



PANACHE®

ANNUAL
REPORT
2018-19



Panache Innovations Limited

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Corporate Information

Board of Directors

Amit Devchand Rambhia
Chairman & Non-Executive Director
(Re-designated from CMD w.e.f 30th May, 2019)

Prakash Vichhivora
Managing Director (w.e.f 30th May, 2019)

Hetal Vichhivora
Whole-Time Director & CFO (w.e.f 30th May, 2019)

Meeta Mehta
Independent Director

Anil Dagade
Independent Director

Gaurav Singh
Additional Independent Director (w.e.f 12th August, 2019)

Rohit Mathur
Independent Director (till 15th August, 2019)

Jayachandran Sunderamoorthy
Whole-Time Director & CFO (till 30th May, 2019)

Company Secretary & Compliance Officer
 Priyank Sangoi

Board Committees

Audit Committee

Meeta K. Mehta
 Gaurav Singh
 Amit Rambhia
 Anil Dagade

Nomination and Remuneration Committee

Anil Dagade
 Meeta K. Mehta
 Gaurav Singh
 Amit Rambhia

Stakeholders Relationship Committee

Gaurav Singh
 Meeta Mehta
 Amit Rambhia
 Anil Dagade

Registered Office

2nd Floor, Bldg No. A3, Unit 201A, Babosa Industrial, Park, Mumbai-Nashik Highway (NH3), Saravali Village, Bhiwandi, CIN: L51100MH1981PLC312742
(T): +91 8291529934
(E): info@panachemodera.com
(W): www.panachemodera.com

Corporate Office

Unit No. 201/B1, Raheja Plaza – 1, LBS Marg, Ghatkopar West, Mumbai – 400 086, Maharashtra

Auditors

Jain Salia & Associates
Chartered Accountant

Share Registrars and Transfer Agents

Niche Technologies Private Limited
 D-511, Bagree Market, 71, B.R.B. Basu Road, Kolkata- 700001
(T): 033-2235 7270/7271, 22343576
(E): nichetechpl@nichetechpl.com
(W): www.nichetechpl.com

Internal Auditor

Sanket Sangoi & Associates

Secretarial Auditor

SARK & Associates

Bankers

Canara Bank

Listed On

BSE (Security Code – 538742)

Chairman's Message

Dear Shareholders,

I'm delighted to present to you the Annual Report of our Company for the year 2018-19. We believe this will supplement our understanding of how our Company's strategy, governance, performance and prospects create value for all its stakeholders over the short, medium and long term.

I have taken the position as Non-Executive Chairman of the Board, introducing our new executive team Mr. Prakash Vichhivora as Managing Director and Mr. Hetal Vichhivora as Whole-Time Director & Chief Financial Officer of our Company, to lead our Company's growth initiatives. I continue to lead efforts for improving the collective functioning of the Board. Our new management team comes with an aggressive and ambitious goals. The Board believes that these goals are eminently achievable through game changing initiatives to be viewed in the context of significant external and internal challenges.

Our ongoing expansion strategy includes expanding consumer electronic product range, strengthening the Distribution Network. Engaged in the distribution business, our company has in the year 2019-20, partnered with renowned brands for distribution that provides an exclusivity to our company to create a niche in the market.

The wide spectrum of products offered through multiple reputed partners enables us to achieve economies of scale and provide customers a single sourcing window.

As I close my message, I would just like to add our Company is looking forward to an exciting and extremely positive year 2019-20. You are likely to see our Company make a strong bid in both traditional as well as emerging markets.

I would like to thank each one of you for being our mainstay during the challenging times and enabling us to build a strong success story despite adversity. Now join me as we emerge our journey into the future, a future where you can expect to see our Company deliver enhanced benefits to its entire ecosystem of shareholders, customers, investors, employees and partners.

Boards' Report

To the Members of Panache Innovations Limited

Your Directors have pleasure in presenting the 38th Annual Report on the business and operations of the Company together with the Audited Standalone & Consolidated Financial Statement of Panache Innovations Limited ("the Company") for the financial year ended March 31st, 2019.

In compliance with the applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Regulations"), this report covers the financial results and other development during the financial year 1st April, 2018 to 31st March, 2019 and other developments upto the date of the Board meeting held on 12th August, 2019 to approve this report, in respect of the Company and its Consolidated comprising the Company and its subsidiaries.

STATE OF THE COMPANY'S AFFAIRS

Financial Results

The summarized standalone and consolidated financial results of your Company are given below:

(Rs. in lakhs)

Particulars	Financial Year Ended			
	Standalone		Consolidated	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Revenue from operations (net)	832.42	3488.73	1031.47	4008.44
Earnings before interest, tax, depreciation and amortization (EBITDA) and prior period adjustments	18.10	38.42	(31.17)	72.58
Depreciation and amortization expenses	1.26	1.26	1.26	1.26
Finance Cost	0.00	0.00	0.00	0.00
Profit before tax (PBT)	16.84	36.54	(32.43)	70.70
Profit after tax and minority interest (PAT)	12.60	29.17	(36.66)	63.29

***Previous year figures have been regrouped / rearranged wherever necessary.**

Accounting treatment in preparation of Financial Statements

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Companies Act, 2013.

Standalone Performance

During the year under review, the Company achieved total revenue of ₹ 832.42 Lakhs, as compared to ₹ 3488.73 Lakhs in the previous year.

The Earnings before Interest, Depreciation, Tax and Appropriations (EBITDA) stood at ₹ 18.10 Lakhs in the current year as compared to ₹ 38.42 Lakhs in the previous year.

The Company registered growth of (56.80) % in the Net Profit after Tax which stood at ₹ 12.60 Lakhs as compared to ₹ 29.17 Lakhs in the previous year.

Consolidated

During the year under review, the Company achieved consolidated total revenue of ₹ 1031.47 Lakhs as compared to ₹ 4008.44 Lakhs in the previous year.

The Earnings before Interest, Depreciation, Tax and Appropriations (EBITDA) stood at ₹ (31.17) Lakhs in the current year as compared to ₹ 72.58 Lakhs in the previous year.

The Company incurred a loss of (157.92)% in the Net Profit after Tax which stood at ₹ (36.66) Lakhs as compared to ₹ 63.29 Lakhs in the previous year.

DIVIDEND

Keeping in view the future fund requirements of the Company and strategy of the Company for rewarding Members, your directors are pleased to recommend a dividend of ₹ 0.25 per equity share of Face Value of ₹ 10/- on 30,39,900 Equity Shares (excluding the Equity Share upon which the members have waived/forgone his/their right to receive the dividend by him/them for Financial Year 2018-19) for the financial year 2018-19. The dividend, if approved by the members of the Company in the 38th AGM, shall be subject to Dividend Distribution Tax to be paid by your Company but will be tax-free in the hands of the Members. The Final Dividend amount if declared, shall be ₹ 7,59,975/- plus applicable Dividend Distribution Tax thereon.

Members belonging to the promoter group of your Company have waived their right to receive dividend for the Financial Year 2018-19 and hence the Dividend, if any, approved by the Members at the ensuing Annual General Meeting shall be only upon 30,39,900 Equity Shares.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there are no funds or shares which are required to be transferred to Investor Education and Protection Fund (IEPF).

As on 31st March, 2019, total unclaimed dividend stood Rs. 71350.50/-

TRANSFER TO RESERVE

Your Company does not propose to transfer any amount from the current year's profits to the General Reserve. (Previous year Nil).

DEPOSITS

There were no public deposits accepted during the year under review or any amount of principal or interest thereof was outstanding in terms of section 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, for the Financial Year ended on 31st March, 2019.

CHANGE IN NATURE OF BUSINESS, IF ANY

During the year, the company has altered the Main Object Clause of Memorandum of Association of the Company with a view to increase, expand and diversify the business of the Company backed with the objective of carrying on the business more efficiently and effectively. Approval of shareholders was obtained in the 37th AGM for the amendment in the object clause of the Memorandum of Association.

SHARE CAPITAL

During the year under review, the Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

SUBSIDIARY COMPANY AND CONSOLIDATION OF FINANCIAL STATEMENT

A list of bodies corporate which are subsidiaries of your Company as on 31st March, 2019 is as follows;

Eddy & Andy International Limited (Hong Kong)	Wholly Owned Subsidiary
*Panache Innovations DMCC (Dubai-UAE)	Wholly Owned Subsidiary

*During the year under review, the Company in its Board meeting dated 12th November, 2018, decided to initiate the process to close Panache Innovations DMCC, Wholly Owned Subsidiary of the Company, due to poor performance and sluggish market conditions in Dubai.

The Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared Consolidated Financial Statements of the Company and its Subsidiaries viz. Eddy and Andy International Limited and Panache Innovations DMCC, in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), which forms part of this Annual Report. A statement containing the salient features of the financial position of the subsidiary companies in Form AOC-1 is annexed as Annexure I. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of subsidiaries is also available on our website at www.panachemodera.com.

The Policy for determining material subsidiaries as approved may be accessed on the Company's website at www.panachemodera.com

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations and that such internal financial controls are adequate and were operating effectively.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- A. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- B. the directors had 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 at the end of the financial year and of the profit and loss of the company for that period;
- C. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- D. the directors had prepared the annual accounts on a going concern basis;

- E. the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- F. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws are in place and such systems are adequate and operating effectively.

CORPORATE GOVERNANCE

Your Company continues to place greater emphasis on managing its affairs with diligence, transparency, responsibility and accountability and is committed to adopting and adhering to best Corporate Governance practices. The Board considers itself as a trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. The Company has set itself the objective of expanding its capacities.

However, as per provisions of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, providing a separate report on Corporate Governance under Regulation 27 (2) is not applicable to the Company.

RISK MANAGEMENT

The Company has formulated a Risk Management Policy for dealing with different kinds of risks, both internal and external, which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure will be reviewed by the Audit Committee and Board of Directors on time to time basis.

For more details on the topic, please refer to the Management Discussion and Analysis report which form part of the Annual Report. Policy on Risk Management is available on the website of the Company www.panachemodera.com

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY

All transactions entered into with the related parties as defined under the Companies Act, 2013 during the financial year were in the ordinary course of business and on arm's length pricing basis and necessary approvals of the Board of Directors and Audit Committee were taken from time to time, wherever required.

There were no materially significant transactions with the related parties during the financial year which needs to be disclosed and accordingly separate disclosure in Form AOC-2 is not applicable to the Company.

Further suitable disclosure as required by the Indian Accounting Standards (Ind AS 24) has been made in the notes to the Financial Statements.

Policy on Related Party Transactions

As per Regulation 15 of SEBI (LODR) Regulations, 2015, Company is exempted from complying with Regulation 23 of SEBI (LODR) Regulations, 2015 and hence preparing a Policy on Related Party Transactions is not applicable to the Company.

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis Report, as required under SEBI (LODR) Regulations 2015, forms part of the Annual Report is attached herewith marked as Annexure II.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

During the period under review, the provisions of Section 135 of the Companies Act, 2013 w.r.t. Corporate Social Responsibility are not applicable to the Company.

PREVENTION OF INSIDER TRADING

Your Company has approved and adopted new “Code of Conduct for Prohibition of Insider Trading”, “Code of practices and procedures for fair disclosure of unpublished price sensitive Information” and “Policy for Procedure of Inquiry in Case of Leak of Unpublished Price Sensitive Information” on 31st March, 2019, effective from 1st April, 2019, for regulating the dissemination of Unpublished Price Sensitive Information and trading in securities by Insiders.

The said codes & policies are also available on the website of the Company www.panachemodera.com

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Changes in Directors

During the year under review, following change took place in the Board of Directors;

Mr. Anil Jaychand Dagade (holding DIN: 02701030) who was appointed as Additional Independent Director of the Company for a term of Five years with effect from 31st March, 2018, at the Board meeting held on same day, was approved by Members in the Annual General Meeting of the Company held on 27th September, 2018.

During the year 2019-20, following changes were made in the Board of Directors & Key Managerial Personnel of the Company:

Board appointed Mr. Prakash Mavji Vichhivora (holding DIN: 03123043) as Additional Director and designated as “Managing Director” of the Company w.e.f. 30th May, 2019, who shall hold office upto the date of ensuing AGM, for a period of 5 years with effect from 30th May, 2019, and the same is being proposed to the members for their approval in 38th AGM.

Board appointed Mr. Hetal Mavji Vichhivora (holding DIN:03123060) as Additional Director and designated as “Whole-Time Director and Chief Financial Officer” of the Company w.e.f. 30th May, 2019 who shall hold office upto the date of ensuing AGM for a period of 5 years with effect from 30th May, 2019 and the same is being proposed to the members for their approval in 38th AGM.

Mr. Jayachandran Sunderamoorthy (holding DIN: 07706021) has resigned from the post of “Whole-Time Director & Chief Financial Officer” with effect from 30th May, 2019.

Upon request of Mr. Amit Devchand Rambhia, (holding DIN: 00165919) re-designated Mr. Amit Devchand Rambhia from Chairman & Managing Director of the Company to Chairman & Non-Executive Director of the Company w.e.f 30th May, 2019, and the same is being proposed to the members for their approval in 38th AGM.

Mr. Priyank Sangoi is Company Secretary & Compliance Officer.

Director Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Amit Devchand Rambhia (holding DIN: 00165919), is liable to retire by rotation at ensuing AGM and being

eligible, offers himself for reappointment. The Board recommends his reappointment as Director liable to retire by rotation at the ensuing AGM. All details pertaining to his appointment are detailed in the Notice of 38th AGM.

Declaration by Independent Directors

In accordance with the Section 149(7) of the Act, each Independent Director has given a written declaration to the Company at the time of their appointment and at the first meeting of the Board of Directors in every financial year confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015. Also, in the opinion of the Board, the Independent directors meet the said criteria.

Number of Board Meetings and attendance thereat by Board:

Your Board of Directors (“Board”) meets at regular intervals to discuss and decide on various business policies, strategies, financial matters and other businesses. However, in case of an exigency or urgent business matters, the Board’s approval is taken by passing Resolutions by Circulation or on a shorter notice for such matters as permitted by law. The notice of Board meeting is given well in advance to all the Directors of the Company.

The maximum interval between any two meetings did not exceed 120 days as prescribed in the Companies Act, 2013.

During the Financial Year 2018-19, Total 4 (Four) meetings of the Board of Directors of the Company were held on 30th May, 2018, 14th August, 2018, 12th November, 2018 and 12th February, 2019. The details of attendance of each Director at the Board Meetings are given below;

Sr. No.	Name of Director	No. of meetings eligible	No. of Board Meetings attended	Attendance at 37 th AGM 27 th September, 2018
1	Amit Devchand Rambhia	4	4	Yes
2	Jayachandran Sunderamoorthy	4	4	Yes
3	Rohit Mathur	4	3	No
4	Meeta Mehta	4	4	Yes
5	Anil Jaychand Dagade	4	4	Yes

During the year under review there was one General Meeting held on 27th September, 2018 i.e. Annual General Meeting and attendance of Directors thereat is mentioned above.

Compliance with Secretarial Standards on Board and Annual General Meetings:

The Company has complied with Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

Committees of the Board:

The Board of Directors has constituted various statutory committees comprising of Executive, Non-Executive and Independent Directors to discharge various functions, duties and responsibilities cast under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other applicable statutes, rules and regulations applicable to the Company from time to time. The Committees also focus on critical functions of the Company in order to ensure smooth and efficient business operations. The Board of Directors is responsible for constituting, assigning, co-opting and fixing the terms of reference of these committees in line with the extant

regulatory requirements. The Committees meets at regular intervals for deciding various matters and providing directions and authorizations to the management for its implementation.

Currently, the Board of Directors has formulated the following committees, viz.

- (i) Audit Committee
- (ii) Nomination & Remuneration Committee
- (iii) Stakeholders' Relationship Committee

Audit Committee:

During the year under review, the Audit Committee comprised of the following Members;

Sr. No.	Name of the Committee Member	Position in the Committee
1	Mrs. Meeta K. Mehta	Chairperson
2	Mr. Rohit Mathur	Member
3	Mr. Amit Rambhia	Member
4	*Mr. Anil Jaychand Dagade	Member

*The Audit Committee was reconstituted on 28th May, 2018 vide Circular Resolution passed by the Board of Directors for adding Mr. Anil Jaychand Dagade to the Committee;

The Audit Committee was reconstituted on 12th August, 2019 by the Board of Directors and currently the Committee comprises as follows;

Sr. No.	Name of the Committee Member	Position in the Committee
1	Mrs. Meeta K. Mehta	Chairperson
2	Mr. Gaurav Pratap Singh	Member
3	Mr. Amit Rambhia	Member
4	Mr. Anil Jaychand Dagade	Member

During the year under review there were Total 4 (Four) meetings of the Audit Committee of the Company were held on 30th May, 2018, 14th August, 2018, 12th November, 2018 and 12th February, 2019. The details of attendance of each Member at the Audit Committee are given below;

Sr. No.	Name of Member	No. of Committee Meetings eligible	No. of Committee Meetings attended
1	Mrs. Meeta Mehta	4	4
2	Mr. Amit Rambhia	4	4
3	Mr. Rohit Mathur	4	3
4	Anil Jaychand Dagade	4	4

Nomination and Remuneration Committee:

During the year under review, composition of Nomination and Remuneration Committee comprised of the following Members:

Sr. No.	Name of Member	Position in the Committee
1	Mr. Rohit Mathur	Chairman
2	Mrs. Meeta Mehta	Member
3	Mr. Anil Jaychand Dagade	Member

During the year 2019-20, pursuant to changes in the Directors, the Nomination and Remuneration Committee was reconstituted on 29th May, 2019 as follows:

Sr. No.	Name of Member	Position in the Committee
1	Mr. Rohit Mathur	Chairman
2	Mr. Anil Jaychand Dagade	Member
3	Mrs. Meeta Mehta	Member
4	Mr. Amit Rambhia	Member

The Nomination and Remuneration Committee was reconstituted on 12th August, 2019 by the Board of Directors and currently the Committee comprises as follows;

Sr. No.	Name of the Committee Member	Position in the Committee
1	Mr. Anil Jaychand Dagade	Chairman
2	Mrs. Meeta K. Mehta	Member
3	Mr. Gaurav Pratap Singh	Member
4	Mr. Amit Rambhia	Member

During the year under review there was 1 (One) Meeting held on 12th February, 2019. The details of attendance of each Member at the Nomination and Remuneration Committee Meetings are given below;

SN	Name of Member	No. of Committee Meetings eligible	No. of Committee Meetings attended
1	Mrs. Meeta Mehta	1	1
2	Mr. Rohit Mathur	1	1
3	Mr. Anil Jaychand Dagade	1	1

Stakeholders Relationship Committee:

During the year under review, the Stakeholders' Relationship Committee comprised of the following Members;

Sr. No.	Name of Member	Position in the Committee
1	Mr. Rohit Mathur	Chairman
2	Mrs. Meeta Mehta	Member
3	Mr. Amit Rambhia	Member

During the year 2019-20, pursuant to changes in the Directors, the Stakeholders Relationship Committee was reconstituted on 29th May, 2019 as follows:

Sr. No.	Name of Member	Position in the Committee
1	Mr. Rohit Mathur	Chairman
2	Mrs. Meeta Mehta	Member
3	Mr. Amit Rambhia	Member
4	Mr. Anil Jaychand Dagade	Member

During the year 2019-20, pursuant to changes in the Directors, the Stakeholders Relationship Committee was reconstituted on 12th August, 2019 by the Board of Directors and currently the Committee comprises as follows;

Sr. No.	Name of the Committee Member	Position in the Committee
1	Mr. Gaurav Pratap Singh	Chairman
2	Mrs. Meeta K. Mehta	Member
3	Mr. Anil Jaychand Dagade	Member
4	Mr. Amit Rambhia	Member

During the year under review there was 1 (One) Meeting held on 12th February, 2019. The details of attendance of each Member at the Stakeholders' Relationship Committee Meetings are given below;

Sr. No.	Name of the Member	No. of Committee Meetings eligible	No. of Committee Meetings attended
1	Mr. Rohit Mathur	1	1
2	Mrs. Meeta Mehta	1	1
3	Mr. Amit Rambhia	1	1

The details of complaints received and resolved during the Financial Year 2018-19 are given in the table below:

Particulars	No. of Complaints Attended
Opening as on 1 st April, 2018	-
Received during the year	1
Resolved during the year	-
Closing as on 31 st March, 2019	1

Note: The Complaint received in the last quarter of financial year 2018-19 was duly resolved in the 1st Quarter of financial year 2019-20.

Annual Evaluation process

Pursuant to Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Company has "Directors Performance Evaluation Policy" in place which got amended on 12th February, 2019. In accordance with the said Policy, all the Directors had filled up Questioner and feedback form for evaluation of individual Directors, Board as a whole, Chairman, committees, and Independent Directors, which format forms a part of the policy. Thereafter Board evaluated every Director including Independent Director on 12th February, 2019.

Further the Board has also evaluated its own performance, Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, Chairman and all Directors individually. The Board concluded that the overall performance of all the Directors were very good.

Independent Director's Separate Meeting

A separate meeting of Independent Directors of the Company, was held on 12th February, 2019 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations.

At the meeting following matters were taken up;

- reviewed the performance of Non-Independent Directors and the Board as a whole.
- reviewed the performance of the Chairperson of the Company.
- assess the quality, quantity and timeliness of flow of information.

All Independent Directors of the Company attended the Meeting of Independent Directors.

HUMAN RESOURCE

During the year under review, the personal relations with the employees remained cordial in all respects. The total number of employees on the rolls of the Company were three as on 31st March, 2019. Material disclosures in the Human Resource front have been detailed under the head “Human Resource” in the Management Discussion & Analysis which forms a part of the Annual Report.

AUDITORS AND AUDITORS' REPORT

Statutory Audit

M/s. Jain Salia & Associates, the Statutory Auditor of the Company for the Financial Year 2018-19 have conducted the audit for the said period. There are no qualifications, reservations or adverse remarks made by M/s. Jain Salia & Associates, in their report and hence do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. Further the specific notes forming part of the Accounts referred to in the Auditor's Report read with the notes to financial statements as referred to therein, are self-explanatory and give complete information and addresses the observations, if any.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. SARK & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company for the year 2018-19. The Secretarial Audit Report confirm that the company has complied with the applicable laws. The Secretarial Audit Report forms part of this Annual Report and is attached herewith marked as Annexure III.

Internal Auditor:

Pursuant to the provisions of Section 138 of the Act and the Companies (Accounts) Rules, 2014, the Board of Directors of the Company have appointed M/s. Sanket Sangoi & Associates, to conduct internal audit reviews for the Company.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitment affecting financial position which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the Directors Report.

DISCLOSURES

Vigil Mechanism

In line with the best Corporate Governance practices, the Company, has put in place a system through which the Directors, employees and business associates may report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct without fear of reprisal.

The Company has put in place a process by which employees and business associates have direct access to the Vigilance Officer and Chairperson of Audit Committee. The said policy is amended on 31st March, 2019 and effective from 1st April, 2019 in order to incorporate the amendments as per Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2019.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has complied with the constitution of Internal Complaints Committee as provided under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Further the Company has not received any complaint of sexual harassment during the financial year 2018-19.

Significant and Material Orders Passed by the Regulators or Courts

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

Particulars of Loans given, Investments made, Guarantees given and Securities Provided

The Company has made compliance with the provisions of Section 186 of the Companies Act, 2013 during the year under review. Details of the Loans, Investments and guarantees covered under the provisions of Section 186 of the Companies Act, 2013 form a part of notes to the Standalone Financial Statement which forms a part of this Annual report

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Accounts) Rules 2014, is attached as Annexure IV which forms part of this Report.

Extract of Annual Return

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, an extract of the Annual Return of the Company for the year ended 31st March, 2019, is provided in the prescribed Form MGT – 9 as Annexure V which forms part of Directors Report and also available at website of the Company at www.panachemodera.com.

Particulars of Employees and related disclosures

The statement containing information as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure VI and forms part of this Report.

In terms of the first proviso to Section 136 of the Act, the Reports and Accounts are being sent to the shareholders excluding the information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. The said information is available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, during the Business hours up to the date of the 38th AGM.

POLICIES AND DISCLOSURE REQUIREMENTS

Pursuant to provisions of the Companies Act, 2013 and provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has adopted various applicable policies. The policies are available on Company's website - www.panachemodera.com.

The Nomination and Remuneration Policy of the Company has been formulated in terms of Section 178 of the Companies Act, 2013 ("the Act"). This Policy governs policy relating to Director's, Key Managerial Personnel's and other employee's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director. The complete disclosure of the said policy is available on the Company's website - www.panachemodera.com.

CAUTIONARY STATEMENT

Statements in this Report and the Management Discussion and Analysis may be forward looking within the meaning of the applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement.

ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the Government of India, Governments of various countries, concerned State Governments, other Government Authorities, Departments and Agencies, the Stakeholders, Business Associates, Banks, Financial Institutions, Customers, Vendors and Service Providers for the valuable support and co-operation extended by them during the year.

Your Directors would also like to place on record their sincere thanks and appreciation for the contribution, consistent hard work, dedication and commitment of our employees at all levels.

**By order of the Board of Directors of
Panache Innovations Limited**

**Date: 12/08/2019
Place: Mumbai**

**Amit Devchand Rambhia
Chairman
DIN: 00165919**

Annexure I to Directors Report

FORM AOC-1

(Pursuant to first proviso to section 129(3) read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries / Associate Companies / Joint Ventures u/s 129(3) read with rule 5 of Companies (Accounts) Rules, 2014

Part "A" – Subsidiary

Rs. in Lakhs

Sr. No	Particulars	Details	Details
1	Name of the subsidiary	Eddy and Andy International Limited	Panache Innovations DMCC
2	The date since when subsidiary was acquired	18/07/2016	06/09/2017
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	N.A.	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR 69.1713 per USD	INR 69.1713 per USD
5	Share capital	0.89	9.42
6	Reserves & surplus	2.28	(12.31)
7	Total assets	12.21	9.99
8	Total Liabilities	12.21	9.99
9	Investments	Nil	Nil
10	Turnover	199.05	Nil
11	Profit before taxation	0.91	(48.36)
12	Provision for taxation	Nil	Nil
13	Profit after taxation	0.91	(48.36)
14	Proposed Dividend	-	-
15	% of shareholding	100%	100%
None of the subsidiaries of the Company are yet to commence business operations. None of subsidiaries of the Company have been liquidated or sold during the year.			

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures - Not Applicable as the Company doesn't have associates and joint ventures for the Financial Year 2018-19

**By order of the Board of Directors of
Panache Innovations Limited**

**Date: 12/08/2019
Place: Mumbai**

**Amit Devchand Rambhia
Chairman
DIN: 00165919**

Annexure II to Directors Report

MANAGEMENT DISCUSSION AND ANALYSIS

Forward looking statement -

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS"), as notified under the Companies (Indian Accounting Standards) (Amendment) Rules 2016 issued by Ministry of Corporate Affairs in respect of sections 133 of Companies Act 2013. The management of Panache Innovations Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements, reflect in a true and fair manner, the state of affairs and profit for the year.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Panache" are to Panache Innovations Limited and its subsidiaries.

INDUSTRY STRUCTURE AND DEVELOPMENTS

Indian IT Industry is dynamic and highly competitive, with frequent changes in both technologies and business models. IT industry in India has been one of the most significant growth contributors for the Indian economy. The industry has helped India transform from a rural and agriculture-based economy to a knowledge-based economy.

STANDALONE FINANCIAL OVERVIEW

The Standalone performance of the Company for the financial year ended March 31st, 2019 is as follows:

Total revenue from operations at Rs. 8.32 crore for the year ended March 31st, 2019, as against Rs. 34.89 crore for the corresponding previous period.

The cost of Raw Materials for the financial year ended March 31, 2019 were Rs. 7.79 crore as against Rs. 33.39 crore for the corresponding previous period.

