

PANACHE®

Panache Innovations Limited

ANNUAL
REPORT
2019-20

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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)

Gaurav Singh

Independent Director
(w.e.f 12th August, 2019 till 31st May, 2020)

Prakash Vichhivora

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

Meeta Mehta

Independent Director

Hetal Vichhivora

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

Rohit Mathur

Independent Director (till 15th August, 2019)

Anil Dagade

Independent Director

Jayachandran Sunderamoorthy

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

Shailesh Gala

Additional Independent Director (w.e.f 29th May, 2020)

Company Secretary & Compliance Officer

Priyank Sangoi

BOARD COMMITTEES AS ON DATE

Audit Committee

Meeta K. Mehta Shailesh Gala Amit Rambhia Anil Dagade

Nomination And Remuneration Committee

Anil Dagade Meeta K. Mehta Shailesh Gala Amit Rambhia

Stakeholders Relationship Committee

Shailesh Gala Meeta K. Mehta Anil Dagade Amit Rambhia

CORPORATE INFORMATION

REGISTERED OFFICE

2nd Floor, Bldg No. A3, Unit 201A,
Babosa Industrial Park,
Mumbai-Nashik Highway (Nh3),
Saravali Village, Bhiwandi,
Thane - 421 302.

CIN: L51100MH1981PLC312742

(T): +91 8291529934

(E): info@panachemodera.com

AUDITORS

Jain Salia & Associates

Chartered Accountant

CORPORATE OFFICE

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

SHARE REGISTRARS & TRANSFER AGENTS

Niche Technologies Private Limited

3A, Auckland Place, 7th Floor,
Room No. 7A & 7B,
Kolkata – 700017.

(T): (033) 2280 6616 / 17 / 18

(E): nichetechpl@nichetechpl.com

(W): www.nichetechpl.com

Internal Auditor

Sanket Sangoi & Associates

Secretarial Auditor

D.M.Zaveri & Co.

Bankers

Canara Bank

Listed On

BSE (Security Code – 538742)

CHAIRMAN'S SPEECH



Dear Shareholders,

Greetings!

I'm delighted to present to you the Annual Report of our Company for the financial year 2019-20. 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 effective from 30th May, 2019 and introduce our new driving team Mr. Prakash Vichhivora as Managing Director and Mr. Hetal Vichhivora as Whole-Time Director & Chief Financial Officer of the 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.

As you are aware that the economy is going through a slowdown phase which coupled with the outbreak of Covid-19 pandemic and subsequent lockdowns has affected us all. Today we are faced with more challenges than ever before which coupled with a tough global environment is making Companies perform under severe uncertainties.

External Environment :

In the year 2019-20, the global economic growth situation was very tough as a result the growth trended down in virtually all major economies and slowed down in all geographical areas. Growth was lowest in the decade, since the world financial crisis in 2008-2009. To add to this, covid-19 pandemic and shutdown measures has sent the global economy into further contraction. As per World Bank this is the deepest recession since the Second World War. The outlook as of now is highly uncertain and downside risks are predominant, including the possibility of a more protracted pandemic, financial upheaval, and retreat from global trade and supply linkages.

The Indian economy too grew at a slower pace, registering lowest full year GDP in 11 years in FY2020, in particular economic activity was impacted in the last month of the fiscal year with the imposition of lockdown. Exports and imports contracted by 3.6 per cent and 6.8 per cent respectively. The FY2021 has begun amid business pessimism all around. Various forecast estimates indicate economy to shrink by 8-9 per cent and it will require tremendous efforts from businesses to regain the business confidence. If the rural growth pick-up backed by normal monsoon and agri harvest, the domestic economy will show a marginal improvement to around 4-5 per cent. The silver lining is, business activity has resumed, albeit with new social distancing and work from home measures; and there are early signs of recovery visible.

Company's performance & Initiatives during FY2019-20

Your Company is engaged in the Distribution business of Telecom Products, IT Products & Accessories, LED & Lighting Products, Batteries, Audio Products, Torches. With flexible supply chain and end to end management of our goods, our distribution channel can cater to domestic as well as international markets.

To briefly mention about financial performance, the total revenue from operations stood at Rs. 15.12 crore for the year ended March 31st, 2020, as against Rs. 8.32 crore for the corresponding previous period. The PAT (profit after tax) were Rs. 0.04 crore for the year ended March 31st, 2020, as against Rs. 0.13 crore for

the corresponding previous period. The EPS (Earning Per Share) for the financial year ended March 31st, 2020 was Rs. 0.09 for a face value of Rs 10 per share, as against Rs. 0.29 for the corresponding previous period.

The Company had quite an eventful last year with many new initiatives as follows;

- Appointed as National Distributor of MOROTOLA brand for India in Telecommunication category (Corded Phones, Cordless Phones, Fixed Wireless Phones & IP Phones);
- Enhancement of corporate tie-ups with Ecommerce Industry leaders by becoming their Special Vendor Partners for company's respective business category;
- Added various Products in the bucket such as Landline Phones, Dry Batteries, Torches, LED Lightning & Mobile Power bank etc;
- Developed wide network of 500+ Channel Distributors across India who operate as Secondary tier and responsible to promote and distribute products to third tier (dealer's/ End customers/SME's);
- Added Large Format Retails & Blue-Chip Corporates as our institutional customers.

These important milestones achieved by the Company will enable better valuation and wealth creation for all of us in the coming years.

The Road Ahead

The management is hopeful to achieve reasonable performance in the current financial year 2020-21. Our Company is planning to introduce various products such as Basic Landline Phones in product line in order to expand business reach in Semi-urban, rural, SME's & Public sector where company expects increase in demand drastically. Our Company is also looking forward to expand its business in LED Lighting by introductions of Panel Lights, Down Lights, Streetlights & Digital Signage and in Battery category by introduction of Wireless Power Bank, Wireless Charger, Hearing Aid Batteries & Lithium ion Battery. Our Company has an outlook to explore and search for new opportunities in Mobile accessories category which will be introduced as separate business vertical and revenue center for FY. 2020-21.

Conclusion

As I close my message, I would just like to add our Company is looking forward to an optimistic year 2020-21. 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.

We eagerly look forward to a year of achieving new milestones and unlocking shareholders value.

With warm regards,

Amit Rambhia
Chairman

Authorised National Distributor for India



Corded Phones | Cordless Phones | Fixed Wireless Phones | IP Phones

Brand Licensee of India

HYUNDAI

Dry Cell Batteries | LED Lighting | LED Torch | Mobile Power Bank

PANACHE[®]

BUSINESS OVERVIEW

Panache Innovations Limited, is a BSE listed Company, engaged in the Distribution business of Telecom Products, IT Products & Accessories, LED Lighting Products, Batteries, Power Banks, Audio Products, Torches/Flash Lights, Electrical Products With flexible supply chain and end to end management of our goods, our distribution channel can cater to domestic as well as international markets.

Panache Innovations Limited is **Authorized National Distributor of Motorola** Brand for India. Product categories are described below:

Motorola Landline Phones :

Our Home Communication products in the Motorola corded and cordless telephone portfolio are designed to carry the Motorola brand deeper into the home communication market. Our products boast intuitive and user-friendly menus with clear screens, in a range of handset styles that will grace any environment with their modernity. We are committed to provide our customers with high quality products, best in class design and seamless user experience

Corded Phone :



motorola

Corded
Phone



CL1011
Combo



CT1111
Corded



CT100
Corded



CT2021
Corded

Motorola Corded range offer all the essential calling features needed to communicate in everyday life. From entry to high end, our stylish designs offer value for money and best in class quality.

Motorola Combo telephones allow you to communicate easily with hands-free speakerphone on the desktop phone with the addition of a cordless handset for greater flexibility.

Cordless Phone :



motorola

Cordless
Phone



IT.5.1XI
Cordless



IT.6.1XC
Cordless



IT.6.1XC
Cordless



C1001LBI
Cordless



C6011
Cordless



D5011
Cordless

Motorola Cordless Telephones have wide range of ergonomic designs for easy and comfortable use, our range of telephones come generously equipped with features to make staying in touch even easier.

Conference Phones :

 **motorola**
AC1002C
 Conference




The Motorola cordless audio-conferencing units AC1002C are designed for families, professionals, and businesses, offering high quality audio, incorporating a large speaker and microphone ensures the delivery of a high-quality audio performance .


The AC1002C conferencing unit can be removed from its base to allow for flexible and convenient positioning, Incorporating a large speaker and microphone guarantees delivery of high-quality audio. Full duplex technology allowing simultaneous talking, coupled with dynamic noise reduction and echo cancellation, ensures the AC1002C performance is a clear and comfortable conferencing experience.


Fixed Wireless Phone :


 **motorola**
FW200L
 always connected.
 Fixed Wireless Telephone.




-  GSM quad band (frequency range 850 / 900 / 1800 / 1900MHz)*

-  Battery back up (long rechargeable battery life)

-  No landline required

-  1000 name and number phonebook in the base, contacts can also be stored on the SIM card**

-  Unlocked to all GSM (2G) networks*

The Motorola FW200L Fixed Wireless Telephone is the natural choice for residential and business communication. Homes, offices, and other areas lacking fixed communication infrastructure, or residents and businesses that would like to remove or reduce the number of landlines, will benefit from the FW200L as it operates over an existing GSM network.

HYUNDAI Product Portfolio :

Panache Innovations Limited is Brand Licensee of HYUNDAI for India. Product categories are as below:

Dry Cell Batteries & Alkaline Batteries :

HYUNDAI BATTERIES



HYUNDAI
HIGH POWER
R6 AA PVC ECONOMY



HYUNDAI
ULTRA POWER
R6 AA



HYUNDAI
RED HIGH POWER
R6 AA PVC



HYUNDAI
XTRA POWER
R6 AA ECONOMY



HYUNDAI
UHD CARBON ZINC
R03 AAA

Hyundai Dry cell Batteries are improved anti-corrosion components and new zinc composition resulting in anti-leakage better shelf life. Designed to provide reliable and lasting performance for both high and low drain devices & Unique technology that enables better performance after storage, over-discharge, and high temperatures

Works with a variety of devices including digital cameras, game controllers, toys, and clocks. Using proprietary technology, these batteries provide excellent anti-leakage performance during storage and over-discharge use.

LED Flashlight/ Torch :

HYUNDAI LED FLASH LIGHT



HYUNDAI MINI
With 1 x AA Battery



HYUNDAI VENUS
With 2 x AA Battery



HYUNDAI PRAKASH
With 3 x Alkaline
AA Battery



HYUNDAI RAINBOW
With 3 x AA Battery



HYUNDAI ROSHNI
With 3 x AA Battery



HYUNDAI UJALA
With 3 x AA Battery



HYUNDAI KIRAN
With 3 x AA Battery



HYUNDAI JYOTI
With 3 x AA Battery

HYUNDAI RECHARGEABLE TORCH



HYUNDAI SURAJ
Rechargeable Head Lamp



HYUNDAI CAPTAIN
RECHARGEABLE



HYUNDAI GOLDEN
RECHARGEABLE



HYUNDAI ULTRA PLUS
RECHARGEABLE



HYUNDAI SUPER PLUS
RECHARGEABLE

Hyundai LED Flashlight/ torches designed with aimed to provide ease to take the brightness of LED with you, wherever you go, with our extensive range of Battery operated torches & Rechargeable torches . Power efficient rechargeable LED Torch. Increased discharge time due to intensity or power selection via switch. Hyundai LED torch has a modern look to it. The sleek design is easy to grip and prevents slip off. It has bright illuminance that helps you see in the dark up to a meter. Hyundai torches can be your favorite travel companion!

LED LIGHTNING :

HYUNDAI

LED Light

Cool Day Light



POWER-X
LED BULB 7W, 9W & 12W

POWER-X
9W INVERTER LED INVERTER BULB

POWER-X
20W INVERTER LED BATTEN

Panache Innovations Limited, Launched Hyundai Led Bulb 7W,9W & 12W Led Bulb which are aimed to light up thousands of lives across India. This economical option for CFL or glass lamp uses a new technology of plastic-aluminium thermal management which offers a longer life with maximum efficiency. Additionally, the design of the shell cover is such that it provides omni-directional lighting effect for your interior space. We extended our wing into the retail and institutional segment with Lighting. Our aim was to offer the latest and innovative LED lighting solutions designed to enhance every home and office space.

Hyundai Inverter Emergency bulb & Inverter LED Batten are the perfect lighting backup during power cuts and can be used in your study/drawing room and bathroom in your home, retail shops and hospitals. No Fear of Power Cut, Now enjoy continuous lighting experience with Hyundai Inverter LED 9W. It has 2200mAh Lithium battery which gives you continuous lighting back up to 4 hours. It will take 4 hours for full charging.

MOBILE POWER BANKS :



20000 mAh
POWER BANK
ONE POWERBANK
MULTIPLE SOLUTIONS & NEVER
STAY OUT OF CHARGE

The all-new HYUNDAI **1000 mAh & 20000mAh Power Bank** ensures that your devices charge quickly, and you can be on the move. The all-new design now features Dual-port input (Micro-USB/USB-C) and Dual USB output with two-way fast charging without compromising on size and quality. The 20,000mAh high-density Lithium polymer provides a strong power backup. It can retain up to 100% of its full capacity even after 500 recharge cycle Both USB type-A and USB type-C ports can provide power to charge two devices at the same time

With 20000mAh capacity you can charge a 3000mAh phone battery up to 4 times and charge a 4000mAh phone battery 3 times. With 10000mAh capacity you can charge a 3000mAh phone battery up to 2-2.2 times and charge a 4000mAh phone battery up to 1.3-1.5 times.

The power bank has intelligent input and output controls and LED indicators for a seamless experience.

E-Commerce Merchandising & IT Hardware Retail Sales :

Panache Innovations Limited also engage into E-commerce Merchandising & IT Hardware retail sales as additional business avenue which provide some extra mileage to its primary Distribution business

Business Network :

We have developed wide network of 500+ Channel Distributors across India who operate as Secondary tier and responsible to promote and distribute products to third tier (dealer's/ End customers/SME's).

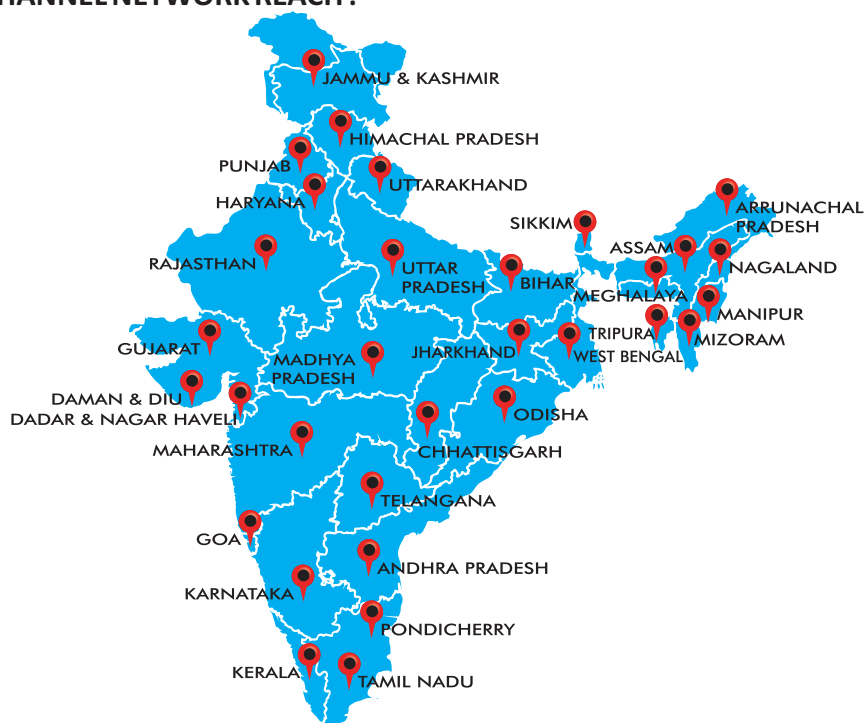
Our Team always work hard to add new prospective Distributors and filter existing distributors based on quarterly, yearly performance review of Distributors & area specific requirements.

We also served to Large Format Retailers & Blue-Chip Corporates as Institutional sales.

We have engaged with our partner brands in order to develop product life cycle, guide them in knowing customers' challenges and improve price-to-benefit ratio. To increase brand awareness among the masses we conduct specialized training modules, events and promotional activities at the ground level with our channel partners in the Indian market.

This is possible due to the dedication and experience of our corporate and sales teams which constantly track latest market developments to build a closer market connect.

CHANNEL NETWORK REACH :



Brand	Number of Channel Partners
Motorola	175
Hyundai	350

BUSINESS HIGHLIGHTS 2019-2020

- Panache Innovations Limited, as National Distributor of MOROTOLA Landline Phones understand huge demand of its one of product category i.e. Fixed Wireless Phones namely **Motorola Fixed Wireless Phone FW200L** in order gain benefit Economies of scale decided to initiate process of "**MAKE IN INDIA**" in very early stage of F.Y 2019-2020. In India Motorola Fixed Wireless Phone Fw200L 1st Brand who successfully Launched **MOTOROLA FIXED WIRELESS PHONE** as "**MAKE IN INDIA**".
- Panache Innovation Limited launched, **HYUNDAI INVERTER LED BATTEN 20 W** in India, which is Innovative & product which is useful for masses especially in semi-urban and rural part of India. **HYUNDAI** becomes 1st Brand who launched **INVERTER LED BATTEN** at Indian Market
- Panache Innovations Limited launched Hyundai Mobile Power Bank in strategic alliances with e-commerce platforms. Hyundai Power Bank receive overwhelming response from its customers. Company have its plan to develop its business by introducing new product variant as per customers requirement.
- Special attention & efforts towards enhancement of corporate tie-ups with Ecommerce Industry leaders by becoming their Special Vendor Partners for company's respective business category.

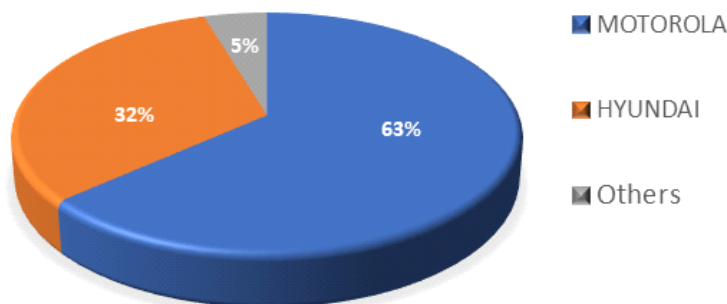
Special Recognition :

We are pleased to announce that, Panache Innovations Limited receive special recognition as its top selling product **Motorola Fixed wireless Phone FW200L** ranked **No 1. as Best Landline Phone in India 2019** as per **Techzene** review.

PRODUCT WISE CATEGORIAL SALES CONTRIBUTION F.Y. 2019-2020

- In Financial Year 2019-2020, Motorola Landline Phones as business category contributed 63% of company's Business Turnover
- HYUNDAI Dry Batteries, Torches, LED Lightning & Mobile Power bank contributed 32% of company's Business Turnover
- E-commerce Merchandising & IT Hardware retail sales contributed to 5% company's Business Turnover

PRODUCT CATEGORIAL SALES CONTRIBUTION
F.Y. 2019-2020



FUTURE EXPANSION ROADMAP :

- Introduction of Basic Landline Phones in product line in order to expand business reach in Semi-urban, rural, SME's & Public sector where company expects increase in demand drastically.
- Company having its plan to expand its business in LED Lighting by introductions of Panel Lights, Down Lights, Streetlights & Digital Signage.
- Company having its plan to expand its business in Battery category by introduction of Wireless Power Bank, Wireless Charger, Hearing Aid Batteries & Lithium ion Battery.
- Company have its plan to explore and search for new opportunities in Mobile accessories category. Which will be introduced as separate business vertical and revenue center for FY. 2020-2021.

At the outset, Company always strive to expand its business by introduction of new products as per Industry's requirement and keeping close eyes on competitors' activities their business strategies, expansion plans and underlying effects of those activities on company's Business.

COVID RELATED ISSUES & THEIR EFFECTS ON BUSINESS

Panache Innovations Limited procures about 50% of its products from China . The COVID started spreading in China since December 2019 and there was a complete lockdown in all the provinces of China . Our supply chain cycle started affecting since then, this problem continued in China till the middle of March 2019 . We could be able to ship few goods from China in the end of February and early March but that wasn't got cleared through India customs because by the time goods reach India Port , there was a complete lock down announce in India .

Obviously the business got affected by more than 60% during the lock down in China and then in India . Our future plans to introduce new products & categories failed and we had to postpone our plans which will affect out revenues in FY. 20-21s .

Boards' Report

To the Members of Panache Innovations Limited

Your Directors have pleasure in presenting the 39th 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, 2020.

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, 2019 to 31st March, 2020 and other developments upto the date of the Board meeting held on 25th August, 2020 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	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
Revenue from operations (net)	1512.43	832.42	1512.43	1031.47
Earnings before interest, tax, depreciation and amortization (EBITDA) and prior period adjustments (excluding other income)	(17.09)	(10.57)	(6.00)	(59.85)
Depreciation and amortization expenses	2.08	1.26	2.08	1.26
Finance Cost	5.90	0.00	5.90	0.00
Profit before tax (PBT)	1.91	16.84	14.17	(32.43)
Profit after tax and minority interest (PAT)	3.97	12.60	16.22	(36.66)

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 ₹1512.43 Lakhs, as compared to ₹ 832.42 Lakhs in the previous year.

The Earnings before Interest, Depreciation, Tax and Appropriations (EBITDA) stood at ₹(17.09) Lakhs in the current year as compared to ₹(10.57) Lakhs in the previous year.

The Company incurred a loss of (68.52) % in the Net Profit after Tax which stood at ₹3.96 Lakhs as compared to ₹ 12.60 Lakhs in the previous year.

Consolidated

During the year under review, the Company achieved consolidated total revenue of ₹1512.43 Lakhs as compared to ₹ 1031.47 Lakhs in the previous year.

The Earnings before Interest, Depreciation, Tax and Appropriations (EBITDA) stood at ₹(6.00) Lakhs in the current year as compared to ₹(59.85) Lakhs in the previous year.

The Company registered a growth of 144.25% in the Net Profit after Tax which stood at ₹16.22 Lakhs as compared to ₹ (36.66) Lakhs in the previous year.

DIVIDEND

Keeping in view the future fund requirements of the Company, Board of Directors did not recommend dividend for the financial year 2019-20.

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).

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, 2020.

CHANGE IN NATURE OF BUSINESS, IF ANY

During the year, the Company has altered 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 38th 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, 2020 is as follows;

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

*The Board noted that there has been no operations in Eddy and Andy International Limited, since April, 2019, therefore, it is financially and operationally unviable to continue and accordingly the decision to initiate the process to close Eddy and Andy International Limited was taken by the Board in the meeting held on 25th August, 2020.

**The Company in its Board meeting dated 12th November, 2018, had already 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.

None of the Company's Subsidiary have ceased to be Company's subsidiary during the year under review.

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 of this Director's Report. 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 / unaudited financials 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 adequate system of internal controls commensurate with the size of its operation and business to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition, and to ensure that all the business transactions are authorized, recorded and reported correctly and adequately.

During the year, M/s. Sanket Sangoi & Associates, Chartered Accountants were re-appointed as the Internal Auditors by the Board of Directors. The Audit Committee reviews reports submitted by Internal Auditor. Suggestions for improvement are considered and the Audit Committee reviews on the corrective actions taken by the Management. The Internal Auditor directly reports to Audit Committee.

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. As a part of its growth strategy, it is committed to high levels of ethics and integrity in all its business dealings that avoid conflicts of interest. In order to conduct business with these principles, the Company has created a corporate structure based on business needs and maintains a high degree of transparency through regular disclosures with a focus on adequate control systems.

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 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to the Company.

RISK MANAGEMENT

The Company has formulated a Risk Management Policy for dealing with different kinds of risks 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 forms part of the Annual Report and is attached herewith marked as Annexure III of this Director's Report. Policy on Risk Management is available on the website of the Company www.panachemodera.com

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY

As a part of its philosophy of adhering to highest ethical standards, transparency and accountability, your Company has historically adopted the practice of undertaking related party transactions only in the ordinary and normal course of business and at arm's length.

During the period under review, all transactions entered into with the related parties as defined under the Companies Act, 2013 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with the related parties during the financial year other than those mentioned in Form AOC-2 at Annexure II of this Director's Report. Also, suitable disclosure as required by the Indian Accounting Standards (Ind AS 24) has been made in the notes to Financial Statements, which forms a part of the Annual Report.

All transactions entered into with the related parties as defined under the Companies Act, 2013 are placed before the Audit Committee and also before the Board for approval and noting. Prior approval and omnibus approval, wherever required, is obtained from the Audit Committee for the transactions which are of a foreseeable and repetitive nature.

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 and is attached herewith marked as Annexure III of this Director's Report.

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 & Key Managerial Personnel of the Company:

Mr. Amit Devchand Rambhia (holding DIN: 00165919) was liable to retire by rotation and being eligible was re-appointed at the 38th Annual General Meeting held on 27th September, 2019.

Mr. Prakash Mavji Vichhivora (holding DIN: 03123043) was appointed as Additional Director of the Company and designated as "Managing Director" of the Company w.e.f. 30th May, 2019 for a period of 5 years with effect from 30th May, 2019 and the same was being approved by the members in 38th Annual General Meeting held on 27th September, 2019.

Mr. Hetal Mavji Vichhivora (holding DIN: 03123060) appointed as Additional Director of the Company and designated as "Whole-Time Director and Chief Financial Officer" of the Company w.e.f. 30th May, 2019 for a period of 5 years with effect from 30th May, 2019 and the same was being approved by the members in 38th Annual General Meeting held on 27th September, 2019.

