.02
Labour Charges	0.30	11.96
Repairs and Maintenance		
Buildings	0.22	-
Computers	-	0.37
Others	0.08	-
Vehicle Maintenance	-	15.26
Freight and Forwarding Charges	0.12	77.51
Power & Fuel	37.18	848.12
Water Charges	-	16.44
Other manufacturing expenses	-	20.58
Commission	-	3.60
Business Promotion Expenses	-	0.41
Special Discount	-	5.70
Travelling & Conveyance Expense	1.68	25.89
Selling & Distribution Expenses	1.68	35.60
Rent	-	38.14
Rate & Taxes	1.13	0.82
VAT Expenses	-	14.14
GST Expenses	-	42.42
Penalty	-	36.67
Rates and Taxes	1.13	94.06
Insurance	19.31	48.36
Filing Fees	0.64	0.79
Licence & Fees	7.06	2.16
Legal & Professional Fees	38.05	57.19
Statutory Compliance Expenses	45.75	60.14
Payment to Auditor		
Audit Fees	1.55	1.60
Certification Fees	-	0.07
Allowances for Doubtful debts	165.58	18.19
Directors' Sitting fees	-	2.05
Sundry balance Written off	3.80	-
Prior Period Expenses	-	0.60
Loss on impairment on assets	4,922.45	37.17
Printing, Stationery, Telephone & Courier Expenses	0.74	6.43
Advertisement expenses	1.74	0.32
Office Expenses	0.50	3.58
Security Expenses	16.20	2.33
Membership fee & Subscription	0.32	0.92
Miscellaneous Expenses	5.44	0.11
Office & Other Expenses	24.94	13.70
<b>Total</b>	<b>5,225.57</b>	<b>1,641.63</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENT FOR THE YEAR ENDED ON 31<sup>ST</sup> MARCH, 2023

### NOTE: Z

#### 1 SIGNIFICANT ACCOUNTING POLICIES:

##### (A) Basis of Accounting:

Financial statements have been prepared by the management of the company in consultation with the Resolution Professional of the Company. The financial statements are prepared as per historical cost convention and on going concern basis and comply with the applicable accounting standards specified under section 133 of the Companies Act, 2013 read with Rules 7 of the Companies (Accounts) Rules 2014.

##### (B) Property, Plant and Equipment:

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

##### (C) Investments :

- i) Investments are Long-term, unless stated otherwise and are stated at cost except where there is diminution in value other than temporary, in which case a provision is made to the carrying value to recognise the diminution.
- ii) In accordance with Accounting Standard – 23 'Accounting for Investments in Associates in Consolidated Financial Statements', issued by the Institute of Chartered Accountants of India, the Company is required to furnish Consolidated Financial Statements alongwith the accounts of M/s Halol Industries Environment & Infrastructure Ltd. where the shareholding of the company is more than 20% as at Balance Sheet date.

However, considering the long term restrictions imposed by M/s Halol Industries Environment & Infrastructure Ltd. on transfer of equity shares as well as the restriction on declarations on dividend, the company falls within the exemptions as stipulated in the AS-23. Consequently the Company is not required to prepare Consolidated Financial Statements. Therefore, the Company has not prepared Consolidated Financial Statement which is in line within AS-23.

##### (D) Inventories:

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

- i) Raw materials, Packing materials, Stores and consumables are valued at cost using First -in-First Out method. The cost of Raw materials, stores and consumables includes cost of purchases after adjusting for GST, direct expenses and other cost incurred in bringing the inventories to their present location and condition. : Cost is determined on moving weighted average
- ii) Work in Progress goods has been identified as such depending upon stage of completion of finished goods technically determined by the management. Work in Progress goods are valued at raw materials cost as calculated above including appropriate proportion of cost of conversion to the extent of stage of progress and certified by the management.
- iii) Finished goods are valued at lower of cost or net realisable value. Finished goods are valued at cost of production, including appropriate proportion of allocable cost.
- iv) Scrap is valued at net Realisable Value.

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

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

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

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



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

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

**(b) Post Employment Benefits:****i. Defined Contribution Plans :**

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

**ii. Defined Benefit Plans:**

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

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

**(H) Borrowing Cost:**

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

**(I) Earnings per share :**

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

**(J) Taxes on Income:**

- i) Provision for taxation is made on the basis of the estimated taxable income for the current Accounting period in accordance with provision of the Income Tax Act, 1961.
- ii) The benefit of credit against the payment made towards MAT for the earlier years is available in accordance with the provisions of section 115J (AA) of income tax act 1961 over a period of subsequent 15 assessment years and it is recognised to the extent of deferred tax liability in view of the certainty involved of its realisation against reversal of deferred tax liability.
- iii) In accordance with Accounting Standard – 22 ‘Accounting for Taxes on Income’, issued by the Institute of Chartered Accountants of India, the Deferred Tax for timing differences between the book profit and tax profit for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date.
- iv) Deferred tax assets arising from temporary timing differences are recognised to the extent there is reasonable certainty that the assets will be realized in future. In situations, where the company has un absorbed depreciation and carry forward losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidences, that the same can be realised against future taxable profits.