The Employee expenses for the financial year ended March 31st, 2019 were Rs. 0.41 crore as against Rs. 0.79 crore for the corresponding previous period.

The other expenses for the financial year ended March 31st, 2019 were Rs. 0.23 crore as against Rs 0.49 crore for the corresponding previous period.

The EBIDTA (earnings before interest, depreciation and tax) was Rs. 0.18 crore for the year ended March 31st, 2018, as against Rs. 0.38 crore for the corresponding previous period.

The depreciation for the financial year ended March 31st, 2019 was Rs. 0.01 crore, as against Rs. 0.01 crore for the corresponding previous period.

The EBIT (earnings before interest and tax) were Rs. 0.17 crore for the year ended March 31st, 2019, as against Rs. 0.37 crore for the corresponding previous period.

The PAT (profit after tax) were Rs. 0.13 crore for the year ended March 31st, 2019, as against Rs. 0.29 crore for the corresponding previous period,

The EPS (Earning Per Share) for the financial year ended March 31st, 2019 was Rs. 0.29 for a face value of Rs 10 per share, as against Rs. 0.66 for the corresponding previous period.

RESOURCES AND LIQUIDITY

As on March 31st 2019, the standalone net worth stood at Rs. 3.56 crore and the standalone debt was at Nil.

The cash and cash equivalents at the end of March 31st, 2019 were Rs. 0.02 crore.

BUSINESS PERFORMANCE

Panache Innovations Limited operates primarily in one business vertical, hence segmental reporting is not applicable.

RISKS AND CONCERNS

Like every business, the Company faces risks, both internal and external, in the undertaking of its day-to-day operations and in pursuit of its longer-term objectives. A detailed policy is drawn up wherein risks are identified, assessed, analyzed and accepted / mitigated to an acceptable level within the risk appetite of the Company. The major risks are as follows, which Company strives hard to mitigate;

- Credit Risk
- Competition Risk
- Input Cost Risk
- Liability Risk
- Technology Related Risk

OPPORTUNITIES AND THREATS

Opportunities

- Changing consumer preferences and growing Industrial base
- High Government Focus
- Technological Tie-ups

Threats

- Competition from local and multinational players
- Execution risk
- Regulatory changes
- Input Cost risk
- Attraction and retention of human capital
- Technological Advancements

INTERNAL CONTROL SYSTEMS AND ADEQUACY

In view of the changes in the Companies Act, 2013 the Company has taken additional measures to strengthen its internal control systems. Additional measures in this regard are fraud risk assessment, mandatory leave for employees, strengthening background verification process of new joiners and strengthening the process of risk management. The Company maintains a system of internal controls designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the adequacy of safeguards for assets, the reliability of financial controls, and compliance with applicable laws and regulations.

The organization is well structured and the policy guidelines are well documented with pre-defined authority. The Company has also implemented suitable controls to ensure that all resources are utilized optimally, financial transactions are reported with accuracy and there is strict adherence to applicable laws and regulations.

The Company has put in place adequate systems to ensure that assets are safeguarded against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported.

Recognizing the important role of internal scrutiny, the Company has an internal audit function which is empowered to examine the adequacy of, and compliance with, policies, plans and statutory requirements. It is also responsible for assessing and improving the effectiveness of risk management, control and governance process.

Periodical audit and verification of the systems enables the various business groups to plug any shortcomings in time. As stated earlier the Company has improved effectiveness of the risk management process wherein it evaluates the Company's risk management system and suggests improvement in strengthening risk mitigation measures for all key operations, controls and governance process. In addition, the top management and the Audit committee of the Board periodically review the findings and ensure corrective measures are taken.

HUMAN RESOURCES

The Company has necessary policies / Code of Conduct Human Relations and Industrial Relations policies in force. These are reviewed and updated regularly in line with the Company's strategic plans.

We believe that the domain knowledge and experience of our Directors and our management team provides us with a significant competitive advantage as we seek to grow in our existing markets and enter new geographies. The Company has hired qualified professional management and key personnel, which will enable to run the Company independently. Further flexible HR policies reflecting our organization value of 'Trust' and work-life balance have been continuously devised. Employee engagement activities are conducted to make our workplace a fun-filled one. The staff strength of the Company as on 31st March, 2019 was Three.

OUTLOOK

The last financial year has been year of new initiatives for company. Baring the unforeseen circumstances and the risks and concerns, the management is hopeful to achieve reasonable performance in the current financial year 2019-20.

SIGNIFICANT CHANGES IN FINANCIAL RATIOS

During the year, on a standalone basis, the significant change in the financial ratios compared to the previous year, which are more than 25% as compared to the previous year are summarized below;

Financial Ratio	2017-18	2018-19	Change (%)	Reason for change
Operating Profit Margin	1.10%	2.17%	97.38%	Increase in profit margin
Net Profit Margin	0.84%	1.51%	81.06%	Better Control on expenses and improved efficiency
Return on Net Worth	8.21%	3.54%	(56.90)%	Reduction in profit in monetary terms vis-à-vis Reduction in turnover.

**By order of the Board of Directors of
Panache Innovations Limited**

Date: 12/08/2019
Place: Mumbai

Amit Devchand Rambhia
Chairman
DIN: 00165919

Annexure III to Directors Report

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March, 2019

[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,
Panache Innovations Limited

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PANACHE INNOVATIONS 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 Company's books, papers, minute books, 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 covering the financial year ended on 31st March, 2019 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:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 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 thereunder;
- (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'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - c) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015;
 - 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; - **Not applicable to the Company during the Audit Period.**
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; - **Not applicable to the Company during the Audit Period.**
 - 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 to the Company during the Audit Period** and
 - i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; - **Not applicable to the Company during the Audit Period.**
- (vi) Other laws applicable to the company:
- i. Employees Provident Fund and Miscellaneous Provisions Act, 1952
 - ii. Maharashtra Shops and Establishments Act, 1948
 - iii. The Minimum Wages Act, 1948
 - iv. The Income Tax Act, 1961

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

We further report that –

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.
- 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.

We further report that 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.

Place: Mumbai
Date: 12/08/2019

For & on behalf of
SARK & Associates
Company Secretaries

Sd/-
Raju Ananthnarayanan
(Partner)
F.C.S. No. 4175 C.P. No. 8744

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

The Members

PANACHE INNOVATIONS LIMITED

2nd Flr, Bldg No. A3, Unit 201A,

Babosa Industrial Park,

Mumbai-Nashik Highway (NH3),

Saravali Village Bhiwandi Thane- 421302

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our 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 reasonable assurance about the correctness of the contents of the 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 followed provide a reasonable 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 provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai
Date: 12/08/2019

For & on behalf of
SARK & Associates
Company Secretaries

Sd/-
Raju Ananthnarayanan
(Partner)

F.C.S. No. 4175

C.P. No. 8744

Annexure IV to Directors Report

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies Accounts) Rules 2014, and forming part of the Directors' Report for the year ended 31st March, 2019

1. Conservation of Energy

(i)	the steps taken or impact on conservation of energy	The Company's operations involve low energy consumption to run its office and therefore the scope of energy conservation is limited. The Company is taking all necessary measures for conservation of energy and creating awareness amongst the employees on the necessity of conservation of energy and the same is practiced regularly.
(ii)	the steps taken by the company for utilizing alternate sources of energy	NIL
(iii)	the capital investment on energy conservation equipments	NIL

2. Technology absorption

(i)	the efforts made towards technology absorption	NIL
(ii)	the benefits derived like product improvement, cost reduction, product development or import substitution	NA
(iii)	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	NIL
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology has been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	During the year under review, the Company has not undertaken Research and Development activity.

3. Foreign exchange earnings and Outgo

(Rs. In Lacs)

Particulars	2018-19	2017-18
Foreign Exchange Earned	Nil	Nil
Outgo of Foreign Exchange	Nil	8.51

By order of the Board of Directors of
Panache Innovations Limited

Date: 12/08/2019
Place: Mumbai

Amit Devchand Rambhia
Chairman
DIN: 00165919

Annexure V to Directors Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31/03/2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:

1	CIN	L51100MH1981PLC312742
2	Registration Date	16/06/1981
3	Name of the Company	Panache Innovations Limited
4	Category/Sub-category of the Company	Public Company limited by Shares
5	Address of the Registered office & contact details	(A): 2nd Flr, Bldg No. A3, Unit 201A, Babosa Industrial, Park, Mumbai-Nashik Highway(NH3), Saravali Village, Bhiwandi, Thane 421302, Maharashtra, India. (E): info@panachemodera.com (C): +91 8291529934 (W): www.panachemodera.com
6	Whether listed company	Yes
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Niche Technologies Private Limited (A): 3A, Auckland Place, 7 th Floor, Room No. 7A & 7B, Kolkata 700017 (E): nichetechpl@nichetechpl.com (F): 033-2280 6619 (C): 033-22806616 / 17 / 18 (W): www.nichetechpl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Wholesale of machinery, equipment and supplies	465	52.20%
2	Wholesale of Plastic granules	466	47.80%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable section
1	Eddy and Andy International Limited 13/F, Wah Kit Commercial Centre, 300 Des Voeux Road Central, Hong Kong	N.A. (Foreign Subsidiary)	Subsidiary	100%	Section 2(87)
2	*Panache Innovations DMCC Unit No: 1807, DMCC Business Centre, Level No 1, Jewellery & Gemplex 3, Dubai, United Arab Emirates	N.A. (Foreign Subsidiary)	Subsidiary	100%	Section 2(87)

*The Company in its Board meeting dated 12th November, 2018, decided to initiate the process to close Panache Innovations DMCC, Wholly Owned Subsidiary of the Company.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A. Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	1350100	0	1350100	30.754	1350100	0	1350100	30.754	0
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Government	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Banks / Financial Institutions	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(1)	1350100	0	1350100	30.754	1350100	0	1350100	30.754	0
(2) Foreign									
a) NRIs - Individuals	0	0	0	0	0	0	0	0	0
b) Other - Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / Financial Institutions	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	1350100	0	1350100	30.754	1350100	0	1350100	30.754	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / Financial Institutions	0	0	0	0	0	0	0	0	0
c) Central Governments	0	0	0	0	0	0	0	0	0
d) State Governments	0	0	0	0	0	0	0	0	0

	e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
	f) Insurance Companies	0	0	0	0	0	0	0	0	0
	g) Foreign Institutional Investors (FII)	0	0	0	0	0	0	0	0	0
	h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
	i) Others (Specify)	0	0	0	0	0	0	0	0	0
	Sub-total (B)(1)	0	0	0	0	0	0	0	0	-
(2)	Non-Institutions									
	a) Bodies Corporate									
	i) Indian	373050	0	373050	8.498	373120	0	373120	8.499	0.001
	ii) Overseas	0	0	0	0	0	0	0	0	0
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs 1 lakh	125430	85800	211230	4.812	156913	85800	242713	5.529	0.717
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2455420	0	2455420	55.932	2419171	0	2419171	55.106	-0.826
	c) Others Specify	0	0	0	0	0	0	0	0	0
	1. NRI	0	200	200	0.005	0	200	200	0.005	0.000
	2. Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
	3. Foreign Nationals	0	0	0	0	0	0	0	0	0
	4. Clearing Members	0	0	0	0	4696	0	4696	0.107	0.107
	5. Trusts	0	0	0	0	0	0	0	0	0
	6. Foreign Bodies - D.R.	0	0	0	0	0	0	0	0	0
	Sub-total (B)(2)	2953900	86000	3039900	69.246	2953900	86000	3039900	69.246	0.000
	Total Public Shareholding (B) = (B)(1)+(B)(2)	2953900	86000	3039900	69.246	2953900	86000	3039900	69.246	0.000
C.	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	GRAND TOTAL (A+B+C)	4304000	86000	4390000	100	4304000	86000	4390000	100	0

B. Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
Promoter								
1	Amit D Rambhia	425100	9.683	0	425100	9.683	0	0.000
2	Nikit D Rambhia	425000	9.681	0	425000	9.681	0	0.000
3	Devchand L Rambhia	500000	11.390	0	500000	11.390	0	0.000

C. Change in Promoters' Shareholding (please specify, if there is no change)

SN	Name of the Shareholders	Shareholding at the beginning of the year		Change during the year				Cumulative Shareholding during the year		Shareholding at the End of the year	
		No. of Shares	% of total Shares of Company	Date of increase or decrease	No. of Shares	% of total Shares of Company	Reason	No. of Shares	% of total Shares of Company	No. of Shares	% of total Shares of Company
1	Amit D Rambhia	425100	9.683	No Change during the year				425100	9.683	425100	9.683
2	Nikit D Rambhia	425000	9.681	No Change during the year				425000	9.681	425000	9.681
3	Devchand L Rambhia	500000	11.390	No Change during the year				500000	11.390	500000	11.390

D. Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	Name of the Shareholders	Shareholding at the beginning of the year		Change during the year				Cumulative Shareholding during the year		Shareholding at the End of the year	
		No. of Shares	% of total Shares of the Company	Date of increase or decrease	No. of Shares	% of total Shares of the Company	Reason	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Ambe Projects Limited	133100	3.032	04/01/2019	-80000	1.822	Transfer	53100	1.210	53100	1.210
2	Anurodh Merchandise Private Ltd	85200	1.941	14/12/2018	-85200	1.941	Transfer	0	0	0	0

3	Bhavini Sanjay Sheth	95000	2.164	20/04/2018	-95000	2.164	Transfer	0	0	0	0
4	Chetan Nanji Dedhia	99900	2.276	No Change during the year						99900	2.276
5	Chetna Chetan Dedhia	99900	2.276	No changes during the year						99900	2.276
6	Corpwis Advisors Private Limited	0	0	14/12/2018	85200	1.941	Transfer	85200	1.941	85200	1.941
7	Madhuben Babulal Patel	113650	2.589	No Change during the year						113650	2.589
8	Mahendra M Mehta HUF	97100	2.212	13/04/2018	-5000	0.114	Transfer	92100	2.098	92100	2.098
9	Meenakshi Enterprises Ltd	150000	3.417	No Change during the year						150000	3.417
10	Mulchand Velji Furia	40000	0.911	31/08/2018	8999	0.205	Transfer	48999	1.116	92126	2.099
				14/09/2018	5000	0.114	Transfer	53999	1.230		
				29/09/2018	13000	0.296	Transfer	66999	1.526		
				12/10/2018	3000	0.068	Transfer	69999	1.595		
				19/10/2018	2615	0.060	Transfer	72614	1.654		
				26/10/2018	9500	0.216	Transfer	82114	1.870		
				02/11/2018	3000	0.068	Transfer	85114	1.939		
				23/11/2018	-251	0.006	Transfer	84863	1.933		
				30/11/2018	-1	0.000	Transfer	84862	1.933		
				14/12/2018	-1	0.000	Transfer	84861	1.933		
				28/12/2018	-1240	0.028	Transfer	83621	1.905		
				08/03/2019	1905	0.043	Transfer	85526	1.948		
				22/03/2019	3000	0.068	Transfer	88526	2.017		
				29/03/2019	3600	0.082	Transfer	92126	2.099		
11	Radhasoami Resources Limited	0	0	04/01/2019	80000	1.822	Transfer	80000	1.822	80000	1.822
12	Sanjay V Sheth	95000	2.164	20/04/2018	-95000	2.164	Transfer	0	0	0	0
13	Sejal J Shah	104972	2.391	No Change during the year						104972	2.391
14	Yash Ketan Patel	82850	1.887	No Change during the year						82850	1.887

E. Shareholding of Directors and Key Managerial Personnel

S N	Name of the Shareholder	Shareholding at the beginning of the year		Change during the year				Cumulative Shareholding during the year		Shareholding at the End of the year	
		No. of Shares	% of total Shares of the Company	Date of increase or decrease	No. of Shares	% of total Shares of the Company	Reason	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Amit D Rambhia	425100	9.683	No Change during the year						425100	9.683

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount		---	NIL	---
ii) Interest due but not paid				
iii) Interest accrued but not paid				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Addition		---	NIL	---
Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount		---	NIL	---
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In Rs.)

Sr. No.	Particulars of Remuneration	*Amit D Rambhia (Chairman & Managing Director)	**Jayachandran Sunderamoorthy Whole-Time Director & Chief Financial Officer	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	32,00,004	32,00,004
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	Nil	32,00,004	32,00,004

*Amit D Rambhia re-designated to Chairman & Non-Executive Director w.e.f 30th May, 2019.

**Jayachandran Sunderamoorthy resigned w.e.f 30th May, 2019

B. Remuneration to other directors:

(In Rs.)

Sr. No.	Particulars of Remuneration	Rohit Mathur	Meeta K. Mehta	Anil Dagade	Total Amount
1	Independent Directors	9,000	20,000	12,000	41,000
	(a) Fee for attending board / committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (1)	9,000	20,000	12,000	41,000
2	Other Non-Executive Directors	-	-	-	-
	(a) Fee for attending board / committee meetings	-	-	-	-
	(b) Commission	-	-	-	-
	(c) Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (1)+(2)	9,000	21,000	12,000	41,000

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD:

(In Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Priyank Sangoi CS & Compliance Officer	*Jayachandran Sunderamoorthy WTD & CFO	Total Amount
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	2,99,553	32,00,004	34,99,557
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify	-	-	-
5	Others, please specify	-	-	-
	Total	2,99,553	32,00,004	34,99,557

*Jayachandran Sunderamoorthy resigned w.e.f 30th May, 2019

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
*B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

By order of the Board of Directors of
Panache Innovations Limited

Amit Devchand Rambhia
Chairman
DIN: 00165919

Date: 12/08/2019
Place: Mumbai

Annexure VI to Directors Report

DETAILS OF DIRECTORS AND EMPLOYEE REMUNERATION

I. Information as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Particulars	Details
1	The ratio of the remuneration of each director to the median employees of the Company for the financial year	<ul style="list-style-type: none"> ➤ Mr. Jayachandran Sunderamoorthy – 7.80x ➤ Mr. Amit Rambhia has not drawn any remuneration during the year.
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	<ul style="list-style-type: none"> ➤ Mr. Amit Rambhia, Managing Director – Not increased ➤ Mr. Jayachandran Sunderamoorthy, Whole-Time Director & CFO - 15% ➤ Mr. Priyank Sangoi, Company Secretary & Compliance Officer - Not increased
3	The percentage increase in the median remuneration of employees in the financial year	There has been 28.41% decrease in the median remuneration of employees in the financial year.
4	The number of permanent employees on the rolls of company	As on 31 st March, 2019, there were 3 employees on the rolls of the Company.
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration	<ul style="list-style-type: none"> ➤ Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year - (44.86) % ➤ Average percentile increase already made in the salaries of the managerial personnel in the last financial year - (5.40) % ➤ The decrease is due to downsize in the employee strength.
6	Remuneration is as per the remuneration policy of the company.	It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

**By order of the Board of Directors of
Panache Innovations Limited**

**Date: 12/08/2019
Place: Mumbai**

**Amit Devchand Rambhia
Chairman
DIN: 00165919**

Standalone Financial Statement

INDEPENDENT AUDITOR REPORT

To,
The Shareholders of
Panache Innovations Limited,
(Formerly Known as Ruby Traders & Exporters Limited)
2nd Floor, Bldg. No. A3, Unit 201A,
Babosa Industrial Park,
Thane - 421302

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of Panache Innovation Limited ('the Company') (Formerly Known as Ruby Traders & Exporters Limited) which comprise the Balance Sheet as at 31st March, 2019, Statement of Profit and Loss (Including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards ("IND AS") specified under section 133 of the Act, read with rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 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 Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

In conducting our audit we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder and the Order issued under sec 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Standalone Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Statements give the information required by 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 31st March 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year end on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. 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 including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
 - e. On the basis of written representations received from the directors as on 31st March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013; and
 - f. With respect to adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure-A'. Our report express an unmodified opinion on the adequacy and operating effectiveness of the company's internal financial controls over financial reporting;
 - g. 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 explanations given to us:

- (i) The Company has disclosed that there are no pending litigations which would impact its standalone financial statements.
 - (ii) The Company did not have any long term contracts for which there were any material foreseeable losses;
 - (iii) The Company is not required to transfer any amount to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013, we enclose herewith; 'Annexure-B', a statement on the matters specified in paragraphs 3 and 4 of the said Order.

***For Jain Salia & Associates
Chartered Accountants
[ICAI FRNo: 116291W]***

***Place: Mumbai
Dated: 29.05.2019***

***Partner
(CA Jayesh K. Salia)
(Membership No. 044039)***

ANNEXURE -A TO THE AUDITOR'S REPORT FOR THE Y. E. 31ST MARCH, 2019.***(Referred to in Paragraph (1) of our Report of even date)*****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Panache Innovations Limited ("the Company") (Formerly known as Ruby Traders & Exporters Limited) as of 31st March 2019 in conjunction with our audit of the Standalone Ind AS 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 over financial reporting 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 issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 standalone Ind AS 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 standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

***For Jain Salia & Associates
Chartered Accountants
[ICAI FRNo: 116291W]***

***Place: Mumbai
Dated: 29.05.2019***

***Partner
(CA Jayesh K. Salia)
(Membership No. 044039)***

ANNEXURE - B TO THE AUDITOR'S REPORT FOR THE Y. E. 31ST MARCH, 2019.***(Referred to in Paragraph (2) of our Report of even date)***

- (i)
 - a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets are physically verified by the management in a phased manner; which in our opinion is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, all the fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - c) Based on the information & explanation given to us and the records examined by us we are able to conclude that there are no immovable property held by the company as on the reporting date.
- (ii) The physical verification of inventory & spares has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification between physical stock and book records.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not given any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In respect of loans, investments, guarantees, and security the provisions of section 185 and 186 of the Companies Act, 2013 have been duly complied.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are applicable.
- (vi) According to the information and explanations given to us, the Company is not required to maintain any cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii)
 - a. According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including provident fund, Income tax, GST, VAT, CST, custom duty, cess and any other statutory dues with the appropriate authorities during the year.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding, as on 31st March, 2019 for a period of more than six months from the date they became payable.
- (viii) On the basis of our examination and according to the information and explanations given to us, the Company has not defaulted in re-payment of its dues to the Banks and no amounts were borrowed by the Company through Debentures from any financial institution.
- (ix) On the basis of our examination and according to the information and explanations given to us, the Company has not raised any money through Initial Public Offer (IPO) or Further Public Offer (FPO) in the current year.

- (x) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanation given to us, the company is not a nidhi company and hence reporting under paragraph 3(xii) of the Order is not applicable to our company.
- (xiii) All the transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

***For Jain Salia & Associates
Chartered Accountants
[ICAI FRNo: 116291W]***

***Place: Mumbai
Dated: 29.05.2019***

***Partner
(CA Jayesh K. Salia)
(Membership No. 044039)***

Balance Sheet

(All amounts in INR)

Sr. No.	PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
I. ASSETS				
1 NON-CURRENT ASSETS				
(a)	Property, Plant & Equipments	2	9,865	12,752
(b)	Capital Work-In-Progress	...	0	0
(c)	Investment Properties	...	0	0
(d)	Goodwill	...	0	0
(e)	Other Intangible Assets	3	5,23,000	6,46,000
(f)	Intangible Assets Under Development	...	0	0
(g)	Biological Assets Other than Bearer Plants	...	0	0
(h)	Investments Accounted for Using the equity method	...	0	0
(i)	<u>Financial Assets</u>			
(i)	Investments	4	20,29,026	1,12,54,026
(ii)	Loans	5	2,34,16,841	2,10,85,995
(iii)	Other Financial Assets	6	58,000	28,000
(j)	Deferred Tax Assets (Net)	7	59,058	(84,638)
(k)	Other Non-Current Assets	...	0	0
2 CURRENT ASSETS				
(a)	Inventories	8	0	13,14,984
(b)	<u>Financial Assets</u>			
(i)	Investments	...	0	0
(ii)	Trade Receivables	9	3,92,55,806	12,32,67,229
(iii)	Cash and Cash Equivalents	10	1,67,752	1,91,718
(iv)	Bank Balances other than (iii) above	...	0	0
(v)	Loans	11	5,81,469	12,39,589
(vi)	Other Financial Assets	...	0	0
(c)	Other Current Assets	12	85,23,189	84,78,474
TOTAL ASSETS			7,46,24,005	16,74,34,129
II. EQUITY AND LIABILITIES				
1 EQUITY				
(a)	Equity Share Capital	13	4,39,00,000	4,39,00,000
(b)	Other Equity	14	(82,75,914)	(83,58,458)
2 LIABILITIES				
A Non-Current Liabilities				
(a)	<u>Financial Liabilities</u>			
(i)	Borrowings	...	0	0
(ii)	Trade Payables	...	0	0
(iii)	Other Financial Liabilities	...	0	0
(b)	Provisions	...	0	0
(c)	Deferred Tax Liabilities(Net)	...	0	0
(d)	Other Non-Current Liabilities	...	0	0
B Current Liabilities				
(a)	<u>Financial Liabilities</u>			
(i)	Borrowings	...	0	0
(ii)	Trade Payables	15	3,74,56,090	11,94,53,769
(iii)	Other Financial Liabilities	...	0	0
(b)	Other Current Liabilities	16	10,75,377	1,11,01,065
(c)	Provisions	17	2,88,218	5,39,739
(d)	Current Tax Liabilities(Net)	18	1,80,235	7,98,014
TOTAL EQUITY & LIABILITIES			7,46,24,005	16,74,34,129

AS PER OUR REPORT OF EVEN DATE
FOR JAIN SALIA & ASSOCIATES
CHARTERED ACCOUNTANTS
[ICAI FRNo. 116291W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS
PANACHE INNOVATIONS LIMITED

CA JAYESH K. SALIA
PARTNER
(MEM NO. 044039)

MR. AMIT D. RAMBHIA
MANAGING DIRECTOR
DINO:- 00165919

MR. JAYACHANDRAN SUNDERAMOORTHY
WHOLE TIME DIRECTOR & CFO
DINO:- 07706021

MR. PRIYANK SANGOI
COMPANY SECRETARY
MEM NO. A50896

PLACE: MUMBAI
DATED: 29.05.2019

PLACE: MUMBAI
DATED: 29.05.2019

Statement on Profit & Loss

(All amounts in INR)

Sr. No.	PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018	
A. CONTINUING OPERATIONS					
I. REVENUE					
	Revenue From Operations	...	19	8,32,41,756	34,88,73,426
	Other Income	...	20	28,67,096	15,95,125
	Other Gains / (Losses) - Net	...		0	0
TOTAL INCOME				8,61,08,853	35,04,68,551
II. EXPENSES					
	Cost of Goods Purchased	...	21	7,66,15,205	30,14,22,845
	Changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods	...	22	13,14,984	3,24,76,740
	Employee Benefit Expenses	...	23	41,18,835	78,68,171
	Finance Costs	...		0	0
	Depreciation and Amortisation Expenses	...	24	1,25,887	1,25,887
	Impairment of Goodwill and Other Non-Current Assets	...		0	0
	Other Expenses	...	25	22,50,220	48,58,302
TOTAL EXPENSES				8,44,25,131	34,67,51,946
III. Profit/(Loss) Before Exceptional items & Tax				16,83,721	37,16,606
	Exceptional Items	...	26	-	(62,559)
IV. Profit/(Loss) Before Tax From Continuing Operations				16,83,721	36,54,047
	Income Tax Expense				
	Current Tax	...	27	4,52,575	7,54,051
	Deferred Tax	...		(29,036)	(16,956)
A. PROFIT FROM CONTINUING OPERATIONS				12,60,182	29,16,951
B. OTHER COMPREHENSIVE INCOME					
I. Items that will not be reclassified to Profit or Loss A/c					
	Income Tax Relating to items that will not be reclassified to Profit or Loss A/c	...	28	6,88,162	(10,11,505)
		...		(33,420)	0
II. Items that will be reclassified to Profit or Loss A/c					
	Income Tax Relating to items that will be reclassified to Profit or Loss A/c			0	0
B. OTHER COMPREHENSIVE INCOME FOR THE PERIOD				6,54,742	(10,11,505)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD [A+B]				19,14,924	19,05,447
EARNINGS PER SHARE					
	Basic EPS	...	29	0.29	0.66
	Diluted EPS	...	29	0.29	0.66

