

Date: September 3, 2021

To,  
The Manager  
Department of Corporate Services  
**BSE Limited**  
Phiroze Jeejeebhoy Tower,  
Dalal Street, Fort,  
Mumbai – 400 001.

Dear Sir/ Madam,

**Subject: Annual Report including notice of 40<sup>th</sup> AGM for the financial year ended March 31, 2021.**

**Security Code - 538742**

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Pursuant to Regulations 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed the Annual Report including notice of 40<sup>th</sup> AGM of the Company for the financial year ended March 31, 2021.

In compliance with relevant circulars issued by Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Annual Report including the Notice of 40<sup>th</sup> AGM of the Company for the financial year 2020-21 has been sent to all the members of the Company whose email addresses are registered with the Company or Depository Participant(s).

The aforesaid report is also available on the website of the Company at [www.panachemodera.com](http://www.panachemodera.com).

This is for your kind perusal and member's information. Please take the same on your record and acknowledge us the receipt.

Thanking you,

Yours Faithfully,  
**For Panache Innovations Limited**

  
Vishal Adhav  
Company Secretary & Compliance Officer

Place: Mumbai

Encl.: As above

PANACHE®

ANNUAL  
REPORT  
**2021**  
◀◀◀◀

**Panache Innovations Limited**



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# CORPORATE INFORMATION

## Registered Office

2<sup>nd</sup> Floor, Bldg No. A3, Unit 201A,  
Babosa Industrial Park, Mumbai-Nashik Highway (NH3),  
Saravali Village, Bhiwandi, Thane - 421302  
CIN: L51100MH1981PLC312742  
(T): +91 8291529934  
(E): info@panachemodra.com

## Corporate Office

Unit No. 002, Raheja Plaza - 1,  
LBS Marg, Ghatkopar West  
Mumbai - 400 086, Maharashtra

## Share Registrars and Transfer Agents

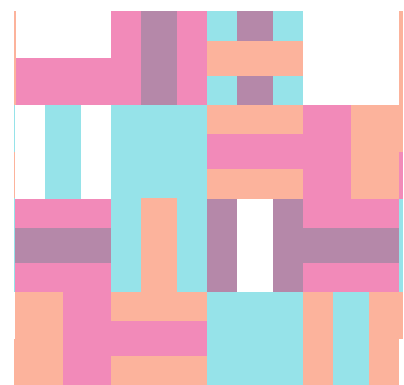
3A, Auckland Place, 7th Floor,  
Room No. 7A & 7B, Kolkata,  
West Bengal - 700017  
(T): 033- 2280 6616/17/18

(E): nichetechpl@nichetechpl.com  
(W): www.nichetechpl.com

## Auditors

Jain Salia & Associates  
Chartered Accountant

# BOARD AND COMMITTEES



## THE BOARD

- |                             |                             |
|-----------------------------|-----------------------------|
| • Mr. Amit Devchand Rambhia | - Chairman                  |
| • Mr. Prakash Vichhivora    | - Managing Director         |
| • Mr. Hetal Vichhivora      | - Whole-Time Director & CFO |
| • Ms. Meeta Mehta           | - Independent Director      |
| • Mr. Anil Dagade           | - Independent Director      |
| • Mr. Shailesh Gala         | - Independent Director      |

## THE COMMITTEES

### AUDIT COMMITTEE

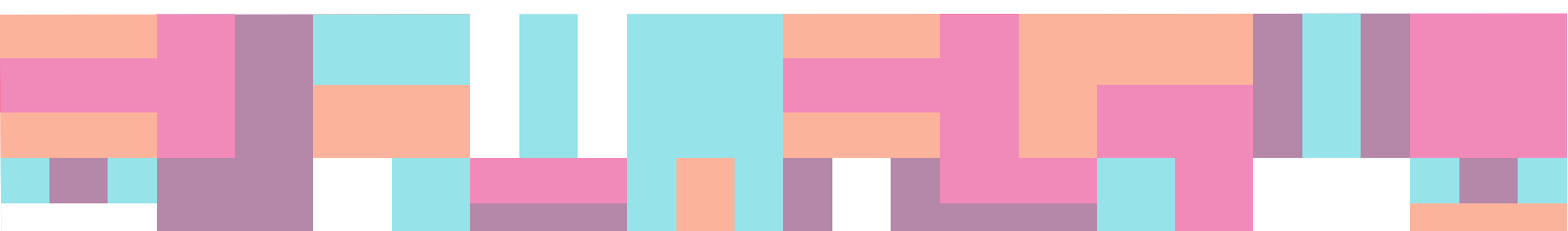
- |                   |               |
|-------------------|---------------|
| a. Meeta K. Mehta | - Chairperson |
| b. Shailesh Gala  | - Member      |
| c. Amit Rambhia   | - Member      |
| d. Anil Dagade    | - Member      |

### NOMINATION AND REMUNERATION COMMITTEE

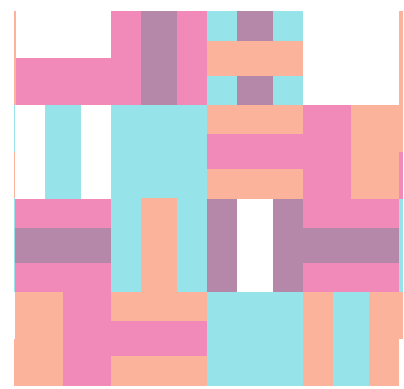
- |                   |               |
|-------------------|---------------|
| a. Anil Dagade    | - Chairperson |
| b. Meeta K. Mehta | - Member      |
| c. Shailesh Gala  | - Member      |
| d. Amit Rambhia   | - Member      |

### STAKEHOLDERS RELATIONSHIP COMMITTEE

- |                   |               |
|-------------------|---------------|
| a. Shailesh Gala  | - Chairperson |
| b. Meeta K. Mehta | - Member      |
| c. Amit Rambhia   | - Member      |
| d. Anil Dagade    | - Member      |



# KEY MANAGEMENT PERSONNEL



## COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Priyank Sangoi (Resigned w.e.f. 26th June 2021)

Mr. Vishal Adhav (Appointed w.e.f 13th August 2021)

## INTERNAL AUDITOR

Sanket Sangoi & Associates

## SECRETARIAL AUDITOR

D.M. Zaveri & Co.

## BANKER'S

CANARA BANK



# CHAIRMAN'S MESSAGE

Dear Shareholders,

Greetings from Panache!!

As I prepare to present to you Panache Innovation Limited Annual Report 2020-21, on behalf of the Board of Directors, I welcome you all to the 40th Annual General Meeting of your company. I would discuss topics that will help to improve the understanding of the company's growth strategy, performance and forecasts to create value for all its stakeholder over the short, medium & long term.



## External Environment:

The world is continuing to face the greatest threat to life and livelihood due to the COVID-19 pandemic. This is impacting the global economy and all its citizens.

It goes without saying that these are extraordinary times. Just as our hearts go out to everyone affected by Covid-19, we are grateful to all our first responders and medical professionals who are risking their lives to keep us safe. We are also grateful to all our employees who continued to deliver on our commitments to all stakeholders despite these challenging times.

As per the World Bank, the global economic output is recovering from the downturn triggered by COVID-19, but it will remain below pre-pandemic trends for a prolonged period. A well-coordinated response to the pandemic will shape the future of the global economy for years to come.

The Indian GDP, after a steep fall of 24.4% and 7.3% in Q1 and Q2 of FY 2020-21 respectively, has shown recovery with 0.4% growth in Q3. Based on this recovery trend, the GDP for 2021 is estimated to be contracting by 8% which is a clear outcome of the efforts undertaken in minimizing the impact of COVID-19 on the economy. But the second wave of the COVID-19 pandemic has struck India with unforeseen fury, and it will compound the misery of repeated economic disruptions and slowdowns experienced over the past few years.

## Company Performance Review FY- 2020-2021:

Your company is engaged in multi-product distribution such as Telecom Products, IT Products & Accessories, LED Lighting Products, Batteries, Power Banks, Audio Products, Torches/Flashlights, Electrical Products Phones & facilitating Project based Services, AMC of Large Corporates, CCTV Surveillance etc.

In the geographies that we have been operating in, we have been able to leverage our relationships with the customers and establish ourselves as a credible alternate supplier, who can be trusted as a long-term partner.

To briefly mention about financial performance, the revenue from operations stood Rs. 982.88 lakhs for the year ended March 31, 2021. The PAT (profit after tax) for FY 2020-21 stood at a loss of Rs. 10.20 lakhs due to the reduction in business caused by Covid-19 led lockdowns. The EPS (Earning Per Share) for the financial year ended March 31, 2021 stood at Rs. (0.23) for a face value of Rs. 10.



# CHAIRMAN'S MESSAGE

## Company's New Initiatives 2020-2021:

- Launch of "Panache" Brand in Telephone Category i.e., Corded Phone, Fixed Wireless phone.
- New Vertical opening focusing on Project based Services, AMC of Large Corporates, CCTV Surveillance etc. This will not only help to Annual turnover company significantly but also it will help to increase company's profitability in coming years.
- Addition of New product launch Rechargeable Led Lantern, 9W Speaker Bulb in FMCG goods product category to acquire additional set of customers through existing distribution network.

## Going Ahead

Your Company is fully aware and well-positioned to tap both domestic and international opportunities.

We will continue to focus on increasing our wallet-share from our existing customers, by positioning a larger portfolio of our products and acquiring new customers.

- Company intends to increase its product portfolio in its LED Lighting category by introductions of Panel Lights, Down Lights, Streetlights & Digital Signage.
- Company plans to focus on OEM category by offering products like LED Lighting, Flashlights to its OEM customers.
- Company plans to further increase its Distribution channel partners by adding further territories and aim to increase it at pan India level.

Our company has outlook to explore and search for opportunities in Project based Services, AMC of Large Corporates, CCTV Surveillance which will be introduced as growth center for FY 2021-22.

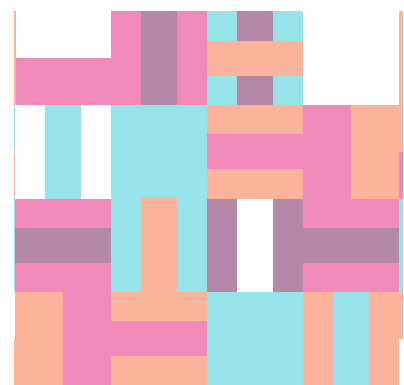
## Conclusion:

I would like to add our company is looking forward to an optimistic year 2021-2022. We take great pride in our ability to attract and nurture highly talented and skilled individuals across all functions in the organization. Our team showed exemplary commitment and ensured business continuity and 24X7 technical support to our customers during Covid-19 pandemic lockdowns and despite regulatory restrictions.

I would like to extend my sincere appreciation to the Board of Directors for their continued guidance and support. I also wish to thank all stakeholders, including our employees, customers, and shareholders for their continued faith in the company, especially during these challenging times. I am optimistic about the opportunities that are ahead of us, and I look forward to taking our company to greater heights and achieving many more successes in the years to come.



BRAND'S



Brand Licensee of India

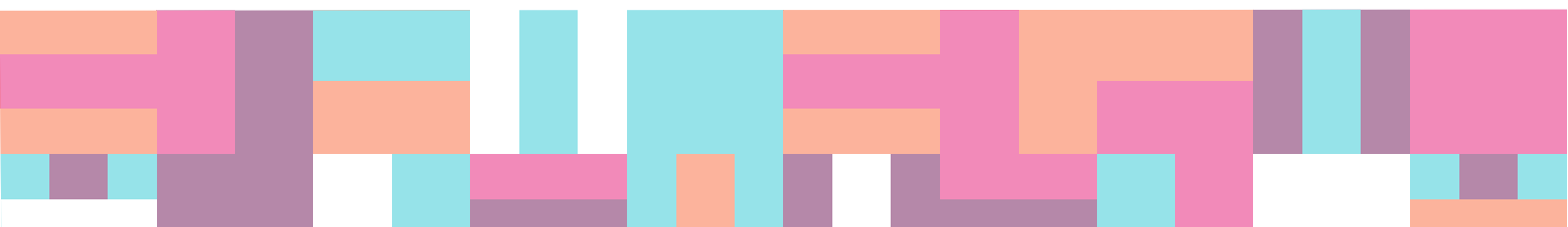
**HYUNDAI**

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

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**PANACHE<sup>®</sup>**

Corded Phone | Fixed Wireless Phone



# BUSINESS OVERVIEW

Panache Innovations Limited, is a BSE listed Company, engaged in multi-product distribution such as Telecom Products, IT Products & Accessories, LED Lighting Products, Batteries, Power Banks, Audio Products, Torches/Flashlights, Electrical Products Phones & facilitating Project based Services, AMC of Large Corporates, CCTV Surveillance etc.

## 1. Product Distribution

We, Panache Innovation Limited engaged in distribution of Telecom Products & FMCG goods across India. With flexible supply chain and end to end management of our goods, our distribution channel can cater to domestic as well as international markets.

### Telecom Products

Panache Innovations Limited, have launched Home Communication products in the Panache Brand. Panche Brand corded and Fixed Wireless Phone portfolio are designed to carry the Panache brand deeper into the home communication market. Panache Telephone 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

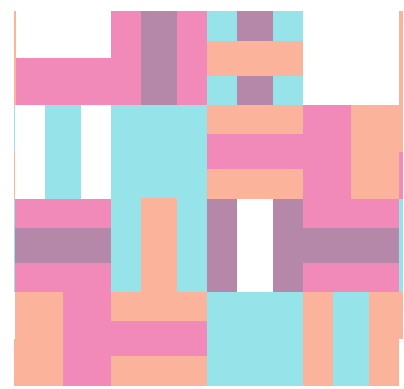
Basic Phone - PCL 5000



#### The essential featured phone!

Panache PCL 5000 Corded Landline Phone which is a perfect for home & business use. Panache basic corded landline phone is packed with features that make it convenient for carrying on conversations comfortably. The landline features a Black colour an ergonomic design of the handset lets you hold it comfortably when making or receiving a call. It also features switchable tone and pulse settings with well-spaced keypads.

## BUSINESS OVERVIEW



In a world of mobile phones and easy connectivity, land phones haven't lost their importance. Few of the reasons behind this fact are it comes very handy for making emergency calls, it is much more reliable in terms of connectivity, come handy in case of long duration calls, provides you with a reliable source of communication.

### Slim Line Phone - PSL 5020



#### Slim Compact: PSL-5020 is ideal for limited space

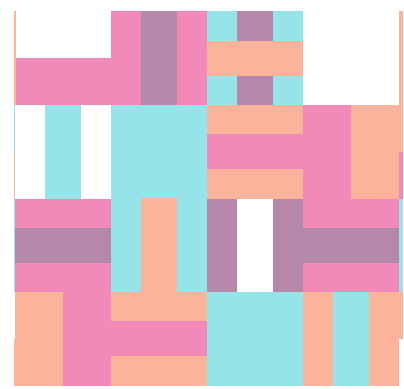
This stylish corded slim line phone comes with an alphanumerical keypad and can be mounted on the wall. Adjustable ringer volume, a flash button and a redial button are among other convenient features.

- LCD display to see who is calling at a glance
- 10-entry phonebook to store your favorite contacts
- Easy to be informed to incoming call and messages with the visual indicator
- A dedicated key to automatically redial the last called number
- Wall mountable to be installed everywhere

You can easily type the number that you wish to call on the alphanumerical keypad of this telephone. The mute feature allows you to mute the audio input during calls. You can also effortlessly make calls to the last dialed number by pressing the redial button. There is also a dedicated flash button on this device. Primarily used as Intercom phone at residence, corporates, Lifts etc.



# BUSINESS OVERVIEW



## Corded Caller ID Speaker phone - PCR 9000

**PCR-9000**  
Corded Caller ID Phone



**10 One Touch Memory Keys**

**Hands-free speakerphone**

**Bright backlit display**

**A High Performing Caller ID Phone**

Talk away in style with the Panache corded Caller ID Phone PCR 9000 corded phone that is designed for endless conversations. It is built with a slim design with a two-way speaker phone which delivers high voice clarity. The caller ID allows you to view the number of the incoming call and the last dial memory, along with redial feature allows you to quickly call up the last dialed number.

## Fixed Wireless Phone

**FWP200 Plus**  
Fixed Wireless Phone



**Always connected**

- GSM quad band (850 / 900 / 1800 / 1900MHz)
- Unlock to all 2G network, compatible up to 4G SIM network except (4G VoLTE) Network
- 3.5mm Jack for Headphone
- Battery back up (long rechargeable battery life)

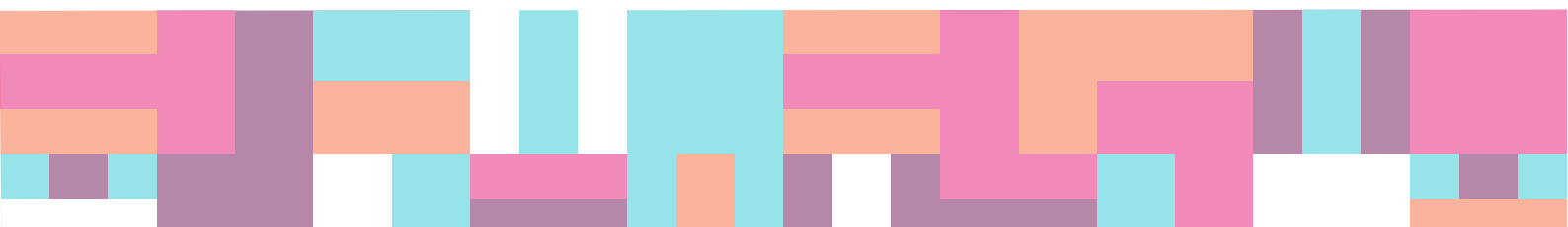
**A High Performing Fixed Wireless Phone**

[www.panachemodera.com](http://www.panachemodera.com)

Panache Innovation Limited is supporting mission of "VOCAL for LOCAL". We are proud to be launch Panache Fixed Wireless phone FWP 200 Plus, it is Made in India Product!

The Panache Fixed Wireless Phone FWP 200 Plus 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 FWP200 Plus as it operates over an existing GSM network.

Panache Fixed Wireless Phone is widely accepted by Corporates, NBFC, telecom service providers and channel Network distributors.



# BUSINESS OVERVIEW

## FMCG Product Distribution :

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

### Dry Cell Batteries & Alkaline Batteries

## HYUNDAI

### BATTERIES



Hyundai Dry cell Batteries are made from 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 power consumption devices. Unique technology that enables better performance after storage, over-discharge, and high temperature.

Works with a variety of devices including digital cameras, game controllers, toys, clock, Keyboards & mouse, Various Medical Devices Using proprietary technology, these batteries provide excellent anti-leakage performance during storage and over-discharge use.

### LED Flashlight/ Torch

## HYUNDAI

### LED FLASH LIGHT



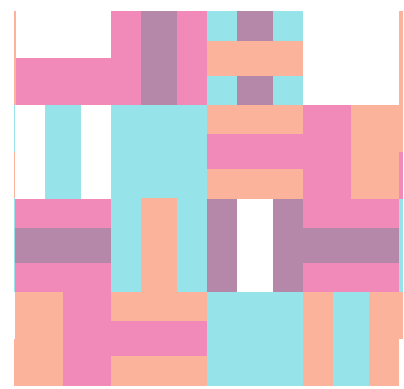
## HYUNDAI

### RECHARGEABLE TORCH



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 & Power efficient rechargeable LED Torches. 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 1000 meters. Hyundai torches can be your favorite travel companion!

# BUSINESS OVERVIEW



## LED LIGHTING

**HYUNDAI**  
LED BULB

POWER-X LED LAMP 220-240V, 50Hz  
Cool Day Light

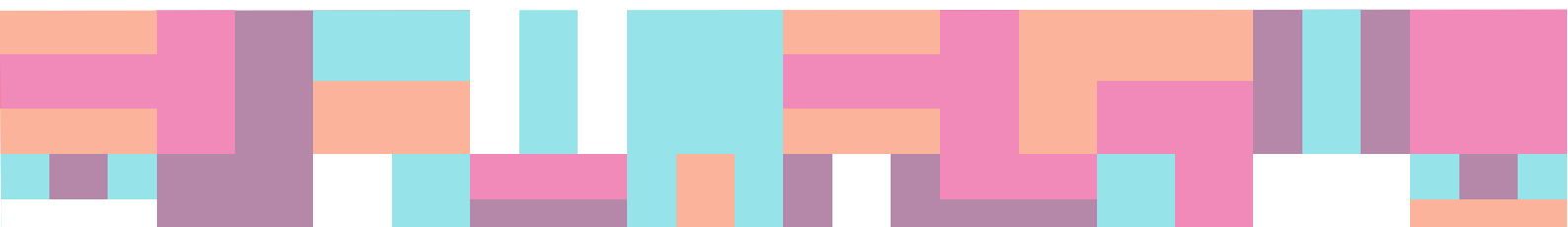


POWER-X  
20W INVERTER LED BATTEN  
Cool Day Light

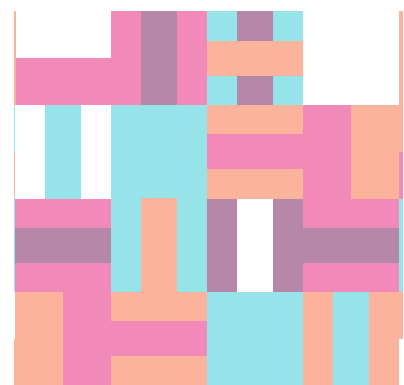


Panache Innovation Limited, launched Hyundai Led Bulb 7W,9W & 12W Led Bulb which are aimed to light up thousands of lives across India. This economical option for CFL or glass lamp uses a new technology of plastic-aluminium thermal management which offers a longer life with maximum efficiency. Additionally, 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 enjoys 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



## BUSINESS OVERVIEW



### LED RECHARGEABLE LANTERN

**HYUNDAI**  
**NOVA**

Low Power Consumption  
**LED**

360 Degree Lighting  
High-quality Rechargeable Battery

8 Hrs Backup\*  
(High : 4 Hrs / Low : 8 Hrs)

Lithium-Ion BATTERY

LED 50000 Hrs

2000 mAh  
Powerful Battery

**LED Rechargeable Lantern**

Panache Innovations Limited Launched HYUNDAI NOVA, LED Rechargeable Lantern aimed to supply emergency lighting in Developing country like India.

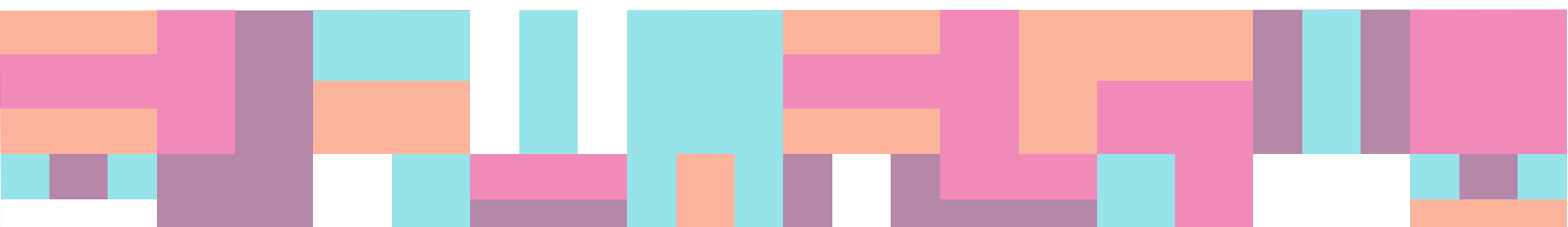
Simply plug in your lantern to charge it and when there is no access to a power supply, the sun can recharge your lantern.

The LED lantern is equipped with a 2000 mAh powerful battery, which gives unto 8 hours of backup, ensuring that you have the maximum fun, day, and night.

Equipped with a knob to make dimming and brightening easy. Simply turn the knob to dim the light or increase the brightness.

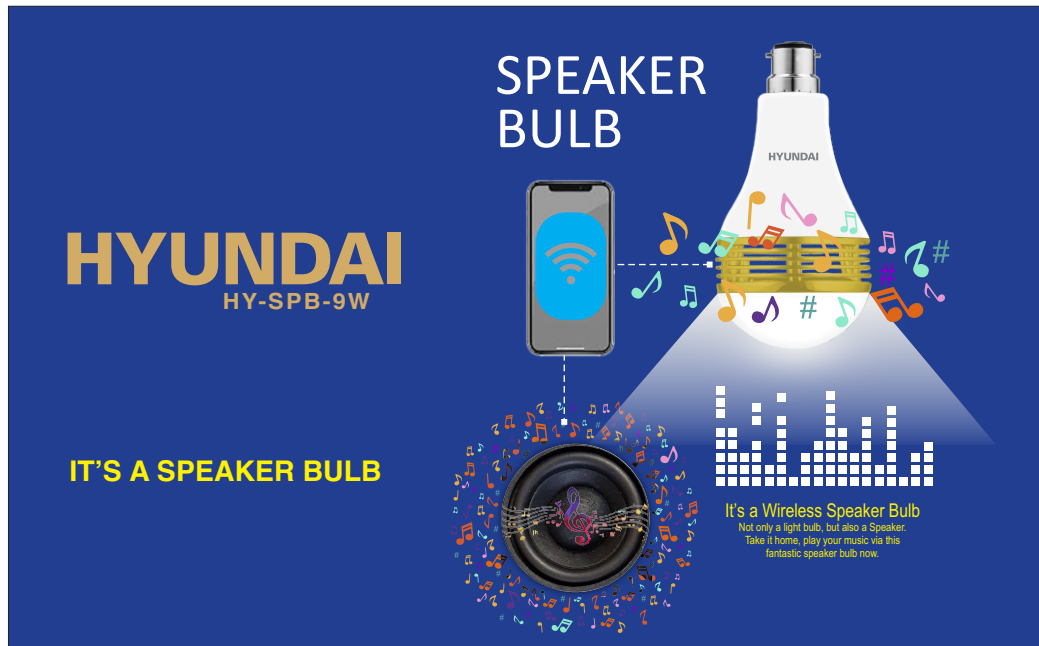
The 360-degree light output of the lantern provides even illumination lighting up an entire space. This gives a much more natural appearance.

