

**Date: 07/09/2020**

To,  
Listing and Compliance  
**National Stock Exchange of India Limited**  
Exchange Plaza, C-1, Block G  
Bandra Kurla Complex,  
Bandra (East)  
Mumbai-400051

Dear Sir/ Madam,

**Subject: Annual Report including Notice of 13<sup>th</sup> Annual General Meeting (AGM) for the financial year ended 31<sup>st</sup> March, 2020.**

**Reference: NSE Symbol – PANACHE**

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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 13<sup>th</sup> AGM of the Company for the financial year ended 31<sup>st</sup> March, 2020.

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 13<sup>th</sup> AGM of the Company for the financial year 2019-20 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 the link [www.panachedigilife.com](http://www.panachedigilife.com).

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

Thanking you,  
Yours faithfully,

**For Panache Digilife Limited**

  
**Jinkle Khimsara**  
**Company Secretary & Compliance Officer**  
**Membership No. A43987**

**Place: Mumbai**

Encl.: As above



# 2020 ANNUAL REPORT

PANACHE DIGILIFE LIMITED



Smart Compute



Smart Tracking &  
Asset Management



Interactive &  
Pen Displays



Retail IoT



Smart Water



PANACHE®

*Making Human Life Easy®*












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# Corporate Information




## Board of Directors & Key Managerial Personnel

 <b>Amit Devchand Rambhia</b> Chairman & Managing Director	 <b>Rohit Mathur</b> Independent Director (till 15th August, 2019)
 <b>Nikit Devchand Rambhia</b> Joint Managing Director	 <b>Shailesh Premji Gala</b> Additional Independent Director (w.e.f. 29th May, 2020)
 <b>Devchand Lalji Rambhia</b> Whole-Time Director	 <b>Gaurav Pratap Singh</b> Independent Director (23rd July, 2019 till 31st May, 2020)
 <b>Bhavin Vinod Adani</b> Independent Director	 <b>Vishal Lalan</b> Chief Executive Officer (w.e.f. 5th July, 2019)
 <b>Meeta K. Mehta</b> Independent Director	 <b>Jinkle Khimsaria</b> Company Secretary & Compliance Officer
 <b>Nitesh Savla</b> Chief Financial Officer	

## Audit Committee

 <b>Meeta Mehta</b> Chairperson	 <b>Shailesh Gala</b> Member	 <b>Amit Rambhia</b> Member	 <b>Bhavin Adani</b> Member
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## Nomination and Remuneration Committee

 <b>Bhavin Adani</b> Chairperson	 <b>Meeta Mehta</b> Member	 <b>Shailesh Gala</b> Member
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## Stakeholders Relationship Committee

 <b>Shailesh Gala</b> Chairperson	 <b>Nikit Rambhia</b> Member	 <b>Bhavin Adani</b> Member
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# Corporate Information

## **Statutory Auditors**

KPB & Associates  
Chartered Accountant

## **Secretarial Auditor**

D M Zaveri & Co.,  
Company Secretaries

## **Internal Auditor**

Sanket Sangoi & Associates

## **Registered Office**

Bldg. A3, 102-108 & 201-208,  
Babosa Industrial Park,  
Mumbai-Nashik Highway Nh3,  
Saravali Village Bhiwandi,  
Maharashtra, India  
CIN: L72200MH2007PLC169415  
(T): 022 2500 7002 / 7502  
(E): info@panachedigilife.com  
(W): www.panachedigilife.com

## **Corporate Office**

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

## **Factory**

Bldg. A3, 102-108 & 201-208,  
Babosa Industrial park,  
Mumbai-Nashik Highway NH3,  
Saravali Village park,  
Taluka Bhiwandi,  
Dist. Thane - 421302,  
Maharashtra

## **Factory**

F-6, Avis Udyog Bhawan,  
1st Floor, Near Kalaria  
Police Chowki, Ringanwada,  
Dabhel, Daman-396210, U.T.