AS PER OUR REPORT OF EVEN DATE
FOR JAIN SALIA & ASSOCIATES
CHARTERED ACCOUNTANTS
[ICAI FRNo. 116291W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS
PANACHE INNOVATIONS LIMITED

CA JAYESH K. SALIA
PARTNER
(MEM NO. 044039)

MR. AMIT D. RAMBHIA
MANAGING DIRECTOR
DINO:- 00165919

MR. JAYACHANDRAN SUNDERAMOORTHY
WHOLE TIME DIRECTOR & CFO
DINO:- 07706021

MR. PRIYANK SANGOI
COMPANY SECRETARY
MEM NO. A50896

PLACE: MUMBAI
DATED: 29.05.2019

PLACE: MUMBAI
DATED: 29.05.2019

Statement of Changes in Equity

(a) EQUITY SHARE CAPITAL

Balance as at 01st April 2017	Changes in Equity Share Capital During FY 2017-18	Balance as at 31st March 2018
4,39,00,000	Nil	4,39,00,000

Balance as at 01st April 2018	Changes in Equity Share Capital During FY 2018-19	Balance as at 31st March 2019
4,39,00,000	Nil	4,39,00,000

(b) OTHER EQUITY

(All amounts in INR)

Particulars	Share Application Money Pending for Allotment	Reserves & Surplus			Equity Instruments Through Other Comprehensive Income	Other items of other Comprehensive Income (Specify nature)	Total
		Securities Premium Reserve	Other Reserve (Specify Nature)	Retained Earnings			
Balance at the beginning of the reporting Period as at 01st April 2017	0	0	0	40,68,084	(1,25,02,614)	0	(84,34,530)
Change in accounting Policy & Prior Period errors restated balance at the beginning of the reporting period.	0	0	0	0	0	0	0
Profit/Loss for the Year	0	0	0	29,16,951	0	0	29,16,951
Other Comprehensive Income for the Year	0	0	0	0	(10,11,505)	0	(10,11,505)
Dividends	0	0	0	(15,19,950)	0	0	(15,19,950)
Dividend Distribution Tax	0	0	0	(3,09,425)	0	0	(3,09,425)
Transfer to Reserves	0	0	0	0	0	0	0
Any Other Change (to be Specified)	0	0	0	0	0	0	0
Balance as at 31st March 2018	0	0	0	51,55,660	(1,35,14,119)	0	(83,58,458)
Change in accounting Policy & Prior Period errors restated balance at the beginning of the reporting period.	0	0	0	0	0	0	0
Profit/Loss for the Year	0	0	0	12,60,182	0	0	12,60,182
Other Comprehensive Income for the Year	0	0	0	0	6,54,742	0	6,54,742
Dividends	0	0	0	(15,19,950)	0	0	(15,19,950)
Dividend Distribution Tax	0	0	0	(3,12,430)	0	0	(3,12,430)
Any Other Change (to be Specified)	0	0	0	0	0	0	0
Balance as at 31st March 2019	0	0	0	45,83,462	(1,28,59,377)	0	(82,75,914)

AS PER OUR REPORT OF EVEN DATE
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Cash Flow Statements

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit Before Tax as per Profit & Loss A/c	16,83,721	36,54,047
<u>Adjustments for Non-cash Items</u>		
Depreciation on Fixed Assets	1,25,887	1,25,887
Exchange Rate Fluctuation (Gain)/loss	(11,912)	(14,204)
Share Issue Expenses Written off	3,48,092	4,30,582
Preliminary Expenses Written off	1,01,226	1,01,228
	5,63,293	6,43,493
	22,47,014	42,97,539
<u>Adjustments for Non-Operating Items</u>		
Interest Income	(28,19,258)	(15,95,125)
Interest on Dividend Distribution Tax	0	62,559
	(28,19,258)	(15,32,566)
Operating Profit before Working Capital Changes	(5,72,244)	27,64,973
<u>Adjusted for Change in Working Capital:</u>		
Inventories	13,14,984	3,24,76,740
Trade Receivable	8,40,11,424	(3,55,95,906)
Other Current Assets	(4,25,888)	(68,00,000)
Other Non-Current Assets	(30,000)	0
Trade Payable	(8,19,97,679)	94,53,720
Provisions	(2,51,521)	(14,75,303)
Other Current Liability	(1,00,81,921)	78,25,820
	(74,60,602)	58,85,071
Cash Generated from Operations	(80,32,846)	86,50,044
Taxes Paid	(12,18,434)	(5,60,596)
Net Cash Flow from Operations (A)	(92,51,280)	80,89,448
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
<u>Cash Inflow</u>		
Interest Income	28,19,258	15,95,125
Loans Repaid by Parties	6,58,120	1,30,30,476
Profit on Sale of Investments	11,29,162	0
Sale of Investments	87,84,000	21,59,451
	1,33,90,540	1,67,85,052
<u>Cash Outflow</u>		
Purchase of Other Intangible Assets	0	69,000
Investment in Subsidiary	0	8,86,226
Loans Given	23,30,846	2,24,81,849
	(23,30,846)	(2,34,37,075)
Net Cash Flow from Investing Activities (B)	1,10,59,694	(66,52,023)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
<u>Cash Outflow</u>		
Dividend Distributed	15,19,950	15,19,950
Dividend Distribution Tax	3,12,430	3,09,425
Interest on Dividend Distribution Tax	0	62,559
Borrowing Repaid	0	0
	(18,32,380)	(18,91,934)
Net Cash Flow from Financing Activities (C)	(18,32,380)	(18,91,934)

Continued

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
CASH FLOW FROM ALL ACTIVITIES (A+B+C)	(23,966)	(4,54,508)
<u>Cash and Cash Equivalents at the Beginning</u>		
Cash in Hand	41,569	47,449
Balance in Bank	1,50,149	5,98,777
	<u>1,67,752</u>	<u>6,46,226</u>
		<u>1,91,718</u>
<u>Closing Balance as per accounts</u>		
Cash in Hand	38,305	41,569
Balance in Bank	1,29,447	1,50,149
	<u>1,67,752</u>	<u>1,91,718</u>

Notes:

Statement of Cash Flows has been prepared under indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.

Previous Year Figures have been regrouped/reclassified wherever necessary.

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MEM NO. A50896

NOTE NO. 1
GENERAL NOTES TO ACCOUNTS ON STANDALONE FINANCIAL STATEMENTS

A Significant Accounting Policies, practices annexed to & forming part of accounts for the year ending on 31st March 2019

1 Basis of Preparation

The company's Financial Statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS"), as notified under the Companies (Indian Accounting Standards) (Amendment) Rules 2016 issued by Ministry of Corporate Affairs in respect of sections 133 of Companies Act 2013.

2 System of Accounting :

2.1 The Company follows Mercantile System of Accounting and recognizes Income & Expenditure on an accrual basis.

2.2 Accounts of the Company are prepared under the Historical Cost convention method, except for certain financial instruments that are measured at fair value in accordance with Ind AS.

2.3 Fair Value measurements under Ind AS are categorized as below, based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to their fair value measurement in its entirety.

- a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at measurement date.
- b) Level 2 inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- c) Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

3 Going Concern

Fundamental Accounting assumption of going concern is followed in preparation of the financial statement.

4 Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Indian Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All amounts in the Financial Statements are presented in Indian Rupees (INR).

5 Use of Estimates

The preparation of Financial Statements in conformity with Indian Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. As such estimates are based on the management's best knowledge of the current events and actions; there are possibilities of such estimates resulting in outcome's requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

6 Employee Benefits

6.1 Short Term Employee Benefits

Employee Benefits such as Salaries, Wages, short term compensated absences, and expected cost of bonus, ex-gratia, and performance linked rewards falling due, wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

6.2 Post-Employment Benefits

- a) The company does not have any policy to make any contribution to defined contribution plans as the company is not mandatorily required to do so.
- b) The Company has not made any defined benefit plans.

7 Financial Instruments

Financial assets and/or financial liabilities are recognised when the company becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a current legal enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

7.1 Financial Assets

All recognised financial assets are subsequently measured in their entirety at amortised cost or at fair value depending on the classification of the financial assets as follows:

a) Recognition

Investments in debt instruments – at amortised cost, subject to following conditions:

- i. The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ii. The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The management has exercised its option to measure fair value changes in Equity Instruments through Other Comprehensive Income, as such Investments have not been held by the company for the purpose of trade.

b) Recognition of Income on Financial Assets

For financial assets that are measured at Fair Value Through Other Comprehensive Income (herein after referred to as FVTOCI), income by way of interest, dividend and exchange difference (on debt instrument), if any, is recognised in the statement of profit or loss for the period and changes in fair value (other than on account of such income) are recognised in Other Comprehensive Income and accumulated in other equity.

c) De-recognition

A Financial Asset is primarily De-recognized when:-

- i. The right to receive cash flows from the asset has expired, or
- ii. The company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and (a) the company has transferred substantially all the risks and rewards of the asset, or b) the company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- iii. On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.

d) Impairment of Financial Assets

The Company recognises impairment loss on trade receivables using expected credit loss model, where the provisions are based on a forward-looking ECL, which includes possible default events on the trade receivables over the entire holding period of the trade receivable. These provisions represent the difference between the trade receivable's carrying amount in the consolidated balance sheet and the estimated collectible amount.

7.2 Financial Liabilities

a) Initial Recognition

Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at Fair Value Through Profit & Loss (FVTPL) are subsequently measured at fair value. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method. Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at Fair Value Through Profit & Loss (FVTPL) are subsequently measured at fair value. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

b) Subsequent Measurement

Financial Liabilities are carried at amortized cost using the Effective Interest Rate (EIR) Method. For trade and other payables maturing within one year from the reporting date, the carrying amounts, approximate fair value due to the short maturity of these instruments.

8 Foreign Currencies

- a) The functional currency and presentation currency of the company is Indian Rupee (INR).
- b) At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in profit or loss in the period in which they arise

9 Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

10 Revenue Recognition

Effective from 01st April, 2018, the company adopted Ind AS 115, 'Revenue from Contracts with Customers' using the cumulative catch up transition method applied to contracts that were not completed as at 01st April, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect of the adoption of Ind AS 115 on the Company's Financial Statements were negligible. The adoption of Ind AS 115 required enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The details of such disclosure are available in Note No. 19 'Revenue from Operations' of this Standalone Financial Statements.

11 Taxes On Income

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

11.1 Current Tax

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income tax Act 1961.

11.1 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the reporting date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that, taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of reporting period, to recover or settle the carrying amount of its assets and liabilities.

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

12 Operating Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Considering the nature and scope of business of the Group, the Chief Operating Decision Maker could not identify any operating segments

However, a report on company's reliance on major customers is as follows:-

Sales Made to Major Customer	Total Sales Made During the Year	% of Sales Made to Major Customers
Rs. 6,92,62,433	Rs. 8,32,41,756	83.21%

13 Provisions, Contingent Liabilities and Contingent Assets.

Provisions are recognised only when:

- a) The Company has a present obligation (legal or Constructive) as a result of a past event;
- b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- c) A reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is discounted to the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- b) A present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Reporting date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

14 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

- a) Changes during the period in inventories and operating receivables and payables transactions of a non-cash nature;
- b) Non-cash items such as depreciation, provisions, and deferred taxes, and;
- c) All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

15 Earnings Per Share

Basic and Diluted earnings per share is calculated by dividing net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period.

There are no potential equity shares in the books, and therefore diluted earnings per share are same as basic earnings per share.

B Accounting Transactions

- 1 None of the employees were in receipt of or are entitled to receive remuneration aggregating to not less than Rs.1,02,00,000/- for the year or not less than Rs.8,50,000/- per month, if employed for part of the year.
- 2 Outstanding balances as at 31st March, 2019 of Current & Non-Current Assets and Liabilities including Trade Receivables and Trade Payables are subject to confirmation.
- 3 In the opinion of the Board of Directors; the Current and Non-current Assets, Loans & Advances are recorded approximately at the value as if realised in the ordinary course of the business. The provision for depreciation and all known liabilities are adequate and are not in excess of the amounts reasonably necessary.
- 4 All the Directors have drawn remuneration for the Accounting Year 2018-19 aggregating to Rs.32,00,004 /-

C Recent Accounting Pronouncements

a) Impact of Ind AS 116-"Leases"

Ind AS 116: On 30th March, 2019 the Ministry of Corporate Affairs has notified Ind AS 116,Leases. Ind AS 116 will replace the exiting lease standard, Ind AS 17,Leases.The standard sets out the principles for the recognition, measurement, presentation and disclosure of lessee and the lessor. Ind AS 116 introduces single lessee accounting model and requires lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The standard also contains enhanced disclosure requirements for lessees.Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

Ind AS 116 'Leases' will be effective in the Company's financial statements for the accounting period commencing 01st April,2019.The Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of Application (01st April 2019).Accordingly, Comparatives for the year ended 31st March,2019 will not be retrospectively adjusted.

However, having regards to the position of the company as on date and considering the number of lease contracts outstanding as on reporting date, the company has evaluated that the impact of this new standard will be negligible on the financial statements of the company.

b) Appendix C to Ind AS 12 - Uncertainty over Income Tax Treatments

On 30th March,2019 , the Ministry of Corporate Affairs has notified Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments, which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of tax treatment when determining taxable profit (or loss) , tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of Appendix C to Ind AS 12, is annual periods beginning on or after 01st April, 2019. The company will adopt the standard from 01st April, 2019 and has elected to adjust the cumulative effect in equity on the date of initial application i.e 01st April, 2019 without adjusting the comparatives

The effect of adoption of Appendix C to Ind AS 12, is estimated to be negligible in the Standalone Financial Statements of the Company

c) Amendments to Ind AS 12 - Income Taxes

On 30th March, 2019, the Ministry of Corporate Affairs issued amendments to the guidance on Ind AS 12, Income Taxes in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequence of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 01st April, 2019. The company is currently evaluating the effect of this amendment on the Standalone Financial Statements.

d) Amendments to Ind AS 19 - Employee Benefits

On 30th March, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments, and settlements.

The amendments require an entity to:

- use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of asset ceiling.

Effective date of this amendment is annual period beginning on or after 01st April, 2019. The company does not have any impact on account of this amendment.

D Previous Year's Figures have been regrouped / reclassified wherever necessary

(All amounts in INR)

NOTE NO. 2

PROPERTY, PLANT & EQUIPMENTS

(a) Method Of Valuation Of Property, Plant & Equipments.

Property, Plant & Equipments (hereinafter referred to as PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the company and the cost of such PPE can be measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, as reduced by accumulated depreciation and cumulative impairment.

Expenditure for additions, improvements and renewals are capitalized and expenditure for maintenance & repairs are charged to the profit & loss account.

(b) Value of Property, Plant & Equipments :-

The value of Property, Plant & Equipments in the books of Panache Innovations Limited as on 31st March 2019 is as follows :-

PARTICULARS	GROSS BLOCK				DEPRECIATION (S.L.M)				NET BLOCK	
	Cost as on 01.04.18	Additions (sales / W/off)	Deductions	Cost as on 31.03.19	Upto 01.04.18	Additions	Deductions	As at 31.03.19	As at 01.04.18	As at 31.03.19
Furnitures & Fixtures :										
Furnitures & Fixtures	34,725	0	0	34,725	21,973	2,887	0	24,860	12,752	9,865
	34,725	0	0	34,725	21,973	2,887	0	24,860	12,752	9,865

(c) Depreciation

Depreciation on PPE is recognised using Straight Line Method so as to write off the cost of PPE less the residual value over its useful lives specified in Schedule- II of the Companies Act, 2013. In case of PPE purchased/sold during the year, Depreciation has been provided on pro-rata basis.

The Useful Life of Assets adopted by the management from Schedule II of Companies Act, 2013; for calculating Depreciation to be charged on different classes of Assets for the current year are as follows:-

CLASS OF ASSET	USEFUL LIFE ADOPTED (IN YEARS)
Furnitures & Fixtures	10
Office Equipments	5
Computers & Laptops	3

The estimated useful life and residual values are also reviewed at end of each financial year and the effect of any change in the estimates of useful life/residual value is accounted for, on prospective basis as per Ind AS-8.

(d) Impairment Losses

As at the end of each accounting year, the company reviews the carrying amounts of its Property, Plant & Equipments, to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined in the case of :-

- (i) an individual asset, at the higher of the net selling price and the value in use; and
- (ii) a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

If the recoverable amount of a PPE (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the PPE (or cash generating unit) is reduced to its recoverable amount.

NOTE NO. 3

OTHER INTANGIBLE ASSETS

(a) Method of Valuation of Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the company and the cost of the asset can be measured reliably. Intangible assets are stated at original cost net of tax/duty credits availed, if any, as reduced by accumulated amortisation and cumulative impairment.

(b) Value of Intangible Assets

The value of Intangible Assets in the books of Panache Innovations Limited as on 31st March 2019 is as follows :-

PARTICULARS	GROSS BLOCK			AMORTISATION (S.L.M)				NET BLOCK		
	Cost as on 01.04.18	Additions (sales / W/off)	Deductions Cost as on 31.03.19	Upto 01.04.18	Additions	Deductions	As at 31.03.19	As at 01.04.18	As at 31.03.19	
Intangible Assets										
Brand(Cavin Cally)	10,00,000	0	0	10,00,000	4,00,000	1,00,000	0	5,00,000	6,00,000	5,00,000
Software	69,000	0	0	69,000	23,000	23,000	0	46,000	46,000	23,000
	10,69,000	0	0	10,69,000	4,23,000	1,23,000	0	5,46,000	6,46,000	5,23,000

(c) Amortisation

Amortisation charge on Intangible asset has been allocated on a systematic basis over the best estimate of useful life.

Based on Technical evaluation considering the business specific needs & the potency of assets to generate future cash flows, the useful life of different class of intangible assets have been determined by the management, which are as follows:-

CLASS OF ASSET	USEFUL LIFE ADOPTED (IN YEARS)
Brand(Cavin Cally)	10
Software	3

The method of amortisation and useful life are reviewed at the end of each Financial Year with the effect of any changes in the estimate being accounted for on a straight line basis.

(d) Impairment Losses

As at the end of each accounting year, the company reviews the carrying amounts of its Intangible Assets, to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

**NOTE NO. 4
INVESTMENTS (NON CURRENT)**

(a) List of Subsidiaries

NAME	COUNTRY	INCORPORATION DATE	METHOD OF VALUATION	% HOLDING
Eddy and Andy International Limited	Hong kong	18 th July 2016	COST	100%
Panache Innovations DMCC	Dubai (U.A.E)	06 th September 2017	COST	100%

(b) Measurement of Investments

The management has exercised its option to measure fair value changes in Equity Instruments through Other Comprehensive Income, as such Investments have not been held by the company for the purpose of trade. Quoted Equity Instruments have been valued at their respective market quotations as on reporting date, in an active market where such instruments are traded. Unquoted Equity Instruments have been measured at cost, as there is a wide range of possible fair values which can be considered and the management has considered cost of such investment to be the best estimate of Fair value.

Investment in Foreign Subsidiary, classified as Financial Assets for the purpose of Separate Financial Statements of the company has been measured at cost, since the equity instruments of subsidiary are not quoted in any market.

(c) Considering the above mentioned Measurement basis, the Value of Investments of the Entity for different reporting dates are as follows:-

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
<u>Investment in Equity Instruments</u>		
Quoted Equity Instruments	10,55,600	14,96,600
Unquoted Equity Instruments	0	87,84,000
<u>Investment in Foreign Subsidiary</u>		
Eddy & Andy International Limited	87,200	87,200
Panache Innovations DMCC	8,86,226	8,86,226
	20,29,026	1,12,54,026

**NOTE NO. 5
LOANS (NON CURRENT)**

(a) Measurement

Financial Assets represented by Loans & advances given to parties under the terms, wherein such Loans & advances are repayable on demand to the company have been measured at their respective carrying Values as the management considers that the carrying value of such loans & advances to be the best estimate of its Fair Value.

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
Loans & Advances	2,34,16,841	2,10,85,995
	2,34,16,841	2,10,85,995

**NOTE NO. 6
OTHER FINANCIAL ASSETS (NON CURRENT)**

(a) Measurement Basis

Other Financial Assets being in the nature of deposits given to parties for indeterminate period, have been measured at actual amounts given/paid, as the management considers that the Fair Value of such deposits does not materially defer from the actual amounts given/paid.

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
<u>Deposits</u>		
Demat Deposit	3,000	3,000
MVAT Deposit	25,000	25,000
Bhiwandi office Deposit	30,000	0
	58,000	28,000

**NOTE NO. 7
DEFERRED TAX ASSETS (NET)**

PARTICULARS	TAXABLE/ (DEDUCTIBLE) TEMPORARY DIFFERENCES	DEFERRED TAX (ASSET)/ LIABILITY ON ITEMS OF PROFIT/LOSS	DEFERRED TAX (ASSET)/ LIABILITY ON ITEMS OF OCI	TOTAL DEFERRED TAX (ASSET)/LIABILITY RECOGNISED IN BALANCE SHEET
Balance as on 01.04.2017		1,01,594	0	1,01,594
<u>For the Year 2017-18</u>				
On Carrying Values of Property Plant & Equipment	2,73,910	84,638	0	
(DTA)/DTL as on 31.03.2018		84,638	0	84,638
<u>For the Year 2018-19</u>				
Carrying Value of Property Plant & Equipment	2,13,855	55,602	0	
Fair Value (gains)/Losses on Equity instruments to the	4,41,000	0	(1,14,660)	
(DTA)/DTL as on 31.03.2019		55,602	(1,14,660)	(59,058)

**NOTE NO. 8
INVENTORIES**

(a) Valuation Method

The Company values its Inventories which comprises of IT Hardware & its peripherals, Plastic Granules and Other Consumer Electronic Goods etc. at Weighted Average Cost or Net Realisable Value whichever is lower as per Ind AS-2. Cost of Inventories consist of its purchase price and other costs including any duties or taxes(to the extent not recoverable) incurred in bringing them to their present location and condition.

(b) Based on the above Valuation Method, the value of Inventories for the reporting date are as follows:-

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
Closing Stock of Goods	0	13,14,984
	0	13,14,984

**NOTE NO. 9
TRADE RECEIVABLES**

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
Secured, Considered good	0	0
Unsecured, Considered good	3,92,32,653	12,32,67,229
Doubtful	0	0
	3,92,32,653	12,32,67,229
Receivable from Related Parties (Refer Note No. 33)	23,153	0
	3,92,55,806	12,32,67,229

**NOTE NO. 10
CASH AND CASH EQUIVALENTS**

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
<u>Cash & Cash Equivalents</u>		
Balance with Banks	1,29,447	1,50,149
Cash on Hand	38,305	41,569
	1,67,752	1,91,718

**NOTE NO. 11
LOANS (CURRENT)**

(a) Measurement

Short Term Loans, advances and other short term receivables with no stated interest rates have been measured at their carrying values as the effect on discounting on such Loans and Advances is considered to be immaterial.

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
Loans & Advances	5,81,469	12,39,589
	5,81,469	12,39,589

**NOTE NO. 12
OTHER CURRENT ASSETS**

(a) Measurement

Preliminary Expenses and Share Issue Expenses which will be Written off either wholly or partially within a period of 12 months from the end of reporting date have been classified as Current Assets.

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
Preliminary Expenses	0	1,01,226
Share Issue Expenses	0	3,48,092
Advance to Sundry Creditors	68,09,600	69,55,200
Input Credit of GST	5,71,488	0
Panache Innovations DMCC	11,42,101	10,73,956
	85,23,189	84,78,474

**NOTE NO. 13
EQUITY SHARE CAPITAL**

a. Capital Structure of the Company

PARTICULARS OF SHARE CAPITAL	AS AT 31ST MARCH 2019		AS AT 31ST MARCH 2018	
	NO.OF SHARES	TOTAL VALUE	NO.OF SHARES	TOTAL VALUE
AUTHORISED				
Equity Shares of Rs.10/- each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
ISSUED, SUBSCRIBED & FULLY PAID-UP :				
Equity Shares of Rs.10/- each	43,90,000	4,39,00,000	43,90,000	4,39,00,000
	43,90,000	4,39,00,000	43,90,000	4,39,00,000
ISSUED, SUBSCRIBED AND NOT FULLY PAID-UP:	0	0	0	0
	0	0	0	0

b. Details of Shareholding as at different Reporting Dates

Shareholders holding more than 5% of Equity :

SR. NO	NAME OF SHAREHOLDER	NO.OF SHARES AS ON 31ST MARCH 2019	PERCENTAGE HOLDING (%)	NO.OF SHARES AS ON 31ST MARCH 2018	PERCENTAGE HOLDING (%)
A.	EQUITY SHARES				
1.	Amit Devchand Rambhia	4,25,100	9.68%	4,25,100	9.68%
2.	Nikit Devchand Rambhia	4,25,000	9.68%	4,25,000	9.68%
3.	Devchand Rambhia	5,00,000	11.39%	5,00,000	11.39%

c. Reconciliation of the number of Equity Shares outstanding

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
Number of Shares at the beginning of the year	43,90,000	43,90,000
(+) Bonus shares issued 	0	0
(-) Shares forfeited 	0	0
Number of Shares at the end of the year	43,90,000	43,90,000

d. Voting Rights

The company has one class of equity shares having face value of Rs.10 per share. Each shareholder is eligible for one voting right.

e. Capital Management

The Company adheres to a disciplined Capital Management Framework in order to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits to other stakeholders.

The Company strategically manages its funds by :-

- (i) Maintaining Diversity of Sources of Financing and spreading the maturity across periods in order to minimise liquidity risk.
- (ii) Analysing and managing its financial market risks like foreign exchange, interest rates and commodity prices, and minimise the impact or market volatility on earnings.
- (iii) Analysing the changes in macro economic factors affecting business environment and re-organising its capital structure accordingly to adapt to the ever changing dynamics of business environment.
- (iv) Leveraging Optimally in order to maximise shareholder returns.

**NOTE NO. 14
OTHER EQUITY**

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
<u>Balance of Reserves as per Statement of Changes in Equity</u>		
<u>Retained Earnings</u>		
Opening Balance	51,55,660	40,68,084
Add/(Less): Adjustments for Prior Period Errors	0	0
Add: Surplus As per Profit & Loss Account	12,60,182	29,16,951
<u>Less: Appropriations</u>		
Dividends Paid	15,19,950	15,19,950
Dividend Distribution Tax Paid	3,12,430	3,09,425
Bonus Issue	0	0
Closing Balance	45,83,462	51,55,660
<u>Other Comprehensive Income</u>		
<u>Fair Value Changes in Equity Instruments</u>		
Opening Balance	(1,35,14,119)	(1,25,02,614)
Add/(Less): Changes for the Year	6,54,742	(10,11,505)
Closing Balance	(1,28,59,377)	(1,35,14,119)
	(82,75,914)	(83,58,458)

**NOTE NO. 15
TRADE PAYABLES (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
<u>Trade payables</u>		
Due to Micro, Small and Medium Enterprises	0	0
Others	3,53,83,212	7,46,07,762
<u>Trade Payables to Related Parties (Refer Note No. 33)</u>		
Due to Micro, Small and Medium Enterprises (On the basis of Information & records available with the management).	20,27,878	4,48,01,007
Others	45,000	45,000
	3,74,56,090	11,94,53,769

NOTE NO. 16
OTHER CURRENT LIABILITIES

(a) **Measurement of Current Liabilities**

Current Liabilities, being in the nature of Short term payables with no stated interest rates, have been measured at their Carrying Values as the effect of discounting on such Liabilities has been considered to be immaterial.

