

Date: September 13, 2017

To,
BOMBAY STOCK EXCHANGE LIMITED,
Phiroze Jeejeebhoy Tower,
Dalal Street, Fort,
Mumbai-400001
Scrip Code: 533402

Ref: Revised Financial Results as per Schedule III of Companies Act, 2013 along with Impact of Audit qualifications

In terms of your email dated July 10, 2017 regarding discrepancies in the financial results for the quarter and year ended March 31, 2017 submitted by the Company vide its letter dated May 27, 2017, we hereby submit the following:

(i) Declaration submitted does not specify whether the said declaration is for Standalone or Consolidated result, company is required to clarify the same or submit declaration or Statement of Impact of Audit Qualifications separately for each type of results (i.e. Standalone and Consolidate) - (For Standalone Result & Consolidated Result)

In compliance of your e-mail dated 10th July, 2017 and pursuant to Regulation 33 of the SEBI (LODR) Regulations, 2015, Statement of Impact of Audit Qualifications for Standalone Result & Consolidated Results is enclosed herewith.

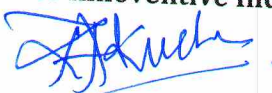
(ii) Financial Result is not as per Schedule III - Submit revised results in accordance with Schedule III format of Companies Act, 2013 (kindly refer SEBI circular Ref. CIR/CFD/FAC/62/2016 dated July 05, 2016 (Point 2.1 and 2.4) (For Standalone Results)

The revised financial results for the quarter and year ended March 31, 2017 in accordance with Schedule III format of the Companies Act, 2013 are enclosed herewith

We would like to inform you that the change is with reference to the presentation of financial results as per Schedule III of the Companies Act, 2013 and there has been no change in any figures of the Audited Standalone and Consolidated Financial Results for the Quarter and year ended 31st March, 2017 submitted earlier on 26th May, 2017.

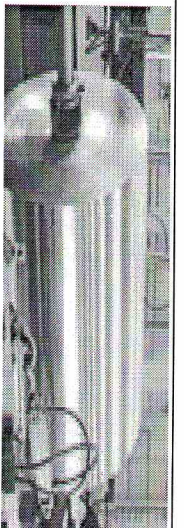
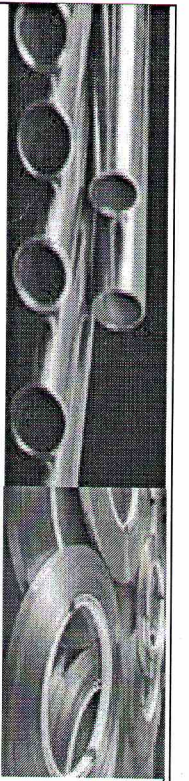
We request you to kindly take the same on record.

Thanking You,
Yours truly,
For Innoventive Industries Limited



Rupesh Kuche
Company Secretary





INNOVENTIVE INDUSTRIES LIMITED
 (Company under Corporate Insolvency Resolution Process by NCLT order dated 17th January, 2017)
 Registered Office : Gat No. 56/4/5, Pimple Jagtap, Taluka - Shirur, Pune
 District - Pune 412208
 CIN: L29309PN1991PLC063045