## **Share Registrars and Transfer Agents**

### **Bigshare Services Private Limited**

1st Flr, Bharat Tin Works Building, Opp. Vasant Oasis  
Apartments (Next to Keys Hotel), Marol Maroshi Road,  
Andheri East, Mumbai - 400059  
(T): 022-40430200, 28470652, 62638200  
(E): investor@bigshareonline.com  
(W): www.bigshareonline.com

## **Listed on**

**The National Stock Exchange of India Limited**  
(Symbol - PANACHE)

## **Banker**

Canara Bank

## About us

### Marching Ahead.....

An innovative player in the ICT & IoT technology-backed devices manufacturing, distribution and services space, over the years, Panache Digilife Limited has made commendable progress in the areas of Smart Computing Devices & Virtualisation, Smart & Digital Classrooms, Smart & Connected Cars, Retail IOT and Smart Water. The Company owes its success to hard work put in by the Research & Development team and customer-centric focus which is ever aimed at making human life easy, at affordable cost. The Company's growth and success is an outcome of holding steadfast to this commitment. Panache Digilife has state-of-the-art, ISO 9001:2015 & ISO 14001:2015 certified manufacturing facilities at Daman and at Bhiwandi.

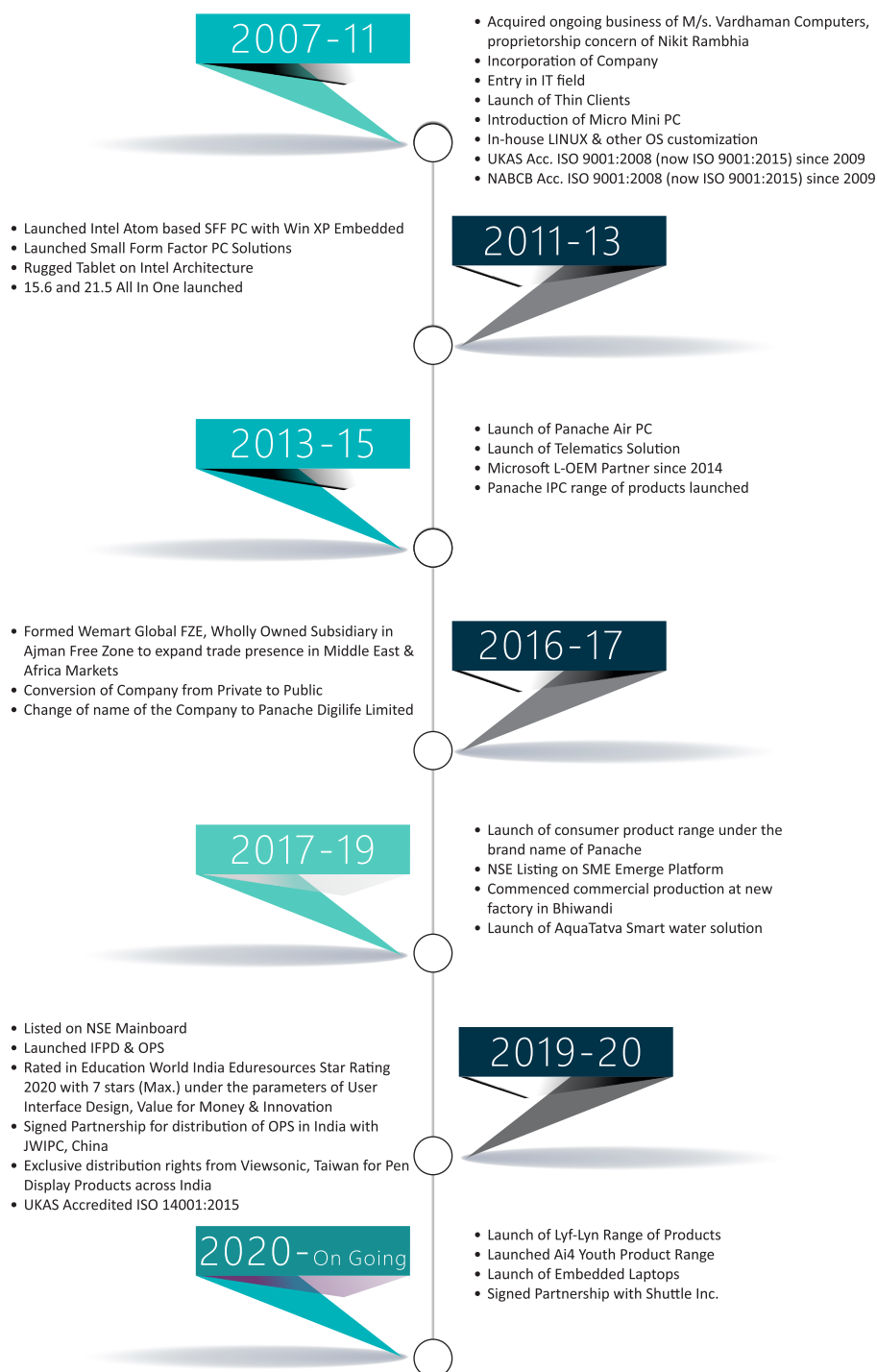
**Vision :** *Making Human Life Easy*

**Mission :** To be a market leader in ICT Manufacturing, Distribution and Services by providing world class quality Solutions at most competitive price with all-time best support

*Making Human Life Easy*

# Journey So Far

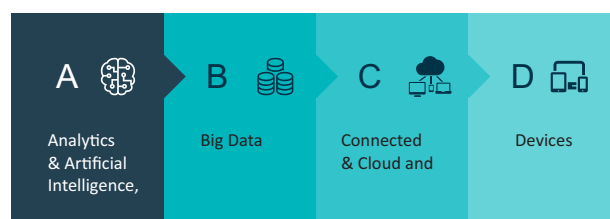
As is the case with most businesses, the journey of Panache Digilife Limited begun in a small way in the year 2007. The duo of Amit Rambhia and Nikit Rambhia established an assembling unit for white box manufacturing & desktop computing devices. Gradually, with vision of bringing innovative products for the Indian market the Company ventured into small form factor computing devices and since then there has been no looking back. During the last decade, the Company's robust R&D team have developed and manufactured multiple revolutionising products in the computer technology space.