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
TDS Payable	82,925	5,38,124
Employees Profession Tax Payable	400	1,000
Indirect Taxes Payable	0	92,55,475
Salaries Payable	42,513	2,61,843
Advance from Debtors	7,080	1,26,080
Panache Innovations DMCC	9,42,459	8,86,226
Others	0	32,317
	10,75,377	1,11,01,065

NOTE NO. 17
PROVISIONS

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
Director's Remuneration Payable	2,16,867	4,93,638
Dividend Payable (Unclaimed)	71,351	46,101
	2,88,218	5,39,739

NOTE NO. 18
CURRENT TAX LIABILITIES(NET)

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
Income Tax Payable	1,80,235	7,98,014
	1,80,235	7,98,014

NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

NOTE NO. 19

REVENUE FROM OPERATIONS

(a) Recognition of Revenue

The company derives revenue primarily from sale of IT Hardware & its peripherals, Plastic Granules and other Consumer Electronic Goods.

Revenue is recognised upon transfer of control of promised products or services to the customers in an amount that reflects the consideration the company expects to be entitled to, in exchange for those products or services.

The Company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on allocation of discounts/ incentives to each of the underlying performance obligations that corresponds to the progress by the customer towards earning the discount/ incentive. The company presents revenue net of Indirect Taxes.

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Net Sales (Domestic)	8,32,41,756	34,70,88,426
Service Charges	0	17,85,000
	8,32,41,756	34,88,73,426

(b) Revenue from Sales

The table below presents disaggregated Revenue from contracts with customers by type of offerings. The company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of the company's revenues and cash flows are affected by industry, market and other economic factors.

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019
<u>Revenues by Offerings</u>	
IT Hardware & Peripherals	15,67,460
Other Electronic Goods	4,18,85,938
Plastic Granules	3,97,88,358
Total Revenue form all offerings	8,32,41,756

Remaining Performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the group expects to recognize these amounts of revenue. Applying the practical expedient as given in Ind AS 115, the company has not disclosed the remaining performance obligation-related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance obligations completed till date. However there are no performance obligations that are completely or partially unsatisfied as at 31st March, 2019 .

NOTE NO. 20

OTHER INCOME

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Discount Received (Net)	23,521	0
Interest Income	28,19,258	15,95,125
Additional CST from Customer	24,317	0
	28,67,096	15,95,125

Measurement of Other Incomes

- (i) Interest Income is accrued on a time basis by reference to the principal amount outstanding and the effective interest rate.

NOTE NO. 21
COST OF GOODS PURCHASED

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Net Purchase	7,66,15,205	30,14,22,145
Freight charges	0	700
	7,66,15,205	30,14,22,845

NOTE NO. 22
CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS

PARICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Opening Stock / Inventories	13,14,984	3,37,91,724
<u>Less:</u> Closing Stock / Inventories	0	13,14,984
	13,14,984	3,24,76,740

NOTE NO. 23
EMPLOYEE BENEFIT EXPENSES

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Director's Remuneration	32,00,004	33,82,584
Salary & Bonus to Employees	9,18,831	43,79,941
Incentives to Staff	0	1,05,000
Staff Welfare Expenses	0	646
	41,18,835	78,68,171

NOTE NO. 24
DEPRECIATION AND AMORTISATION EXPENSES

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Depreciation on Property, Plant & Equipment	2,887	2,887
Amortisation of Intangible Assets	1,23,000	1,23,000
	1,25,887	1,25,887

NOTE NO. 25
OTHER EXPENSES

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Advertisement Expenses	53,300	98,742
Bank Charges	4,858	10,487
Commission Expenses	0	2,74,112
Conveyance	7,229	32,197
Custodial Fees	0	17,250
Demat & Registration Charges	590	1,509
Filing & Uploading Fees	2,422	66,100
GST Late Fees	6,650	0
Interest on TDS	1,292	34,424
Listing Fees	2,55,200	2,87,500
Miscellaneous Exepenses	0	1,36,194
Office Rent	2,60,000	11,50,000
Payment to Auditors	1,90,000	1,84,000
Penalty paid to Court	0	3,500
Professional Fees	8,64,669	8,91,410
Profession Tax	2,500	2,500
(Profit)/Loss on Exchange rate fluctuation	(11,912)	(14,204)
Preliminary Expenses Written off	1,01,226	1,01,228
Printing & Stationery	21,629	24,285
Postage & Stamp	47,828	37,212
Royalty Expenses	50,000	50,000
Sales Promotion & Advt Expenses	0	74,285
Share Issue Expenses Written off	3,48,092	4,30,582
Stamp duty and Registration Charges	2,200	34,310
Sundry Expenses	11,000	51,109
Telephone & Mobile Charges	1,668	0
Trainee Expenses	0	1,55,861
Transportation Charges	8,229	5,83,332
Travelling Expenses	20,714	1,35,879
Website Development Charges	838	4,500
	22,50,220	48,58,302

NOTE NO. 25.1
DETAILS OF PAYMENTS TO AUDITORS

Payment made to Auditors for Different kinds of Audits are as Follows:-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
<u>Payment to Auditors</u>		
Statutory Audit	75,000	75,000
Tax Audit	25,000	25,000
Internal Audit	90,000	84,000
Total Payments Made to Auditors	1,90,000	1,84,000

NOTE NO. 26
EXCEPTIONAL ITEMS

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Interest on Dividend Distribution Tax	0	(62,559)
	0	(62,559)

NOTE NO. 27
INCOME TAX EXPENSE

A. Disclosure Pursuant to Ind AS 12

(a) Major Components of Income Tax

Sr. No.	PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
(a)	<u>Tax on Items Routed Through Profit or Loss Section</u>		
	(i) <u>Income Tax</u>		
	Current Tax under Income Tax Act, 1961	3,94,469	6,82,680
	Adjustments in respect of income tax of previous years.	58,106	71,371
	(ii) <u>Deferred Tax</u>		
	Tax Expense on Origination & Reversal of Temporary Difference	(29,036)	(16,956)
	Tax Expense Reported in statement of Profit or Loss [(i) +(ii)]	4,23,539	7,37,096
(b)	<u>Tax on Items Routed Through Other Comprehensive Income</u>		
	(i) Income Tax	1,48,080	0
	(ii) Deferred Tax	(1,14,660)	0
	Tax Expense Reported in Other Comprehensive Income [(i) +(ii)]	33,420	0

B. Reconciliation of tax expense and accounting profit multiplied by Domestic Tax Rate applicable in India:

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Profit Before Tax	(A)	16,83,721	36,54,047
Corporate Tax Rate as per Income Tax Act, 1961	(B)	26.00%	25.75%
Tax on Accounting Profit	[(A)*(B)]	4,37,768	9,40,917
<u>Adjustments as per Income Tax</u>			
Add: Tax on Expenses not Deductible as per Income Tax Act, 1961		33,067	58,290
Less: Tax on Expenses allowable not Debited to Books		(22,822)	(34,913)
Less: Other Deductions		0	0
Tax payable by company after adjustments as per Income Tax Act, 1961		4,48,012	9,64,295
Less: MAT Credit Set Off under section 115JAA		(53,543)	(2,81,615)
Net Income Tax Payable by the company	(C)	3,94,469	6,82,680
<u>Deferred Tax Expenses on Items Routed Through P&L</u>			
Incremental Deferred Tax Liability/(Asset) on account of PPE and Intangible Assets		(29,036)	(16,956)
<u>Tax on Income/Expenses classified under Other Comprehensive Income</u>			
Long Term Capital Gain on Unlisted Securities Taxable @ 20% + Cess		1,48,080	0
Incremental Deferred Tax Liability/(Asset) due to Fair valuation of Equity Instruments		(1,14,660)	0
Net Deferred Tax Expense/(Benefit)	(D)	4,384	(16,956)
Total Tax Expense Recognised for the Year	(E) = [(C)+(D)]	3,98,853	6,65,725
Effective Tax Rate on Standalone Results of the Company	[(E)/(A)*100]	23.69	18.22

C. Calculation of Corporate Tax Rate

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Basic Tax Rate Applicable to the Company as per Income Tax Act	25%	25%
Surcharge Applicable	0%	0%
Education Cess	4%	3%
Corporate Tax Rate as per Income Tax Act, 1961	26.00%	25.75%

NOTE NO. 28

OTHER COMPREHENSIVE INCOME

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
<u>Items that will not be reclassified to Profit & Loss A/c</u>		
Fair Value Changes on Equity Instruments designated through OCI	(4,41,000)	(10,08,000)
Profit/(Loss) On Sale of Equity Instruments	11,29,162	(3,505)
	6,88,162	(10,11,505)

NOTE NO. 29
EARNINGS PER SHARE

The Basic and Diluted Earnings Per Share (EPS) computed as per the requirements under Ind AS 33 on 'Earnings Per Share' issued by Institute of Chartered Accountants of India are as under :-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2018	FOR THE YEAR ENDED 31ST MARCH 2017
<u>Calculation of Basic EPS</u>		
A. Profit From Continuing Operations (Numerator)	12,60,182	29,16,951
B. <u>Equity Shares Outstanding as on Balance sheet Date</u>		
a. Weighted Average Number of Equity Shares	43,90,000	43,90,000
Total Equity Shares for Calculation of Basic EPS (Denominator)	43,90,000	43,90,000
Basic Earnings Per Share(EPS) [(A)/(B)]	0.29	0.66
<u>Calculation of Diluted EPS</u>		
A. Profit From Continuing Operations (Numerator)	12,60,182	29,16,951
B. <u>Equity Shares Outstanding as on Balance sheet Date</u>		
a. Weighted Average Number of Equity Shares	43,90,000	43,90,000
b. Potential Equity shares	0	0
Total Equity Shares for Calculation of Diluted EPS (Denominator)	43,90,000	43,90,000
Diluted Earnings Per Share(EPS) [(A)/(B)]	0.29	0.66

NOTE NO. 30
DISCLOSURE OF CURRENT ASSETS & LIABILITIES

A. Basis of classification of Current Assets

The company classifies an asset as current asset when :-

- (i) It expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) It holds the asset primarily for the purpose of trading;
- (iii) It expects to realise the asset within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets have been classified as Non-Current

Recovery Period for Current Assets

Pursuant to requirements of Ind AS-1, disclosures regarding current assets which are expected to be recovered within twelve months and after twelve months from the reporting date are as follows:-

PARTICULARS	AS AT 31ST MARCH 2019			AS AT 31ST MARCH 2018		
	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL
Inventories	-	0	-	13,14,984	0	13,14,984
Trade Receivables	3,92,55,806	0	3,92,55,806	12,32,67,229	0	12,32,67,229
Loans-Current	5,81,469	0	5,81,469	12,39,589	0	12,39,589
Other Current Assets	85,23,189	0	85,23,189	84,78,474	0	84,78,474

B. Basis of classification of Current Liabilities

An entity shall classify a liability as current liability when :-

- (i) It expects to settle the liability in its normal operating cycle;
- (ii) It holds the liability primarily for the purpose of trading;
- (iii) The liability is due to be settled within twelve months after the reporting period; or
- (iv) It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period .

All other Liabilities have been classified as Non-Current

b. Credit Period for Current Liabilities

Pursuant to requirements of Ind AS-1, disclosures regarding current Liabilities which are expected to be recovered within twelve months and after twelve months from the reporting date are as follows:-

PARTICULARS	AS AT 31ST MARCH 2019			AS AT 31ST MARCH 2018		
	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL
Trade Payables	3,74,56,090	0	3,74,56,090	11,94,53,769	0	11,94,53,769
Other Current Liabilities	10,75,377	0	10,75,377	1,11,01,065	0	1,11,01,065
Provisions	2,88,218	0	2,88,218	5,39,739	0	5,39,739
Current Tax Liabilities	1,80,235	0	1,80,235	7,98,014	0	7,98,014

NOTE NO. 31 RISK MANAGEMENT

The company's Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework.

The Company, through three layers of defence viz: policies & procedures, review mechanism, and assurance, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The audit committee oversees the formulation and implementation of Risk Management Policies. The risk and mitigation plan are identified, deliberated and reviewed at appropriate Forums.

A. Market Risk Management

Market Risk is the risk that changes in market prices-such as foreign exchange rates-will affect the company's income or the value of Financial Instruments. The objective of Market Risk Management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

i. Foreign Exchange Risk

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than the functional currency of the Group.

In General, the company is a net receiver of Foreign Currency. Accordingly, changes in exchange rates and in particular a strengthening of Indian rupee will negatively affect the Company's net results as expressed in Indian Rupees. The currency towards which the company is exposed to risk is USD.

The Quantitative Summary about the company's exposure to currency risk as on different reporting date are as follows:-

PARTICULARS	AS AT 31ST MARCH 2019			
	USD	EQUIVALENT IN INR	OTHER CURRENCY	EQUIVALENT IN INR
Reimbursement Receivable from Subsidiary	16,511.20	11,42,101	0	0
Current Liabilities	13,625.00	9,42,459	0	0

PARTICULARS	AS AT 31ST MARCH 2018			
	USD	EQUIVALENT IN INR	OTHER CURRENCY	EQUIVALENT IN INR
Reimbursement Receivable from Subsidiary	16,511.20	10,73,956	0	0
Current Liabilities	13,625.00	8,86,226	0	0

Sensitivity Analysis

A reasonable possible strengthening/weakening of foreign currencies to which the company is exposed to, against all other currencies at 31st March would have affected the measurement of financial exposure denominated in a foreign currency and would have affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant and ignores any impact on forecast sales and purchases.

SENSITIVITY TO MOVEMENT IN FOREIGN CURRENCY	% MOVEMENT IN RUPEE (ASSUMED)	PROFIT OR (LOSS) AFTER TAX	
		STRENGTHENING OF RUPEE	WEAKENING OF RUPEE
AS AT 31ST MARCH 2019			
US DOLLAR	1%	(1,996)	1,996
AS AT 31ST MARCH 2018			
US DOLLAR	1%	(1,394)	1,394

ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is not exposed to any such kind of interest rate risk.

B. Financial Risk Management

i. Credit Risk

Credit Risk is the Risk of Financial Loss to the company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

Trade Receivable and other financial assets

The company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The company's review includes external ratings (if they are available), financial statements, industry information and business intelligence.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Expected Credit loss for trade receivable:

The Company, based on internal assessment which is driven by the historical experience/current facts available in relation to defaults and delays in collection thereof, the credit risk for trade receivable is considered low.

ii. Liquidity Risk

Liquidity Risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by cash or another financial asset. The Company manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

The Company's Finance Department is responsible for managing the short term and long term liquidity requirements. Short term liquidity finance is reviewed daily by finance department. Long Term Liquidity position is reviewed on a regular basis by the board of directors and appropriate decisions are taken according to the situation.

Maturity Analysis

The remaining contractual maturities on non-derivative Financial Liabilities are as follows:-

As at 31st March 2019

NON-DERIVATIVE FINANCIAL LIABILITIES	CONTRACTUAL CASH FLOWS		TOTAL
	PAYABLE WITHIN ONE YEAR	PAYABLE AFTER ONE YEAR	
Trade Payables	3,74,56,090	0	3,74,56,090

As at 31st March 2018

NON-DERIVATIVE FINANCIAL LIABILITIES	CONTRACTUAL CASH FLOWS		TOTAL
	PAYABLE WITHIN ONE YEAR	PAYABLE AFTER ONE YEAR	
Trade Payables	11,94,53,769	0	11,94,53,769

**NOTE NO. 32
LEASES**

A. Classification & Measurement

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as Finance Leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of lease, whichever is lower. Lease payments under operating leases are recognized as expense on a straight line basis in net profit in the Standalone Statement of Profit and Loss over the lease term.

The lease rentals charged during the year are as follows :-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Lease rentals Charged during the period	2,60,000	11,50,000

The company has no long term operating lease contracts existing as on reporting date. Hence there are no obligations on long-term, non-cancellable operating lease contracts.

**NOTE NO. 33
RELATED PARTY DISCLOSURES**

a. List of Related Parties on whom control is established by the Company

NAME OF RELATED PARTY	RELATIONSHIP WITH THE COMPANY	Whether Transaction Entered During the Year
Eddy and Andy International Limited Panache Innovations DMCC	Subsidiary Subsidiary	No No

b. List of Transactions with Related Parties

The Company has identified all the related parties having transactions during the year as per details given hereunder:-

NAME OF THE PERSON / ENTITY	RELATION WITH THE COMPANY	NATURE OF TRANSACTION	VOLUME OF TRANSACTION IN FY 18-19
Jayachandran Sunderamoorthy	Director & CFO	Remuneration	32,00,004
Priyank Sangoi	Company Secretary	Remuneration	2,99,891
Panache Digilife Limited	Company Having Common Director	Sales	15,67,460
Panache Digilife Limited	Company Having Common Director	Purchases	1,27,650
Panache Digilife Limited	Company Having Common Director	Rent Paid	2,50,000
ICT Infratech Service Pvt Ltd	Company Having Common Director	Purchases	93,20,530
Rambhia IPR Services LLP	Firm in Which Director is a Partner	Royalty Paid	50,000

c. Amount Receivable / Payable from / to related parties as on reporting dates are as Follows:-

PARTICULARS	AS AT 31ST MARCH 2018	AS AT 31ST MARCH 2017
<u>Amounts Receivable from Related Parties</u>		
<u>Receivables For Sales & Services Provided</u>		
Panache Digilife Limited	23,153	0
	23,153	0
<u>Loans & Advances Recoverable</u>		
<u>Recoverable from Subsidiary</u>		
Panache Innovations DMCC	11,42,101	10,73,956
	11,42,101	10,73,956
Total Receivables from Related Parties	11,65,254	10,73,956
<u>Amounts Payable to Related Parties</u>		
<u>Payables for Purchases & Services Availed</u>		
Panache Digilife Limited	20,27,878	4,48,01,007
Rambhia IPR Services	45,000	45,000
	20,72,878	4,48,46,007
<u>Payables to KMP as Remuneration</u>		
Amit Rambhia	0	3,69,200
Jayachandran Sunderamoorthy	2,16,867	1,24,438
Priyank Sangoi	22,813	24,354
	2,39,680	5,17,992
Total Payables to Related Parties	23,12,558	4,53,63,999

NOTE NO. 34

FAIR VALUE MEASUREMENT HIERARCHY

A. The Disclosure requirements pursuant to Ind AS 107 "Financial Instruments: Disclosures" are as Follows

(a) Category wise classification for applicable Financial assets & Liabilities.

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
<u>Financial Assets</u>		
<u>Measured at Amortised Cost</u>		
Loans	2,39,98,310	2,23,25,584
Trade Receivables	3,92,55,806	12,32,67,229
Other Financial Assets	58,000	28,000
Cash & Cash Equivalents	1,67,752	1,91,718
Total financial Assets Measured at Amortised Cost (I)	6,34,79,867	14,58,12,531
<u>Measured at Fair Value Through Other Comprehensive Income (FVTOCI):-</u>		
Investment in Equity Shares	10,55,600	1,02,80,600
Total of Financial Assets Measured at FVTOCI (II)	10,55,600	1,02,80,600
Total Value of Financial Assets measured as per Ind AS 109 [(I)+(II)]	6,45,35,467	15,60,93,131
<u>Financial Liabilities</u>		
<u>Measured at Amortised Cost</u>		
Borrowings	0	0
Trade Payables	3,74,56,090	11,94,53,769
Total of Financial Liabilities Measured at Amortised Cost	3,74,56,090	11,94,53,769
Total Value of Financial Liabilities measured as per Ind AS 109	3,74,56,090	11,94,53,769

(b) Disclosures relating to recognition of items of income, expenses, gains or losses related to financial instruments

PARTICULARS	FOR THE YEAR	FOR THE YEAR
	ENDED 31ST MARCH 2019	ENDED 31ST MARCH 2018
Net gains/(losses) on financial assets measured at amortised cost :-		
(i) Exchange Difference Gains/ Losses on revaluation or settlement of items denominated in Foreign Currency (Trade Receivables, Loans Given, etc.)	(11,912)	(14,204)
(ii) Interest Income on Loans & Advances given	28,19,258	15,95,125
Total	28,07,346	15,80,921
Net gains/(losses) on financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI) :-		
(i) Gains/(losses) on Fair Valuation of Equity Instruments	(4,41,000)	(10,08,000)
(ii) Gains/(losses) on sale of Equity Instruments	11,29,162	(3,505)
(iii) Net Tax on Equity Instruments	(33,420)	-
Total	6,54,742	(10,11,505)

B. Disclosure pursuant to Ind AS 113 "Fair Value Measurement"- Fair Value Hierarchy of Financial assets and Financial Liabilities :-

AS AT 31ST MARCH 2019	CARRYING VALUE IN BOOKS	LEVEL OF INPUT USED FOR FAIR VALUATION		
		LEVEL 1	LEVEL 2	LEVEL 3
<u>Financial Assets</u>				
Investments *	10,55,600	10,55,600	--	--

* Excludes group company Investments (Rs.9,73,426) that has been measured at cost.

AS AT 31ST MARCH 2018	CARRYING VALUE IN BOOKS	LEVEL OF INPUT USED FOR FAIR VALUATION		
		LEVEL 1	LEVEL 2	LEVEL 3
<u>Financial Assets</u>				
Investments *	14,96,600	14,96,600	--	--

* Excludes group company Investments (Rs.9,73,426) and investments in private companies (Rs.87,84,000), which have been measured at cost.

Consolidated Financial Statement

INDEPENDENT AUDITOR REPORT

To,
 The Shareholders of
Panache Innovations Limited,
(Formerly Known as Ruby Traders & Exporters Limited)
 2nd Floor, Bldg. No. A3, Unit 201A,
 Babosa Industrial Park,
 Thane - 421302.

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial statements of Panache Innovations Limited ('hereinafter referred to as the Holding Company')(Formerly Known as Ruby Traders & Exporters Limited) and its subsidiaries 'Eddy & Andy International Limited' and 'Panache Innovations DMCC', which comprise the `Consolidated Balance Sheet as at 31st March, 2019 and the Consolidated Statement of Profit and Loss (Including other Comprehensive Income), The Consolidated Cash Flow Statement and the consolidated statement of change in equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the Consolidated Ind-AS Financial Statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters specified in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position and the consolidated financial performance of the Company in accordance with the Indian Accounting Standards (IND AS) specified under section 133 of the Act, read with rule 7 of the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We have taken into account the provisions of the Act, the accounting & auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the rules made thereunder and the Order issued under sec 143(11) of the Act.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company’s preparation of the Consolidated Financial Statements to give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in other matter paragraph below, is sufficient to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on Financial Statements of the subsidiaries referred to in the other matters paragraph below, the aforesaid Consolidated Financial Statements give the information required by 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 31st March 2019, and its profit, total comprehensive income, the changes in equity and its cash flows for the year end on that date.

Other Matters Paragraph

The Financial Statements of the wholly owned subsidiaries ‘Eddy & Andy International Limited’, incorporated in Hong Kong on 18th July 2016 and ‘Panache Innovations DMCC’ incorporated in Dubai on 06th September 2017, has been audited by C. K. Liu & Company (Certified Public Accountants, Hong Kong) and by M/s. Score Plus Auditing respectively, for the period ended on 31st March 2019. We have relied upon the report given by the aforesaid auditor for the purpose of consolidation of Financial Statements. The salient features of the subsidiaries Financial Statements are as Follows;

Sr. No.	Particulars	Amount in INR
1	Net Assets	Rs.2,28,146
2	Total Revenue	Rs 1,99,06,234
3	Net Income	Rs. 49,26,619

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that based on our audit and on the consideration of the report of other auditor on separate financial statement of the Foreign subsidiaries, referred in the other matters paragraph above, we report to the extent applicable that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements;
- b. In our opinion, proper books of accounts as required by law relating to the preparation and presentation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of relevant books & records, returns and the report of the other auditor.

- c. The Consolidated Balance Sheet, and the Consolidated Statement of Profit and Loss, dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors of the Holding Company as on 31st March 2019, taken on record by the Board of Directors of the Holding Company and based on the report of the Statutory auditor of its Subsidiaries, none of the directors is disqualified as on 31st March 2019, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013; and
- f. Our Opinion on the adequacy of the Internal Financial Controls of the company over the financial reporting and the operating effectiveness of such controls has been given by us in a separate report in 'Annexure-A', which is based on auditor report of the Holding and its Foreign subsidiaries.
- g. 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, in our opinion and to the best of our information and according to explanations given to us:
 - (i) The Holding Company has disclosed that there are no pending litigations which would impact its consolidated financial position.
 - (ii) The Holding Company did not have any long term contracts for which there were any material foreseeable losses;
 - (iii) The Holding Company is not required to transfer any amount to the Investor Education and Protection Fund by the Company.

***For Jain Salia & Associates
Chartered Accountants
[ICAI FRNo: 116291W]***

***Place: Mumbai
Dated: 29.05.2019***

***Partner
(CA Jayesh K. Salia)
(Membership No. 044039)***

ANNEXURE -A TO THE AUDITOR'S REPORT FOR THE Y. E. 31ST MARCH, 2019.
(Referred to in Paragraph (1) of our Report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Panache Innovations Limited ("hereinafter referred to as the Parent") (*Formerly known as Ruby Traders & Exporters Limited*) as of 31st March 2019 in conjunction with our audit of the Consolidated Ind-AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The management of the Parent Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 issued by the Institute of Chartered Accountants of India. 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Parent Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind-AS Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Parent company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide

reasonable assurance regarding the reliability of financial reporting and the preparation of Consolidated Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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 Parent company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Consolidated 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 Parent company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Parent company's assets that could have a material effect on the consolidated Ind-AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Parent Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter Paragraph

Our report on the Operating Effectiveness of Internal Financial Control's of the Group is limited only to the extent of Parent Company's controls, as the subsidiaries included in the group are Foreign Subsidiary for whom, such requirements are not applicable as per the relevant statutes of those countries.

