

Independent Auditor's Report on the Half yearly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of Innovative Tyres & Tubes Limited

Qualified Opinion

We have audited the accompanying annual financial results of Innovative Tyres & Tubes Limited (“the Company”) for the year ended March 31, 2026 (“the Statement”), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).

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 matter described in basis for Qualified Opinion section of our report, the aforesaid Statement:

- (i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, and other accounting principles generally accepted in India, of net loss and other financial information of the Company for the year ended March 31, 2026.

Basis for Qualified Opinion

- a) We have not received balance confirmations for certain significant trade receivables and advances from customers. Accordingly, these balances remain subject to reconciliation and confirmation, though we have performed alternative audit procedures in respect of the same.
- b) The Company has outstanding dues to Micro and Small Enterprises beyond the credit period prescribed under the Micro, Small and Medium Enterprises Development Act, 2006 (“MSMED Act”). The Company has not recognized interest liability on such delayed payments as required under the provisions of the MSMED Act.

In the absence of adequate records and information necessary to compute the interest payable, we were unable to obtain sufficient appropriate audit evidence regarding the amount of interest liability required to be recognized. Accordingly, we are unable to determine the consequential impact, if any, on the Company's liabilities, loss for the year and equity as at and for the year ended March 31, 2026.

- c) As stated in Note 7 to the financial result, the Company has discontinued its Tube Division during the year. In our opinion, the said division qualifies as a discontinuing operation in accordance with Accounting Standard (AS) 24, Discontinuing Operations. However, the Company has not separately presented the results of the discontinuing operation nor provided the disclosures required under AS 24, including comparative information relating to the discontinued operation.

Management has represented that the requisite historical and comparative information pertaining to the discontinued operation could not be compiled from the available records with reasonable accuracy. Consequently, the disclosures and presentation prescribed under AS 24 have not been made in the financial result.

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Accordingly, the financial result are not in compliance with the disclosure and presentation requirements of Accounting Standard (AS) 24. We are unable to determine the effects of this matter on the presentation and comparability of the financial results for the year ended March 31, 2026.

- d) The Company has made export sales of Rs 69.24 Lacs to a Party which has not realized within 9 months of the date of export. The Company has not applied to AD Bank for extension of the time limit of export realization. Non-realization of export proceeds within a period of 9 months from the date of export of goods leads to non-compliance as per Foreign Exchange Management (Export of Goods and Services) Regulations, 2015. However, the Company has recognized an appropriate provision against the aforesaid export receivable in the financial statements.
- e) The Company has accepted advances from certain parties amounting to INR 123.29 Lakhs towards supply of goods. However, such advances have not been adjusted against the supply of goods within a period of 365 days from the date of receipt of the advances. Accordingly, the Company is in contravention of the provisions of Section 73 of the Companies Act, 2013.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (“Act”). Our responsibilities under those SAs are further described in the Auditor’s Responsibilities for the Audit of the Annual Financial Results 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 Statement under the provisions of the Act and the 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 opinion.

Emphasis of Matter

We draw attention to Note No. 5 to the Statement regarding non-compliance by the Company with the Minimum Public Shareholding (“MPS”) requirements prescribed under Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company had received communications from National Stock Exchange of India Limited in respect of such non-compliance and has accounted for the applicable penalties in the books of account.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

This Statement which includes the Financial Results is the responsibility of the Company’s Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended March 31, 2026 has been compiled from the related audited financial results. This responsibility includes the preparation and presentation of the Financial Results for the half year and year ended March 31, 2026 that give a true and fair view of the net loss in accordance with the recognition and measurement principles laid down in the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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In preparing the Financial Results, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2026 as a whole is 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 Results.

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 Annual Financial Results, 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, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Company 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 Statement 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 annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the annual Financial Results of the Company to express an opinion on the Annual Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities or business activities included in the Annual Financial Results of which we are the independent auditors.

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Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

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.

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Other Matters

- a) The Statement includes the results for the half-year ended March 31, 2026, being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures up to first half-year of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.
- b) The accompanying Statement includes comparative financial information of the Company for the corresponding half year ended March 31, 2024 and for the year ended March 31, 2025, which were reviewed by the previous auditor. Our report is not modified in respect of this matter.

For **B.B. & Associates**
Chartered Accountants
ICAI Firm Registration Number: 023670N

Balwan Bansal
Partner
Membership Number: 511341

Place: Ho Chi Minh city, Vietnam
Date: May 30, 2026
UDIN: 26511341LSLLAF9842