



GOVIND RUBBER LTD.

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February 14, 2019

To,
The Secretary,
Corporate Relationship Dept.,
P. J. Towers, Dalal Street,
Mumbai - 400 001
Scrip Code: 509148

Sub: Outcome of Board Meeting held on Thursday, 14th February, 2018

Dear Sir / Madam,

This is to inform you that the Board of Directors of the Company at its meeting held today i.e. Thursday, 14th February, 2019, inter alia considered and approved following:

1. A copy of the Un-audited Financial Results of the Company for the quarter and nine months ended 31st December, 2018 reviewed by the Audit Committee and approved by the Board of Directors of the Company, at its meeting held today i.e 14.02.2019 at 02.30 p.m. is enclosed.
2. Independent Auditor's review report on review of Interim Standalone Un-audited Financial Results issued by the Statutory Auditor, M/s. J Singh & Associates., Chartered Accountants for the quarter and half year ended 31st December, 2018 is enclosed.
3. Petition filed by Renoir Management Consulting (India) Pvt. Ltd. (Operational Creditor) before National Company Law Tribunal (NCLT) u/s 9 of Insolvency & Bankruptcy Code has been admitted vide its order dated 18.01.2019.
4. Powers of the Board has been seized w.e.f 18th January, 2019 and Mr. Prakash Dattatrya Naringrekar Insolvency Professional has been appointed by the National Company Law Tribunal (NCLT) vide its order dated 18.01.2019 and authorized signatories in the banks shall be changed accordingly.

The meeting commenced at 2.30 pm and concluded at 10.15 pm.

Thanking you,
Yours faithfully,
For Govind Rubber Limited

Vinod Poddar
Director

Encl: As above

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH ENDED 31ST DECEMBER, 2018 (Rs. In Lakhs)

Sr. No	Particulars	Quarter ended		Nine Month ended	
		31st Dec,2018	30th Sep,2018	31st Dec,2017	31st Dec,2017
		Unaudited	Unaudited	Unaudited	Unaudited
I	Revenue :				
	a) Revenue from Operations	67	46	2,576	9,573
	b) Other Income	2	2	-	70
	Total Revenue	69	48	2576	9643
II	Expenses				
	a) Cost of Materials Consumed	51	(0)	1,295	4,965
	b) Purchase of Stock- in- Trade	0	12	60	115
	c) Change in inventory of finished goods, work-in-progress and stock in trade	16	190	75	(249)
	d) Excise Duty	0	-	-	7
	e) Employee Benefit Expenses	45	33	557	1,890
	f) Finance Costs	1816	15	440	1,335
	g) Depreciation and Amortization Expenses	72	73	65	196
	h) Other Expenses	28	77	608	2,547
	Total Expenses	2,029	399	3,100	10,806
III	Profit/(Loss) before tax and exceptional items (I-II)	(1,960)	(351)	(524)	(1,163)
IV	Exceptional items	(803)	-	-	-
V	Profit/(Loss) before tax (III-IV)	(2,763)	(351)	(524)	(1,163)
VI	Tax Expenses				
	Current Tax	-	-	-	-
	Deferred Tax (Credit)/Charge(Note No.6)	-	-	-	-
VII	Profit /(Loss) after Tax (V-VI)	(2,763)	(351)	(524)	(1,163)
VIII	Other Comprehensive income (OCI)				
	Items that will not be reclassified to profit and loss (net of tax)	-	-	12	40
IX	Total comprehensive income for the period (VII+VIII)	(2,763)	(351)	(512)	(1,123)
X	Paid-up equity share capital (Face value of Rs.10/- per share)	2184	2,184	2,184	2,184
XI	Other Equity(Excluding Revaluation Resesrve)				
	Earnings Per Share (EPS) of Rs.10/- each (Not annualised)				
	(a) Basic	(12.65)	(1.61)	(2.40)	(5.32)
	(b)Diluted	(12.65)	(1.61)	(2.40)	(5.32)

See accompanying notes to the financial results

- The above results were reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 14th February, 2019.
- The statutory auditors of the Company have carried out a "limited Review" of the financial results for the quarter ended 31st Dec,2018 and Nine Month ended.
- During the year period ,there has been suspension of operation at Factory situated at Ludhiana(Punjab) on account of working capital constraint.
- The Company has identified Rubber Products consisting of all types of Tyre and tubes Business as its only primary reportable segment in accordance with the requirements of Ind AS 108,Operating Segments'. Accordingly, no-separate segment information has been provided.
- Provision for deferred tax liability /assets for the current period has not been provided considering on the concept of prudence .
- Previous period's figures have been reclassified, wherever necessary, to correspond with those of the current period.
- Since the Intrim resolution Process has taken charges on 31st January,2019 up on receipt of certified copy of order from Hon'ble , NCLT,Mumbai and the financial result are for the quarter and nine month ended 31st December ,2018.The same as with the signature of Executive Chairman.
- The Company has made provision for interest in this quarter belongs to quarter 1st and quarter 2nd of F.Y.-2018-19 so financial cost is not comparable with last quarters.
- The Exceptional item cover prior period expenses for interest provision of Rs. 802.89 lakhs for F.Y. 2017-18.
- The Promotors shareholding reduced by 20.53%.