Audited Financial Results For The Quarter and Year Ended March 31st, 2017

Particulars	Standalone						Consolidated	
	Quarter Ended			Year Ended			Year Ended	
	31.03.2017 (Audited)	31.12.2016 (Un-Audited)	31.03.2016 (Un-Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)	(Rs in Lacs)
1 Income from operations								
(a) Net sales	5,658.09	7,133.42	9,095.28	30,045.62	33,486.07	47,330.60	47,368.87	81.51
(b) Other operating income	144.57	210.97	15.52	670.57	35.45	78.83	78.83	81.51
Total income from operations (net)	5,802.66	7,344.39	9,110.80	30,716.19	33,521.52	47,409.43	47,450.38	47,450.38
2 Expenses								
(a) Cost of materials consumed	4,132.58	6,833.28	5,482.48	23,889.78	23,010.18	24,609.43	24,113.45	24,113.45
(b) Purchases of stock-in-trade	-	-	356.00	7.02	356.00	11,089.12	11,089.12	9,591.59
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	438.38	2,027.75	287.42	2,794.06	(165.95)	2,988.93	545.86	545.86
(d) Employee benefits expense	469.00	592.80	648.38	2,173.81	2,714.04	3,963.12	6,829.31	6,829.31
(e) Depreciation	1,548.77	1,590.48	1,555.56	6,296.22	6,287.13	99.18	16,284.29	15,471.79
(f) Foreign exchange loss / (gain) (net)	5.13	(2.36)	(73.32)	93.70	(73.32)	99.18	99.18	(17.47)
(g) Finance costs (net)	4,616.28	3,598.17	3,143.09	15,169.01	13,242.93	23,407.47	8,129.92	8,129.92
(h) Other expenses	3,662.82	18,168.30	2,066.58	28,947.04	5,962.66	89,270.86	69,255.08	69,255.08
Total expenses	14,872.97	32,808.41	13,466.19	79,370.64	51,333.67	17,812.15	17,812.15	21,804.69
3 Profit / (Loss) from operations before other income and exceptional items (1-2)	(9,070.31)	(25,464.02)	(4,355.39)	(48,654.44)	(17,812.15)	(41,861.43)	(41,861.43)	(21,804.69)
4 Other income	59.47	85.96	194.60	439.08	314.98	821.65	806.51	806.51
5 Profit / (Loss) from ordinary activities before exceptional items (5-6)	(9,010.84)	(25,378.06)	(4,160.79)	(48,215.36)	(17,497.17)	(41,039.78)	(41,039.78)	(20,998.19)
6 Exceptional items	-	-	-	-	-	1,695.89	-	-
7 Profit / (Loss) from ordinary activities before tax (7+8)	(9,010.84)	(25,378.06)	(4,160.79)	(48,215.36)	(17,497.17)	(42,735.67)	(42,735.67)	(20,998.19)
8 Tax expense	-	-	1.82	-	-	565.58	-	(275.82)
9 Net Profit / (Loss) from ordinary activities after tax (9-10)	(9,010.84)	(25,378.06)	(4,162.61)	(48,215.36)	(17,497.17)	(43,301.25)	(43,301.25)	(20,722.37)
10 Share of Profit/(Loss) of Associates	-	-	-	-	-	-	-	-
11 Less: Minority Interest in Net Income of subsidiaries	-	-	-	-	-	11.83	-	6.90
12 Net Profit after taxes, minority interest and share of profit / (loss) of associates (11-12)	(9,010.84)	(25,378.06)	(4,162.61)	(48,215.36)	(17,497.17)	(43,313.08)	(43,313.08)	(20,729.27)
13 Paid-up equity share capital (Face value of ₹ 10 each)	5,964.40	5,964.40	5,964.40	5,964.40	5,964.40	5,964.40	5,964.40	5,964.40
14 Reserves excluding Revaluation Reserves	(88,301.77)	(79,290.93)	(40,086.45)	(88,301.77)	(40,086.44)	(88,256.96)	(52,884.40)	(52,884.40)
15 Basic and Diluted Earnings per Share (₹)	(15.11)	(42.55)	(6.98)	(80.84)	(29.34)	(72.60)	(34.74)	(34.74)

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(Company under Corporate insolvency resolution
 process By NCLT Order, dated January 17, 2017)