***For Jain Salia & Associates
Chartered Accountants
[ICAI FRNo: 116291W]***

***Place: Mumbai
Dated: 29.05.2019***

***Partner
(CA Jayesh K. Salia)
(Membership No. 044039)***

Balance Sheet

(All amounts in INR)

Sr. No.	PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
I. ASSETS				
1 NON-CURRENT ASSETS				
(a)	Property, Plant & Equipments ...	2	9,865	12,752
(b)	Capital Work-In-Progress ...		0	0
(c)	Investment Properties ...		0	0
(d)	Goodwill ...		0	0
(e)	Other Intangible Assets ...	3	5,23,000	6,46,000
(f)	Intangible Assets Under Development ...		0	0
(g)	Biological Assets Other than Bearer Plants ...		0	0
(h)	<u>Financial Assets</u>			
(i)	Investments Accounted for Using the equity method ...	4	10,55,600	1,02,80,600
(ii)	Investments ...			
(iii)	Loans ...	5	2,34,16,841	2,10,85,995
(iv)	Other Financial Assets ...	6	76,848	45,723
(i)	Deferred Tax Assets (Net) ...	7	11,645	(91,917)
(j)	Other Non-Current Assets ...		0	0
2 CURRENT ASSETS				
(a)	Inventories ...	8	0	13,14,984
(b)	<u>Financial Assets</u>			
(i)	Investments ...		0	0
(ii)	Trade Receivables ...	9	4,01,00,595	12,82,35,298
(iii)	Cash and Cash Equivalents ...	10	5,81,846	6,21,620
(iv)	Bank Balances other than (iii) above ...		0	0
(v)	Loans ...	11	5,81,469	12,39,589
(vi)	Other Financial Assets ...		0	0
(c)	Other Current Assets ...	12	73,81,088	77,00,511
TOTAL ASSETS			7,37,38,796	17,10,91,155
II. EQUITY AND LIABILITIES				
1 EQUITY				
(a)	Equity Share Capital ...	13	4,39,00,000	4,39,00,000
(b)	Other Equity ...	14	(92,68,254)	(45,59,124)
2 LIABILITIES				
A Non-Current Liabilities				
(a)	<u>Financial Liabilities</u>			
(i)	Borrowings ...		0	0
(ii)	Trade Payables ...		0	0
(iii)	Other Financial Liabilities ...		0	0
(b)	Provisions ...		0	0
(c)	Deferred Tax Liabilities(Net) ...		0	0
(d)	Other Non-Current Liabilities ...		0	0
B Current Liabilities				
(a)	<u>Financial Liabilities</u>			
(i)	Borrowings ...		0	0
(ii)	Trade Payables ...	15	3,83,60,415	11,96,44,812
(iii)	Other Financial Liabilities ...		0	0
(b)	Other Current Liabilities ...	16	2,78,178	1,07,67,714
(c)	Provisions ...	17	2,88,218	5,39,739
(d)	Current Tax Liabilities(Net) ...	18	1,80,240	7,98,014
TOTAL EQUITY & LIABILITIES			7,37,38,796	17,10,91,155

AS PER OUR REPORT OF EVEN DATE
FOR JAIN SALIA & ASSOCIATES
CHARTERED ACCOUNTANTS
[ICAI FRNo. 116291W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS
PANACHE INNOVATIONS LIMITED

CA JAYESH K. SALIA
PARTNER
(MEM NO. 044039)

MR. AMIT D. RAMBHIA
MANAGING DIRECTOR
DINO:- 00165919

MR. JAYACHANDRAN SUNDERAMOORTHY
WHOLE TIME DIRECTOR & CFO
DINO:- 07706021

MR. PRIYANK SANGOI
COMPANY SECRETARY
MEM NO. A50896

PLACE: MUMBAI
DATED: 29.05.2019

PLACE: MUMBAI
DATED: 29.05.2019

Statement on Profit & Loss

(All amounts in INR)

Sr. No.	PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018	
A. CONTINUING OPERATIONS					
I. REVENUE					
	Revenue From Operations	...	19	10,31,47,041	40,08,44,399
	Other Income	...	20	28,68,046	15,95,426
	Other Gains / (Losses) - Net	...		0	0
TOTAL INCOME				10,60,15,087	40,24,39,825
II. EXPENSES					
	Cost of Goods Purchased	...	21	9,64,79,084	34,82,24,180
	Finished Goods	...	22	13,14,984	3,24,76,740
	Employee Benefit Expenses	...	23	41,18,835	78,68,171
	Finance Costs	...		0	0
	Depreciation and Amortisation Expenses	...	24	1,25,887	1,25,887
	Impairment of Goodwill and Other Non-Current Assets	...		0	0
	Other Expenses	...	25	72,19,194	66,12,646
TOTAL EXPENSES				10,92,57,984	39,53,07,624
III. Profit/(Loss) Before Exceptional items & Tax			...	(32,42,898)	71,32,201
	Exceptional Items	...	26	-	(62,559)
IV. Profit/(Loss) Before Tax From Continuing Operations			...	(32,42,898)	70,69,642
<u>Income Tax Expense</u>					
	Current Tax	...	27	4,52,575	7,54,051
	Deferred Tax	...		(29,036)	(13,674)
A. PROFIT FROM CONTINUING OPERATIONS				(36,66,437)	63,29,265
B. OTHER COMPREHENSIVE INCOME					
I. Items that will not be reclassified to Profit or Loss A/c					
	Income Tax Relating to items that will not be reclassified to Profit or Loss A/c	...	28	6,88,162	(10,11,505)
		...		(33,420)	0
II. Items that will be reclassified to Profit or Loss A/c					
	Income Tax Relating to items that will be reclassified to Profit or Loss A/c			1,82,358	23,556
				(47,413)	(7,279)
B. OTHER COMPREHENSIVE INCOME FOR THE PERIOD				7,89,687	(9,95,228)

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD [A+B]			(28,76,750)	53,34,037
<u>Profit for the year attributable to :</u>				
(a) Owners of the Company			(36,66,437)	63,29,265
(b) Non-Controlling Interest			0	0
			(36,66,437)	63,29,265
<u>Other Comprehensive Income for the year attributable to :</u>				
(a) Owners of the Company			7,89,687	(9,95,228)
(b) Non-Controlling Interest			0	0
			7,89,687	(9,95,228)
<u>Total Comprehensive Income for the year attributable to :</u>				
(a) Owners of the Company			(28,76,750)	53,34,037
(b) Non-Controlling Interest			0	0
			(28,76,750)	53,34,037
<u>EARNINGS PER SHARE</u>				
Basic EPS	...	29	(0.84)	1.44
Diluted EPS	...	29	(0.84)	1.44

AS PER OUR REPORT OF EVEN DATE
FOR JAIN SALIA & ASSOCIATES
CHARTERED ACCOUNTANTS
[ICAI FRNo. 116291W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS
PANACHE INNOVATIONS LIMITED

CA JAYESH K. SALIA
PARTNER
(MEM NO. 044039)

MR. AMIT D. RAMBHIA
MANAGING DIRECTOR
DINO:- 00165919

MR. JAYACHANDRAN SUNDERAMOORTHY
WHOLE TIME DIRECTOR & CFO
DINO:- 07706021

MR. PRIYANK SANGOI
COMPANY SECRETARY
MEM NO. A50896

PLACE: MUMBAI
DATED: 29.05.2019

PLACE: MUMBAI
DATED: 29.05.2019

Statement of Changes in Equity

(a) EQUITY SHARE CAPITAL

Balance as at 01st April 2017	Changes in Equity Share Capital During FY 2017-18	Balance as at 31st March 2018
4,39,00,000	Nil	4,39,00,000

Balance as at 01st April 2018	Changes in Equity Share Capital During FY 2018-19	Balance as at 31st March 2019
4,39,00,000	Nil	4,39,00,000

(b) OTHER EQUITY

(All amounts in INR)

Particulars	Share Application Money Pending for Allotment	Reserves & Surplus			Equity Instruments Through Other Comprehensive Income	Other items of other Comprehensive Income (Specify nature)	Total
		Securities Premium Reserve	Other Reserve (Specify Nature)	Retained Earnings			
Balance at the beginning of the reporting Period as at 01st April 2017	0	0	0	44,46,168	(1,25,02,614)	(7,340)	(80,63,786)
Change in accounting Policy & Prior Period errors restated balance at the beginning of the reporting period.	0	0	0	0	0	0	0
Profit/Loss for the Year	0	0	0	63,29,265	0	0	63,29,265
Other Comprehensive Income for the Year	0	0	0	0	(10,11,505)	16,277	(9,95,227)
Dividends	0	0	0	(15,19,950)	0	0	(15,19,950)
Dividend Distribution Tax	0	0	0	(3,09,425)	0	0	(3,09,425)
Transfer to Reserves	0	0	0	0	0	0	0
Any Other Change (to be Specified)	0	0	0	0	0	0	0
Balance as at 31st March 2018	0	0	0	89,46,058	(1,35,14,119)	8,937	(45,59,124)
Change in accounting Policy & Prior Period errors restated balance at the beginning of the reporting period.	0	0	0	0	0	0	0
Profit/Loss for the Year	0	0	0	(36,66,437)	0	0	(36,66,437)
Other Comprehensive Income for the Year	0	0	0	0	6,54,742	1,34,945	7,89,687
Dividends	0	0	0	(15,19,950)	0	0	(15,19,950)
Dividend Distribution Tax	0	0	0	(3,12,430)	0	0	(3,12,430)
Any Other Change (to be Specified)	0	0	0	0	0	0	0
Balance as at 31st March 2019	0	0	0	34,47,241	(1,28,59,377)	1,43,882	(92,68,254)

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Cash Flow Statements

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>		
Net Profit Before Tax as per Profit & Loss A/c	(32,42,898)	70,69,642
<u>Adjustments for Non-cash Items</u>		
Depreciation on Fixed Assets	1,25,887	1,25,887
Exchange Rate Fluctuation Gain/(loss)	(11,912)	(14,204)
Share Issue Expenses Written off	3,48,092	4,30,582
Preliminary Expenses Written off	1,01,226	4,80,922
	5,63,293	10,23,187
	(26,79,605)	80,92,829
<u>Adjustments for Non-Operating Items</u>		
Interest Income	(28,20,207)	(15,95,426)
Interest on Dividend Distribution Tax	0	62,559
	(28,20,207)	(15,32,867)
Operating Profit before Working Capital Changes	(54,99,812)	65,59,962
<u>Adjusted for Change in Working Capital:</u>		
Inventories	13,14,984	3,24,76,740
Trade Receivable	8,81,34,703	(4,03,03,695)
Other Current Assets	(1,29,895)	(70,81,789)
Other Non-Current Financial Assets	(31,125)	(17,723)
Trade Payable	(8,12,84,397)	94,58,032
Provisions	(2,51,521)	(14,75,303)
Other Current Liability	(1,04,89,536)	76,29,062
	(27,36,787)	6,85,324
Cash Generated from Operations	(82,36,598)	72,45,286
Taxes Paid	(12,13,797)	(5,60,596)
Net Cash Flow from Operations (A)	(94,50,395)	66,84,690
<u>CASH FLOW FROM INVESTING ACTIVITIES</u>		
<u>Cash Inflow</u>		
Interest Income	28,20,207	15,95,426
Loans Repaid by Parties	6,58,120	1,30,30,476
Foreign Currency Translation Reserve	1,82,358	23,556
Profit on Sale of Investments	11,29,162	0
Sale of Investments	87,84,000	21,59,451
	1,35,73,847	1,68,08,909
<u>Cash Outflow</u>		
Purchase of Other Intangible Assets	0	69,000
Incorporation Expenses of Subsidiary	0	3,79,694
Loans Given	23,30,846	2,14,22,097
	(23,30,846)	(2,18,70,791)
Net Cash Flow from Investing Activities (B)	1,12,43,001	(50,61,882)
<u>CASH FLOW FROM FINANCING ACTIVITIES</u>		
<u>Cash Outflow</u>		
Dividend Distributed	15,19,950	15,19,950
Dividend Distribution Tax	3,12,430	3,09,425
Interest on Dividend Distribution Tax	0	62,559
	(18,32,380)	(18,91,934)
Net Cash Flow from Financing Activities (C)	(18,32,380)	(18,91,934)

Continued

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
CASH FLOW FROM ALL ACTIVITIES (A+B+C)	(39,774)	(2,69,126)
<u>Cash and Cash Equivalents at the Beginning</u>		
Cash in Hand	4,46,102	47,449
Balance in Bank	1,75,518 6,21,620	8,43,297 8,90,746
	<u>5,81,846</u>	<u>6,21,620</u>
<u>Closing Balance as per accounts</u>		
Cash in Hand	75,960	4,46,102
Balance in Bank	5,05,886	1,75,518
	<u>5,81,846</u>	<u>6,21,620</u>

Notes:

Statement of Cash Flows has been prepared under indirect method as set out in the Ind AS 7 "Statement of Cash Flows" as specified in the Companies(Indian Accounting Standards) Rules,2015.

Previous Year Figures have been regrouped/reclassified wherever necessary.

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COMPANY SECRETARY
MEM NO. A50896

NOTE NO. 1

GENERAL NOTES TO ACCOUNTS ON CONSOLIDATED FINANCIAL STATEMENTS

A Significant Accounting Policies, practices annexed to & forming part of accounts for the year ending on 31st March 2019

1 Basis of Preparation

The Group's Financial Statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS"), as notified under the Companies (Indian Accounting Standards) (Amendment) Rules 2016 issued by Ministry of Corporate Affairs in respect of sections 133 of Companies Act 2013.

2 System of Accounting :

2.1 The Group follows Mercantile System of Accounting and recognizes Income & Expenditure on an accrual basis.

2.2 Accounts of the Group are prepared under the Historical Cost convention method, except for certain financial instruments that are measured at fair value in accordance with Ind AS.

2.3 Fair Value measurements under Ind AS are categorized as below, based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to their fair value measurement in its entirety.

- a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date.
- b) Level 2 inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- c) Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

3 Going Concern

Fundamental Accounting assumption of going concern is followed in preparation of the financial statement.

4 Presentation of Financial Statements

The Balance Sheet and the Statement of Profit and Loss are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of cash flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Indian Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All amounts in the Financial Statements are presented in Indian Rupees (INR).

5 Use of Estimates

The preparation of Financial Statements in conformity with Indian Accounting Standards requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting period. As such estimates are based on the management's best knowledge of the current events and actions; there are possibilities of such estimates resulting in outcome's requiring material adjustment to the carrying amounts of assets or liabilities in future periods.

6 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and its subsidiaries. The Parent Company together with its subsidiaries constitute a Group.

An entity which is, directly or indirectly, controlled by the Parent Group is treated as subsidiary. Control exists when the Parent Group, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Parent Group, directly or indirectly, obtains control over the subsidiary and ceases when the Parent Group, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed off during the year are included in the consolidated Statement of Profit and Loss from the date the Parent Group, directly or indirectly, gains control until the date when the Parent Group, directly or indirectly, ceases to control the subsidiary.

The consolidated financial statements of the Group combines financial statements of the Parent Group and its subsidiaries line-by-line by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation. The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Parent Group. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Group's standalone financial statements.

7 Employee Benefits

7.1 Short Term Employee Benefits

Employee Benefits such as Salaries, Wages, short term compensated absences, and expected cost of bonus, ex-gratia, and performance linked rewards falling due, wholly within twelve months of rendering the service are classified as short term employee benefits and are expensed in the period in which the employee renders the related service.

7.2 Post-Employment Benefits

- a) The Group does not have any policy to make any contribution to defined contribution plans as the Group is not mandatorily required to do so.
- b) The Group has not made any defined benefit plans.

8 Financial Instruments

Financial assets and/or financial liabilities are recognised when the Group becomes party to a contract embodying the related financial instruments. All financial assets, financial liabilities and financial guarantee contracts are initially measured at transaction values and where such values are different from the fair value, at fair value. Transaction costs that are attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from as the case may be, the fair value of such assets or liabilities, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The financial assets and financial liabilities are offset and presented on net basis in the Balance Sheet when there is a current legal enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

8.1 Financial Assets

All recognised financial assets are subsequently measured in their entirety at amortised cost or at fair value depending on the classification of the financial assets as follows:

a) Recognition

Investments in debt instruments – at amortised cost, subject to following conditions:

- i. The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- ii. The contractual terms of instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The management has exercised its option to measure fair value changes in Equity Instruments through Other Comprehensive Income, as such Investments have not been held by the Group for the purpose of trade.

b) Recognition of Income on Financial Assets

For financial assets that are measured at Fair Value Through Other Comprehensive Income (herein after referred to as FVTOCI), income by way of interest, dividend and exchange difference (on debt instrument) is recognised in the statement of profit or loss for the period and changes in fair value (other than on account of such income) are recognised in Other Comprehensive Income and accumulated in other equity.

c) De-recognition

A Financial Asset is primarily De-recognized when:-

- i. The right to receive cash flows from the asset has expired, or
- ii. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and (a) the Group has transferred substantially all the risks and rewards of the asset, or b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- iii. On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the date of derecognition and the consideration received is recognised in profit or loss.

d) Impairment of Financial Assets

The Group recognises impairment loss on trade receivables using expected credit loss model, where the provisions are based on a forward-looking ECL, which includes possible default events on the trade receivables over the entire holding period of the trade receivable. These provisions represent the difference between the trade receivable's carrying amount in the consolidated balance sheet and the estimated collectible amount.

8.2 Financial Liabilities

a) Initial Recognition

Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at Fair Value Through Profit & Loss (FVTPL) are subsequently measured at fair value. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method. Financial liabilities, including derivatives and embedded derivatives, which are designated for measurement at Fair Value Through Profit & Loss (FVTPL) are subsequently measured at fair value. All other financial liabilities including loans and borrowings are measured at amortised cost using Effective Interest Rate (EIR) method.

A financial liability is derecognised when the related obligation expires or is discharged or cancelled.

b) Subsequent Measurement

Financial Liabilities are carried at amortized cost using the Effective Interest Rate (EIR) Method. For trade and other payables maturing within one year from the reporting date, the carrying amounts, approximate fair value due to the short maturity of these instruments.

9 Foreign Currencies

- a) The functional currency and presentation currency of the Group is Indian Rupee (INR).
- b) At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in profit or loss in the period in which they arise
- c) Financial statements of foreign operations whose functional currency is different than Indian Rupee are translated into Indian Rupee as follows:
 - i) Assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that
 - ii) Income and expenses for each income statement are translated at average exchange rates; and
 - iii) All resulting exchange differences are recognised in other comprehensive income and accumulated in equity for subsequent reclassification to profit or loss on disposal of such foreign operations.

10 Recoverability of Trade Receivables

Judgements are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. Factors considered include the credit rating of the counterparty, the amount and timing of anticipated future payments and any possible actions that can be taken to mitigate the risk of non-payment.

11 Revenue Recognition

Effective from 01st April, 2018, the Group adopted Ind AS 115, 'Revenue from Contracts with Customers' using the cumulative catch up transition method applied to contracts that were not completed as at 01st April, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect of the adoption of Ind AS 115 on the Group's Financial Statements were negligible. The adoption of Ind AS 115 required enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The details of such disclosure are available in Note No. 19 of this Consolidated Financial Statements.

12 Taxes On Income

The tax expense for the period comprises of current tax and deferred income tax. Tax is recognised in Statement of Profit and Loss, except to the extent that it relates to items recognised in the Other Comprehensive Income or in equity. In which case, the tax is also recognised in Other Comprehensive Income or Equity.

12.1 Current Tax

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income tax Act 1961.

12.1 Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Group's financial statements and the corresponding tax bases used in computation of taxable profit and quantified using the tax rates and laws enacted or substantively enacted as on the reporting date.

Deferred tax assets are generally recognised for all taxable temporary differences to the extent that is probable that, taxable profits will be available against which those deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of reporting period, to recover or settle the carrying amount of its

Transaction or event which is recognised outside profit or loss, either in other comprehensive income or in equity, is recorded along with the tax as applicable.

13 Operating Segments

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Group to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

Considering the nature and scope of business of the Group, the Chief Operating Decision Maker could not identify any operating segments

However, a report on Group's reliance on Major customers is as follows:-

SALES MADE TO MAJOR CUSTOMER	TOTAL SALES MADE DURING THE YEAR	% OF SALES MADE TO MAJOR CUSTOMERS
Rs. 8,91,67,718	Rs. 10,31,47,041	86.45%

14 Provisions, Contingent Liabilities and Contingent Assets.

Provisions are recognised only when:

- The Group has a present obligation (legal or Constructive) as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- A reliable estimate can be made of the amount of the obligation.

Provision is measured using the cash flows estimated to settle the present obligation and when the effect of time value of money is material, the carrying amount of the provision is discounted to the present value of those cash flows. Reimbursement expected in respect of expenditure required to settle a provision is recognised only when it is virtually certain that the reimbursement will be received.

Contingent liability is disclosed in case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation; and
- A present obligation arising from past events, when no reliable estimate is possible.

Contingent assets are disclosed where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date. Where the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under such contract, the present obligation under the contract is recognised and measured as a provision.

15 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method, adjusting the net profit for the effects of:

- Changes during the period in inventories and operating receivables and payables transactions of a non-cash nature
- Non-cash items such as depreciation, provisions, and deferred taxes, and;
- All other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

16 Earnings Per Share

Basic and Diluted earnings per share is calculated by dividing net profit or loss for the period attributable to equity shareholders and weighted average number of shares outstanding during the period.

There are no potential equity shares in the books, and therefore diluted earnings per share are same as basic earnings per

B Accounting Transactions

- None of the employees were in receipt of or are entitled to receive remuneration aggregating to not less than Rs.1,02,00,000/- for the year or not less than Rs.8,50,000/- per month, if employed for part of the year.
- Outstanding balances as at 31st March, 2019 of Current & Non-Current Assets and Liabilities including Trade Receivables and Trade Payables are subject to confirmation.
- In the opinion of the Board of Directors; the Current and Non-current Assets, Loans & Advances are recorded approximately at the value as if realised in the ordinary course of the business. The provision for depreciation and all known liabilities are adequate and are not in excess of the amounts reasonably necessary.
- All the Directors have drawn remuneration for the Accounting Year 2018-19 aggregating to Rs.32,00,004 /-

C Recent Accounting Pronouncements

a) Impact of Ind AS 116-"Leases"

On 30th March, 2019 the Ministry of Corporate Affairs has notified Ind AS 116,Leases. Ind AS 116 will replace the exiting lease standard, Ind AS 17,Leases.The standard sets out the principles for the recognition, measurement, presentation and disclosure of lessee and the lessor. Ind AS 116 introduces single lessee accounting model and requires lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The standard also contains enhanced disclosure requirements for lessees.Ind AS 116 substantially carries forward the lessor accounting requirements

Ind AS 116 'Leases' will be effective in the Group's financial statements for the accounting period commencing 01st April, 2019. The Group is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of Application (01st April 2019). Accordingly, Comparatives for the year ended 31st March, 2019 will not be retrospectively adjusted.

However, having regards to the position of the Group as on date and considering the number of lease contracts outstanding as on reporting date, the Group has evaluated that the impact of this new standard will be negligible on the financial statements of the Group.

b) Appendix C to Ind AS 12 - Uncertainty over Income Tax Treatments

On 30th March, 2019, the Ministry of Corporate Affairs has notified Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments, which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of tax treatment when determining taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effective date for adoption of Appendix C to Ind AS 12, is annual periods beginning on or after 01st April, 2019. The Group will adopt the standard from 01st April, 2019 and has elected to adjust the cumulative effect in equity on the date of initial application i.e 01st April, 2019 without adjusting the comparatives

The effect of adoption of Appendix C to Ind AS 12, is estimated to be negligible in the Consolidated Financial Statements of the Group

c) Amendments to Ind AS 12 - Income Taxes

On 30th March, 2019, the Ministry of Corporate Affairs issued amendments to the guidance on Ind AS 12, Income Taxes in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequence of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 01st April, 2019. The Group is currently evaluating the effect of this amendment on the Consolidated Financial Statements.

d) Amendments to Ind AS 19 - Employee Benefits

On 30th March, 2019, the Ministry of Corporate Affairs issued amendments to Ind AS 19, Employee Benefits, in connection with accounting for plan amendments, curtailments, and settlements.

The amendments require an entity to:

- use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of asset ceiling.

Effective date of this amendment is annual period beginning on or after 01st April, 2019. The Group does not have any impact on account of this amendment.

D Previous Year's Figures have been regrouped / reclassified wherever necessary

NOTES FORMING PART OF BALANCE SHEET

NOTE NO. 2

PROPERTY, PLANT & EQUIPMENTS

(a) Method Of Valuation Of Property,Plant & Equipments.

Property,Plant & Equipments (hereinafter referred to as PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of such PPE can be measured reliably.PPE is stated at original cost net of tax/duty credits availed,if any,as reduced by accumulated depreciation and cumulative impairment.

Expenditure for additions, improvements and renewals are capitalized and expenditure for maintenance & repairs are charged to the profit & loss account.

(b) Value of Property,Plant & Equipments :-

The value of Property,Plant & Equipments in the books of Panache Innovations Limited as on 31st March 2019 is as follows :-

PARTICULARS	GROSS BLOCK				DEPRECIATION (S.L.M)				NET BLOCK	
	Cost as on 01.04.18	Additions (sales / W/off)	Deductions	Cost as on 31.03.19	Upto 01.04.18	Additions	Deductions	As at 31.03.19	As at 01.04.18	As at 31.03.19
Furnitures & Fixtures :										
Furnitures & Fixtures	34,725	0	0	34,725	21,973	2,887	0	24,860	12,752	9,865
	34,725	0	0	34,725	21,973	2,887	0	24,860	12,752	9,865

(c) Depreciation

Depreciation on PPE is recognised using Straight Line Method so as to write off the cost of PPE less its residual values over the useful life specified in Schedule- II of the Companies Act,2013.In case of PPE purchased/sold during the year, Depreciation has been provided on pro-rata basis

The Useful Life of PPE's adopted by the management from Schedule II of Companies Act,2013; for calculating Depreciation to be charged on different classes of Assets for the current year are as follows:-

CLASS OF ASSET	USEFUL LIFE ADOPTED (IN YEARS)
Furnitures & Fixtures	10
Office Equipments	5
Computers & Laptops	3

The estimated useful life and residual values are also reviewed at end of each financial year and the effect of any change in the estimates of useful life/residual value is accounted for,on prospective basis as per Ind AS-8.

(d) Impairment Losses

As at the end of each accounting year, the Group reviews the carrying amounts of its Property,Plant & Equipments, to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined in the case of :-

- (i) an individual asset, at the higher of the net selling price and the value in use; and
- (ii) a cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of the cash generating unit's net selling price and the value in use.

If the recoverable amount of a PPE (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the PPE (or cash generating unit) is reduced to its recoverable amount.

NOTE NO. 3

OTHER INTANGIBLE ASSETS

(a) Method of Valuation of Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the asset can be measured reliably.Intangible assets are stated at original cost net of tax/duty credits availed,if any,as reduced by accumulated amortisation and cumulative impairment.

(b) Value of Intangible Assets

The value of Intangible Assets in the books of Panache Innovations Limited as on 31st March 2019 is as follows :-

PARTICULARS	GROSS BLOCK				AMORTISATION (S.L.M)				NET BLOCK	
	Cost as on 01.04.18	Additions (sales / W/off)	Deductions	Cost as on 31.03.19	Upto 01.04.18	Additions	Deductions	As at 31.03.19	As at 01.04.18	As at 31.03.19
Intangible Assets										
Brand(Cavin Cally)	10,00,000	0	0	10,00,000	4,00,000	1,00,000	0	5,00,000	6,00,000	5,00,000
Software	69,000	0	0	69,000	23,000	23,000	0	46,000	46,000	23,000
	10,69,000	0	0	10,69,000	4,23,000	1,23,000	0	5,46,000	6,46,000	5,23,000

(c) Amortisation

Amortisation charge on Intangible asset has been allocated on a systematic basis over the best estimate of useful life.

Based on Technical evaluation considering the business specific needs & the potency of assets to generate future cash flows, the useful life of different class of intangible assets have been determined by the management, which are as follows:-

CLASS OF ASSET	USEFUL LIFE ADOPTED (IN YEARS)
Brand(Cavin Cally)	10
Software	3

The method of amortisation and useful life are reviewed at the end of each Financial Year with the effect of any changes in the estimate being accounted for on a straight line basis.

(d) Impairment Losses

As at the end of each accounting year, the Group reviews the carrying amounts of its Intangible Assets, to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the said assets are tested for impairment so as to determine the impairment loss, if any. Goodwill and the intangible assets with indefinite life are tested for impairment each year.

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

NOTE NO. 4

INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

(a) Measurement of Investments

The management has exercised its option to measure fair value changes in Equity Instruments through Other Comprehensive Income, as such Investments have not been held by the Group for the purpose of trade. Quoted Equity Instruments have been valued at their respective market quotations as on reporting date, in an active market where such instruments are traded. Unquoted Equity Instruments have been measured at cost, as there is a wide range of possible fair values which can be considered and the management has considered cost of such investment to be the best estimate of Fair value.

(b) Considering the above mentioned Measurement basis, the Value of Investments of the Entity for different reporting dates are as follows:-

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
<u>Investment in Equity Instruments</u>		
Quoted Equity Instruments	10,55,600	14,96,600
Unquoted Equity Instruments	0	87,84,000
	10,55,600	1,02,80,600

NOTE NO. 5
LOANS (NON CURRENT)

(a) Measurement

Financial Assets represented by Loans & advances given to parties under the terms, wherein such Loans & advances are repayable on demand to the Group have been measured at their respective carrying Values as the management considers that the carrying value of such loans & advances to be the best estimate of its Fair Value.

