

Date: 26th April, 2016

To,
National Stock Exchange of India Limited
Listing Department
Exchange Plaza,
Plot No. C/1, G Block,
Bandra - Kurla Complex,
Bandra (E), Mumbai – 400051
Tel: 022-26598235/36, 26598346
Fax: 022-26598237/38 and 022-26598347/48

The Bombay Stock Exchange Limited
Corporate Service Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400001
Tel: 022-22728398
Fax: 022-22722037/39/41/61

Subject: Audited Financial Results for the Quarter and Year ended on the 31st March 2016

Dear Sir / Madam,

Pursuant to the applicable regulations of SEBI (Listing obligations and Disclosure Requirements) regulations 2015 ("SEBI" Regulations), Please find the following documents as the Board of Directors of the Company concluded, inter alia, following business at its meeting held on 26th April 2016:

- Audited financial results of the Company for the quarter and the Year ended 31st March, 2016 were approved and adopted by the Board. Summarised copy of financial results along with Audit Report of the Statutory Auditor pursuant to regulation 33 of SEBI regulations.

This is for your information and further dissemination purpose.

Kindly acknowledge the receipt of the same.

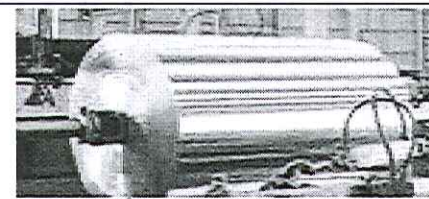
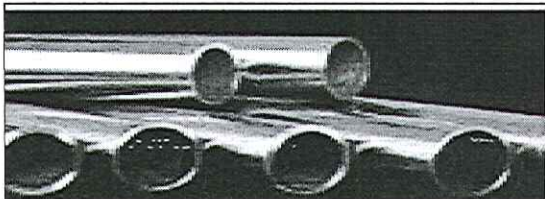
Thanking you.
Yours truly,

For Innoventive Industries Limited



Authorised Signatory





INNOVENTIVE INDUSTRIES LIMITED

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, 2016

Particulars		Standalone				Consolidated	
		Quarter Ended		Year Ended		Year Ended	
		31.03.2016	31.12.2015	31.03.2015	31.03.2016	31.03.2016	31.03.2015
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)	(Audited)
1	Income from operations						
	(a) Net sales	9,095.28	7,999.76	8,103.10	33,486.07	34,083.53	47,368.87
	(b) Other operating income	15.52	7.12	45.94	35.45	113.43	81.51
	Total income from operations (net)	9,110.80	8,006.88	8,149.04	33,521.52	34,196.96	47,450.38
2	Expenses						
	(a) Cost of materials consumed	5,482.48	5,946.47	4,540.70	23,010.18	22,752.90	24,113.45
	(b) Purchases of stock-in-trade	356.00	-	1,326.27	356.00	1,326.27	9,591.59
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	287.42	(254.33)	(247.43)	(165.95)	1,305.45	545.86
	(d) Employee benefits expense	648.38	635.86	726.79	2,714.04	2,708.68	4,548.41
	(e) Depreciation	1,555.56	1,576.92	1,528.00	6,287.13	6,847.43	6,871.52
	(f) Foreign exchange loss / (gain) (net)	(73.32)	(12.09)	(88.83)	(73.32)	33.25	(17.47)
	(g) Other expenses	2,066.58	1,187.65	(2,984.80)	5,958.42	7,205.49	8,129.92
	Total expenses	10,323.10	9,080.47	4,800.69	38,086.51	42,179.47	53,783.29
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	(1,212.30)	- (1,073.59)	3,348.35	(4,564.99)	(7,982.50)	(6,332.90)
4	Other income	194.60	49.85	350.28	314.98	370.64	806.51
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3+4)	(1,017.71)	(1,023.75)	3,698.63	(4,250.01)	(7,611.86)	(5,526.40)
6	Finance costs (net)	3,143.09	3,562.91	6,595.05	13,242.93	14,905.05	15,471.79
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5-6)	(4,160.79)	(4,586.66)	(2,896.42)	(17,492.94)	(22,516.91)	(20,998.19)
8	Exceptional items	-	-	-	-	-	4,835.48
9	Profit / (Loss) from ordinary activities before tax (7+8)	(4,160.79)	(4,586.66)	(2,896.42)	(17,492.94)	(22,516.91)	(20,998.19)
10	Tax expense	1.82	0.22	(1,168.65)	4.23	(1,168.66)	(275.82)
11	Net Profit / (Loss) from ordinary activities after tax (9-10)	(4,162.61)	(4,586.88)	(1,727.77)	(17,497.17)	(21,348.26)	(20,722.37)
12	Less: Minority Interest in Net Income of subsidiaries	-	-	-	-	-	6.90
13	Net Profit after taxes, minority interest and share of profit / (loss) of associates (11-12)	(4,162.61)	(4,586.88)	(1,727.77)	(17,497.17)	(21,348.26)	(20,729.27)
12	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
13	Reserves excluding Revaluation Reserves	(40,086.45)	(35,923.79)	(22,589.23)	(40,086.45)	(22,589.23)	(52,884.40)
14	Basic and Diluted Earnings per share (₹)	(6.98)	(7.69)	(2.90)	(29.34)	(35.79)	(34.74)