Segment-wise revenue, results and capital employed

Particulars	Standalone				Consolidated			
	Quarter ended		Year Ended		Year ended		Year ended	
	31.03.2017 (Audited)	31.12.2016 (Un-Audited)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)	31.03.2016 (Audited)
1 Segment revenue								
Motor Vehicle parts	3,661.29	5,087.81	6,411.25	20,843.97	25,255.02	20,843.97	25,255.02	8,048.22
Tubes & Products	2,118.23	2,225.49	2,674.53	9,597.51	8,048.22	9,597.51	8,048.22	8,048.22
Cold Rolled Coils	-	-	-	-	-	-	-	-
Oil & Gas	-	-	-	-	-	-	-	-
Others	23.15	31.09	25.01	274.71	218.28	883.86	1,440.70	1,440.70
Total	5,802.66	7,344.39	9,110.80	30,716.18	33,521.52	47,409.43	47,457.02	12,713.08
2 Segment profit / (Loss) before tax and financing cost								
Motor Vehicle parts	(622.94)	(1,908.44)	781.73	(1,814.15)	2,971.09	(1,814.15)	2,971.09	(6,020.26)
Tubes & Products	(1,479.21)	(4,220.09)	(1,372.31)	(7,997.94)	(6,020.26)	(7,997.94)	(6,020.26)	(6,020.26)
Cold Rolled Coils	-	-	-	-	-	-	-	-
Oil & Gas	-	-	-	-	-	-	-	(8.63)
Others	(67.46)	(92.89)	(7.05)	(179.64)	(11.88)	(3,627.99)	(323.18)	(745.65)
Total	(2,169.60)	(6,221.42)	(597.63)	(9,991.73)	(3,061.05)	(13,440.08)	(4,126.64)	(4,126.64)
Profit / (Loss) before finance costs								
Less: Financing cost	(2,169.60)	(6,221.42)	(597.63)	(9,991.73)	(3,061.05)	(13,440.08)	(4,126.64)	(4,126.64)
Less: Exceptional items	4,616.28	3,598.17	3,143.09	15,169.01	13,242.93	16,284.29	15,471.79	15,471.79
Less: Other Un-allocable (Net)	-	-	-	-	-	-	-	-
Profit / (Loss) before tax	(9,010.84)	(2,623.25)	(284.54)	(4,822.72)	(1,818.12)	(7,155.79)	(2,654.85)	(2,654.85)
3 Capital employed								
Motor Vehicle parts	7,040.67	7,663.60	8,854.82	7,040.66	8,854.82	8,820.53	10,634.69	10,634.69
Tubes & Products	35,593.35	37,072.56	43,591.30	35,593.36	43,591.30	24,037.90	32,035.84	32,035.84
Cold Rolled Coils	-	-	-	-	-	-	-	-
Oil & Gas	-	-	-	-	-	-	-	(8.63)
Others	(7,302.49)	(7,235.03)	(7,122.85)	(7,302.49)	(7,122.85)	(7,456.55)	(7,456.55)	(7,456.55)
Unallocable	(1,17,603.26)	(1,10,762.02)	(79,379.67)	(1,17,603.26)	(79,379.67)	(1,02,769.01)	(7,558.21)	(7,558.21)
Total	(82,271.73)	(73,260.89)	(34,056.41)	(82,271.73)	(34,056.41)	(81,851.06)	(46,385.45)	(46,385.45)
4 Segmental Assets								
Motor Vehicle parts	4,068.73	5,059.02	9,876.48	4,068.73	9,876.48	4,068.73	9,876.48	9,876.48
Tubes & Products	47,478.07	49,888.62	61,399.44	47,478.07	61,399.44	47,478.07	61,399.44	61,399.44
Cold Rolled Coils	-	-	-	-	-	-	-	-
Oil & Gas	-	-	-	-	-	-	-	-
Others	4,316.73	6,709.38	15,700.86	4,316.73	15,700.86	15,144.43	20,283.18	20,283.18
Unallocable	7,984.42	6,916.19	12,367.34	7,984.42	12,367.34	7,984.42	12,367.34	12,367.34
Total	63,847.95	68,573.21	99,344.12	63,847.95	99,344.12	74,675.65	1,10,064.80	1,10,064.80
5 Segmental Liabilities								
Motor Vehicle parts	4,979.40	4,710.27	869.08	4,979.40	869.08	4,979.40	869.08	869.08
Tubes & Products	1,871.24	1,341.56	602.29	1,871.24	602.29	1,871.24	602.29	602.29
Cold Rolled Coils	-	-	-	-	-	-	-	-
Oil & Gas	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Unallocable	56,997.31	62,521.38	5,477.03	56,997.31	5,477.03	10,827.71	10,059.35	10,059.35
Total	63,847.95	68,573.21	99,344.12	63,847.95	99,344.12	74,675.65	1,10,064.80	1,10,064.80

(Rs in Lacs)

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(Company under Corporate insolvency resolution process By NCLT Order, dated January 17, 2017)