Light weight and convenient, the NOVA LED lantern come with a top holder for easy handling of the product. This makes it very handy when the need arises.



## BUSINESS OVERVIEW

### HYUNDAI SPEAKER BULB



#### **A Powerful Bulb that Smart at Heart!!!**

Panache Innovations Limited Launched 9W Led Speaker Bulb. You can connect Smart phone with Hyundai Speaker bulb and enjoy seamless music at Home, Restaurant or at Party.

- Wattage-9W Cool day light
- Powerful 5W Bluetooth Speaker
- Easy to connect
- Dual Light mode- 9W White light for relaxing and 0.5W yellow light for night

#### **Clear Sound & Powerful Sound**

- No cable -No Charging
- Unlimited Musical Extravaganza
- Premium Design
- Natural Sound
- Speaker also work in Dim light mode



## BUSINESS OVERVIEW

### Mobile Power Banks



The all-new HYUNDAI 10000 mAh & 20000 mAh 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

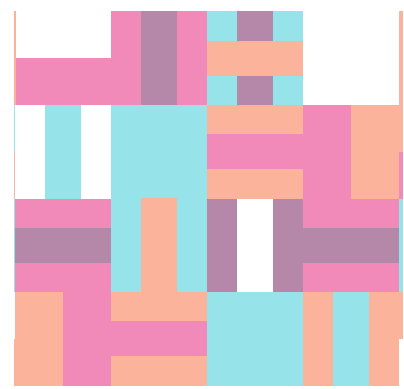
With 20000mAh capacity you can charge a 3000mAh phone battery up to 4 times and charge a 4000mAh phone battery 3 times. With 10000mAh capacity you can charge a 3000mAh phone battery up to 2-2.2 times and charge a 4000mAh phone battery up to 1.3-1.5 times.

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 OVERVIEW



## 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 Retails & Blue-Chip Corporates as Institutional sales.

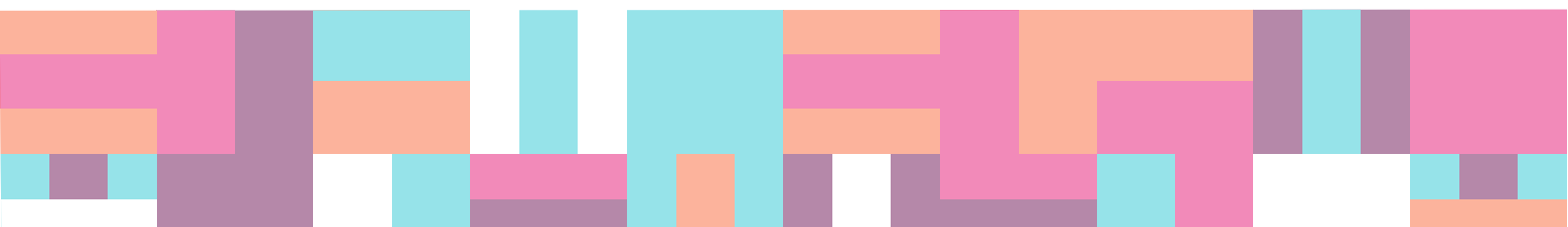
We have engaged with our partner brands to develop product life cycle, guide them in knowing customers' challenges and improve price-to-benefit ratio. To increase brand awareness among the masses we conduct specialized training modules, events, and promotional activities at the ground level with our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

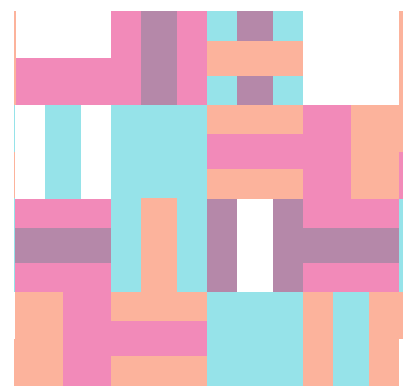
## CHANNEL NETWORK REACH



Business Vertical	Number of Channel Partners
Telecom product Distribution	125
FMCG Product Distribution	375



# BUSINESS OVERVIEW

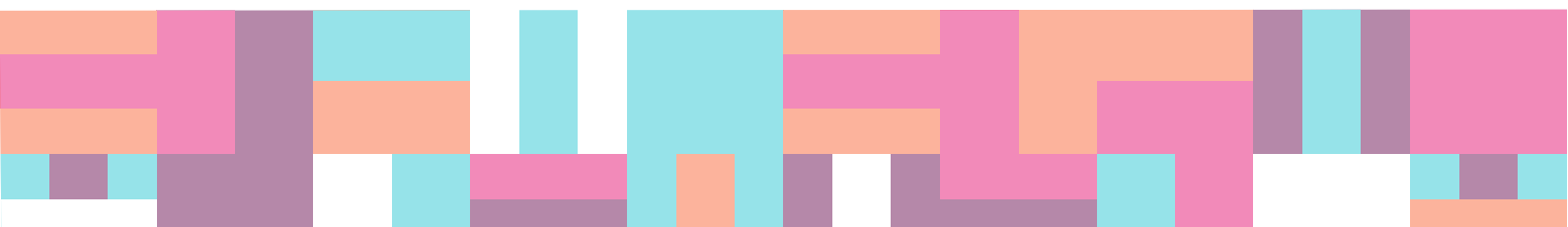


## Project Based Services

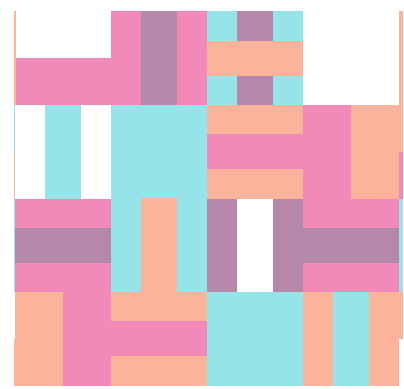
(CCTV, Surveillance, IT Manpower Services & GPS Tracking Instrument)

### Surveillance, Security Products & Solutions PAN INDIA

- **CCTV Surveillance:** We provide complete end to end solution for Analog , IP & Wireless CCTV Camera and compete video analytic solutions
- **Command Center:** We are in process to set up a Command center where we centrally monitor the output of each camera installed at various Offices/ Branches /ATMs PAN INDIA & Provide the required alerts to the specific customers.
- **Access control and Time Attendance System:** We provide complete end to end solutions for Proximity/Smart Card , Biometric , Face Recognition based Access control and Time Attendance System. We also Provide the solutions for Visitors Management and Canteen Management.
- **Gate Automation System :** We provide professional solutions of Gate Automation System using Boom barrier , Sliding Door , Turnstile , DFMD & X-Ray Baggage scanner.
- **Fire Alarm & Fire Fighting System:** We provide complete end to end solutions for Analogue Addressable & conventional Fire Alarm System. We also Provide FM200 & INNERGEN Based Gas Suppression system & Fire Fighting Solution using Sprinklers, Wet Riser & Yard Hydrant system.
- **Intrusion Alarm System:** Soon we will launch our own designed AI based Intrusion Alarm Panel which will be one of kind in the industry and will be able to generate various alerts automatically.
- **GPS Based Vehicle / Asset / Person management system :** We can provide the customized GPS Device Hardware and software solution for Vehicle Tracking , Asset Tracking and person Tracking with Centralized monitoring and Alert generating facilities for the customer.
- **Maintenance :** We undertake comprehensive and Non comprehensive maintenance contracts for CCTV Surveillance , Access control , Fire Alarm , Intrusion Alarm systems .
- Our professional Team having industry experience of more than 20 years are capable of providing Installation , integration services and solutions for City Surveillance Projects , Smart City Projects , Parking Management , Wi-Fi Projects etc.



## BUSINESS OVERVIEW



### FUTURE EXPANSION ROAD MAP

- 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 focussed on OEM business product like LED Lighting, Flashlight's category.
- Company has plan to strengthen Distribution base by deep penetration aiming to increased 100% at PAN India level.

At the outset, Company always strives 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 AND THEIR EFFECTS ON BUSINESS

In India Widespread of Covid have disturbed supply chain of raw material with respect to Indian Vendors as well as Globally. In financial year 20-21 Indian market experienced Nationwide lockdown for 6-9 Months which affect business at large. Indian Business sector have experienced deep downfall of business across all Sectors.



## Boards' Report

### *To the Members of Panache Innovations Limited*

Your Directors have pleasure in presenting the 40<sup>th</sup> 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 31, 2021.

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 1<sup>st</sup> April, 2020 to 31<sup>st</sup> March, 2021 and other developments upto the date of the Board meeting held on 13<sup>th</sup> August, 2021 to approve this report, in respect of the Company and its Consolidated Financials 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	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Revenue from operations (net)	982.88	1512.43	982.88	1512.43
Earnings before interest, tax, depreciation and amortization (EBITDA) and prior period adjustments (excluding other income)	(17.23)	(17.09)	(15.76)	(6.00)
Depreciation and amortization expenses	2.35	2.08	2.35	2.08
Finance Cost	22.43	5.90	22.43	5.90
Profit before tax (PBT)	(14.61)	1.91	(27.72)	14.17
Profit after tax and minority interest (PAT)	(10.20)	3.97	(23.31)	16.22

#### 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, the Company achieved total revenue of ₹982.88 Lakhs, as compared to ₹1512.43 Lakhs in the previous year.

The Earnings before Interest, Depreciation, Tax and Appropriations (EBITDA) stood at ₹(17.24) Lakhs in the current year as compared to ₹(17.09) Lakhs in the previous year.

The Company's Net Profit after Tax stood at ₹(10.20) Lakhs as compared to ₹3.96 Lakhs in the previous year.

## **CONSOLIDATED PERFORMANCE**

During the year, the Company achieved consolidated total revenue of ₹982.88 Lakhs as compared to ₹1512.43 Lakhs in the previous year.

The Earnings before Interest, Depreciation, Tax and Appropriations (EBITDA) stood at ₹(15.76) Lakhs in the current year as compared to ₹(6.00) Lakhs in the previous year.

The Company's Net Profit after Tax stood at ₹(23.31) Lakhs as compared to ₹16.22 Lakhs in previous year.

## **DIVIDEND**

Considering the loss incurred in the current financial year and keeping in view the future fund requirements of the Company, your Directors have not recommended any dividend for the financial year.

## **TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND**

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there are no funds or shares which are required to be transferred to Investor Education and Protection Fund (IEPF). As on 31<sup>st</sup> March, 2021, total unclaimed dividend stood Rs. 81,413/-

## **TRANSFER TO RESERVE**

The Company has not proposed to transfer any amount to the General Reserve.

## **DEPOSITS**

There were no public deposits accepted during the year 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 31<sup>st</sup> March, 2021.

## **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 39<sup>th</sup> AGM for the amendment in the object clause of the Memorandum of Association.

## **SHARE CAPITAL**

During the year, 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 31<sup>st</sup> March, 2021 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 25<sup>th</sup> August, 2020. In continuation to the above decision, subsidiary has disposed off its assets & liabilities and applied for deregistration with appropriate authority. The said application has been accepted on 2<sup>nd</sup> July 2021.

\*\*The Company in its Board meeting dated 12<sup>th</sup> 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. During the year, Panache Innovations DMCC has completed its formalities for liquidation and has been liquidated w.e.f 29<sup>th</sup> December, 2020. Accordingly Panache Innovations DMCC, ceased to be subsidiary of the company during the year.

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](http://www.panachemodera.com).

The Policy for determining material subsidiaries as approved may be accessed on the Company's website at [www.panachemodera.com](http://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 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](http://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 year, 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 year, 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" The new policy has been adopted with effective from 13<sup>th</sup> August, 2021, for regulating the dissemination of Unpublished Price Sensitive Information and trading in securities by Insiders.

The said code is also available on the website of the Company [www.panachemodera.com](http://www.panachemodera.com)

## **BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL**

### **Changes in Directors**

During the year, following change took place in the Board of Directors & Key Managerial Personnel of the Company:

Mr. Prakash Mavji Vichhivora (holding DIN: 03123043) was liable to retire by rotation and being eligible was re-appointed at the 39<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2020.

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

Appointed Mr. Shailesh Premji Gala (holding DIN: 01283286) as Additional Independent Director (Non-Executive), vide circular resolution dated 29<sup>th</sup> May, 2020, up to the date of ensuing Annual General Meeting for a term of 5 years having effect from 29<sup>th</sup> May, 2020 to 28<sup>th</sup> May, 2025 and the same was being approved by the members in 39<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September, 2020.

***During the year 2021-22 (upto the date of signing of report), following changes were made in the Key Managerial Personnel of the Company:***

*Mr. Priyank Sangoi (Membership No.: A50896), resigned from the post of Company Secretary and Compliance Officer of the Company with effect from 26<sup>th</sup> June, 2021. The Board appreciated all the assistance and guidance provided by Mr. Priyank Sangoi during his tenure as Company Secretary and Compliance Officer of the Company.*

*Mr. Vishal Adhav (Membership No.: A65202), is appointed as Company Secretary and Compliance Officer of the Company with effect from 13<sup>th</sup> August, 2021.*

**Director Retiring by Rotation**

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Hetal Vichhivora (holding DIN: 03123060), 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 40<sup>th</sup> 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 was Company Secretary & Compliance Officer

\*Mr. Priyank Sangoi resigned as the Company Secretary and Compliance Officer of the Company with effect from June 26, 2021 and Mr. Vishal Adhav was appointed as the Company Secretary and Compliance Officer of the Company with effect from August 13, 2021.

**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.

During the Financial Year 2020-21, Total 4 (Four) meetings of the Board of Directors of the Company were held on 23<sup>rd</sup> July, 2020, 25<sup>th</sup> August, 2020, 10<sup>th</sup> November, 2020 and 9<sup>th</sup> February, 2021. The details of attendance of each Director at the Board Meetings & 39<sup>th</sup> AGM are given below;

Sr. No.	Name of Director	No. of meetings eligible	No. of Board Meetings attended	Attendance at 39 <sup>th</sup> AGM held on 28 <sup>th</sup> September, 2020
1	Amit Devchand Rambhia	4	4	Yes
2	Prakash Vichhivora	4	4	Yes
3	Hetal Vichhivora	4	4	Yes
4	Meeta Mehta	4	4	Yes
5	Anil Jaychand Dagade	4	4	Yes
6	*Shailesh Premji Gala	4	4	Yes
7	**Gaurav Pratap Singh	-	-	-

\*Mr. Shailesh Premji Gala appointed as an Independent Director w.e.f. 29<sup>th</sup> May, 2021

\*\*Mr. Gaurav Pratap Singh resigned as an Independent Director w.e.f. 31<sup>st</sup> May, 2021

During the year, there was one General Meeting held on 28<sup>th</sup> September, 2020 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, 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. Shailesh Premji Gala	Member
3	Mr. Amit Rambhia	Member
4	Mr. Anil Dagade	Member

5	##Mr. Gaurav Pratap Singh	Member
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#Appointed in Committee w.e.f 29<sup>th</sup> May, 2020

##Resigned from Committee w.e.f 31<sup>st</sup> May, 2020

During the year Total 4 (Four) meetings of the Audit Committee of the Company were held on 23<sup>rd</sup> July, 2020, 25<sup>th</sup> August, 2020, 10<sup>th</sup> November, 2020 and 9<sup>th</sup> February, 2021. 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. Shailesh Gala	4	4
3	Mr. Amit Rambhia	4	4
4	Mr. Anil Dagade	4	4

### Nomination and Remuneration Committee

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

Sr. No.	Name of 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
5	^^Mr. Gaurav Pratap Singh	Member

^Appointed in Committee w.e.f 29<sup>th</sup> May, 2020

^^ Resigned from Committee w.e.f 31<sup>st</sup> May, 2020

During the year, there were 2 (Two) Meetings held on 23<sup>rd</sup> July, 2020 and 25<sup>th</sup> August, 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. Anil Dagade	2	2
2	Mrs. Meeta K. Mehta	2	2
3	Mr. Shailesh Premji Gala	2	2
4	Mr. Amit Rambhia	2	2

### Stakeholders Relationship Committee

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

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. Amit Rambhia	Member
4	Mr. Anil Dagade	Member
5	\$\$Mr. Gaurav Pratap Singh	Chairman

\$Appointed in Committee w.e.f 29<sup>th</sup> May, 2020

\$\$Resigned from Committee w.e.f. 31<sup>st</sup> May, 2020

During the year there was 1 (One) Meeting held on 9<sup>th</sup> February, 2021. The details of attendance of each Member at the Stakeholders' Relationship Committee Meeting are given below;

Sr. No.	Name of the Member	No. of Committee Meetings eligible	No. of Committee Meetings attended
1	Mr. Shailesh Premji Gala	1	1
2	Mrs. Meeta K. 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 2020-21 are given in the table below:

Particulars	No. of Complaints Attended
Opening as on 1 <sup>st</sup> April, 2020	-
Received during the year	-
Resolved during the year	-
Closing as on 31 <sup>st</sup> March, 2021	-

### 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 9<sup>th</sup> February, 2021.

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 9<sup>th</sup> February, 2021 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**

The Company understands that people are its most valuable assets. The Company has developed a continuous learning human resource base to unleash potential and fulfill the aspirations of the employees. The strategic thrust of Human Resource has been on improvement of the performance of employees

through training & development and also to identify outperformers who have the potential for taking higher responsibilities.

During the unprecedented crisis of the COVID-19 pandemic, the Company, keeping in mind the safety and well-being of employees, introduced a remote working policy and also instituted measures to help the emotional well-being of people. Through various online initiatives the Company also focused on capability development of its employees during the pandemic.

During the year, the personal relations with the employees remained cordial in all respects. The total number of employees on the rolls of the Company were 50 as on 31<sup>st</sup> March, 2021. 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 2020-21 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.

The Statement on Impact of Audit Qualifications as provided in Regulation 34(2)(a) of SEBI (LODR) Regulations, 2015 is provided in this Annual Report after the Statutory Auditor’s Report on consolidated Financial Statements for the year ended March 31, 2021.

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 “Eddy and Andy International Limited” and since the Consolidated Financial Statement are based on unaudited Financial Statements of Eddy and Andy International Limited, 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: Operations of the subsidiary has been closed since previous financial year. The company has settled its liabilities and repatriated balance funds to parent company against its investment and has applied for deregistration with appropriate authorities. The Board states that since there were no transactions in Eddy and Andy International Limited 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 2020-21. 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 2020-21. 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 report directly reports to Audit Committee.

#### **Cost Audit**

During the year, Company was exempted from applicability of maintenance of cost records and Cost Audit pursuant to the provisions of Section 148 of the Companies Act, 2013 read with second proviso of Rule 3 of the Companies (Cost Records and Audit) Rules, 2014.

#### **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 Whistle Blower Policy has been posted on the Company's website at [www.panachemodera.com](http://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 2020-21.

The Policy for Sexual Harassment of Women at Workplace has been posted on the Company's website at [www.panachemodera.com](http://www.panachemodera.com).

### **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. 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.

### **Annual Return**

Pursuant to Section 92(3) and Section 134(3)(a) of the Companies Act, 2013, the Company has placed a copy of Annual Return as at March 31, 2021 on its website at <https://www.panachemodera.com/annual.html>. By virtue of amendment to Section 92(3) of the Companies Act, 2013 read with rule 12 of The Companies (Management and Administration) Rules, 2014, the Company is not required to provide extract of Annual Return (Form MGT-9) as part of the Board's report.

### **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](http://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](http://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: 13/08/2021**

**Place: Mumbai**

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**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 73.5047 per USD	INR 73.5047 per USD
5	Share capital	NIL	NIL
6	Reserves & surplus	NIL	NIL
7	Total assets	NIL	NIL
8	Total Liabilities	NIL	NIL
9	Investments	NIL	NIL
10	Turnover	NIL	NIL
11	Profit before taxation	INR (0.66)	NIL
12	Provision for taxation	NIL	NIL
13	Profit after taxation	INR (0.66)	NIL
14	Proposed Dividend	NIL	NIL
15	% of shareholding	100%	100%

None of the subsidiaries of the Company have any active business operations.

a. Eddy and Andy International Limited disposed of all its assets and cleared all its liabilities and repatriated funds to parent company. The subsidiary has applied for deregistration to appropriate authority. On 2<sup>nd</sup> July 2021, the authority has accepted application for deregistration and the subsidiary has been liquidated.

b. Panache Innovations DMCC filed for deregistration with relevant authority and liquidated w.e.f 29<sup>th</sup> December 2020.

#### 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 2020-21

By order of the Board of Directors of  
Panache Innovations Limited

Date: 13/08/2021

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. 2020-21	27.01.2020	NIL	Transaction executed on Arm's length & in Ordinary Course of Business.	92,49,885
2		Purchases		F.Y. 2020-21	27.01.2020			2,15,14,742
3		Services availed		F.Y.2020-21	27.01.2020			3,56,540
4	Modera Electronics	Sales	Prakash Vichhivora & Hetal Vichhivora are Partners.	F.Y. 2020-21	27.01.2020	NIL	Transaction executed on Arm's length & in Ordinary Course of Business.	26,22,146
5		Purchases		F.Y. 2020-21	27.01.2020			1,63,04,208
6		Services availed		F.Y.2020-21	27.01.2020			11,247
7		Services rendered		F.Y. 2020-21	27.01.2020			10,464

By order of the Board of Directors of  
Panache Innovations Limited

Date: 13/08/2021  
Place: Mumbai

\_\_\_\_\_  
Amit Devchand Rambhia  
Chairman  
(DIN: 00165919)

## 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 FY2020-21 and the business outlook for this year:

#### **ECONOMIC OVERVIEW**

##### **Global Economic**

Economic prospects have diverged further across countries since the April 2021 World Economic Outlook (WEO) forecast. Vaccine access has emerged as the principal fault line along which the global recovery splits into two blocs: those that can look forward to further normalization of activity later this year (almost all advanced economies) and those that will still face resurgent infections and rising COVID death tolls. The recovery, however, is not assured even in countries where infections are currently very low so long as the virus circulates elsewhere.

The global economy is projected to grow 6.0 percent in 2021 and 4.9 percent in 2022. The 2021 global forecast is unchanged from the April 2021 WEO, but with offsetting revisions. Prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By

contrast, the forecast for advanced economies is revised up. These revisions reflect pandemic developments and changes in policy support. The 0.5 percentage-point upgrade for 2022 derives largely from the forecast upgrade for advanced economies, particularly the United States, reflecting the anticipated legislation of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group.

Recent price pressures for the most part reflect unusual pandemic-related developments and transitory supply-demand mismatches. Inflation is expected to return to its pre-pandemic ranges in most countries in 2022 once these disturbances work their way through prices, though uncertainty remains high. Elevated inflation is also expected in some emerging market and developing economies, related in part to high food prices. Central banks should generally look through transitory inflation pressures and avoid tightening until there is more clarity on underlying price dynamics. Clear communication from central banks on the outlook for monetary policy will be key to shaping inflation expectations and safeguarding against premature tightening of financial conditions. There is, however, a risk that transitory pressures could become more persistent and central banks may need to take preemptive action.

Risks around the global baseline are to the downside. Slower-than-anticipated vaccine rollout would allow the virus to mutate further. Financial conditions could tighten rapidly, for instance from a reassessment of the monetary policy outlook in advanced economies if inflation expectations increase more rapidly than anticipated. A double hit to emerging market and developing economies from worsening pandemic dynamics and tighter external financial conditions would severely set back their recovery and drag global growth below this outlook's baseline.

Multilateral action has a vital role to play in diminishing divergences and strengthening global prospects. The immediate priority is to deploy vaccines equitably worldwide. A \$50 billion IMF staff proposal, jointly endorsed by the World Health Organization, World Trade Organization, and World Bank, provides clear targets and pragmatic actions at a feasible cost to end the pandemic. Financially constrained economies also need unimpeded access to international liquidity. The proposed \$650 billion General Allocation of Special Drawing Rights at the IMF is set to boost reserve assets of all economies and help ease liquidity constraints. Countries also need to redouble collective efforts to reduce greenhouse gas emissions. These multilateral actions can be reinforced by national-level policies tailored to the stage of the crisis that help catalyze a sustainable, inclusive recovery. Concerted, well-directed policies can make the difference between a future of durable recoveries for all economies or one with widening fault lines—as many struggles with the health crisis while a handful see conditions normalize, albeit with the constant threat of renewed flare-ups.