# Design Philosophy

Billions of physical devices around the world are now connected to the internet. Concepts like AI and IOT are making them talk to each other, collect and share data. The change being ushered in is making the world around us smarter and more responsive, merging the digital and physical universes. The new age revolution is powered by the symphony of smart solutions designing 'experiences' with IoT. With the ever-growing importance of technologies and platforms only those who can create and sustain world class experiences through them will thrive. Consumer 'experiences' are driving and disrupting industries like never before.

Panache's design philosophy for its devices is centered on four important pillars, "ABCD". Expanded, the term stands for









The Company has been making a significant contribution to the Government of India's '**Make in India**' and '**Atmanirbhar Bharat**' initiatives in the Electronics domain. Panache is completely in sync with both these missions and is hopeful that going forward it will go a long way in making the country a global manufacturing hub and also facilitate job creation, foster innovation, enhance skill development and protect intellectual property.

In the same vein, the '**AtmaNirbhar Bharat**' initiative which is a part of '**Make in India**' aims to boost cottage industry and MSME's in India. Accordingly, a host of bold reforms to attract investments, enhance the ease of doing business, boost local manufacturing, local markets and local supply-chains have been initiated to transform domestic companies into global brands. These programs will prove to be noteworthy milestones and immensely enable the country in its digital transformation.