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
Loans & Advances	2,34,16,841	2,10,85,995
	2,34,16,841	2,10,85,995

NOTE NO. 6
OTHER FINANCIAL ASSETS (NON CURRENT)

(a) Measurement Basis

Other Financial Assets being in the nature of deposits given to parties for indeterminate period, have been measured at actual amounts given/paid, as the management considers that the Fair Value of such deposits does not materially defer from the actual amounts given/paid.

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
<u>Deposits</u>		
Demat Deposit	3,000	3,000
MVAT Deposit	25,000	25,000
Bhiwandi office Deposit	30,000	0
Security Deposit	18,848	17,723
	76,848	45,723

NOTE NO. 7
DEFERRED TAX ASSETS (NET)

PARTICULARS	TAXABLE/ (DEDUCTIBLE) TEMPORARY DIFFERENCES	DEFERRED TAX (ASSET)/ LIABILITY ON ITEMS OF PROFIT/LOSS	DEFERRED TAX (ASSET)/ LIABILITY ON ITEMS OF OCI	TOTAL DEFERRED TAX (ASSET)/LIABILITY RECOGNISED IN BALANCE SHEET
Balance as on 01.04.2017		1,01,594	(3,282)	98,312
<u>For the Year 2017-18</u>				
On Carrying Values of Property Plant & Equipment	2,73,910	84,638	0	
Gains/(losses) arising from translating financial statements of Foreign Operations	23,556	0	7,279	
(DTA)/DTL as on 31.03.2018		84,638	7,279	91,917
<u>For the Year 2018-19</u>				
Carrying Value of Property Plant & Equipment	2,13,855	55,602	0	
Fair Value (gains)/Losses on Equity instruments to the extent considered recoverable	4,41,000	0	(1,14,660)	
Gains/(losses) arising from translating financial statements of Foreign Operations	1,82,358	0	47,413	
(DTA)/DTL as on 31.03.2019		55,602	(67,247)	(11,645)

**NOTE NO. 8
INVENTORIES**

(a) Valuation Method

The group values its Inventories which comprises of IT Hardware & its peripherals, Plastic Granules and Other Consumer Electronic Goods etc. at Weighted Average Cost or Net Realisable Value whichever is lower as per Ind AS-2. Cost of Inventories consist of its purchase price and other costs including any duties or taxes(to the extent not recoverable) incurred in bringing them to their present location and condition.

(b) Based on the above Valuation Method, the value of Inventories for different reporting dates are as follows:-

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
Closing Stock of Goods	0	13,14,984
	0	13,14,984

**NOTE NO. 9
TRADE RECEIVABLES**

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
Secured, Considered good	0	0
Unsecured, Considered good	4,00,77,442	12,82,35,298
Doubtful	0	0
	4,00,77,442	12,82,35,298
Receivable from Related Parties (Refer Note No. 34)	23,153	0
	4,01,00,595	12,82,35,298

**NOTE NO. 10
CASH AND CASH EQUIVALENTS**

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
<u>Cash & Cash Equivalents</u>		
Balance with Banks	5,05,886	1,75,518
Cash on Hand	75,960	4,46,102
	5,81,846	6,21,620

**NOTE NO. 11
LOANS (CURRENT)**

(a) Measurement

Short Term Loans, advances and other short term receivables with no stated interest rates have been measured at their carrying values as the effect on discounting on such Loans and Advances is considered to be immaterial.

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
Loans & Advances	5,81,469	12,39,589
	5,81,469	12,39,589

**NOTE NO. 12
OTHER CURRENT ASSETS**

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
Preliminary Expenses	0	1,01,226
Share Issue Expenses	0	3,48,092
Advance to Sundry Creditors	68,09,600	69,55,200
Input Credit of GST	5,71,488	0
Prepaid Expenses	0	2,81,558
Others	0	14,435
	73,81,088	77,00,511

**NOTE NO. 13
EQUITY SHARE CAPITAL**

a. Capital Structure of the Group

PARTICULARS OF SHARE CAPITAL	AS AT 31ST MARCH 2019		AS AT 31ST MARCH 2018	
	NO.OF SHARES	TOTAL VALUE	NO.OF SHARES	TOTAL VALUE
AUTHORISED				
Equity Shares of Rs.10/- each	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
	2,50,00,000	25,00,00,000	2,50,00,000	25,00,00,000
ISSUED, SUBSCRIBED & FULLY PAID-UP :				
Equity Shares of Rs.10/- each	43,90,000	4,39,00,000	43,90,000	4,39,00,000
	43,90,000	4,39,00,000	43,90,000	4,39,00,000
ISSUED,SUBSCRIBED AND NOT FULLY PAID-UP:	0	0	0	0
	0	0	0	0

b. Details of Shareholding as at different Reporting Dates

Shareholders holding more than 5% of Equity :

SR. NO	NAME OF SHAREHOLDER	NO.OF SHARES AS ON 31ST MARCH 2019	PERCENTAGE HOLDING (%)	NO.OF SHARES AS ON 31ST MARCH 2018	PERCENTAGE HOLDING (%)
A.	EQUITY SHARES				
1.	Amit Devchand Rambhia	4,25,100	9.68%	4,25,100	9.68%
2.	Nikit Devchand Rambhia	4,25,000	9.68%	4,25,000	9.68%
3.	Devchand Rambhia	5,00,000	11.39%	5,00,000	11.39%

c. Reconciliation of the number of Equity Shares outstanding

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
Number of Shares at the beginning of the year	43,90,000	43,90,000
(+) Bonus shares issued	0	0
(-) Shares forfeited	0	0
Number of Shares at the end of the year	43,90,000	43,90,000

d. Voting Rights

The Group has one class of equity shares having face value of Rs.10 per share. Each shareholder is eligible for one voting right.

e. Capital Management

The Group adheres to a disciplined Capital Management Framework in order to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits to other stakeholders.

The Group strategically manages its funds by :-

- (i) Maintaining Diversity of Sources of Financing and spreading the maturity across periods in order to minimise liquidity risk.
- (ii) Analysing and managing its financial market risks like foreign exchange, interest rates and commodity prices, and minimise the impact or market volatility on earnings.
- (iii) Analysing the changes in macro economic factors affecting business environment and re-organising its capital structure accordingly to adapt to the ever changing dynamics of business environment.
- (iv) Leveraging Optimally in order to maximise shareholder returns.

**NOTE NO. 14
OTHER EQUITY**

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
<u>Balance of Reserves as per Statement of Changes in Equity</u>		
<u>Retained Earnings</u>		
Opening Balance	89,46,058	44,46,168
Add/(Less): Adjustments for Prior Period Errors	0	0
Add: Surplus As per Profit & Loss Account	(36,66,437)	63,29,265
<u>Less: Appropriations</u>		
Dividends Paid	15,19,950	15,19,950
Dividend Distribution Tax Paid	3,12,430	3,09,425
Bonus Issue	0	0
Closing Balance	34,47,241	89,46,058
<u>Other Comprehensive Income</u>		
<u>a) Fair Value Changes in Equity Instruments</u>		
Opening Balance	(1,35,14,119)	(1,25,02,614)
Add/(Less): Changes for the Year	6,54,742	(10,11,505)
Closing Balance	(1,28,59,377)	(1,35,14,119)
<u>b) Foreign Currency Translation Reserve</u>		
Opening Balance	8,937	(7,340)
Add/(Less): Changes for the Year	1,34,945	16,277
Closing Balance	1,43,882	8,937
	(92,68,254)	(45,59,124)

NOTE NO. 15

TRADE PAYABLES (CURRENT)

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
<u>Trade payables</u>		
Due to Micro, Small and Medium Enterprises		
Others	3,62,87,537	7,47,98,805
<u>Trade Payables to Related Parties (Refer Note No. 34)</u>		
Due to Micro, Small and Medium Enterprises (On the basis of Information & records available with the management).	20,27,878	4,48,01,007
Others	45,000	45,000
	3,83,60,415	11,96,44,812

**NOTE NO. 16
OTHER CURRENT LIABILITIES**

(a) Measurement of Current Liabilities

Current Liabilities, being in the nature of Short term payables with no stated interest rates, have been measured at their Carrying Values as the effect of discounting on such Liabilities has been considered to be immaterial.

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
TDS Payable	82,925	5,38,124
Employees Profession Tax Payable	400	1,000
Indirect Taxes Payable	0	92,55,475
Salaries Payable	42,513	2,61,843
Advance from Debtors	7,080	1,26,080
Others	1,45,260	5,85,192
	2,78,178	1,07,67,714

**NOTE NO. 17
PROVISIONS**

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
Director's Remuneration Payable	2,16,867	4,93,638
Dividend Payable (Unclaimed)	71,351	46,101
	2,88,218	5,39,739

**NOTE NO. 18
CURRENT TAX LIABILITIES(NET)**

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
Income Tax Payable	1,80,240	7,98,014
	1,80,240	7,98,014

NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

NOTE NO. 19

REVENUE FROM OPERATIONS

(a) Recognition of Revenue

The Group derives revenue primarily from sale of IT Hardware & its peripherals, Plastic Granules and other Consumer Electronic Goods.

Revenue is recognised upon transfer of control of promised products or services to the customers in an amount that reflects the consideration the Group expects to be entitled to, in exchange for those products or services.

The Group accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on allocation of discounts/ incentives to each of the underlying performance obligations that corresponds to the progress by the customer towards earning the discount/ incentive. The Group presents revenue net of Indirect Taxes.

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Net Sales (Domestic)	....	10,31,47,041	39,90,59,399
Service Charges	....	0	17,85,000
		10,31,47,041	40,08,44,399

(b) Revenue from Sales

The table below presents disaggregated Revenue from contracts with customers by offerings and geography. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of the Group's revenues and cash flows are affected by industry, market and other economic factors.

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019
<u>Revenues by Offerings</u>	
Computer Systems & Peripherals	2,14,72,745
Other Electronic Goods	4,18,85,938
Plastic Granules	3,97,88,358
Total Revenue form all offerings	10,31,47,041

Remaining Performance obligations

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the group expects to recognize these amounts of revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation-related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance obligations completed till date. However there are no performance obligations that are completely or partially unsatisfied as at 31st March, 2019 .

NOTE NO. 20

OTHER INCOME

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Discount Received (Net)	....	23,522	0
Interest Income	....	28,20,207	15,95,426
Additional CST from Customer	....	24,317	0
		28,68,046	15,95,426

Measurement of Other Incomes

- (i) Interest Income is accrued on a time basis by reference to the principal amount outstanding and the effective interest rate.

NOTE NO. 21
COST OF GOODS PURCHASED

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Net Purchase	9,64,79,084	34,82,23,480
Frieght charges	0	700
	9,64,79,084	34,82,24,180

NOTE NO. 22
CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS

PARICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Opening Stock / Inventories	13,14,984	3,37,91,724
<u>Less:</u> Closing Stock / Inventories	0	13,14,984
	13,14,984	3,24,76,740

NOTE NO. 23
EMPLOYEE BENEFIT EXPENSES

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Director's Remuneration	32,00,004	33,82,584
Salary & Bonus to Employees	9,18,831	43,79,941
Incentives to Staff	0	1,05,000
Staff Welfare Expenses	0	646
	41,18,835	78,68,171

NOTE NO. 24
DEPRECIATION AND AMORTISATION EXPENSES

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Depreciation on Property, Plant & Equipment	2,887	2,887
Amortisation of Intangible Assets	1,23,000	1,23,000
	1,25,887	1,25,887

NOTE NO. 25
OTHER EXPENSES

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Advertisement Expenses	53,300	98,742
Accounting & Administration Expenses	10,78,691	5,49,349
Bank Charges	19,957	10,487
Commission Expenses	0	2,74,112
Conveyance	6,25,656	1,08,279
Custodial Fees	0	17,250
Demat & Registration Charges	590	1,509
Filing & Uploading Fees	2,422	66,100
Flexi Desk Rent	1,30,528	0
GST Late Fees	6,650	0

Interest on TDS	....	....	1,292	34,424
Licensing Fees	....	....	1,61,306	2,02,589
Listing Fees	....	....	2,55,200	2,87,500
Legal & Professional Fees	....	....	11,17,489	9,69,673
Miscellaneous Exepenses	....	....	0	1,80,762
Office Rent	....	....	2,60,000	13,17,640
Office & General Expenses	....	....	24,86,310	0
Payment to Auditors	....	....	3,87,501	3,65,514
Penalty paid to Court	....	....	0	3,500
Profession Tax	....	....	2,500	2,500
(Profit)/Loss on Exchange rate fluctuation	....	....	(11,912)	(14,204)
Preliminary Expenses Written off	....	....	1,01,226	4,80,922
Printing & Stationery	....	....	21,629	24,285
Postage & Stamp	....	....	47,828	37,212
Royalty Expenses	....	....	50,000	50,000
Registration Fees	....	....	28,290	0
Sales Promotion & Advt Expenses	....	....	0	74,285
Share Issue Expenses Written off	....	....	3,48,092	4,30,582
Stamp duty and Registration Charges	....	....	2,200	53,043
Sundry Expenses	....	....	11,000	1,07,020
Telephone & Mobile Charges	....	....	1,668	0
Trainee Expenses	....	....	0	1,55,861
Transportation Charges	....	....	8,229	5,83,332
Travelling Expenses	....	....	20,714	1,35,879
Website Development Charges	....	....	838	4,500
			72,19,194	66,12,646

NOTE NO. 25.1

DETAILS OF PAYMENTS TO AUDITORS

Payment made to Auditors for Different kinds of Audits are as Follows:-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
<u>Payment to Auditors</u>		
Statutory Audit	2,72,501	2,56,514
Tax Audit	25,000	25,000
Internal Audit	90,000	84,000
Total Payments Made to Auditors	3,87,501	3,65,514

NOTE NO. 26

EXCEPTIONAL ITEMS

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Interest on Dividend Distribution Tax	0	62,559
	0	62,559

**NOTE NO. 27
INCOME TAX EXPENSE**

A. Disclosure Pursuant to Ind AS 12

(a) Major Components of Income Tax

Sr. No.	PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
(a)	<u>Tax on Items Routed Through Profit or Loss Section</u>		
	(i) <u>Income Tax</u>		
	Current Tax under Income Tax Act, 1961	3,94,469	6,82,680
	Adjustments in respect of income tax of previous years.	58,106	71,371
	(ii) <u>Deferred Tax</u>		
	Tax Expense on Origination & Reversal of Temporary Difference	(29,036)	(13,674)
	Tax Expense Reported in statement of Profit or Loss [(i) +(ii)]	4,23,539	7,40,377
(b)	<u>Tax on Items Routed Through Other Comprehensive Income</u>		
	(i) Income Tax	1,48,080	0
	(ii) Deferred Tax	(67,247)	7,279
	Tax Expense Reported in Other Comprehensive Income [(i) +(ii)]	80,833	7,279

B. Reconciliation of tax expense and accounting profit multiplied by Domestic Tax Rate applicable in India:

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Profit Before Tax	(A)	(32,42,898)	70,69,642
Corporate Tax Rate as per Income Tax Act, 1961	(B)	26.00%	25.75%
Tax on Accounting Profit	[(A)*(B)]	(8,43,153)	18,20,433
<u>Adjustments as per Income Tax</u>			
Add/(Less): Tax on Income Exempt From Tax			
Income from Foreign Subsidiaries		12,80,921	(8,79,516)
Add: Tax on Expenses not Deductible as per Income Tax Act, 1961		33,067	58,290
Less: Tax on Expenses allowable not Debited to Books		(22,822)	(34,913)
Less: Other Deductions		0	0
Tax payable by Group after adjustments as per Income Tax Act, 1961		4,48,012	9,64,294
Less: MAT Credit Set Off under section 115JAA		(53,543)	(2,81,615)
Net Income Tax Payable by the Group	(C)	3,94,469	6,82,680
<u>Deferred Tax Expenses on Items Routed Through P&L</u>			
Incremental Deferred Tax Liability/(Asset) on account of PPE and Intangible Assets		(29,036)	(13,674)
<u>Tax on Income/Expenses classified under Other Comprehensive Income</u>			
Long Term Capital Gain on Unlisted Securities Taxable @ 20% + Cess		1,48,080	0
Incremental Deferred Tax Liability/(Asset) due to Fair valuation of Equity Instruments		(1,14,660)	0
Incremental Deferred Tax Liability/(Asset) due to Gains/(Losses) on Translation of Foreign Operations		47,413	7,279
Net Deferred Tax Expense/(Benefit)	(D)	51,797	(6,395)
Total Tax Expense Recognised for the Year	(E) = [(C)+(D)]	4,46,266	6,76,285
Effective Tax Rate on Consolidated Results of the Group	[(E)/(A)*100]	(13.76)	9.57

C. Calculation of Corporate Tax Rate

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Basic Tax Rate Applicable to the Group as per Income Tax Act	25.00%	25.00%
Surcharge Applicable	0.00%	0.00%
Education Cess	4.00%	3.00%
Corporate Tax Rate as per Income Tax Act, 1961	26.00%	25.75%

NOTE NO. 28

OTHER COMPREHENSIVE INCOME

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Items that will not be reclassified to Profit & Loss A/c		
Fair Value Changes on Equity Instruments designated through OCI	(4,41,000)	(10,08,000)
Profit/(Loss) On Sale of Equity Instruments	11,29,162	(3,505)
	6,88,162	(10,11,505)
Items that will be reclassified to Profit & Loss A/c		
Gains/(losses) arising from translating financial statements of Foreign Operations	1,82,358	23,556
	1,82,358	23,556

NOTE NO. 29

BASIC EPS

The Basic and Diluted Earnings Per Share (EPS) computed as per the requirements under Ind AS 33 on 'Earnings Per Share' issued by Institute of Chartered Accountants of India are as under :-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2018	FOR THE YEAR ENDED 31ST MARCH 2017
Calculation of Basic EPS		
A. Profit From Continuing Operations (Numerator)	(36,66,437)	63,29,265
B. <u>Equity Shares Outstanding as on Balance sheet Date</u>		
a. Weighted Average Number of Equity Shares	43,90,000	43,90,000
Total Equity Shares for Calculation of Basic EPS (Denominator)	43,90,000	43,90,000
Basic Earnings Per Share(EPS) [(A)/(B)]	(0.84)	1.44
Calculation of Diluted EPS		
A. Profit From Continuing Operations (Numerator)	(36,66,437)	63,29,265
B. <u>Equity Shares Outstanding as on Balance sheet Date</u>		
a. Weighted Average Number of Equity Shares	43,90,000	43,90,000
b. Potential Equity shares	0	0
Total Equity Shares for Calculation of Diluted EPS (Denominator)	43,90,000	43,90,000
Diluted Earnings Per Share(EPS) [(A)/(B)]	(0.84)	1.44

NOTE NO. 30
DISCLOSURE OF CURRENT ASSETS & LIABILITIES

A. Basis of classification of Current Assets

The Group classifies an asset as current asset when :-

- (i) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- (ii) it holds the asset primarily for the purpose of trading;
- (iii) it expects to realise the asset within twelve months after the reporting period; or
- (iv) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets have been classified as Non-Current

Recovery Period for Current Assets

Pursuant to requirements of Ind AS-1, disclosures regarding current assets which are expected to be recovered within twelve months and after twelve months from the reporting date are as follows:-

PARTICULARS	AS AT 31ST MARCH 2019			AS AT 31ST MARCH 2018		
	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL
Inventories	0	0	0	13,14,984	0	13,14,984
Trade Receivables	4,01,00,595	0	4,01,00,595	12,82,35,298	0	12,82,35,298
Loans-Current	5,81,469	0	5,81,469	12,39,589	0	12,39,589
Other Current Assets	73,81,088	0	73,81,088	77,00,511	0	77,00,511

B. Basis of classification of Current Liabilities

An entity shall classify a liability as current liability when :-

- (i) it expects to settle the liability in its normal operating cycle;
- (ii) it holds the liability primarily for the purpose of trading;
- (iii) the liability is due to be settled within twelve months after the reporting period; or
- (iv) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period .

All other Liabilities have been classified as Non-Current

b. Credit Period for Current Liabilities

Pursuant to requirements of Ind AS-1, disclosures regarding current Liabilities which are expected to be recovered within twelve months and after twelve months from the reporting date are as follows:-

PARTICULARS	AS AT 31ST MARCH 2019			AS AT 31ST MARCH 2018		
	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL
Trade Payables	3,83,60,415	0	3,83,60,415	11,96,44,812	0	11,96,44,812
Other Current Liabilities	2,78,178	0	2,78,178	1,07,67,714	0	1,07,67,714
Provisions	2,88,218	0	2,88,218	5,39,739	0	5,39,739
Current Tax Liabilities	1,80,240	0	1,80,240	7,98,014	0	7,98,014

NOTE NO.31
CONSOLIDATION DISCLOSURES

A. The List of subsidiaries, associates and joint ventures included in the Consolidated Financial Statements are as under :-

NAME OF ENTITY	RELATION WITH PARENT	PRINCIPAL PLACE OF BUSINESS	AS AT 31ST MARCH 2019		AS AT 31ST MARCH 2018	
			PROPORTION OF EFFECTIVE OWNERSHIP (%)	PROPORTION OF VOTING POWER HELD (%)	PROPORTION OF EFFECTIVE OWNERSHIP (%)	PROPORTION OF VOTING POWER HELD (%)
Eddy & Andy	Subsidiary	Hongkong	100%	100%	100%	100%
Panache Innovations DMCC	Subsidiary	United Arab Emirates	100%	100%	100%	100%

B. Salient Features of Parent & Subsidiary in the Group Financial Statements for the year ended 31st March 2019

NAME OF THE ENTITY	NET ASSETS = TOTAL ASSETS MINUS TOTAL LIABILITIES		SHARE IN PROFIT OR LOSS		SHARE IN OTHER COMPREHENSIVE INCOME		SHARE IN TOTAL COMPREHENSIVE INCOME	
	% OF GROUP'S NET ASSETS	AMOUNT	% OF GROUP'S PROFIT OR LOSS	AMOUNT	% OF GROUP'S OTHER COMPREHENSIVE INCOME	AMOUNT	% OF GROUP'S TOTAL COMPREHENSIVE INCOME	AMOUNT
Parent Group								
Panache Innovations	102.87%	3,56,24,085	-34.37%	12,60,182	82.91%	6,54,742	-66.57%	19,14,924
Subsidiaries								
Eddy & Andy	0.92%	3,16,903	2.48%	(91,005)	0.00%	0	3.16%	(91,005)
Panache Innovations DMCC	-0.83%	(2,88,399)	131.89%	(48,35,614)	0.00%	0	168.09%	(48,35,614)
CFS Adjustments	102.95%	3,56,52,589	100.00%	(36,66,437)	82.91%	6,54,742	104.69%	(30,11,695)
	-2.95%	(10,20,843)	0.00%	0	17.09%	1,34,945	-4.69%	1,34,945
Total	100.00%	3,46,31,746	100.00%	(36,66,437)	100.00%	7,89,687	100.00%	(28,76,750)

NOTE NO. 32
RISK MANAGEMENT

The Group's Board of Directors has overall responsibility for establishment and oversight of the Company's risk management framework.

The Group, through three layers of defence viz: policies & procedures, review mechanism, and assurance, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations. The audit committee of the parent oversees the formulation and implementation of Risk Management Policies. The risk and mitigation plan are identified, deliberated and reviewed at appropriate Forums.

A. Market Risk Management

Market Risk is the risk that changes in market prices—such as foreign exchange rates—will affect the Group's income or the value of Financial Instruments. The objective of Market Risk Management is to manage and control market risk exposure within acceptable parameters, while optimizing the return.

i. Foreign Exchange Risk

Foreign Currency Risk is the risk that the Fair Value or Future Cash Flows of an exposure will fluctuate because of changes in foreign currency rates. Exposures can arise on account of the various assets and liabilities which are denominated in currencies other than the functional currency of the Group.

However the group is not exposed to any such foreign exchange risk as there are no foreign currency receivables or payables from the group's perspective.

ii. Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not exposed to any such kind of interest rate risk.

B. Financial Risk Management**i. Credit Risk**

Credit Risk is the Risk of Financial Loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers.

Trade Receivable and other financial assets

The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Group's review includes external ratings (if they are available), financial statements, industry information and business intelligence.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, their geographic location, industry, trade history with the Group and existence of previous financial difficulties.

Expected Credit loss for trade receivable:

The Group, based on internal assessment which is driven by the historical experience/current facts available in relation to defaults and delays in collection thereof, the credit risk for trade receivable is considered low.

ii. Liquidity Risk

Liquidity Risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by cash or another financial asset. The Group manages liquidity risk by maintaining sufficient cash and marketable securities and by having access to funding through an adequate amount of committed credit lines. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

The Group's Finance Department is responsible for managing the short term and long term liquidity requirements. Short term liquidity finance is reviewed daily by finance department. Long Term Liquidity position is reviewed on a regular basis by the board of directors and appropriate decisions are taken according to the situation.

Maturity Analysis

The remaining contractual maturities on non-derivative Financial Liabilities are as follows:-

As at 31st March 2019

NON-DERIVATIVE FINANCIAL LIABILITIES	CONTRACTUAL CASH FLOWS		TOTAL
	PAYABLE WITHIN ONE YEAR	PAYABLE AFTER ONE YEAR	
Trade Payables	3,83,60,415	0	3,83,60,415

As at 31st March 2018

NON-DERIVATIVE FINANCIAL LIABILITIES	CONTRACTUAL CASH FLOWS		TOTAL
	PAYABLE WITHIN ONE YEAR	PAYABLE AFTER ONE YEAR	
Trade Payables	11,96,44,812	0	11,96,44,812

**NOTE NO. 33
LEASES**

A Classification & Measurement

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as Finance Leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of lease, whichever is lower. Lease payments under operating leases are recognized as expense on a straight line basis in net profit in the Standalone Statement of Profit and Loss over the lease term.

The lease rentals charged during the year are as follows :-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Lease rentals Charged during the period	2,60,000	13,17,640

The company has no long term operating lease contracts existing as on reporting date. Hence there are no obligations on long-term, non-cancellable operating lease contracts.

NOTE NO. 34
RELATED PARTY DISCLOSURES

a. List of Related Parties on whom control is established by the Group

NAME OF RELATED PARTY	RELATIONSHIP WITH THE GROUP	WHETHER TRANSACTION DONE DURING THE YEAR
Eddy and Andy International Limited	Subsidiary	No
Panache Innovations DMCC	Subsidiary	No

b. List of Transactions with Related Parties

The Group has identified all the related parties having transactions during the year as per details given hereunder:-

NAME OF THE PERSON / ENTITY	RELATION WITH THE GROUP	NATURE OF TRANSACTION	VOLUME OF TRANSACTION IN FY 18-19
Jayachandran Sunderamoorthy	Director & CFO	Remuneration	32,00,004
Priyank Sangoi	Company Secretary of Panache Innovations Limited	Remuneration	2,99,891
Panache Digilife Limited	Group Having Common Director	Sales	15,67,460
Panache Digilife Limited	Group Having Common Director	Purchases	2,08,88,816
Panache Digilife Limited	Group Having Common Director	Rent Paid	2,50,000
ICT Infratech Service Pvt Ltd	Group Having Common Director	Purchases	93,20,530
Rambhia IPR Services LLP	Firm in Which Director is a Partner	Royalty Paid	50,000

c. Amount Receivable / Payable from / to related parties as on reporting dates are as Follows:-

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
<u>Amounts Receivable from Related Parties</u>		
<u>Receivables For Sales & Services Provided</u>		
Panache Digilife Limited	23,153	0
	23,153	0
<u>Loans & Advances Recoverable</u>		
<u>Recoverable from Subsidiary</u>		
Panache Innovations DMCC	11,42,101	10,73,956
	11,42,101	10,73,956
Total Receivables from Related Parties	11,65,254	10,73,956
<u>Amounts Payable to Related Parties</u>		
<u>Payables for Purchases & Services Availed</u>		
Panache Digilife Limited	20,27,878	4,48,01,007
Rambhia IPR Services	45,000	45,000
	20,72,878	4,48,46,007
<u>Payables to KMP as Remuneration</u>		
Amit Rambhia	0	3,69,200
Jayachandran Sunderamoorthy	2,16,867	1,24,438
Priyank Sangoi	22,813	24,354
	2,39,680	5,17,992
Total Payables to Related Parties	23,12,558	4,53,63,999

NOTE NO. 35

FAIR VALUE MEASUREMENT HIERARCHY

A. The Disclosure requirements pursuant to Ind AS 107 "Financial Instruments: Disclosures" are as Follows

(a) Category wise classification for applicable Financial assets & Liabilities.