(source: <https://www.imf.org>)

### **India Economic Outlook-**

The deadly COVID-19 second wave has delayed India's recovery, but what is worrying is the sluggish consumer spending due to pandemic-related concerns. The country needs effective policies to address risks that weigh on consumer confidence and thereby, boost spending.

The economy was gradually turning towards recovery early this year until the much more severe second COVID-19 wave hit India in April. The comforting news is that improving business sentiments, coupled with a strong recovery among industrial nations, propelled growth in the January–March quarter of FY2020–21

What, however, emerged as a worrying trend (from the GDP numbers) is that traction in consumption spending seemed restrained, highlighting spending hesitancy due to health and financial anxieties

### **YoY real GDP expansion forecast at deceptively high 20.0% in Q1 FY2022:**

Following the second wave of Covid-19 and the restrictions in place during much of April-May 2021, we have pared our estimates of the GDP and GVA growth for Q1 FY2022. We now project the GVA growth in Q1 FY2022 at 17.0%, led by healthy exports, Government capital spending and resilient farm sector demand. Given the sharp rise in the indirect taxes, we anticipate that the NSO may peg the GDP expansion at a relatively higher 20% for Q1 FY2022. Nevertheless, the double-digit expansion expected in YoY terms in Q1 FY2022 is deceptively high, as it benefits inordinately from last year's contracted base. We forecast the GVA and the GDP to have shrunk by around 9% each in Q1 FY2022, relative to the pre-Covid level of Q1 FY2020, highlighting the tangible distress being experienced by economic agents in the less formal and contact-intensive sectors.

### **Real GDP to grow by 8.5% in FY2022; acceleration in vaccine administration could provide a back-ended upside:**

With the easing of the state-wise restrictions, especially across the southern states, the roots of the economic recovery deepened in July 2021, as evidenced by a slew of high frequency indicators. Globally, the spread of the Delta variant has renewed uncertainty about the sustainability of demand and arrested the rise in commodity prices. We expect the Indian GDP to grow by 8.5% in FY2022, with faster vaccine coverage to provide a back-ended upside, affording a 9.5% expansion this year. However, vaccination coverage in India remains relatively low at 32% of adults. To administer the second Covid-19 vaccine shots to 50% of the adults by December 2021, average daily doses need to be scaled up to 6.3 million from the current 5.1 million.

### **CPI Inflation projected at 5.5-5.7% in FY2022, closer to the MPC's upper limit of medium-term target range:**

The CPI inflation is expected to remain sticky in the range of 5-6% during Q2- Q4 FY2022, and average 5.5-5.7% in FY2022. We anticipate that the MPC will embark on policy normalization once domestic demand strengthens and starts dominating inflationary pressures, in place of supply-side issues. We foresee a change in the stance to neutral from accommodative in the February 2022 Policy review, followed by a hike in the repo rate of 25 bps each in the April 2022 and June 2022 meetings. Once the lift-off starts, we believe that the MPC will stagger rate increases over a period, instead of immediately trying to push real interest rates back into the positive territory.

### **Current account balance to revert to a deficit of 0.7% of GDP in FY2022:**

In the base case, ICRA expects merchandise exports and imports to rise by ~38% and ~43%, respectively, in FY2022 to ~US\$405-410 billion, and US\$565-570 billion, respectively. As a result, the merchandise trade deficit is expected to widen to ~US\$157-162 billion in FY2022. While the Government's PLI scheme will help in enhancing exports in some sectors, a spike in cases resulting from the Delta plus variant poses a substantial risk to our forecasts. The global economic recovery is expected to boost the secondary income by 6-7% and the services trade surplus by ~8% in FY2022, whereas the outflow of primary income may remain flattish, relative to FY2021. ICRA expects India's current account balance to revert to a deficit of US\$20-25 billion (-0.7% of GDP) in FY2022, from the surplus of US\$24.0 billion (+0.9% of GDP) in FY2021.

### **Gol's fiscal deficit to overshoot FY2022 BE:**

As per our estimates, the FY2022 BE for gross tax revenues of Rs. 22.2 trillion can be achieved, even with a 4% contraction in the remainder of FY2022, which appears unlikely despite the lingering uncertainty on the growth front. Moreover, the transfer of surplus by the RBI in FY2022 has been higher than budgeted by ~Rs. 0.5 trillion. Additionally, modest inflows may be garnered under the newly announced NMP. This provides a cushion to absorb the net cash outgo of Rs. 236.7 billion under the First Supplementary Demand for grants and the anticipated step up in fertiliser subsidy for the rabi season of Rs. 100-150 billion. However, with low receipts so far, it is likely that the disinvestment target of Rs. 1.75 trillion will be missed by a considerable margin, causing the Gol's fiscal deficit to overshoot the FY2022 BE.

Moreover, if other major fiscal stimulus measures are announced, and the outlay for vaccine procurement is raised above the budgeted Rs. 350 billion, it could cause the fiscal deficit to widen. At present, we estimate the Govt's fiscal deficit for FY2022 at Rs. 16.0 trillion or 7.0% of GDP, overshooting the budgeted amount of Rs. 15.1 trillion.

**(Source – ICRA Research)**

### **Telecommunication Industry :-**

The Telecommunications industry is divided into following subsectors: Infrastructure, Equipment, Mobile Virtual Network Operators (MNVO), White Space Spectrum, 5G, Telephone service providers and Broadband.

As per GSMA, India is on its way to becoming the second-largest smartphone market globally by 2025 with around 1 billion installed devices and is expected to have 920 million unique mobile subscribers by 2025 which will include 88 million 5G connections.

Over the last thirteen years, the Indian Telecom Tower industry has seen a significant growth. An average of 29,000 new towers have been built per year.

It is also estimated that 5G technology will contribute approximately \$450 billion to the Indian Economy in the period of 2023-2040.

Currently, 5G Spectrum Trials are being conducted in India to ensure proliferation of 5G technology across the country.

The DoT is targeting a combination of 100% broadband connectivity in the villages, 55% fiberisation of mobile towers, average broadband speeds of 25 mbps and 30 lakh kms of optic fibre rollouts by December 2022. By December 2024, it is looking at 70% fiberisation of towers, average broadband speeds of 50 Mbps and 50 lakh kms of optic fibre rollouts at a pan-India level.

### **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 Rs. 12,195 crore (US\$ 1.65 billion) production-linked incentive (PLI) scheme for telecom is expected to bring in investment of around Rs. 3,000 crore (US\$ 400.08 million) and generate huge direct and indirect employment.
- In April 2021, the government pointed out that firms such as Ericsson and Nokia are now eager to expand their operations in India, and global companies like Samsung, Cisco, Ciena and Foxconn have expressed interest to set up their manufacturing base in the country for telecom and networking products.
- In March 2021, TEPC (Telecom Equipment Export Promotion Council) organised India Telecom 2021—a platform for convergence of technologies and business exchange.
- The Union Cabinet approved Rs. 12,195 crore (US\$ 1.65 billion) production-linked incentive (PLI) scheme for telecom & networking products under the Department of Telecom.
- Under Union Budget 2021-22, the government allocated Rs. 14,200 crore (US\$ 1.9 billion) for telecom infrastructure that entails completion of optical fibre cable-based network for Defence

services, rolling out broadband in 2.2 lakh panchayats and improving mobile services in the North East.

- In December 2020, the Union Cabinet, chaired by the Prime Minister, Mr. Narendra Modi, approved a proposal by Department of Telecommunications for setting up of Public Wi-Fi Networks by Public Data Office Aggregators (PDOAs) to provide public Wi-Fi services through Public Data Offices (PDOs).
- In March 2020, the government approved the Production Incentive Scheme (PLI) for Large-scale Electronics Manufacturing. The scheme proposes production-linked incentive to boost domestic manufacturing and attract large investments in mobile phone manufacturing and specified electronic components including Assembly, Testing, Marking and Packaging (ATMP) units.
- FDI cap in the telecom sector has been increased to 100% from 74%; out of 100%, 49% will be done through the automatic route and the rest will be done through the FIPB approval route. FDI of up to 100% is permitted for infrastructure providers offering dark fibre, electronic mail and voice mail.

### **Road Ahead**

- Revenue from the telecom equipment sector is expected to grow to US\$ 26.38 billion by 2020. The number of internet subscribers in the country is expected to double by 2021 to 829 million and overall IP traffic is expected to grow four-fold at a CAGR of 30% by 2021.
- According to a Zenith Media survey, India is expected to become the fastest-growing telecom advertisement market, with an annual growth rate of 11% between 2020 and 2023.
- The Indian Government is planning to develop 100 smart city projects, and IoT will play a vital role in developing these cities. The National Digital Communications Policy 2018 envisaged attracting investment worth US\$ 100 billion in the telecommunications sector by 2022. App downloads in India is expected to increase to 18.11 billion in 2018F and 37.21 billion in 2022F.

(source - 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 1<sup>st</sup> 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 year ended 31<sup>st</sup> March, 2021 has been affected significantly.

**The Standalone performance of the Company for the financial year ended March 31, 2021 is as follows:**

Total revenue from operations stood at Rs. 982.88 lakhs for the year ended March 31, 2021 as against Rs. 1512.43 lakhs for the corresponding previous period, an decrease of 35.01%.

The cost of Raw Materials for the financial year ended March 31, 2021 were Rs 775.28 lakhs as against Rs 1281.89 lakhs for the corresponding previous period, a decrease of 39.52%.

The Employee expenses for the financial year ended March 31, 2021 were Rs. 119.15 lakhs as against Rs.137.43 lakhs for the corresponding previous period, a decrease of 13.30%.



The other expenses for the financial year ended March 31, 2021 were Rs. 105.68 lakhs as against Rs 110.18 lakhs for the corresponding previous period, a decrease of 3.27%.

The EBIDTA (earnings before interest, depreciation and tax excluding other income) was Rs. (17.23) lakhs for the year ended March 31, 2021 as against Rs. (17.09) lakhs for the corresponding previous period, a decrease of 0.88%.

The depreciation for the financial year ended March 31, 2021 was Rs. 2.35 lakhs, as against Rs. 2.08 lakhs for the corresponding previous period, an increase of 12.98%.

The EBIT (earnings before interest and tax) was Rs. 7.82 lakhs for the year ended March 31, 2021 as against Rs. 7.81 lakhs for the corresponding previous period with a nominal change.

The PAT (profit after tax) at Rs. (10.20) lakhs for the year ended March 31, 2021 as against Rs. 3.97 lakhs for the corresponding previous period, a decrease by 356.93%.

The interest for the financial year ended March 31, 2021 was Rs. 22.43 lakhs as against 5.90 lakhs for the corresponding previous period, a increase of 280.17%

The EPS (Earning Per Share) for the financial year ended March 31, 2021 was Rs. (0.23) for a face value of Rs 10 per share, as against Rs. 0.09 for the corresponding previous period.

**The Consolidated performance of the Company for the financial year ended March 31<sup>st</sup>, 2021 is as follows:**

Total revenue from operations stood at Rs. 982.88 lakhs for the year ended March 31, 2021 as against Rs. 1512.43 lakhs for the corresponding previous period, a decrease of 35.01%.

The cost of Raw Materials for the financial year ended March 31, 2021 were Rs 775.28 lakhs as against Rs 1281.88 lakhs for the corresponding previous period, a decrease of 39.52%.

The Employee expenses for the financial year ended March 31, 2021 were Rs. 119.15 lakhs as against Rs. 137.43 lakhs for the corresponding previous period, a decrease of 13.30%.

The other expenses for the financial year ended March 31, 2021 were Rs. 103.55 lakhs as against Rs 99.10 lakhs for the corresponding previous period, an increase of 4.49%.

The EBIDTA (earnings before interest, depreciation and tax excluding other income) was Rs. (15.76) lakhs for the year ended March 31, 2021 as against Rs. (6.00) lakhs for the corresponding previous period, an increase in loss by 162.67%.

The depreciation for the financial year ended March 31, 2021 was Rs. 2.35 lakhs, as against Rs. 2.08 lakhs for the corresponding previous period, an increase of 12.98%.

The EBIT (earnings before interest and tax) were Rs. (5.29) lakhs for the year ended March 31, 2021, as against Rs. 20.07 lakhs for the corresponding previous period, an decrease of 126.36%.

The PAT (profit after tax) were Rs. (23.31) lakhs for the year ended March 31, 2021, as against Rs. 16.22 lakhs for the corresponding previous period, an decrease in profits by (243.71)%.

The interest for the financial year ended March 31, 2021 was Rs. 22.43 lakhs as against Rs. 5.90 lakhs for the corresponding previous period, a increase of 280.17%

The EPS (Earning Per Share) for the financial year ended March 31, 2021 was Rs. (0.53) for a face value of Rs 10 per share, as against Rs. 0.37 for the corresponding previous period.

### **RESOURCES AND LIQUIDITY**

As on March 31, 2021, the standalone net worth stood at Rs. 333.75 lakhs and the standalone debt was at Rs. 238.14 lakhs.

The cash and cash equivalents at the end of March 31, 2021 were Rs. 1.28 lakhs.

The total debt to equity ratio of the Company stood at 0.71 as on March 31<sup>st</sup>, 2021.

### **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 multi-product distribution such as Telecom Products, IT Products & Accessories, LED Lighting Products, Batteries, Power Banks, Audio Products, Torches/Flashlights, Electrical Products Phones & facilitating Project based Services, AMC of Large Corporates, CCTV Surveillance etc.

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.

In the geographies that we have been operating in, we have been able to leverage our customer successes and establish ourselves as a credible alternate supplier, who can be trusted as a long-term partner. Company will continue to focus on increasing our wallet-share from our existing customers, by positioning a larger portfolio of our products and acquiring new customer wins.

### **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:

- ❖ Launch of “Panache” Brand in Telephone Category i.e., Corded Phone, Fixed Wireless phone.
- ❖ New Vertical opening focusing on Project based Services, AMC of Large Corporates, CCTV Surveillance etc. This will not only help to Annual turnover company significantly but also it will help to increase company’s profitability in coming years.
- ❖ Addition of New product launch Rechargeable Led Lantern, 9W Speaker Bulb in FMCG goods product category to acquire additional set of customers through existing distribution network.

### **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 50 as on 31<sup>st</sup> March 2021. 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 fueling 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 2021-22. The Company is also looking forward to expanding its business in LED Lighting by introductions of Panel Lights, Down Lights, Streetlights & Digital Signage The Company having its plan to focused on OEM business product like LED Lighting, Flashlight's category. The company has outlook to explore and search for opportunities in Project based Services, AMC of Large Corporates, CCTV Surveillance which will be introduced as growth center for FY. 2021-22.

At the outset, Company continue to focus on increasing our wallet-share from our existing customers, by positioning a larger portfolio of our products and acquiring new customer wins. 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.

<b>Financial Ratio</b>	<b>2019-20</b>	<b>2020-21</b>	<b>Change (%)</b>	<b>Reason for change</b>
Operating Profit Margin	15.24%	21.12%	38.57%	The year under consideration, the company branched out its operation to service, thereby increasing the margins.
Net Profit Margin	0.26%	(1.04) %	(495.68)%	Since the country was under was under lockdown, operations of the company was impacted significantly for initial months. Though the operating margins were improved, but the company was not able to scale the operations thus affecting its net profit margins.
Interest Coverage Ratio	0.36	2.28	(84.30)%	Since the country was under was under lockdown, operations of the company was impacted significantly for initial months, affecting earnings during the year.
Return on Net Worth	1.16%	(3.06)%	(363.53)%	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 31<sup>st</sup> March, 2021**

*[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 31<sup>st</sup> March, 2021, 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 31<sup>st</sup> March, 2021 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.

I further report that during the year under review, the members of the Company had approved the alteration in Object clause of Memorandum of Association at the 39<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> September 2020.

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

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

**Place: Mumbai  
Date: 13<sup>th</sup> August 2021  
ICSI UDIN: F005418C000745630**

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

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.
7. Due to the pandemic caused by Covid-19 and prevailing lockdowns/restrictions on movement of people imposed by the Government, for the purpose of issuing this report, we have conducted our audit remotely based on the records and information made available to us by the Company electronically.

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

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

**Place: Mumbai**  
**Date: 13<sup>th</sup> August 2021**  
**ICSI UDIN: F005418C000745630**



## 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 31<sup>st</sup> March, 2021

### 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)-	NIL
	(a) the details of technology imported	
	(b) the year of import;	
	(c) whether the technology has been fully absorbed	
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
(iv)	the expenditure incurred on Research and Development	During the year under review, the Company has not undertaken Research and Development activity.

### C. Foreign exchange earnings and Outgo

(Rs. In Lacs)

Particulars	2020-21	2019-20
Foreign Exchange Earned	Nil	2.23
Outgo of Foreign Exchange	108.73	134.45

By order of the Board of Directors of  
Panache Innovations Limited

Date: 13/08/2021

Place: Mumbai

\_\_\_\_\_  
Amit Devchand Rambhia  
Chairman  
DIN: 00165919

## Annexure VI to Directors Report

### DETAILS OF DIRECTORS AND EMPLOYEE REMUNERATION

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

Sr. No.	Particulars	Details
1	The ratio of the remuneration of each director to the median employees of the Company for the financial year	<ul style="list-style-type: none"><li>➤ Mr. Prakash Vichhivora – 5.38x</li><li>➤ Mr. Hetal Vichhivora – 5.38x</li><li>➤ Mr. Amit Rambhia has not drawn any remuneration during the year.</li></ul>
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"><li>➤ Prakash Vichhivora, Managing Director - Not increased</li><li>➤ Hetal Vichhivora, WTD &amp; CFO - Not increased</li><li>➤ Amit Rambhia, Director - Not increased</li><li>➤ Priyank Sangoi, Company Secretary - Not Increased.</li></ul>
3	The percentage increase in the median remuneration of employees in the financial year	There has been 15.48% decrease in the median remuneration of employees in the financial year.
4	The number of permanent employees on the rolls of company	As on 31 <sup>st</sup> March, 2021, there were 50 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"><li>➤ Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year – (0.1)</li><li>➤ Average percentile increase already made in the salaries of the managerial personnel in the last financial year – NIL.</li><li>➤ There is no increase in the managerial remuneration.</li></ul>
6	Remuneration is as per the remuneration policy of the company.	It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.

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

Date: 13/08/2021

Place: Mumbai

\_\_\_\_\_  
Amit Devchand Rambhia

Chairman

DIN: 00165919

# STANDALONE FINANCIAL STATEMENTS

# Independent Auditor's Report

To,  
The Shareholders of  
Panache Innovations Limited,  
2<sup>nd</sup> 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, 2021, 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 31<sup>st</sup> March 2021, 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
<b>Applicability of Ind AS 116 Leases</b>	
As described in Note-1(14) to the Standalone financial statements, the company has applied Ind AS 116 Leases in the current year. The application to this accounting standard is complex and is an area of focus in	Our audit procedures on Applicability of Ind AS 116 include: <ul style="list-style-type: none"><li>Assessed and tested new processes and controls established by the management in identifying lease arrangements with respect to</li></ul>

<p>our audit since application of the same is based on a significant level of judgments and estimates including the determination of discount rates and lease term.</p> <p>As per Ind AS 116, In case of Finance Lease, lessee is 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>Moreover, as per Ind AS 116, short term or low value lease is to be classified as operating lease.</p> <p>Additionally, the standard mandates detailed disclosures in respect of transition. Refer to Note No.1(14) and Note No.38 of the Standalone Ind AS Financial Statements</p>	<p>accounting standard (Ind AS 116);</p> <ul style="list-style-type: none"> <li>• Assessed the company's evaluation on identification of leases based on the contractual arrangements and our knowledge of business;</li> <li>• Assessed the key terms and conditions of each lease with the underlying lease contracts; and</li> <li>• 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.</li> </ul>
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### Emphasis of Matters

1. Panache Innovations DMCC (Dubai) (one of the Subsidiary of the company) has been dissolved w.e.f. 29.12.2020 vide order of DMCC Authority (Dubai-U.A.E.) dated. 10.05.2021. The company has settled its Investments of Rs 8,86,226/- against the share capital contribution payable to the subsidiary of Rs. 10,27,133/- and balance amount of Rs. 1,40,907/- has been recorded as income in the statement of Profit & Loss. Provision of expected credit loss against reimbursement of expenses to the subsidiary of Rs 12,44,712/- created in the previous year has been settled against the corresponding receivable. Our opinion is not modified in this matter.
2. The company has applied for deregistration of "Eddy and Andy International Limited (Hong Kong)" (another subsidiary of the company) to the Company Registry, Hong Kong on 28.01.2021 for closure of subsidiary. Cancellation of registration has not received till the date of this report. The company has repatriated share capital with accumulated reserves of Rs. 1,59,710/- (\$ 2197.79) against its investment of Rs. 87,200/-. The Gain Rs. 72,510/- has been recorded as income in the statement of Profit & Loss. Our opinion is not modified in this matter also.

### 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 31<sup>st</sup> March 2021, and taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March 2021, 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 : 28<sup>th</sup> June 2021**  
**UDIN: 21044039AAAABX6241**

**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 of the Act.  
In respect of grant of loans, making investments and providing guarantees and securities during the year as referred in Section 186 of the Companies Act, 2013, the company has failed to comply with this provision of the Act, as:
- 1) Any prior approval from Banks / Public Financial Institution viz. Canara Bank is not on the record.
  - 2) During the year, the Company has written off Interest Income receivable as a result of loan given to other persons in previous years, thus failing to comply with provisions of sub-section (7) of section 186 of the Act.
- (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 disputed amounts payable in respect of such statutory dues were outstanding, as on 31<sup>st</sup> March, 2021.