## Awards & Accoladess

Panache's efforts have been well recognized by various industrial bodies and the Government, as reflected from the awards and accolades. ·

Rated in Education World India Eduresources Star Rating 2020 with 7 stars (Max.) under the parameters of User Interface Design, Value for Money & Innovation·

-  **CRN Excellence Award in Big Data & Analytics in 2018·**
-  **Intel IoT Group Partner Performance Award in 2017·**
-  **Edge Innovation award in 2014 by Information Week, UBM·**
-  **Best System Builder award in 2010, 2011, 2012 & 2013 by CRN·**
-  **Intel Embedded Hero award in 2012·**
-  **SME National Award for Excellence in IT**

# About the Factory

- Manufacturing facility :  
**Bhiwandi**
- Manufacturing facility areas :  
**Approx. 57,000 Sq.ft.**
- Manufacturing Capacity :  
**5 Lac units per annum**
- Safety Measures :  
**Anti-static environment for assembly Semi Automated**
- Certified :  
**ISO 9001:2015**  
**ISO 14001:2015**



## Our Core Values



### Customer Focus

Customer needs are ever-evolving, and keeping up with their expectations can often be overwhelming. However, Panache Digilife is different; it is a customer-focused organization and ensures that all the facets of business are prioritized around customer satisfaction. This customer centric approach has proved to be mutually beneficial and paid rich dividends in terms of business growth and success. Needless to say, the Company has been able to build customer royalty and differentiate itself from the competition.



### Innovative Approach

The Company has a culture of Innovative Approach for its products and services. Being innovative is intricate to organizations and it has been found that Companies that really stand out in the crowd have one common factor - they all embraced innovation; and disrupted the status quo. One cannot expect to maintain a competitive edge if innovation is not part of the overall business strategy. Panache has embraced innovation and this has afforded it a sizable advantage in meeting customers' expectations.



### Global Scalability

Panache has a globally scalable business model which means that the Company has the ability to multiply revenue with minimal incremental cost. And the Company can expand to new geographies and market with fewer efforts. At the same time agile enough to adapt to the changing needs of the customers. Panache believes that scalability is inseparable to the technology business.



### Transparency & Accountability

The Company's operations are transparent and accountable by nature. In fact, both complement each other. Panache is honest in providing all the relevant information from time- to-time to its stakeholders. The Company's accountability extends to answering to all concerns pertaining to its business and providing justification as to how it's actions aligns with expectations; and vision.

# Products Portfolio

## Smart Compute Devices

Panache's focus is ever on designing Smart Compute Devices that are smart and innovative; and also helps it to work towards saving energy and carbon footprint by being low powered and small in size. The Company's gamut of products in Compute comes in different form factors including ultra-small computing devices such as Air PC; a small compact compute box Squair PC, Cloud compute range Clair PC, Touch and Non-Touch based All In ones Flair PC, and a range of Tablets & Laptops as well. Most of these are IoT enabled devices which can form the medium of communication between Cloud and the Data.



## Retail IOT

In this space, Panache has IoT enabled POS devices that are designed to meet the needs of standalone to networked POS users. The Company's integrated and stand-alone POS terminals come with capacitive touch, non-touch screens and wide range of compute options. The complete range of POS Peripherals is designed with Fanless & Energy Saving Architecture and Toughened Glass & Rugged Design. Panache also offers Kiosk based solution of Visitor Management System for various sectors including BFSI, Retail, Hospitality and others.

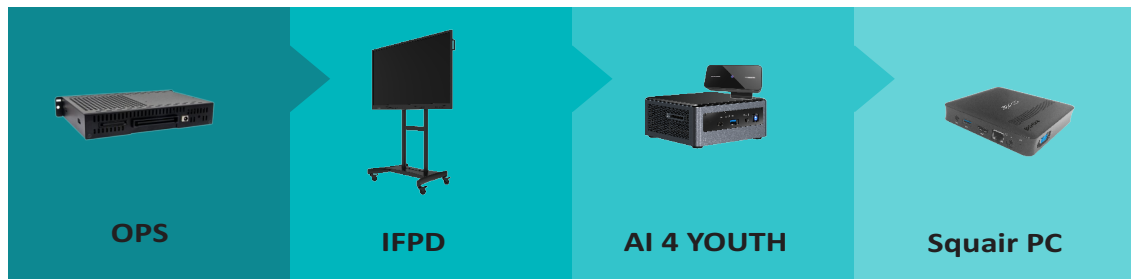




# Products Portfolio

## Education

Panache's Education Solution provides smart education solution for classroom learning and teaching. The Company also has interactive tools to help teachers for new and innovative teaching ways and also make classroom interesting and interactive for students.