Statement of Assets and Liabilities For The Year Ended March 31st 2017

Particulars	Standalone		Consolidated	
	31.03.2017 (Audited)	31.03.2016 (Audited)	31.03.2017 (Audited)	31.03.2016 (Audited)
A Equity and liabilities				
1 Shareholders' funds				
(a) Share capital	5,964.40	5,964.40	5,964.40	5,964.40
(b) Reserves and surplus	(88,236.13)	(40,020.81)	(87,815.46)	(52,349.85)
Sub-total - Shareholders' funds	(82,271.73)	(34,056.41)	(81,851.06)	(46,385.45)
2 Minority Interest	-	-	-	468.67
3 Non-current liabilities				
(a) Long-term borrowings	3,139.02	84,497.81	3,540.92	88,296.73
(b) Deferred tax liabilities (net)	-	-	-	-
(c) Other long term liabilities	342.63	1,301.66	630.47	1,607.74
(d) Long-term provisions	-	-	-	-
Sub-total - Non-current liabilities	3,481.65	85,799.47	4,171.39	89,904.47
4 Current liabilities				
(a) Short-term borrowings	25,737.93	24,136.87	32,551.41	35,505.22
(b) Trade payables	6,958.80	2,429.79	8,111.28	4,217.29
(c) Other current liabilities	1,09,098.96	20,184.26	1,09,628.49	22,607.15
(d) Short-term provisions	842.34	850.15	2,064.15	3,747.44
Sub-total - Current liabilities	1,42,638.03	47,601.07	1,52,355.33	66,077.11
Total - Equity and liabilities	63,847.95	99,344.12	74,675.65	1,10,064.80
B Assets				
1 Non-current assets				
(a) Fixed assets	51,532.74	57,767.09	54,825.32	68,068.11
(b) Goodwill on consolidation	-	-	709.87	667.96
(c) Non-current investments	3,076.13	7,185.27	1,130.69	843.02
(d) Long-term loans and advances	276.56	9,261.34	711.67	8,327.01
(e) Other non current assets	-	911.58	-	930.99
Sub-total - Non-current assets	54,885.43	75,125.28	57,377.55	78,837.09
2 Current assets				
(a) Inventories	1,008.41	6,373.17	5,274.71	12,654.60
(b) Trade receivables	2,442.81	9,826.52	4,123.81	9,136.09
(c) Cash and bank balances	6,943.99	778.06	2,591.25	1,092.34
(d) Short-term loans and advances	4,564.93	1,235.99	741.54	1,620.72
(e) Other current assets	4,359.78	6,005.10	4,566.79	6,723.98
Sub-total - Current assets	8,962.52	24,218.85	17,298.10	31,227.72
Total - Assets	63,847.95	99,344.12	74,675.65	1,10,064.81

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(Company under Corporate insolvency resolution process By NCLT Order, dated January 17, 2017)

NOTES

1 On December 22 2016, ICICI Bank Limited in its capacity of financial creditor had filed a petition under Insolvency and Bankruptcy Code 2016 with National Company Law Tribunal (NCLT) against Innovative Industries Limited. The Case was admitted by NCLT and it had ordered for commencement of Corporate Insolvency Resolution Process (CIRP) with effect from January 17, 2017 and had appointed Mr. Dhinah Shah as Interim Resolution Professional for the Company.

Under the IBC proceedings the powers of the Board were suspended with effect from January 17, 2017.

The NCLT order also provided for a moratorium with effect from January 17, 2017 till the completion of the Corporate Insolvency Resolution (CIR) process or until it approves the resolution plan under section 31(1) or passes an order for liquidation of the company under Section 33, whichever is earlier. CIR process is yet to be completed.

Pursuant to NCLT order on the company a public announcement was made on January 21, 2017 and a committee of creditors was formed under section 21 of the act. The Committee of Creditors held their first meeting on February 15, 2017 and approved appointment of Interim Resolution Professional, Mr. Dhinah Shah as the Resolution Professional.

2 Under the current CIR process, a resolution plan needs to be presented and approved by the Committee of creditors (COC) and thereafter will need to be approved by the National Company Law Tribunal (NCLT) to keep the Corporate Debtor (i.e. Innovative Industries Limited) as a going concern. Currently, the resolution plan is under formulation and yet to be presented for approval of COC, hence the Financial statements of the company are continued to be prepared on the going concern basis.

Various options are being explored as a part of the resolution plan and steps have been taken to improve its product offering and enhancing customer base. As a part of the plan various measures are proposed to be implemented to optimize plant utilization, improvising operational efficiencies, renegotiation of contracts and other cost control measures to improve the company's operating results and cash flows and review of its current network to maximize the profitability and improve efficiency in its operations.

3 The results for the year ended March 31, 2017 have been Audited by the Statutory Auditors of the Company.

4 Other Expenses include Provision for doubtful debt of INR 16,647.67 Lacs provided during the year ended March 31, 2016

5 The net worth of the company has been fully eroded and the company has incurred loss of Rs. 48,215.37 Lacs during year ended March 31, 2017 (Negative net worth of Rs. 82,271.73 Lacs).