- (vii) 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 : 28<sup>th</sup> June 2021**  
**UDIN : 21044039AAAABX6241**

**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 31<sup>st</sup> March 2021 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 31<sup>st</sup> March 2021, 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 : 28<sup>th</sup> June 2021  
UDIN : 21044039AAAABX6241***

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

# STANDALONE BALANCE SHEET

(All amounts in INR)

Sr. No.	PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
<b>I. ASSETS</b>				
<b>1 NON-CURRENT ASSETS</b>				
	( a ) Property, Plant & Equipments ...	2	15,93,982	4,91,440
	( b ) Capital Work-In-Progress ...		0	0
	( c ) Investment Properties ...		0	0
	( d ) Goodwill ...		0	0
	( e ) Other Intangible Assets ...	3	10,541	14,366
	( f ) Intangible Assets Under Development ...		0	0
	( g ) Biological Assets Other than Bearer Plants ...		0	0
	( h ) <u>Financial Assets</u>			
	( i ) Investments ...	4	0	9,73,426
	( ii ) Loans & Deposits ...	5	1,74,554	1,60,554
	( iii ) Trade Receivables ...		0	0
	( iv ) Other Financial Assets ...	6	5,000	5,000
	( i ) Deferred Tax Assets (Net) ...	7	10,63,718	6,99,306
	( j ) Other Non-Current Assets ...		0	0
<b>2 CURRENT ASSETS</b>				
	( a ) Inventories ...	8	2,64,58,785	2,23,71,739
	( b ) <u>Financial Assets</u>			
	( i ) Investments ...		0	0
	( ii ) Trade Receivables ...	9	4,53,57,485	6,60,70,399
	( iii ) Cash and Cash Equivalents ...	10	46,487	4,33,668
	( iv ) Bank Balances other than Cash & Cash Equivalents ...	11	81,463	81,463
	( v ) Loans & Deposits ...	12	3,28,31,094	3,30,84,829
	( vi ) Other Financial Assets ...		0	0
	( c ) Other Current Assets ...	13	1,05,47,466	84,05,851
	( d ) Current Tax Assets ...	14	2,19,179	0
<b>TOTAL ASSETS</b>			<b>11,83,89,754</b>	<b>13,27,92,041</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 EQUITY</b>				
	( a ) Equity Share Capital ...	15	4,39,00,000	4,39,00,000
	( b ) Other Equity ...	16	(1,05,24,780)	(96,95,999)
<b>2 LIABILITIES</b>				
<b>A Non-Current Liabilities</b>				
	( a ) <u>Financial Liabilities</u>			
	( i ) Borrowings ...	17	26,28,458	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 ...	18	5,07,889	3,06,332
	( c ) Deferred Tax Liabilities(Net) ...		0	0
	( d ) Other Non-Current Liabilities ...		0	0

<b>B Current Liabilities</b>					
(a) <u>Financial Liabilities</u>					
(i)	Borrowings	...	19	2,11,85,891	1,96,16,343
(ii)	<u>Trade Payables</u>	...	20		
	(a) <i>total outstanding dues of micro enterprises and small enterprises</i>			92,65,235	2,52,59,658
	(b) <i>total outstanding dues to other than micro and small enterprises</i>			4,80,09,386	4,84,21,940
(iii)	Other Financial Liabilities	...		0	0
(b)	Other Current Liabilities	...	21	31,60,030	43,40,830
(c)	Provisions	...	22	2,57,645	4,67,077
(d)	Current Tax Liabilities(Net)	...	23	0	1,75,860
<b>TOTAL EQUITY &amp; LIABILITIES</b>				<b>11,83,89,754</b>	<b>13,27,92,041</b>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS</b>				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:- 03123060

PLACE: MUMBAI  
DATED: 28/06/2021  
UDIN: 21044039AAAABX6241

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

PLACE: MUMBAI  
DATED: 28/06/2021

## STATEMENT OF PROFIT & LOSS

(All amounts in INR)

Sr. No.	PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
<b>A. CONTINUING OPERATIONS</b>				
<b>I. REVENUE</b>				
	Revenue From Operations	...	9,82,88,077	15,12,42,676
	Other Income	...	25,27,560	30,55,793
<b>TOTAL INCOME</b>			10,08,15,638	15,42,98,469
<b>II. EXPENSES</b>				
	Cost of Goods Purchased	...	8,16,15,424	15,05,60,935
	Changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods	...	(40,87,046)	(2,23,71,739)
	Employee Benefit Expenses	...	1,19,14,846	1,37,43,440
	Finance Costs	...	22,42,728	5,89,856
	Depreciation and Amortisation Expenses	...	2,35,358	2,07,557
	Other Expenses	...	1,05,68,416	1,10,18,645
<b>TOTAL EXPENSES</b>			10,24,89,727	15,37,48,694
<b>III. Profit/(Loss) Before Exceptional items &amp; Tax</b>			(16,74,089)	5,49,775
	Exceptional Items	...	2,13,417	(3,58,333)
<b>IV. Profit/(Loss) Before Tax From Continuing Operations</b>			(14,60,672)	1,91,442
	<u>Income Tax Expense</u>	...		
	Current Tax	...	(1,63,802)	2,73,474
	Deferred Tax	...	(2,76,708)	(4,78,761)
<b>A. PROFIT FROM CONTINUING OPERATIONS</b>			(10,20,162)	3,96,729
<b>B. OTHER COMPREHENSIVE INCOME</b>				
<b>I. Items that will not be reclassified to Profit or Loss A/c</b>				
	Income Tax Relating to items that will not be reclassified to Profit or Loss A/c	...	87,704	1,61,487
<b>II. Items that will be reclassified to Profit or Loss A/c</b>				
	Income Tax Relating to items that will be reclassified to Profit or Loss A/c	...	0	0
<b>B. OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>			1,91,381	(9,00,618)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD [A+B]</b>			(8,28,781)	(5,03,889)
<b>EARNINGS PER SHARE</b>				
	Basic EPS	...	(0.23)	0.09
	Diluted EPS	...	(0.23)	0.09

AS PER OUR REPORT OF EVEN DATE  
FOR JAIN SALIA & ASSOCIATES  
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FOR AND ON BEHALF OF BOARD OF DIRECTORS  
PANACHE INNOVATIONS LIMITED

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DATED: 28/06/2021

## STATEMENT OF CHANGES IN EQUITY

### (a) EQUITY SHARE CAPITAL

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

Balance as at 01st April 2020	Changes in Equity Share Capital During FY 2020-21	Balance as at 31st March 2021
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 2019	-	-	-	45,83,462	(1,28,59,377)	-	(82,75,915)
Change in accounting Policy & Prior Period errors restated balance at the beginning of the reporting period.	-	-	-	-	-	-	-
Profit/Loss for the Year	-	-	-	3,96,729	-	-	3,96,729
Other Comprehensive Income for the Year	-	-	-	-	(9,00,618)	-	(9,00,618)
Dividends	-	-	-	(7,59,975)	-	-	(7,59,975)
Dividend Distribution Tax	-	-	-	(1,56,220)	-	-	(1,56,220)
Transfer to Reserves	-	-	-	-	-	-	-
Any Other Change (to be Specified)	-	-	-	-	-	-	-
<b>Balance as at 31st March 2020</b>	-	-	-	<b>40,63,996</b>	<b>(1,37,59,995)</b>	-	<b>(96,95,999)</b>
Change in accounting Policy & Prior Period errors restated balance at the beginning of the reporting period.	-	-	-	-	-	-	-
Profit/Loss for the Year	-	-	-	(10,20,162)	-	-	(10,20,162)
Other Comprehensive Income for the Year	-	-	-	-	1,91,381	-	1,91,381
Dividends	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-
Any Other Change (to be Specified)	-	-	-	-	-	-	-
<b>Balance as at 31st March 2021</b>	-	-	-	<b>30,43,834</b>	<b>(1,35,68,614)</b>	-	<b>(1,05,24,780)</b>

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

PLACE: MUMBAI  
DATED: 28/06/2021  
UDIN: 21044039AAAABX6241

PLACE: MUMBAI  
DATED: 28/06/2021

## CASH FLOW STATEMENT

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net Profit Before Tax as per Profit & Loss A/c	(14,60,672)	1,91,442
<u>Adjustments for Non-cash Items</u>		
Depreciation on Fixed Assets	2,35,358	2,07,557
Exchange Rate Fluctuation (Gain)/loss	1,22,057	-
Expected Credit Loss	1,71,958	12,44,711
Loss on sale of Intangible Asset	-	3,58,333
Provision for Gratuity	3,22,907	3,10,491
	<u>8,52,280</u>	<u>21,21,092</u>
	(6,08,392)	23,12,534
<u>Adjustments for Non-Operating Items</u>		
Interest Charges	21,82,728	5,69,856
Interest Income	(21,81,190)	(27,71,588)
Processing Fees	60,000	20,000
Gain on Disposal of Subsidiary	(72,510)	-
Gain on Dissolution of Subsidiary	(1,40,907)	-
Profit on Sale of Fixed Asset	(1,085)	-
	<u>(1,52,964)</u>	<u>(21,81,732)</u>
Operating Profit before Working Capital Changes	(7,61,356)	1,30,802
<u>Adjusted for Change in Working Capital:</u>		
Inventories	(40,87,045)	(2,23,71,738)
Trade Receivable	2,04,18,899	(2,68,14,594)
Other Current Assets	(21,41,615)	(10,24,763)
Other Non-Current Financial Assets	-	23,000
Trade Payable	(1,64,06,976)	3,62,25,508
Provisions	(2,27,106)	1,68,196
Other Current Liability	(1,53,667)	32,65,453
	<u>(25,97,511)</u>	<u>(1,05,28,938)</u>
Cash Generated from Operations	(33,58,867)	(1,03,98,136)
Taxes Paid	(2,31,237)	(2,77,849)
Net Cash Flow from Operations (A)	<u>(35,90,104)</u>	<u>(1,06,75,985)</u>
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
<u>Cash Inflow</u>		
Interest Income	21,81,190	27,71,588
Sale of Fixed Asset	3,250	-
Sale of Intangible Assets	-	50,000
Loan Repaid by Parties	2,53,735	-
Sale of Investments	1,59,710	-
	<u>25,97,885</u>	<u>28,21,588</u>
<u>Cash Outflow</u>		
Purchase of Property Plant & Equipment	13,23,240	5,71,431
Purchase of Other Intangible Assets	13,000	17,400
Loans Given	14,000	93,19,684
	<u>(13,50,240)</u>	<u>(99,08,515)</u>
Net Cash Flow from Investing Activities (B)	<u>12,47,645</u>	<u>(70,86,927)</u>
<b><u>CASH FLOW FROM FINANCING ACTIVITIES</u></b>		
<u>Cash Inflow</u>		
Borrowings Taken	26,53,612	10,00,000
<u>Cash Outflow</u>		
Dividend Distributed	-	7,59,975
Dividend Distribution Tax	-	1,56,220
Interest Charges	21,82,729	5,69,856
Processing Fees	60,000	20,000
	<u>(22,42,729)</u>	<u>(15,06,051)</u>
Net Cash Flow from Financing Activities (C)	<u>4,10,883</u>	<u>(5,06,051)</u>



PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
<b>CASH FLOW FROM ALL ACTIVITIES (A+B+C)</b>	(19,31,575)	(1,82,68,964)
<u>Cash and Cash Equivalents at the Beginning of the year</u>		
Cash in Hand	28,405	38,305
Balance in Bank	(1,81,29,617)	1,29,447
Cash and Cash Equivalents at the end of the year	(2,00,32,787)	(1,81,01,212)
<u>Closing Balance as per accounts</u>		
Cash in Hand	43,158	28,405
Balance in Bank	(2,00,75,945)	(1,81,29,617)
	(2,00,32,787)	(1,81,01,212)

**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.

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Cash balance Disclosed under Cash and Cash Equivalents - Note No. 10	43,158	28,405
<u>Balances With Bank</u>		
Current Deposits with Bank Disclosed under Cash and Cash Equivalents - Note No. 10	3,329	4,05,263
Unclaimed Dividend Bank Accounts Disclosed in Note No. 11	81,463	81,463
Cash Credit with Bank Disclosed under Current Financial Liabilities - Note No. 19	(2,01,60,737)	(1,86,16,343)
Cash & Cash Equivalents for the purpose of Cash Flows	(2,00,32,787)	(1,81,01,212)

**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 2021	AS AT 31ST MARCH 2020
Cash and Cash Equivalents	46,487	4,33,668
Borrowings (including overdraft)	(2,38,14,349)	(1,96,16,343)
<b>Net Debt</b>	<b>(2,37,67,863)</b>	<b>(1,91,82,675)</b>
Cash and liquid investments	46,487	4,33,668
Gross debts- fixed interest rates	(35,03,458)	-
Gross debts- variable interest rates	(2,03,10,891)	(1,96,16,343)
<b>Net Debt</b>	<b>(2,37,67,863)</b>	<b>(1,91,82,675)</b>

**Changes in Liabilities Arising from Financing Activities**

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Opening Balance	10,54,000	-
Changes from Financing Cash Flows	26,18,449	10,00,000
Interest Accrued	2,42,041	54,000
<b>Closing Balance</b>	<b>39,14,490</b>	<b>10,54,000</b>

Amounts reported in the statement of cash flow under financing activities

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Proceeds from Non-current Borrowings	35,00,000	-
(Repayment) of Non-current Borrowings	(10,54,000)	-
(Repayment) / Proceeds from current Borrowings	1,50,154	10,54,000
<b>Net Movement in Financing Activities</b>	<b>25,96,154</b>	<b>10,54,000</b>

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

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
PANACHE INNOVATIONS LIMITED

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DATED: 28/06/2021

# Notes to Financial Statement

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 2021**

#### 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, 2021, the Statement of Profit and Loss for the year ended 31 March 2021, the Statement of Cash Flows for the year ended 31 March 2021 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 28th June, 2021.

#### 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 :

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

3.2 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.

3.3 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

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.

Interest income is recognised using the effective interest method.

#### 14 Leases

As per Ind AS 116, 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. Operating lease expenses are charged to the statement of Profit & Loss. The standard also contains enhanced disclosure requirements for lessees.

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, 2021 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 Consumer Electronic & Electrical Goods & IT Hardware & its peripherals and Sanitary products. Day to day Quantitative Stock Records have been maintained properly.
- 4 All the Directors have drawn remuneration for the Accounting Year 2021-21 aggregating to Rs.18,00,000/-

#### **C Recent Accounting Pronouncements**

##### 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 37 – Provisions, Contingent Liabilities & Contingent Assets
- 4) Ind AS 107 & Ind AS 109 - Financial Instruments
- 5) Ind AS 116 - Leases
- 6) Ind AS 10 - Events after the Reporting Date

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 2021 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
	01.04.20	(sales / W/off)		31.03.21	01.04.20			31.03.21	01.04.20	31.03.21
Furniture & Fixtures :										
Furniture & Fixtures	36,689	23,927	-	60,616	28,179	4,150	-	32,329	8,510	28,287
Plant & Machinery :										
Air Conditioner	24,211	-	-	24,211	2,261	2,875	-	5,136	21,950	19,075
Plant & Machinery	30,758	-	-	30,758	1,244	1,948	-	3,192	29,514	27,566
Mould	-	8,81,000	-	8,81,000	-	42,147	-	42,147	-	8,38,853
Office Equipments	5,087	37,702	-	42,789	722	4,531	-	5,253	4,365	37,536
Telephones	38,767	97,034	-	1,35,801	1,100	20,246	-	21,346	37,667	1,14,455
Computer Server	2,58,475	-	3,000	2,55,475	31,058	40,925	835	71,148	2,27,417	1,84,327
Computers & Laptop	2,12,169	2,83,577	-	4,95,746	50,152	1,01,711	-	1,51,863	1,62,017	3,43,883
	6,06,156	13,23,240	3,000	19,26,396	1,14,716	2,18,533	835	3,32,414	4,91,440	15,93,982

##### (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
Mould	8
Office Equipments	5
Telephones	5
Computer Server	6
Computers & Laptop	3

The estimated useful life and residual values are also reviewed at the 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 PPE, 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 2021 is as follows :-

PARTICULARS	GROSS BLOCK				AMORTISATION (S.L.M)				NET BLOCK	
	Cost as on 01.04.20	Additions	Deductions (sales / W/off)	Cost as on 31.03.21	Upto 01.04.20	Additions	Deductions	As at 31.03.21	As at 01.04.20	As at 31.03.21
<u>Intangible Assets</u>										
Software	86,400	-	-	86,400	72,034	14,366	-	86,400	14,366	-
Trademark	-	13,000	-	13,000	-	2,459	-	2,459	-	10,541
	86,400	13,000	-	99,400	72,034	16,825	-	88,859	14,366	10,541

**(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)
Software	3
Trademark	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 <sup>th</sup> July 2016	COST	100%
Panache Innovations DMCC	Dubai (U.A.E)	06 <sup>th</sup> 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 in FY 2019-20.

Investment in Foreign Subsidiary, classified as Financial Assets for the purpose of Separate Financial Statements of the company has been derecognised during the year.

i. Investment in Panache Innovations DMCC ('Subsidiary') has been written off against the corresponding amount of share capital payable to the Subsidiary as Panache Innovations DMCC has been closed and filed its liquidation report dated 25th March, 2021 with DMCC and completed the formalities for liquidation. Accordingly Panache Innovations DMCC, ceased to be subsidiary of the company.

ii. Eddy and Andy International Limited ('Subsidiary') has disposed off its assets and settled its liabilities and repatriated balance funds on 28th January, 2021 of Rs.1,59,710.04 (\$ 2194.79) to company against its investment on equity share capital. Subsidiary has filed for liquidation with IRD of Hong Kong and completed the formalities for liquidation.

Accordingly, Eddy and Andy International Limited, ceased to be subsidiary of the company from date of repatriation. However, liquidation approval from the said statutory authority has not yet received.

(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 2021	AS AT 31ST MARCH 2020
<u>Investment in Equity Instruments</u>		
Quoted Equity Instruments	...	-
<u>Investment in Foreign Subsidiary</u>		
Eddy & Andy International Limited	...	87,200
Panache Innovations DMCC	...	8,86,226
	-	9,73,426

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

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Rent Deposit	1,74,554	1,60,554
	1,74,554	1,60,554

**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 2021	AS AT 31ST MARCH 2020
Other Deposits	5,000	5,000
	5,000	5,000

**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
<b>Balance as on 01.04.2019</b>	-	55,602	(1,14,660)	(59,058)
<b><u>For the Year 2019-20</u></b>				
On Carrying Values of Property Plant & Equipment	(72,332)	(18,806)	-	-
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)	-	(2,74,456)	-
Remeasurements of Employee Benefit Obligations	(6,505)	-	(1,691)	-
<b>(DTA)/DTL as on 31.03.2020</b>		(4,23,159)	(2,76,147)	(6,99,306)
<b><u>For the Year 2020-21</u></b>				
Carrying Value of Property Plant & Equipment	26,054	6,774	-	-
Expected Credit losses	-	-	-	-
Provision for Gratuity	(6,33,398)	(1,64,683)	-	-
Fair Value (gains)/Losses on Equity instruments to the extent considered recoverable	(14,96,600)	-	(3,89,116)	-
Deferred tax on Carry forward business Losses	(20,84,450)	(5,41,957)	-	-
Remeasurements of Employee Benefit Obligations	(97,172)	-	25,265	-
<b>(DTA)/DTL as on 31.03.2021</b>		(6,99,867)	(3,63,851)	(10,63,718)



**NOTE NO. 8  
INVENTORIES**

**(a) Valuation Method**

The Company values its Inventories which comprises of Consumer Electronic & Electrical Goods and IT Hardware & its peripherals and Sanitary products 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 2021	AS AT 31ST MARCH 2020
Inventory of Goods	2,64,58,785	2,23,71,739
	2,64,58,785	2,23,71,739

**NOTE NO. 9  
TRADE RECEIVABLES**

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Secured, Considered good	-	-
Unsecured, Considered good	3,41,22,002	5,38,49,049
Significant Increase in Credit Risk	-	-
Credit impaired	-	-
	3,41,22,002	5,38,49,049
Less : Allowance for Bad and Doubtful Debts	-	-
	3,41,22,002	5,38,49,049
Receivable from Related Parties (Refer Note No. 41)	1,12,35,483	1,22,21,350
	4,53,57,485	6,60,70,399

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

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
<u>Cash &amp; Cash Equivalents</u>		
Balance with Banks	3,329	4,05,263
Cash on Hand	43,158	28,405
	46,487	4,33,668

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

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Unclaimed Dividends	81,463	81,463
	81,463	81,463

**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 2021	AS AT 31ST MARCH 2020
Loans & Advances	3,28,31,094	3,43,29,541
Less: Provision for Expected Credit Losses	-	(12,44,712)
	3,28,31,094	3,30,84,829

**Note :**

Loan given to Wholly owned subsidiary viz. Panache Innovations DMCC in form of reimbursement of expenses has been written off against the provision for Expected credit loss created in FY 2019-20 on account of deregistration/winding up of the subsidiary on 29th December, 2020.

**NOTE NO. 13**  
**OTHER CURRENT ASSETS**

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Prepaid Expenses and others	7,84,586	5,90,518
Advance to Trade Payables	88,87,846	69,28,967
Input Credit of GST	8,66,795	8,86,366
Reimbursement Receivable from Party	8,239	-
	1,05,47,466	84,05,851

**NOTE NO. 14**  
**CURRENT TAX ASSETS**

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Income Tax Refundable	2,19,179	-
	2,19,179	-

**NOTE NO. 15**  
**EQUITY SHARE CAPITAL**

**(a) Capital Structure of the Company**

PARTICULARS OF SHARE CAPITAL	AS AT 31ST MARCH 2021		AS AT 31ST MARCH 2020	
	NO.OF SHARES	TOTAL VALUE	NO.OF SHARES	TOTAL VALUE
<b>AUTHORISED</b>				
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
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID-UP :</b>				
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
<b>ISSUED,SUBSCRIBED AND NOT FULLY PAID-UP:</b>				
	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 2021	PERCENTAGE HOLDING (%)	NO.OF SHARES AS ON 31ST MARCH 2020	PERCENTAGE HOLDING (%)
A.	<b>EQUITY SHARES</b>				
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 2021	AS AT 31ST MARCH 2020
Number of Shares at the beginning of the year	43,90,000	43,90,000
( + ) Bonus shares issued ... ..	-	-
( - ) Shares forfeited ... ..	-	-
Number of Shares at the end of the year	43,90,000	43,90,000

**(d) Voting Rights**

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

**(e) Capital Management**

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

The Company strategically manages its funds by :-

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

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

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Gross Debt	2,38,14,349	1,96,16,343
<u>Less:</u> Liquid Assets *	46,487	4,33,668
Net Debt	2,37,67,863	1,91,82,675
Total Equity (As Per Balance Sheet)	3,33,75,220	3,42,04,001
Net Gearing Ratio	<b>0.71</b>	<b>0.56</b>

\* Liquid Assets Comprises of Cash & Cash Equivalents only.

**(v) Dividends**

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
i) <u>On Ordinary Shares</u>		
<i>Final Dividend for the year ended 31st March 2020 of Rs 0.25 per fully paid share net of waivers of dividend</i>	-	7,59,975
<i>Dividend distribution tax on dividend declared for the year ended 31st March 2020</i>	-	1,56,220
<b>Total Dividend Paid</b>	<b>-</b>	<b>9,16,195</b>

**NOTE NO. 16  
OTHER EQUITY**

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
<u>Balance of Reserves as per Statement of Changes in Equity</u>		
<u>Retained Earnings</u>		
Opening Balance	40,63,996	45,83,462
<u>Add:</u> Surplus As per Profit & Loss Account	(10,20,162)	3,96,729
<u>Less: Appropriations</u>		
Dividends Paid	-	7,59,975
Dividend Distribution Tax Paid	-	1,56,220
Bonus Issue	-	-
<b>Closing Balance</b>	<b>30,43,834</b>	<b>40,63,996</b>
<u>Other Comprehensive Income</u>		
<u>Fair Value Changes in Equity Instruments (Notional)</u>		
Opening Balance	(1,37,59,995)	(1,28,59,377)
<u>Add:</u> Changes for the Year	1,91,380.98	(9,00,618)
<b>Closing Balance</b>	<b>(1,35,68,614)</b>	<b>(1,37,59,995)</b>
	<b>(1,05,24,780)</b>	<b>(96,95,999)</b>

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

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
<u>Secured Borrowings</u>		
Other borrowings	26,28,458	-
	<b>26,28,458</b>	

Working Capital Term Loan of Rs 35,00,000 (Sanction Amount) is secured by way of hypothecation of Stocks and Book Debts. The Balance as on 31st March, 2021 is repayable in 36 monthly installments of Rs 97,222 each with moratorium of first 12 months. Interest to be serviced as and when debited. Interest @ 7.50% is applicable on the said loan.

**NOTE NO. 18  
PROVISIONS (NON CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Provision for Gratuity Payable	5,07,889	3,06,332
	<b>5,07,889</b>	<b>3,06,332</b>

**NOTE NO. 19  
BORROWINGS (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
<u>Secured Borrowings</u>		
Cash Credit	2,01,60,737	1,86,16,343
Current Maturities of Long Term Borrowings	8,75,000	-
Other borrowings	1,50,154	-
Security Deposit Received	-	10,00,000
	<b>2,11,85,891</b>	<b>1,96,16,343</b>

**NOTE NO. 20**  
**TRADE PAYABLES (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
<u>Trade Payables</u>		
Due to Micro and Small Enterprises	1,03,189	79,717
Other Trade Payables	2,31,31,705	4,83,90,940
<u>Trade Payables to Related Parties (Refer Note No. 41)</u>		
Due to Micro and Small Enterprises	91,62,046	2,51,79,941
Other Trade Payables to Related Parties	2,48,77,680	31,000
	5,72,74,621	7,36,81,598

**Disclosure**

Out of the total payables to Micro and Small enterprises, disclosed in the table above, Rs.92,52,457/- stands overdue as on 31st March 2021. However, no interest is due or payable on such balance, pursuant to mutual agreement between the parties.

**NOTE NO. 21**  
**OTHER CURRENT LIABILITIES**

**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 2021	AS AT 31ST MARCH 2020
Statutory Liabilities	7,71,971	19,31,284
Salaries Payable	12,83,727	8,87,046
Advance from Trade Receivables	11,03,123	4,94,108
Panache Innovations DMCC	-	10,27,133
Others	1,209	1,259
	31,60,030	43,40,830

**NOTE NO. 22**  
**PROVISIONS (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Dividend Payable (Unclaimed)	81,413	81,413
Audit Fees Payable	92,500	1,00,000
Rent Payable	7,000	-
Professional Fees Payable	10,000	2,75,000
Provision for Gratuity Payable	28,337	10,664
Electricity Charges Payable	3,450	-
Reimbursement Payable	34,945	-
	2,57,645	4,67,077

**NOTE NO. 23**  
**CURRENT TAX LIABILITIES(NET)**

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Income Tax Payable	-	1,75,860
	-	1,75,860

## NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

### NOTE NO. 24 REVENUE FROM OPERATIONS

#### (a) Recognition of Revenue

The company derives revenue primarily from sale of Consumer Electronic & Electrical Goods and IT Hardware & its peripherals and Sanitary products.