## Healthy Living Solutions

With the aim to provide some innovative and effective solution to provide healthy water to people the Company has forayed into the business of Water. Through product 'Aquatatva', the aim is to provide water which is not only rich in required minerals but has lot more benefits to offer. The product will revolutionize the way people perceive drinking water. Additionally, the Company has also added an IoT ready smart metering solution to water, to monitor water consumption patterns remotely. The product is ideal for personal as well as corporate use.



## Pen Display Solution

This is a complete electronic signature solution which includes hardware and software. A 10-point touch enabled HDMI / VGA based Pen Display connected with Desktop / All In One. The teacher can annotate presentations, images real-time during teaching. These are Writing Pad Solution with cloud storage that allows writing on any paper and capturing it on cloud.



# NSE Listing Ceremony

**Panache Digilife Limited on 6th January, 2020**



# New Product Launch

## Interactive Flat Panel Displays & Open Pluggable Systems

Panache's Interactive Flat Panel Displays are new generation displays popping up in classrooms and boardrooms. This innovative technology with multi point touch screen enables you to build, share and interact with rich content and help you communicate effectively. Interactive flat panel displays provide immersive technology designed for meeting rooms, auditoriums, exhibitions, medical consultations, training counseling, event education centers, remote video conferences and reception areas or break out spaces to create, collaborate and inspire. An Open Pluggable System is a computing module plug in format available for adding computing capability to flat panel displays



## AI For Youth



Panache Digilife has taken a substantial stride forward into its Educational Vertical by developing 'AI for Youth' product range. The products are powered by Intel's Movidius Technology and Open Vino Platform. These products would empower Indian Youth with the necessary tools to create 'Artificial Intelligence' based unique solutions. As we usher in the Digital Transformation across the globe, AI is likely to be the lead technology driver for the global economy. Panache's 'AI for Youth' products are aimed at training the Indian students to lead the technology transformation and place our country on the global footprint.



# New Product Launch

## Embedded Laptops

Panache has come up with an innovative product range of customized 'Work from Home Solution - Embedded Laptops'. The new product is aimed to cope with the rising demand emerging from both Corporates as well as Educational Institutes with more and more people working from home as well as students attending online classes. Panache has developed these laptops to enable business continuity need of the corporates and also offer educational institutions right solutions to meet their curriculum need. These laptops can be customized as per the requirement of the end users.