**(K) Segment Reporting :**

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

**(L) Impairment of Assets :**

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

**(M) Provisions, Contingent Liabilities and Contingent Assets :**

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

#### **(N) Use of Estimates**

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

#### **(O) Government grants**

Government grants are recognised:

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

#### **(P) Leases**

##### **Operating lease**

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

##### **Finance Lease**

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

#### **(Q) Corporate Insolvency Resolution Process**

##### **Matter Listed With NCLT**

An application was filed for the initiation of Corporate Insolvency Resolution Process ("CIRP") under Section 9 of the Insolvency and Bankruptcy Code, 2016 ("IBC") against Innovative Tyres & Tubes Limited ("the Company") before the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT"), with a prayer to commence the CIRP. The Hon'ble NCLT vide its order dated 28<sup>th</sup> March 2022 admitted the said application for initiation of CIRP against the Company. Further, the Hon'ble NCLT gave orders for the appointment of Mr. Abhishek Nagori as the Interim Resolution Professional ("IRP") to perform all the functions as per the IBC and that the management of the Company shall vest in the IRP. The NCLT order also provided for a moratorium with effect from 28<sup>th</sup> March 2022 till the completion of the CIRP under the IBC, or until the Hon'ble NCLT approves the resolution plan or passes an order for liquidation of the company, whichever is earlier. Further, In the ongoing CIRP of the Corporate Debtor, the Resolution Professional (RP) with the approval of Committee of Creditors (CoC) re-invited the Expression of Interest (EOI) in Form G on 31.10.2022 from the Potential Resolution Applicants (PRAs) to submit the Resolution Plan. Thereafter, the RP has received Resolution Plans from the Resolution Applicants. Subsequently, the CoC has approved the Resolution Plan submitted by Resolution Applicant in the 12<sup>th</sup> meeting held on 31.12.2022 and the said Resolution Plan has also been submitted to the honourable NCLT for approval. The order of the honourable NCLT for approval of Resolution Plan is awaited.

## **2 CAPITAL & OTHER COMMITMENT**

Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) ₹ NIL (Previous year for ₹ NIL).

## **3 CONTINGENT LIABILITIES:**

Under the CIRP there are various claims submitted by the operational creditors, the financial creditors, employees and other creditors. The overall obligations and liabilities on account of claims by the creditors shall be determined during the CIRP and accounting impact if any will be given on completion of CIRP. During the CIRP, the Claims amounting to ₹13,216 lacs from Creditors were received upto 11<sup>st</sup> October, 2022. Out of total claims of ₹ 13,216 lacs , ₹ 13,121 lacs has been accepted as of 11<sup>st</sup> October, 2022 comprising ₹3,915 lacs as Secured and ₹9,206 lacs as Unsecured. The final amount of liability will depend on outcome of Corporate Insolvency Resolution Process.

## **4 DEFINED BENEFIT PLANS / COMPENSATED ABSENCES -**

In view of NCLT Order dated 28-03-2022 for CIRP, all employees have been terminated from their service contracts and liabilities towards gratuity and leave encashment became due on the cut off date. Therefore, the Company has booked liability for payment of Gratuity and Leave Encashment due to the employees.

**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:

(₹ in Lakhs)

Sr. No.	Particulars	2022-2023	2021-2022
(a)	(i) The Principal amount remaining unpaid to any supplier at the end of accounting year	112.78	112.78
	(ii) The interest due on above	-	-
	<b>Total of (i) &amp; (ii) above</b>	<b>112.78</b>	<b>112.78</b>
(b)	Amount of interest paid by the buyer in terms of Section 16 of the Act along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.		
(c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.		
(d)	The amount of interest accrued and remaining unpaid at the end of each accounting year.		
(e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of Act.		