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 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Net Sales (Domestic) ....	8,80,50,719	15,11,16,877
Service Charges ....	98,57,271	53,798
Transport / Freight Charges Recovered ....	3,80,087	72,001
	<b>9,82,88,077</b>	<b>15,12,42,676</b>

#### (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 2021	FOR THE YEAR ENDED 31ST MARCH 2020
<b>Contract Liability</b>		
Opening Balance	4,94,108	7,080
Less: Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period.	(4,86,384)	(7,080)
Add: 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.	10,95,399	4,94,108
<b>Closing Balance</b>	<b>11,03,123</b>	<b>4,94,108</b>
<b>Contract Assets</b>		
Opening Balance	74,09,433	68,09,600
Less: Expense recognised in the reporting period that was included in the contract asset balance at the beginning of the period.	(1,17,769)	(9,600)
Add: 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.	15,96,182	6,09,433
<b>Closing Balance</b>	<b>88,87,846</b>	<b>74,09,433</b>

### NOTE NO. 25 OTHER INCOME

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Discount Received (Net) ....	3,500	10,836
Other Compensations ....	11,549	2,73,369
Interest Income ....	21,81,190	27,71,588
Commission Income ....	3,01,000	-
Liabilities no longer Payable ....	29,237	-
Profit on Sale of Fixed Asset ....	1,085	-
	<b>25,27,560</b>	<b>30,55,793</b>

#### Measurement of Other Incomes

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

**NOTE NO. 26**  
**COST OF GOODS PURCHASED**

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Net Purchase	....	7,72,23,098	15,05,35,555
Service Charges Incurred	....	3,19,260	25,380
Royalty Expenses	....	40,73,066	-
		8,16,15,424	15,05,60,935

**NOTE NO. 27**  
**CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS**

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Opening Stock / Inventories	....	2,23,71,739	-
<u>Less:</u> Closing Stock / Inventories	....	(2,64,58,785)	(2,23,71,739)
		(40,87,046)	(2,23,71,739)

**NOTE NO. 28**  
**EMPLOYEE BENEFIT EXPENSES**

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Director's Remuneration	....	18,00,000	23,67,743
Salary & Bonus to Employees	....	90,73,786	1,02,70,375
Contributions to PF, ESIC & Other Funds	....	6,82,461	7,71,997
Staff Welfare Expenses	....	35,692	22,834
Gratuity To Staff	....	3,22,907	3,10,491
		1,19,14,846	1,37,43,440

**NOTE NO. 29**  
**FINANCE COSTS**

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Interest Charges	....	21,82,728	5,69,856
Processing Charges on CC	....	60,000	20,000
		22,42,728	5,89,856

**NOTE NO. 30**  
**DEPRECIATION AND AMORTISATION EXPENSES**

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Depreciation on Property, Plant & Equipment	....	2,18,533	89,856
Amortisation of Intangible Assets	....	16,825	1,17,701
		2,35,358	2,07,557

**NOTE NO. 31**  
**OTHER EXPENSES**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Advertisement Expenses	62,400	-
Annual Compliance Costs	19,900	24,600
Bank Charges	1,07,137	82,825
Software, Cloud & Other related Expenses	2,02,061	1,29,406
Certification Charges	1,91,964	-
Clearing Charges	35,891	-
Commission & Brokerage Expenses	4,16,431	85,585
Conveyance	3,98,104	3,90,060
Courier Charges	33,772	-
Custom Duty Paid	2,613	-
Discount & Rebate	1,73,337	-
Electricity Charges	31,650	31,340
E-commerce Expenses	6,17,544	14,86,637
Expected Credit Losses	1,71,958	12,44,711
GST Late Fees	12,920	2,450
Insurance Charges	1,87,320	71,795
Interest on TCS/TDS	51,099	3,674
Interest on VAT, CST & GST	79,995	3,27,486
Late fees on Import Duty Paid	1,23,476	-
Listing Fees	3,00,000	3,00,000
General Operating Expenses	4,35,430	2,27,556
Packing Charges	-	88,506
Payment to Auditors	3,05,000	2,80,000
Professional Fees	21,99,188	13,04,638
Profession Tax	2,500	2,500
(Profit)/Loss on Exchange rate fluctuation	1,22,057	4,32,151
Printing & Stationery	2,08,725	1,32,285
Rent, Rates and Taxes	5,85,332	8,55,210
Royalty Expense	50,000	50,000
Repairs & Maintenance	6,560	37,412
Business Promotion Expenses	33,769	73,843
Stamp duty and Registration Charges	1,31,074	73,889
Sundry Expenses	63,973	-
Telephone, Mobile & Internet Charges	2,79,413	3,34,197
Transportation Charges	21,68,421	22,66,833
Travelling Expenses	6,33,749	4,86,747
Warehousing Expenses	1,23,654	1,82,309
Website Development Charges	-	10,000
	1,05,68,416	1,10,18,645

**NOTE NO. 31.1**  
**DETAILS OF PAYMENTS TO AUDITORS**

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
<u>Payment to Auditors</u>		
Statutory Audit	1,00,000	75,000
Tax Audit	25,000	25,000
Internal Audit	1,80,000	1,80,000
<b>Total Payments Made to Auditors</b>	<b>3,05,000</b>	<b>2,80,000</b>

**NOTE NO. 32**  
**EXCEPTIONAL ITEMS**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Loss on Sale of Intangible Asset	-	(3,58,333)
Gain on Disposal of Subsidiary Investment	72,510	-
Gain on Dissolution of Subsidiary	1,40,907	-
	2,13,417	(3,58,333)



NOTE NO. 33  
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 2021	FOR THE YEAR ENDED 31ST MARCH 2020
(a)	<b>Tax on Items Routed Through Profit or Loss Section</b>		
	(i) <u>Income Tax</u>		
	Current Tax under Income Tax Act, 1961	12,058	4,53,019
	Adjustments in respect of income tax of previous years.	(1,75,860)	(1,79,545)
	(ii) <u>Deferred Tax</u>		
	Tax Expense on Origination & Reversal of Temporary Difference	(2,76,708)	(4,78,761)
	<b>Tax Expense Reported in statement of Profit or Loss [(i) +(ii)]</b>	<b>(4,40,510)</b>	<b>(2,05,287)</b>
(b)	<b>Tax on Items Routed Through Other Comprehensive Income</b>		
	(i) Income Tax	-	-
	(ii) Deferred Tax	(87,704)	(1,61,487)
	<b>Tax Expense Reported in Other Comprehensive Income [(i) +(ii)]</b>	<b>(87,704)</b>	<b>(1,61,487)</b>

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Profit Before Tax	(14,60,672)	1,91,442.00
Corporate Tax Rate as per Income Tax Act, 1961	26.00%	26.00%
<b>Tax on Accounting Profit (A)</b>	<b>(3,79,775)</b>	<b>49,775</b>
<u>Adjustments as per Income Tax</u>		
<u>Add:</u> Depreciation as per Companies Act	2,35,358	2,07,557
<u>Add:</u> Disallowances U/s 37	51,099	16,06,718
<u>Add:</u> Disallowance of Gratuity Provision	3,22,907	3,10,491
<u>Add:</u> Disallowance of Contributions to statutory Funds	4,15,201	5,41,860
<u>Less:</u> Depreciation as per Income Tax Act	(3,31,121)	(2,57,760)
<u>Less:</u> Other Deductions	(13,17,222)	-
Corporate Tax Rate as per Income Tax Act, 1961	(6,23,778)	24,08,866
Corporate Tax Rate as per Income Tax Act, 1961	26.00%	26.00%
<b>Tax on Gross Adjustments as per Income Tax (B)</b>	<b>(1,62,182)</b>	<b>6,26,305</b>
<b>Tax after adjustments as per Income Tax Act, 1961 [(A)+(B)]</b>	<b>(5,41,957)</b>	<b>6,76,080</b>
<u>Less:</u> MAT Credit Set Off under section 115JAA	(2,23,061)	(2,23,061)
<u>Less:</u> Transferred to Deferred Taxes	5,41,957	-
Income Tax Payable at Special Rate	12,058	-
<b>Net Income Tax Payable by the company</b>	<b>12,058</b>	<b>4,53,019</b>
<b>Deferred Tax Expenses on Items Routed Through P&amp;L</b>		
Incremental Deferred Tax Liability/(Asset) on account of PPE and Intangible Assets	(2,76,708)	(4,78,761)
<b>Tax on Income/Expenses classified under OCI</b>		
Long Term Capital Gain on Unlisted Securities Taxable @ 20%	-	-
	(87,704)	(1,61,487)
Incremental Deferred Tax Liability/(Asset) due to Fair valuation of Equity Instruments		
<b>Net Deferred Tax Expense/(Benefit) (D)</b>	<b>(3,64,412)</b>	<b>(6,40,248)</b>
<b>Total Tax Expense Recognised for the Year (E) = [(C)+(D)]</b>	<b>(3,64,412)</b>	<b>(1,87,229)</b>
<b>Effective Tax Rate on Standalone Results of the Company [(E)/(A)*100]</b>	<b>24.95</b>	<b>(97.80)</b>

**NOTE NO. 34**  
**OTHER COMPREHENSIVE INCOME**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
<b>Items that will not be reclassified to Profit &amp; Loss A/c</b>		
Fair Value Changes on Equity Instruments designated through OCI	-	(10,55,600)
Remeasurements of Post Employment Benefit Obligations	1,03,677	(6,505)
	1,03,677	(10,62,105)

**NOTE NO. 35**  
**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 2021	FOR THE YEAR ENDED 31ST MARCH 2020
<b>Calculation of Basic EPS</b>		
A. Profit From Continuing Operations (Numerator)	(10,20,162)	3,96,729
B. <u>Equity Shares Outstanding as on Balance sheet Date</u> 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
<b>Basic Earnings Per Share(EPS) [(A) / (B)]</b>	(0.23)	0.09
<b>Calculation of Diluted EPS</b>		
A. Profit From Continuing Operations (Numerator)	(10,20,162)	3,96,729
B. <u>Equity Shares Outstanding as on Balance sheet Date</u> a. Weighted Average Number of Equity Shares b. Potential Equity shares	43,90,000 -	43,90,000 -
Total Equity Shares for Calculation of Diluted EPS (Denominator)	43,90,000	43,90,000
<b>Diluted Earnings Per Share(EPS) [(A) / (B)]</b>	(0.23)	0.09

**NOTE NO. 36**  
**DISCLOSURE OF CURRENT ASSETS & LIABILITIES**

**A. Basis of classification of Current Assets**

The company classifies an asset as current asset when :-

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- 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 2021			AS AT 31ST MARCH 2020		
	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL
Inventories	2,64,58,785	-	2,64,58,785	2,23,71,739	-	2,23,71,739
Trade Receivables	4,53,57,485	-	4,53,57,485	6,60,70,399	-	6,60,70,399
Loans-Current	3,28,31,094	-	3,28,31,094	3,30,84,829	-	3,30,84,829
Other Current Assets	1,05,47,466	-	1,05,47,466	84,05,851	-	84,05,851

## 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 2021			AS AT 31ST MARCH 2020		
	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL
Borrowings	10,25,154	-	10,25,154	10,00,000	-	10,00,000
Trade Payables	5,72,74,621	-	5,72,74,621	7,36,81,598	-	7,36,81,598
Other Current Liabilities	31,60,030	-	31,60,030	43,40,830	-	43,40,830
Provisions	2,57,645	-	2,57,645	4,67,077	-	4,67,077
Current Tax Liabilities	-	-	-	1,75,860	-	1,75,860

## NOTE NO. 37 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 positively 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 2021			
	USD	EQUIVALENT IN INR	OTHER CURRENCY	EQUIVALENT IN INR
Reimbursement Receivable from Subsidiary	-	-	-	-
Trade Payables	-	-	-	-
Current Liabilities	-	-	-	-

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	-	-
Trade Payables	85,701.25	64,60,666	-	-
Current Liabilities	13,625.00	10,27,133	-	-

#### 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
<b>AS AT 31ST MARCH 2021</b>			
US DOLLAR	1%	-	-
<b>AS AT 31ST MARCH 2020</b>			
US DOLLAR	1%	46,199	(46,199)

#### 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 2021	AS AT 31ST MARCH 2020
Cash Credit	2,01,60,737	1,86,16,343
	2,01,60,737	1,86,16,343

#### 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 2021	
		IMPACT ON PROFIT OR LOSS AFTER TAX	
		INCREASE	DECREASE
<u>Change in Interest Cost</u>			
Cash Credit *	10 bps	(20,161)	20,161
<u>Less: Tax Effect on Interest Cost</u>		5,242	(5,242)
Net Effect on Profit & Loss Account		(14,919)	14,919

\* Holding all other variables constant

#### 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: Tax Effect on Interest Cost</u>		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 company is making provision on trade receivables based on Expected Credit Loss(ECL) model. The reconciliation of ECL is as follows :-

PARTICULARS	AS AT 31ST MARCH 2021
Opening Balance	-
<u>Changes in Loss Allowance</u>	
Loss Allowance for the year, based on ECL Model.	1,71,958
Write Off as Bad Debts	1,71,958
Closing Balance reported under Note No.9	-

#### 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 2021	AS AT 31ST MARCH 2020
Opening Balance	12,44,712	-
<u>Changes in Loss Allowance</u>		
Loss Allowance for the year, based on ECL Model.	-	12,44,712
Write Off as Bad Debts	12,44,712	-
Closing Balance reported under Note No.12	0	12,44,712

### 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 2021

NON-DERIVATIVE FINANCIAL LIABILITIES	CONTRACTUAL CASH FLOWS		TOTAL
	PAYABLE WITHIN ONE YEAR	PAYABLE AFTER ONE YEAR	
Borrowings	10,25,154	26,28,458	36,53,612
Trade Payables	5,72,74,621	-	5,72,74,621

##### 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	-	10,00,000
Trade Payables	7,36,81,598	-	7,36,81,598

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. 38**  
**LEASES**

**A Classification & Measurement**

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

**Where the Company is a Lessee**

This note explains the impact of the Application 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, 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 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

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. 5,85,332/-

**NOTE NO. 39**  
**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 2021	AS AT 31ST MARCH 2020
<b>Current Assets</b>			
<i>Fixed Charge Asset</i>			
Assets		-	-
<i>Floating Charge (Primary Security)</i>			
Trade Receivables	Note No . 9	4,53,57,485	6,60,70,399
Inventory	Note No . 8	2,64,58,785	2,23,71,739
Financial assets at fair value through profit/loss		-	-
<b>Total current assets pledged as security</b>		<b>7,18,16,270</b>	<b>8,84,42,138</b>
<b>Non Current Assets pledged as security</b>		-	-
<b>Total assets pledged as security</b>		<b>7,18,16,270</b>	<b>8,84,42,138</b>

**NOTE NO. 40**  
**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 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Employer's Contribution to Provident Fund & ESIC	6,82,461	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 2021	AS AT 31ST MARCH 2020
<u>Present Value of Defined Benefit Obligation</u>		
Wholly Funded	-	-
Wholly Unfunded	5,36,226	3,16,996
	5,36,226	3,16,996
<u>Less: Fair Value of Plan Assets</u>	-	-
Amounts recognised as Liability (See Note No.18 & Note No.22)	5,36,226	3,16,996

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Current Service Cost	3,01,351	2,98,431
Interest Cost	21,556	768
Past Service Cost	-	11,292
Expenses included in Employee Benefits (See Note No.28)	3,22,907	3,10,491

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Actuarial (Gains) / Losses	(1,03,677)	6,505
Expenses included in Other Comprehensive Income (See Note No.34)	(1,03,677)	6,505

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Opening Balance of present value of Defined Benefit Obligation	3,16,996	-
<u>Add: Current Service Cost</u>	3,01,351	2,98,431
<u>Add: Interest Cost</u>	21,556	768
<u>Add: Past Service Cost</u>	-	11,292
<u>Add/(less): Actuarial Losses/(Gains)</u>	(1,03,677)	6,505
	5,36,226	3,16,996
<u>Less: Benefits Paid</u>	-	-
	5,36,226	3,16,996

(e) Breakup of Other Comprehensive Income

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	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	-	-
Actuarial losses / (gains) arising from change in experience adjustments	(1,03,677)	(26,893)
	(1,03,677)	6,505

(f) Actuarial Assumptions

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

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Discount Rate (per anum)	6.80%	6.80%
Salary Growth Rate (per anum)	7.00%	7.00%
Retirement Age	58 Years	58 Years
<u>Attrition Rate</u>		
Younger Ages	5%	5%
Older Ages	1%	1%

(g) Maturity profile of defined benefit obligation

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Within 1 Year	28,337	10,664
Year 1 to Year 2	17,071	14,796
Year 2 to Year 3	16,482	9,785
Year 4 to Year 5	28,750	9,448
Year 5 to Year 6	14,922	14,747
Year 6 to Year 10	3,91,154	1,73,999
After 10 Years	39,510	83,557

**NOTE NO. 41**

**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	Yes
Panache Innovations DMCC	Subsidiary	No

ii) Key Managerial Personnel

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

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
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

\* Mr. Priyank Sangoi has resigned from the post of "Company Secretary & Compliance Officer" with effect from 26th June, 2021.



**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 2020-21
Eddy and Andy International Limited	Subsidiary	Repartriation of Investment	1,59,710
Hetal M. Vichhivora	Whole Time Director & CFO	Remuneration	9,00,000
Prakash M. Vichhivora	Managing Director	Remuneration	9,00,000
Priyank Sangoi	CS & Compliance Officer	Remuneration	4,38,647
Panache Digilife Limited	Company having Common Director	Sales	92,49,885
Panache Digilife Limited	Company having Common Director	Services Aailed	3,56,540
Panache Digilife Limited	Company having Common Director	Purchases	2,13,32,289
Panache Digilife Limited	Company having Common Director	PPE Purchased	1,82,453
Modera Electronics	Firm in which Director is a Partner	Sales	26,22,146
Modera Electronics	Firm in which Director is a Partner	Services Provided	10,464
Modera Electronics	Firm in which Director is a Partner	Purchases	1,63,04,208
Modera Electronics	Firm in which Director is a Partner	Services Aailed	11,247
Modera Freight Services Pvt Ltd	Company having Common Director	Sales	1,440
Modera Freight Services Pvt Ltd	Company having Common Director	Freight Charges	3,32,615
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 excluding 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 2021	AS AT 31ST MARCH 2020
<b>Amounts Receivable from Related Parties</b>			
<u>Receivables For Sales &amp; Services Provided</u>			
Panache Digilife Limited	Company having Common Director	-	28,771
Modera Electronics	Firm in which Director is a Partner	1,12,35,483	1,21,92,579
		1,12,35,483	1,22,21,350
<u>Loans &amp; Advances Recoverable</u>			
<u>Recoverable from Subsidiary</u>			
Panache Innovations DMCC	Subsidiary	-	12,44,712
		-	12,44,712
Total Receivables from Related Parties		1,12,35,483	1,34,66,062
<b>Amounts Payable to Related Parties</b>			
<u>Payables for Purchases &amp; Services Aailed</u>			
Panache Digilife Limited	Company having Common Director	2,19,35,198	1,59,25,291
Modera Electronics	Firm in which Director is a Partner	91,62,046	92,54,650
ICT Infratech Services Pvt Ltd	Company having Common Director	28,65,232	28,65,232
Rambhia IPR Services LLP	Firm in which Director is a Partner	77,250	31,000
		3,40,39,726	2,80,76,173
<u>Payables to KMP as Remuneration</u>			
Priyank Sangoi	CS & Compliance Officer	38,690	38,790
		38,690	38,790
Total Payables to Related Parties		3,40,78,416	2,81,14,963

**NOTE NO. 42****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 2021	AS AT 31ST MARCH 2020
<b>Financial Assets</b>		
<u>Measured at Amortised Cost</u>		
Loans	3,30,05,648	3,32,45,383
Trade Receivables	4,53,57,485	6,60,70,399
Other Financial Assets	5,000	5,000
Cash & Cash Equivalents	46,487	4,33,668
Balances with Bank other than Cash & Cash Equivalents	81,463	81,463
Total financial Assets Measured at Amortised Cost (I)	7,84,96,083	9,98,35,913
<u>Measured at Fair Value Through Other Comprehensive Income (FVTOCI):-</u>		
Investment in Equity Shares	-	-
Total of Financial Assets Measured at FVTOCI (II)	-	-
Total Value of Financial Assets measured as per Ind AS 109 [(I)+(II)]	7,84,96,083	9,98,35,913
<b>Financial Liabilities</b>		
<u>Measured at Amortised Cost</u>		
Borrowings	2,38,14,349	1,96,16,343
Trade Payables	5,72,74,621	7,36,81,598
Total of Financial Liabilities Measured at Amortised Cost	8,10,88,970	9,32,97,941
Total Value of Financial Liabilities measured as per Ind AS 109	8,10,88,970	9,32,97,941

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
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.)	1,22,057	4,32,151
(ii) Interest Charges	21,82,728	5,69,856
(iii) Processing Charges on CC	60,000	20,000
(iv) Interest Income on Loans & Advances given	21,81,190	27,71,588
Total	45,45,974	37,93,595
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)
(ii) Net Tax on Equity Instruments	-	1,61,487
Total	-	(8,94,113)

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

AS AT 31ST MARCH 2021	CARRYING VALUE IN BOOKS	LEVEL OF INPUT USED FOR FAIR VALUATION		
		LEVEL 1	LEVEL 2	LEVEL 3
<u>Financial Assets</u>				
Investments	-	-	--	--

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 *	-	-	--	--

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

**NOTE NO. 43**  
**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 2021	AS AT 31ST MARCH 2020	NATURE OF ASSISTANCE	PURPOSE FOR WHICH LOAN/ GUARANTEE IS PROPOSED TO BE UTILISED BY RECIPIENT
Karrm Warehousing Private Limited	2,96,30,121	2,71,83,126	Inter Corporate Loan	Short Term Working Capital
Seemsan Pumps And Equipment Pvt Ltd	28,90,824	26,28,024	Inter Corporate Loan	Short Term Working Capital
Sure Horizon Softtech End2End Solution Pvt Ltd	1,88,054	26,55,120	Inter Corporate Loan	Short Term Working Capital
Greatmoon Trading Private Limited	1,17,765	1,17,765	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:- 03123060

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

PLACE: MUMBAI  
DATED: 28/06/2021  
UDIN: 21044039AAAABX6241

PLACE: MUMBAI  
DATED: 28/06/2021

# CONSOLIDATED FINANCIAL STATEMENTS

# Independent Auditor's Report

To,  
The Members of  
Panache Innovations Limited,  
2<sup>nd</sup> 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 31<sup>st</sup> March, 2021 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, 2021, 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 Eddy & Andy International Limited (Hong Kong), whose Financial Statements reflect net gain/(net loss) of Rs.(0.66) Lakhs and total comprehensive income/(loss) of Rs.(0.66) 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 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
<b>Applicability of Ind AS 116 Leases</b>	
<p>As described in Note-1(14) to the Consolidated Financial Statements, the Group has applied Ind AS 116 Leases in the current year. The application 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 judgments and estimates including the determination of discount rates and lease term.</p> <p>As per Ind AS 116, In case of Finance Lease, lessee is 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>Moreover, as per Ind AS 116, short term or low value lease is to be classified as operating lease.</p> <p>Additionally, the standard mandates detailed disclosures in respect of transition. Refer to Note No.1(14) and Note No.40 of the Consolidated Ind AS Financial Statements</p>	<p>Our audit procedures on Applicability of Ind AS 116 include:</p> <p>Assessed and tested new processes and controls established by the management in identifying lease arrangements with respect to accounting standard (Ind AS 116);</p> <p>Assessed the Group's evaluation on identification of leases based on the contractual arrangements and our knowledge of business;</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 Consolidated Ind AS Financial Statements relating to Ind AS 116, including disclosures relating to transition and practical expedients applied.</p>

#### Emphasis of Matters

The consolidated financial results include the Liquidated Statement of Affairs as at 29<sup>th</sup> December, 2020 with comprehensive Income Statement for the period ended on that date of Panache Innovations DMCC (Dubai) ("the Subsidiary"). The company had applied for deregistration of the subsidiary and vide order of DMCC Authority (Dubai-U.A.E.) dated 10.05.2021, the subsidiary has been dissolved w.e.f. 29.12.2020. The company has written off its reserves of Rs. 12,44,712/- against the Consolidated Profit/Loss.

The consolidated financial result includes the Statement of Affairs as at 28<sup>th</sup> January, 2021 with comprehensive Income Statement for the period ended on that date of Eddy and Andy International Limited (Hong Kong) ("the Subsidiary"). The company had applied for deregistration of the subsidiary on 28<sup>th</sup> January, 2021 for the closure of company. The company has transferred its reserves of Rs 69,842/- to the Consolidated Profit/Loss.

Our opinion is not modified in this matter.