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 was being approved by the members in 38th Annual General Meeting held on 27th September, 2019.

Appointed Gaurav Pratap Singh (holding DIN: 06747792) as Additional Independent Director of the Company w.e.f 12th August, 2019, up to the date of ensuing Annual General Meeting for a term of 5 years having effect from 12th August, 2019 to 11th August, 2024 and the same was being approved by the members in 38th Annual General Meeting held on 27th September, 2019.

Mr. Rohit Mathur (holding DIN: 06583736) has resigned from the post of Independent Director with effect from 15th August, 2019.

During the year 2020-21, following changes were made in the Directors of the Company:

Mr. Gaurav Pratap Singh (holding DIN: 06747792), resigned from the post of Independent Director of the Company with effect from 31st May, 2020.

Appointed Mr. Shailesh Premji Gala (holding DIN: 01283286) as Additional Independent Director (Non-Executive), vide circular resolution dated 29th May, 2020, who shall hold office upto the date of ensuing AGM for a period of 5 years with effect from 29th May, 2020 upto 28th May, 2025 subject to approval of members in the ensuing AGM.

Director Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Prakash Vichhivora (holding DIN: 03123043), is liable to retire by rotation at the 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 39th 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.

Key Managerial Personnel

- Mr. Prakash Vichhivora is Managing Director
- Mr. Hetal Vichhivora is Whole-Time Director & Chief Financial Officer
- Mr. Priyank Sangoi is Company Secretary & Compliance Officer

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. Date of the Board Meetings are decided and communicated to the Directors well in advance. However, in case of an exigency or urgent business matters, resolutions are passed by circulation or on a shorter notice for such matters as permitted by law.

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

During the Financial Year 2019-20, Total 4 (Four) meetings of the Board of Directors of the Company were held on 29th May, 2019, 12th August, 2019, 8th November, 2019 and 27th January, 2020. The details of attendance of each Director at the Board Meetings & 38th AGM are given below;

Sr. No.	Name of Director	No. of meetings eligible	No. of Board Meetings attended	Attendance at 38 th AGM 27 th September, 2019
1	Amit Devchand Rambhia	4	4	Yes
2	Prakash Vichhivora	3	3	Yes
3	Hetal Vichhivora	3	3	Yes
4	Jayachandran Sunderamoorthy	1	1	NA
5	Rohit Mathur	2	1	NA
6	Meeta Mehta	4	4	Yes
7	Anil Jaychand Dagade	4	3	Yes
8	Gaurav Pratap Singh	2	2	Yes

During the year under review there was one General Meeting held on 27th September, 2019 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 Dagade	Member
5	**Mr. Gaurav Singh	Member

*Ceased from Committee w.e.f 12th August, 2019

**Appointed in Committee w.e.f 12th August, 2019

During the year 2020-21, pursuant to Changes in the Directors, the Audit Committee was again reconstituted on 29th May, 2020 as follows;

Sr. No.	Name of the Committee Member	Position in the Committee
1	Mrs. Meeta K. Mehta	Chairperson
2	Mr. Shailesh Premji Gala	Member
3	Mr. Amit Rambhia	Member
4	Mr. Anil Dagade	Member

During the year under review Total 4 (Four) meetings of the Audit Committee of the Company were held on 29th May, 2019, 12th August, 2019, 8th November, 2019 and 27th January, 2020. 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	2	1
4	Anil Dagade	4	4
5	Gaurav Singh	2	2

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	**Mr. Anil Dagade	Chairman
3	Mrs. Meeta Mehta	Member
4	#Mr. Amit Rambhia	Member
5	^Mr. Gaurav Singh	Member

*Ceased from Committee w.e.f 12th August, 2019

**Re-designated as Chairman w.e.f 29th May, 2019

#Appointed in Committee w.e.f 29th May, 2019

^Appointed in Committee w.e.f 12th August, 2019

During the year 2020-21, pursuant to Changes in the Directors, the Nomination & Remuneration Committee was reconstituted on 29th May, 2020 as follows;

Sr. No.	Name of the Committee Member	Position in the Committee
1	Mr. Anil Dagade	Chairman
2	Mrs. Meeta K. Mehta	Member
3	Mr. Shailesh Premji Gala	Member
4	Mr. Amit Rambhia	Member

During the year under review there were 3 (Three) Meeting held on 29th May, 2019, 12th August, 2019 and 27th January, 2020. 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	Mr. Amit Rambhia	2	2
2	Mrs. Meeta Mehta	3	3
3	Mr. Rohit Mathur	2	1
4	Mr. Anil Dagade	3	3
5	Gaurav Pratap Singh	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
4	**Mr. Anil Jaychand Dagade	Member
5	#Mr. Gaurav Singh	Chairman

*Ceased from Committee w.e.f 12th August, 2019

**Appointed in Committee w.e.f 29th May, 2019

#Appointed in Committee w.e.f 12th August, 2019

During the year 2020-21, pursuant to changes in the Directors, the Stakeholders Relationship Committee was reconstituted on 29th May, 2020 as follows;

Sr. No.	Name of the Committee Member	Position in the Committee
1	Mr. Shailesh Premji Gala	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 27th January, 2020. 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. Gaurav Pratap Singh	1	1
2	Mrs. Meeta Mehta	1	1
3	Mr. Amit Rambhia	1	1
4	Mr. Anil Dagade	1	1

The details of complaints received and resolved during the Financial Year 2019-20 are given in the table below:

Particulars	No. of Complaints Attended
Opening as on 1 st April, 2019	-
Received during the year	-
Resolved during the year	-
Closing as on 31 st March, 2020	-

Annual Evaluation process

Pursuant to Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Company has “*Directors Performance Evaluation Policy*” in place. In accordance with the said Policy, all the Directors had filled up Questionnaire 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 27th January, 2020.

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 27th January, 2020 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 45 as on 31st March, 2020. 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 and is attached herewith marked as Annexure III of this Director’s Report.

AUDITORS AND AUDITORS’ REPORT

Statutory Audit

M/s. Jain Salia & Associates, Statutory Auditor of the Company for the Financial Year 2019-20 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 on Standalone Financial Statements and hence do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

However M/s. Jain Salia & Associates have qualified their report on the Consolidated Financial Statements for unavailability of Audited Financial Statements of Company’s Wholly-Owned Subsidiary “Panache Innovations DMCC” and since the Consolidated Financial Statement are based on unaudited Financial Statements of Panache Innovations DMCC, Auditor has qualified the report stating the possible effects of misstatements on overall Consolidated Financial Statement could be material but not pervasive.

Explanations or comments by the Board: The Company has been trying to get the Audited Financials from Panache Innovations DMCC, however, it could not be received in a timely manner and hence Unaudited Financial statement of Panache Innovations DMCC was submitted to the Auditor for consolidation by the Management. The Board states that since there were no transactions in Panache Innovations DMCC during the year, there will not be any major impact on the group and Consolidated Financial Statements.

The Notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for any further comments. Further no fraud has been reported by the Auditor under section 143(12) of the Companies Act, 2013 requiring disclosure in the Board's Report.

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. D. M. Zaveri & Co, Company Secretaries, as Secretarial Auditor to undertake the Secretarial Audit of the Company for the year 2019-20. 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 IV of this Director's Report. There were no qualifications reservations or adverse remarks made by the Secretarial Auditor 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.

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 for the financial year 2019-20. The Audit Committee reviews reports submitted by Internal Auditors. Suggestions for improvement are considered and the Audit Committee reviews on the corrective actions taken by the Management. The Internal Auditor report directly reports to Audit Committee.

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

Information regarding potential impact of COVID-19 pandemic on your Company's business operations and financial position are provided as part of the Management Discussion & Analysis which forms a part of the Annual Report and is attached herewith marked as Annexure III of this Director's Report.

There are no other 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.

The Whistle Blower Policy has been posted on the Company's website at www.panachemodera.com

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 thereunder. 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 2019-20.

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 forms 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 annexed as Annexure V of this Director's 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, 2020, is provided in the prescribed Form MGT-9 as Annexure VI 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 VII of Director's 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 inspection or obtaining a copy of the said information may write to the Company Secretary and the same will be furnished on request.

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, Management Discussion and Analysis and Chairman's Letter 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: 25/08/2020

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 75.3859 per USD	INR 75.3859 per USD
5	Share capital	INR 0.97	INR 10.27
6	Reserves & surplus	INR 1.36	INR 12.45
7	Total assets	INR 2.95	INR 10.27
8	Total Liabilities	INR 2.95	INR 10.27
9	Investments	NIL	NIL
10	Turnover	NIL	NIL
11	Profit before taxation	INR (1.08)	INR 0.97
12	Provision for taxation	NIL	NIL
13	Profit after taxation	INR (1.08)	INR 0.97
14	Proposed Dividend	NIL	NIL
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 2019-20

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

**Date: 25/08/2020
Place: Mumbai**

**Amit Devchand Rambhia
Chairman
DIN: 00165919**

Annexure II to Directors Report

FORM NO. AOC-2

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis- NIL
 - (a) Name(s) of the related party and nature of relationship
 - (b) Nature of contracts/arrangements/transactions
 - (c) Duration of the contracts/arrangements/transactions
 - (d) Salient terms of the contracts or arrangements or transactions including the value, if any
 - (e) Justification for entering into such contracts or arrangements or transactions
 - (f) date(s) of approval by the Board
 - (g) Amount paid as advances, if any:
 - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

2. Details of material contracts or arrangement or transactions at arm's length basis- **(Amount in Rs.)**

S N	Name of Related Party	Nature of Contract	Nature of Relationship	Duration of Contract	Date of approval of Board	Amount Paid as advances	Salient Terms	Amount
1	Panache Digilife Limited	Sales	Amit Rambhia is Promoter Member & Managing Director.	F.Y. 2019-20	29.05.2019	NIL	Transaction executed on Arm's length & in Ordinary Course of Business.	28,771
2		Purchases		F.Y. 2019-20	29.05.2019			5,97,86,581
3		Services availed (Use of facilities at Ghatkopar premises)		Renewed till 14.01.2021	10.06.2016, 18.08.2017, 30.05.2018 & 29.05.2019			As per 'Use of Facilities Agreement' which is on Arm's length & in Ordinary Course of Business	3,98,250
4	Modera Electronics	Sales	Prakash Vichhivora & Hetal Vichhivora are Partners.	F.Y. 2019-20	29.05.2019	NIL	Transaction executed on Arm's length & in Ordinary Course of Business.	1,21,08,622
5		Purchases		F.Y. 2019-20	29.05.2019			6,88,10,899
6		Services rendered		F.Y. 2019-20	29.05.2019			84,850

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

Amit Devchand Rambhia
Chairman
(DIN: 00165919)

Date: 25/08/2020
Place: Mumbai

Annexure III 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 ("PIL") 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 standalone & 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 and associates.

We are pleased to present our performance highlights for FY2019-20 and the business outlook for this year:

ECONOMIC OVERVIEW

Global Economic

The COVID-19 pandemic and the economic shutdown in advanced economies and other parts of the globe have disrupted billions of lives and are jeopardizing decades of development progress. Deteriorating economic conditions in advanced economies and major emerging market economies are impacting export-related industries. In addition, the incidence of COVID-19 cases is still rising rapidly regionally. Beyond the staggering economic impacts, the pandemic will also have severe and long-lasting socio-economic impacts that may well weaken long-term growth prospects—the plunge in investment because of elevated uncertainty, the erosion of human capital from the legions of unemployed, and the potential for ruptures of trade and supply linkages.

GDP in the region is projected to contract by 2.7% in 2020 as pandemic mitigation measures hinder consumption and services and uncertainty about the course of the pandemic chill private investment. Despite the relatively modest trade linkages the region has with advanced and major emerging economies, the sheer depth of the global contraction will weigh on economic activity. The regional growth outlook is surrounded by high uncertainty. In India, growth is estimated to have slowed to 4.2% in FY 2019-20, which ended in March 2020. Output is projected to contract by 3.2% in FY 2020-21, when the impact of the pandemic will largely hit. Stringent measures to control the spread of the virus will heavily curtail activity, despite some support from fiscal and monetary stimulus. Spillovers from weaker global growth and balance sheet stress in the financial sector will also weigh on activity.

The World Bank Group is committed to helping alleviate financing breakdowns from the COVID19 crisis in ways that work toward a more resilient recovery. Some examples include expanding and increasing the coverage of safety net programs, providing trade finance, and supporting the working capital needs of small

and medium-sized enterprises. In the broad COVID19 response for the poorest nations, World Bank Group resources are being scaled up dramatically and debt service payments by official bilateral creditors were suspended on May 1, with comparable treatment expected by commercial creditor

Thus, policy makers face unprecedented challenges from the health, macroeconomic and social effects of the pandemic. To limit the harm, it is important to secure core public services, maintain a private sector and get money directly to people. This will allow a quicker return to business creation and sustainable development after the pandemic has passed. During this mitigation period, countries should focus on targeted support to households and essential public and private sector services; and remain vigilant to counter potential financial disruptions.

(source: www.worldbank.org)

India Economic Outlook

The economy is expected to contract by 25 per cent each in the first quarter of FY'21 both in terms of GDP (gross domestic product) as well GVA (gross value added) according to ratings firm ICRA.

The lockdown related to the Covid-19 outbreak, and the gradual unlock in various states, contributed to a sharp 40.7% YoY contraction in manufacturing volumes in Q1 FY2021. In addition to lower raw material prices, pared down employee costs and other cost-cutting measures appear to have protected the margins of various listed companies as compared to our earlier expectations of the impact of the lockdown on profitability, according to Nayar added. ICRA also expects a sharp contraction in the GVA.

We now expect the contraction in GDP in Q1 FY2021 to be more pronounced than our earlier forecasts. The size of the GDP shrinkage would be contingent on the extent to which a graded resumption in activities is permitted and the magnitude by which Government spending is stepped up to cushion the blow from the lockdown. With the fluidity of the situation thwarting precise forecasts, ICRA currently projects the Indian GDP to contract in a range of 10-15% in Q1 FY2021 (previous expectation -4.5%), which would translate to a bleak full-year growth band of +/-1% in FY2021 (previous expectations +2.0%).

The Reserve Bank of India (RBI) has cut the key policy rate (repo) by a steep 0.75 percent and also taken a slew of unusual measures to make liquidity available for the needy sectors of the economy with a view to push growth. RBI Governor Shaktikanta Das has also said that meeting the 3.5 per cent fiscal deficit target will be challenging and the government may miss the budgeted target.

(Source: ICRA Research)

FMCG (Fast-moving consumer goods) Industry

FMCG sector is the 4th largest sector in the Indian economy.

Introduction

Fast-moving consumer goods (FMCG) sector is India's fourth largest sector with household and personal care accounting for 50 per cent of FMCG sales in India. Growing awareness, easier access and changing lifestyles have been the key growth drivers for the sector. The urban segment (accounts for a revenue share of around 55 per cent) is the largest contributor to the overall revenue generated by the FMCG sector in India. However, in the last few years, the FMCG market has grown at a faster pace in rural India compared to urban India. Semi-urban and rural segments are growing at a rapid pace and FMCG products account for 50 per cent of the total rural spending.

Market Size

FMCG market in India is expected to grow at a CAGR of 27.86 per cent and is expected to reach US\$ 103.70 billion by 2020

FMCG market is expected to grow 5-6 per cent in 2020. FMCG's urban segment grew by 8 per cent, whereas its rural segment grew 5 per cent in the quarter ending September 2019, supported by moderate inflation, increase in private consumption and rural income.

Investments/ Developments

The Government has allowed 100 per cent Foreign Direct Investment (FDI) in food processing and single-brand retail and 51 per cent in multi-brand retail. This would bolster employment, supply chain and high visibility for FMCG brands across organized retail markets thereby bolstering consumer spending and encouraging more product launches. The sector witnessed healthy FDI inflow of US\$ 16.28 billion during April 2000-March 2020.

Government Initiatives

Some of the major initiatives taken by the Government to promote the FMCG sector in India are as follows:

- The Government of India has approved 100 per cent FDI in the cash and carry segment and in single-brand retail along with 51 per cent FDI in multi-brand retail.
- The Government has drafted a new Consumer Protection Bill with special emphasis on setting up an extensive mechanism to ensure simple, speedy, accessible, affordable and timely delivery of justice to consumers.
- The Goods and Services Tax (GST) is beneficial for the FMCG industry as many of the FMCG products such as soap, toothpaste and hair oil now come under the 18 per cent tax bracket against the previous rate of 23-24 per cent. Also, GST on food products and hygiene products have been reduced to 0-5 per cent and 12-18 per cent respectively.
- GST is expected to transform logistics in the FMCG sector into a modern and efficient model as all major corporations are remodelling their operations into larger logistics and warehousing.

Road Ahead

Rural consumption has increased, led by a combination of increasing income and higher aspiration levels. There is an increased demand for branded products in rural India.

The rural FMCG market in India is expected to grow to US\$ 220 billion by 2025 from US\$ 23.6 billion in FY18. On the other hand, with the share of unorganized market in the FMCG sector falling, the organized sector growth is expected to rise with increased level of brand consciousness, augmented by the growth in modern retail.

Online portals are expected to play a key role for companies trying to enter the hinterlands. Internet has contributed in a big way, facilitating a cheaper and more convenient mode to increase a company's reach. It is estimated that 40 per cent of all FMCG consumption in India will be made online by 2020. The online FMCG market is forecast to reach US\$ 45 billion in 2020 from US\$ 20 billion in 2017.

It is estimated that India will gain US\$ 15 billion a year by implementing GST.

GST and demonetisation are expected to drive demand, both in the rural and urban areas, and economic growth in a structured manner in the long term and improved performance of companies within the sector.

Source - <https://www.ibef.org/>

Telecommunication Industry

India is also the world's second largest telecommunications market. It's total telephone subscriber base and tele-density reached 1,177.02 million and 87.45 per cent, respectively, as of January 2020.

Gross revenue of the telecom sector stood at Rs 121,527 crore (US\$ 17.39 billion) in FY20 (April-September 2019).

Mobile (wireless)

It comprises establishments operating and maintaining switching and transmission facilities to provide direct communication via airwaves.

Fixed line (Wireline)

It consists of companies that operate and maintain switching and transmission facilities to provide direct communication through landlines, combination of landlines and satellite linkups

Tele-density (defined as the number of telephone connections for every 100 individuals) in India stood at 87.37 per cent in FY20.

The share of the wireless segment in India's telecommunications market has increased steadily.

Wireless segment accounted for 98.28 per cent of the total telephone subscriptions in FY20.

Government Initiatives

- The Government has fast-tracked reforms in the telecom sector and continues to be proactive in providing room for growth for telecom companies. Some of the key initiatives taken by the Government are as follows:
- The Government of India planned to roll out a new National Telecom Policy 2018 in lieu of rapid technological advancement in the sector over the past few years. The policy intended to attract investments worth US\$ 100 billion in the sector by 2022.
- The Department of Information Technology intends to set up over 1 million internet-enabled common service centres across India as per the National e-Governance Plan.
- FDI cap in the telecom sector has been increased to 100 per cent from 74 per cent; out of 100 per cent, 49 per cent will be done through the automatic route and the rest will be done through the FIPB approval route.
- FDI of up to 100 per cent is permitted for infrastructure providers offering dark fibre, electronic mail and voice mail.
- The Government of India has introduced Digital India programme under which all the sectors such as healthcare, retail, etc. will be connected through internet

Road Ahead

Revenue from the telecom equipment sector is expected to grow to US\$ 26.38 billion by 2020.

Source - <https://www.ibef.org/>

STANDALONE & CONSOLIDATED FINANCIAL OVERVIEW

Panache Innovations Limited's operations were impacted due to Covid-19 induced lockdown and thereby the temporary shutdown of facilities. The company resumed its operations at Warehouses in phased manner from 1st May 2020 with Office staff working from home. Due to the primary reason of suspension of operations and the supply chain disruption in international market, our Revenues and the Profitability for the quarter ended 31st March, 2020 has been affected significantly.

The Standalone performance of the Company for the financial year ended March 31st, 2020 is as follows:

Total revenue from operations stood at Rs. 15.12 crore for the year ended March 31st, 2020, as against Rs. 8.32 crore for the corresponding previous period, an increase of 81.69%.

The cost of Raw Materials for the financial year ended March 31, 2020 were Rs 12.82 crore as against Rs 7.79 crore for the corresponding previous period, an Increase of 64.49%.

The Employee expenses for the financial year ended March 31st, 2020 were Rs. 1.37 crore as against Rs.0.41 crore for the corresponding previous period, an increase of 233.67%.

The other expenses for the financial year ended March 31st, 2020 were Rs. 1.10 crore as against Rs 0.23 crore for the corresponding previous period, an increase of 389.67%.

The EBIDTA (earnings before interest, depreciation and tax excluding other income) was Rs. (0.17) crore for the year ended March 31st, 2020, as against Rs. (0.11) crore for the corresponding previous period, a decrease of 61.57%.

The depreciation for the financial year ended March 31st, 2020 was Rs. 0.02 crore, as against Rs. 0.01 crore for the corresponding previous period, an increase of 64.88%.

The EBIT (earnings before interest and tax) were Rs. 0.11 crore for the year ended March 31st, 2020, as against Rs. 0.17 crore for the corresponding previous period, a decrease of 32.31%.

The PAT (profit after tax) were Rs. 0.04 crore for the year ended March 31st, 2020, as against Rs. 0.13 crore for the corresponding previous period, a decrease of 68.52%.

The interest for the financial year ended March 31st, 2020 was Rs. 0.06 crore as against NIL for the corresponding previous period.

The EPS (Earning Per Share) for the financial year ended March 31st, 2020 was Rs. 0.09 for a face value of Rs 10 per share, as against Rs. 0.29 for the corresponding previous period.

The Consolidated performance of the Company for the financial year ended March 31st, 2020 is as follows:

Total revenue from operations stood at Rs. 15.12 crore for the year ended March 31st, 2020, as against Rs. 10.31 crore for the corresponding previous period, an increase of 46.63%.

The cost of Raw Materials for the financial year ended March 31, 2020 were Rs 12.82 crore as against Rs 9.78 crore for the corresponding previous period, an Increase of 31.08%.

The Employee expenses for the financial year ended March 31st, 2020 were Rs. 1.37 crore as against Rs. 0.41 crore for the corresponding previous period, an increase of 233.67%.

The other expenses for the financial year ended March 31st, 2020 were Rs. 0.99 crore as against Rs 0.72 crore for the corresponding previous period, an increase of 37.28%.

The EBIDTA (earnings before interest, depreciation and tax excluding other income) was Rs. 0.06 crore for the year ended March 31st, 2020, as against Rs. 0.60 crore for the corresponding previous period, an increase of 89.96%.

The depreciation for the financial year ended March 31st, 2020 was Rs. 0.02 crore, as against Rs. 0.01 crore for the corresponding previous period, an increase of 64.88%.

The EBIT (earnings before interest and tax) were Rs. 0.24 crore for the year ended March 31st, 2020, as against Rs. (0.32) crore for the corresponding previous period, an increase of 172.93%.

The PAT (profit after tax) were Rs. 0.16 crore for the year ended March 31st, 2020, as against Rs. (0.37) crore for the corresponding previous period, an increase of 144.25%.

The interest for the financial year ended March 31st, 2020 was Rs. 0.06 crore as against NIL for the corresponding previous period.

The EPS (Earning Per Share) for the financial year ended March 31st, 2020 was Rs. 0.37 for a face value of Rs 10 per share, as against Rs. (0.84) for the corresponding previous period.

RESOURCES AND LIQUIDITY

As on March 31st, 2020, the standalone net worth stood at Rs. 3.42 crore and the standalone debt was at Rs. 1.96 crore.

The cash and cash equivalents at the end of March 31st, 2020 were Rs. 0.04 crore.

The total debt to equity ratio of the Company stood at 0.57 as on March 31st, 2020.

BUSINESS PERFORMANCE

Panache Innovations Limited operates primarily in one business vertical, hence segmental reporting is not applicable. Panache Innovations Limited, is a BSE listed Company, engaged in the Distribution business of Telecom Products, IT Products & Accessories, LED & Lighting Products, Batteries, Audio Products, Torches.

The pandemic has led disruptions in operations & Supply chain disruption of key components. However, the company foresees no major risk given its high quality of customers. The Company has postponed and/or deferred most of its capex while ensuring the safety and sustainability of the business. The silver lining for the company has been tie ups with Online Marketplace which continued to operate even during the lockdown in India. The resultant sales to these domestic customers are starting to resume due to lifting of lockdown and relaxations and Company hopes to ramp up capacity utilization month on month.

Key Developments during the year

During the year gone by, the Company took many initiatives which will enable growth in the years to come; and take us closer to our vision. The Company has made remarkable progress throughout this financial year, such as:

- The Company has been appointed as National Distributor of MOROTOLA brand for India in Telecommunication category (Cordless Phones, Cordless Phones, Fixed Wireless Phones & IP Phones).
- Company has taken special attention & efforts towards enhancement of corporate tie-ups with Ecommerce Industry leaders by becoming their Special Vendor Partners for company's respective business category.
- The Company has added various Products in the bucket such as Landline Phones, Dry Batteries, Torches, LED Lightning & Mobile Power bank etc.
- Developed wide network of 500+ Channel Distributors across India who operate as Secondary tier and responsible to promote and distribute products to third tier (dealer's/ End customers/ SME's)
- We have added Large Format Retails & Blue-Chip Corporates as our institutional customers.

RISKS AND CONCERNS

Risk is inherent to business and Your Company is no exception. Every day during the course of our day-to-day operations and in pursuit of our long-term objectives, we face both internal and external risks. The Company has robust risk management procedures to identify and evaluate risks on an on-going basis. The Company has a detailed risk management policy in place. Dedicated risk workshops are conducted for each business vertical and key support functions wherein risks are identified, assessed, analyzed and accepted / mitigated to an acceptable level within the risk appetite of the organization.