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

**6 SEGMENT REPORTING:****(a) Primary Segment:**

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

**(b) Secondary Segment (By Geographical Segment)**

(₹ in Lakhs)

Particulars	2022-23	2021-22
India	162.44	2,639.47
Outside India (including Demed exports)	-	2,044.32
<b>Total Sales</b>	<b>162.44</b>	<b>4,683.79</b>

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

**7 DISCLOSURE AS REQUIRED BY THE ACCOUNTING STANDARD - AS-18 RELATING TO "RELATED PARTIES DISCLOSURE" ISSUED BY THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA ARE AS FOLLOWS:****Name of related parties and description of relationship:****Key Management Personnel and Relatives of KMP :**

Mr. Mukesh G Desai	Non Executive Chairman
Mr. Keyoor Bakshi	Independent Director (upto 31-05-2023)
Ms. Kalpana Joshipura	Independent Director
Mr. Arvind Tambi	CFO & CS (upto 30-11-2022)
Mr. Abhishek Nagori	Resolution Professional

**Related Parties:****Associate Companies:**

Halol Industries Environment & Infrastructure Limited

**Other Related Parties:**

Future Tyres Private Limited  
Gaia Batteries Private Limited

**Other**

Mr. Abhishek Nagori Resolution Professional appointed by National Company Law Tribunal.

(₹ in Lakhs)

Sr. No.	Particulars	Related Parties		Key Management Personnel and Relatives	
		2022-23	2021-22	2022-23	2021-22
<b>1</b>	<b>Remuneration</b>				
	Mr.Pradeep R Kothari	-	-	-	3.28
	Mr.Arvind Tambi	-	-	-	9.54
<b>2</b>	<b>Purchase of Inventory</b>				
	Future Tyres Pvt Ltd	-	60.81	-	-
	Gaia Batteries Pvt Ltd	-	0.26	-	-
<b>3</b>	<b>Job Work Expenses</b>				
	Future Tyres Pvt Ltd	-	110.57	-	-
<b>4</b>	<b>Sales of Goods</b>				
	Future Tyres Pvt Ltd	-	613.58	-	-
	Gaia Batteries Pvt Ltd	-	23.60	-	-
<b>5</b>	<b>Sitting Fess</b>				
	Mr. Keyoor Bakshi	-	-	-	0.70
	Mrs. Kalpana Joshipura	-	-	-	0.70
	Mr. Mukesh G Desai	-	-	-	0.65
	Mr. Abhishek Nagori	-	-	-	-
	<b>Outstanding Balances</b>				
<b>6</b>	<b>Creditors / Other Payable</b>				
	Key Managerial Remuneration	-	-	-	52.14
	Sitting Fee Payable	-	-	-	6.38
	Goldmine Commodities Pvt Ltd	410.06	410.06	-	-
	Professional Fees Payable	-	-	-	-
<b>7</b>	<b>Debtors / Other Receivable</b>				
	Future Tyres Pvt Ltd	153.48	163.48	-	-
<b>8</b>	<b>Investment in Associate</b>				
	Halol Industries Environment & Infrastructure Ltd.,	0.75	0.75	-	-

## 8 EARNING PER SHARE:

(₹ in Lakhs)

	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
<b>Earning per share has been computed as under:</b>		
<b>a</b> Profit after Taxation & before extra-ordinary items	(5,293.65)	(5,894.01)
<b>b</b> Total Ordinary shares		
Weighted Average Number of Equity Shares Outstanding	17,991,561	17,991,561
Weighted Average Number of Equity Shares Outstanding (including potential Equity Shares)	17,991,561	17,991,561
<b>c</b> Earnings per Share (Face value ₹10/- per share) (in ₹)		
(Basic)	(29.42)	(32.76)
(Diluted)	(29.42)	(32.76)

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

(₹ in Lakhs)

	2022-23	2021-22
<b>A Value of imports calculated on C.I.F. basis made by the Company during the year :</b>		
(i) Raw Materials ( including High Sea Purchases)	-	413.00
(ii) Capital goods	-	41.60
<b>B Expenditure in foreign currency :</b>		
(i) Foreign Traveling expenses	-	-
(ii) Testing Charges	-	3.29
(iii) Subscription Charges	0.97	0.57
(iv) Foreign Bank Charges	-	1.33
<b>C Value of imported raw materials, spare parts,</b>		
Components and Packing materials consumed during the year.	-	413.00
Value of indigenous raw materials, spare parts,		
Components and packing materials consumed during the year	-	4,401.90
<b>Percentage to total consumption :</b>		
(a) Imported raw materials, spare parts, components and packing materials consumed.	-	8.58%
(b) Indigenous raw materials, spare parts, components and packing materials consumed.	-	91.42%
<b>D Earnings in Foreign Exchange (On accrual basis)</b>		
Export Sales (On FOB Basis)	-	3,877.84