PARTICULARS	AS AT 31ST MARCH 2019	AS AT 31ST MARCH 2018
<u>Financial Assets</u>		
<u>Measured at Amortised Cost</u>		
Loans	2,39,98,310	2,23,25,584
Trade Receivables	4,01,00,595	12,82,35,298
Other Financial Assets	76,848	45,723
Cash & Cash Equivalents	5,81,846	6,21,620
Total financial Assets Measured at Amortised Cost (I)	6,47,57,598	15,12,28,225
<u>Measured at Fair Value Through Other Comprehensive Income (FVTOCI):-</u>		
Investment in Equity Shares	10,55,600	1,02,80,600
Total of Financial Assets Measured at FVTOCI (II)	10,55,600	1,02,80,600
Total Value of Financial Assets [(I)+(II)]	6,58,13,198	16,15,08,825
<u>Financial Liabilities</u>		
<u>Measured at Amortised Cost</u>		
Trade Payables	3,83,60,415	11,96,44,812
Total of Financial Liabilities Measured at Amortised Cost	3,83,60,415	11,96,44,812
Total Value of Financial Liabilities	3,83,60,415	11,96,44,812

(b) Disclosures relating to recognition of items of income, expenses, gains or losses related to financial instruments

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2019	FOR THE YEAR ENDED 31ST MARCH 2018
Net gains/(losses) on financial assets measured at amortised cost :-		
(i) Exchange Difference Gains/ Losses on revaluation or settlement of items denominated in Foreign Currency (Trade Receivables, Loans Given, etc.)	(11,912)	(14,204)
(ii) Interest Income on Loans & Advances given	28,20,207	15,95,426
Total	28,08,295	15,81,222
Net gains/(losses) on financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI) :-		
(i) Gains/(losses) on Fair Valuation of Equity Instruments	(4,41,000)	(10,08,000)
(ii) Gains/(losses) on sale of Equity Instruments	11,29,162	(3,505)
(iii) Net Tax on Equity Instruments	(33,420)	-
Total	6,54,742	(10,11,505)

B. Disclosure pursuant to Ind AS 113 "Fair Value Measurement"- Fair Value Hierarchy of Financial assets and Financial Liabilities :-

AS AT 31ST MARCH 2019	CARRYING VALUE IN BOOKS	LEVEL OF INPUT USED FOR FAIR VALUATION		
		LEVEL 1	LEVEL 2	LEVEL 3
<u>Financial Assets</u>				
Investments	10,55,600	10,55,600	--	--

AS AT 31ST MARCH 2018	CARRYING VALUE IN BOOKS	LEVEL OF INPUT USED FOR FAIR VALUATION		
		LEVEL 1	LEVEL 2	LEVEL 3
Financial Assets				
Investments *	14,96,600	14,96,600	--	--

* Excludes investments in private companies (Rs.87,84,000) ,which have been measured at cost.

NOTICE TO MEMBERS

Notice is hereby given that the 38th Annual General Meeting (AGM) of the Members of Panache Innovations Limited will be held on Friday, 27th September, 2019 at 3.00 p.m. at Shangrila Resort, Mumbai-Nashik Highway, Bhiwandi By Pass End, Gangaram Pada, Vadpe, Bhiwandi, Thane – 421302, Maharashtra, India to transact the following business;

Ordinary Business:

1. **To receive, consider and adopt –**
 - a. The Audited Standalone Financial Statement of the Company for the financial year ended 31st March, 2019, and the report of the Board of Directors and Auditors thereon.
 - b. The Audited Consolidated Financial Statement of the Company for the financial year ended 31st March, 2019, and the report of the Auditors thereon.
2. **To declare final dividend on Equity Shares at Rs. 0.25 per Equity Share of Face Value of Rs. 10/- each for the Financial Year ended 31st March, 2019.**

“RESOLVED THAT pursuant to the recommendations of the Board of Directors and applicable provisions of the Companies Act 2013, final dividend at Rs. 0.25/- per equity share of Face Value Rs. 10/- each on 30,39,900 Equity Shares (excluding the Equity Shares upon which the members have waived/forgone his/their right to receive the dividend by him/them for financial year 2018-19) absorbing thereby Rs. 7,59,975/- (excluding dividend distribution tax) as at 31st March, 2019 be and is hereby declared for payment to those holders of Equity Shares whose names appear in the Register of Members of the Company as on record date i.e. 20th September, 2019.

RESOLVED FURTHER THAT the dividend be paid to the shareholders/members of the Company whose names appear in the Register of Members for physical shares and in the list of beneficiary position as on record date for demat shares furnished by the Depositories and who are entitled to such dividend, through electronic credit to bank accounts and other appropriate mode including through dividend warrants or demand drafts.”

3. **To appoint a Director in place of Mr. Amit Devchand Rambhia, Director, (DIN 00165919), who retires by rotation and being eligible, offers himself for re-appointment.**

Special Business:

4. **To alter object clause of Memorandum of Association**

To consider and, if thought fit, to pass, the following resolution as a Special Resolution;

“RESOLVED THAT pursuant to the provisions of Section 13 and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force and the Rules framed thereunder, as amended from time to time, and subject to the approval of the statutory or regulatory authority, as may be necessary, the Clause III (A) of Memorandum of Association of the Company dealing with the **“The objects to be pursued by the Company on its incorporation are”** be and is hereby altered by replacing the existing Clause III(A)(1) with the following new Clause III(A)(1):

1. **To carry on the business of designing, manufacturing, trading, distributing, importing, exporting, repairing, buy, sell, conduct research, impart training, develop, maintain, hire, let on hire, alter, design, provide services including consultancy or otherwise deal in computer and computer peripherals,*

computer parts, Data storage devices, laptops, servers, monitors, AIO, kiosks, CVTs, UPS, power systems, PCB (Printed Circuit Boards), Plastic parts, Plastic components, plastic granules & raw materials, Rubber parts & components, metal parts & components, routers, patch cord, micro server, thin client, Thin PC, Net PC, Internet of Things (IOT) Devices, Software, Stick PC, CCTV Systems, Interactive White Board, Interactive Flat panel, RFID Solutions, Modems, Video Conferencing, Television, security devices, Power Banks, Pen drive, cells, Torches, Batteries including but not limited to alkaline batteries, lithium ion batteries, cells, dry cells, LED Lighting Products, Audio Products including but not limited to Speakers, earphones, headphones, consumer durables and domestic appliances including, but not limited to all types of home-appliances, spare parts and accessories, Electronics and Electrical equipments, electro-mechanical devices, networking systems and products, wireless and telecommunication systems and products including mobile phones, accessories, Networking Products, implementation of LAN and WAN systems, analytical data extraction thereof including solutions providing, computer maintenance and technical support services.

RESOLVED FURTHER THAT Mr. Amit Rambhia, Mr. Hetal Vichhivora, Mr. Prakash Vichhivora or Mr. Priyank Sangoi, be and are hereby severally authorized to file, sign, verify and execute all such e-forms, papers or documents, as may be required and do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution, including agreeing to any change to the aforesaid Clause of the Memorandum of Association of the Company, as may be required by the ROC and/or any statutory/regulatory authority.”

5. To appoint Mr. Prakash Vichhivora (DIN: 03123043) as a Director of the Company:

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Prakash Vichhivora (DIN 03123043) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th May, 2019 pursuant to Section 149, 152, 161 and any other applicable provisions of the Companies Act, 2013("Act") and rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), and upon recommendation of Nomination & Remuneration Committee, who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act"), and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, whose office shall be liable to retire by rotation.

RESOLVED FURTHER THAT any of the Directors or Company Secretary or CFO of the Company, be and are hereby authorised to do all such acts, deeds and things and deal with all such matters and take all such steps as may be necessary to give effect to this resolution.”

6. Appointment of Mr. Prakash Vichhivora (DIN: 03123043) as the Managing Director of the Company:

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 152, 161, 196, 197, 203 and any other applicable provisions of Companies Act, 2013("Act") read with Schedule V of the Act and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such approvals, permission and sanctions, as may be required, upon recommendation of Nomination & Remuneration Committee and subject to the approval of the Central Government, if required, consent of the Members be and is hereby accorded to appoint Mr. Prakash Vichhivora, as "Managing Director" of the Company for a period of 5 years with effect from 30th May, 2019 to 29th May, 2024, whose office shall be liable to retire by rotation, on the terms and conditions as mentioned in the agreement entered between the Company and Mr. Prakash Vichhivora, which Agreement is hereby specifically approved with powers to the Board of Directors (which term shall be deemed to include any

committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated) to alter, amend, vary and modify the terms and conditions of the said re-appointment and remuneration payable from time to time as they deem fit in such manner as may be agreed upon by the Board of Directors and Mr. Prakash Vichhivora within the limits prescribed under Schedule V to the said Act or any statutory amendment(s) and/or modification(s) thereof.

RESOLVED FURTHER THAT pursuant to the provisions of Schedule V of the Act, Mr. Prakash Vichhivora shall be liable to a remuneration not exceeding Rs. 50,00,000 per annum (Rupees Fifty Lakhs) which may be partly paid by way of a monthly payment and partly by way of Incentives as may be determined by Board from time to time, for a period of 3 years having effect from 30th May, 2019 to 29th May, 2022.

RESOLVED FURTHER THAT the Board of Directors (which term shall always be deemed to include any Committee as constituted or to be constituted by the Board to exercise its powers including the powers conferred under this resolution) be and is hereby authorized to vary or increase the remuneration specified above from time to time to the extent the Board of Directors may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits as specified under the relevant provisions of the Companies Act, 2013 and / or as approved by the members.

RESOLVED FURTHER THAT in the event in any financial year during the tenure of Mr. Prakash Vichhivora, Managing Director, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to Mr. Prakash Vichhivora, Managing Director, the remuneration as the minimum remuneration by way of salary and Incentives as specified in the above-mentioned Agreement and subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT any of the Directors or Company Secretary or CFO of the Company, be and are hereby authorised to do all such acts, deeds and things and deal with all such matters and take all such steps as may be necessary to give effect to this resolution.”

7. To appoint Mr. Hetal Vichhivora (DIN: 03123060) as a Director of the Company:

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Hetal Vichhivora (DIN 03123060) who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th May, 2019 pursuant to Section 149, 152, 161 and any other applicable provisions of the Companies Act, 2013("Act") and rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), and upon recommendation of Nomination & Remuneration Committee, who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”), and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, whose office shall be liable to retire by rotation.

RESOLVED FURTHER THAT any of the Directors or Company Secretary or CFO of the Company, be and are hereby authorised to do all such acts, deeds and things and deal with all such matters and take all such steps as may be necessary to give effect to this resolution.”

8. Appointment of Mr. Hetal Vichhivora (DIN: 03123060) as the Whole-Time Director and Chief Financial Officer of the Company:

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 152, 161, 196, 197, 203 and any other applicable provisions of Companies Act, 2013 read with Schedule V of the Act and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and subject to such approvals, permission and sanctions, as may be required, upon recommendation of Nomination & Remuneration Committee and subject to the approval of the Central Government, if required, consent of the Members be and is hereby accorded to appoint Mr. Hetal Vichhivora as “Whole-Time Director and Chief Financial Officer” of the Company for a period of 5 years with effect from 30th May, 2019 to 29th May, 2024, whose office shall be liable to retire by rotation, on the terms and conditions as mentioned in the agreement entered between the Company and Mr. Hetal Vichhivora, which Agreement is hereby specifically approved with powers to the Board of Directors (which term shall be deemed to include any committee thereof for the time being and from time to time, to which all or any of the powers hereby conferred on the Board by this resolution may have been delegated) to alter, amend, vary and modify the terms and conditions of the said re-appointment and remuneration payable from time to time as they deem fit in such manner as may be agreed upon by the Board of Directors and Mr. Hetal Vichhivora within the limits prescribed under Schedule V to the said Act or any statutory amendment(s) and/or modification(s) thereof.

RESOLVED FURTHER THAT pursuant to the provisions of Schedule V of the Act, Mr. Hetal Vichhivora shall be liable to a remuneration not exceeding Rs. 50,00,000 per annum (Rupees Fifty Lakhs) which may be partly paid by way of a monthly payment and partly by way of Incentives as may be determined by Board from time to time, for a period of 3 years having effect from 30th May, 2019 to 29th May, 2022.

RESOLVED FURTHER THAT pursuant to the provisions of Section 203 of the Companies Act, 2013, the designation of Chief Financial Officer shall be treated as Key Managerial Personnel of the Company as per the requirements of section and not the designation of Whole-Time Director.

RESOLVED FURTHER THAT in the event in any financial year during the tenure of Mr. Hetal Vichhivora, Whole-Time Director & Chief Financial Officer”, the Company does not earn any profits or earns inadequate profits as contemplated under the provisions of Schedule V to the Companies Act, 2013, the Company may pay to Mr. Hetal Vichhivora, Whole-Time Director & Chief Financial Officer, the above remuneration as the minimum remuneration by way of salary and allowances as specified above and subject to receipt of the requisite approvals, if any.

RESOLVED FURTHER THAT any of the Directors or Company Secretary or CFO of the Company, be and are hereby authorised to do all such acts, deeds and things and deal with all such matters and take all such steps as may be necessary to give effect to this resolution.”

9. To appoint Mr. Gaurav Pratap Singh (DIN: 06747792) as an Independent Director of the Company:

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152, 161 and any other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Gaurav Pratap Singh (holding DIN: 06747792), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria of Independence as provided in section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, is appointed as an Independent Director of the company to hold office for a term of 5 (Five) consecutive years, commencing from 12th August, 2019 till 11th August, 2024, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company, Chief Financial Officer or Company Secretary of the Company, be and is hereby severally authorized to do all such acts and deeds as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto.”

10. To re-designate Mr. Amit Rambhia from Chairman & Managing Director to Chairman & Non-Executive Director of the Company.

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and upon request from Mr. Amit Rambhia and on recommendation of Nomination and Remuneration Committee, consent of the members be and is hereby accorded to re-designate Mr. Amit Rambhia (DIN: 00165919) from Chairman & Managing Director to Chairman & Non-Executive Director of the Company with effect from 30th May, 2019, whose office shall be liable to retire by rotation.

RESOLVED FURTHER THAT any of the Directors or Company Secretary or CFO of the Company, be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to the foregoing resolution.”

11. Approval of Related Party transactions:

To consider and, if thought fit, to pass, the following resolution as a Special Resolution;

“**RESOLVED THAT** in supersession of the earlier resolution passed and pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014; SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and in accordance with the prevailing provisions of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent of the Members be and is hereby accorded to approve the following Material Related Party Transactions entered into/ to be entered into by the Company with M/s Panache Digilife Limited ("PDL") and M/s. Modera Electronics ("Modera"), related parties of the Company for the purposes of the Companies Act, 2013 and the Listing Regulations, as per the terms and conditions specified in the respective contracts.

Related Party	Nature of Transaction	Monetary value
Panache Digilife Limited	Sale / Purchase of IT products, consumer electronics, software etc.	Aggregate Monetary value for the proposed transactions during Financial Year 2019-20 shall not exceed Rs. 50.00 Crore and during the Financial Year 2020-21 shall not exceed Rs. 70 Crore.
	Availing and / or rendering services	
Modera Electronics	Sale / Purchase of consumer electronics, electrical equipments etc.	Aggregate Monetary value for the proposed transactions during Financial Year 2019-20 shall not exceed Rs. 20.00 Crore and during the Financial Year 2020-21 shall not exceed Rs. 40 Crore.

RESOLVED FURTHER THAT in this regard, the Board is hereby authorized to:

- a. negotiate, finalise, vary, amend, renew and revise the terms and conditions of the transaction(s), including prices/pricing formula and tenure;

- b. enter into, sign, execute, renew, modify and amend all agreements, documents, letters, undertaking thereof, from time to time, provided that such amendments etc. are on arms' length basis.

RESOLVED FURTHER THAT the Board of Directors of the Company, Chief Financial Officer or Company Secretary of the Company, be and are hereby severally authorized to do all such acts and deeds as may be necessary to give effect to this resolution and for matters connected therewith or incidental thereto.”

**By order of the Board of Directors of
Panache Innovations Limited**

**Date: 12/08/2019
Place: Mumbai**

**Priyank Sangoi
CS & Compliance Officer
Membership No. A50896**

NOTES:

1. PROXIES: A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM (THE 'MEETING') IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY

Pursuant to the provisions of Section 105 of the Companies Act, 2013 and Rules framed there under a person can act as Proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. However, a Member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person shall not act as Proxy for any other Member. The Instrument appointing the Proxy, in order to be valid and effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 (forty-eight) hours before the commencement of the meeting. Proxies submitted on behalf of companies, societies etc. must be supported by an appropriate resolution / authority, as applicable. Every Member entitled to vote at the Meeting can inspect the proxies lodged at the Company, at any time during the business hours of the Company, during the period beginning 24 (twenty-four) hours before the time fixed for the commencement of the Meeting and ending on the conclusion of the Meeting. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

2. Corporate Members: Corporate Members intending to send their authorised representatives to attend the Meeting pursuant to section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.

3. Explanatory Statement: The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts concerning each item of special business to be transacted at the Meeting is annexed hereto and forms part of the Notice.

4. Cut-off Date for Dispatch: Members of the Company, holding shares either in dematerialised form or physical form, as on 09th August, 2019 (cut-off date for receiving Notice and Annual Report), shall be entitled for receiving of the Annual Report for the period 2018-19, physically or through their registered mail id.

5. Communication: Electronic copy of the Annual Report 2018-19 and the Notice of the 38th AGM of the Company inter alia with Attendance Slip and Proxy Form is being sent to all the Members, whose email IDs are registered with the Company's Registrar and Share Transfer Agents / Depository Participants for communication purposes unless any Member has requested for a hard copy of the same. For Members, who have not registered their email IDs, physical copies of the Annual Report 2018-19 and the Notice of the 38th AGM of the Company inter alia with Attendance Slip and Proxy Form is being sent through permitted mode. Members are requested to produce the enclosed attendance slip, duly signed as per the specimen signature recorded with the Company, for admission to the meeting hall. Members holding shares in dematerialised form are requested to bring their DP-ID and Client-ID numbers for easier identification for attendance at the meeting. Annual Report for 2018-19 along with Notice of the AGM is also available at the website of the Company www.panachemodera.com.

6. Registrar & Share Transfer Agents and Depository Participant: Members holding Shares in physical mode are requested to intimate changes in their address, bank details, ECS mandate, nomination, power of attorney, change in name/ address etc. to Niche Technologies Private Limited, Registrar and Share Transfer Agents (RTA) of the Company located at 3A, Auckland Place, 7th Floor, Room No. 7A & 7B, Kolkata WB 700017 India. Members holding Shares in electronic mode are requested to send the intimation for change of address, bank details, ECS mandate, nomination, power of attorney, change in name/ address etc. to their respective Depository Participants, any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.

7. **Nomination Facility:** Members holding shares in the physical form and desirous of making / changing Nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13, as applicable for this purpose to the Company's Registrar and Share Transfer Agents (RTA), Niche Technologies Private Limited, who will provide the form on request. In respect of shares held in electronic / demat form, the Members may please contact their respective depository participant.
8. **Book Closure:** Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 21st September, 2019 to Friday, 27th September, 2019 (both days inclusive) for the purpose of electronic credit / dispatch of dividend and AGM.
9. **Dividend waiver:** The actual equity dividend to be declared by the members at the 38th AGM will be for only equity shares other than the equity shares in respect of which the equity Member(s) has / have waived / forgone his / their right to receive the dividend for the financial year ended 31st March, 2019.
10. **Dividend:** Subject to the provisions of Section 123 to Section 127 of the Companies Act, 2013, Dividend on Equity Shares for the year ended 31st March, 2019 as recommended by the Board (Excluding the shares upon which the members have waived/forgone his/their right to receive the dividend by him/them for financial year 2018-19), if sanctioned at the AGM, will be paid within a period of 30 days from the date of declaration to those Members who have not waived their right to receive the dividend for the Financial year 2018-19 -
 - a. in respect of shares held in physical form, whose names appear on the Company's Register of Members, at the close of business hours on Friday, 20th September, 2019, after giving effect to all valid transfers in physical form lodged on or before Friday, 20th September, 2019, with the Company and / or its Registrar and Share Transfer Agents; and
 - b. in respect of Shares held in electronic form, to all beneficial owners as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose, as on Friday, 20th September, 2019.

The dividend, if approved, will be paid by crediting into the bank account, as provided by NSDL and CDSL through ECS or NECS or electronic transfer, of those shareholders holding shares in electronic form / demat. In respect to shareholders holding shares in physical form or in case of ECS, NECS, or electronic payment rejected, dividend will be paid by dividend warrant or demand draft. The Company or its Registrar and Share Transfer Agents (RTA) cannot act on any request received directly from the Members holding Shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised by the Members concerned to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.
11. **Go Green Initiative:** Members holding Shares in physical form are requested to register their email IDs with the Company's Registrar and Share Transfer Agents (RTA) i.e. Niche Technologies Private Limited and Members holding Shares in electronic / demat mode are requested to register their email IDs with their respective Depository Participants (DPs). Members whose email IDs have undergone any change or whose IDs require any correction, may kindly update the same with the RTA or the DPs, as stated above. Members are requested to carry their copies of the Annual Report along with attendance slip to the Meeting.
12. **Mandatory PAN Submission:** 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 details to their Depository Participants with whom they are maintaining their demat accounts. Members holding Shares in physical

form can submit their PAN details to the Company's Registrar and Share Transfer Agents, Niche Technologies Private Limited.

- 13. Unclaimed Dividend:** Members are requested to note that as per Section 124(5) of the Companies Act, 2013, dividends not encashed/ claimed within seven years from the date of declaration will be transferred to the Investor Education and Protection Fund (IEPF). After transfer of the said amount to IEPF, no claims in this respect shall lie against the Company. Members are requested to contact M/s. Niche Technologies Private Limited / Secretarial Department of the Company for encashing the unclaimed dividends standing to the credit of their account.
- 14. Inspection by Members:** All Statutory Registers and relevant documents referred to in the Notice and the Explanatory Statement shall be available for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, Sundays and public holidays, during the Business hours up to the date of the 38th AGM.

The Register of Directors and Key Managerial Personnel (KMPs) and their shareholding maintained under Section 170 of Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the Members at the 38th AGM.

Members desirous of obtaining any relevant information with regard to the accounts of the Company at the Meeting are requested to send their requests to the Company at least 7 (seven) days before the date of the Meeting, so as to enable the Company to keep the information ready.

- 15. Subsidiary Accounts:** In accordance with the provisions of Section 136 of the Companies Act, 2013, the Company will provide a copy of separate audited financial statements in respect of each of its subsidiary, to any member of the Company on making requisition to the Company Secretary or email at compliance@panachemodera.com.

A Statement containing the salient features of the financial statement of subsidiaries forms part of the Annual Report of the Company. The audited financial statements will also be available for inspection at the Registered Office of the Company and the concerned subsidiary companies on all working days, except Saturdays, Sundays and public holidays, during business hours up to the date of the 38th AGM. Further, the documents shall also be available on the website of the Company www.panachemodera.com.

16. Voting through electronic means (E- Voting):

- I. In compliance with Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, substituted by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members facility to exercise their right to vote on resolutions proposed to be considered at the 38th Annual General Meeting by electronic means. 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 Central Depository Services (India) Limited.
- II. The facility for voting through poll paper shall be made available at the AGM and Members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting through poll paper.

The Members who have casted their vote by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again.

The instructions for Members voting electronically are as under:

- a. The e-voting period commences on Tuesday, 24th September, 2019 (9.00 am) to Thursday, 26th September, 2019 (5.00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 20th September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- b. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- c. Click on “Shareholders” tab.
- d. Now Enter your User ID
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- e. Next enter the Image Verification as displayed and Click on Login.
- f. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- g. If you are a first-time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <p>If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (d).</p>

- h. After entering these details appropriately, click on “SUBMIT” tab.
- i. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- j. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
 - k. Click on the EVSN for the relevant Panache Innovations Limited on which you choose to vote.
 - l. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
 - m. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
 - n. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
 - o. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
 - p. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
 - q. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
 - r. Members can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.
 - s. Note for Non – Individual Members and Custodians
 - Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - t. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
17. Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on cut-off date i.e. Friday, 20th September, 2019, may obtain login ID and password by writing to Registrar & Share Transfer Agent of the Company, Niche Technologies Private Limited, or send an e-mail at helpdesk.evoting@cdslindia.com.
18. The Members may also contact in case of any grievance connected with e-voting to:

Compliance Officer: Priyank Sangoi

Address: Unit No. 201/B1, Raheja Plaza – 1, LBS Marg, Ghatkopar West, Mumbai – 400 086

Email id: compliance@panachemodera.com

Contact: 8291529934

19. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, 20th September, 2019.
20. Any person who is not a Member as on the cut-off date i.e. 20th September, 2019, should treat this Notice for information purposes only.
21. The Company has appointed M/s. SARK & Associates, Company Secretaries, as the Scrutinizer who will conduct the remote e-voting process in a fair and transparent manner.
22. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes casted at the meeting, thereafter unblock the votes casted through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the total votes casted in favour or against, if any, forthwith, to the Chairman or a person authorized by him in writing who shall countersign the same and declare the results of the voting forthwith.
23. As per the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the results of the e-voting are to be submitted to the Stock Exchange(s) within 48 hours of the conclusion of the AGM. The results declared along with Scrutiniser's Report shall be simultaneously placed on the Company's website www.panachemodera.com.
24. The resolutions shall be deemed to be passed on the date of the Meeting, i.e. 27th September, 2019 subject to receipt of the requisite number of votes in favour of the resolutions.
25. The Route Map of venue of the AGM is given at the end of this Notice.
26. Brief resume of the Directors including those proposed to be appointed / re-appointed, their functional expertise and qualification, names of the Companies in which they hold directorships etc. as stipulated under Companies Act, 2013 Secretarial Standard on General Meetings (SS- 2) and Regulation 36(3) of SEBI (LODR) Regulations, 2015, are provided below as Annexure A and forming part of the Notice. Also, details required as per Schedule V of Companies Act, 2013 are provided below as Annexure B and forming part of the Notice.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of resolution at item No. 4, 5, 6, 7, 8, 9, 10 & 11.

Item No. 4:

The Members are hereby informed that your Company intends to expand and diversify its present scope of operations and it is proposed to have more specification in the current main Object Clause of the Memorandum of Association of the Company (MoA).

The proposed alteration in the Main Object Clause of the memorandum of association as set out in the resolution is to facilitate more backing to the existing business of the Company along with diversification. This will enable the company to carry on its business economically and efficiently and the proposed activities can be, under the existing circumstances, conveniently and advantageously combined with the present activities of the company. This will also enlarge the area of operations of the company.

The above amendment would be subject to the approval of the Registrar of Companies, Maharashtra, Mumbai and any other Statutory or Regulatory Authority, as may be necessary.

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations is available for inspection by the Members of the Company at its Registered Office during normal business hours on all working days upto the date of the 38th Annual General Meeting.