6 The Auditors in their report has made the following qualifications:

a. The accounts have been prepared on the basis of going concern assumption inspite of the negative net worth and losses of the company.

b. The carrying cost of tangible / Intangible assets as per books has not been subjected to impairment under Accounting Standard -28 "Impairment of the Assets" as there is no estimate of recoverable amount made as defined in Accounting Standard. In view of the above and ongoing CIR process, we are unable to comment on the adjustments/disclosures which may become necessary and consequential impact, if any, on these financial statements.

c. As per the letter dated December 29, 2016, issued by the CDR EG, we understand that the company has exited the CDR mechanism on account of the failure of the package. Further, under the IBC proceedings the financial claims submitted by the creditors (operational and financial) shall be considered as outstanding for the purposes of resolution plan which are pending reconciliation by the Resolution Professional. In view of the above, we are unable to comment on the adjustments/disclosures which may become necessary as a result of further findings of the ongoing reconciliation of financial claims and the consequential impact, if any, on these financial statements.

7 The company's Reply to above qualifications are as under


a. The accounts have been prepared on the basis of going concern for the reasons given in para 2 above.

b. The company has not made any estimate of fair value of assets during the year. However, no condition exist that may materially impact the valuation of fixed assets. Accordingly, no impairment loss has been recognized

c. The company is in the process of verification and reconciliation of the due submitted by the creditors.

8 Previous year's/ quarter's figures have been regrouped wherever required.

Place : Pune

For Innovative Industries Limited

Chandru Chavan
Managing Director
On Behalf of Board of Directors


Dhinah A Shah
IP Registration no. - IBB1/IPA-001/IP-P00073/2016-17/10190
Resolution Professional

(Company under Corporate insolvency resolution
process By NCLT Order, dated January 17, 2017)

Date: 11/9/2017

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
(₹ in Lacs)				
	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
I	1	Turnover / Total income	48,231.08	48,231.08
	2	Total Expenditure	89,270.86	90,476.87
	3	Net Profit/(Loss)	(43,313.08)	(44,519.09)
	4	Earnings Per Share	(72.60)	(74.64)
	5	Total Assets	74,675.65	75,881.66
	6	Total Liabilities	74,675.65	75,881.66
	7	Net Worth	(81,851.06)	(83,057.07)
	8	Any other financial item(s) (as felt appropriate by the management)	NIL	NIL
II	Audit Qualification (each audit qualification separately):			
	A. Details of Audit Qualification:			
	<p>i. Financials Statements, the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss during year ended March 31, 2017 aggregating `43,313.07 Lacs. The Company's current liabilities exceeded its current assets as at the balance sheet date and the company has a net worth of (`81,851.06 Lacs) Further, as highlighted the lenders have initiated CIR proceedings against the company on account of default in payment of dues under Insolvency and Bankruptcy Code, 2016. According to section 12 of Insolvency and Bankruptcy Code, 2016 corporate insolvency resolution process shall be completed within a period of one hundred and eighty days from the date of admission of the application to initiate such process which can be maximum extended for another ninety days, failing which, the Company can be liquidated.</p> <p>These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis.</p>			
	<p>ii. The carrying cost of tangible / intangible assets as per books in the holding company has not been subjected to impairment under Accounting Standard -28 "Impairment of the Assets" as there is no estimate of recoverable amount made as defined in Accounting Standard.</p> <p>In view of the above and ongoing CIR process, we are unable to comment on the adjustments/disclosures which may become necessary and consequential impact, if any, on these financial statements.</p>			
	<p>iii. As per the letter dated December 29, 2016, issued by the CDR EG, we understand that the company has exited the CDR mechanism on account of the failure of the package. Further, under the IBC proceedings the financial claims submitted by the creditors (operational and financial)</p>			



shall be considered as outstanding for the purposes of resolution plan which are pending reconciliation by the Resolution Professional.

In view of the above, we are unable to comment on the adjustments/disclosures which may become necessary as a result of further findings of the ongoing reconciliation of financial claims and the consequential impact, if any, on these financial statements.