#### 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 respective Board of Directors, 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

##### 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 31<sup>st</sup> March 2021, and taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March 2021, 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 : 28<sup>th</sup> June 2021  
UDIN: 21044039AAAABY8756***

***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 31<sup>st</sup> March 2021 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 31<sup>st</sup> March 2021, 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 Controls 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 : 28<sup>th</sup> June 2021  
UDIN : 21044039AAAABY8756*

*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, 2021 [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	1,008.16	1,008.16
	2.	Total Expenditure	1,023.43	1,023.43
	3.	Net Profit/(Loss)	(23.31)	(23.31)
	4.	Earnings per Share	(0.53)	(0.53)
	5.	Total Assets	1,183.90	1,183.90
	6.	Total Liabilities	850.15	850.15
	7.	Net Worth	333.75	333.75
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	<b>Audit Qualification (each audit qualification separately)</b>			
	a) <b>Details of Audit Qualification:</b> Financial Results of subsidiary company viz. Eddy and Andy International Ltd. (Hong Kong) is unaudited.			
	b) <b>Type of Audit Qualification:</b> Qualified Opinion			
	c) <b>Frequency of qualification:</b> Second time			
	d) <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b>			
	e) <b>For Audit Qualification(s) where the impact is not quantified the auditor:</b>			
	i. <b>Management's estimation on the impact of audit qualification:</b> Since there were few transactions during the year and also the subsidiary has applied for deregistration of company. Management is of the view that there will not be any major impact on the group.			
	ii. <b>If management is unable to estimate the impact, reasons for the same:</b>			
	iii. <b>Auditors' Comments on (i) or (ii) above:</b> Based on the representations and documents received from the management, we believe that in the absence of any major commercial transactions during the year, the quantitative impact of results of the subsidiary on the group will be nominal.			
	<b>Signatories:</b>			
	• <b>Managing Director</b>			
	• <b>CFO</b>			
	• <b>Audit Committee Chairman</b>			
	• <b>Statutory Auditor</b>		FOR JAIN SALIA & ASSOCIATES Chartered Accountants (ICAI FRNo. 116291W)	
	<b>Place: Mumbai</b>			
	<b>Date: 28-06-2021</b>		CA Jayesh Salia Partner (Membership No. 044039)	

# CONSOLIDATED BALANCE SHEET

(All amounts in INR)

Sl. No.	PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
<b>I. ASSETS</b>				
<b>1 NON-CURRENT ASSETS</b>				
(a)	Property, Plant & Equipments	2	15,93,982	4,91,440
(b)	Capital Work-in-Progress		-	-
(c)	Investment Properties		-	-
(d)	Goodwill		-	-
(e)	Other Intangible Assets	3	10,541	14,366
(f)	Intangible Assets Under Development		-	-
(g)	Biological Assets Other than Bearer Plants		-	-
(h)	<u>Financial Assets</u>			
(i)	Investments Accounted for Using the equity method		-	-
(ii)	Other Investments	4	-	-
(iii)	Loans & Deposits	5	1,74,554	1,60,554
(iv)	Trade Receivables		-	-
(v)	Other Financial Assets	6	5,000	5,000
(l)	Deferred Tax Assets	7	10,63,718	6,85,491
(j)	Other Non-Current Assets		-	-
<b>2 CURRENT ASSETS</b>				
(a)	Inventories	8	2,64,58,785	2,23,71,739
(b)	<u>Financial Assets</u>			
(i)	Investments		-	-
(ii)	Trade Receivables	9	4,53,57,485	6,60,70,399
(iii)	Cash and Cash Equivalents	10	46,487	7,29,134
(iv)	Bank Balances other than Cash & Cash Equivalents	11	81,463	81,463
(v)	Loans & Deposits	12	3,28,31,094	3,30,84,829
(vi)	Other Financial Assets		-	-
(c)	Other Current Assets	13	1,05,47,466	84,05,851
(d)	Current Tax Assets	14	2,19,179	-
<b>TOTAL ASSETS</b>			<b>11,83,89,754</b>	<b>13,21,00,266</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 EQUITY</b>				
(a)	Equity Share Capital	15	4,39,00,000	4,39,00,000
(b)	Other Equity	16	(1,05,24,780)	(94,23,461)
<b>2 LIABILITIES</b>				
<b>A Non-Current Liabilities</b>				
(a)	<u>Financial Liabilities</u>			
(i)	Borrowings	17	26,28,458	-
(ii)	<u>Trade Payables</u>			
(a)	<i>total outstanding dues of micro enterprises and small enterprises</i>		-	-
(b)	<i>total outstanding dues of creditors other than micro enterprises and small enterprises</i>		-	-
(iii)	Lease Liabilities		-	-
(iv)	Other Financial Liabilities		-	-
(b)	Provisions	18	5,07,889	3,06,332
(c)	Deferred Tax Liabilities(Net)		-	-
(d)	Other Non-Current Liabilities		-	-

<b>B Current Liabilities</b>				
( a ) <u>Financial Liabilities</u>				
( i ) Borrowings	...	19	2,11,85,891	1,96,16,343
( ii ) <u>Trade Payables</u>	...	20		-
(a) <i>total outstanding dues of micro enterprises and small enterprises</i>			92,65,235	2,52,59,658
(b) <i>total outstanding dues of creditors other than micro enterprises and small enterprises</i>			4,80,09,386	4,84,21,940
( iii ) Lease Liabilities			-	-
( iv ) Other Financial Liabilities	...		-	-
( b ) Other Current Liabilities	...	21	31,60,030	33,13,696
( c ) Provisions	...	22	2,57,645	5,29,898
( d ) Current Tax Liabilities(Net)	...	23	-	1,75,860
<b>TOTAL EQUITY AND LIABILITIES</b>			<b>11,83,89,754</b>	<b>13,21,00,266</b>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS</b>		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:- 03123060

PLACE: MUMBAI  
DATED: 28/06/2021  
UDIN: 21044039AAAABY8756

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

PLACE: MUMBAI  
DATED: 28/06/2021

## STATEMENT OF PROFIT AND LOSS ACCOUNT

(All amounts in INR)				
SR. No.	PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
<b>A. CONTINUING OPERATIONS</b>				
<b>I. REVENUE</b>				
	Revenue From Operations	24	9,82,88,077	15,12,42,676
	Other Income	25	25,27,560	31,73,670
<b>TOTAL INCOME</b>			<b>10,08,15,637</b>	<b>15,44,16,346</b>
<b>II. EXPENSES</b>				
	Cost of Materials Consumed	26	8,16,15,424	15,05,60,935
	Changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods	27	(40,87,046)	(2,23,71,739)
	Employee Benefit Expenses	28	1,19,14,846	1,37,43,440
	Finance Costs	29	22,42,728	5,89,856
	Depreciation and Amortisation Expenses	30	2,35,358	2,07,557
	Other Expenses	31	1,03,55,000	99,10,965
<b>TOTAL EXPENSES</b>			<b>10,22,76,310</b>	<b>15,26,41,014</b>
<b>III. Profit Before Exceptional items &amp; Tax</b>			(14,60,673)	17,75,332
	Exceptional Items	32	(12,44,711)	(3,58,333)
<b>IV. Profit Before Tax From Continuing Operations</b>			(27,05,384)	14,16,999
	<u>Income Tax Expense</u>	33		
	-Current Tax		(1,63,802)	2,73,474
	-Deferred Tax		(2,76,708)	(4,78,761)
<b>A. PROFIT FROM CONTINUING OPERATIONS</b>			<b>(22,64,874)</b>	<b>16,22,286</b>
	Add: Share of Profit/(loss) from Joint Venture		-	-
<b>TOTAL PROFIT FROM CONTINUING OPERATIONS</b>			<b>(22,64,874)</b>	<b>16,22,286</b>
<b>B. DISCONTINUING OPERATIONS</b>				
	I. Profit / (loss) from Discontinuing Operations	34	(66,155)	-
	Tax Expense of Discontinuing Operations		-	-
<b>B. TOTAL PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS</b>			<b>(66,155)</b>	<b>-</b>
<b>TOTAL PROFIT/(LOSS) FOR THE PERIOD [(A)+(B)]</b>			<b>(23,31,029)</b>	<b>16,22,286</b>
<b>C. OTHER COMPREHENSIVE INCOME</b>				
	I. Items that will not be reclassified to Profit or Loss A/c	35	1,03,677	(10,62,105)
	Income Tax Relating to items that will not be reclassified to Profit or Loss A/c	33	87,704	1,61,487
	II. Items that will be reclassified to Profit or Loss A/c	35	-	53,134
	Income Tax Relating to items that will be reclassified to Profit or Loss A/c	33	13,815	(13,815)
<b>C. OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>			<b>2,05,196</b>	<b>(8,61,299)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD [(A)+(B)+(C)]</b>			<b>(21,25,833)</b>	<b>7,60,987</b>
<b>Profit for the year attributable to :</b>				
	(a) Owners of the Company		(22,64,874)	16,22,286
	(b) Non-Controlling Interest		-	-
			<b>(22,64,874)</b>	<b>16,22,286</b>

<u>Other Comprehensive Income for the year attributable to :</u>			
(a) Owners of the Company		2,05,196	(8,61,299)
(b) Non-Controlling Interest		-	-
		2,05,196	(8,61,299)
<u>Total Comprehensive Income for the year attributable to :</u>			
(a) Owners of the Company		(21,25,833)	7,60,987
(b) Non-Controlling Interest		-	-
		(21,25,833)	7,60,987
<b><u>EARNINGS PER SHARE</u></b>			
Basic EPS	...	(0.52)	0.37
Diluted EPS	...	(0.52)	0.37

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AS PER OUR REPORT OF EVEN DATE  
FOR JAIN SALIA & ASSOCIATES  
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PANACHE INNOVATIONS LIMITED

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PLACE: MUMBAI  
DATED: 28/06/2021  
UDIN: 21044039AAAABY8756

PLACE: MUMBAI  
DATED: 28/06/2021



## STATEMENT OF CHANGES IN EQUITY

### (a) EQUITY SHARE CAPITAL

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	-	4,39,00,000

Balance as at 01st April 2020	Changes in Equity Share Capital During FY 2020-21	Balance as at 31st March 2021
4,39,00,000	-	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 2019	-	-	-	-	34,47,242	(1,28,59,377)	1,43,882	-	(92,68,253)
Change in accounting Policy & Prior Period errors Restated balance at the beginning of the reporting period.	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	16,22,286	-	-	-	16,22,286
Comprehensive Income for the Year	-	-	-	-	-	(9,00,618)	39,319	-	(8,61,299)
Dividends	-	-	-	-	(7,59,975)	-	-	-	(7,59,975)
Dividend Distribution Tax	-	-	-	-	(1,56,220)	-	-	-	(1,56,220)
Transfer to Reserves	-	-	-	-	-	-	-	-	-
Issue of Bonus Shares	-	-	-	-	-	-	-	-	-
Premium on Issue of Shares	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2020</b>	-	-	-	-	41,53,333	(1,37,59,995)	1,83,201	-	(94,23,461)
Change in accounting Policy & Prior Period errors Restated balance at the beginning of the reporting period.	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	(11,09,499)	-	-	-	(11,09,499)
Total Comprehensive Income for the Year	-	-	-	-	-	1,91,381	(1,83,201)	-	8,180
Dividends	-	-	-	-	-	-	-	-	-
Dividend Distribution Tax	-	-	-	-	-	-	-	-	-
Transfer to Reserves	-	-	-	-	-	-	-	-	-
Premium on Issue of Shares	-	-	-	-	-	-	-	-	-
Utilised	-	-	-	-	-	-	-	-	-
<b>Balance as at 31st March 2021</b>	-	-	-	-	30,43,834	(1,35,68,614)	-	-	(1,05,24,780)

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  
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PLACE: MUMBAI  
DATED: 28/06/2021

## CASH FLOW STATEMENT

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net Profit Before Tax as per Profit & Loss A/c	(27,71,539)	14,16,999
<u>Adjustments for Non-cash Items</u>		
Depreciation on Fixed Assets	2,35,358	2,07,557
Exchange Rate Fluctuation Gain/(loss)	1,22,057	4,32,151
Provision for Gratuity	3,22,907	3,10,491
Expected Credit Loss	1,71,958	-
Loss on Sale of Fixed Assets	-	3,58,333
Transfer of Subsidiary's Reserves	11,74,870	-
Loss on Dissolution of Subsidiary	-	-
Foreign Currency Translation Reserve	(1,50,355)	71,070
	18,76,795	13,79,602
	(8,94,744)	27,96,601
<u>Adjustments for Non-Operating Items</u>		
Interest Income	(21,81,190)	(27,82,057)
Interest Paid	21,82,728	5,69,856
Profit on Sale of Fixed Asset	(1,085)	-
Processing charges	60,000	20,000
	60,454	(21,92,201)
Operating Profit before Working Capital Changes	(8,34,290)	6,04,400
<u>Adjusted for Change in Working Capital:</u>		
Inventories	(40,87,046)	(2,23,71,738)
Trade Receivable	2,04,18,540	(2,59,69,804)
Other Current Assets	(21,41,615)	(10,24,763)
Other Financial Assets	-	23,000
Trade Payable	(1,64,06,977)	3,48,71,094
Provisions	(2,89,926)	2,31,017
Other Current Liability	(1,53,308)	30,35,518
	(26,60,332)	(1,12,05,676)
Cash Generated from Operations	(34,94,623)	(1,06,01,276)
Taxed Paid	(2,31,237)	(3,25,266)
Net Cash Flow from Operations (A)	(37,25,860)	(1,09,26,542)
<b><u>CASH FLOW FROM INVESTING ACTIVITIES</u></b>		
<u>Cash Inflow</u>		
Interest Income	21,81,190	27,82,057
Sale of Intangible Assets	-	50,000
Sale of Fixed Assets	3,250	-
Loans Repaid by Parties	2,53,735	-
	24,38,175	28,32,057
<u>Cash Outflow</u>		
Purchase of Property Plant & Equipment	13,23,240	5,71,431
Purchase of Other Intangible Assets	13,000	17,400
Loans Given	14,000	91,98,225
	13,50,240	97,87,056
Net Cash Flow from Investing Activities (B)	10,87,935	(69,54,999)

Continued .....

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<u>Cash Inflow</u>		
Borrowings Taken	26,53,612	10,00,000
<u>Cash Outflow</u>		
Interest Paid	21,82,728	5,69,856
Dividend Paid	-	7,59,975
Dividend Distribution Tax Paid	-	1,56,220
Processing charges	60,000	20,000
Net Cash Flow from Financing Activities (C)	4,10,884	(5,06,051)
<b>CASH FLOW FROM ALL ACTIVITIES (A+B+C)</b>	(22,27,041)	(1,83,87,593)
<u>Cash and Cash Equivalents at the Beginning of the year</u>		
Cash in Hand	28,405	75,960
Balance in Bank	(1,78,34,151)	5,05,886
Cash and Cash Equivalents at the end of the year	(2,00,32,787)	(1,78,05,747)
<u>Closing Balance as per accounts</u>		
Cash in Hand	43,158	28,405
Balance in Bank	(2,00,75,945)	(1,78,34,151)
	(2,00,32,787)	(1,78,05,746)

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Cash balance Disclosed under Cash & Cash Equivalents - Note No.10	43,158	28,405
<u>Balances With Bank</u>		
Current Deposits with Bank Disclosed under Cash & Cash Equivalents - Note No. 10	3,329	7,00,729
Unclaimed Dividend Bank Accounts Disclosed in Note No. 11	81,463	81,463
Cash Credit with Bank Disclosed under Current Financial Liabilities - Note No. 19	(2,01,60,737)	(1,86,16,343)
<b>Cash &amp; Cash Equivalents as per Balance Sheet</b>	(2,00,32,787)	(1,78,05,746)

**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 2021	AS AT 31ST MARCH 2020
Cash and Cash Equivalents	46,487	7,29,134
Borrowings (including overdraft)	(2,38,14,349)	(1,96,16,343)
<b>Net Debt</b>	(2,37,67,862)	(1,88,87,208)
Cash and liquid investments	46,487	7,29,134
Gross debts- fixed interest rates	(36,53,612)	(10,00,000)
Gross debts- variable interest rates	(2,01,60,737)	(1,86,16,342)
<b>Net Debt</b>	(2,37,67,862)	(1,88,87,208)

**Changes in Liabilities Arising from Financing Activities**

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Opening Balance	10,54,000	-
Changes from Financing Cash Flows	26,18,449	10,00,000
Interest Accrued	2,42,041	54,000
<b>Closing Balance</b>	<b>39,14,490</b>	<b>10,54,000</b>

Amounts reported in the statement of cash flow under financing activities

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Proceeds from Non-current Borrowings	35,00,000	-
(Repayment) of Non-current Borrowings	(10,54,000)	-
(Repayment) / Proceeds from current Borrowings	1,50,154	10,54,000
<b>Net Movement in Financing Activities</b>	<b>25,96,154</b>	<b>10,54,000</b>

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:- 03123060

PLACE: MUMBAI  
DATED: 28/06/2021  
UDIN: 21044039AAAABY8756

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

PLACE: MUMBAI  
DATED: 28/06/2021

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## A Significant Accounting Policies, practices annexed to & forming part of accounts for the year ending on 31st March 2021

### 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, 2021, the Statement of Profit and Loss for the year ended 31 March 2021, the Statement of Cash Flows for the year ended 31 March 2021 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 28th June, 2021.

### 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 :

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

3.2 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.

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

a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at measurement date.

b) Level 2 inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and

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

### 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.

#### 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

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.

Interest income is recognised using the effective interest method.

## 14 Leases

As per Ind AS 116, 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. Operating lease expenses are charged to the statement of Profit & Loss. The standard also contains enhanced disclosure requirements for lessees.

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, 2021 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 Consumer Electronics & Electrical Goods , IT Hardware & its peripherals and Sanitary products. Day to day Quantitative Stock Records have been maintained properly.
- 4 All the Directors have drawn remuneration for the Accounting Year 2020-21 aggregating to Rs.18,00,000/-

## **C Recent Accounting Pronouncements**

### **a) 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 37 – Provisions, Contingent Liabilities & Contingent Assets
- 4) Ind AS 107 & Ind AS 109 - Financial Instruments
- 5) Ind AS 116 - Leases
- 6) Ind AS 10 - Events after the Reporting Date

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 &

#### (b) Value of Property, Plant & Equipment

The value of Property, Plant & Equipment in the books of Panache Innovations Limited as at 31st March 2021 is as follows :-

PARTICULARS	GROSS BLOCK				DEPRECIATION (S.L.M)				NET BLOCK	
	Cost as on 01.04.20	Additions	Deductions (sales / W/off)	Cost as on 31.03.21	Upto 01.04.20	Additions	Deductions	As at 31.03.21	As at 01.04.20	As at 31.03.21
<u>Furniture &amp; Fixtures :</u>										
Furniture & Fixtures	36,689	23,927	-	60,616	28,179	4,150	-	32,329	8,510	28,287
<u>Plant &amp; Machinery :</u>										
Air Conditioner	24,211	-	-	24,211	2,261	2,875	-	5,136	21,950	19,075
Plant & Machinery	30,758	-	-	30,758	1,244	1,948	-	3,192	29,514	27,566
Moulds	-	8,81,000	-	8,81,000	-	42,147	-	42,147	-	8,38,853
Office Equipment	5,087	37,702	-	42,789	722	4,531	-	5,253	4,365	37,536
Telephones	38,767	97,034	-	1,35,801	1,100	20,246	-	21,346	37,667	1,14,455
Computer Server	2,58,475	-	3,000	2,55,475	31,058	40,925	835	71,148	2,27,417	1,84,327
Computers & Laptop	2,12,169	2,83,577	-	4,95,746	50,152	1,01,711	-	1,51,863	1,62,017	3,43,883
	6,06,156	13,23,240	3,000	19,26,396	1,14,716	2,18,533	835	3,32,414	4,91,440	15,93,982

#### (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
Moulds	8
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

- 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

**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 2021 is as follows :-

PARTICULARS	GROSS BLOCK			AMORTISATION (S.L.M)			NET BLOCK			
	Cost as on 01.04.20	Additions	Deductions (sales / W/off)	Cost as on 31.03.21	Upto 01.04.20	Additions	Deductions	As at 31.03.21	As at 01.04.20	As at 31.03.21
<u>Intangible Assets</u>										
Software	86,400	-	-	86,400	72,034	14,366	-	86,400	14,366	-
Trademark	-	13,000	-	13,000	-	2,459	-	2,459	-	10,541
	86,400	13,000	-	99,400	72,034	16,825	-	88,859	14,366	10,541

**(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)
Software	3
Trademark	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**

**(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 2021	AS AT 31ST MARCH 2020
<u>Investment in Equity Instruments</u>		
Quoted Equity Instruments	....	....
	-	-
	-	-

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

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Rent Deposit	....	....
	1,74,554	1,60,554
	1,74,554	1,60,554

**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 2021	AS AT 31ST MARCH 2020
Other Deposits	5,000	5,000
	5,000	5,000

**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
<b>Balance as on 01.04.2019</b>		55,602	(67,247)	(11,645)
<b>For the Year 2019-20</b>				
Carrying Value of Property Plant & Equipment	(72,332)	(18,806)	-	-
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	(10,55,600)	-	(2,74,456)	-
Remeasurements of Employee Benefit Obligations	(6,505)	-	(1,691)	-
Gains/(losses) from Translating Financial Statements of Foreign Operations.	53,134	-	13,815	-
<b>(DTA)/DTL as on 31.03.2020</b>	-	(4,23,159)	(2,62,332)	(6,85,491)
<b>For the Year 2020-21</b>				
Carrying Value of Property Plant & Equipment	26,054	6,774	-	-
Expected Credit losses	-	-	-	-
Provision for Gratuity	(6,33,398)	(1,64,683)	-	-
Fair Value (gains)/Losses on Equity instruments to the extent	(14,96,600)	-	(3,89,116)	-
Remeasurements of Employee Benefit Obligations	97,172	-	25,265	-
Deferred tax on Carry forward business Losses	(20,84,450)	(5,41,957)	-	-
Gains/(losses) from Translating Financial Statements of Foreign Operations.	-	-	-	-
<b>(DTA)/DTL as on 31.03.2021</b>	-	(6,99,866)	(3,63,851)	(10,63,718)

**NOTE NO. 8**  
**INVENTORIES**

**(a) Valuation Method**

The Group values its Inventories which comprises of Consumer Electronic & Electrical Goods & IT Hardware & its peripherals Sanitary products 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 2021	AS AT 31ST MARCH 2020
Closing Stock of Inventories	2,64,58,785	2,23,71,739
	2,64,58,785	2,23,71,739

**NOTE NO. 9**  
**TRADE RECEIVABLES**

PARTICULARS			AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Secured, Considered good	...	...	-	-
Unsecured, Considered good	...	...	3,19,93,077	5,38,49,049
Significant Increase in Credit Risk	...	...	-	-
Credit Impaired	...	...	-	-
			3,19,93,077	5,38,49,049
Less: Allowance for Bad and Doubtful Debts (Expected Credit Losses)	...	...	-	-
			3,19,93,077	5,38,49,049
Receivable from related Parties (Refer Note No.43)	...	...	1,33,64,408	1,22,21,350
			4,53,57,485	6,60,70,399

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

PARTICULARS			AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Balance with Banks	...	...	3,329	7,00,729
Cash on Hand	...	...	43,158	28,405
			46,487	7,29,134

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

PARTICULARS			AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Unclaimed Dividends	...	...	81,463	81,463
			81,463	81,463

**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 2021	AS AT 31ST MARCH 2020
Loans & Advances	....	....	3,28,31,094	3,30,84,829
			3,28,31,094	3,30,84,829

**NOTE NO. 13**  
**OTHER CURRENT ASSETS**

PARTICULARS			AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Prepaid Expenses & Others	....	....	7,84,586	5,90,518
Advance to Sundry Creditors	....	....	88,87,846	69,28,967
Input Credit of GST	....	....	8,66,795	8,86,366
Reimbursement Receivable from Party	....	....	8,239	-
			1,05,47,466	84,05,851

**NOTE NO. 14**  
**CURRENT TAX ASSETS**

PARTICULARS			AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Income Tax Refundable	....	....	2,19,179	5,90,518
			2,19,179	5,90,518

**NOTE NO. 15**  
**EQUITY SHARE CAPITAL**

**(a) Capital Structure of the Group**

PARTICULARS OF CAPITAL	AS AT 31ST MARCH 2021		AS AT 31ST MARCH 2020	
	NO.OF SHARES	TOTAL VALUE	NO.OF SHARES	TOTAL VALUE
<b>AUTHORISED</b>				
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
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID-UP :</b>				
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
<b>ISSUED, SUBSCRIBED AND NOT FULLY PAID-UP :</b>	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 31.03.21	PERCENTAGE HOLDING	NO.OF SHARES AS ON 31.03.20	PERCENTAGE HOLDING
A.	<b>EQUITY SHARES</b>				
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 2021	AS AT 31ST MARCH 2020
Number of Shares at the beginning of the year :	43,90,000	43,90,000
( + ) Bonus shares issued ... ..	-	-
( + ) Fresh issue made ... ..	-	-
( - ) Shares forfeited ... ..	-	-
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 it's 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 :-

- 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 2021	AS AT 31ST MARCH 2020
Gross Debt	2,38,14,349	1,96,16,343
<u>Less:</u> Liquid Assets	46,487	4,33,668
Net Debt	2,37,67,862	1,91,82,675
Total Equity (As Per Balance Sheet)	3,33,75,220	3,51,25,088
Net Gearing Ratio	<b>0.71</b>	<b>0.55</b>

\* Liquid Assets Comprises of Cash & Cash Equivalents only.