Mumbai
14th February,2019.

For Govind Rubber Limited


 Vinod Poddar
 Executive Chairman.

Independent Auditor's Limited Review Report

To
The Board of Directors,
GOVIND RUBBER LIMITED

Reg: **Limited Review Report for the quarter and nine months ended December 31st, 2018.**

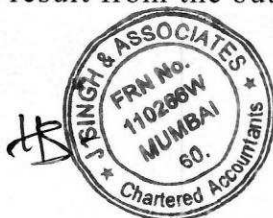
We have reviewed the accompanying Statement of unaudited Ind AS financial results of **Govind Rubber Limited** (the "Company") for the quarter and nine months ended 31st December, 2018 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular number CIR/CFD/FAC/62/2016 dated 5 July 2016. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Basis of Qualified Opinion:

- 1 During the period, there has been suspension of operation at Factory Situated at Ludhiana (Punjab) on account of working capital constraints. The company has suffered recurring losses and consequently its net worth has been eroded. The Bank Loans/Borrowings turned into NPA (Non Performing Assets) classification by the Bankers.

All these conditions indicate a significant doubt about the going concern. The financial results have been prepared assuming that the Company will continue as going concern. The financial statements do not include any adjustments that might result from the outcome of the uncertainty.



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- 2 The policies, procedures and overall Internal controls needs to be strengthened in order to provide proper evidences regarding recoverability of receivables, valuation of inventories, provision of payables/liabilities and statutory compliances. We are unable to ascertain its impact, if any on the statement in respect of the above matters.

Emphasis of Matter:

We draw attention to the following:

- 1 The Company's non current Investments as at 31st December 2018 includes non Investment of Rs. 312.30 Lakhs in a Joint Venture, being considered good and recoverable by the management of the Company. In the absence of sufficient appropriate evidence, we are unable to comment upon the carrying value of the Investment in Joint venture and the consequential impact, if any, on the accompanying Statement.
- 2 Advances to suppliers amounting to Rs. 905.25 Lakhs are outstanding for more than three years and subject to confirmation/reconciliation. In respect of these advances, not materials or services have been received by the company. Reduction of company's activity, and absence of balance confirmation of outstanding from these parties, indicates the existence of material uncertainty that may cast doubts on the recoverability of these advances or deliverables against the same. However, in the view of the management, no provision is required to be made as such balances are considered good and recoverable.
- 3 Trade receivables amounting to Rs. 1058.80 Lakhs (net of provisions for doubtful debts) are outstanding for more than 3 years and subject to confirmation/reconciliation. Absence of recoveries from these parties since several years indicates the existence of material uncertainty that may cast doubts on recoverability of the receivables. However, in the view of the management, no provision is required to be made as such balances are considered good and recoverable.
- 4 A vendor has disputed claim of Rs.315.92 lakhs (Approx) applied to national company law tribunal (NCLT) pass an order vide order dated 18.01.2019 hereby appoints Mr.Prakash D naringrekar having registration number IBBI/PA/IP-N00270/2017-1/10783 AS Interim resolution professional to carry the function as mentioned under IBC.
- 5 The Promoters shareholding of the company is reduced to 28.42% as on 07/02/2019 due to the pledged shares held by IDBI Bank (As trustee of all consortium borrowing bank) sold to respective borrowing banks of the company during the December 2018 month and during February, 2019 month.
- 6 The Company has made provision for interest on borrowings amounting to Rs. 564.39 Lakhs on accrual basis in current period. The company has also



provided in december, 2018 quarter Rs.1308.29 Lakhs for prior quarter of F.y.2018-19 i.e. Quarter 1 & Quarter 2. due to this prior quarter interest provision, Loss for the current period higher by Rs 1308.29 Lakhs and borrowing cost is not comparable with last quarters and current liability/provisions would have been higher by Rs. 1308.29 Lakhs.

The company has made a provision for interest on borrowing for F.y.2017-18 of Rs.802.89 lakhs in this quarter as exceptional items(Prior Period Expenses).

- 7 The cost of material consumed and change in inventories includes a value of inventories written off on account of old nonmoving/slow moving stock obsolescence.
- 8 Some creditors as well as Statutory Authorities have initiated legal proceedings against the company which may result in compensation, interest and penalties. The possible impact of the same on financial results cannot be ascertained, pending such outcome.
- 9 Given the current operating level of the Company, the further impairment, if any, in the realisability of the economic value of the assets cannot be determined/ascertained

Our Conclusion is not qualified in respect of above matters.

Qualified Conclusion:

Based on our review conducted for the quarter and Nine months ended 31st December, 2018 except for the possible effects of the matter described in the basis for qualified opinion in paragraph above, and read with our comments in emphasis of matter paragraph, nothing has come to our attention that causes us to believe that the accompanying Statement of standalone unaudited financial results , prepared in accordance with the applicable Indian Accounting Standards (Ind AS) as prescribed under section 133 of Companies Act, 2013 read with relevant rules issued there under and other recognised accounting practices and principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular number CIR/CFD/FAC/62/2016 dated 5 July 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For J Singh & Associates

Chartered Accountants

FRN: 110266W


CA. Hemant Mehta
(Partner)

Membership No.: 100748

Mumbai, 14th February, 2019.