## 10 AGEING OF TRADE PAYABLE

AS ON 31<sup>ST</sup> MARCH 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	-	68.65	26.21	17.92	112.78
(ii) Others	-	1,042.45	835.56	984.69	2,862.70
(iii) Disputed dues-MSME					-
(iv) Disputed dues-Others					-
<b>Total</b>	-	<b>1,111.10</b>	<b>861.77</b>	<b>1,002.61</b>	<b>2,975.48</b>

AS ON 31<sup>ST</sup> MARCH 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	68.65	26.21	12.52	5.40	112.78
(ii) Others	1,101.89	835.56	314.44	670.25	2,922.14
(iii) Disputed dues-MSME					-
(iv) Disputed dues-Others					-
<b>Total</b>	<b>1,170.54</b>	<b>861.77</b>	<b>326.96</b>	<b>675.65</b>	<b>3,034.92</b>

## 11 AGEING OF TRADE RECEIVABLE

AS ON 31<sup>ST</sup> MARCH 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	0.09	-	10.30	-	-	10.39
(ii) Undisputed Trade Receivables-considered doubtful	-	-	165.58	-	-	165.58
(iii) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered doubtful	-	-	2.40	30.35	64.93	97.68
	<b>0.09</b>	<b>-</b>	<b>178.28</b>	<b>30.35</b>		<b>273.65</b>
Less: Provision for doubtful debts						<b>(263.26)</b>
<b>Total</b>						<b>10.39</b>

**AS ON 31<sup>ST</sup> MARCH 2022**

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables-considered good	107.60	86.37	-	-	-	193.97
(ii) Undisputed Trade Receivables-considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered doubtful	-	2.40	30.35	1.25	63.68	97.68
<b>Total</b>	<b>107.60</b>	<b>88.77</b>	<b>30.35</b>	<b>1.25</b>	<b>63.68</b>	<b>291.65</b>

## 12 RATIO ANALYSIS

Particulars	Numerator	Denominator	31.03.2023	31-03-22	% Variance	Reason for variance
Current Ratio (in times)	Current Assets	Current Liabilities	0.02	0.07	-67.49%	Refer Note 1
Debt-Equity Ratio (in times)	Total Debt	Shareholder's Equity	(0.86)	4.31	-119.92%	Refer Note 2
Debt Service Coverage Ratio (in times)	Earning available for debt service	Debt Service	(2.66)	(10.22)	-73.99%	Refer Note 3
Return on Equity Ratio (in times)	Net profit	Average shareholders equity	(2.98)	(1.54)	93.18%	Refer Note 3
Inventory Turnover Ratio (in times)	Sales	Average inventory	1.27	2.48	-48.62%	Refer Note 4
Trade Receivables turnover Ratio (in times)	Sales	Average Trade receivables	1.59	6.49	-75.49%	Refer Note 5
Trade Payable turnover Ratio (in times)	Purchases	Average Trade payable	0.00	1.47	-99.97%	Refer Note 6
Net Capital Turnover Ratio (in times)	Net Sales	Working Capital	(0.02)	(1.12)	-98.11%	Refer Note 7
Net Profit Ratio (in percentage)	Net Profit	Net Sales	(32.59)	(1.14)	2751.28%	Refer Note 3
Return on Capital Employed (in percentage)	Earning before interest & taxes	Capital employed	(9.88)	(1.04)	854.67%	Refer Note 3
Return on Investment (in percentage)	Earning before interest & taxes	Total Assets	0.02	0.04	-48.76%	Refer Note 8

- 1 Current assets significantly reduced because of operating losses during the year.
- 2 Debt Equity ratio negatively impacted because of reduction in Shareholder fund (due to net losses).
- 3 Debt Service Coverage Ratio, Return on Equity Ratio, Net Profit ratio and Return on Capital employed negatively impacted mainly due to huge loss in current year.
- 4 Inventory turnover ratio decreased due to decrease in net sales.
- 5 Trade Receivables turnover Ratio decreased due to decrease in net sales.
- 6 Trade Payable turnover Ratio decreased due to decrease in purchases.
- 7 Working Capital has eroded significantly due to operating losses in current year. Hence Net Capital turnover ratio deteriorated.
- 8 Return on Investment decreased due to huge loss in current year.

## 13 CORPORATE SOCIAL RESPONSIBILITY:

The Company is consistently incurring losses. In accordance with section 135 of the Companies Act, 2013 the Company is not required to spend expenditure under the Corporate Social Responsibility.