## (v) Dividends

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
i) <u>On Ordinary Shares</u>		
Final Dividend for the year ended 31st March 2020 of Rs 0.25 per fully paid share net of waivers of dividend	-	7,59,975
Dividend distribution tax on dividend declared for the year ended 31st March 2020	-	1,56,220
<b>Total Dividend Paid</b>	<b>-</b>	<b>9,16,195</b>

**NOTE NO. 16**  
**OTHER EQUITY**

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
<u>Balance of Reserves as per Statement of Changes in Equity</u>		
<u>Retained Earnings</u>		
Opening Balance	41,53,332	34,47,241
Less: Adjustments for Eddy & Andy	(39,944)	-
Add: Adjustments for Panache DMCC	12,61,475	-
Add: Surplus As per Profit & Loss Account	(23,31,029)	16,22,286
Less: Appropriations		
Dividends Paid	-	7,59,975
Dividend Distribution Tax Paid	-	1,56,220
<b>Closing Balance</b>	<b>30,43,834</b>	<b>41,53,332</b>
<u>Other Comprehensive Income</u>		
a) <u>Fair Value Changes in Equity Instruments</u>		
Opening Balance	(1,37,59,995)	(1,28,59,377)
Add: Changes for the Year	1,91,381	(9,00,618)
<b>Closing Balance</b>	<b>(1,35,68,614)</b>	<b>(1,37,59,995)</b>
b) <u>Foreign Currency Translation Reserve</u>		
Opening Balance	1,83,201	1,43,882
Less: Changes for the Year (Panache DMCC)	(2,948)	39,319
Less: Changes for the Year (Eddy & Andy)	(29,898)	-
Less: Transfer to Profit & Loss	(1,50,355)	-
<b>Closing Balance</b>	<b>-</b>	<b>1,83,201</b>
	(1,05,24,780)	(94,23,462)

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

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
<u>Secured Borrowings</u>		
Other borrowings	26,28,458	-
	26,28,458	-

Working Capital Term Loan of Rs 35,00,000 (Sanction Amount) is secured by way of hypothecation of Stocks and Book Debts. The Balance as on 31st March, 2021 is repayable in 36 monthly installments of Rs 97,222 each with moratorium of first 12 months. Interest to be serviced as and when debited. Interest @ 7.50% is applicable on the said loan.

**NOTE NO. 18**  
**PROVISIONS (NON CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Provision for Gratuity Payable	5,07,889	3,06,332
	5,07,889	3,06,332

**NOTE NO. 19**  
**BORROWINGS (CURRENT)**

PARICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
<u>Secured Borrowings</u>		
Cash Credit ... ..	2,01,60,737	1,86,16,343
Current Maturities of Long Term Borrowings ... ..	8,75,000	-
Other borrowings ... ..	1,50,154	-
Security Deposit Received ... ..	-	10,00,000
	<b>2,11,85,891</b>	<b>1,96,16,343</b>

**NOTE NO. 20**  
**TRADE PAYABLES (CURRENT)**

PARICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
<u>Trade payables</u>		
Due to Micro and Small Enterprises (On the basis of Information & records available with the management).	1,03,189	79,717
Others ... ..	2,31,31,706	4,83,90,940
<u>Trade Payables to Related Parties (Refer Note No. 43)</u>		
Due to Micro and Small Enterprises (On the basis of Information & records available with the management).	91,62,046	2,51,79,941
Others ... ..	2,48,77,680	31,000
	<b>5,72,74,621</b>	<b>7,36,81,598</b>

**Disclosure**

Out of the total payables to Micro and Small enterprises, disclosed in the table above, Rs.92,52,457/- stands overdue as on 31st March 2021. However, no interest is due or payable on such balance, pursuant to mutual agreement between the parties.

**NOTE NO. 21**  
**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.

PARICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Statutory liabilities ... ..	7,71,971	19,32,543
Salaries Payable ... ..	12,83,727	8,87,046
Advance from Trade Receivables ... ..	11,03,123	4,94,108
Others ... ..	1,209	-
	<b>31,60,030</b>	<b>33,13,696</b>

**NOTE NO. 22**  
**PROVISIONS (CURRENT)**

PARICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Dividend Payable (Unclaimed) ... ..	81,413	81,413
Professional Fees Payable ... ..	10,000	2,75,000
Audit Fees Payable ... ..	92,500	1,62,821
Rent Payable ... ..	7,000	-
Provision for Gratuity Payable ... ..	28,337	10,664
Electricity Charges Payable ... ..	3,450	-
Reimbursement Payable ... ..	34,945	-
	<b>2,57,645</b>	<b>5,29,898</b>

**NOTE NO. 23**  
**CURRENT TAX LIABILITIES(NET)**

PARICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Income Tax Payable ... ..	-	1,75,860
	<b>-</b>	<b>1,75,860</b>



## NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

### NOTE NO. 24 REVENUE FROM OPERATIONS

#### (a) Recognition of Revenue

The Group derives revenue primarily from sale of Consumer Electronics & Electrical Goods and IT Hardware & its peripherals & Sanitary products.

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 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Net Sales (Domestic)	....	8,80,50,719	15,11,16,877
Service Charges(Domestic)	....	98,57,271	1,25,799
Transport / Freight Charges Recovered	....	3,80,087	-
		<b>9,82,88,077</b>	<b>15,12,42,676</b>

#### (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 2021	FOR THE YEAR ENDED 31ST MARCH 2020
<b><u>Contract Liability</u></b>			
Opening Balance		4,94,108	7,080
<u>Less:</u> Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period.		(4,86,384)	(7,080)
<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.		10,95,399	4,94,108
<b>Closing Balance</b>		<b>11,03,123</b>	<b>4,94,108</b>
<b><u>Contract Assets</u></b>			
Opening Balance		74,09,433	68,09,600
<u>Less:</u> Expense recognised in the reporting period that was included in the contract asset balance at the beginning of the period.		(1,17,769)	(9,600)
<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.		15,96,182	6,09,433
<b>Closing Balance</b>		<b>88,87,846</b>	<b>74,09,433</b>

### NOTE NO. 25 OTHER INCOME

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Discounts Received	....	3,500	10,836
Other Compensations	....	11,549	2,73,369
Interest Income	....	21,81,190	27,82,057
Commission Income	....	3,01,000	-
Liabilities no longer Payable	....	29,237	1,07,408
Profit on Sale of Fixed Asset	....	1,085	-
		<b>25,27,560</b>	<b>31,73,670</b>

#### Measurement of Other Incomes

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

**NOTE NO. 26**  
**COST OF MATERIALS CONSUMED**

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Net Purchase	....	7,72,23,098	15,05,35,555
Service Charges	....	3,19,260	25,380
Royalty Expenses	....	40,73,066	-
		8,16,15,424	15,05,60,935

**NOTE NO. 27**  
**CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS**

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Opening Stock / Inventories	....	2,23,71,739	-
<u>Less:</u> Closing Stock / Inventories	....	(2,64,58,785)	(2,23,71,739)
		(40,87,046)	(2,23,71,739)

**NOTE NO. 28**  
**EMPLOYEE BENEFIT EXPENSES**

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Director's Remuneration	....	18,00,000	23,70,743
Salary & Bonus to Employees	....	90,73,786	1,02,67,375
Contributions to PF, ESIC & Other Funds	....	6,82,461	7,71,997
Staff Welfare Expenses	....	35,692	22,834
Gratuity To Staff	....	3,22,907	3,10,491
		1,19,14,846	1,37,43,440

**NOTE NO. 29**  
**FINANCE COSTS**

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Interest Expenses	....	21,82,728	5,69,856
Processing Charges on CC	....	60,000	20,000
		22,42,728	5,89,856

**NOTE NO. 30**  
**DEPRECIATION AND AMORTISATION EXPENSES**

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Depreciation on Property, Plant & Equipment	....	2,18,533	89,856
Amortisation of Intangible Assets	....	16,825	1,17,701
		2,35,358	2,07,557

**NOTE NO. 31  
OTHER EXPENSES**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Advertisement Expenses	62,400	-
Annual Compliance Costs	19,900	24,600
Bank Charges	1,07,137	96,914
Software, Cloud & Other related Expenses	2,02,061	1,29,406
Certification Charges	1,91,964	-
Clearing Charges	35,891	-
Commission Expenses	4,16,431	85,585
Conveyance	3,98,104	3,90,060
Courier Charges	33,772	-
Custom Duty Paid	2,613	-
Discount & Rebate	1,73,337	-
Electricity Charges	31,650	31,340
E-commerce expenses	6,17,544	14,86,637
Expected Credit Losses	1,71,958	-
GST late fees	12,920	2,450
Insurance Charges	1,87,320	71,795
Interest on Late Payment of TDS	51,099	3,674
Interest on VAT & GST	79,995	3,27,486
Late fees on Import duty paid	1,23,476	-
Listing fees	3,00,000	3,00,000
General Operating Expenses	4,35,430	-
(Profit) / Loss Due To Foreign Exchange Fluctuation	1,22,057	4,32,151
Foreign Currency Translation Impact	(2,13,417)	-
Office & General Expenses	-	2,46,369
Packing Charges	-	88,506
Payment to Auditor's	3,05,000	3,40,232
Printing & Stationery	2,08,725	1,32,285
Professional Fees	21,99,188	13,46,226
Profession Tax	2,500	2,500
Rent, Rates & taxes	5,85,332	8,55,210
Repairs & Maintenance	6,560	37,412
Royalty Paid	50,000	50,000
Business Promotion Expenses	33,769	73,843
Sundry Expenses	63,973	-
Stamp duty and Registration Charges	1,31,074	76,198
Telephone & Mobile Charges	2,79,413	3,34,197
Transportation Charges	21,68,421	22,66,833
Travelling Expenses	6,33,749	4,86,747
Warehousing expenses	1,23,654	1,82,309
Website Development Charges	-	10,000
	1,03,55,000	99,10,965

**NOTE NO. 31.1**

**DETAILS OF PAYMENTS TO AUDITORS**

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
<u>Payment to Auditors</u>		
Statutory Audit	1,00,000	1,35,232
Tax Audit	25,000	25,000
Internal Audit	1,80,000	1,80,000
<b>Total Payments to Auditors</b>	3,05,000	3,40,232

**NOTE NO. 32**

**EXCEPTIONAL ITEMS**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Loss on Sale of Intangible Assets	-	(3,58,333)
Loss on Dissolution of Subsidiary	(12,44,711)	-
	(12,44,711)	(3,58,333)

NOTE NO. 33  
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 2021	FOR THE YEAR ENDED 31ST MARCH 2020
(a)	<b><u>Tax on Items Routed Through Profit or Loss Section</u></b>		
	(i) <u>Income Tax</u>		
	Current Tax under Income Tax Act, 1961	12,058	4,53,019
	Adjustments in respect of income tax of previous years.	(1,75,860)	(1,79,545)
	(ii) <u>Deferred Tax</u>		
	Tax Expense on Origination & Reversal of Temporary Difference	(2,76,708)	(4,78,761)
	<b>Tax Expense Reported in statement of Profit or Loss [(i) +(ii)]</b>	<b>(4,40,510)</b>	<b>(2,05,287)</b>
(b)	<b><u>Tax on Items Routed Through Other Comprehensive Income</u></b>		
	(i) <u>Income Tax</u>	-	-
	(ii) <u>Deferred Tax</u>	(1,01,519)	(1,47,672)
	<b>Tax Expense Reported in Other Comprehensive Income [(i) +(ii)]</b>	<b>(1,01,519)</b>	<b>(1,47,672)</b>

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

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Profit Before Tax	(A)	(27,05,384)	14,16,999
Corporate Tax Rate as per Income Tax Act, 1961	(B)	26%	26%
<b>Tax on Accounting Profit</b>	<b>(A)</b>	<b>(7,03,400)</b>	<b>3,68,420</b>
<u>Adjustments as per Income Tax</u>			
<u>Add: Impact of Income Exempt From Tax</u>			
Income from Foreign Subsidiaries		-	19,155
<u>Add: Depreciation as per Companies Act</u>		2,35,358	2,07,557
<u>Add: Disallowances U/s 37</u>		12,95,810	3,62,006
<u>Add: Disallowance of Gratuity Provision</u>		3,22,907	3,10,491
<u>Add: Disallowance of Contributions to statutory Funds</u>		4,15,201	5,41,860
<u>Less: Depreciation as per Income Tax Act</u>		(3,31,121)	(2,57,760)
<u>Less: Other Deductions</u>		(13,17,222)	-
		6,20,933	11,83,309
Corporate Tax Rate as per Income Tax Act, 1961		26%	26%
<b>Tax on Gross Adjustments as per Income Tax</b>	<b>(B)</b>	<b>1,61,443</b>	<b>3,07,660</b>
<b>Tax after adjustments as per Income Tax Act, 1961</b>	<b>[(A)+(B)]</b>	<b>(5,41,957)</b>	<b>6,76,080</b>
<u>Less: MAT Credit Set Off under section 115JAA</u>		(2,23,061)	(2,23,061)
<u>Less: Transferred to Deferred Taxes</u>		5,41,957	-
Income Tax Payable at Special Rate		12,058	-
<b>Net Income Tax Payable by the Group</b>		<b>12,058</b>	<b>4,53,019</b>
<b><u>Deferred Tax Expenses on Items Routed Through P&amp;L</u></b>			
Incremental Deferred Tax Liability/(Asset) on account of PPE and Intangible Assets, Employee Benefits & Expected Credit Losses		(2,76,708)	(4,78,761)
<b><u>Tax on Income/Expenses classified under Other Comprehensive Income</u></b>			
Long Term Capital Gain on Unlisted Securities Taxable @ 20%		-	-
Incremental Deferred Tax Liability/(Asset) due to Fair valuation of Equity Instruments		(87,704)	(1,61,487)
Incremental Deferred Tax Liability/(Asset) due to Gains/(Losses) on Translation of Foreign Operations		(13,815)	13,815
<b>Net Deferred Tax Expense/(Benefit)</b>	<b>(D)</b>	<b>(3,78,226)</b>	<b>(6,26,433)</b>
<b>Total Tax Expense Recognised for the Year</b>	<b>(E) = [(C)+(D)]</b>	<b>(3,66,168)</b>	<b>(1,73,414)</b>
<b>Effective Tax Rate</b>	<b>[(E)/(A)*100]</b>	<b>13.53</b>	<b>(12.24)</b>

### C. Calculation of Corporate Tax Rate

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
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%
<b>Corporate Tax Rate as per Income Tax Act,1961</b>	<b>26.00%</b>	<b>26.00%</b>

#### NOTE NO. 34

#### DISCONTINUING OPERATIONS

##### 1) Eddy & Andy International Ltd

##### a) Description

The parent company has discontinued the operations of foreign subsidiary viz. Eddy & Andy International Limited by way of repatriation of investment on 28th January, 2021. Accordingly, the operating losses of the aforesaid subsidiary for the current year has been shown as discontinued operation as per IND AS 105 'Non-current Assets Held for Sale and Discontinued Operations'.

##### b) Financial Performance and Cash Flow Information

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021
Revenue	-
Other Income	38
Expenses	66,193
<b>Profit Before Tax</b>	<b>(66,155)</b>
Income Tax Expense	-
<b>Total Profit from Discontinued Operations</b>	<b>(66,155)</b>
Other Comprehensive Income From discontinued Operations	-
<b>Total Comprehensive Income from Discontinued Operations</b>	<b>(66,155)</b>

##### The Cash inflows incurred by Eddy & Andy International limited :-

CASH FLOWS	FOR THE YEAR ENDED 31ST MARCH 2021
Net Cash Flow from Operating Activities	(66,155)
Net Cash inflow / (outflows) from investment Activities	-
Net Cash flow from Financing Activities	-
	<b>(66,155)</b>

##### c) Assets and Liabilities of Disposal Group classified as held for Sale

PARTICULARS	AS AT 31ST MARCH 2021
<u>Assets classified as held for sale</u>	
Property, Plant & Equipment	-
Trade Receivables	-
Other Current Assets	-
<b>Total Assets of Disposal Group held for Sale</b>	<b>-</b>
<u>Liabilities associated with assets classified as held for sale</u>	
Trade Payables	-
<b>Total Liabilities of Disposal Group held for Sale</b>	<b>-</b>

##### The cumulative foreign exchange losses recognised in other comprehensive income in relation to the discontinued operation is :-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021
<u>Other Comprehensive Income</u>	
Foreign Currency Translation Gain / (Loss)	-
Less: Tax effect on Foreign Currency Translation Gain / (Loss)	-
Net Foreign Currency Translation Gain / (Loss) recognised in Other Comprehensive Income	-

## 2) Panache Innovations DMCC

### a) Description

On account of continuous losses incurred by the subsidiary over the years, the parent company has discontinued its foreign operations viz. Panache Innovations DMCC and it has been deregistered by the respective authorities in Dubai on 29th December, 2020. Accordingly, the operating losses of the aforesaid subsidiary for the current year has been shown as discontinued operation as per IND AS 105 'Non-current Assets Held for Sale and Discontinued Operations'.

### b) Financial Performance and Cash Flow Information

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021
Revenue	-
Other Income	-
Expenses	-
<b>Profit Before Tax</b>	-
Income Tax Expense	-
<b>Total Profit from Discontinued Operations</b>	-
Other Comprehensive Income From discontinued Operations	-
<b>Total Comprehensive Income from Discontinued Operations</b>	-

### The Cash inflows incurred by Panache Innovations DMCC

CASH FLOWS	FOR THE YEAR ENDED 31ST MARCH 2021
Net Cash Flow from Operating Activities	-
Net Cash inflow / (outflows) from investment Activities	-
Net Cash flow from Financing Activities	-
	-

### c) Assets and Liabilities of Disposal Group classified as held for Sale

PARTICULARS	AS AT 31ST MARCH 2021
<u>Assets classified as held for sale</u>	
Property, Plant & Equipment	-
Trade Receivables	-
Other Current Assets	-
<b>Total Assets of Disposal Group held for Sale</b>	-
<u>Liabilities associated with assets classified as held for sale</u>	
Trade Payables	-
<b>Total Liabilities of Disposal Group held for Sale</b>	-

The cumulative foreign exchange losses recognised in other comprehensive income in relation to the discontinued operation is :-

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021
<u>Other Comprehensive Income</u>	
Foreign Currency Translation Gain / (Loss)	-
<u>Less:</u> Tax effect on Foreign Currency Translation Gain / (Loss)	-
Net Foreign Currency Translation Gain / (Loss) recognised in Other Comprehensive Income	-

**NOTE NO. 35**  
**OTHER COMPREHENSIVE INCOME**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
<b><u>Items That will not be reclassified to Profit/Loss Account</u></b>		
Actuarial Gains/Losses on Employee Benefit Expenses	-	(10,55,600)
Profit/(Loss) On Sale of Equity Instruments	-	-
Remeasurements of Post Employment Benefit Obligations	1,03,677	(6,505)
	1,03,677	(10,62,105)
<b><u>Items That will be reclassified to profit/Loss Account</u></b>		
Gains/(Losses) arising from translating financial statements of foreign Operations	-	53,134
	-	53,134

**NOTE NO. 36**  
**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 2021	FOR THE YEAR ENDED 31ST MARCH 2020
<b><u>Calculation of Basic EPS</u></b>		
A. Profit From Continuing Operations (Numerator)	(22,64,874)	16,22,286
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
<b>Basic Earnings Per Share(EPS) [( A ) / ( B )]</b>	<b>(0.52)</b>	<b>0.37</b>
<b><u>Calculation of Diluted EPS</u></b>		
A. Profit From Continuing Operations (Numerator)	(22,64,874)	16,22,286
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	-	-
Total Equity Shares for Calculation of Diluted EPS (Denominator)	43,90,000	43,90,000
<b>Diluted Earnings Per Share(EPS) [( A ) / ( B )]</b>	<b>(0.52)</b>	<b>0.37</b>

**NOTE NO. 37**  
**DISCLOSURE OF CURRENT ASSETS & LIABILITIES**

**A Basis of classification of Current Assets**

The Group classifies an asset as current asset when :-

- it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within twelve months after the reporting period; or
- 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 2021			AS AT 31ST MARCH 2020		
	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL
Loans & Deposits	3,28,31,094	-	3,28,31,094	3,30,84,829	-	3,30,84,829
Inventories	2,64,58,785	-	2,64,58,785	2,23,71,739	-	2,23,71,739
Trade Receivables	4,53,57,485	-	4,53,57,485	6,60,70,399	-	6,60,70,399
Other Current Assets	1,05,47,466	-	1,05,47,466	84,05,851	-	84,05,851

**B. Basis of classification of Current Liabilities**

The Group classifies 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 2021			AS AT 31ST MARCH 2020		
	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL
Borrowings	10,25,154	-	10,25,154	10,00,000	-	10,00,000
Trade Payables	5,72,74,621	-	5,72,74,621	7,36,81,598	-	7,36,81,598
Other Current Liabilities	31,60,030	-	31,60,030	33,13,696	-	33,13,696
Provisions	2,57,645	-	2,57,645	5,29,898	-	5,29,898
Current Tax Liabilities	-	-	-	1,75,860	-	1,75,860

**NOTE NO. 38****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 2021		AS AT 31ST MARCH 2020	
			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	0%	0%	100%	100%
Panache Innovations DMCC	Subsidiary	Dubai (U.A.E)	0%	0%	100%	100%

B. Salient Features of Parent & Subsidiary in the Group Financial Statements for the year ended 31st March 2021

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
<b>Parent Group</b>								
Panache Innovations Limited	100.00%	3,33,75,219	43.76%	(10,20,163)	93.27%	1,91,381	38.99%	(8,28,782)
<b>Subsidiaries</b>								
Eddy and Andy International Limited	0.00%	-	2.84%	(66,155)	0.00%	-	3.11%	(66,155)
Panache Innovations DMCC	-0.63%	(2,11,751)	0.00%	-	0.00%	-	0.00%	-
CFS Adjustments	99.37%	3,31,63,468	46.60%	(10,86,318)	93.27%	1,91,381	42.10%	(8,94,937)
	0.63%	2,11,751	53.40%	(12,44,711)	6.73%	13,815	57.90%	(12,30,896)
<b>Total</b>	<b>100.00%</b>	<b>3,33,75,219</b>	<b>100.00%</b>	<b>(23,31,029)</b>	<b>100.00%</b>	<b>2,05,196</b>	<b>100.00%</b>	<b>(21,25,833)</b>

C. Information regarding Winding Up/Repatriation of Investment in Subsidiaries during the Financial Year 2020-21 :

The Parent Company has closed down all of its foreign operations during the year by winding up of one of its Foreign subsidiaries in Dubai viz. Panache Innovations DMCC and repatriation of Investment in Eddy & Andy International Ltd incorporated in Hong Kong. The Summary of the Accounting of such closure of Subsidiaries in Consolidated Financial Statements are as follows :

- i. Panache Innovations DMCC has been closed and filed its liquidation report dated 25th March, 2021 with DMCC and completed the formalities for liquidation. Accordingly Panache Innovations DMCC, ceased to be subsidiary of the company.

There was no commercial transaction in the Subsidiary during FY 2020-21.



Upon Consolidation, The Reserves which includes Foreign Currency Translation Reserve pertaining to the subsidiary viz. Panache Innovations DMCC were written off against the Consolidated Statement of Profit/Loss. The Financial Information regarding such transfer of reserves are as follows :

Particulars	Transferred to Consolidated Retained Earnings
Retained Earnings	(12,61,475)
Foreign Currency Translation Reserve	16,763
<b>Total</b>	<b>(12,44,712)</b>

ii. Eddy and Andy International Limited ('Subsidiary') has disposed off its assets and settled its liabilities and repatriated balance funds of Rs. Rs.1,59,710.04/- (\$2194.79) to company against its investment on equity share capital. Subsidiary has filed for liquidation with IRD of Hong Kong and completed the formalities for liquidation.

Accordingly, Eddy and Andy International Limited, ceased to be subsidiary of the company from date of repatriation. However, liquidation approval from the said statutory authority has not yet received.

There was no major commercial transaction in the Subsidiary during FY 2020-21. Few transactions that took place in the subsidiary during the year are classified and disclosed separately under Discontinuing Operations.

Upon Consolidation, The Reserves which includes Foreign Currency Translation Reserve pertaining to the subsidiary viz. Eddy & andy International Ltd were transferred to the Consolidated Statement of Profit/Loss. The Financial Information regarding such transfer of Reserves are as follows :

Particulars	Transferred to Consolidated Retained Earnings
Retained Earnings	39,944
Foreign Currency Translation Reserve	29,898
<b>Total</b>	<b>69,842</b>

**NOTE NO. 39**  
**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 positively 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 2021			
	USD	EQUIVALENT IN INR	OTHER CURRENCY	EQUIVALENT IN INR
Trade Payables	-	-	-	-

PARTICULARS	AS AT 31ST MARCH 2020			
	USD	EQUIVALENT IN INR	OTHER CURRENCY	EQUIVALENT IN INR
Trade Payables	85,701	64,60,666	-	-

#### 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
<b>As at 31st March 2021</b>			
US DOLLAR	1%	-	-
<b>As at 31st March 2020</b>			
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 2021	AS AT 31ST MARCH 2020
Cash Credit	2,01,60,737	1,86,16,343
	2,01,60,737	1,86,16,343

#### 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 2021		
	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	(20,161)	20,161
<u>Less: Tax Effect on Interest Cost</u>		5,242	(5,242)
Net Effect on Profit & Loss Account		(14,919)	14,919

\* Holding all other variables constant

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		(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 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 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 trade receivables based on Expected Credit Loss(ECL) model. The reconciliation of ECL is as follows :-

PARTICULARS	AS AT 31ST MARCH 2021
Opening Balance	-
<u>Changes in Loss Allowance</u>	
Loss Allowance for the year, based on ECL Model.	1,71,958
Write Off as Bad Debts	1,71,958
Closing Balance reproted under Note No.9	-

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 2021

NON-DERIVATIVE FINANCIAL LIABILITIES	CONTRACTUAL CASH FLOWS		
	PAYABLE WITHIN ONE YEAR	PAYABLE AFTER ONE YEAR	TOTAL
Borrowings	10,25,154	26,28,458	36,53,612
Trade Payables	5,72,74,621	-	5,72,74,621

As at 31st March 2020

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

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. 40**  
**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 application 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 circumstances.