The Company faces the following risks and concerns:

Credit Risk

Your Company supplies goods to the distributors on 30-45 days credit terms. Although PIL appoints distributors by checking all the parameters of the distributors like GST Registration, PAN etc. There is always a possibility of that particular invoice amount getting delayed due to various reasons. Having said that, while

appointing distributors we define a credit limit, which always is derived by checking their last 6 months bank statements. It is our policy for small distributors that unless and until they clear the payment of previous invoice.

Competition Risk

All the product lines which Company carries have competition and there is always a Risk factor on sales and profitability due to that competition. There is a huge competition in almost all the FMCG (Fast-Moving Consumer Goods) products from Unorganized players and there is a huge price gap between a branded products and unbranded products which are been provided by Unorganized players. To fulfill the gap between the prices, sometimes Company needs to sell products at lower price and that affects the sales and profit. To counter such condition, Company always tries to bring innovation in design and technology.

Input Cost Risk

There is always a risk of Input Cost increase due to supply chain disruption, International shortage of raw materials etc.

Liability Risk

This risk refers to our liability arising from any damage to shipments, products etc. which may adversely affect our business. The company attempts to mitigate this risk through contractual obligations and insurance policies.

Technology related risk

There is always a risk due to change in technology of the product or due to obsolescence of technology. To mitigate such risk, Company always keep a close track of all the product lines technology nationally and internationally. The Company is always open to adopt positive change in the technology of the products which we deal in.

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

Panache Innovations has robust internal control systems and further these are evaluated from time to time in order to take additional measures if necessary, in consonance with the changes in the Companies Act, 2013. Additional measures may pertain to fraud risk assessment, and strengthening the process of risk management. The Company's internal controls are 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 Company 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 total manpower strength of your Company is 45 as on 31st March, 2020. Subsequently the Employee benefit expenses have increased considerably. Nonetheless these additional expenses will yield results in the long term.

Panache Innovations Limited provides the best opportunities for its employees to enable them to reach their full potential. The HR function aims at fuelling the growth ambitions of the organization by equipping the Human Assets for effective & efficient delivery as well as providing them a nurturing environment. The HR function is aligned to the Company's Business Strategy. This has helped in proactively facilitating the achievement of organizational plans, targets and challenges through timely identification, preparation and deployment of appropriate human resources.

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.

OUTLOOK

The last financial year has been year of new initiatives for company. Barring the unforeseen circumstances and the risks and concerns, the management is hopeful to achieve reasonable performance in the current financial year 2020-21. The Company is planning to introduce Basic Landline Phones in product line in order to expand business reach in Semi-urban, rural, SME's & Public sector where company expects increase in demand drastically. The Company is also looking forward to expand its business in LED Lighting by introductions of Panel Lights, Down Lights, Streetlights & Digital Signage and in Battery category by introduction of Wireless Power Bank, Wireless Charger, Hearing Aid Batteries & Lithium ion Battery. The Company has an outlook to explore and search for new opportunities in Mobile accessories category which will be introduced as separate business vertical and revenue center for FY. 2020-21.

At the outset, Company always strive to expand its business by introduction of new products as per Industry's requirement and keeping close eyes on competitors' activities their business strategies, expansion plans and underlying effects of those activities on company's Business.

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	2018-19	2019-20	Change (%)	Reason for change
Operating Profit Margin	6.38%	15.24%	138.88%	FY 2019-20 constituted revenues from Distribution Business being the OEM Brand Distributor which was not there in the previous FY 2019-20. The business dynamics were different during the respective Financial Years.
Net Profit Margin	1.15%	0.26%	(82.67)%	This being the First Year under the New OEM Distribution Segment, the Operational Revenues were not at its Optimum levels affecting the Net Profit Margins.
Current Ratio	3.92	1.33	(66.17)%	Your Company was not carrying Stocks in the beginning of FY 2019-20, however, by the end of FY 2019-20 as it started doing Distribution Business, the Stocks and Creditors Increased effectively reducing the Current Ratio.
Return on Net Worth	3.54%	1.16%	(67.21)%	As the Net Profits achieved by the Company was lower, the Return on Net Worth has also reduced.

Annexure IV to Directors Report

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the Financial year ended 31st March, 2020

[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

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Panache Innovations Limited'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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on 31st March, 2020, 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:

I 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, 2020 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 the 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('The SEBI'):-
 - (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, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not relevant / applicable to the Company during the year under review)**
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not relevant / applicable to the Company during the year under review)**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not relevant / applicable to the Company during the year under review)**
 - (f) 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;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not relevant / applicable to the Company during the year under review)**
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not relevant / applicable to the Company during the year under review)**
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that based on the explanation given by the management of the Company, there are no other laws that are specifically applicable to the Company.

I have also examined compliance with the applicable clauses to the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Government of India, as applicable under the Companies Act 2013;
- (ii) The Listing Agreements entered into by the Company with BSE Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015;

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

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive, 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 provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meeting, 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.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I 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.

**For D. M. Zaveri & Co
Company Secretaries**

Sd/-

**Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363**

**ICSI Unique Code: S2001MH046100
Peer Review Cer. No.: 294/2015**

**Place: Mumbai
Date: 25th August 2020**

ICSI UDIN: F005418B000611903

To,

The Members,
Panache Innovations Limited

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.

For D. M. Zaveri & Co
Company Secretaries

Sd/-

Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363

ICSI Unique Code: S2001MH046100
Peer Review Cer. No.: 294/2015

Place: Mumbai
Date: 25th August 2020

ICSI UDIN: F005418B000611903

Annexure V 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, 2020

A. 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

B. 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)- (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	NIL
(iv)	the expenditure incurred on Research and Development	During the year under review, the Company has not undertaken Research and Development activity.

C. Foreign exchange earnings and Outgo

(Rs. In Lacs)

Particulars	2019-20	2018-19
Foreign Exchange Earned	2.23	Nil
Outgo of Foreign Exchange	134.45	Nil

By order of the Board of Directors of
Panache Innovations Limited

Date: 25/08/2020
Place: Mumbai

Amit Devchand Rambhia
Chairman
DIN: 00165919

Annexure VI to Directors Report

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on Financial Year ended on 31/03/2020

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. 1	CIN	L51100MH1981PLC312742
2. 2	Registration Date	16/06/1981
3. 3	Name of the Company	Panache Innovations Limited
4. 4	Category/Sub-category of the Company	Public Company limited by Shares
5. 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. 6	Whether listed company	Yes
7. 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@nicetechpl.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	91.54%

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)

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	373120	0	373120	8.499	373121	0	373121	8.499	0.000
	ii) Overseas	0	0	0	0	0	0	0	0	0
	b) Individuals									
	i) Individual shareholders holding nominal share capital upto Rs 1 lakh	156913	85800	242713	5.529	161461	85800	247261	5.632	0.103
	ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2419171	0	2419171	55.106	2411945	0	2411945	54.942	-0.164
	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	4696	0	4696	0.107	7373	0	7373	0.168	0.061
	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	CHETAN NANJI DEDHIA	99900	2.276	No Change during the year				99900	2.276	99900	2.276
2	CHETNA CHETAN DEDHIA	99900	2.276	No Change during the year				99900	2.276	99900	2.276
3	CORPWIS ADVISORS PRIVATE LIMITED	85200	1.941	No Change during the year				85200	1.941	85200	1.941
4	MADHUBEN BABULAL PATEL	113650	2.589	No Change during the year				113650	2.589	113650	2.589
5	MAHENDRA M MEHTA HUF	92100	2.098	No changes during the year				92100	2.098	92100	2.098
6	MEENAKSHI ENTERPRISES LIMITED	150000	3.417	12/04/2019	-128742	2.933	Transfer	21258	0.484	21258	0.484
6	MULCHAND VELJI FURIA	92126	2.099	12/04/2019	4895	0.112	Transfer	97021	2.21	102823	2.342
				19/04/2019	100	0.002	Transfer	97121	2.212		
				07/06/2019	1500	0.034	Transfer	98621	2.246		
				14/06/2019	3500	0.080	Transfer	102121	2.326		
				02/08/2019	650	0.015	Transfer	102771	2.341		
				08/11/2019	1	0.000	Transfer	102772	2.341		
				22/11/2019	1	0.000	Transfer	102773	2.341		
				06/12/2019	50	0.001	Transfer	102823	2.342		
8	PRATAP KALYANJI MAV	44896	1.023	03/05/2019	4	0.000		44900	1.023	134305	3.059
				31/05/2019	17000	0.387	Transfer	61900	1.410		
				07/06/2019	16595	0.378	Transfer	78495	1.788		
				14/06/2019	9000	0.205	Transfer	87495	1.993		
				21/06/2019	7000	0.159	Transfer	94495	2.153		
				12/07/2019	3500	0.080	Transfer	97995	2.232		
				19/07/2019	4000	0.091	Transfer	101995	2.323		
				26/07/2019	2501	0.057	Transfer	104496	2.380		
				02/08/2019	1465	0.033	Transfer	105961	2.414		
				09/08/2019	8500	0.194	Transfer	114461	2.607		
				11/10/2019	1	0.000	Transfer	114462	2.607		
				29/11/2019	4120	0.094	Transfer	118582	2.701		
				06/12/2019	5100	0.116	Transfer	123682	2.817		
				31/12/2019	3700	0.084	Transfer	127382	2.902		
				03/01/2020	6873	0.157	Transfer	134255	3.058		

				31/01/2020	50	0.001	Transfer Transfer	134305	3.059		
9	RADHASOAMI RESOURCE S LIMITED	80000	1.822	12/04/2019	128742	2.933	Transfer	208742	4.755	208742	4.755
10	SEJAL J SHAH	104972	2.391	No Change during the year						104972	2.391
11	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.

(Rs. In Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	186.16	-	-	186.16
Reduction	-	-	-	-
Net Change	186.16	-	-	186.16
Indebtedness at the end of the financial year				
i) Principal Amount	186.16	-	-	186.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	186.16	-	-	186.16

VI. 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 & NED)	**S Jayachandran (WTD & CFO)	#Prakash Vichhivora (Managing Director)	#Hetal Vichhivora (WTD & CFO)	Total Amount
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	5,67,743	9,00,000	9,00,000	23,67,743
	(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	-	5,67,743	9,00,000	9,00,000	23,67,743
	^Ceiling as per the Act (Schedule V)	NA	60 lakhs	60 lakhs	60 lakhs	NA

*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.

#Prakash Vichhivora & Hetal Vichhivora appointed w.e.f 30th May 2019.

^Ceiling is calculated as per effective capital method as provided under Schedule V.

B. Remuneration to other directors:

(In Rs.)

Sr. No.	Particulars of Remuneration	#Amit Rambhia	*Rohit Mathur	**Gaurav Singh	Meeta K. Mehta	Anil Dagade	Total Amount
1	Independent Directors						
	(a) Fee for attending board / committee meetings	-	3000	10000	20000	9000	42000
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	Total (1)	-	3000	10000	20000	9000	42000
2	Other Non-Executive Directors						
	(a) Fee for attending board / committee meetings	-	-	-	-	-	-
	(b) Commission	-	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (1)+(2)	-	3000	10000	20000	9000	42000

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

*Rohit Mathur resigned w.e.f 15/08/2019

**Gaurav Singh appointed w.e.f 12/08/2019

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	*S Jayachandran (WTD & CFO till 30/05/2019)	**Hetal Vichhivora	Total Amount
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961	4,67,480	5,67,743	9,00,000	19,35,223
	(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	4,67,480	5,67,743	9,00,000	19,35,223

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

**Hetal Vichhivora appointed w.e.f 30th May, 2019

VII. 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			NIL		
Punishment					
Compounding					
*B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty			NIL		
Punishment					
Compounding					

By order of the Board of Directors of
Panache Innovations Limited

Amit Devchand Rambhia
Chairman
DIN: 00165919

Date: 25/08/2020
Place: Mumbai

Annexure VII 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 – 12.14x➤ Mr. Prakash Vicchivora – 4.55x➤ Mr. Hetal Vicchivora – 4.55x➤ 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, Director – Not increased➤ Mr. Jayachandran Sunderamoorthy, Whole-Time Director & CFO – resigned w.e.f 30/05/2019➤ Mr. Prakash Vicchivora – Appointed as managing Director during the year➤ Mr. Hetal Vicchivora – Appointed as Whole-Time Director & CFO during the year➤ Mr. Priyank Sangoi, Company Secretary & Compliance Officer – 55.22%
3	The percentage increase in the median remuneration of employees in the financial year	<ul style="list-style-type: none">➤ There has been 12.10% decrease in the median remuneration of employees in the financial year
4	The number of permanent employees on the rolls of company	<ul style="list-style-type: none">➤ As on 31st March, 2020, there were 45 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 - NIL➤ Average percentile increase already made in the salaries of the managerial personnel in the last financial year – (0.17)%.➤ There is no increase in the managerial remuneration.
6	Remuneration is as per the remuneration policy of the company.	<ul style="list-style-type: none">➤ 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: 25/08/2020
Place: Mumbai

Amit Devchand Rambhia
Chairman
DIN: 00165919

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To,
The Shareholders of
Panache Innovations Limited,
2nd Floor, Bldg. No. A3, Unit 201A,
Babosa Industrial Park,
Saravali Village Bhiwandi,
Thane – 421 302.

We have audited the accompanying Standalone Ind AS financial statements of Panache Innovations Limited (“the Company”), which comprises the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the Ind AS Financial Statements”).

Opinion

In our opinion and to the best of our information and according to the explanations given to us by the management of the Company, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ('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 March 31, 2020, and its profit (including Other Comprehensive Income), changes in equity and statement of cash flows for the year ended on that date.

Basis of Our Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, (“ICAI”) together with the ethical requirements that are relevant to our audit of the Standalone Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters (“KAM”) are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the Standalone Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key audit Matter
Adoption of Ind AS 116 Leases	
As described in Note-1(12) to the Standalone financial statements, the company has adopted Ind AS 116 Leases in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit	Our audit procedures on adoption of Ind AS 116 include: Assessed and tested new processes and controls established by the management in identifying lease arrangements with respect to the new lease accounting standard (Ind AS 116);

<p>since application of the same is based on a significant level of judgements and estimates including the determination of discount rates and lease term.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement.</p> <p>Additionally, the standard mandates detailed disclosures in respect of transition.</p> <p>Refer to Note No.1(12) and Note No.36 of the Standalone Ind AS Financial Statements</p>	<p>Assessed the company's evaluation on identification of leases based on the contractual arrangements and our knowledge of business;</p> <p>Upon transition as at 01st April 2019:</p> <p>Evaluated the method of transition and related adjustments;</p> <p>Assessed the appropriateness of practical expedients used while transitioning to Ind AS 116.</p> <p>Assessed the key terms and conditions of each lease with the underlying lease contracts; and</p> <p>Assessed and tested the presentation and disclosures provided by the management in the Standalone Ind AS Financial Statements relating to Ind AS 116, including disclosures relating to transition and practical expedients applied.</p>
<p>Key Audit Matter</p>	<p>How our audit addressed the Key audit Matter</p>
<p>Revenue Recognition – Venturing into New Businesses</p>	
<p>With a view to expand the business of the organization, the Company has ventured into new areas of business and has added certain electrical and electronic goods to its product line.</p> <p>The Company has also incorporated a branch to expand its geographical reach in order to cater to the demands of consumers throughout the country.</p> <p>The company has also entered into business agreements with online trading platforms in order to expand its business.</p> <p>Due to such widespread expansion measures adopted by the company and the emergence of new business models, the Company had to assess the point of transfer of control for each product and business model separately and evaluate whether any other adjustments were required to comply with the requirements of Ind AS 115 – “Revenue from Contracts with Customers”.</p>	<p>Our audit procedures on the specified key audit matter include:</p> <p>Evaluating the appropriateness of measures adopted by the Company to assess the transfer of control and point of recognition for each product added to the Company's product line.</p> <p>Assessing the policies and controls implemented by the management in order to safeguard and protect the assets kept at branch.</p> <p>Verifying the appropriateness of inter-branch adjustments provided by the management while preparing the Standalone Ind AS Financial Statements.</p> <p>Assessing the implications on the revenue of the company due to sale through online trading platforms and evaluating whether any provisions or adjustments made to revenue are in line with the requirements of Ind AS 115 – “Revenue from Contract with Customers”.</p> <p>Assessed and tested the presentation and disclosures provided by the management in the Standalone Ind AS Financial Statements relating to recognition of revenue from contracts with customers.</p>

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters in Section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position and financial performance (including other comprehensive income), statement of changes in equity and statement of Cash flows of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended. 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS Financial Statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibility for the Audit of Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls and operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. 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 Statement of Cash flow dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on 31st March 2020, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2020, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013;
 - f. With respect to the 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 B". Our report expresses 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, 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 financial position.

- (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.

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

***Place : Mumbai
Date : 23rd July 2020
UDIN: 20044039AAAAO5435***

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

- (i)
- a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - b) The Property, Plant and Equipment 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 Property, Plant and Equipment 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) Based on the information & explanation given to us and the records examined by us, 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 our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act, to the extent applicable, in respect of grant of loans, making investments and providing guarantees and securities during the year, as applicable.
- (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, 2020 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 by the company or on the company by its officers or employees 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) In our opinion and according to the information and explanation given to us, 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) To the best of our knowledge and belief and according to the information and explanations given to us, 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) To the best of our knowledge and belief and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) In our opinion and according to the information and explanation given to us, 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
[FRNo: 116291W]

Place : Mumbai
Dated : 23rd July, 2020
UDIN : 20044039AAAAAO5435

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

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”) as of 31st March 2020 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 authorizations of management and directors of the company; and

- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 2020, 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
[FRNo: 116291W]***

***Place : Mumbai
Dated : 23rd July, 2020
UDIN : 20044039AAAAAO5435***

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

STANDALONE BALANCE SHEET

STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

(All amounts in INR)

Sr. No.	PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
I. ASSETS				
1 NON-CURRENT ASSETS				
(a)	Property, Plant & Equipments	2	4,91,440	9,865
(b)	Right to use assets			
(c)	Capital Work-In-Progress	...	0	0
(d)	Investment Properties	...	0	0
(e)	Goodwill	...	0	0
(f)	Other Intangible Assets	3	14,366	5,23,000
(g)	Intangible Assets Under Development	...	0	0
(h)	Biological Assets Other than Bearer Plants	...	0	0
(i)	<u>Financial Assets</u>			
(i)	Investments	4	9,73,426	20,29,026
(ii)	Loans & Deposits	5	1,60,554	30,000
(iii)	Other Financial Assets	6	5,000	28,000
(j)	Deferred Tax Assets (Net)	7	6,99,307	59,058
(k)	Other Non-Current Assets	...	0	0
2 CURRENT ASSETS				
(a)	Inventories	8	2,23,71,739	0
(b)	<u>Financial Assets</u>			
(i)	Investments	...	0	0
(ii)	Trade Receivables	9	6,60,70,399	3,92,55,806
(iii)	Cash and Cash Equivalents	10	4,33,668	96,351
(iv)	Bank Balances other than Cash & Cash Equivalents	11	81,463	71,401
(v)	Loans & Deposits	12	3,30,84,829	2,51,40,411
(vi)	Other Financial Assets	...	0	0
(c)	Other Current Assets	13	84,05,851	73,81,088
TOTAL ASSETS			13,27,92,041	7,46,24,005
II. EQUITY AND LIABILITIES				
1 EQUITY				
(a)	Equity Share Capital	14	4,39,00,000	4,39,00,000
(b)	Other Equity	15	(96,95,998)	(82,75,915)
2 LIABILITIES				
A Non-Current Liabilities				
(a)	<u>Financial Liabilities</u>			
(i)	Borrowings	...	0	0
(ii)	<u>Trade Payables</u>	...		
	(a) total outstanding dues of micro enterprises and small enterprises		0	0
	(b) total outstanding dues to other than micro and small enterprises		0	0
(iii)	Other Financial Liabilities	...	0	0
(b)	Provisions	16	3,06,332	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	...	17	1,96,16,343
(ii) <u>Trade Payables</u>	...	18	
(a) total outstanding dues of micro enterprises and small enterprises			2,52,59,658
(b) total outstanding dues to other than micro and small enterprises			4,84,21,940
(iii) Other Financial Liabilities	...		0
(b) Other Current Liabilities	...	19	43,40,829
(c) Provisions	...	20	4,67,077
(d) Current Tax Liabilities (Net)	...	21	1,75,860
			0
			10,75,377
			2,88,218
			1,80,235
TOTAL EQUITY & LIABILITIES			13,27,92,041
			7,46,24,005
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS		1	

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. PRAKASH M. VICHHIVORA
MANAGING DIRECTOR
DINO:- 03123043

MR. HETAL M. VICHHIVORA
WHOLE TIME DIRECTOR & CFO
DINO:- 0003123060

MR. AMIT D. RAMBHIA
NON-EXECUTIVE DIRECTOR
DINO:- 00165919

MR. PRIYANK SANGOI
CS & COMPLIANCE OFFICER
MEM NO. A50896

PLACE: MUMBAI
DATED: 23rd July 2020
UDIN: 20044039AAAAA05435

PLACE: MUMBAI
DATED: 23rd July 2020

STATEMENT OF PROFIT & LOSS

STANDALONE STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2020

(All amounts in INR)

Sr. No.	PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
A. CONTINUING OPERATIONS				
I. REVENUE				
	Revenue From Operations	...	15,12,42,676	8,32,41,756
	Other Income	...	30,55,793	28,67,096
	Other Gains / (Losses) - Net	...	0	0
TOTAL INCOME			15,42,98,469	8,61,08,853
II. EXPENSES				
	Cost of Goods Purchased	...	15,05,60,935	7,66,15,205
	Changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods	...	(2,23,71,739)	13,14,984
	Employee Benefit Expenses	...	1,37,43,440	41,18,835
	Finance Costs	...	5,89,856	0
	Depreciation and Amortisation Expenses	...	2,07,557	1,25,887
	Other Expenses	...	1,10,18,645	22,50,220
TOTAL EXPENSES			15,37,48,694	8,44,25,131
III. Profit/(Loss) Before Exceptional items & Tax			5,49,775	16,83,721
	Exceptional Items	...	(3,58,333)	-
IV. Profit/(Loss) Before Tax From Continuing Operations			1,91,442	16,83,721
	<u>Income Tax Expense</u>	...		
	Current Tax	...	2,73,474	4,52,575
	Deferred Tax	...	(4,78,761)	(29,036)
A. PROFIT FROM CONTINUING OPERATIONS			3,96,729	12,60,182
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	...	1,61,487	(33,420)
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			(9,00,618)	6,54,742
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD [A+B]			(5,03,889)	19,14,924
EARNINGS PER SHARE				
	Basic EPS	...	0.09	0.29
	Diluted EPS	...	0.09	0.29

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. PRAKASH M. VICHHIVORA
MANAGING DIRECTOR
DINO:- 03123043

MR. HETAL M. VICHHIVORA
WHOLE TIME DIRECTOR & CFO
DINO:- 0003123060

MR. AMIT D. RAMBHIA
NON-EXECUTIVE DIRECTOR
DINO:- 00165919

MR. PRIYANK SANGOI
CS & COMPLIANCE OFFICER
MEM NO. A50896

PLACE: MUMBAI
DATED: 23rd July 2020
UDIN: 20044039AAAAAO5435

PLACE: MUMBAI
DATED: 23rd July 2020

STATEMENT OF CHANGES IN EQUITY

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020

(a) EQUITY SHARE CAPITAL

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

Balance as at 01st April 2019	Changes in Equity Share Capital During FY 2019-20	Balance as at 31st March 2020
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 2018	0	0	0	51,55,660	(1,35,14,119)	0	(83,58,459)
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)
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 2019	0	0	0	45,83,462	(1,28,59,377)	0	(82,75,915)
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	3,96,729	0	0	3,96,729
Other Comprehensive Income for the Year	0	0	0	0	(9,00,618)	0	(9,00,618)
Dividends	0	0	0	(7,59,975)	0	0	(7,59,975)
Dividend Distribution Tax	0	0	0	(1,56,220)	0	0	(1,56,220)
Any Other Change (to be Specified)	0	0	0	0	0	0	0
Balance as at 31st March 2020	0	0	0	40,63,996	(1,37,59,994)	0	(96,95,998)

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. PRAKASH M. VICHHIVORA
MANAGING DIRECTOR
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MR. PRIYANK SANGOI
CS & COMPLIANCE OFFICER
MEM NO. A50896

PLACE: MUMBAI
DATED: 23rd July 2020
UDIN: 20044039AAAAA05435

PLACE: MUMBAI
DATED: 23rd July 2020

CASH FLOW STATEMENT

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020		
PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax as per Profit & Loss A/c	1,91,442	16,83,721
<u>Adjustments for Non-cash Items</u>		
Depreciation on Fixed Assets	2,07,557	1,25,887
Exchange Rate Fluctuation (Gain)/loss	0	(11,912)
Expected Credit Loss	12,44,711	0
Loss on sale of Intangible Asset	3,58,333	0
Provision for Gratuity	3,10,491	0
Share Issue Expenses Written off	0	3,48,092
Preliminary Expenses Written off	0	1,01,226
	21,21,092	5,63,293
	23,12,534	22,47,014
<u>Adjustments for Non-Operating Items</u>		
Interest Charges	5,69,856	0
Interest Income	(27,71,588)	(28,19,258)
Processing Fees	20,000	0
	(21,81,732)	(28,19,258)
Operating Profit before Working Capital Changes	1,30,802	(5,72,244)
<u>Adjusted for Change in Working Capital:</u>		
Inventories	(2,23,71,738)	13,14,984
Trade Receivable	(2,68,14,594)	8,40,11,424
Other Current Assets	(10,24,763)	(4,25,888)
Other Non-Current Financial Assets	23,000	(30,000)
Trade Payable	3,62,25,508	(8,19,97,679)
Provisions	1,68,196	(2,51,521)
Other Current Liability	32,65,453	(1,00,81,921)
	(1,05,28,939)	(74,60,602)
Cash Generated from Operations	(1,03,98,137)	(80,32,846)
Taxes Paid	(2,77,849)	(12,18,434)
Net Cash Flow from Operations (A)	(1,06,75,986)	(92,51,280)
CASH FLOW FROM INVESTING ACTIVITIES		
<u>Cash Inflow</u>		
Interest Income	27,71,588	28,19,258
Sale of Intangible Asset	50,000	0
Loans Repaid by Parties	0	6,58,120
Profit on Sale of Investments	0	11,29,162
Sale of Investments	0	87,84,000
	28,21,588	1,33,90,540
<u>Cash Outflow</u>		
Purchase of Property Plant & Equipment	5,71,431	0
Purchase of Other Intangible Assets	17,400	0
Loans Given	93,19,684	23,30,846
	(99,08,515)	(23,30,846)
Net Cash Flow from Investing Activities (B)	(70,86,927)	1,10,59,694
CASH FLOW FROM FINANCING ACTIVITIES		
<u>Cash Inflow</u>		
Borrowings Taken	10,00,000	0
<u>Cash Outflow</u>		
Dividend Distributed	7,59,975	15,19,950
Dividend Distribution Tax	1,56,220	3,12,430
Interest Charges	5,69,856	0
Processing Fees	20,000	0
	(15,06,051)	(18,32,380)
Net Cash Flow from Financing Activities (C)	(5,06,051)	(18,32,380)

Continued

CASH FLOW FROM ALL ACTIVITIES	(A+B+C)		(1,82,68,964)	(23,966)
<u>Cash and Cash Equivalents at the Beginning</u>				
Cash in Hand		38,305		41,569
Balance in Bank		1,29,447	1,67,752	1,91,718
			<u>(1,81,01,212)</u>	<u>1,67,752</u>
<u>Closing Balance as per accounts</u>				
Cash in Hand		28,405		38,305
Balance in Bank		(1,81,29,617)		1,29,447
			<u>(1,81,01,212)</u>	<u>1,67,752</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.