Pursuant to section 13 of the Act, the above said proposal requires consent of the members by way of special resolution and hence the Board proposes to the members of the Company for their assent to the resolution at item no. 4.

None of the directors or the Key Managerial persons of your company and their relatives are concerned or interested financially or otherwise in this resolution.

Item No. 5 & 6:

Based on the recommendation of Nomination & Remuneration Committee, the Board of Directors at its meeting held on 29th May, 2019 appointed Mr. Prakash Vichhivora (holding DIN 03123043) as an Additional Director of the Company and designated as "Managing Director" of the Company w.e.f. 30th May, 2019 to 29th May, 2024, for a period of 5 years, who is liable to retire by rotation, subject to approval of the Members and on the terms and conditions as contained in the Agreement executed between the Company and Mr. Prakash Vichhivora. He is not disqualified from being appointed as Managing Director in terms of the provisions of the Companies Act, 2013 and also provided declaration to the effect that he is not debarred from holding the office of Director pursuant to any SEBI order.

He shall be eligible to a gross remuneration not exceeding Rs. 50,00,000 per annum (Rupees Fifty Lakhs) which may be paid partly by way of a monthly payment and partly by way of Incentives as may be determined by Nomination and Remuneration Committee or Board from time to time, for a period of 3 years having effect from 30th May, 2019 to 29th May, 2022. The said remuneration shall be paid as per Section II of Part II of Schedule V of the Companies Act, 2013

Except Mr. Prakash Vichhivora (the appointee), Mr. Hetal Vichhivora (relative of the appointee), and their relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in Resolution No. 5 & 6.

Information about Mr. Prakash Vichhivora, in accordance with Regulation 26(4) & 36(3) of SEBI (LODR), 2015 is annexed to the Notice as Annexure A along with additional detailed information as per Schedule V is annexed to the Notice as Annexure B.

The resolutions as set out at Item No. 5 & 6 of this Notice are accordingly recommended for your approval.

Item No. 7 & 8:

Based on the recommendation of Nomination & Remuneration Committee, the Board of Directors at its meeting held on 29th May, 2019 appointed Mr. Hetal Vichhivora (holding DIN 03123060) as an Additional Director of the Company and designated as “Whole-Time Director and Chief Financial Officer” of the Company w.e.f. 30th May, 2019 to 29th May, 2024, for a period of 5 years, who is liable to retire by rotation, subject to approval of the Members and on the terms and conditions as contained in the Agreement executed between the Company and Mr. Hetal Vichhivora. He is not disqualified from being appointed as “Whole-Time Director and Chief Financial Officer” in terms of the provisions of the Companies Act, 2013 and also provided declaration to the effect that he is not debarred from holding the office of Director pursuant to any SEBI order.

He shall be eligible to a remuneration not exceeding Rs. 50,00,000 per annum (Rupees Fifty Lakhs) which may be paid partly by way of a monthly payment and partly by way of Incentives as may be determined by Nomination and Remuneration Committee or Board from time to time, for a period of 3 years having effect from 30th May, 2019 to 29th May, 2022. The said remuneration shall be paid as per Section II of Part II of Schedule V of the Companies Act, 2013.

Except Mr. Hetal Vichhivora (the appointee), Mr. Prakash Vichhivora (relative of the appointee), and their relatives, none of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise in Resolution No. 7 & 8.

Information about Mr. Hetal Vichhivora, in accordance with Regulation 26(4) & 36(3) of SEBI (LODR), 2015 is annexed to the Notice as Annexure A along with additional detailed information as per Schedule V is annexed to the Notice as Annexure B.

The resolutions as set out at Item No. 7 & 8 of this Notice are accordingly recommended for your approval.

Item No.9:

Based on the recommendation of Nomination & Remuneration Committee, the Board of Directors in their Meeting held on 12th August, 2019 have appointed Mr. Gaurav Pratap Singh as an Additional Independent Director of the company to hold office up to the date of next Annual General Meeting for a term of Five years, i.e. with effect from 12th August, 2019 till 11th August, 2024, whose office shall not be liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting (“AGM”). While recommending the said appointment, the Board has also considered the relevant criteria, attributes and policy on diversity.

In the opinion of the Board, Mr. Gaurav Pratap Singh fulfils the conditions for appointment as Independent Director as prescribed in the Act and Listing Regulations and he is independent of the management.

The Company has also received a declaration from Mr. Gaurav Pratap Singh confirming that he meets the criteria of independence as prescribed under the Act. He is also not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director of the Company and also provided declaration to the effect that he is not debarred from holding the office of Director pursuant to any SEBI order.

Except Mr. Gaurav Pratap Singh none other Directors, Key Managerial Personnel and their relatives are, in any way concerned or interested in resolution set out at Item no. 9 of the Notice.

Information of Mr. Gaurav Pratap Singh, his functional expertise and qualification, names of the Companies in which he holds directorships etc. as stipulated under Companies Act, 2013, Secretarial Standard on General Meetings (SS- 2) and Regulation 36(3) of SEBI (LODR) Regulations, 2015, are provided below as Annexure A and form a part of this Notice.

The resolution as set out at Item No. 9 of this Notice are accordingly recommended for your approval.

Item No.10:

Mr. Amit Rambhia expressed his intention to re-designate his position in Company from Chairman & Managing Director of the Company to Chairman & Non-Executive Director and accordingly on the request received from Mr. Amit Rambhia (DIN: 00165919) and based on the recommendation of Nomination & Remuneration Committee, re-designated from Chairman & Managing Director of the Company to Chairman & Non-Executive Director of the Company w.e.f. 30th May, 2019.

Information of Mr. Amit Rambhia, his functional expertise and qualification, names of the Companies in which he holds directorships etc. as stipulated under Companies Act, 2013, Secretarial Standard on General Meetings (SS-2) and Regulation 36(3) of SEBI (LODR) Regulations, 2015, are provided below as Annexure A and form a part of this Notice.

Except Mr. Amit Rambhia none other Directors, Key Managerial Personnel and their relatives are, in any way concerned or interested in resolution set out at Item no. 10 of the Notice.

The resolutions as set out at Item No. 10 of this Notice are accordingly commended for your approval.

Item No. 11:

Based upon the business requirements, Board of Directors of your Company have evaluated the transactions contained in the resolution no. 11 with Panache Digilife Limited (PDL) and Modera Electronics, being related parties of the Company for the purposes of the Companies Act, 2013 and the Listing Regulations.

Details as per Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014

Name of the Related Party	Name of Director or Key Managerial Personnel who is related, if any	Nature of Relationship	nature and particulars of the contract or arrangements	material terms, monetary value and duration
Panache Digilife Limited (PDL)	Mr. Amit Rambhia	Amit Rambhia is Managing Director PDL.	- Sale / Purchase of IT products, consumer electronics, software etc. - Availing and / or rendering services	Transactions with PDL shall be on a continuous basis / need based in accordance with the terms and conditions agreed between the parties and in ordinary course of business. Aggregate Monetary value for the proposed transactions during Financial Year 2019-20 shall not exceed Rs. 50.00 Crore and during the Financial Year 2020-21 shall not exceed Rs. 70 Crore. The transactions shall be on arm's length basis.
Modera Electronics	Mr. Prakash Vichhivora and Mr. Hetal Vichhivora	Mr. Prakash Vichhivora and Mr. Hetal Vichhivora are partners in Modera Electronics	Sale / Purchase of consumer electronics, electrical equipments etc.	Transactions with PDL shall be on a continuous basis / need based in accordance with the terms and conditions agreed between the parties and in ordinary course of business. Aggregate Monetary value for the proposed transactions during Financial Year 2019-20 shall not exceed Rs. 20.00 Crore and during the Financial Year 2020-21 shall not exceed Rs. 40 Crore. The transactions shall be on arm's length basis.

The above transactions are approved by Audit Committee.

As the transactions are based in ordinary course of business and at arm length basis, approval of members as per Section 188 of Companies Act, 2013 is not required and also Regulation 23 of SEBI (LODR) Regulations, 2015 is not applicable to our company and as a matter of abundant caution, members approval is sought for entering into Material Related Party Transactions.

Except Mr. Amit Rambhia (being Managing Director and promoter member in PDL), Mr. Prakash Vichhivora (Partner in Modera Electronics) and Mr. Hetal Vichhivora (Partner in Modera Electronics) and their relatives, none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise in Resolution No. 11.

The Directors recommend the resolution no. 11 for approval by the members.

**By order of the Board of Directors of
Panache Innovations Limited**

**Date: 12/08/2019
Place: Mumbai**

**Priyank Sangoi
CS & Compliance Officer
Membership No. A50896**

Annexure A to 38th AGM Notice

Information about directors seeking appointment / reappointment in this Annual General Meeting in compliance with Regulation 26(4) & 36 (3) of SEBI LODR and 1.2.5 of the Secretarial Standard on General Meetings (SS- 2)

Name of the Director	Mr. Prakash Vichhivora	Mr. Hetal Vichhivora	Mr. Gaurav Pratap Singh	Mr. Amit Rambhia
Father's Name	Mr. Mavji Vichhivora	Mr. Mavji Vichhivora	Ajai Pal Singh	Mr. Devchand Lalji Rambhia
DIN	03123043	03123060	06747792	00165919
Date of Birth	11/07/1970	04/12/1974	17/09/1980	23/09/1974
Age	49	45	38	45
Educational Qualification	Degree in Electronics and Telecommunication.	Has completed 2 years of Diploma in Electronics and Video Engineering from St. Xaviers Technical Institute – Mumbai.	Engineer in Electronics & Telecom and has completed MBA in Finance and Marketing.	Bachelor's degree from Mumbai University; MBA from IIM Indore.
Experience / Expertise	Mr. Prakash Vichhivora aged 49, has more than 27 years of experience in Electronics and IT Industry. He has core understanding and vast experience in Regional Distribution. He has been associated with various well-known Domestic and International Brands in Electronics and IT business. He brings deep understanding of Indian Geographical area along with regional demand & its behaviour pattern in this industry.	Mr. Hetal Vichhivora, aged 45, has experience of more than 10 years in Retail Market of IT & more than 10 years in Security products and Distribution Business of IT and Telecom products. He brings many years of well-rounded administrative, Practical and Business Knowledge.	Mr. Gaurav Pratap Singh, born in 1980, has graduated as Engineer in Electronics & Telecom and has completed MBA in Finance and Marketing. He has an overall experience of 14 years in Information & Technology. Banking & Finance and Supply Chain. Currently he is heading the business of a leading Private Equity backed Company having PAN India Presence.	Amit Rambhia with 20 years of experience is an innovative and self – driven man. He always had a passion for technology. He offers rich and varied exposure of 20+ years to the entire spectrum of Business activities. Mr. Amit Rambhia has been recognised amongst The Most Influential Marketing Leader by the World Marketing Congress.
Nature of his expertise in specific functional area	Management & overall business execution	Management & overall business execution	Information and Technology, Banking & Finance and Supply Chain.	Management & overall business affairs
Terms and conditions of appointment or re-	Upon recommendation of Nomination & Remuneration Committee, the Board appointed Mr. Prakash Vichhivora as an	Upon recommendation of Nomination & Remuneration Committee, the Board appointed Mr. Hetal Vichhivora as an Additional Director w.e.f. 30 th	Upon recommendation of Nomination & Remuneration Committee, the Board appointed Mr. Gaurav Pratap Singh as an	Upon request of Mr. Amit Rambhia and recommendation of Nomination & Remuneration Committee, Mr. Amit Rambhia is re-designated from

appointment or re-designation	Additional Director w.e.f. 30 th May, 2019, who shall be holding office upto the date of ensuing Annual Genral Meeting and designated as “Managing Director” of the Company, for a period of 5 years w.e.f. 30 th May, 2019, subject to the approval of shareholders at the ensuing Annual General Meeting.	May, 2019, who shall be holding office upto the date of ensuing Annual Genral Meeting and designated as “Whole-Time Director & CFO” of the Company, for a period of 5 years w.e.f. 30 th May, 2019, subject to the approval of shareholders at the ensuing Annual General Meeting.	Additional Independent Director to hold office upto the date of ensuing Annual General Meeting for a period of 5 years w.e.f. 12 th August, 2019 to 11 th August, 2024. His appointment shall not be liable to retire by rotation.	Chairman & Managing Director to Chairman & Non-Executive Director of the company w.e.f. 30 th May, 2019. His appointment shall be liable to retire by rotation.
Last drawn remuneration	N.A	N.A	N.A	Nil
Date of 1 st Appointment on the Board	30/05/2019	30/05/2019	12/08/2019	02/02/2016
Number of Meetings of the Board attended during the year 2018-19	N.A.	N.A.	N.A.	4
No. of share held as on date	NIL	NIL	NIL	4,25,100 shares
Relationship with other directors, manager & KMP	Brother of Mr. Hetal Vichhivora (Whole-Time Director & CFO)	Brother of Mr. Prakash Vichhivora (Managing Director)	NIL	NIL
Other Directorships	Modera Freight Services Private Limited - Director Modera HR Consultancy Services Private Limited - Director	Modera Freight Services Private Limited - Director Modera HR Consultancy Services Private Limited - Director	Panache Digilife Limited – Additional Independent Director	Panache Digilife Limited – Managing Director ICT Infratech Services Private Limited - Director
Committee Memberships in other Companies	NIL	NIL	Panache Digilife Limited: Audit Committee (Member) Nomination & Remuneration Committee (Member) Stakeholders Relationship Committee (Chairman)	Panache Digilife Limited: Audit Committee (Member)

Annexure B to 38th AGM Notice

The additional detailed information as per Section – II of Schedule V is annexed to the Notice as

I. General Information:

(a) Nature of Industry	Trading and Distribution in plastic granules & IT products.				
(b) Date or expected date of commencement of commercial production.	Company is already in operation.				
(c) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	NA				
(d) Financial performance based on given indicators.	(Rs. in Lakhs)				
	Particulars	Financial Year Ended			
		Standalone		Consolidated	
		31/03/2019	31/03/2018	31/03/2019	31/03/2018
	Revenue from operations (net)	832.42	3488.73	1031.47	4008.44
	Earnings before interest, tax, depreciation and amortization (EBITDA) and prior period adjustments	18.10	38.42	(31.17)	72.58
	Depreciation and amortization expenses	1.26	1.26	1.26	1.26
	Finance Cost	0.00	0.00	0.00	0.00
	Profit before tax (PBT)	16.84	36.54	(32.43)	70.70
	Profit after tax and minority interest (PAT)	12.60	29.17	(36.66)	63.29
(e) Foreign investments or collaborators, if any	The Company has 2 (two) Foreign Subsidiaries:				
	Name of Foreign Subsidiary Company	% Shareholding	Date of becoming Subsidiary		
	Eddy & Andy International Limited	100%	18/07/2016		
	Panache Innovations DMCC	100%	06/09/2017		

II. Information about the appointee:

Name of Appointee	Mr. Prakash Vichhivora	Mr. Hetal Vichhivora
Background details	<p>Mr. Prakash Vichhivora was appointed as Additional Director w.e.f. 30th May, 2019, to hold office upto the date of ensuing Annual General Meeting and designated as “Managing Director” of the Company, for a period of 5 years w.e.f. 30th May, 2019, subject to the approval of shareholders at the ensuing Annual General Meeting</p> <p>He has more than 27 years of experience in Electronics and IT Industry. He has core understanding and vast experience in Regional Distribution. He has been associated with various well-known Domestic and</p>	<p>Mr. Hetal Vichhivora was appointed as Additional Director w.e.f. 30th May, 2019, to hold office upto the date of ensuing Annual General Meeting and designated as “Whole-Time Director & CFO” of the Company, for a period of 5 years w.e.f. 30th May, 2019, subject to the approval of shareholders at the ensuing Annual General Meeting.</p> <p>He has experience of more than 10 years in Retail Market of IT & more than 10 years in Security products and Distribution Business of IT and Telecom products. He brings many</p>

	International Brands in Electronics and IT business. He brings deep understanding of Indian Geographical area along with regional demand & its behaviour pattern in this industry.	years of well-rounded administrative, Practical and Business Knowledge.
Past Remuneration	N.A	N.A
Recognition and Awards	NIL	Received awards from Business Networking Institutions for <ul style="list-style-type: none"> - Notable networker - Certificate for passing maximum references - Certificate of appreciation for maximum contribution
Job profile and his suitability	Requires policy planning, vision, strategy and long-term development activities alongwith strong knowledge and experience in Electronics & IT Industry, exposure in management skills, marketing expertise which Mr. Prakash possesses.	Requires policy planning, vision, strategy and long-term development activities alongwith strong knowledge and experience in Electronics & IT Industry, exposure in management skills, operational expertise, marketing expertise, finance which Mr. Hetal possesses.
Remuneration proposed	Not exceeding Rs. 50 Lakhs p.a	Not exceeding Rs. 50 Lakhs p.a
Comparative remuneration profile with respect to industry, size of the 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 Industry standards and Board level positions held in similar sized and similarly positioned businesses.	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is Commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses.
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any	Mr. Prakash Vichhivora is brother of Mr. Hetal Vichhivora, Whole-Time Director & Chief Financial Officer of the Company.	Mr. Hetal Vichhivora is brother of Mr. Prakash Vichhivora, Managing Director of the Company.

III. Other Information:

(a) Reasons of loss or inadequate profits	Considering the responsibility shouldered by Mr. Prakash Vichhivora and Mr. Hetal Vichhivora of the enhanced business activities of the Company, the Company has inadequate profits to offer their Directors commensurate remuneration and accordingly the proposed remuneration shall be in excess of the thresholds mentioned in Section 197 (1) of Companies Act, 2013 and accordingly needs to pass a special resolution for giving remuneration to Directors as per Schedule V Part II Section II.
(b) Steps taken or proposed to be taken for improvement	The Company is striving continuously in trading & distributing in Electronics & Information Technology Business. The Company is exploring new areas and products for generating revenue. The Directors have rich experience in the Electronics & IT industry and they wish to take the Company to new heights.
(c) Expected increase in productivity and profits in measurable terms	Barring unforeseen circumstances, the Company hopes to increase the revenue and profits by aggressively pursuing and implementing its strategies to improve financial performance.

PANACHE INNOVATIONS LIMITED

Reg. Off.: 2nd Floor, Bldg No. A3, Unit 201A, Babosa Industrial Park, Mumbai-Nashik Highway (NH3), Saravali Village, Bhiwandi, Thane 421302, Maharashtra, India.

Corporate Off.: Unit No. 201/B1, Raheja Plaza-1, L.B.S. Marg, Ghatkopar West, Mumbai – 400086, Maharashtra, India

Phn: +91 82915 29934; Email: info@panachemodera.com; Website: www.panachemodera.com
CIN: L51100MH1981PLC312742

Form MGT-11 - Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s)		E-mail Id	
Registered Address		Folio No./ *Client ID- *DP ID No.	

I / We, being the holder/s of _____ equity shares of Panache Innovations Limited, hereby appoint:

1. Name: _____ E-Mail ID: _____

Address: _____

Signature: _____, or failing him/her

2. Name: _____ E-Mail ID: _____

Address: _____

Signature: _____, or failing him/her

3. Name: _____ E-Mail ID: _____

Address: _____

Signature: _____, or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th Annual General Meeting of the Company, to be held on the Friday, 27th September, 2019 at 03:00 P.M. at Shangrila Resort, Mumbai-Nashik Highway, Bhiwandi By Pass End, Gangaram Pada, Vadpe, Bhiwandi, Thane, Maharashtra 421302 and at any adjournment thereof in respect of such resolutions as are indicated below:

**I wish my above Proxy to vote in the manner as indicated in the box below:

Resolution No.	Particulars	For	Against
Ordinary Business:			
1	Consider and adopt: a) the audited Standalone Financial Statement of the Company for the year ended March 31, 2019 and the report of the Board of Directors and Auditors thereon. b) the audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2019 and the report of the Auditors thereon.		
2	Declare final dividend on Equity Shares at ₹ 0.25/- per share of Face Value of ₹ 10/- each for the financial year ended 31 st March 2019.		
3	Appoint a Director in place of Mr. Amit Devchand Rambhia, Director, (DIN 00165919), who retires by rotation and being eligible, offers himself for re-appointment.		
Special Business:			
4	Alter Object Clause of Memorandum of Association of the Company – Special Resolution		
5	To appoint Mr. Prakash Vichhivora (DIN: 03123043) as a Director of the Company – Ordinary Resolution		
6	Appointment of Mr. Prakash Vichhivora (DIN: 03123043) as the Managing Director of the Company – Special Resolution		
7	To appoint Mr. Hetal Vichhivora (DIN: 03123060) as a Director of the Company – Ordinary Resolution		
8	Appointment of Mr. Hetal Vichhivora (DIN: 03123060) as the Whole-Time Director and Chief Financial Officer of the Company – Special Resolution		
9	To appoint Mr. Gaurav Pratap Singh (DIN: 06747792) as an Independent Director of the Company – Ordinary Resolution		
10	To re-designate Mr. Amit Rambhia from Chairman & Managing Director to Chairman & Non-Executive Director of the Company – Special Resolution		
11	Approval of Related Party transactions – Special Resolution		

*Applicable for investors holding shares in electronic form.

**This is Optional

Signed this _____ day of _____, 2019

Please Affix
Revenue
Stamp

Signature of Member

Signature of Proxy Holder

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- **It is optional to indicate your preference. If you leave the 'For' or 'Against' blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.

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Phn: +91 82915 29934; Email: info@panachemodera.com; Website: www.panachemodera.com

CIN: L51100MH1981PLC312742

Attendance Slip

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint Shareholders may obtain additional Slip at the venue of the meeting

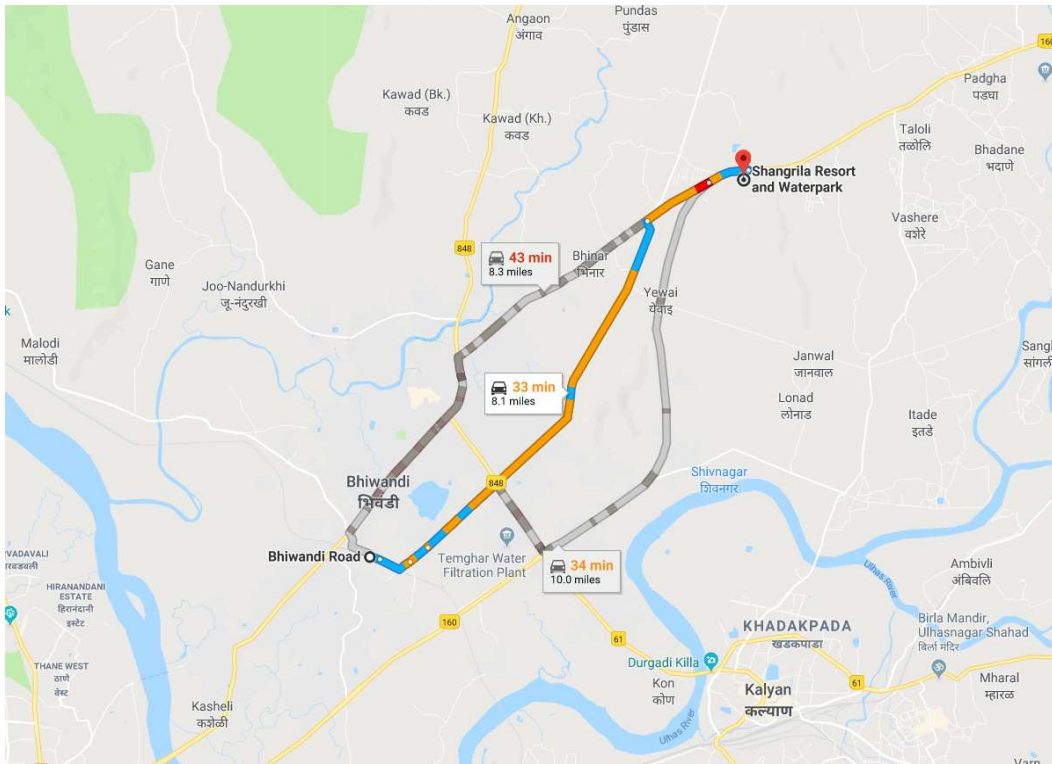
Name of the Member:	
Address of the Member:	
DP Id*	Folio No.
Client Id*	No. of Shares

I hereby record my presence at the 38th AGM of the Company held on Friday, 27th September, 2019 at 03:00 P.M. at Shangrila Resort, Mumbai-Nashik Highway, Bhiwandi By Pass End, Gangaram Pada, Vadpe, Bhiwandi, Thane, Maharashtra 421302

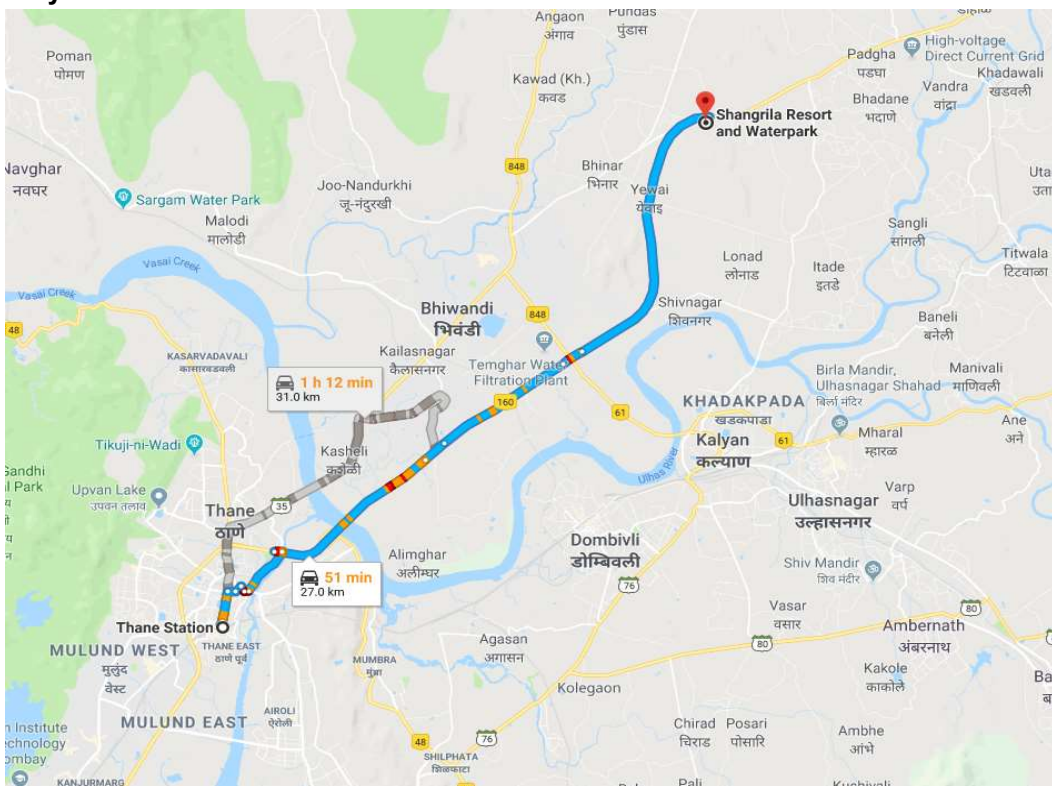
Signature of member/Proxy holder(s)

*Applicable for investors holding shares in electronic form.

**Route Map for the Venue of AGM
Via Bhiwandi Road**



Via Thane Railway Station



Panache Innovations Limited

Venue of AGM: Shangrila Resort, Mumbai-Nashik Highway, Bhiwandi By Pass End, Gangaram Pada, Vadpe, Bhiwandi, Thane, Maharashtra 421302

Date of AGM: 27th September, 2019 (Friday) | **Time of AGM:** 3.00 pm



PANACHE[®]

Panache Innovations Limited

E- mail : info@panachemodera.com

www.PanacheModera.com