#### 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

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. 5,85,332/-

#### NOTE NO. 41

##### 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 2021	AS AT 31ST MARCH 2020
<b>Current Assets</b>			
<u>Fixed Charge Asset</u>			
Assets		-	-
<u>Floating Charge</u>			
Trade Receivables	Note No . 9	4,53,57,485	6,60,70,399
Inventory	Note No . 8	2,64,58,785	2,23,71,739
Financial assets at fair value through profit/loss			
<b>Total current assets pledged as security</b>		<b>7,18,16,270</b>	<b>8,84,42,138</b>
<b>Non Current Assets pledged as security</b>		<b>-</b>	<b>-</b>
<b>Total assets pledged as security</b>		<b>7,18,16,270</b>	<b>8,84,42,138</b>

#### NOTE NO. 42

##### 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 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Employer's Contribution to Provident Fund & ESIC	6,82,461	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 2021	AS AT 31ST MARCH 2020
<u>Present Value of Defined Benefit Obligation</u>		
Wholly Funded	-	-
Wholly Unfunded	5,36,226	3,16,996
	5,36,226	3,16,996
<u>Less: Fair Value of Plan Assets</u>	-	-
Amounts recognised as Liability (See Note No.18 & Note No.22)	5,36,226	3,16,996

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Current Service Cost	3,01,351	2,98,431
Interest Cost	21,556	768
Past Service Cost	-	11,292
Expenses included in Employee Benefits (See Note No.28)	3,22,907	3,10,491

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Actuarial (Gains) / Losses	(1,03,677)	6,505
Expenses included in Other Comprehensive Income (See Note No.35)	(1,03,677)	6,505

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
Opening Balance of present value of Defined Benefit Obligation	3,16,996	-
<u>Add:</u> Current Service Cost	3,01,351	2,98,431
<u>Add:</u> Interest Cost	21,556	768
<u>Add:</u> Past Service Cost	-	11,292
<u>Add:</u> Actuarial Losses/(gains)	(1,03,677)	6,505
	5,36,226	3,16,996
<u>Less:</u> Benefits Paid	-	-
	5,36,226	3,16,996

(e) Breakup of Other Comprehensive Income

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	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	-	-
Actuarial losses / (gains) arising from change in experience adjustments	(1,03,677)	(26,893)
	(1,03,677)	6,505

(f) Actuarial Assumptions

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

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Discount Rate (per anum)	6.80%	6.80%
Salary Growth Rate (per anum)	7.00%	7.00%
Retirement Age	58 Years	58 Years
<u>Attrition Rate</u>		
Younger Ages	5%	5%
Older Ages	1%	1%

(g) Maturity profile of defined benefit obligation

PARTICULARS	AS AT 31ST MARCH 2021	AS AT 31ST MARCH 2020
Within 1 Year	28,337	10,664
Year 1 to Year 2	17,071	14,796
Year 2 to Year 3	16,482	9,785
Year 4 to Year 5	28,750	9,448
Year 5 to Year 6	14,922	14,747
Year 6 to Year 10	3,91,154	1,73,999
After 10 Years	39,510	83,557

**NOTE NO. 43**  
**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 Panache Innovations DMCC	Subsidiary Subsidiary	No No

ii) Key Managerial Personnel

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

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 Prakash M. Vichhivora Hetal M. Vichhivora Priyank Sangoi* Panache Digilife Limited Modera Freight Services Pvt Ltd Modera Electronics Rambhia IPR Services LLP	Non - Executive Director Managing Director Whole Time Director & CFO CS & Compliance Officer Company having Common Director Company having Common Director Firm in which Director is a Partner Firm in which Director is a Partner

\* Mr. Priyank Sangoi has resigned from the post of "Company Secretary & Compliance Officer" with effect from 26th June, 2021.

**(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 20-21
Hetal M. Vichhivora	Whole Time Director & CFO	Remuneration	9,00,000
Prakash M. Vichhivora	Managing Director	Remuneration	9,00,000
Priyank Sangoi	CS & Compliance Officer	Remuneration	4,38,646
Panache Digilife Limited	Company having Common Director	Sales	92,49,885
Panache Digilife Limited	Company having Common Director	Services Availed	3,56,540
Panache Digilife Limited	Company having Common Director	Purchases	2,13,32,289
Panache Digilife Limited	Company having Common Director	PPE Purchased	1,82,453
Modera Electronics	Firm in which Director is a Partner	Sales	26,22,146
Modera Electronics	Firm in which Director is a Partner	Services Provided	10,464
Modera Electronics	Firm in which Director is a Partner	Purchases	1,63,04,208
Modera Electronics	Firm in which Director is a Partner	Services Availed	11,247
Modera Freight Services Pvt Ltd	Company having Common Director	Sales	1,440
Modera Freight Services Pvt Ltd	Company having Common Director	Freight Charges	3,32,615
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 2021	AS AT 31ST MARCH 2020
<b>Amounts Receivable from Related Parties</b>			
<u>Receivables For Sales &amp; Services Provided</u>			
Panache Digilife Limited	Company having Common Director	-	28,771
Modera Electronics	Firm in which Director is a Partner	1,12,35,483	1,21,92,579
Total Receivables from Related Parties		1,12,35,483	1,22,21,350
<b>Amounts Payable to Related Parties</b>			
<u>Payables for Purchases &amp; Services Availed</u>			
Panache Digilife Limited	Company having Common Director	2,19,35,198	1,59,25,291
Modera Electronics	Firm in which Director is a Partner	91,62,046	92,54,650
ICT Infratech Services Private Limited	Company having Common Director	28,65,232	28,65,232
Rambhia IPR Services LLP	Firm in which Director is a Partner	77,250	31,000
<u>Payables to KMP as Remuneration</u>		3,40,39,726	2,80,76,173
Priyank Sangoi	CS & Compliance Officer	38,690	38,790
		38,690	38,790
Total Payables to Related Parties		3,40,78,416	2,81,14,963

**NOTE NO. 44**

**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 2021	AS AT 31ST MARCH 2020
<b>Financial Assets</b>		
<u>Measured at Amortised Cost</u>		
Loans	3,30,05,648	3,32,45,383
Trade Receivables	4,53,57,485	6,60,70,399
Other Financial Assets	5,000	5,000
Cash & Cash Equivalents	46,487	7,29,134
Bank Balances Other Cash & Cash Equivalents	81,463	81,463
Total financial Assets Measured at Amortised Cost (I)	7,84,96,083	10,01,31,379
Measured at Fair Value Through Other Comprehensive Income (FVTOCI)	-	-
Total Value of Financial Assets [(I)+(II)]	7,84,96,083	10,01,31,379
<b>Financial Liabilities</b>		
<u>Measured at Amortised Cost</u>		
Borrowings	2,38,14,349	1,96,16,343
Trade Payables	5,72,74,621	7,36,81,598
Other Financial Liabilities	-	-
Total of Financial Liabilities Measured at Amortised Cost	8,10,88,970	9,32,97,941
Total Value of Financial Liabilities	8,10,88,970	9,32,97,941

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2021	FOR THE YEAR ENDED 31ST MARCH 2020
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.)	(1,22,057)	(4,32,151)
(ii) Interest Charges	(21,82,728)	(5,69,856)
(iii) Finance Charges (Net)	(60,000)	(20,000)
(iv) Interest Income on Loans & Advances given	21,81,190	27,82,057
Total	(1,83,596)	17,60,050
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)
(ii) Gains/(losses) on sale of Equity Instruments	-	-
(iii) Net Tax on Equity Instruments	-	1,61,487
Total	-	(8,94,113)

**NOTE NO. 45**  
**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 2021	AS AT 31ST MARCH 2020	NATURE OF ASSISTANCE	PURPOSE FOR WHICH LOAN/ GUARANTEE IS PROPOSED TO BE UTILISED BY RECEIPT
Karrm Warehousing Private Limited	2,96,30,121	2,71,83,126	Inter Corporate Loan	Short Term Working Capital
Seemsan Pumps And Equipment Pvt Ltd	28,90,824	26,28,024	Inter Corporate Loan	Short Term Working Capital
Sure Horizon Softech End2End Solution Pvt Ltd	1,88,054	26,55,120	Inter Corporate Loan	Short Term Working Capital
Greatmoon Trading Private Limited	1,17,765	1,17,765	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:- 03123060

PLACE: MUMBAI  
DATED: 28/06/2021  
UDIN: 21044039AAAABY8756

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

PLACE: MUMBAI  
DATED: 28/06/2021



## NOTICE TO MEMBERS

Notice is hereby given that the 40<sup>th</sup> Annual General Meeting (AGM) of the Members of Panache Innovations Limited will be held on Monday, 27<sup>th</sup> September, 2021 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 31<sup>st</sup> March, 2021, 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 31<sup>st</sup> March, 2021, and the report of the Auditors thereon.
2. **To appoint a Director in place of Mr. Hetal Vichhivora, Director, (DIN 03123060), who retires by rotation and being eligible, offers himself for re-appointment.**

### Special Business:

3. **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 there under (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 2022-23 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 2022-23 shall not exceed Rs. 30 Crores.

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

- a. negotiate, finalise, vary, amend, renew and revise the terms and conditions of the transaction(s), including prices/pricing formula and tenure;
- b. enter into, sign, execute, renew, modify and amend all agreements, documents, letters, undertaking thereof, from time to time, provided that such amendments etc. are on arms' length basis.

**RESOLVED FURTHER THAT** the Board of Directors of the Company 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."

**4. To Consider Revision in terms of Remuneration of Mr. Prakash Vichhivora (DIN: 03123043) as Managing Director of the Company:**

To Consider and, if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution:

**“RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197 and 198 and other applicable provisions, if any. of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said act and subject to the provisions of the Articles of Association of the Company, approval of the Members be and is hereby accorded to the revision in the remuneration of Mr. Prakash Vichhivora (DIN: 03123043), Managing Director of the Company with effective from May 30, 2022 to May 29, 2024.

**“FURTHER RESOLVED THAT** the overall managerial remuneration payable to Mr. Prakash Vichhivora shall be such amount as may be fixed by the Board from time to time on recommendation of the Nomination and Remuneration Committee but not exceeding Rs. 60,00,000 (Sixty Lakhs) p.a. at any point of time and that the terms and conditions of the aforesaid remuneration payable to the said Managing Director be varied/alterd/revised within said overall limit, in such manner as may be required during aforesaid period of 2 (Two) years.”

**“FURTHER RESOLVED THAT** where in any Financial Year during the tenure of the said Managing Director, the Company has no profits or profits are inadequate, the aforesaid remuneration or remuneration as may be approved by the Board of Directors of the Company from time to time shall be paid as minimum remuneration.”

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

**5. To Consider Revision in terms of Remuneration of Mr. Hetal Vichhivora (DIN: 03123060) as Whole-Time Director and Chief Financial Officer of the Company:**

To Consider and, if thought fit, to pass the following resolution, with or without modification(s), as a Special Resolution:

**“RESOLVED THAT** pursuant to the recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197 and 198 and other applicable provisions, if any. of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said act and subject to the provisions of the Articles of Association of the Company, approval of the Members be and is hereby accorded to the revision in the remuneration of Mr. Hetal Vichhivora (DIN: 03123060), Whole-Time Director & Chief Financial Officer of the Company with effective from May 30, 2022 to May 29, 2024.

**“FURTHER RESOLVED THAT** the overall managerial remuneration payable to Mr. Hetal Vichhivora shall be such amount as may be fixed by the Board from time to time on recommendation of the Nomination and Remuneration Committee but not exceeding Rs. 60,00,000 (Sixty Lakhs) p.a. at any point of time and that the terms and conditions of the aforesaid remuneration payable to the said Whole-Time Director & Chief Financial Officer be varied/alterd/revised within said overall limit, in such manner as may be required during aforesaid period of 2 (Two) years.”

**“FURTHER RESOLVED THAT** where in any Financial Year during the tenure of the said Whole-Time Director & Chief Financial Officer, the Company has no profits or profits are inadequate, the aforesaid remuneration or remuneration as may be approved by the Board of Directors of the Company from time to time shall be paid as minimum remuneration.”

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

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

\_\_\_\_\_  
**Vishal Adhav**  
**CS & Compliance Officer**  
**Membership No. A65202**

**Date: 13/08/2021**  
**Place: Mumbai**

#### **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. 02/2021 dated 13<sup>th</sup> January, 2021 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020, General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 and General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide circular dated 15<sup>th</sup> January, 2021 and circular dated 12<sup>th</sup> May, 2020 (collectively referred to as “SEBI Circulars”) 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 Circulars, 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 Circulars, 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 5 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, 20<sup>th</sup> August, 2021 (cut-off date for receiving Notice and Annual Report), shall be entitled for receiving of the Annual Report for the period 2020-21, 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, 20<sup>th</sup> September, 2021, 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](mailto:nichetechpl@nichetechpl.com) or to Central Depository Services (India) Limited at email [helpdesk.evoting@cdslindia.com](mailto: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, 21<sup>st</sup> September, 2021 to Monday, 27<sup>th</sup> September, 2021 (both days inclusive) for the purpose of 40<sup>th</sup> AGM.
9. **Communication:** Notice of the AGM and the Annual Report for the Financial Year 2020-21 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 2020-21 along with Notice of the AGM is available at the website of the Company at [www.panachemodera.com](http://www.panachemodera.com) and website of the Stock Exchange i.e. BSE Limited of India at [www.bseindia.com](http://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 8<sup>th</sup> June 2018 as amended on 30<sup>th</sup> November 2018, has stipulated that w.e.f. 1<sup>st</sup> 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, 7<sup>th</sup> 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 there under, 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, 20<sup>th</sup> September, 2021.
15. Any person who is not a Member as on the cut-off date i.e. Monday, 20<sup>th</sup> September, 2021, 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](mailto: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](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738) or Mr. Rakesh Dalvi (022-23058542). All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

#### **CDSL E-VOTING SYSTEM – FOR E-VOTING AND JOINING VIRTUAL MEETINGS:**

1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021. The forthcoming AGM will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. 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), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020 and January 13, 2021 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 authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. 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 the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 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.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.panachemodera.com](http://www.panachemodera.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021.
8. In continuation of this Ministry's General Circular No. 20/2020, dated 05th May, 2020 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2020, or become due in the year 2021, to conduct their AGMs on or before 31.12.2021, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 as per MCA circular no. 02/2021 dated January 13, 2021.

**THE INTRUCTIONS OF SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING AT AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:**

- (i) The e-voting period commences on Friday, 24<sup>th</sup> September, 2021 (9.00 a.m.) to Sunday, 26<sup>th</sup> September, 2021 (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, 20<sup>th</sup> September, 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242** dated **09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login**

**credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iv) In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode **CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2) If the user is not registered for IDeAS e-Services, option to register is</li> </ol>

	<p>available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider’s website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

(v) Login method for e-Voting and joining virtual meeting for **shareholders other than individual shareholders & physical shareholders.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on “Shareholders” module.
- 3) Now enter your User ID



- a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
  - 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
  - 6) If you are a first-time user follow the steps given below:

	<b>For Shareholders holding shares in Demat Form other than individual and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>• Shareholders 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.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>• 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 (v).</li> </ul>

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the EVSN for the relevant Panache Innovations Limited on which you choose to vote.
- (x) 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.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) 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.

- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a 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.
- (xvi) Additional Facility for Non – Individual Shareholders and Custodians for Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cDSLindia.com](mailto:helpdesk.evoting@cDSLindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
  - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [compliance@panachemodera.com](mailto:compliance@panachemodera.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/iPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [compliance@panachemodera.com](mailto:compliance@panachemodera.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [compliance@panachemodera.com](mailto:compliance@panachemodera.com). These queries will be replied to by the company suitably by email. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the 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.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders - 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/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022- 23058738 and 022-23058542/43.

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](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

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

**Resolution No.3:**

Based upon the business requirements, Board of Directors of your Company have evaluated the transactions contained in the resolution no. 3 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;

<b>Name of the Related Party</b>	<b>Name of Director or Key Managerial Personnel who is related, if any</b>	<b>Nature of Relationship</b>	<b>nature and particulars of the contract or arrangements</b>	<b>material terms, monetary value and duration</b>
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 2022-23 shall not exceed Rs. 70Crores.  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 2022-23 shall not exceed Rs. 30Crores.  The transactions shall be on arm's length basis.

No other information relevant or important for the members to take a decision on the proposed resolution. 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. 3.

The Board of Directors recommend passing of the Ordinary Resolution at Item No. 3 of the Notice.

#### **Resolution No.4:**

Mr. Prakash Vichhivora, was appointed and designated as Managing Director of the Company by the Board at its Meeting held on May 30, 2019 for a period of 5 years i.e. from May 30, 2019 to May 29, 2024. The same was subsequently approved by the members at the AGM held on September 27, 2019. Further, considering the contribution of Mr. Prakash Vichhivora and the progress made by the Company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on August 13, 2021 approved the revision in the remuneration of Mr. Prakash Vichhivora for a period of 2 years effective from May 30, 2022 to May 29, 2024 on terms and conditions enumerated in the Resolution.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revised remuneration of Mr. Prakash Vichhivora as decided by the Board is required to be approved by the Members at their meeting due to inadequacy of profits.

It is submitted that based on the projections, the overall managerial remuneration will not exceed the limits specified in Sec. 197 of the Companies Act, 2013 read with Schedule V. The Members are requested to consider the revision in remuneration of Mr. Prakash Vichhivora, Managing Director of the Company.

**Pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013 the following Statement is given:**

<b>I. General Information</b>		
(1)	Nature of industry:	Communication, Trading & Distribution
(2)	Date or expected date of commencement of commercial Production	Not Applicable
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
(4)	Financial performance based on given indicators	Performance for F.Y. 2020-21 (Standalone Financials): 1. Gross Revenue: Rs.983 Lakhs 2. Loss after Tax: Rs. (10.20) Lakhs 3. EPS: Rs. (0.23)
(5)	Foreign investments or collaborations, if any.	Not Applicable
<b>II. Information about the appointee:</b>		
(1)	Background details	Mr. Prakash Vichhivora aged 51, has more than 29 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.
(2)	Past remuneration	Rs. 9,00,000/- p.a. (after considering Waiver of Remuneration for 3 months)
(3)	Recognition or awards	Not Applicable
(4)	Job profile and his suitability	Management & overall business execution
(5)	Remuneration proposed	As mentioned in the Resolution stated Above
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remunerations is commensurate with industry standards and Board level positions held in similar sized and similarly positioned business.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel if any.	Brother of Mr. Hetal Vichhivora (Whole-Time Director & CFO of the Company)
<b>III. Other information:</b>		
(1)	Reasons of loss or inadequate profits	Temporary loss due to Covid led lockdown.
(2)	Steps taken or proposed to be taken for improvement	Not Applicable
(3)	Expected increase in productivity and profits in measurable terms	Not Applicable

Pursuant to the applicable provisions of the Companies Act, 2013, and the relevant rules made there under, consent of members is being sought by way of a Special Resolution.

Except, Mr. Prakash Vichhivora and Mr. Hetal Vichhivora and their relatives none of the promoters, directors, key managerial personnel and their relatives are considered to be concerned or interested financially or otherwise, in the Resolution.

The Board of Directors recommend passing of the Special Resolution at Item No. 4 of the Notice.

#### **Resolution No.5:**

Mr. Hetal Vichhivora, was appointed and designated as Whole-Time Director and Chief Financial Officer of the Company by the Board at its Meeting held on May 30, 2019 for a period of 5 years i.e. from May 30, 2019 to May 29, 2024. The same was subsequently approved by the members at the AGM held on September 27, 2019. Further, considering the contribution of Mr. Hetal Vichhivora and the progress made by the Company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration

Committee, the Board at its Meeting held on August 13, 2021 approved the revision in the remuneration of Mr. Hetal Vichhivora for a period of 2 years effective from May 30, 2022 to May 29, 2024 on terms and conditions enumerated in the Resolution.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revised remuneration of Mr. Hetal Vichhivora as decided by the Board is required to be approved by the Members at their meeting due to inadequacy of profits.

It is submitted that based on the projections, the overall managerial remuneration will not exceed the limits specified in Sec. 197 of the Companies Act, 2013 read with Schedule V. The Members are requested to consider the revision in remuneration of Mr. Hetal Vichhivora, Whole-Time Director and Chief Financial Officer of the Company.

**Pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013 the following Statement is given:**

<b>I. General Information</b>		
(1)	Nature of industry:	Communication, Trading & Distribution
(2)	Date or expected date of commencement of commercial Production	Not Applicable
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
(4)	Financial performance based on given indicators	Performance for F.Y. 2020-21 (Standalone Financials): 1. Gross Revenue: Rs.983 Lakhs 2. Loss after Tax: Rs. (10.20) Lakhs 3. EPS: Rs. (0.23)
(5)	Foreign investments or collaborations, if any.	Not Applicable
<b>II. Information about the appointee:</b>		
(1)	Background details	Mr. Hetal Vichhivora, aged 46, has experience of more than 11 years in Retail Market of IT & more than 11 years in Security products and Distribution Business of IT and Telecom products. He brings many years of well-rounded administrative, Practical and Business Knowledge.
(2)	Past remuneration	Rs. 9,00,000/- p.a. (after considering Waiver of Remuneration for 3 months)
(3)	Recognition or awards	Not Applicable
(4)	Job profile and his suitability	Management & overall business execution
(5)	Remuneration proposed	As mentioned in the Resolution stated

		Above
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remunerations is commensurate with industry standards and Board level positions held in similar sized and similarly positioned business.
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel if any.	Brother of Mr. Prakash Vichhivora (Managing Director of the Company)
<b>III. Other information:</b>		
(1)	Reasons of loss or inadequate profits	Temporary loss due to Covid led lockdown.
(2)	Steps taken or proposed to be taken for improvement	Not Applicable
(3)	Expected increase in productivity and profits in measurable terms	Not Applicable

Pursuant to the applicable provisions of the Companies Act, 2013, and the relevant rules made there under, consent of members is being sought by way of a Special Resolution.

Except, Mr. Hetal Vichhivora and Mr. Prakash Vichhivora and their relatives none of the promoters, directors, key managerial personnel and their relatives are considered to be concerned or interested financially or otherwise, in the Resolution.

The Board of Directors recommend passing of the Special Resolution at Item No. 5 of the Notice.

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

**Date: 13/08/2021  
Place: Mumbai**

\_\_\_\_\_  
**Vishal Adhav  
CS & Compliance Officer  
Membership No. A65202**



## Annexure A to 40<sup>th</sup> AGM Notice

### Information about directors seeking appointment / reappointment and or fixation of remuneration in this Annual General Meeting in compliance with Secretarial Standard on General Meetings (SS- 2) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Director	Mr. Hetal Vichhivora	Mr. Prakash Vichhivora
Father's Name	Mr. Mavji Vichhivora	Mr. Mavji Vichhivora
DIN	03123060	03123043
Date of Birth	04/12/1974	11/07/1970
Age	46	51
Educational Qualification	Has completed 2 years of Diploma in Electronics and Video Engineering from St. Xaviers Technical Institute- Mumbai.	Degree in Electronics and Telecommunication.
Experience / Expertise	Mr. Hetal Vichhivora, aged 46, has experience of more than 10 years in Retail Market of IT & more than 10 years in Security products and Distribution Business of IT and Telecom products. He brings many years of well-rounded administrative, Practical and Business Knowledge.	Mr. Prakash Vichhivora aged 51, 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 behavior pattern in this industry.
Nature of his expertise in specific functional area	Management & overall business execution	Management & overall business execution
Terms and conditions of appointment or re-appointment or re-designation	Mr. Hetal Vichhivora is appointed as Whole-Time Director & CFO of the Company, for a period of 5 years w.e.f. 30 <sup>th</sup> 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.	Revision in Terms of Remuneration as Managing Director of the Company.
Last drawn remuneration	Rs. 9,00,000 p.a. (after considering Waiver of Remuneration for 3 months)	Rs. 9,00,000 p.a. (after considering Waiver of Remuneration for 3 months)
Date of 1 <sup>st</sup> Appointment on the Board	30/05/2019	30/05/2019
Number of Meetings of the Board attended during the F.Y. 2020-21	Attended all Board meetings held in financial year (i.e. four out of four meetings)	Attended all Board meetings held in financial year (i.e. four out of four meetings)
No. of share held as on date	NIL	NIL
Relationship with other directors, manager & KMP	Brother of Mr. Prakash Vichhivora (Managing Director)	Brother of Mr. Hetal Vichhivora (Whole-Time Director & CFO)
Other Directorships	Modera Freight Services Private Limited - <b>Director</b> Modera HR Consultancy Services Private Limited - <b>Director</b>	Modera Freight Services Private Limited - <b>Director</b> Modera HR Consultancy Services Private Limited - <b>Director</b>
Committee Chairmanship/Membership in other Companies	NIL	NIL

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Panache Innovations Limited

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🌐 [www.PanacheModera.com](http://www.PanacheModera.com)