Non Cash items

Out of the total amount sanctioned on account of Cash Credit, Rs.13,83,657/- remains undrawn as on 31st March 2020. The same would be available for utilisation towards future operating activities and settlement of capital commitments

Cash & Cash Equivalents included in the statement of Cash Flows comprises of the following.

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Cash balance Disclosed under Cash and Cash Equivalents - Note No. 10	28,405	38,305
<u>Balances With Bank</u>		
Current Deposits with Bank Disclosed under Cash and Cash Equivalents - Note No. 10	4,05,263	58,046
Unclaimed Dividend Bank Accounts Disclosed in Note No. 11	81,463	71,401
Cash Credit with Bank Disclosed under Current Financial Liabilities - Note No. 17	(1,86,16,343)	0
Cash & Cash Equivalents for the purpose of Cash Flows	<u>(1,81,01,212)</u>	<u>1,67,752</u>

Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

PARTICULARS	AS AT 31ST MARCH 2020
Cash and Cash Equivalents	4,33,668
Borrowings (including overdraft)	(1,96,16,343)
Net Debt	(1,91,82,675)
Cash and liquid investments	4,33,668
Gross debts- fixed interest rates	(10,00,000)
Gross debts- variable interest rates	(1,86,16,343)
Net Debt	(1,91,82,675)

The company had no borrowings before FY 2019-20 and hence a similar reporting for the comparative period prior to the reporting period is not applicable.

Changes in Liabilities Arising from Financing Activities

For the Year Ended 31st March 2020

PARTICULARS	CURRENT BORROWINGS
Opening Balance as on 31st March 2019	0
Changes from Financing Cash Flows	10,00,000
Interest Accrued	54,000
Closing Balance as on 31st March 2020	10,54,000

Amounts reported in the statement of cash flow under financing activities

PARTICULARS	AS AT 31ST MARCH 2020
Proceeds from Non-current Borrowings	0
(Repayment) of Non-current Borrowings	0
(Repayment) / Proceeds from current Borrowings	10,54,000
Net Movement in Financing Activities	10,54,000

The company had no borrowings before FY 2019-20 and hence a similar reporting for the comparative period prior to the reporting period is not applicable.

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. PRAKASH M. VICHHIVORA
MANAGING DIRECTOR
DINO:- 03123043

MR. HETAL M. VICHHIVORA
WHOLE TIME DIRECTOR & CFO
DINO:- 0003123060

MR. AMIT D. RAMBHA
NON-EXECUTIVE DIRECTOR
DINO:- 00165919

MR. PRIYANK SANGOI
CS & COMPLIANCE OFFICER
MEM NO. A50896

PLACE: MUMBAI
DATED: 23rd July 2020
UDIN: 20044039AAAAA05435

PLACE: MUMBAI
DATED: 23rd July 2020

NOTES TO FINANCIAL STATEMENTS

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 2020

1 Basis of Preparation

Standalone Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013.

Accordingly, the Company has prepared these Standalone Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss for the year ended 31 March 2020, the Statement of Cash Flows for the year ended 31 March 2020 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Standalone Financial Statements' or 'financial statements').

These financial statements are approved for issue by the Board of Directors on 23rd of July 2020.

2 Compliance with Ind AS

The separate financial statements of the company are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for financial instruments - measured at fair value or amortised cost.

3 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.

4 Going Concern

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

5 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).

6 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.

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) Defined Contribution Plans

The company's contributions to state governed provident fund scheme and employee state insurance scheme are the defined contribution plans maintained by the company. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service.

b) Defined Benefit Plans

The company has an obligation towards gratuity, a defined retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The present value of obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government bonds, with a maturity period, equivalent to the weighted average maturity profile of the defined benefit obligations at the Reporting date.

Remeasurement, comprising actuarial gains and losses is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit employee costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Excess gains or losses on settlement of any claims are recognised in profit or loss when such settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the company recognises related restructuring costs or termination benefits.

8 Investment in Foreign Subsidiaries

The investments in Foreign subsidiaries are carried in this financial statements at historical 'cost', as per Ind AS 27 "Separate Financial Statements" except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. Where the carrying amount of an investment is greater than its estimated recoverable amount, then a provision for impairment is created for the difference. On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Profit and Loss.

9 Prior Period Errors

Prior Period Errors have been corrected retrospectively in the first set of financial statements approved for issue after the discovery of error by :-

- a) Restating the comparative amounts of the prior period presented, in which the error occurred;
- b) If the error occurred before the earliest prior period presented, the opening balance of assets, liability and equity is restated for the earliest prior period presented.

10 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.

10.1 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) 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.

10.2 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.

11 Foreign Currencies

- a) The functional currency and presentation currency of the company is Indian Rupee (INR).
- b) Transactions in currencies other than the company's functional currency occurred during the year are translated into Rupees at the exchange rate prevailing on the date of respective transactions.
- c) 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 .

12 Recoverability of Trade Receivables

Judgments 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.

13 Revenue Recognition

Revenue from contract with customers is recognised when the Company satisfies performance obligation by transferring promised goods and services to the customer. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable, and is net of discounts, allowances, returns, goods and services tax/value added taxes/sales tax.

Provision is made for the non-sellable returns of goods from the customers estimated on the basis of historical data of sales return trends with respect to the shelf life of various products. Such provision for non-sellable sales returns is reduced from sale of products for the year.

Interest income is recognised using the effective interest method.

14 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 existing 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 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Under Ind AS 116, the lease liability is remeasured upon the occurrence of certain events, such as a change in lease term or a change in future lease payments resulting from a change in an index or rate (for example, inflation-linked payments or market rate rent reviews). A corresponding adjustment is made to the right of use asset.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- a) Low value leases; and
- b) Leases which are short-term.

15 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.

15.1 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.

15.2 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 it 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.

16 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.

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

17 Borrowing Costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Company determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Company borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Other borrowing costs are expensed in the period in which they are incurred.

18 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.

19 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.

20 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, 2020 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 Company is dealing in different varieties of IT Hardware & its peripherals, Plastic Granules and Consumer Electronic & Electrical Goods etc. Day to day Quantitative Stock Records have been maintained properly.
- 4 All the Directors have drawn remuneration for the Accounting Year 2019-20 aggregating to Rs.23,67,743/-

C Recent Accounting Pronouncements

a) Issue of Ind AS 117 - Insurance Contracts

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk.

Application of this standard is not expected to have any significant impact on the Company's financial statements.

b) Amendments to Existing Standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

- 1) Ind AS 103 - Business Combination
- 2) Ind AS 1 - Presentation of Financial Statements and Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- 3) Ind AS 40 – Investment Property

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

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

NOTES FORMING PART OF BALANCE SHEET

(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 2020 is as follows :-

PARTICULARS	GROSS BLOCK				DEPRECIATION (S.L.M)				NET BLOCK	
	Cost as on 01.04.20	Additions (sales / W/off)	Deductions	Cost as on 31.03.20	Upto 01.04.20	Additions	Deductions	As at 31.03.20	As at 01.04.20	As at 31.03.20
Furniture & Fixtures :										
Furniture & Fixtures	34,725	1,964	0	36,689	24,860	3,319	0	28,179	9,865	8,510
Plant & Machinery :										
Air Conditioner	0	24,211	0	24,211	0	2,261	0	2,261	0	21,950
Plant & Machinery	0	30,758	0	30,758	0	1,244	0	1,244	0	29,514
Office Equipments	0	5,087	0	5,087	0	722	0	722	0	4,365
Telephones	0	38,767	0	38,767	0	1,100	0	1,100	0	37,667
Computer Server	0	2,58,475	0	2,58,475	0	31,058	0	31,058	0	2,27,417
Computers & Laptop	0	2,12,169	0	2,12,169	0	50,152	0	50,152	0	1,62,017
	34,725	5,71,431	0	6,06,156	24,860	89,856	0	1,14,716	9,865	4,91,440

(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)
Furniture & Fixtures	10
Air Conditioner	8
Plant & Machinery	15
Office Equipments	5
Telephones	5
Computer Server	6
Computers & Laptop	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 :-

- an individual asset, at the higher of the net selling price and the value in use; and
- 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 2020 is as follows :-

PARTICULARS	GROSS BLOCK				AMORTISATION (S.L.M)				NET BLOCK	
	Cost as on 01.04.20	Additions (sales / W/off)	Deductions	Cost as on 31.03.20	Upto 01.04.20	Additions	Deductions	As at 31.03.20	As at 01.04.20	As at 31.03.20
Intangible Assets										
Brand(Cavin Cally)	10,00,000	0	10,00,000	0	5,00,000	91,667	5,91,667	0	5,00,000	0
Software	69,000	17,400	0	86,400	46,000	26,034	0	72,034	23,000	14,366
	10,69,000	17,400	10,00,000	86,400	5,46,000	1,17,701	5,91,667	72,034	5,23,000	14,366

(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. 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. However, since there has not been any active trade of the Quoted Equity Instrument held by the company, the same has been written down to Nil.

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 2020	AS AT 31ST MARCH 2019
<u>Investment in Equity Instruments</u>		
Quoted Equity Instruments	0	10,55,600
<u>Investment in Foreign Subsidiary</u>		
Eddy & Andy International Limited	87,200	87,200
Panache Innovations DMCC	8,86,226	8,86,226
	9,73,426	20,29,026

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Rent Deposit	1,60,554	30,000
	1,60,554	30,000

**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 2020	AS AT 31ST MARCH 2019
Other Deposits	5,000	28,000
	5,000	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 01.04.2018		84,638	0	84,638
<u>For the Year 2018-19</u>				
On Carrying Values 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)
<u>For the Year 2019-20</u>				
Carrying Value of Property Plant & Equipment	(72,332)	(18,806)	0	
Expected Credit losses	(12,44,711)	(3,23,625)		
Provision for Gratuity	(3,10,491)	(80,728)		
Fair Value (gains)/Losses on Equity instruments to the extent considered recoverable	(10,55,600)	0	(2,74,456)	
Remeasurements of Employee Benefit Obligations	(6,505)	0	(1,691)	
(DTA)/DTL as on 31.03.2020		(4,23,159)	(2,76,147)	(6,99,307)

**NOTE NO. 8
INVENTORIES**

(a) Valuation Method

The Company values its Inventories which comprises of IT Hardware & its peripherals and Other Consumer Electronic & Electrical 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 2020	AS AT 31ST MARCH 2019
Inventory of Goods	2,23,71,739	0
	2,23,71,739	0

**NOTE NO. 9
TRADE RECEIVABLES**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Secured, Considered good	0	0
Unsecured, Considered good	5,38,49,049	3,92,32,653
Doubtful	0	0
	5,38,49,049	3,92,32,653
Receivable from Related Parties (Refer Note No. 37)	1,22,21,350	23,153
	6,60,70,399	3,92,55,806

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<u>Cash & Cash Equivalents</u>		
Balance with Banks	4,05,263	58,046
Cash on Hand	28,405	38,305
	4,33,668	96,351

**NOTE NO. 11
BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Unclaimed Dividends	81,463	71,401
	81,463	71,401

NOTE NO. 12
LOANS & DEPOSITS (CURRENT)

(a) Measurement

Financial Assets represented in the form of Loans & advances given to parties under the terms, wherein, such Financial Assets 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 Financial Assets to be the best estimate of its Fair Value.

PARTICULARS		AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Loans & Advances	... ..	3,43,29,541	2,51,40,411
Less: Provision for Expected Credit Losses	... ..	(12,44,712)	0
		3,30,84,829	2,51,40,411

NOTE NO. 13
OTHER CURRENT ASSETS

PARTICULARS		AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Prepaid Expenses and others	... ..	5,90,518	0
Advance to Trade Payables	... ..	69,28,967	68,09,600
Input Credit of GST	... ..	8,86,366	5,71,488
		84,05,851	73,81,088

NOTE NO. 14
EQUITY SHARE CAPITAL

a. Capital Structure of the Company

PARTICULARS OF SHARE CAPITAL	AS AT 31ST MARCH 2020		AS AT 31ST MARCH 2019	
	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 2020	PERCENTAGE HOLDING (%)	NO.OF SHARES AS ON 31ST MARCH 2019	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 2020	AS AT 31ST MARCH 2019
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 :-

- Maintaining Diversity of Sources of Financing and spreading the maturity across periods in order to minimise liquidity risk.
- Analysing and managing its financial market risks like foreign exchange, interest rates and commodity prices, and minimise the impact or market volatility on earnings.
- 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.
- Leveraging Optimally in order to maximise shareholder returns.

The Net Gearing Ratio at the end of the Reporting period was as follows :-

PARTICULARS	AS AT 31ST MARCH 2020
Gross Debt	1,96,16,343
<u>Less:</u> Liquid Assets *	4,33,668
Net Debt	1,91,82,675
Total Equity (As Per Balance Sheet)	3,42,04,002
Net Gearing Ratio	0.56

* Liquid Assets Comprises of Cash & Cash Equivalents only.

The company had no borrowings before FY 2019-20 and hence a similar reporting for the comparative period prior to the reporting period is not applicable.

(v) Dividends

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
i) On Ordinary Shares		
<i>Final Dividend for the year ended 31st March 2019 of Rs 0.25 per fully paid share net of waivers of dividend</i>	7,59,975	15,19,950
<i>Dividend distribution tax on dividend declared for the year ended 31st March 2019</i>	1,56,220	3,12,430
Total Dividend Paid	9,16,195	18,32,380
ii) Dividends not recognised at the end of the reporting Period		
<i>In addition to the above dividend for the year ended 31st March 2019, the directors have recommended to conserve their reserves for future operations and not to declare any dividend for the reporting period under consideration i.e 31st March 2020 (For 31st March 2019 it was 0.25 Rupees)</i>	0	7,59,975

**NOTE NO. 15
OTHER EQUITY**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<u>Balance of Reserves as per Statement of Changes in</u>		
<u>Retained Earnings</u>		
Opening Balance	45,83,462	51,55,660
Add/(Less): Adjustments for Prior Period Errors	0	0
Add: Surplus As per Profit & Loss Account	3,96,729	12,60,182
Less: Appropriations		
Dividends Paid	7,59,975	15,19,950
Dividend Distribution Tax Paid	1,56,220	3,12,430
Bonus Issue	0	0
Closing Balance	40,63,996	45,83,462
<u>Other Comprehensive Income</u>		
<u>Fair Value Changes in Equity Instruments</u>		
Opening Balance	(1,28,59,377)	(1,35,14,119)
Add/(Less) Changes for the Year	(9,00,618)	6,54,742
Closing Balance	(1,37,59,994)	(1,28,59,377)
	(96,95,998)	(82,75,915)

**NOTE NO. 16
PROVISIONS (NON CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Provision for Gratuity Payable	3,06,332	0
	3,06,332	0

**NOTE NO. 17
BORROWINGS (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Cash Credit	1,86,16,343	0
Security Deposit Received	10,00,000	0
	1,96,16,343	0

NOTE NO. 18
TRADE PAYABLES (CURRENT)

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Trade payables		
Due to Micro and Small Enterprises (On the basis of Information & records available with the management).	79,717	0
Other Trade Payables	4,83,90,940	3,53,83,212
<u>Trade Payables to Related Parties (Refer Note No. 37)</u>		
Due to Micro and Small Enterprises (On the basis of Information & records available with the management).	2,51,79,941	20,27,878
Other Trade Payables to Related Parties	31,000	45,000
	7,36,81,598	3,74,56,090

(a) Disclosure

Out of the total payables to Micro and Small enterprises, disclosed in the table above, Rs.1,70,66,746/- stands overdue as on 31st March 2020. However, no interest is due or payable on such balance, pursuant to mutual agreement between the parties.

NOTE NO. 19
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 since there are no significant financing component involved.

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Statutory Liabilities	19,31,284	83,325
Salaries Payable	8,87,046	42,513
Advance from Trade Receivables	4,94,108	7,080
Panache Innovations DMCC	10,27,133	9,42,459
Others	1,259	0
	43,40,829	10,75,377

NOTE NO. 20
PROVISIONS (CURRENT)

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Director's Remuneration Payable	0	2,16,867
Dividend Payable (Unclaimed)	81,413	71,351
Audit Fees Payable	1,00,000	0
Professional Fees Payable	2,75,000	0
Provision for Gratuity Payable	10,664	0
	4,67,077	2,88,218

NOTE NO. 21
CURRENT TAX LIABILITIES(NET)

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Income Tax Payable	1,75,860	1,80,235
	1,75,860	1,80,235

NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

NOTE NO. 22

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 & Electrical 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 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Net Sales (Domestic)	....	15,11,16,877	8,32,41,756
Service Charges	....	1,25,799	0
		15,12,42,676	8,32,41,756

(b) 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.

(c) Movement in Contract Balances

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Contract Liability		
Opening Balance	7,080	1,26,080
<u>Less:</u> Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period.	(7,080)	(1,19,000)
<u>Add:</u> Revenue not recognised in the reporting period that is to be included in the closing balance of contract liability balance at the end of the period.	4,94,108	0
Closing Balance	4,94,108	7,080
Contract Assets		
Opening Balance	68,09,600	69,55,200
<u>Less:</u> Expense recognised in the reporting period that was included in the contract asset balance at the beginning of the period.	(9,600)	(1,55,200)
<u>Add:</u> Expense not recognised in the reporting period that is to be included in the closing balance of contract asset balance at the end of the period.	6,09,433	9,600
Closing Balance	74,09,433	68,09,600

NOTE NO. 23

OTHER INCOME

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Discount Received (Net)	....	10,836	23,521
Other Compensations	....	2,73,369	0
Interest Income	....	27,71,588	28,19,258
Additional CST from Customer	....	0	24,317
		30,55,793	28,67,096

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. 24
COST OF GOODS PURCHASED

PARTICULARS	FOR THE YEAR ENDED 31 ST MARCH 2020	FOR THE YEAR ENDED 31 ST MARCH 2019
Net Purchase	15,05,35,555	7,66,15,205
Service Charges Incurred	25,380	0
	15,05,60,935	7,66,15,205

NOTE NO. 25
CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS

PARTICULARS	FOR THE YEAR ENDED 31 ST MARCH 2020	FOR THE YEAR ENDED 31 ST MARCH 2019
Opening Stock / Inventories	0	13,14,984
<u>Less:</u> Closing Stock / Inventories	(2,23,71,739)	0
	(2,23,71,739)	13,14,984

NOTE NO. 26
EMPLOYEE BENEFIT EXPENSES

PARTICULARS	FOR THE YEAR ENDED 31 ST MARCH 2020	FOR THE YEAR ENDED 31 ST MARCH 2019
Director's Remuneration	23,67,743	32,00,004
Salary & Bonus to Employees	1,02,70,375	9,18,831
Contributions to PF, ESIC & Other Funds	7,71,997	0
Staff Welfare Expenses	22,834	0
Gratuity To Staff	3,10,491	0
	1,37,43,440	41,18,835

NOTE NO. 27
FINANCE COSTS

PARTICULARS	FOR THE YEAR ENDED 31 ST MARCH 2020	FOR THE YEAR ENDED 31 ST MARCH 2019
Interest Charges	5,69,856	0
Processing Charges on CC	20,000	0
	5,89,856	0

NOTE NO. 28
DEPRECIATION AND AMORTISATION EXPENSES

PARTICULARS	FOR THE YEAR ENDED 31 ST MARCH 2020	FOR THE YEAR ENDED 31 ST MARCH 2019
Depreciation on Property, Plant & Equipment	89,856	2,887
Amortisation of Intangible Assets	1,17,701	1,23,000
	2,07,557	1,25,887

NOTE NO. 29
OTHER EXPENSES

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Annual Compliance Costs	24,600	2,422
Bank Charges	82,825	4,858
Software, Cloud & Other related Expenses	1,29,406	0
Commission & Brokerage Expenses	85,585	0
Conveyance	3,90,060	7,229
Demat & Registration Charges	0	590
Electricity Charges	31,340	0
E-commerce Expenses	14,86,637	0
Expected Credit Losses	12,44,711	0
GST Late Fees	2,450	6,650
Insurance Charges	71,795	0
Interest on TDS	3,674	1,292
Interest on VAT & GST	3,27,486	0
Listing Fees	3,00,000	2,55,200
General Operating Expenses	2,27,556	11,000
Packing Charges	88,506	0
Payment to Auditors	2,80,000	1,90,000
Professional Fees	13,04,638	8,64,669
Profession Tax	2,500	2,500
(Profit)/Loss on Exchange rate fluctuation	4,32,151	(11,912)
Preliminary Expenses Written off	0	1,01,226
Printing & Stationery	1,32,285	21,629
Rent, Rates and Taxes	8,55,210	2,60,000
Royalty Expenses	50,000	50,000
Repairs & Maintenance	37,412	0
Business Promotion Expenses	73,843	53,300
Share Issue Expenses Written off	0	3,48,092
Stamp duty and Registration Charges	73,889	2,200
Telephone, Mobile & Internet Charges	3,34,197	1,668
Transportation Charges	22,66,833	56,057
Travelling Expenses	4,86,747	20,714
Warehousing Expenses	1,82,309	0
Website Development Charges	10,000	838
	1,10,18,645	22,50,220

NOTE NO. 29.1
DETAILS OF PAYMENTS TO AUDITORS

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<u>Payment to Auditors</u>		
Statutory Audit	75,000	75,000
Tax Audit	25,000	25,000
Internal Audit	1,80,000	90,000
Total Payments Made to Auditors	2,80,000	1,90,000

NOTE NO. 30
EXCEPTIONAL ITEMS

PARTICULARS	FOR THE YEAR ENDED 31 ST MARCH 2020	FOR THE YEAR ENDED 31 ST MARCH 2019
Loss on Sale of Intangible Asset	(3,58,333)	0
	(3,58,333)	0

The Company has sold its Brand viz . Cavincally to Rambhia IPR Services LLP on 01st March 2020. The details of sale are as follows :-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	
Consideration Received		50,000
<u>Carrying Amount of Assets Sold</u>		
Cost of Intangible Asset	10,00,000	
Less: Amortisation till 01st April 2019	(5,00,000)	
WDV as on 01st April 2019	5,00,000	
Less: Amortisation for the reporting period	(91,667)	(4,08,333)
Transaction Costs on sale		0
Gain / (Loss) on Sale before Income Tax		(3,58,333)
Income Tax (Expense) / Gain		93,167
Net Gain / (Loss) to the Company after Income Tax		(2,65,166)

NOTE NO. 31
INCOME TAX EXPENSE

A. Disclosure Pursuant to Ind AS 12

(a) Major Components of Income Tax

Sr. No.	PARTICULARS	FOR THE YEAR ENDED 31 ST MARCH 2020	FOR THE YEAR ENDED 31 ST MARCH 2019
(a)	<u>Tax on Items Routed Through Profit or Loss Section</u>		
	(i) <u>Income Tax</u>		
	Current Tax under Income Tax Act,1961	4,53,019	3,94,469
	Adjustments in respect of income tax of previous years.	(1,79,545)	58,106
	(ii) <u>Deferred Tax</u>		
	Tax Expense on Origination & Reversal of Temporary Difference	(4,78,761)	(29,036)
	Tax Expense Reported in statement of Profit or Loss [(i) +(ii)]	(2,05,287)	4,23,539
(b)	<u>Tax on Items Routed Through Other Comprehensive Income</u>		
	(i) Income Tax	0	1,48,080
	(ii) Deferred Tax	(1,61,487)	(1,14,660)
	Tax Expense Reported in Other Comprehensive Income [(i) +(ii)]	(1,61,487)	33,420