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Segment-wise revenue, results and capital employed

(Rs in Lacs)

Particulars	Standalone					Consolidated	
	Quarter ended		31.03.2015 (Audited)	Year ended		Year ended	
	31.03.2016 (Audited)	31.12.2015 (Unaudited)		31.03.2016 (Audited)	31.03.2015 (Audited)	31.03.2016 (Audited)	31.03.2015 (Audited)
1 Segment revenue							
Motor Vehicle parts	6,411.25	11,740.16	5,589.88	25,255.02	23,718.75	25,255.02	23,718.75
Tubes & Products	2,674.53	3,363.42	3,135.80	8,048.22	8,322.29	8,048.22	8,322.29
Cold Rolled Coils							
Oil & Gas						1,440.70	2,154.12
Others	25.01	43.90	(509.15)	218.28	2,155.92	12,713.08	14,077.46
Total	9,110.80	15,147.48	8,216.53	33,521.52	34,196.96	47,457.02	48,272.62
2 Segment profit / (Loss) before tax and financing cost							
Motor Vehicle parts	781.73	776.25	708.91	2,971.09	1,501.27	2,971.09	1,501.27
Tubes & Products	(1,372.31)	(1,599.68)	1,327.13	(6,020.26)	(6,393.23)	(6,020.26)	(6,393.23)
Cold Rolled Coils						(8.63)	(4,062.17)
Oil & Gas						(745.65)	(4,130.72)
Others	(7.05)	(1.04)	(365.39)	(11.88)	(280.22)	(323.18)	221.03
Total	(597.63)	(824.46)	1,670.66	(3,061.05)	(5,172.18)	(4,126.64)	(12,863.83)
Profit / (Loss) before finance costs	(597.63)	(824.46)	1,670.66	(3,061.05)	(5,172.18)	(4,126.64)	(12,863.83)
Less: Financing cost	3,143.09	3,562.91	6,595.05	13,242.93	14,905.06	15,471.79	17,104.95
Less: Exceptional items	-	-	-	-	-	-	-
Less: Other Un-allocable (Net)	420.08	199.28	(2,027.97)	1,188.96	2,439.68	1,492.81	1,469.85
Profit / (Loss) before tax	(4,160.79)	(4,586.66)	(2,896.43)	(17,492.94)	(22,516.92)	(21,091.24)	(31,438.63)
3 Capital employed							
Motor Vehicle parts	8,854.82	8,078.56	5,883.73	8,854.82	5,883.73	7,644.33	4,673.24
Tubes & Products	43,591.30	45,190.97	49,611.56	43,591.30	49,611.56	53,214.71	59,234.97
Cold Rolled Coils	-	-	-	-	-	(950.96)	(942.33)
Oil & Gas	-	-	-	-	-	7,462.67	8,208.32
Others	(7,122.85)	(7,121.81)	(7,110.97)	(7,122.85)	(7,110.97)	(2,488.59)	(2,165.41)
Unallocable	(79,379.67)	(75,177.41)	(64,943.50)	(79,379.67)	(64,943.50)	(1,11,267.59)	(94,905.08)
Total	(34,056.41)	(29,029.69)	(16,559.19)	(34,056.41)	(16,559.19)	(46,385.45)	(25,896.30)