- 14 To the best of our knowledge and information available to us, the company has not entered any transaction with companies struck off under section 248 of Companies Act 2013 or Section 560 of Companies Act 1956.
- 15 Quarterly statements of current assets filed by the company with banks or financial institutions are not in agreement with the books of accounts.
- 16 The Audited financial statement of the Company for the year ended 31<sup>st</sup> March, 2023 have been taken on record by the Resolution Professional ("RP") of the Company, Mr. Abhishek Nagori, who is appointed by the Committee of Creditors ("CoC") pursuant to the order passed by the Hon'ble National Company Law Tribunal ("NCLT"), while discharging the powers of the Board of Directors of the Company which were conferred upon him in accordance with the order dated 28<sup>th</sup> March 2022. It is also incumbent upon the RP, under Section 20 of the IBC, to manage the operations of the Company as a going concern. The Audited Financial Statement of the Company for the year ended 31<sup>st</sup> March 2023 has been approved in the meeting of Resolution Professional and directors. As a part of the CIRP, the RP has appointed a Forensic Auditor for the Company with the approval of Committee of Creditors of the Company. The Forensic Audit Report has been received from the Forensic Auditor and as informed by the RP to the Stock exchange, no transactions have been identified in the Forensic Audit Report in the Forensic Audit Report as Preferential, Undervalued, Fraudulent, and Extortionate (PUFE) transactions. Since the RP has taken charge of the Company on 28 March, 2022, the RP is not liable or responsible for any actions and has no personal knowledge of any such actions of the Company prior to his appointment and has relied on the position of the financial Statement of the Company as they existed on 28 March, 2022. Regarding the information pertaining to the period prior to 28 March, 2022, the RP has relied upon the explanation, clarifications, certifications, representations and statements made by the existing officials of the Company, who were also part of the Company prior to the appointment of the RP. Similarly, after RP has been appointed, the suspended board is not responsible for any actions taken by the RP and reflected in the financial Statement either as a transaction during the year or reflected as carry forward of balances of the transactions undertaken during his tenure.
- 17 The Company's loan accounts have been classified as Non-Performing Asset (NPA) by the lenders. The Company has not made any provision for interest which has not been charged (including unrealised interest) by the Bank on account of NPA on Bank Borrowings and accordingly the loss & finance cost for the year ended 31<sup>st</sup> March, 2023 are understated and not quantifiable.
- 18 The Company has incurred net loss (after tax) of ₹ 5293.65 lacs during the year ended 31<sup>st</sup> March, 2023 and have accumulated losses of ₹ 6221.30 lacs as on 31<sup>st</sup> March, 2023. The net worth of the Company has been eroded and the financial performance of the Company had deteriorated substantially, and all the manufacturing operations have been stand still. Also, the Company continues to deal with a range of uncertainties and is presently not able to service its debts. The Company has assessed that the use of going concern assumption is appropriate in the circumstances and hence, these financial results has been prepared on a going concern assumption basis as per below:
- The IBC requires the RP to, among many other things, run the Company as a going concern during CIRP.
  - The RP, in consultation with the Committee of Creditors of the Company, in accordance with the IBC, is making all endeavours to run the Company as a going concern.
  - The RP has received Resolution Plans from the Resolution Applicants. Subsequently, the CoC has approved the Resolution Plan submitted by Resolution Applicant in the 12<sup>th</sup> meeting held on 31.12.2022 and the said Resolution Plan has also been submitted to the honourable NCLT for approval. The order of the honourable NCLT for approval of Resolution Plan is awaited.
- 19 During the year, there is no manufacturing activity carried out by the Company. All the Property, Plant and Equipment were unused and were locked stock in barrels much before NCLT Order dated 28<sup>th</sup> March 2022. The Technical Usable viability is difficult to determine during CIRP process. Further based on the possible outcome of CIRP, following the resolution process, the management has realised the need to impair the value of Property, Plant and Equipment by taking the basis of independent valuation. During the year, the Impairment loss of ₹ 4922.45 Lacs is booked for Property, Plant and Equipment for detailed disclosure refer Note J.
- 20 The Company is engaged in the business of Tyre & Tubes and therefore, there is only one reportable segment in accordance with the Accounting Standard on Segment Reporting (AS-17).
- 21 In the Opinion of the Board, the Current Assets / Non Current Assets, Loans & Advances and Loans & Liabilities are shown on Historical Cost but the realisation is subject to the final directions from the Honorable NCLT on approved resolution plan.
- 22 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 Haribhakti & Co. LLP**  
 Chartered Accountants  
 F R No. 103523W/W100048

**Yash Bhatt**  
 Partner  
 M. No. 117745  
 Date : 6<sup>th</sup> July, 2023

**For and on behalf of the Company**

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

**Resolution Professional**  
**(Abhishek Nagori)**





**(CIN: L25112GJ1995PLC086579)**

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