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Profit Before Tax	1,91,442	16,83,721
Corporate Tax Rate as per Income Tax Act, 1961	26.00%	26.00%
Tax on Accounting Profit (A)	49,775	4,37,768
<u>Adjustments as per Income Tax</u>		
<u>Add:</u> Depreciation as per Companies Act	2,07,557	1,27,179
<u>Add:</u> Disallowances U/s 37	16,06,718	0
<u>Add:</u> Disallowance of Gratuity Provision	3,10,491	0
<u>Add:</u> Disallowance of Contributions to statutory Funds	5,41,860	0
<u>Less:</u> Depreciation as per Income Tax Act	(2,57,760)	(87,776)
<u>Less:</u> Other Deductions	0	0
	24,08,866	39,403
Corporate Tax Rate as per Income Tax Act, 1961	26.00%	26.00%
Tax on Gross Adjustments as per Income Tax (B)	6,26,305	10,245
Tax after adjustments as per Income Tax Act, 1961 [(A)+(B)]	6,76,080	4,48,012
<u>Less:</u> MAT Credit Set Off under section 115JAA	(2,23,061)	(53,543)
Net Income Tax Payable by the company	4,53,019	3,94,469
<u>Deferred Tax Expenses on Items Routed Through P&L</u>		
Incremental Deferred Tax Liability/(Asset) on account of PPE and Intangible Assets	(4,78,761)	(29,036)
<u>Tax on Income/Expenses classified under OCI</u>		
Long Term Capital Gain on Unlisted Securities Taxable @ 20%	0	1,48,080
Incremental Deferred Tax Liability/(Asset) due to Fair valuation of Equity Instruments	(1,61,487)	(1,14,660)
Net Deferred Tax Expense/(Benefit) (D)	(6,40,248)	4,384
Total Tax Expense Recognised for the Year (E) = [(C)+(D)]	(1,87,229)	3,98,853
Effective Tax Rate on Standalone Results of the Company [(E)/(A)*100]	(97.80)	23.69

C. Calculation of Corporate Tax Rate

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Basic Tax Rate Applicable to the Company as per Income Tax Act	25%	25%
Surcharge Applicable	0%	0%
Education Cess	4%	4%
Corporate Tax Rate as per Income Tax Act, 1961	26.00%	26.00%

NOTE NO. 32

OTHER COMPREHENSIVE INCOME

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<u>Items that will not be reclassified to Profit & Loss A/c</u>		
Fair Value Changes on Equity Instruments designated through OCI	(10,55,600)	(4,41,000)
Profit/(Loss) On Sale of Equity Instruments	0	11,29,162
Remeasurements of Post Employment Benefit Obligations	(6,505)	0
	(10,62,105)	6,88,162

NOTE NO. 33
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 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<u>Calculation of Basic EPS</u>		
A. Profit From Continuing Operations (Numerator)	3,96,729	12,60,182
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)]	0.09	0.29
<u>Calculation of Diluted EPS</u>		
A. Profit From Continuing Operations (Numerator)	3,96,729	12,60,182
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)]	0.09	0.29

NOTE NO. 34
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 2020			AS AT 31ST MARCH 2019		
	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL
Inventories	2,23,71,739	0	2,23,71,739	0	0	0
Trade Receivables	6,60,70,399	0	6,60,70,399	3,92,55,806	0	3,92,55,806
Loans-Current	3,30,84,829	0	3,30,84,829	2,51,40,411	0	2,51,40,411
Other Current Assets	84,05,851	0	84,05,851	73,81,088	0	73,81,088

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

Credit Period for Current Liabilities

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

PARTICULARS	AS AT 31ST MARCH 2020			AS AT 31ST MARCH 2019		
	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL
Borrowings	10,00,000	0	10,00,000	0	0	0
Trade Payables	7,36,81,598	0	7,36,81,598	3,74,56,090	0	3,74,56,090
Other Current Liabilities	43,40,829	0	43,40,829	10,75,377	0	10,75,377
Provisions	4,67,077	0	4,67,077	2,88,218	0	2,88,218
Current Tax Liabilities	1,75,860	0	1,75,860	1,80,235	0	1,80,235

NOTE NO. 35

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 defense 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 Company.

In General, the company is a net payer 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 2020			
	USD	EQUIVALENT IN INR	OTHER CURRENCY	EQUIVALENT IN INR
Reimbursement Receivable from Subsidiary	16,511.20	12,44,712	0	0
Trade Payables	85,701.25	64,60,666	0	0
Current Liabilities	13,625.00	10,27,133	0	0

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

Sensitivity Analysis

A reasonable possible strengthening/weakening of foreign currencies to which the company is exposed to, against all other currencies as 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 2020			
US DOLLAR	1%	46,199	(46,199)
AS AT 31ST MARCH 2019			
US DOLLAR	1%	(1,477)	1,477

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's exposure to changes in interest rates relates primarily to the Company's Overdraft CC Account. The company's total outstanding debt in local currency presented in the Financial Statements is a combination of fixed rate and floating rate Debts. For the portion of local currency debt on fixed rate basis, there is no interest rate risk. Floating Rate Debts are linked to domestic interest rate benchmarks issued by Reserve Bank of India like MCLR (Marginal Cost of funds based Lending Rate).

The Exposure of Company's Borrowings to interest rate changes at the end of reporting period are as follows :-

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Cash Credit	1,86,16,343	0
	1,86,16,343	0

Sensitivity Analysis

A hypothetical 10 basis point shift in MCLR rates on the unhedged loans would result in corresponding increase/decrease in interest cost for the company on a yearly basis.

SENSITIVITY TO MOVEMENT IN INTEREST RATES	ASSUMED INTEREST RATE MOVEMENT IN BPS	AS AT 31ST MARCH 2020	
		IMPACT ON PROFIT OR LOSS AFTER TAX INCREASE	DECREASE
<u>Change in Interest Cost</u>			
Cash Credit *	10 bps	(18,616)	18,616
<u>Less:</u> Tax Effect on Interest Cost		4,840	(4,840)
Net Effect on Profit & Loss Account		(13,776)	13,776

* Holding all other variables constant

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 and other receivables.

Trade Receivable and other financial assets

The company has established a credit policy under which each new customer is analysed individually for creditworthiness before entering into the contract, delivery terms and conditions of payments. 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.

Expected Credit loss for Loans & Advances Given:

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 company is making provision on Loans & advances based on Expected Credit Loss(ECL) model. The reconciliation of ECL is as follows :-

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Opening Balance	0	0
<u>Changes in Loss Allowance</u>		
Loss Allowance for the year, based on ECL Model.	12,44,712	0
Write Off as Bad Debts	0	0
Closing Balance reported under Note No.12	<u>12,44,712</u>	<u>0</u>

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 2020

NON-DERIVATIVE FINANCIAL LIABILITIES	CONTRACTUAL CASH FLOWS		TOTAL
	PAYABLE WITHIN ONE YEAR	PAYABLE AFTER ONE YEAR	
Borrowings	10,00,000	0	10,00,000
Trade Payables	7,36,81,598	0	7,36,81,598

As at 31st March 2019

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

The gross outflows disclosed in the above table represent the contractual undiscounted cash flows relating to non- derivative financial liabilities held for risk management purpose and which are not usually closed out before contractual maturity.

**NOTE NO. 36
LEASES****A. Classification & Measurement****Where the Company is a Lessee**

This note explains the impact of the adoption of ind AS 116 Leases on the company's financial statements.

The company has determined the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain after making an assessment on the expected lease term on a lease-by-lease basis and thereby assessing whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Practical Expedients Applied

In applying Ind AS 116 for the first time, the company has used the following practical expedients permitted by the standard:

- 1) accounting for operating leases with a remaining lease term of less than 12 months as at 1st April 2019 as short-term leases
- 2) excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- 3) using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- 4) applying a single discount rate to a portfolio of leases with reasonably similar characteristics

The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the company relied on its assessment made applying Ind AS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

After applying the practical expedients permitted by the standard, the company has determined that none of the lease contracts are required to be reclassified as finance lease, since all the lease contracts of the company are either short term leases or leases of low value.

The total expense recognised in the statement of Profit or Loss on account of operating leases amounted to Rs. 8,55,210/-

**NOTE NO. 37
ASSETS PLEDGED AS SECURITY**

The carrying amounts of assets pledged as security for current and non-current borrowings are :

PARTICULARS	NOTES	AS AT 31ST MARCH 2020
CURRENT ASSETS		
<i>Fixed Charge Asset</i>		
Assets		0
<i>Floating Charge (Primary Security)</i>		
Trade Receivables	Note No . 9	6,60,70,399
Inventory	Note No . 8	2,23,71,739
Financial assets at fair value through profit/loss		
Total current assets pledged as security		8,84,42,138
Non Current Assets pledged as security		0
Total assets pledged as security		8,84,42,138

The company had no borrowings before FY 2019-20 and hence a similar reporting for the comparative period prior to the reporting period is not applicable.

NOTE NO. 38
EMPLOYEE BENEFIT EXPENSES

(a) Disclosures pursuant to Ind AS-19

i. Defined Contribution Plans

The Company makes contributions, determined as a specified percentage of employee salaries in respect of qualifying employees towards Provident Fund (PF) and Employee State Insurance Corporation (ESIC), which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

The company has contributed the following amounts to the fund :-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020
Employer's Contribution to Provident Fund & ESIC	7,71,997

ii. Defined Benefit Plans.

The company's gratuity plan to provide post employment benefits to its employees is reported in accordance with Ind AS 19, "Employee Benefits" - based on an actuarial valuation carried out in respect of such gratuity plan.

(a) The amounts recognised in Balance sheet are as follows :-

PARTICULARS	AS AT 31ST MARCH 2020
<u>Present Value of Defined Benefit Obligation</u>	
Wholly Funded	0
Wholly Unfunded	3,16,996
	3,16,996
<u>Less: Fair Value of Plan Assets</u>	0
Amounts recognised as Liability (See Note No.16 & Note No.20)	3,16,996

(b) The amounts recognised in statement of Profit and Loss are as Follows:-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020
Current Service Cost	2,98,431
Interest Cost	768
Past Service Cost	11,292
Expenses included in Employee Benefits (See Note No.26)	3,10,491

(c) The amounts recognised in Other Comprehensive Income are as Follows:-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020
Actuarial (Gains) / Losses	6,505
Expenses included in Other Comprehensive Income (See Note No.32)	6,505

(d) The Reconciliation of Opening and Closing Balances of Defined Benefit Obligation is as Follows :-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020
Opening Balance of present value of Defined Benefit Obligation	0
<u>Add:</u> Current Service Cost	2,98,431
<u>Add:</u> Interest Cost	768
<u>Add:</u> Past Service Cost	11,292
<u>Add/(less):</u> Actuarial Losses/(Gains)	6,505
	3,16,996
<u>Less:</u> Benefits Paid	0
	3,16,996

(e) Breakup of Other Comprehensive Income

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020
Actuarial losses / (gains) arising from change in financial assumptions	33,398
Actuarial losses / (gains) arising from change in Demographic assumptions	0
Actuarial losses / (gains) arising from change in experience adjustments	(26,893)
	6,505

(f) Actuarial Assumptions

Principal actuarial assumptions at the Reporting date are as follows :-

PARTICULARS	AS AT 31ST MARCH 2020
Discount Rate (per anum)	6.80%
Salary Growth Rate (per anum)	7.00%
Retirement Age	58 Years
<u>Attrition Rate</u>	
Younger Ages	5%
Older Ages	1%

(g) Sensitivity analysis of defined benefit obligation

PARTICULARS	AS AT 31ST MARCH 2020
<u>a) Impact of Discount Rate</u>	
Impact due to increase of 1%	(36,787)
Impact due to Decrease of 1%	44,239
<u>b) Impact of Salary Escalation Rate</u>	
Impact due to increase of 1%	43,700
Impact due to Decrease of 1%	(37,040)
<u>a) Impact of Attrition Rate</u>	
Impact due to increase of 1%	(336)
Impact due to Decrease of 1%	364

(h) Maturity profile of defined benefit obligation

PARTICULARS	AS AT 31ST MARCH 2020
Within 1 Year	10,664
Year 1 to Year 2	14,796
Year 2 to Year 3	9,785
Year 4 to Year 5	9,448
Year 5 to Year 6	14,747
Year 6 to Year 10	1,73,999
After 10 Years	83,557

NOTE NO. 39
RELATED PARTY DISCLOSURES

a. Details of Related Parties

i) 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	Subsidiary	No
Panache Innovations DMCC	Subsidiary	No

ii) Key Managerial Personnel

NAME OF RELATED PARTY	RELATIONSHIP WITH THE COMPANY
Amit D. Rambhia	Non - Executive Director
Jayachandran Sunderamoorthy *	Whole Time Director & CFO
Prakash M. Vichhivora	Managing Director
Hetal M. Vichhivora	Whole Time Director & CFO
Priyank Sangoi	CS & Compliance Officer

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

iii) List of Related Parties with whom transactions has taken place during the Reporting Period

NAME OF RELATED PARTY	RELATIONSHIP WITH THE COMPANY
Amit D. Rambhia	Non- Executive Director
Prakash M. Vichhivora	Managing Director
Jayachandran Sunderamoorthy	Whole Time Director & CFO
Hetal M. Vichhivora	Whole Time Director & CFO
Priyank Sangoi	CS & Compliance Officer
Panache Digilife Limited	Company having Common Director
Modera Freight Services Pvt Ltd	Company having Common Director
Modera Electronics	Firm in which Director is a Partner
Rambhia IPR Services LLP	Firm in which Director is a Partner

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	GROSS VOLUME OF TRANSACTION IN FY 2019-20
Hetal M. Vichhivora	Whole Time Director & CFO	Remuneration	9,00,000
Prakash M. Vichhivora	Managing Director	Remuneration	9,00,000
Jayachandran Sunderamoorthy	Whole Time Director & CFO	Remuneration	5,67,743
Priyank Sangoi	CS & Compliance Officer	Remuneration	4,67,480
Panache Digilife Limited	Company having Common Director	Sales	28,771
Panache Digilife Limited	Company having Common Director	Services Provided	29,948
Panache Digilife Limited	Company having Common Director	Purchases	5,96,15,564
Panache Digilife Limited	Company having Common Director	Rent Paid	3,98,250
Modera Electronics	Firm in which Director is a Partner	Sales	1,21,08,622
Modera Electronics	Firm in which Director is a Partner	Services Provided	84,850
Modera Electronics	Firm in which Director is a Partner	Purchases	6,81,97,627
Modera Electronics	Firm in which Director is a Partner	Services Aailed	2,13,429
Modera Electronics	Firm in which Director is a Partner	PPE Purchased	3,99,843
Modera Freight Services Pvt Ltd	Company having Common Director	Sales	932
Modera Freight Services Pvt Ltd	Company having Common Director	Freight Charges	1,38,254
Rambhia IPR Services LLP	Firm in which Director is a Partner	Sale of Intangible Asset	50,000
Rambhia IPR Services LLP	Firm in which Director is a Partner	Royalty Paid	50,000

The above mentioned transactions with related parties are stated by including tax and carried out at arms length prices.

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

PARTICULARS	RELATION WITH THE COMPANY	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<u>Amounts Receivable from Related Parties</u>			
<u>Receivables For Sales & Services Provided</u>			
Panache Digilife Limited	Company having Common Director	28,771	23,153
Modera Electronics	Firm in which Director is a Partner	1,21,92,579	0
		1,22,21,350	23,153
<u>Loans & Advances Recoverable</u>			
<u>Recoverable from Subsidiary</u>			
Panache Innovations DMCC	Subsidiary	12,44,712	11,42,101
		12,44,712	11,42,101
Total Receivables from Related Parties		1,34,66,062	11,65,254

Amounts Payable to Related Parties			
<u>Payables for Purchases & Services Availed</u>			
Panache Digilife Limited	Company having Common Director	1,59,25,291	20,27,878
Modera Electronics	Firm in which Director is a Partner	92,54,650	0
ICT Infratech Services Pvt Ltd	Company having Common Director	28,65,232	23,80,232
Rambhia IPR Services LLP	Firm in which Director is a Partner	31,000	45,000
		2,80,76,173	44,53,110
<u>Payables to KMP as Remuneration</u>			
Jayachandran Sunderamoorthy	Whole Time Director & CFO	0	2,16,867
Priyank Sangoi	CS & Compliance Officer	38,790	22,813
		38,790	2,39,680
Total Payables to Related Parties		2,81,14,963	46,92,790

NOTE NO. 40

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 2020	AS AT 31ST MARCH 2019
Financial Assets		
<u>Measured at Amortised Cost</u>		
Loans	3,32,45,383	2,51,70,411
Trade Receivables	6,60,70,399	3,92,55,806
Other Financial Assets	5,000	28,000
Cash & Cash Equivalents	4,33,668	96,351
Balances with Bank other than Cash & Cash Equivalents	81,463	71,401
Total financial Assets Measured at Amortised Cost (I)	9,98,35,913	6,46,21,968
<u>Measured at Fair Value Through Other Comprehensive Income (FVTOCI):-</u>		
Investment in Equity Shares	0	10,55,600
Total of Financial Assets Measured at FVTOCI (II)	0	10,55,600
Total Value of Financial Assets measured as per Ind AS 109 [(I)+(II)]	9,98,35,913	6,56,77,568
Financial Liabilities		
<u>Measured at Amortised Cost</u>		
Borrowings	1,96,16,343	0
Trade Payables	7,36,81,598	3,74,56,090
Total of Financial Liabilities Measured at Amortised Cost	9,32,97,941	3,74,56,090
Total Value of Financial Liabilities measured as per Ind AS 109	9,32,97,941	3,74,56,090

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
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.)	4,32,151	(11,912)
(ii) Interest Charges	5,69,856	0
(iii) Processing Charges on CC	20,000	0
(iv) Interest Income on Loans & Advances given	27,71,588	28,19,258
Total	37,93,595	28,07,346
Net gains/(losses) on financial assets measured at Fair Value Through Other Comprehensive Income (FVTOCI) :-		
(i) Gains/(losses) on Fair Valuation of Equity Instruments	(10,55,600)	(4,41,000)
(ii) Gains/(losses) on sale of Equity Instruments	0	11,29,162
(iii) Net Tax on Equity Instruments	1,61,487	(33,420)
Total	(8,94,113)	6,54,742

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

AS AT 31ST MARCH 2020	CARRYING VALUE IN BOOKS	LEVEL OF INPUT USED FOR FAIR VALUATION		
		LEVEL 1	LEVEL 2	LEVEL 3
<u>Financial Assets</u>				
Investments *	0	0	--	--

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

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.

NOTE NO. 41
DISCLOSURE UNDER SECTION 186 OF COMPANIES ACT

Particulars of Loans, Deposits and Guarantees as at the year end

NAME OF THE ENTITY	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019	NATURE OF ASSISTANCE	PURPOSE FOR WHICH LOAN/ GUARANTEE IS PROPOSED TO BE UTILISED BY RECEIPT
Karrm Warehousing Private Limited	2,71,83,126	2,10,25,337	Inter Corporate Loan	Short Term Working Capital
Seemsan Pumps And Equipment Pvt Ltd	26,28,024	23,91,504	Inter Corporate Loan	Short Term Working Capital
Sure Horizon Softtech End2End Solution Pvt Ltd	26,55,120	0	Inter Corporate Loan	Short Term Working Capital

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. PRAKASH M. VICHHIVORA
MANAGING DIRECTOR
DINO:- 03123043

MR. HETAL M. VICHHIVORA
WHOLE TIME DIRECTOR & CFO
DINO:- 0003123060

MR. AMIT D. RAMBHIA
NON-EXECUTIVE DIRECTOR
DINO:- 00165919

MR. PRIYANK SANGOI
CS & COMPLIANCE OFFICER
MEM NO. A50896

PLACE: MUMBAI
DATED: 23rd July 2020
UDIN: 20044039AAAAAO5435

PLACE: MUMBAI
DATED: 23rd July 2020

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Panache Innovations Limited,
2nd Floor, Bldg. No. A3, Unit 201A,
Babosa Industrial Park,
Saravali Village Bhiwandi,
Thane – 421 302.

We have audited the accompanying Consolidated Financial statements of Panache Innovations Limited ('hereinafter referred to as the Parent Company') and its subsidiaries 'Eddy and Andy International Limited (Hong Kong)' and 'Panache Innovations DMCC (Dubai -U.A.E)', which comprise the 'Consolidated Balance Sheet as at 31st March, 2020 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').

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us by the management of the Group, **except for the effects of the matter described in the 'Basis for Qualified Opinion' section of our report**, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 ('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 Group as at March 31, 2020, and its profit (including Other Comprehensive Income), changes in equity and statement of cash flows for the year ended on that date.

Basis of Our Qualified Opinion

The Consolidated Ind AS Financial Statements includes the unaudited Financial Statement of Panache Innovations DMCC (Dubai-U.A.E), whose Financial Statements reflect total assets of Rs.10.27 Lakhs as at 31st March, 2020, net gain/(net loss) of Rs.0.89 Lakhs pertaining to writing off of other assets & liabilities of nominal value and total comprehensive income/(loss) of Rs.0.89 Lakhs for the year ended on that date, has been considered in the Consolidated Financial Statements. We state that this Financial Statement is not audited by us. This Financial Statement was to be audited by other auditors, whose report has not been furnished to us by the management. We assess that the possible effects of misstatements due to unavailability of audited Financial Statements of such subsidiary on the overall Consolidated Financial Statements could be material but not pervasive.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Ind AS Financial Statements of the current period. These matters were

addressed in the context of our audit of the Consolidated Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the Key audit Matter
Adoption of Ind AS 116 Leases	
<p>As described in Note-1(14) to the Consolidated financial statements, the Group has adopted Ind AS 116 Leases in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since application of the same is based on a significant level of judgements and estimates including the determination of discount rates and lease term.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/arrangement.</p> <p>Additionally, the standard mandates detailed disclosures in respect of transition.</p> <p>Refer to Note No.1(14) and Note No.37 of the Consolidated Ind AS Financial Statements.</p>	<p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> • Assessed and tested new processes and controls established by the management in identifying lease arrangements with respect to the new lease accounting standard (Ind AS 116); • Assessed the Group's evaluation on identification of leases based on the contractual arrangements and our knowledge of business; • Upon transition as at 01st April 2019: <ul style="list-style-type: none"> iii) Evaluated the method of transition and related adjustments; iv) Assessed the appropriateness of practical expedients used while transitioning to Ind AS 116. • Assessed the key terms and conditions of each lease with the underlying lease contracts; and • Assessed and tested the presentation and disclosures provided by the management in the Consolidated Ind AS Financial Statements relating to Ind AS 116, including disclosures relating to transition and practical expedients applied.
Key Audit Matter	How our audit addressed the Key audit Matter
Revenue Recognition – Venturing into New Businesses	
<p>With a view to expand the business of the organization, the Group has ventured into new areas of business and has added certain electrical and electronic goods to its product line.</p> <p>The Group has also incorporated a branch to expand its geographical reach in order to cater to the demands of consumers throughout the country.</p> <p>The Group has also entered into business agreements with online trading platforms in order to expand its business.</p>	<p>Our audit procedures on the specified key audit matter include:</p> <ul style="list-style-type: none"> • Evaluating the appropriateness of measures adopted by the Group to assess the transfer of control and point of recognition for each product added to the Group's product line. • Assessing the policies and controls implemented by the management in order to safeguard and protect the assets kept at branch. • Verifying the appropriateness of inter-branch adjustments provided by the management while preparing the Consolidated Ind AS Financial Statements. • Assessing the implications on the revenue of the Group due to sale through online trading platforms and evaluating whether any provisions or

<p>Due to such widespread expansion measures adopted by the Group and the emergence of new business models, the Group had to assess the point of transfer of control for each product and business model separately and evaluate whether any other adjustments were required to comply with the requirements of Ind AS 115 –“Revenue from Contracts with Customers”.</p>	<p>adjustments made to revenue are in line with the requirements of Ind AS 115 – “Revenue from Contract with Customers”.</p> <ul style="list-style-type: none"> Assessed and tested the presentation and disclosures provided by the management in the Consolidated Ind AS Financial Statements relating to recognition of revenue from contracts with customers.
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Other Matters

The Consolidated Ind AS Financial Statements includes the Financial Statements of Wholly Owned Subsidiary ‘ Eddy and Andy International Limited’ incorporated in Hong Kong on 18th July 2016 has been audited by C. K. Liu & Company (Certified Public Accountants, Hong Kong) for the period ended on 31st March 2020. We have relied upon the report given by the aforesaid auditor for the purpose of consolidation of Financial Statements. The salient features of the aforementioned subsidiary’s Financial Statements are as Follows;

Sr.No.	Particulars	Amount in INR
1.	Net Assets	Rs.2,32,645
2.	Total Revenue	Nil
3.	Net Income	Rs. (1,07,749)

Information other than the Financial Statements and Auditor’s Report thereon

The respective Board of Directors of the companies included in the Group are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor’s report thereon. The Annual Report is expected to be made available to us after the date of this auditor’s report. Our opinion on the Consolidated Ind AS Financial Statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management’s Responsibility for the Financial Statements

The respective Board of Directors of the companies included in the Group are responsible for the matters in Section 134(5) of the Act with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the financial position and financial performance (including other comprehensive income), statement of changes in equity and statement of Cash flows of the Group in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015 as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Ind AS Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Companies included in the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Ind AS Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls and operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 Group 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 Statement of Cash flow dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Consolidated Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors as on 31st March 2020, and taken on record by the Board of Directors, none of the directors are disqualified as on 31st March 2020, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013;
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Group'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, in our opinion and to the best of our information and according to explanations given to us:
 - (i) The Group has disclosed that there are no pending litigations which would impact its financial position.
 - (ii) The Group did not have any long term contracts for which there were any material foreseeable losses;
 - (iii) The Group is not required to transfer any amount to the Investor Education and Protection Fund by the Group.