- iv. In respect of the subsidiaries of the Holding Company, the other auditor(s) who audited the financial statements / financial information of the subsidiaries has reported for non-provisioning of loans and advances. The details whereof are as follows:

Name of Subsidiary	Amount (₹ in Lacs)
Arihant Auto Components Private Limited	164.82
Arihant Steel & Metal Wire Private Limited	132.50
Seven Star Electrodes Private Limited	904.32

We are unable to comment on ultimate loss which may arise on realization of these balances. Had the above amounts been fully provided for in the year ended March 31, 2017, the loss would have been higher by ₹1201.64 lacs with consequent impact on net worth as on that date.

- v. In respect of Innovative Technomics Private Limited, subsidiary of the Holding Company, the other auditor(s) who audited the financial statements / financial information of the subsidiaries has reported that the Company has not carried out an independent evaluation and has not accounted for any potential liability on account of gratuity payable, which constitutes a departure from the Accounting Standard 15 "Employee Benefits", referred to in section 133 of the Act, read together with rule 7 of the Companies (Accounts) Rules 2014. Since no actuarial valuation is carried out, the potential impact on the financial statements cannot be quantified.
- vi. In respect of Arihant Auto Components Private Limited, Arihant Steel & Metal Wire Private Limited, Saicon Steels Private Limited, Seven Star Electrodes Private Limited and Innoventive Technomics Private Limited, the auditors who audited the financial statements have reported that the Company's net worth has been fully/substantially eroded and the conditions indicate as existence of material uncertainty that may cast a doubt about company's ability to continue as a going concern. However, the financial statements have been prepared on a going concern basis.

B. Type of Audit Qualification: Qualified Opinion / ~~Disclaimer of Opinion / Adverse Opinion~~

C. Frequency of qualification: ~~first time~~ / repetitive / since 2015

D. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:

Reply to Qualification point iv.

The Company is making full efforts for recovery of debts and loans & advances.

E. For Audit Qualification(s) where the impact is not quantified by the auditor:

- i. Management's estimation on the impact of audit qualification:



Reply to Qualification point v.

The necessary provision for gratuity payable has been made in the financial statement; however the independent evaluation shall be carried out in the current financial statement as required in Accounting Standard 15: "Employee Benefits".

- ii. If management is unable to estimate the impact, reasons for the same:
- a. Under the current CIR process, a resolution plan needs to be presented and approved by the Committee of creditors (COC) and thereafter will need to be approved by the National Company Law Tribunal (NCLT) to keep the Corporate Debtor (i.e. Innoventive Industries Limited) as a going concern. Currently, the resolution plan is under formulation and yet to be presented for approval of COC, hence the financial statements of the company are continued to be prepared on the going concern basis.

Various options are being explored as a part of the resolution plan and steps have been taken to improve its product offering and enhancing customer base. As a part of the plan various measures are proposed to be implemented to optimize plant utilization, improvising operational efficiencies, renegotiation of contracts and other cost control measures to improve the company's operating results and cash flows and review of its current network to maximize the profitability and improve efficiency in its operations.

- b. The company has not made any estimate of fair value of assets during the year. However, no condition exist that may materially impact the valuation of fixed assets. Accordingly, no impairment loss has been recognized. However, the valuation of the Intangible assets in accordance with relevant accounting standards will be carried out in the current financial year.
- c. The company is in the process of verification and reconciliation of the due submitted by the creditors and necessary impact post verification of the claims will be carried out on the financial statement.

iii. Auditors' Comments on (i) or (ii) above:

- a. The estimation made by management is on the basis of expected liability and not determined as per Actuarial valuation as required in Accounting Standard 15: "Employee Benefits".
- b. The outcome of the CIR process is contingent on the acceptance of the resolution plan by Committee of Creditors (CoC) and approval by NCLT. In our opinion, these conditions indicate material uncertainty for continuity of the company in foreseeable future.
- c. Necessary estimate of recoverable value of Intangible assets for assessment of impairment losses needs to be carried out.
- d. The necessary impact needs to be incorporated in the financial statements.