Additional Information : Key Financial Figures for Innovative Group (Consolidated).

(Rs in Lacs)

Particulars	Standalone		Consolidated	
	31.03.2016 (Audited)	31.03.2015 (Audited)	31.03.2016 (Audited)	31.03.2015 (Audited)
Segment wise break up of Revenue				
Motor Vehicle parts	25,255.02	23,718.75	25,255.02	23,718.75
Tubes & Products	8,048.22	8,322.29	8,048.22	8,322.29
Cold Rolled Coils	-	-	-	-
Oil and Gas	-	-	1,440.70	2,154.12
Others	218.28	2,155.92	12,713.08	14,077.46
Total Revenue	33,521.52	34,196.96	47,457.02	48,272.62
Profit / (Loss) Before Tax	(17,492.94)	(22,516.92)	(21,091.24)	(31,438.63)
Profit / (Loss) After Tax and Minority Interest	(17,497.17)	(21,348.26)	(20,729.27)	(30,611.35)
Basic / Diluted Earnings (Loss) per share	(29.34)	(35.79)	(34.74)	(51.13)



The consolidated financial results include results of the following companies:

	Name of the company	% shareholding and voting power of Innoventive Industries		Consolidated as
		31.03.2016	31.03.2015	
1	Saicon Steels Private Limited	51%	51%	Subsidiary
2	Arihant Auto Components Private Limited	100%	100%	Subsidiary
3	Sankalp Forgings Private Limited	51%	51%	Subsidiary
4	Sevenstar Electrodes Private Limited	100%	100%	Subsidiary
5	Arihant Steel & Metal Wires Private Limited	100%	100%	Subsidiary
6	Innoventive America INC	100%	100%	Subsidiary
7	Innovative Technomics Private Limited	100%	100%	Subsidiary

Disclosure of assets and liabilities as per clause 41(1)(ea) of the listing agreement for the year ended 31 March 2016