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

Place : Mumbai
Date : 23rd July 2020
UDIN: 20044039AAAAAP6912

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

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”) as of 31st March 2020 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 authorizations of management and directors of the Parent company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 2020, 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
[FRNo: 116291W]***

***Place : Mumbai
Dated : 23rd July, 2020
UDIN : 20044039AAAAAP6912***

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

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [See Re 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. NO.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
			(Rs. In Lacs/amount) except data per share	
	1.	Total income	1,544.16	1,544.16
	2.	Total Expenditure	1,526.41	1,526.41
	3.	Net Profit/(Loss)	16.22	16.22
	4.	Earnings per Share	0.37	0.37
	5.	Total Assets	1,321.00	1,321.00
	6.	Total Liabilities	976.24	976.24
	7.	Net Worth	344.77	344.77
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	Audit Qualification (each audit qualification separately)			
	a)	Details of Audit Qualification: Financial Results of subsidiary company viz. Panache Innovations DMCC are unaudited.		
	b)	Type of Audit Qualification: Qualified Opinion		
	c)	Frequency of qualification: First time		
	d)	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:		
	e)	For Audit Qualification(s) where the impact is not quantified the auditor:		
	i.	Management's estimation on the impact of audit qualification: Since there were no transaction during the year, Management is of the view that there will not be any major impact on the group.		
	ii.	If management is unable to estimate the impact, reasons for the same:		
	iii.	Auditors' Comments on (i) or (ii) above: Based on the representations and documents received from the management, we believe that in the absence of no commercial transactions during the year, the quantitative impact of results of the subsidiary on the group will be nominal.		
	Signatories:			
	• Managing Director			
	• CFO			
	• Audit Committee Chairman		FOR JAIN SALIA & ASSOCIATES Chartered Accountants (ICAI FRNo. 116291W)	
	• Statutory Auditor		CA Jayesh Salia Partner (Membership No. 044039)	
	Place: Mumbai			
	Date: 23-07-2020			

CONSOLIDATED BALANCE SHEET

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020

(All amounts in INR)

Sl. No.	PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
I. ASSETS				
1 NON-CURRENT ASSETS				
(a)	Property, Plant & Equipments ...	2	4,91,440	9,865
(b)	Right to use assets		0	
(c)	Capital Work-in-Progress ...		0	0
(d)	Investment Properties ...		0	0
(e)	Goodwill ...		0	0
(f)	Other Intangible Assets ...	3	14,366	5,23,000
(g)	Intangible Assets Under Development ...		0	0
(h)	Biological Assets Other than Bearer Plants ...		0	0
(i)	<u>Financial Assets</u>			
(i)	Investments Accounted for Using the equity method ...		0	0
(ii)	Other Investments ...	4	0	10,55,600
(ii)	Loans & Deposits ...	5	1,60,554	48,848
(iii)	Other Financial Assets ...	6	5,000	28,000
(j)	Deferred Tax Assets ...	7	6,85,491	11,645
(k)	Other Non-Current Assets ...		0	0
2 CURRENT ASSETS				
(a)	Inventories ...	8	2,23,71,738	0
(b)	<u>Financial Assets</u>			
(i)	Investments ...		0	0
(ii)	Trade Receivables ...	9	6,60,70,399	4,01,00,595
(iii)	Cash and Cash Equivalents ...	10	7,29,134	5,10,445
(iv)	Bank Balances other than Cash & Cash Equivalents ...	11	81,463	71,401
(v)	Loans & Deposits ...	12	3,30,84,829	2,39,98,310
(vi)	Other Financial Assets ...		0	0
(c)	Other Current Assets ...	13	84,05,851	73,81,088
TOTAL ASSETS			13,21,00,266	7,37,38,797
II. EQUITY AND LIABILITIES				
1 EQUITY				
(a)	Equity Share Capital ...	14	4,39,00,000	4,39,00,000
(b)	Other Equity ...	15	(94,23,461)	(92,68,253)
2 LIABILITIES				
A Non-Current Liabilities				
(a)	<u>Financial Liabilities</u>			
(i)	Borrowings ...		0	0
(ii)	<u>Trade Payables</u>			
(a)	total outstanding dues of micro enterprises and small enterprises		0	0
(b)	total outstanding dues of creditors other than micro enterprises and small enterprises		0	0
(iii)	Lease Liabilities		0	0
(iv)	Other Financial Liabilities ...		0	0
(b)	Provisions ...	16	3,06,332	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	...	17	1,96,16,343	0
(ii) <u>Trade Payables</u>	...	18		0
(a) total outstanding dues of micro enterprises and small enterprises			2,52,59,658	20,27,878
(b) total outstanding dues of creditors other than micro enterprises and small enterprises			4,84,21,940	3,63,32,537
(iii) Lease Liabilities			0	0
(iv) Other Financial Liabilities	...		0	0
(b) Other Current Liabilities	...	19	33,13,696	2,78,178
(c) Provisions	...	20	5,29,898	2,88,218
(d) Current Tax Liabilities(Net)	...	21	1,75,860	1,80,240
TOTAL EQUITY AND LIABILITIES			13,21,00,266	7,37,38,797
SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS	1			

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. PRAKASH M. VICHHIVORA
MANAGING DIRECTOR
DINO:- 03123043

MR. HETAL M. VICHHIVORA
WHOLE TIME DIRECTOR & CFO
DINO:- 0003123060

MR. AMIT D. RAMBHIA
NON-EXECUTIVE DIRECTOR
DINO:- 00165919

MR. PRIYANK SANGOI
CS & COMPLIANCE OFFICER
MEM NO. A50896

PLACE: MUMBAI
DATED: 23rd July 2020
UDIN: 20044039AAAAAP6912

PLACE: MUMBAI
DATED: 23rd July 2020

STATEMENT OF PROFIT AND LOSS ACCOUNT

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020				
(All amounts in INR)				
SR. No.	PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
A. CONTINUING OPERATIONS				
I. REVENUE				
	Revenue From Operations	22	15,12,42,676	10,31,47,041
	Other Income	23	31,73,670	28,68,046
	Other Gains / (Losses) - net		0	0
TOTAL INCOME			15,44,16,346	10,60,15,087
II. EXPENSES				
	Cost of Materials Consumed	24	15,05,60,935	9,64,79,084
	Changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods	25	(2,23,71,739)	13,14,984
	Employee Benefit Expenses	26	1,37,43,440	41,18,835
	Finance Costs	27	5,89,856	0
	Depreciation and Amortisation Expenses	28	2,07,557	1,25,887
	Other Expenses	29	99,10,965	72,19,194
TOTAL EXPENSES			15,26,41,014	10,92,57,984
III. Profit Before Exceptional items & Tax			17,75,331	(32,42,897)
	Exceptional Items	30	(3,58,333)	0
IV. Profit Before Tax From Continuing Operations			14,16,998	(32,42,897)
	Income Tax Expense	31		
	-Current Tax		2,73,474	4,52,575
	-Deferred Tax		(4,78,761)	(29,036)
A. PROFIT FROM CONTINUING OPERATIONS			16,22,286	(36,66,436)
	Add: Share of Profit/(loss) from Joint Venture		0	0
TOTAL PROFIT FROM CONTINUING OPERATIONS			16,22,286	(36,66,436)
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	31	1,61,487	(33,420)
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	31	(13,815)	(47,413)
B. OTHER COMPREHENSIVE INCOME FOR THE PERIOD			(8,61,299)	7,89,687
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD [(A)+(B)]			7,60,987	(28,76,749)
Profit for the year attributable to :				
	(a) Owners of the Company		16,22,286	(36,66,436)
	(b) Non-Controlling Interest		0	0
			16,22,286	(36,66,436)
Other Comprehensive Income for the year attributable to :				
	(a) Owners of the Company		(8,61,299)	7,89,687
	(b) Non-Controlling Interest		0	0
			(8,61,299)	7,89,687

<u>Total Comprehensive Income for the year attributable to :</u>			
(a) Owners of the Company		7,60,987	(28,76,749)
(b) Non-Controlling Interest		0	0
		7,60,987	(28,76,749)
<u>EARNINGS PER SHARE</u>			
Basic EPS	...	0.37	(0.84)
Diluted EPS	...	0.37	(0.84)

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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

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DATED: 23rd July 2020

STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

a. EQUITY SHARE CAPITAL

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	0	4,39,00,000

Balance as at 01st April 2019	Changes in Equity Share Capital During FY 2019-20	Balance as at 31st March 2020
4,39,00,000	0	4,39,00,000

b. OTHER EQUITY

(All amounts in INR)

PARTICULARS	SHARE APPLICATION MONEY PENINDG FOR ALLOTMENT	RESERVES & SURPLUS				EQUITY INSTRUMENTS THROUGH OTHER COMPREHENSIVE INCOME	Other items of other Comprehensive Income (Specify nature)	ACTUARIAL GAINS/(LOSSES) ON DEFINED BENEFIT OBLIGATIONS	TOTAL
		CAPITAL RESERVE	SECURITIES PREMIUM RESERVE	OTHER RESERVE (SPECIFY NATURE)	RETAINED EARNINGS				
Balance at the beginning of the reporting Period as at 01st April 2018	0	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	0
Profit for the year	0	0	0	0	(36,66,436)	0		0	(36,66,436)
Comprehensive Income for the Year	0	0	0	0	0	6,54,742	1,34,945	0	7,89,687
Dividends	0	0	0	0	(15,19,950)	0		0	(15,19,950)
Dividend Distribution Tax	0	0	0	0	(3,12,430)	0		0	(3,12,430)
Transfer to Reserves	0	0	0	0	0	0		0	0
Issue of Bonus Shares	0	0	0	0	0	0		0	0
Premium on Issue of Shares	0	0	0	0	0	0		0	0
Balance as at 31st March 2019	0	0	0	0	34,47,242	(1,28,59,377)	1,43,882	0	(92,68,253)
Change in accounting Policy & Prior Period errors Restated balance at the beginning of the reporting period.	0	0	0	0	0	0		0	0
Profit for the year	0	0	0	0	16,22,286	0		0	16,22,286
Total Comprehensive Income for the Year	0	0	0	0	0	(9,00,618)	39,319	0	(8,61,299)
Dividends	0	0	0	0	(7,59,975)	0		0	(7,59,975)
Dividend Distribution Tax	0	0	0	0	(1,56,220)	0		0	(1,56,220)
Transfer to Reserves	0	0	0	0	0	0		0	0
Premium on Issue of Shares	0	0	0	0	0	0		0	0
Utilised	0	0	0	0	0	0		0	0
Balance as at 31st March 2020	0	0	0	0	41,53,332	(1,37,59,994)	1,83,201	0	(94,23,461)

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
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PLACE: MUMBAI
DATED: 23rd July 2020
UDIN: 20044039AAAAAP6912

PLACE: MUMBAI
DATED: 23rd July 2020

CASH FLOW STATEMENT

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020				
PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020		FOR THE YEAR ENDED 31ST MARCH 2019	
CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax as per Profit & Loss A/c		14,16,998		(32,42,897)
<u>Adjustments for Non-cash Items</u>				
Depreciation on Fixed Assets	2,07,557		1,25,887	
Exchange Rate Fluctuation Gain/(loss)	4,32,151		(11,912)	
Provision for Gratuity	3,10,491		0	
Loss on Sale of Fixed Assets	3,58,333		0	
Foreign Currency Translation Reserve	71,070		1,82,358	
Share Issue Expenses Written off	0		3,48,092	
Miscellaneous Expenses Written Off	0		1,01,226	
		13,79,602		7,45,651
		27,96,601		(24,97,246)
<u>Adjustments for Non-Operating Items</u>				
Interest on Investment	(27,82,057)		(28,20,207)	
Interest Paid	5,69,856		0	
Processing charges	20,000		0	
		(21,92,201)		(28,20,207)
Operating Profit before Working Capital Changes		6,04,400		(53,17,453)
<u>Adjusted for Change in Working Capital:</u>				
Inventories	(2,23,71,738)		13,14,984	
Trade Receivable	(2,59,69,804)		8,81,34,703	
Other Current Assets	(10,24,763)		(1,29,895)	
Other Financial Assets	23,000		(1,125)	
Trade Payable	3,48,71,094		(8,12,84,397)	
Provisions	2,31,017		(2,51,521)	
Other Current Liability	30,35,518	(1,12,05,676)	(1,04,89,536)	(27,06,787)
Cash Generated from Operations		(1,06,01,276)		(80,24,240)
Taxed Paid		(3,25,266)		12,13,797
Net Cash Flow from Operations (A)		(1,09,26,542)		(92,38,037)
CASH FLOW FROM INVESTING ACTIVITIES				
<u>Cash Inflow</u>				
Interest on Investments	27,82,057		28,20,207	
Sale of Intangible Assets	50,000		0	
Sale of Investments	0		87,84,000	
Profit on Sale of Investments	0		11,29,162	
Loans Repaid by Parties	0	28,32,057	6,58,120	1,33,91,489
<u>Cash Outflow</u>				
Purchase of Property Plant & Equipment	5,71,431		0	
Purchase of Other Intangible Assets	17,400		0	
Loans Given	91,98,225	97,87,056	23,60,846	23,60,846
Net Cash Flow from Investing Activities (B)		(69,54,999)		1,10,30,643

Continued

CASH FLOW FROM FINANCING ACTIVITIES			
<u>Cash Inflow</u>			
Borrowings Taken		10,00,000	0
<u>Cash Outflow</u>			
Interest Paid	5,69,856		0
Dividend Paid	7,59,975		15,19,950
Dividend Distribution Tax Paid	1,56,220		3,12,430
Processing charges	20,000	15,06,051	0
Net Cash Flow from Financing Activities (C)		(5,06,051)	(18,32,380)
CASH FLOW FROM ALL ACTIVITIES (A+B+C)			
		(1,83,87,592)	(39,774)
<u>Cash and Cash Equivalents at the Beginning</u>			
Cash in Hand	75,960		4,46,102
Balance in Bank	5,05,886	5,81,846	6,21,620
<u>Cash and Cash Equivalents at the Beginning</u>		(1,78,05,746)	5,81,846
<u>Closing Balance as per accounts</u>			
Cash in Hand		28,405	75,960
Balance in Bank		(1,78,34,151)	5,05,886
		(1,78,05,746)	5,81,846

Notes :

- Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows" as specified
- Non Cash items**
Out of the total amount sanctioned on account of Cash Credit, Rs.13,83,657/- remains undrawn as on 31st March 2020. The same would be available for utilisation towards future operating activities and settlement of capital commitments
- Cash & Cash Equivalents included in the statement of Cash Flows comprises of the following.

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Cash balance Disclosed under Cash & Cash Equivalents - Note No.10	28,405	75,960
<u>Balances With Bank</u>		
Current Deposits with Bank Disclosed under Cash & Cash Equivalents - Note No.10	7,00,729	4,34,485
Unclaimed Dividend Bank Accounts Disclosed in Note No. 11	81,463	71,401
Cash Credit with Bank Disclosed under Current Financial Liabilities - Note No. 17	(1,86,16,343)	0
Cash & Cash Equivalents as per Balance Sheet	(1,78,05,746)	5,81,846

4 Net Debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

PARTICULARS	AS AT 31ST MARCH 2020
Cash and Cash Equivalents	7,29,134
Borrowings (including overdraft)	(1,96,16,343)
Net Debt	(1,88,87,208)
Cash and liquid investments	7,29,134
Gross debts- fixed interest rates	(10,00,000)
Gross debts- variable interest rates	(1,86,16,343)
Net Debt	(1,88,87,209)

The Group had no borrowings before FY 2019-20 and hence a similar reporting for the comparative period prior to the reporting period is not applicable.

5 Changes in Liabilities Arising from Financing Activities

For the Year Ended 31st March 2020

PARTICULARS	CURRENT BORROWINGS
Opening Balance as on 31st March 2019	0
Changes from Financing Cash Flows	10,00,000
Interest Accrued	54,000
Closing Balance as on 31st March	10,54,000

Amounts reported in the statement of cash flow under financing activities

PARTICULARS	AS AT 31ST MARCH 2020
Proceeds from Non-current Borrowings	0
(Repayment) of Non-current Borrowings	0
(Repayment) / Proceeds from current Borrowings	10,54,000
Net Movement in Financing Activities	10,54,000

The Group had no borrowings before FY 2019-20 and hence a similar reporting for the comparative period prior to the reporting period is not applicable.

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. PRAKASH M. VICHHIVORA
MANAGING DIRECTOR
DINO:- 03123043

MR. HETAL M. VICHHIVORA
WHOLE TIME DIRECTOR & CFO
DINO:- 0003123060

MR. AMIT D. RAMBHIA
NON-EXECUTIVE DIRECTOR
DINO:- 00165919

MR. PRIYANK SANGOI
CS & COMPLIANCE OFFICER
MEM NO. A50896

PLACE: MUMBAI
DATED: 23rd July 2020
UDIN: 20044039AAAAAP6912

PLACE: MUMBAI
DATED: 23rd July 2020

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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 2020

1 Basis of Preparation

Consolidated Financial Statements have been prepared in accordance with the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013.

Accordingly, the Group has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss for the year ended 31 March 2020, the Statement of Cash Flows for the year ended 31 March 2020 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements' or 'financial statements').

These financial statements are approved for issue by the Board of Directors on 23rd of July 2020.

2 Compliance with Ind AS

The separate financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS), under the historical cost convention on the accrual basis as per the provisions of the Companies Act, 2013 ("the Act"), except for financial instruments - measured at fair value or amortised cost.

3 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
- c) Level 3 inputs are unobservable inputs for the valuation of assets/liabilities.

4 Going Concern

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

5 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).

6 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.

7 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.

7.1 Consolidation Process for Subsidiaries

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 Company 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 Company. The consolidated financial statements have been presented to the extent possible, in the same manner as Parent Company's standalone financial statements.

8 Prior Period Errors

Prior Period Errors have been corrected retrospectively in the first set of financial statements approved for issue after the discovery of error by :-

- a) Restating the comparative amounts of the prior period presented, in which the error occurred;
- b) If the error occurred before the earliest prior period presented, the opening balance of assets, liability and equity is restated for the earliest prior period presented.

9 Employee Benefits

9.1 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.

9.2 Post-Employment Benefits

a) Defined Contribution Plans

The Group's contributions to state governed provident fund scheme and employee state insurance scheme are the defined contribution plans maintained by the Group. The contribution paid/payable under the scheme is recognized during the period in which the employee renders the related service.

b) Defined Benefit Plans

The Group has an obligation towards gratuity, a defined retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount based on the respective employee's salary and the tenure of employment. The present value of obligation under defined benefit plans is determined based on actuarial valuation using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government bonds, with a maturity period, equivalent to the weighted average maturity profile of the defined benefit obligations at the Reporting date.

Remeasurement, comprising actuarial gains and losses is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit employee costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Excess Gains or losses on settlement of any claims are recognised in profit or loss when such settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Group recognises related restructuring costs or termination benefits.

10 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.

10.1 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.

b) 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.

c) 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 financial asset's carrying amount in the Consolidated Balance Sheet and the estimated collectible amount.

10.2 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.

11 Foreign Currencies

- a) The functional currency and presentation currency of the Group is Indian Rupee (INR).
- b) Transactions in currencies other than the Group's functional currency occurred during the year are translated into Rupees at the exchange rate prevailing on the date of respective transactions.
- c) 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.
- d) 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 Balance Sheet;
 - 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.

12 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.

13 Revenue Recognition

Revenue from contract with customers is recognised when the Group satisfies performance obligation by transferring promised goods and services to the customer. The revenue is measured based on transaction price, which is the fair value of consideration received or receivable, and is net of discounts, allowances, returns, goods and services tax/value added taxes/sales tax.

Provision is made for the non-sellable returns of goods from the customers estimated on the basis of historical data of sales return trends with respect to the shelf life of various products. Such provision for non-sellable sales returns is reduced from sale of products for the year.

Interest income is recognised using the effective interest method.

14 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 existing 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 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Under Ind AS 116, the lease liability is remeasured upon the occurrence of certain events, such as a change in lease term or a change in future lease payments resulting from a change in an index or rate (for example, inflation-linked payments or market rate rent reviews). A corresponding adjustment is made to the right of use asset.

Lease payments associated with following leases are recognised as expense on straight-line basis:

- a) Low value leases; and
- b) Leases which are short-term.

15 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.

15.1 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.

15.2 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 it 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 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.

16 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.

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

17 Borrowing Costs

Borrowing costs, general or specific, that are directly attributable to the acquisition or construction of qualifying assets is capitalized as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

The Group determines the amount of borrowing costs eligible for capitalisation as the actual borrowing costs incurred on that borrowing during the year less any interest income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets, to the extent that an entity borrows funds specifically for the purpose of obtaining a qualifying asset. In case if the Group borrows generally and uses the funds for obtaining a qualifying asset, borrowing costs eligible for capitalisation are determined by applying a capitalisation rate to the expenditures on that asset.

Other borrowing costs are expensed in the period in which they are incurred.

18 Provisions, Contingent Liabilities and Contingent Assets.

Provisions are recognised only when:

- a) The Group 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.

- 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 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.

19 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.

20 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, 2020 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 Group is dealing in different varieties of IT Hardware & its peripherals, Plastic Granules and Consumer Electronic & Electrical Goods etc. Day to day Quantitative Stock Records have been maintained properly.
- 4 All the Directors have drawn remuneration for the Accounting Year 2019-20 aggregating to Rs.23,67,743/-

C Recent Accounting Pronouncements

a) Issue of Ind AS 117 - Insurance Contracts

Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk.

Application of this standard is not expected to have any significant impact on the Group's financial statements.

b) Amendments to Existing Standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

- 1) Ind AS 103 - Business Combination
- 2) Ind AS 1 - Presentation of Financial Statements and Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- 3) Ind AS 40 – Investment Property

The Group is in the process of evaluating the impact of the new amendments issued but not yet effective.

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 & Equipment :-

Property, Plant & Equipment (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 & Equipment

The value of Property, Plant & Equipment in the books of Panache Innovations Limited as at 31st March 2020 is as follows :-

PARTICULARS	GROSS BLOCK				DEPRECIATION (S.L.M)				NET BLOCK	
	Cost as on	Additions	Deductions	Cost as on	Upto	Additions	Deductions	As at	As at	As at
	01.04.19	(sales / W/off)	31.03.20	01.04.19	31.03.20	01.04.19	31.03.20	01.04.19	31.03.20	
Furniture & Fixtures :										
Furniture & Fixtures	34,725	1,964	0	36,689	24,860	3,319	0	28,179	9,865	8,510
Plant & Machinery :										
Air Conditioner	0	24,211	0	24,211	0	2,261	0	2,261	0	21,950
Plant & Machinery	0	30,758	0	30,758	0	1,244	0	1,244	0	29,514
Office Equipment	0	5,087	0	5,087	0	722	0	722	0	4,365
Telephones	0	38,767	0	38,767	0	1,100	0	1,100	0	37,667
Computer Server	0	2,58,475	0	2,58,475	0	31,058	0	31,058	0	2,27,417
Computers & Laptop	0	2,12,169	0	2,12,169	0	50,152	0	50,152	0	1,62,017
	34,725	5,71,431	0	6,06,156	24,860	89,856	0	1,14,716	9,865	4,91,440

(c) Depreciation

Depreciation on PPE is recognised using Straight Line Method so as to write off the cost of assets less their residual values over their useful life. In case of PPE purchased/sold during the year, Depreciation has been provided on pro-rata basis.

The Useful Life of PPE adopted by the management for calculating Depreciation to be charged on different classes of PPE's for the current year are as follows:-

CLASS OF ASSET	USEFUL LIFE ADOPTED (IN YEARS)
Furniture & Fixtures	10
Air Conditioner	8
Plant & Machinery	15
Office Equipment	5
Telephones	5
Computer Server	6
Computers & Laptop	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 & Equipment, 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 PPE exceeds its recoverable amount. Recoverable amount is determined in the case of :-

- an individual asset, at the higher of the net selling price and the value in use; and
- 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 at 31st March 2020 is as follows :-

PARTICULARS	GROSS BLOCK				AMORTISATION (S.L.M)				NET BLOCK	
	Cost as on	Additions	Deductions	Cost as on	Upto	Additions	Deductions	As at	As at	As at
	01.04.19	(sales / W/off)		31.03.20	01.04.19			31.03.20	01.04.19	31.03.20
Intangible Assets										
Brand(Cavin Cally)	10,00,000	0	10,00,000	0	5,00,000	91,667	5,91,667	0	5,00,000	0
Software	69,000	17,400	0	86,400	46,000	26,034	0	72,034	23,000	14,366
	10,69,000	17,400	10,00,000	86,400	5,46,000	1,17,701	5,91,667	72,034	5,23,000	14,366

(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 is 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 prospectively.

(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. Intangible assets with indefinite life (if any) will be 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
OTHER INVESTMENTS (NON CURRENT)**

(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. However, since there has not been any active trade of the Quoted Equity Instrument held by the Group, the same has been written down to Nil.