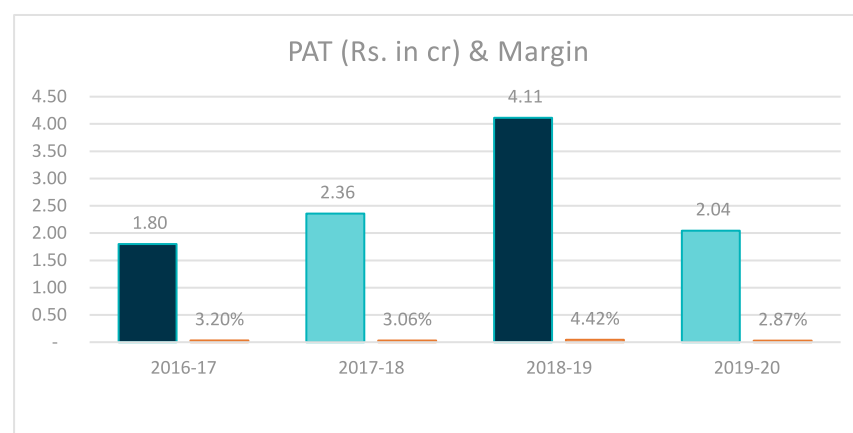
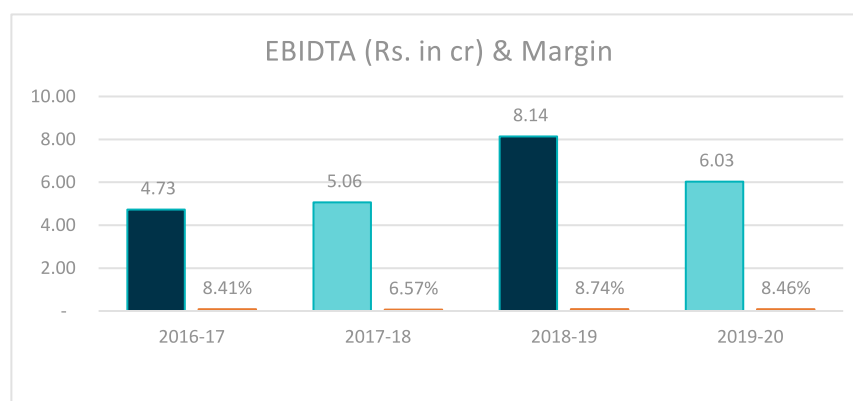
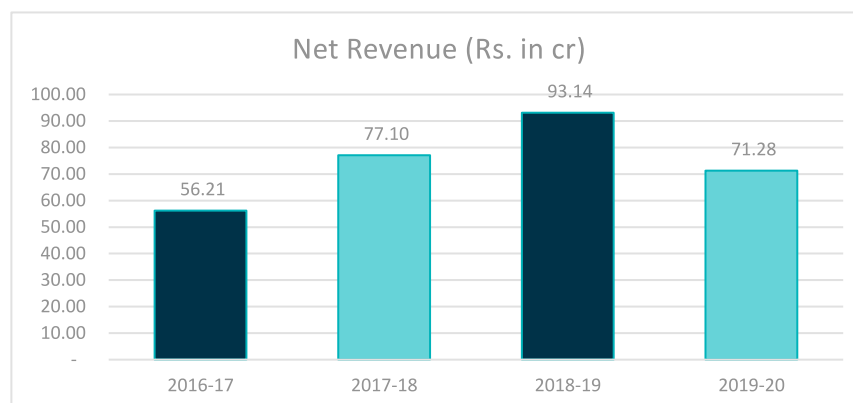