		(Rs in Lacs)			
Particulars		Standalone		Consolidated	
		31.03.2016 (Audited)	31.03.2015 (Audited)	31.03.2016 (Audited)	31.03.2015 (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	(40,020.81)	(22,523.59)	(52,349.85)	(31,860.70)
	Sub-total - Shareholders' funds	(34,056.41)	(16,559.19)	(46,385.45)	(25,896.30)
2	Minority Interest	-	-	468.67	478.96
3	Non-current liabilities				
	(a) Long-term borrowings	84,497.81	89,499.57	88,296.73	88,417.86
	(b) Deferred tax liabilities (net)	-	-	-	87.20
	(c) Other long term liabilities	1,301.66	303.87	1,607.74	509.51
	(d) Long-term provisions	-	-	-	-
	Sub-total - Non-current liabilities	85,799.47	89,803.44	89,904.47	89,014.57
4	Current liabilities				
	(a) Short-term borrowings	24,136.87	19,198.28	35,505.22	30,130.59
	(b) Trade payables	2,429.79	3,004.82	4,217.29	5,331.35
	(c) Other current liabilities	20,184.26	10,259.94	22,607.15	16,869.64
	(d) Short-term provisions	850.15	600.01	3,747.44	2,488.91
	Sub-total - Current liabilities	47,601.07	33,063.05	66,077.11	54,820.49
	Total - Equity and liabilities	99,344.12	1,06,307.30	1,10,064.80	1,18,417.71
B	Assets				
1	Non-current assets				
	(a) Fixed assets	57,767.09	60,828.04	68,068.11	71,161.36
	(b) Goodwill on consolidation	-	-	667.96	667.95
	(c) Non-current investments	7,185.27	7,185.27	843.02	885.18
	(d) Long-term loans and advances	9,261.34	11,148.12	8,327.01	10,211.32
	(e) Other non current assets	911.58	-	930.99	14.30
	Sub-total - Non-current assets	75,125.28	79,161.43	78,837.09	82,940.12
2	Current assets				
	(a) Inventories	6,373.17	5,240.97	12,654.60	13,254.01
	(b) Trade receivables	9,826.52	12,609.01	9,136.09	10,924.32
	(c) Cash and bank balances	778.06	1,482.93	1,092.34	1,830.59
	(d) Short-term loans and advances	1,235.99	1,123.15	1,620.72	1,841.79
	(e) Other current assets	6,005.10	6,689.81	6,723.98	7,626.89
	Sub-total - Current assets	24,218.85	27,145.87	31,227.72	35,477.59
	Total - Assets	99,344.12	1,06,307.30	1,10,064.81	1,18,417.71



NOTES

- 1 The above audited financial results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors in their meeting held on April 26th, 2016.
- 2 The net worth of the company has been fully eroded and the company has incurred loss of Rs. 17,497.17 Lacs. (Negative net worth of Rs. 34,056.41 Lacs). The Financial statements of the company are continued to be prepared on the going concern basis as the management is hopeful of turnaround in the operations due to fall in raw material prices and various other initiatives taken by the company including the relief on account of Corporate Debt Restructuring with the Banks.
- 3 Note 2.1 in the financial statements which indicates that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss during the current and previous year(s) aggregating to Rs.17,497.17 Lacs and Rs.21,348.26 Lacs respectively, and, the Company's current liabilities exceeded its current assets as at the balance sheet date and the company has a negative net worth of Rs. Rs. 34,056.41 Lacs. 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 for the reasons stated in the said Note.
- 4 The Auditors in their report has made the following qualification:-
 - i. The Company has not made following provisions
 - a. Stock of slow and/non -moving of stores, raw materials, semi-finished and finished goods valued at Rs. 1,900 Lacs approximately;
 - b. Debts and loans & advances due from subsidiary amounting to Rs. 3,494.81 Lacs and Rs. 1,420.50 Lacs respectively
 - c. Debts and Loans & advances due from other parties amounting to Rs. 1,437.44 Lacs and Rs. 4,749.57 Lacs
 - ii. The company has investments in subsidiaries whose net worth has been substantially eroded or is negative which has casted material uncertainty in the continuance of the business of these subsidiaries. However, the diminution in the value of the investment aggregating to Rs 1,979 Lacs is not provided for.
 - iii. There are unreconciled net bank balances aggregating Rs. 492.47 lacs for a period exceeding one year which will impact the financial position. We are unable to comment on the ultimate loss which may realize on reconciliation of these balances

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 quarter ended March 31, 2016 the loss would have been higher by Rs 14,981.32 Lacs with consequent impact on net worth as on that date

The Company's Reply to above qualification is as under:

I) The company is making various products for export and domestic market. The Company has to maintain delivery on time and hence sometimes it results into longer cycles. Being an auto component Supplier, we are under obligation to keep stock as spare parts for a longer time. We are fairly compensated in price and customers are taking entire responsibility of buying the products. Accordingly the Company is of the view that no provision for slow / Non-moving stock is required.

II) The Company is making full efforts for recovery of debts and loans & advances. We have received commitments to get the money back or equivalent value materials from them over a period of time. We are also having post dated cheques of some of the parties. Based on the efforts and steps taken by the company , we are of the view that the said debts and loans & advances fully recoverable and no provision is required in respect thereof.