(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 2020	AS AT 31ST MARCH 2019
<u>Investment in Equity Instruments</u>		
Quoted Equity Instruments	0	10,55,600
	0	10,55,600

NOTE NO. 5
LOANS & DEPOSITS (NON CURRENT)

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Rent Deposit	1,60,554	48,848
	1,60,554	48,848

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 2020	AS AT 31ST MARCH 2019
Other Deposits	5,000	28,000
	5,000	28,000

NOTE NO. 7
DEFERRED TAX ASSETS

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 01.04.2018		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 extent considered recoverable	4,41,000	0	(1,14,660)	
Gains/(losses) 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)
<u>For the Year 2019-20</u>				
Carrying Value of Property Plant & Equipment	(72,332)	(18,806)	0	
Expected Credit losses	(12,44,711)	(3,23,625)	0	
Provision for Gratuity	(3,10,491)	(80,728)	0	
Fair Value (gains)/Losses on Equity instruments to	(10,55,600)	0	(2,74,456)	
Remeasurements of Employee Benefit Obligations	(6,505)	0	(1,691)	
Gains/(losses) from Translating Financial Statements of Foreign Operations.	53,134	0	13,815	
(a) (DTA)/DTL as on 31.03.2020		(4,23,159)	(2,62,333)	(6,85,491)

**NOTE NO. 8
INVENTORIES**

(a) Valuation Method

The Group values its Inventories which comprises of IT Hardware & its peripherals and Other Consumer Electronic & Electrical 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 periods are as follows:-

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Closing Stock of Inventories	2,23,71,738	0
	2,23,71,738	0

**NOTE NO. 9
TRADE RECEIVABLES**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Secured, Considered good	0	0
Unsecured, Considered good	5,38,49,049	4,00,77,442
Doubtful	0	0
	5,38,49,049	4,00,77,442
Less: Allowance for Bad and Doubtful Debts (Expected Credit Losses)	0	0
	5,38,49,049	4,00,77,442
Receivable from related Parties (Refer Note No.40)	1,22,21,350	23,153
	6,60,70,399	4,01,00,595

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Balance with Banks	7,00,729	4,34,485
Cash on Hand	28,405	75,960
	7,29,134	5,10,445

**NOTE NO. 11
BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Unclaimed Dividends	81,463	71,401
	81,463	71,401

NOTE NO. 12
LOANS & DEPOSITS (CURRENT)

(a) Measurement

Financial Assets represented in the form of Loans & advances given to parties under the terms, wherein, such Financial Assets 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 Financial Assets to be the best estimate of its Fair Value.

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Loans & Advances	3,30,84,829	2,39,98,310
	3,30,84,829	2,39,98,310

NOTE NO. 13
OTHER CURRENT ASSETS

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Prepaid Expenses & Others	5,90,518	0
Advance to Sundry Creditors	69,28,967	68,09,600
Input Credit of GST	8,86,366	5,71,488
	84,05,851	73,81,088

NOTE NO. 14
EQUITY SHARE CAPITAL

a. Capital Structure of the Group

PARTICULARS OF CAPITAL	AS AT 31ST MARCH 2020		AS AT 31ST MARCH 2019	
	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

Shareholders holding more than 5% of Equity Shares :

SR. NO	NAME OF SHAREHOLDER	NO.OF SHARES AS ON 31.03.20	PERCENTAGE HOLDING	NO.OF SHARES AS ON 31.03.19	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 2020	AS AT 31ST MARCH 2019
Number of Shares at the beginning of the year :	43,90,000	43,90,000
(+) Bonus shares issued	0	0
(+) Fresh issue made	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 per share.

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.

The Net Gearing Ratio at the end of the Reporting period was as follows :-

PARTICULARS	AS AT 31ST MARCH 2020
Gross Debt	1,96,16,343
<u>Less: Liquid Assets</u>	4,33,668
Net Debt	1,91,82,675
Total Equity (As Per Balance Sheet)	3,51,25,088
Net Gearing Ratio	0.55

* Liquid Assets Comprises of Cash & Cash Equivalents only.

The Group had no borrowings before FY 2019-20 and hence a similar reporting for the comparative period prior to the reporting period is not applicable.

(v) Dividends

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
i) On Ordinary Shares		
<i>Final Dividend for the year ended 31st March 2019 of Rs 0.25 per fully paid share net of waivers of dividend</i>	7,59,975	15,19,950
<i>Dividend distribution tax on dividend declared for the year ended 31st March 2019</i>	1,56,220	3,12,430
Total Dividend Paid	9,16,195	18,32,380
ii) Dividends not recognised at the end of the reporting Period		
<i>In addition to the above dividend for the year ended 31st March 2019, the directors of the Parent Company have recommended to conserve their reserves for future operations and not to declare any dividend for the reporting period under consideration i.e 31st March 2020 (For 31st March 2019 it was 0.25 Rupees)</i>	0	7,59,975

**NOTE NO. 15
OTHER EQUITY**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<u>Balance of Reserves as per Statement of Changes in Equity</u>		
<u>Retained Earnings</u>		
Opening Balance	34,47,241	89,46,058
<u>Add/(Less): Adjustments for Prior Period Errors</u>	0	0
<u>Add: Surplus As per Profit & Loss Account</u>	16,22,286	(36,66,436)
<u>Less: Appropriations</u>		
Dividends Paid	7,59,975	15,19,950
Dividend Distribution Tax Paid	1,56,220	3,12,430
Bonus Issue	0	0
Closing Balance	41,53,332	34,47,242
<u>Other Comprehensive Income</u>		
<u>a) Fair Value Changes in Equity Instruments</u>		
Opening Balance	(1,28,59,377)	(1,35,14,119)
Add Changes for the Year	(9,00,618)	6,54,742
Closing Balance	(1,37,59,995)	(1,28,59,377)
<u>b) Foreign Currency Translation Reserve</u>		
Opening Balance	1,43,882	8,937
Add Changes for the Year	39,319	1,34,945
Closing Balance	1,83,201	1,43,882
	(94,23,462)	(92,68,253)

**NOTE NO. 16
PROVISIONS (NON CURRENT)**

PARICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Provision for Gratuity Payable	3,06,332	0
	3,06,332	0

**NOTE NO. 17
BORROWINGS (CURRENT)**

PARICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<u>Secured Borrowings</u>		
Cash Credit	1,86,16,343	0
Security Deposit Received	10,00,000	0
	1,96,16,343	0

NOTE NO. 18
TRADE PAYABLES (CURRENT)

PARICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<u>Trade payables</u>		
Due to Micro and Small Enterprises (On the basis of Information & records available with the management).	79,717	0
Others	4,83,90,940	3,62,87,537
<u>Trade Payables to Related Parties (Refer Note No. 40)</u>		
Due to Micro and Small Enterprises (On the basis of Information & records available with the management).	2,51,79,941	20,27,878
Others	31,000	45,000
	7,36,81,598	3,83,60,415

(a) Disclosure

Out of the total payables to Micro and Small enterprises, disclosed in the table above, Rs.1,70,66,746/- stands overdue as on 31st March 2020. However, no interest is due or payable on such balance, pursuant to mutual agreement between the parties.

NOTE NO. 19
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 2020	AS AT 31ST MARCH 2019
Statutory liabilities	19,32,543	83,325
Salaries Payable	8,87,046	42,513
Advance from Trade Receivables	4,94,108	7,080
Others	0	1,45,260
	33,13,696	2,78,178

NOTE NO. 20
PROVISIONS (CURRENT)

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Director's Remuneration Payable	0	2,16,867
Dividend Payable (Unclaimed)	81,413	71,351
Professional Fees Payable	2,75,000	0
Audit Fees Payable	1,62,821	0
Provision for Gratuity Payable	10,664	0
	5,29,898	2,88,218

NOTE NO. 21
CURRENT TAX LIABILITIES(NET)

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Income Tax Payable	1,75,860	1,80,240
	1,75,860	1,80,240

NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

NOTE NO.22 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 & Electrical 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 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Net Sales (Domestic)	15,11,16,877	10,31,47,041
Service Charges(Domestic)	1,25,799	0
	15,12,42,676	10,31,47,041

(b) 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.

(c) Movement in Contract Balances

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<u>Contract Liability</u>		
Opening Balance	7,080	1,26,080
<u>Less:</u> Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period.	(7,080)	(1,19,000)
<u>Add:</u> Revenue not recognised in the reporting period that is to be included in the closing balance of contract liability balance at the end of the period.	4,94,108	0
Closing Balance	4,94,108	7,080
<u>Contract Assets</u>		
Opening Balance	68,09,600	69,55,200
<u>Less:</u> Expense recognised in the reporting period that was included in the contract asset balance at the beginning of the period.	(9,600)	(1,55,200)
<u>Add:</u> Expense not recognised in the reporting period that is to be included in the closing balance of contract asset balance at the end of the period.	6,09,433	9,600
Closing Balance	74,09,433	68,09,600

NOTE NO. 23 OTHER INCOME

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Discounts Received	10,836	23,522
Other Compensations	2,73,369	0
Interest Income	27,82,057	28,20,207
Additional CST from Customer	0	24,317
Liabilities no longer Payable	1,07,408	0
	31,73,670	28,68,046

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.24**COST OF MATERIALS CONSUMED**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Net Purchase	15,05,35,555	9,64,79,084
Service Charges	25,380	0
	15,05,60,935	9,64,79,084

NOTE NO.25**CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS**

PARICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Opening Stock / Inventories	0	13,14,984
<u>Less:</u> Closing Stock / Inventories	(2,23,71,739)	0
	(2,23,71,739)	13,14,984

NOTE NO.26**EMPLOYEE BENEFIT EXPENSES**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Director's Remuneration	23,70,743	32,00,004
Salary & Bonus to Employees	1,02,67,375	9,18,831
Contributions to PF, ESIC & Other Funds	7,71,997	0
Staff Welfare Expenses	22,834	0
Gratuity To Staff	3,10,491	0
	1,37,43,440	41,18,835

NOTE NO.27**FINANCE COSTS**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Interest Expenses	5,69,856	0
Processing Charges on CC	20,000	0
	5,89,856	0

NOTE NO.28**DEPRECIATION AND AMORTISATION EXPENSES**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Depreciation on Property, Plant & Equipment	89,856	2,887
Amortisation of Intangible Assets	1,17,701	1,23,000
	2,07,557	1,25,887

**NOTE NO.29
OTHER EXPENSES**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Accounts & Administrative Expenses	0	10,78,691
Annual Compliance Costs	24,600	2,422
Bank Charges	96,914	19,957
Commission Expenses	85,585	0
Conveyance	3,90,060	6,25,656
Demat & Registration Charges	0	590
Electricity Charges	31,340	0
E-commerce expenses	14,86,637	0
Flexi Desk Rent	0	1,30,528
GST late fees	2,450	6,650
Insurance Charges	71,795	0
Interest on Late Payment of TDS	3,674	1,292
Interest on VAT & GST	3,27,486	0
Licensing fees	0	1,61,306
Listing fees	3,00,000	2,55,200
(Profit) / Loss Due To Foreign Exchange Fluctuation	4,32,151	(11,912)
Preliminary Expenditure W/off	0	1,01,226
Office & General Expenses	2,46,369	24,97,310
Packing Charges	88,506	0
Payment to Auditor's	3,40,232	3,87,501
Printing & Stationery	1,32,285	21,629
Professional Fees	13,46,226	11,17,489
Profession Tax	2,500	2,500
Rent, Rates & taxes	8,55,210	2,60,000
Registration expenses	0	28,290
Repairs & Maintenance	37,412	0
Royalty Paid	50,000	50,000
Business Promotion Expenses	73,843	53,300
Share Issue expenses Written off	0	3,48,092
Software Expenses	1,29,406	0
Stamp duty and Registration Charges	76,198	2,200
Telephone & Mobile Charges	3,34,197	1,668
Transportation Charges	22,66,833	56,057
Travelling Expenses	4,86,747	20,714
Warehousing expenses	1,82,309	0
Website Development Charges	10,000	838
	99,10,965	72,19,194

NOTE NO.29.1

DETAILS OF PAYMENTS TO AUDITORS

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<u>Payment to Auditors</u>		
Statutory Audit	1,35,232	2,72,501
Tax Audit	25,000	25,000
Internal Audit	1,80,000	90,000
Total Payments to Auditors	3,40,232	3,87,501

NOTE NO.30

EXCEPTIONAL ITEMS

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Loss on Sale of Intangible Assets	(3,58,333)	0
	(3,58,333)	0

The Group has sold its Brand viz. Cavincally to Rambhia IPR Services LLP on 01st March 2020. The details of sale are as follows :-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	
Consideration Received		50,000
<u>Carrying Amount of Assets Sold</u>		
Cost of Intangible Asset	10,00,000	
<u>Less: Amortisation till 01st April 2019</u>	<u>(5,00,000)</u>	
WDV as on 01st April 2019	5,00,000	
<u>Less: Amortisation for the reporting period</u>	<u>(91,667)</u>	(4,08,333)
Transaction Costs on sale		0
Gain / (Loss) on Sale before Income Tax		<u>(3,58,333)</u>
Income Tax (Expense) / Gain		93,167
Net Gain / (Loss) to the Group after Income Tax		<u>(2,65,166)</u>

**NOTE NO.31
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 2020	FOR THE YEAR ENDED 31ST MARCH 2019
(a)	<u>Tax on Items Routed Through Profit or Loss Section</u>		
	(i) <u>Income Tax</u>		
	Current Tax under Income Tax Act, 1961	4,53,019	3,94,469
	Adjustments in respect of income tax of previous years.	(1,79,545)	58,106
(ii)	<u>Deferred Tax</u>		
	Tax Expense on Origination & Reversal of Temporary Difference	(4,78,761)	(29,036)
	Tax Expense Reported in statement of Profit or Loss [(i) +(ii)]	<u>(2,05,287)</u>	4,23,539
(b)	<u>Tax on Items Routed Through Other Comprehensive Income</u>		
	(i) Income Tax	0	1,48,080
	(ii) Deferred Tax	(1,47,673)	(67,247)
	Tax Expense Reported in Other Comprehensive Income [(i) +(ii)]	<u>(1,47,673)</u>	80,833

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Profit Before Tax (A)	14,16,998	(32,42,897)
Corporate Tax Rate as per Income Tax Act, 1961 (B)	26%	26%
Tax on Accounting Profit (A)	3,68,420	(8,43,153)
<u>Adjustments as per Income Tax</u>		
Add/(Less): <u>Impact of Income Exempt From Tax</u>		
Income from Foreign Subsidiaries	19,155	49,26,618
<u>Add: Depreciation as per Companies Act</u>	2,07,557	1,27,179
<u>Add: Disallowances U/s 37</u>	3,62,006	0
<u>Add: Disallowance of Gratuity Provision</u>	3,10,491	0
<u>Add: Disallowance of Contributions to statutory Funds</u>	5,41,860	0
<u>Less: Depreciation as per Income Tax Act</u>	<u>(2,57,760)</u>	<u>(87,776)</u>
	11,83,309	49,66,021
Corporate Tax Rate as per Income Tax Act, 1961	26%	26%
Tax on Gross Adjustments as per Income Tax (B)	3,07,660	12,91,166

Tax after adjustments as per Income Tax Act, 1961	[(A)+(B)]	6,76,080	4,48,012
<u>Less:</u> MAT Credit Set Off under section 115JAA		(2,23,061)	(53,543)
Net Income Tax Payable by the Group		4,53,019	3,94,469
<u>Deferred Tax Expenses on Items Routed Through P&L</u>			
Incremental Deferred Tax Liability/(Asset) on account of PPE and Intangible Assets, Employee Benefits & Expected Credit Losses		(4,78,761)	(29,036)
<u>Tax on Income/Expenses classified under Other Comprehensive Income</u>			
Long Term Capital Gain on Unlisted Securities Taxable @ 20%		0	1,48,080
Incremental Deferred Tax Liability/(Asset) due to Fair valuation of Equity Instruments		(1,61,487)	(1,14,660)
Incremental Deferred Tax Liability/(Asset) due to Gains/(Losses) on Translation of Foreign Operations		13,815	47,413
Net Deferred Tax Expense/(Benefit)	(D)	(6,26,434)	51,797
Total Tax Expense Recognised for the Year	(E) = [(C)+(D)]	(1,73,415)	4,46,266
Effective Tax Rate	[(E)/(A)*100]	(12)	(14)

C. Calculation of Corporate Tax Rate

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
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%	4.00%
Corporate Tax Rate as per Income Tax Act, 1961	26.00%	26.00%

NOTE NO. 32

OTHER COMPREHENSIVE INCOME

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<u>Items That will not be reclassified to Profit/Loss Account</u>		
Actuarial Gains/Losses on Employee Benefit Expenses	(10,55,600)	(4,41,000)
Profit/(Loss) On Sale of Equity Instruments	0	11,29,162
Remeasurements of Post Employment Benefit Obligations	(6,505)	0
	(10,62,105)	6,88,162
<u>Items That will be reclassified to profit/Loss Account</u>		
Gains/(Losses) arising from translating financial statements of foreign Operations	53,134	1,82,358
	53,134	1,82,358

NOTE NO.33
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 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Calculation of Basic EPS		
A. Profit From Continuing Operations (Numerator)	16,41,440	(36,66,436)
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)]	0.37	(0.84)
Calculation of Diluted EPS		
A. Profit From Continuing Operations (Numerator)	16,41,440	(36,66,436)
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)]	0.37	(0.84)

NOTE NO. 34
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 2020			AS AT 31ST MARCH 2019		
	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL
Loans & Deposits	3,30,84,829	0	3,30,84,829	2,39,98,310	0	2,39,98,310
Inventories	2,23,71,738	0	2,23,71,738	0	0	0
Trade Receivables	6,60,70,399	0	6,60,70,399	4,01,00,595	0	4,01,00,595
Other Current Assets	84,05,851	0	84,05,851	73,81,088	0	73,81,088

B. Basis of classification of Current Liabilities

The Group classifies a liability as current liability when :-

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- 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

Credit Period for Current Liabilities

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

PARTICULARS	AS AT 31ST MARCH 2020			AS AT 31ST MARCH 2019		
	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL
Borrowings	10,00,000	0	10,00,000	0	0	0
Trade Payables	7,36,81,598	0	7,36,81,598	3,83,60,415	0	3,83,60,415
Other Current Liabilities	33,13,696	0	33,13,696	2,78,178	0	2,78,178
Provisions	5,29,898	0	5,29,898	2,88,218	0	2,88,218
Current Tax Liabilities	1,75,860	0	1,75,860	1,80,240	0	1,80,240

NOTE NO.35

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 2020		AS AT 31ST MARCH 2019	
			PROPORTION OF EFFECTIVE OWNERSHIP (%)	PROPORTION OF VOTING POWER HELD (%)	PROPORTION OF EFFECTIVE OWNERSHIP (%)	PROPORTION OF EFFECTIVE OWNERSHIP (%)
Eddy and Andy International Limited	Subsidiary	Hong Kong	100%	100%	100%	100%
Panache Innovations DMCC	Subsidiary	Dubai (U.A.E)	100%	100%	100%	100%

B. Salient Features of Parent & Subsidiary in the Group Financial Statements for the year ended 31st March 2020

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 Limited	101.88%	3,51,25,088	81.23%	13,17,815	104.57%	(9,00,618)	54.82%	4,17,198
Subsidiaries								
Eddy and Andy International Limited	0.67%	2,32,645	-6.64%	(1,07,749)	-2.66%	22,951	-11.14%	(84,799)
Panache Innovations DMCC	-0.63%	(2,17,579)	5.46%	88,595	13.95%	(1,20,172)	-4.15%	(31,577)
CFS Adjustments	101.92%	3,51,40,154	80.05%	12,98,661	115.85%	(9,97,839)	39.53%	3,00,821
	-1.92%	(6,63,615)	19.95%	3,23,625	-15.85%	1,36,540	60.47%	4,60,165
Total	100.00%	3,44,76,539	100.00%	16,22,286	100.00%	(8,61,299)	100.00%	7,60,987

NOTE NO. 36
RISK MANAGEMENT

The respective Board of Directors of the companies included in the Group have overall responsibility for establishment and oversight of the Group'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 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.

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

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

PARTICULARS	AS AT 31ST MARCH 2020			
	USD	EQUIVALENT IN INR	OTHER CURRENCY	EQUIVALENT IN INR
Trade Payables	85,701.25	64,60,666	0.00	0

Sensitivity Analysis

A reasonable possible strengthening/weakening of foreign currencies to which the Group is exposed to, against all other currencies as at reporting date 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 2020			
US DOLLAR	1%	(47,809)	47,809

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's exposure to changes in interest rates relates primarily to the Group's Overdraft CC Account. The Group's total outstanding debt in local currency presented in the Financial Statements is a combination of fixed rate and floating rate Debts. For the portion of local currency debt on fixed rate basis, there is no interest rate risk. Floating Rate Debts are linked to domestic interest rate benchmarks issued by Reserve Bank of India like MCLR (Marginal Cost of funds based Lending Rate).

The Exposure of Group's Borrowings to interest rate changes at the end of reporting period are as follows :-

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Cash Credit	1,86,16,343	0
	1,86,16,343	0

Sensitivity Analysis

A hypothetical 10 basis point shift in MCLR rates on the unhedged loans would result in corresponding increase/decrease in interest cost for the Group on a yearly basis.

SENSITIVITY TO MOVEMENT IN INTEREST RATES	FOR THE YEAR ENDED 31ST MARCH 2020		
	ASSUMED INTEREST RATE MOVEMENT IN BPS	IMPACT ON PROFIT OR LOSS AFTER TAX	
		INCREASE	DECREASE
<u>Change in Interest Cost</u>			
Cash Credit *	10 bps	(18,616)	18,616
<u>Less: Tax Effect on Interest Cost</u>		4,840	(4,840)
Net Effect on Profit & Loss Account		<u>(13,776)</u>	<u>13,776</u>

* Holding all other variables constant

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 entering into the contract, delivery terms and conditions of payments. 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 respective Finance Departments of the companies included in the group are 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 2020

NON-DERIVATIVE FINANCIAL LIABILITIES	CONTRACTUAL CASH FLOWS		TOTAL
	PAYABLE WITHIN ONE YEAR	PAYABLE AFTER ONE YEAR	
Borrowings	10,00,000	0	10,00,000
Trade Payables	7,36,81,598	0	7,36,81,598

As at 31st March 2019

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

The gross outflows disclosed in the above table represent the contractual undiscounted cash flows relating to non- derivative financial liabilities held for risk management purpose and which are not usually closed out before contractual maturity.

**NOTE NO. 37
LEASES****A. Classification & Measurement**

Leases under which the Group 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 Consolidated Statement of Profit and Loss over the lease term.

Where the Group is a Lessee

This note explains the impact of the adoption of ind AS 116 Leases on the group's financial statements.

The Group has determined the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain after making an assessment on the expected lease term on a lease-by-lease basis and thereby assessing whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic

Practical Expedients Applied

In applying Ind AS 116 for the first time, the Group has used the following practical expedients permitted by the standard:

- 1) accounting for operating leases with a remaining lease term of less than 12 months as at 1st April 2019 as short-term leases
- 2) excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- 3) using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- 4) applying a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying Ind AS 17 and Interpretation 4 Determining whether an Arrangement contains a Lease.

After applying the practical expedients permitted by the standard, the Group has determined that none of the lease contracts are required to be reclassified as finance lease, since all the lease contracts of the Group are either short term leases or leases of low value.

The total expense recognised in the statement of Profit or Loss on account of operating leases amounted to Rs. 8,55,210/-

NOTE NO. 38
ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non-current borrowings are :

PARTICULARS	NOTES	AS AT 31ST MARCH 2020
CURRENT ASSETS		
<u>Fixed Charge Asset</u>		
Assets		0
<u>Floating Charge</u>		
Trade Receivables	Note No . 9	6,60,70,399
Inventory	Note No . 8	2,23,71,738
Financial assets at fair value through profit/loss		
Total current assets pledged as security		8,84,42,137
Non Current Assets pledged as security		0
Total assets pledged as security		8,84,42,137

The Group had no borrowings before FY 2019-20 and hence a similar reporting for the comparative period prior to the reporting period is not applicable.

NOTE NO. 39
EMPLOYEE BENEFIT EXPENSES

(a) Disclosures pursuant to Ind AS-19

i. Defined Contribution Plans

The Group makes contributions, determined as a specified percentage of employee salaries in respect of qualifying employees towards Provident Fund (PF) and Employee State Insurance Corporation (ESIC), which are defined contribution plans. The Group has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

The Group has contributed the following amounts to the fund :-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020
Employer's Contribution to Provident Fund & ESIC	7,71,997

ii. Defined Benefit Plans.

The Group's gratuity plan to provide post employment benefits to its employees is reported in accordance with Ind AS 19, "Employee Benefits" - based on an actuarial valuation carried out in respect of such gratuity plan.