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Signatories :

For Innoventive Industries Limited



Chandu Chavan
Chairman & Managing Director

(Company under Corporate insolvency resolution
process By NCLT Order, dated January 17, 2017)



Dhinal A Shah 11/9/2017
IP Registration no. IBBI/IPA-001/IP-P00073/2017-18/10190
Resolution Professional

For and on behalf of
Bharat J Rughani & Co
Firm's registration number: 101220W



CA Akash Rughani
Place: Pune
Date: 11/9/2017

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone and Consolidated separately)

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2017
[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]**

(₹ in Lacs)

Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
I	1	Turnover / Total income	
	2	Total Expenditure	31,155.27
	3	Net Profit/(Loss)	79,370.64
	4	Earnings Per Share	(48,215.37)
	5	Total Assets	(80.84)
	6	Total Liabilities	63,847.95
	7	Net Worth	63,847.95
	8	Any other financial item(s) (as felt appropriate by the management)	(82,271.73)
			NIL
			NIL

II Audit Qualification (each audit qualification separately):

A. Details of Audit Qualification:

i. Financials Statements, the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss during year ended March 31, 2017 aggregating Rs. 48,215.37 Lacs. The Company's current liabilities exceeded its current assets as at the balance sheet date and the company has a net worth of Rs. (82,271.73 Lacs) Further, as highlighted the lenders have initiated CIR proceedings against the company on account of default in payment of dues under Insolvency and Bankruptcy Code, 2016. According to section 12 of Insolvency and Bankruptcy Code, 2016 corporate insolvency resolution process shall be completed within a period of one hundred and eighty days from the date of admission of the application to initiate such process which can be maximum extended for another ninety days, failing which, the company will be liquidated.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements of the Company have been prepared on a going concern basis.

ii. The carrying cost of tangible / intangible assets as per books has not been subjected to impairment under Accounting Standard -28 "Impairment of the Assets" as there is no estimate of recoverable amount made as defined in Accounting Standard.

In view of the above and ongoing CIR process, we are unable to comment on the adjustments/disclosures which may become necessary and consequential impact, if any, on these financial statements.

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iii. As per the letter dated December 29, 2016, issued by the CDR EG, we understand that the company has exited the CDR mechanism on account of the failure of the package. Further, under the IBC proceedings the financial claims submitted by the creditors (operational and financial) shall be considered as outstanding for the purposes of resolution plan which are pending reconciliation by the Resolution.

In view of the above, we are unable to comment on the adjustments/disclosures which may become necessary as a result of further findings of the ongoing reconciliation of financial claims and the consequential impact, if any, on these financial statements.

B. Type of Audit Qualification: Qualified Opinion / ~~Disclaimer of Opinion~~ / ~~Adverse Opinion~~

C. Frequency of qualification: first time- / ~~repetitive~~ /

D. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: NA

E. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: Not Applicable

(ii) If management is unable to estimate the impact, reasons for the same:

a. Under the current CIR process, a resolution plan needs to be presented and approved by the Committee of creditors (COC) and thereafter will need to be approved by the National Company Law Tribunal (NCLT) to keep the Corporate Debtor (i.e. Innoventive Industries Limited) as a going concern. Currently, the resolution plan is under formulation and yet to be presented for approval of COC, hence the financial statements of the company are continued to be prepared on the going concern basis.

Various options are being explored as a part of the resolution plan and steps have been taken to improve its product offering and enhancing customer base. As a part of the plan various measures are proposed to be implemented to optimize plant utilization, improvising operational efficiencies, renegotiation of contracts and other cost control measures to improve the company's operating results and cash flows and review of its current network to maximize the profitability and improve efficiency in its operations.

b. The company has not made any estimate of fair value of assets during the year. However, no condition exist that may materially impact the valuation of fixed assets. Accordingly, no impairment loss has been recognized. However, the valuation of the Intangible assets in accordance with relevant accounting standards will be carried out in the current financial year.

c. The company is in the process of verification and reconciliation of the due submitted by the creditors and necessary impact post verification of the claims will be carried out on the financial statement

(iii) Auditors' Comments on a, b and c above:

i. The outcome of the CIR process is contingent on the acceptance of the resolution plan by the Committee of Creditors (CoC) and approval of NCLT. In our opinion, these conditions indicate



material uncertainty for continuity of the Company in foreseeable future.

ii. Necessary estimate of recoverable value of tangible/Intangible assets for assessment of impairment losses needs to be carried out.

iii. The necessary impact needs to be incorporated in the financial statements.

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For Innoventive Industries Limited



Chandu Chavan
Chairman & Managing Director

Company under corporate insolvency resolution
process By NCLT Order, dated January 17, 2017)



Dhinal A Shah 11/9/2017
IP Registration no. IBBI/IPA-001/IP-P00073/2017-18/10190
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Place: 11/9/2017
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