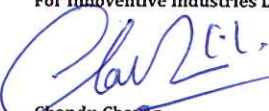
III) The management believes the diminution in the value of investment, if any, that exists is only temporary and that sufficient efforts are being undertaken to revive the subsidiaries in the forceable future so as to recover the carrying value.

IV) The company entered into Master Restructuring Agreement dated 28th September, 2014 with banks under the Corporate Debt Restructuring Scheme ("CDR") pursuant to which certain funds were to be released to the company. However, the said scheme hadn't been implemented by certain bankers resulting in un-reconciled balances. Accordingly, the balances pertaining to fund, non fund based and term loans of certain banks are subject to reconciliation of such pending items

The company and the Lead Bank has appointed a special auditor to reconcile the balances of the said banks
- 5 Previous year's/ quarter's figures have been regrouped whenever required.

Place : Pune
Date: 26th April 2016

BY ORDER OF THE BOARD OF DIRECTORS
For Innovative Industries Limited


Chandu Chavan
Chairman and Managing Director





**To Board of Directors of
Innovative Industries Limited**

We have audited the quarterly financial results of Innovative Industries Limited for the quarter ended March 31, 2016 and the year to date results for the period April 01, 2015 to March 31, 2016 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

These quarterly financial results as well as the year to date financial results have been prepared on the basis of the interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such interim financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder; or by the Institute of Chartered Accountants of India, as applicable and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these quarterly financial results as well as the year to date results:

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and

(ii) give a true and fair view of the net profit/ loss and other financial information for the quarter ended March 31, 2016 as well as the year to date results for the period from April 01, 2015 to March 31, 2016 subject to the following qualifications:

1. The Company has not made following provisions

- i. Stock of slow and/non -moving of stores, raw materials, semi-finished and finished goods valued at ₹ 1,900 lacs approximately;
- ii. Debts and loans/advances due from subsidiary amounting to ₹ 3,494.81 lacs and ₹ 1,420.50 respectively
- iii. Debts and Loans /advances due from other parties amounting to ₹ 1,437.44 lacs and ₹ 4,749.57 lacs



2. The company has investments in subsidiaries whose net worth has been substantially eroded or is negative which has casted material uncertainty in the continuance of the business of these subsidiaries. However, the dimunition in the value of investment in these subsidiaries aggregating to Rs 1979 lacs is not provided for.
3. There are unreconciled net bank balances aggregating ₹492.47 lacs for a period exceeding one year from the date of the transaction. These transactions will impact the financial position of the company.

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, 2016, the loss would have been higher by Rs 15,473.79 lacs with consequent impact on net worth as on that date

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:

- a. Note 2.1 in the financial statements which indicates that the Company has accumulated losses and its net worth has been fully eroded, the Company has incurred a net loss during the current and previous year(s) aggregating to ₹ 17,497.17lacs and ₹ 21,348.26 lacs respectively, the Company's current liabilities exceeded its current assets as at the balance sheet date and the company has a net worth of (₹ 34,056.41 Lacs). These conditions indicate existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Further, the company has defaulted in interest and capital repayment to banks and financial institutions aggregating ₹ 942.15 lacs. However, the financial statements of the Company have been prepared on a going concern basis for the reasons stated in the said Note.
- b. Note 38 in the financial statements, states that the company has regrouped liabilities in excess of one year in other current liabilities instead of trade payables for reasons as detailed in the note. However, there is no financial impact of the same.

Our opinion is not modified in respect of these matters.

The statement includes the results for the quarter ended March 31,2016 being the balancing figure between the audited figures in respect of the full financial year and the reviewed year to date figures up to the third quarter of the current financial period

For **Bharat J Rughani & Co**

Chartered Accountant

FRN :101220W

ABugha

CA Akash Rughani

Partner

M No :139664