(a) The amounts recognised in Balance sheet are as follows :-

PARTICULARS	AS AT 31ST MARCH 2020
<u>Present Value of Defined Benefit Obligation</u>	
Wholly Funded	0
Wholly Unfunded	3,16,996
	3,16,996
<u>Less: Fair Value of Plan Assets</u>	0
Amounts recognised as Liability (See Note No.16 & Note No.20)	3,16,996

(b) The amounts recognised in statement of Profit and Loss are as Follows:-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020
Current Service Cost	2,98,431
Interest Cost	768
Past Service Cost	11,292
Expenses included in Employee Benefits (See Note No.26)	3,10,491

(c) The amounts recognised in Other Comprehensive Income are as Follows:-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020
Actuarial (Gains) / Losses	6,505
Expenses included in Other Comprehensive Income (See Note No.32)	6,505

(d) The Reconciliation of Opening and Closing Balances of Defined Benefit Obligation is as Follows :-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020
Opening Balance of present value of Defined Benefit Obligation	0
<u>Add:</u> Current Service Cost	2,98,431
<u>Add:</u> Interest Cost	768
<u>Add:</u> Past Service Cost	11,292
<u>Add/(less):</u> Actuarial Losses/(gains)	6,505
	3,16,996
<u>Less:</u> Benefits Paid	0
	3,16,996

(e) Breakup of Other Comprehensive Income

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020
Actuarial losses / (gains) arising from change in financial assumptions	33,398
Actuarial losses / (gains) arising from change in Demographic assumptions	0
Actuarial losses / (gains) arising from change in experience adjustments	(26,893)
	6,505

(f) Actuarial Assumptions

Principal actuarial assumptions at the Reporting date are as follows :-

PARTICULARS	AS AT 31ST MARCH 2020
Discount Rate (per anum)	6.80%
Salary Growth Rate (per anum)	7.00%
Retirement Age	58 Years
<u>Attrition Rate</u>	
Younger Ages	5%
Older Ages	1%

(g) Sensitivity analysis of defined benefit obligation

PARTICULARS	AS AT 31ST MARCH 2020
<u>a) Impact of Discount Rate</u>	
Impact due to increase of 1%	(36,787)
Impact due to Decrease of 1%	44,239
<u>b) Impact of Salary Escalation Rate</u>	
Impact due to increase of 1%	43,700
Impact due to Decrease of 1%	(37,040)
<u>a) Impact of Attrition Rate</u>	
Impact due to increase of 1%	(336)
Impact due to Decrease of 1%	364

(h) Maturity profile of defined benefit obligation

PARTICULARS	AS AT 31ST MARCH 2020
Within 1 Year	10,664
Year 1 to Year 2	14,796
Year 2 to Year 3	9,785
Year 4 to Year 5	9,448
Year 5 to Year 6	14,747
Year 6 to Year 10	1,73,999
After 10 Years	83,557

NOTE NO. 40
RELATED PARTY DISCLOSURES

a. Details of Related Parties

i) List of Related Parties on whom control is established by the Group

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

ii) Key Managerial Personnel

NAME OF RELATED PARTY	RELATIONSHIP WITH THE GROUP
Amit D. Rambhia	Non - Executive Director
Jayachandran Sunderamoorthy *	Whole Time Director & CFO
Prakash M. Vichhivora	Managing Director
Hetal M. Vichhivora	Whole Time Director & CFO
Priyank Sangoi	CS & Compliance Officer

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

iii) List of Related Parties with whom transactions has taken place during the Reporting Period

NAME OF RELATED PARTY	RELATIONSHIP WITH THE GROUP
Amit D. Rambhia	Non - Executive Director
Prakash M. Vichhivora	Managing Director
Jayachandran Sunderamoorthy	Whole Time Director & CFO
Hetal M. Vichhivora	Whole Time Director & CFO
Priyank Sangoi	CS & Compliance Officer
Panache Digilife Limited	Company having Common Director
Modera Freight Services Pvt Ltd	Company having Common Director
Modera Electronics	Firm in which Director is a Partner
Rambhia IPR Services LLP	Firm in which Director is a Partner

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 19-20 (
Hetal M. Vichhivora	Whole Time Director & CFO	Remuneration	9,00,000
Prakash M. Vichhivora	Managing Director	Remuneration	9,00,000
Jayachandran Sunderamoorthy	Whole Time Director & CFO	Remuneration	5,67,743
Priyank Sangoi	CS & Compliance Officer	Remuneration	4,67,480
Panache Digilife Limited	Company having Common Director	Sales	28,771
Panache Digilife Limited	Company having Common Director	Services Provided	29,948
Panache Digilife Limited	Company having Common Director	Purchases	5,96,15,564
Panache Digilife Limited	Company having Common Director	Rent Paid	3,98,250
Modera Electronics	Firm in which Director is a Partner	Sales	1,21,08,622
Modera Electronics	Firm in which Director is a Partner	Services Provided	84,850
Modera Electronics	Firm in which Director is a Partner	Purchases	6,81,97,627
Modera Electronics	Firm in which Director is a Partner	Services Availed	2,13,429
Modera Electronics	Firm in which Director is a Partner	PPE Purchased	3,99,843
Modera Freight Services Pvt Ltd	Company having Common Director	Sales	932
Modera Freight Services Pvt Ltd	Company having Common Director	Freight Charges	1,38,254
Rambhia IPR Services LLP	Firm in which Director is a Partner	Sale of Intangible Asset	50,000
Rambhia IPR Services LLP	Firm in which Director is a Partner	Royalty Paid	50,000

The above mentioned transactions with related parties are stated by including tax and carried out at arms length prices.

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

PARTICULARS		AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<u>Amounts Receivable from Related Parties</u>			
<u>Receivables For Sales & Services Provided</u>			
Panache Digilife Limited	Company having Common Director	28,771	23,153
Modera Electronics	Firm in which Director is a Partner	1,21,92,579	0
Total Receivables from Related Parties		1,22,21,350	23,153
<u>Amounts Payable to Related Parties</u>			
<u>Payables for Purchases & Services Availed</u>			
Panache Digilife Limited	Company having Common Director	1,59,25,291	20,27,878
Modera Electronics	Firm in which Director is a Partner	92,54,650	0
ICT Infratech Services Private Limited	Company having Common Director	28,65,232	23,80,232
Rambhia IPR Services LLP	Firm in which Director is a Partner	31,000	45,000
		2,80,76,173	44,53,110
<u>Payables to KMP as Remuneration</u>			
Jayachandran Sunderamoorthy	Whole Time Director & CFO	0	2,16,867
Priyank Sangoi	CS & Compliance Officer	38,790	22,813
		38,790	2,39,680
Total Payables to Related Parties		2,81,14,963	46,92,790

NOTE NO. 41

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 2020	AS AT 31ST MARCH 2019
<u>Financial Assets</u>		
<u>Measured at Amortised Cost</u>		
Loans	3,32,45,383	2,40,47,158
Trade Receivables	6,60,70,399	4,01,00,595
Other Financial Assets	5,000	28,000
Cash & Cash Equivalents	7,29,134	5,10,445
Bank Balances Other Cash & Cash Equivalents	81,463	71,401
Total financial Assets Measured at Amortised Cost (I)	10,01,31,379	6,47,57,599
Measured at Fair Value Through Other Comprehensive Income (FVTOCI)	0	10,55,600
Total Value of Financial Assets [(I)+(II)]	10,01,31,379	6,58,13,199
<u>Financial Liabilities</u>		
<u>Measured at Amortised Cost</u>		
Borrowings	1,96,16,343	0
Trade Payables	7,36,81,598	3,83,60,415
Other Financial Liabilities	0	0
Total of Financial Liabilities Measured at Amortised Cost	9,32,97,941	3,83,60,415
Total Value of Financial Liabilities	9,32,97,941	3,83,60,415

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Net gains/(losses) on financial assets and Financial liabilities measured at amortised cost :-		
(i) Exchange Difference Gains/ (Losses) on revaluation or settlement of items denominated in Foreign Currency (Trade Receivables, Loans Given, etc.)	(4,32,151)	11,912
(ii) Interest Charges	(5,69,856)	0
(iii) Finance Charges (Net)	(20,000)	0
(iv) Interest Income on Loans & Advances given	27,82,057	28,20,207
Total	17,60,050	28,32,119
<u>Net gains/(losses) on financial assets measured at Fair Value Through Other Comprehensive Income (FVTOC) :-</u>		
(i) Gains/(losses) on Fair Valuation of Equity Instruments	(10,55,600)	(4,41,000)
(ii) Gains/(losses) on sale of Equity Instruments	0	11,29,162
(iii) Net Tax on Equity Instruments	1,61,487	(33,420)
Total	(8,94,113)	6,54,742

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

AS AT 31ST MARCH 2020	CARRYING VALUE IN BOOKS	LEVEL OF INPUT USED FOR FAIR VALUATION		
		LEVEL 1	LEVEL 2	LEVEL 3
<u>Other Financial Assets</u>				
Security Deposits	0	0	--	--
<hr/>				
AS AT 31ST MARCH 2019	CARRYING VALUE IN BOOKS	LEVEL OF INPUT USED FOR FAIR VALUATION		
<u>Other Financial Assets</u>				
Security Deposits	10,55,600	10,55,600	--	--

NOTE NO. 42
DISCLOSURE UNDER SECTION 186 OF COMPANIES ACT

Particulars of Loans, Deposits and Guarantees as at the year end

NAME OF THE ENTITY	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019	NATURE OF ASSISTANCE	PURPOSE FOR WHICH LOAN/ GUARANTEE IS PROPOSED TO BE UTILISED BY RECEIPT
Karrm Warehousing Private Limited	2,71,83,126	2,10,25,337	Inter Corporate Loan	Short Term Working Capital
Seemsan Pumps And Equipment Pvt Ltd	26,28,024	23,91,504	Inter Corporate Loan	Short Term Working Capital
Sure Horizon Softtech End2End Solution Pvt Ltd	26,55,120	0	Inter Corporate Loan	Short Term Working Capital

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. PRAKASH M. VICHHIVORA
MANAGING DIRECTOR
DINO:- 03123043

MR.HETAL M. VICHHIVORA
WHOLE TIME DIRECTOR & CFO
DINO:- 0003123060

MR. AMIT D. RAMBHIA
NON-EXECUTIVE DIRECTOR
DINO:- 00165919

MR.PRIYANK SANGOI
CS & COMPLIANCE OFFICER
MEM NO. A50896

PLACE: MUMBAI
DATED: 23rd July 2020
UDIN: 20044039AAAAAP6912

PLACE: MUMBAI
DATED: 23rd July 2020

NOTICE TO MEMBERS

Notice is hereby given that the 39th Annual General Meeting (AGM) of the Members of Panache Innovations Limited will be held on Monday, 28th September, 2020 at 3.00 p.m. Indian Standard Time (“IST”) through **Video Conferencing / Other Audio-Video Means (“VC/OAVM”)** to transact the following business;

Ordinary Business:

1. **To receive, consider and adopt –**
 - a. The Audited Standalone Financial Statements of the Company for the financial year ended 31st March, 2020, and the reports of the Board of Directors and Auditors thereon; and
 - b. The Audited Consolidated Financial Statements of the Company for the financial year ended 31st March, 2020, and the report of the Auditors thereon.
2. **To appoint a Director in place of Mr. Prakash Mavji Vichhivora, Director, (DIN 03123043), who retires by rotation and being eligible, offers himself for re-appointment.**

Special Business:

3. **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) and adding the following new Clauses III(A)(1) & (2);

1. *To carry on the business in India and outside India 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, GPS & Radio Frequency Identification (RFID) systems and solutions, PCB (Printed Circuit Boards), Plastic parts, Plastic components, plastic granules & raw materials, Rubber parts & components, metal parts & components, routers, patch cord, Network Cables, micro server, thin client, Thin PC, Net PC, Internet of Things (IOT) Devices, Software, Stick PC, Access control systems, Fire alarm systems, CCTV Systems, surveillance system and its accessories, smart city project, city surveillance, Interactive White Board, Interactive Flat panel, RFID Solutions, Modems, Video Conferencing, Television, security devices, Power Banks, infrared Thermometer, 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, stainless steel, utensils, cutlery items, Kitchenware, Electronics and Electrical equipments including but not limited to Electrical switches, Fan regulators, Electrical sockets, Electric plugs, Electronic Digital Energy meters, Spike Guards, Extension cords, IP Phones, PBX & IPBX, 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.*

2. *To carry on the business in India and outside India of designing, manufacturing, trading, distributing, importing, exporting, buying, selling and dealing in all kinds of medical products and equipments including not limited to Personal Protective Equipment (PPE) kits, Liquid Sanitizer, disinfectant dispenser, masks, Gloves, UV Box, Thermometer, Thermal screening devices and solutions, Oximeter.*

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 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.”

4. **To appoint Mr. Shailesh Premji Gala (DIN: 01283286) 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 thereunder (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. Shailesh Premji Gala (holding DIN: 01283286), 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 whose appointment is recommended by the Nomination & Remuneration Committee 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 29th May, 2020 till 28th May, 2025, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company 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.”

5. **To re-appoint Mrs. Meeta Kaushal Mehta (DIN: 07515717) as an Independent 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 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule IV to the Act (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) (including any modification or amendment thereof) for the time being in force, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, Mrs. Meeta Kaushal Mehta (DIN: 07515717), who holds office of Independent Director up to 18th May, 2021 and who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member, proposing his candidature for the office of Director of the Company, be and is hereby re-appointed as

an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years commencing from 19th May, 2021 upto 18th May, 2026.

RESOLVED FURTHER THAT the Board of Directors of the Company 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.”

6. Approval of Related Party transactions:

To consider and, if thought fit, to pass, the following resolution as an Ordinary 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 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, in accordance with 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, electronics, software etc.	Aggregate Monetary value for the proposed transactions for the Financial Year 2021-22 shall not exceed Rs. 70 Crores.
	Availing and / or rendering services	
Modera Electronics	Sale / Purchase of consumer electronics, electrical equipments etc.	Aggregate Monetary value for the proposed transactions for the Financial Year 2021-22 shall not exceed Rs. 30 Crores.

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

- negotiate, finalise, vary, amend, renew and revise the terms and conditions of the transaction(s), including prices/pricing formula and tenure;
- 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 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: 25/08/2020
Place: Mumbai**

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

NOTES:

- 1. Annual General Meeting through Video Conferencing facility or Other Audio-Visual Means:**

In view of the Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) vide its General Circular No. 20/2020 dated 5th May, 2020 read with General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide circular dated 12th May, 2020 (“SEBI Circular”) permitted the holding of the Annual General Meeting (“the Meeting / AGM”) through Video Conferencing facility or Other Audio-Visual Means (“VC / OAVM”), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), MCA Circulars and SEBI Circular, the Meeting of the Company is being convened and conducted through VC / OAVM.
- 2. Proxies, Attendance Slip & route map of the AGM venue:** Pursuant to MCA Circulars and SEBI Circular, since the AGM will be held through VC/ OAVM, the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form, Attendance Slip and route map of the AGM venue are not annexed to this Notice.
- 3. Quorum:** The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- 4. 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 forms part of the Notice.
- 5.** 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.
- 6.** The Board of Directors have considered and decided to include the resolution nos. 3 to 6 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
- 7. Cut-off Date for Dispatch:** Members of the Company, holding shares either in dematerialised form or physical form, as on Friday, 21st August, 2020 (cut-off date for receiving Notice and Annual Report), shall be entitled for receiving of the Annual Report for the period 2019-20, through their registered mail id. Any person, who acquires shares of the Company and become Member of the Company after sending of the Notice and holding shares as on cut-off date i.e. Monday, 21st September, 2020, may obtain login ID and password by writing to Registrar & Share Transfer Agent of the Company, Niche Technologies Private Limited at email nichetechpl@nichetechpl.com or to Central Depository Services (India) Limited at email helpdesk.evoting@cdslindia.com.
- 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 Tuesday, 22nd September, 2020 to Monday, 28th September, 2020 (both days inclusive) for the purpose of 39th AGM.
- 9. Communication:** Notice of the AGM and the Annual Report for the Financial Year 2019-20 are being sent electronically to the Members whose E-mail IDs are registered with the Depository Participant(s) and / or Company’s Registrar and Share Transfer Agents. Any member, who has not registered his Email id, may register his / her Email ID with Registrar and Share Transfer Agents and may also request for a copy of Annual Report electronically. Annual Report for 2019-20 along with Notice of the AGM is available at the website of the Company at www.panachemodera.com and website of the Stock Exchange i.e. BSE Limited of India at www.bseindia.com.

10. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
11. **Dematerialisation:** SEBI vide its notification dated 8th June 2018 as amended on 30th November 2018, has stipulated that w.e.f. 1st April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialised form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form and requesting them to dematerialise their physical holdings.
12. **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. 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.
13. **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.
14. 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. Monday, 21st September, 2020.
15. Any person who is not a Member as on the cut-off date i.e. Monday, 21st September, 2020, should treat this Notice for information purposes only.
16. **Go Green Initiative:** Members holding Shares in physical form are requested to register their email IDs with the Company's 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.
17. **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 RTA, Niche Technologies Private Limited.
18. **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.
19. All the relevant documents referred to in this AGM Notice and Explanatory Statement etc., Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 and Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 and other documents shall be available electronically for inspection by the

members at the AGM. Members seeking to inspect such documents can send an e-mail to compliance@panachemodera.com from their registered e-mail address.

- 20.** If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, 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 or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

21. Instructions for members for attending the AGM through VC/OAVM are as under:

- a. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
- b. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- c. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- d. Further shareholders will be required to switch on the video facility and use Internet connection with a good speed to avoid any disturbance during the Meeting.
- e. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to minimise / mitigate any kind of aforesaid glitches.
- f. Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request 7 days in advance prior to the AGM mentioning their name, demat account number/folio number, email ID, mobile number at compliance@panachemodera.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries 7 days in advance prior to AGM mentioning their name, demat account number/folio number, email id, mobile number at compliance@panachemodera.com. These queries will be replied to by the company suitably by email or at the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- g. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the Meeting.

22. E-Voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI

(Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as voting on the date of the AGM will be provided by CDSL.

1) The instructions for shareholders for remote e-voting are as under:

The e-voting period commences on Friday, 25th September, 2020 (9.00 am) to Sunday, 27th September, 2020 (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 Monday, 21st September, 2020, 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.

Process for remote e-voting are as under:

- a. The shareholders should log on to the e-voting website www.evotingindia.com during the voting period.
- b. Click on “Shareholders” tab.
- c. 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.

OR

Alternatively, if you are registered for CDSL’s **EASI/EASIEST** e-services, you can log-in at <https://www.cdslindia.com> from Login – Myeasi using your login credentials. Once you successfully log-in to CDSL’s **EASI/EASIEST** e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- d. Next enter the Image Verification as displayed and Click on Login.
- e. 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.
- f. If you are a first-time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	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. 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 (e).

- g. After entering these details appropriately, click on “SUBMIT” tab.

- h. 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.
- i. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j. Click on the EVSN for the relevant Panache Innovations Limited on which you choose to vote.
- k. 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.
- l. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- m. 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.
- n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- o. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- p. If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- q. Members can also cast their vote using CDSL's mobile app m-Voting available. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote voting on your mobile.

2) Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for remote e-voting for the resolutions proposed in this Notice

- a. For shareholders holding shares in physical form - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company at compliance@panachemodera.com or RTA's email ID at nichetechpl@nichetechpl.com.
- b. For shareholders holding shares in dematerialised form - please provide Demat account details (CDSL16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name of shareholder, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company at compliance@panachemodera.com or RTA's email ID at nichetechpl@nichetechpl.com.

3) Instructions For Shareholders For E-Voting During The Meeting

- a. Procedure for e-Voting on the day of the AGM is same as the Remote e-voting as mentioned above.

- b. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not cast their votes on the Resolutions through remote e-Voting and are not otherwise barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
- c. If any votes are cast by shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the Meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the Meeting is available only to the shareholders attending the Meeting.
- d. Shareholders who have voted through Remote e-Voting facility will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4) Instructions for non-individual shareholders and custodians

- a. 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” module.
- b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- c. 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.
- d. 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.
- e. 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.
- f. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc., to the Scrutinizer and to the Company at the email address viz dmz@dmzaveri.com and compliance@panachemodera.com respectively, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

Other Instructions

23. 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 / 8419980776

24. The Company has appointed Mr. Dharmesh Zaveri, proprietor of M/s. D. M. Zaveri & Co., Company Secretaries, as the Scrutinizer for conducting the e-voting and remote e-voting process for the Annual General Meeting in a fair and transparent manner.
25. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first download the votes casted at the meeting, thereafter unblock the votes casted through remote e-voting and shall make a consolidated scrutinizer’s report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairman or

a person authorized by him, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

26. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.panachemodera.com and on the website of CDSL at www.evotingindia.com immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the BSE Limited.
27. The resolutions shall be deemed to be passed on the date of the Meeting, i.e. 28th September, 2020 subject to receipt of the requisite number of votes in favour of the resolutions.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of resolution No. 3, 4, 5 & 6.

Resolution No. 3:

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 shall be available for inspection through electronic mode. Members are requested to write to the Company on compliance@panachemodera.com for inspection of said documents.

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 no. 3.

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.

Resolution No. 4

Based on the recommendation of Nomination & Remuneration Committee, the Board of Directors vide circular resolution dated 29th May, 2020 have appointed Mr. Shailesh Premji Gala 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 29th May, 2020 till 28th May, 2025, 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. Shailesh Premji Gala 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. Shailesh Premji Gala 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. Shailesh Premji Gala none other Directors, Key Managerial Personnel and their relatives are, in any way concerned or interested in resolution set out in Resolution No. 4 of this Notice.

Information of Mr. Shailesh Premji Gala, 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.

Resolution No. 5:

Mrs. Meeta Kaushal Mehta (DIN 07515717) was appointed as Independent Directors of the Company w.e.f. 19th May, 2016 up to 18th May, 2021 pursuant to the approval of shareholders under the provisions of the Companies Act, 2013 at the AGM held on 26th September, 2016.

Based on the recommendation of the Nomination and Remuneration Committee & Board of Directors and based on skills, experience, knowledge and performance evaluation, it is proposed to re-appoint Mrs. Meeta Kaushal Mehta as Independent Director for a second term of 5 years from 19th May, 2021 upto 18th May, 2026 which shall be subject to the approval of shareholders.

Mrs. Meeta Kaushal Mehta has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mrs. Meeta Kaushal Mehta, fulfils the conditions specified in the Act, its rules framed thereunder and Listing Regulations for re-appointment as Independent Director and she is independent of the management. The Board considers that her continued association would be of immense benefit to the Company and it is desirable to continue to avail her services as Independent Director. Accordingly, the Board recommends the Resolution no. 5 in relation to reappointment of Mrs. Meeta Kaushal Mehta as Independent Director, for the approval by the members of the Company as Special Resolution.

Except Mrs. Meeta Kaushal Mehta, none other Directors, Key Managerial Personnel and their relatives are, in any way concerned or interested in resolution no. 5 of this Notice.

Information of Mrs. Meeta Kaushal Mehta, his functional expertise and qualification, names of the Companies in which she 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.

Resolution No. 6:

Based upon the business requirements, Board of Directors of your Company have evaluated the transactions contained in the resolution no. 6 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, Promoter & Member in PDL.	- Sale / Purchase of IT products, consumer electronics, 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 for the Financial Year 2021-22 shall not exceed Rs. 70 Crores. 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, electronics, electrical equipments etc.	Transactions with Modera Electronics 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 for the Financial Year 2021-22 shall not exceed Rs. 30 Crores. 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. 6.

The Directors recommend the resolution no. 6 for approval by the members.

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

**Date: 25/082020
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. Shailesh Premji Gala	Mr. Prakash Vichhivora	Mrs. Meeta Kaushal Mehta
Father's Name	Premji Rayshi Gala	Mr. Mavji Vichhivora	Mr. Upendra Gulabrai Modi
DIN	01283286	03123043	07515717
Date of Birth	12/12/1972	11/07/1970	06/09/1975
Age	47	50	44
Educational Qualification	Diploma in Audio and Video Engineering	Degree in Electronics and Telecommunication.	Bachelors in Commerce and Chartered Accountant (ICAI)
Experience / Expertise	<p>Mr. Shailesh Premji Gala, has over 25 Years of experience in the field of electronics. He has Completed 2 years of Diploma course in Audio & Video Engineering. He has started his career in VISHA WORLD previously called as VISHA Electronics Corporation in 1995. He has started "UC Micro Systems in 2005" with an intent to serve electronics industry RnD & Production Department. He was instrumental in developing ucFlash – First IC Programming tool which was a revolution for R & D industry 14 years back. He started "LARE – Laboratory for Applied Research in Electronics in 2008" – Hands on Embedded Training Center @ CBD Belapur. He has started new vertical Sensors & Modules in 2014 at VISHA WORLD with 250+ products which have grown exponentially to 850+ products now. In 25 years he has gained skill sets in Electronics Research & Development and he is an Innovation enabler with Leadership & Strategy qualities.</p> <p>He brings many years of well-rounded administrative, practical and business knowledge</p>	<p>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.</p>	<p>Meeta K. Mehta is practicing Chartered Accountant and has a vast experience in serving Small to Medium Sized enterprises, High Net Worth Individuals (including NRIs) and large cooperative societies, services across Audits – statutory and Internal, Income Tax matters, and RBI matters. She is an empanelled auditor under the Maharashtra State Cooperative Societies Act, 1960 & is the Statutory Auditor of some of the land mark Societies of Mumbai. She has served Vice Presidents, CxOs & Directors of several large Korean, European and American MNCs in taxation matters.</p>

	and his experience and expertise will be of great use for the Company.		
Nature of his expertise in specific functional area	Electronics Research & Development and Innovation enabler with Leadership & Strategy qualities	Management & overall business execution	Management & Technical
Terms and conditions of appointment or re-appointment or re-designation	Upon recommendation of Nomination & Remuneration Committee, Mr. Shailesh Premji Gala is proposed to be appointed as an Independent Director for a period of 5 years w.e.f. 29 th May, 2020 to 28 th May, 2025. His appointment shall not be liable to retire by rotation.	Mr. Prakash Vichhivora is appointed as Managing Director of the Company, for a period of 5 years w.e.f. 30 th May, 2019. His appointment is due for retirement by rotation and being eligible has offered for re-appointment and accordingly proposed to shareholders approval for reappointment.	Upon recommendation of Nomination and Remuneration Committee, Mrs. Meeta Kaushal Mehta (DIN 07515717) is proposed to be re-appointed as an Independent Director, for a second term of five years with effect from May 19, 2021 to May 18, 2026, not liable to retire by rotation.
Last drawn remuneration	N.A.	9,00,000 p.a	N.A
Date of 1 st Appointment on the Board	29/05/2020	30/05/2019	19/05/2016
Number of Meetings of the Board attended during the year 2019-20	N.A.	3	4
No. of share held as on date	NIL	NIL	NIL
Relationship with other directors, manager & KMP	NIL	Brother of Mr. Hetal Vichhivora (Whole-Time Director & CFO)	NIL
Other Directorships	Panache Digilife Limited – Additional Independent Director	Modera Freight Services Private Limited - Director Modera HR Consultancy Services Private Limited - Director	Panache Digilife Limited – Independent Director
Committee Memberships in other Companies	Panache Digilife Limited: Audit Committee (Member) Nomination & Remuneration Committee (Member) Stakeholders Relationship Committee (Chairman)	NIL	Panache Digilife Limited: Audit Committee (Chairperson) Nomination & Remuneration Committee (Member)



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