## Lyf-Lyn - Dwaar Pro

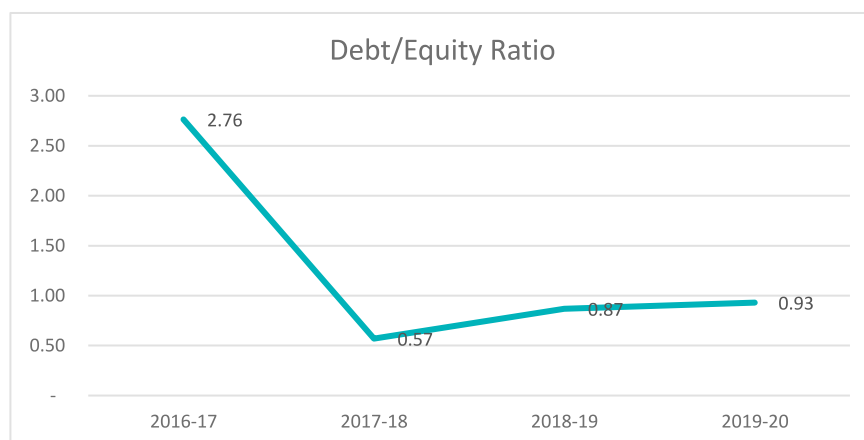
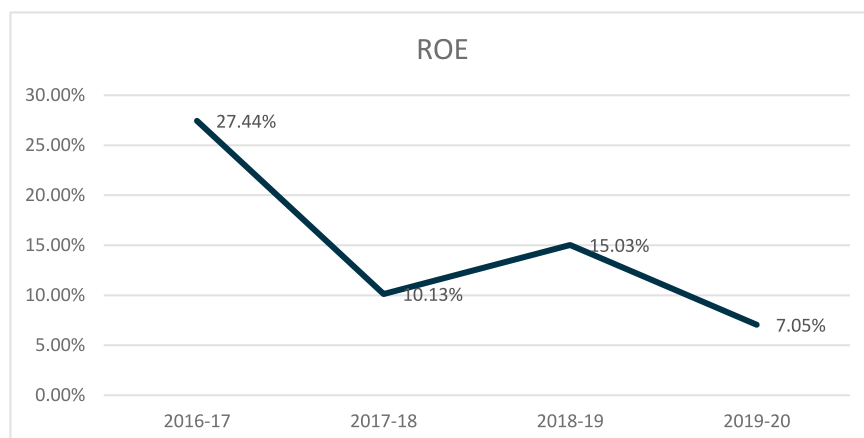
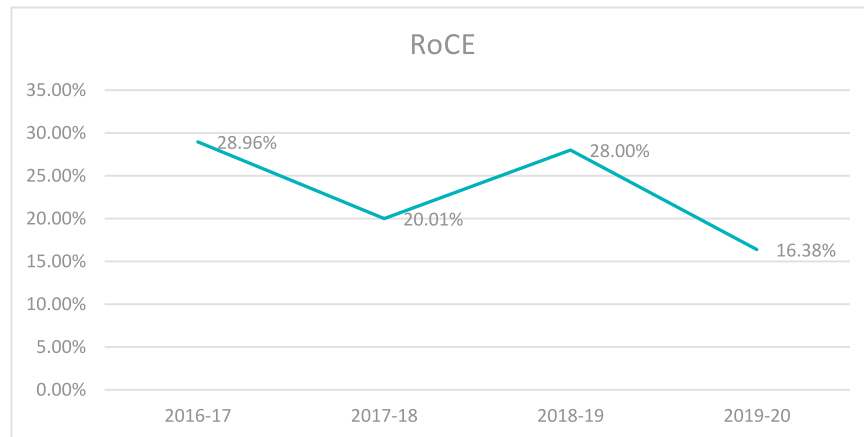


Outbreak of pandemic COVID-19 has changed the perspective towards homecare and personal care, thereby leading to more consciousness about sanitization, cleanliness, health records and personal & community hygiene. Health and Hygiene consciousness is likely to be the new normal of our day-to-day lifestyle going forward. Taking cognizance of the changing lifestyle and hygiene needs, Panache is launching "Dwaar Pro" under its New Product Range "Lyf-Lyn" which is intended to find 'Answers for today's and Solutions for tomorrow's challenges', by combining disruptions in technology and rapid product development. "Dwaar Pro" enables controlled traffic movement of people and goods, manages and organizes real time data and content, channelizes information dissemination and digitize service delivery systems.

# Annual Financial Highlights



# Key Return Ratios



# Chairman's Letter

Dear Shareholders,

Greetings!

I am glad to talk to you once again. The financial results of Your Company have been declared and it is my privilege to present the Annual Report for the year ended March 31, 2020. As you are aware that the economy is going through a slowdown phase which coupled with the outbreak of Covid-19 pandemic and subsequent lockdowns has affected us all. Today we are faced with more challenges than ever before which coupled with a tough global environment is making Companies perform a tight rope walking act, akin to a trapeze artist.



## External Environment

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

The Indian economy too grew at a slower pace, registering lowest full year GDP in 11 years in FY2020, in particular economic activity was impacted in the last month of the fiscal year with the imposition of lockdown. Gross fixed capital formation, a key measure of investment demand in the economy, contracted by 2.8 per cent in 2019-20. Exports and imports also contracted by 3.6 per cent and 6.8 per cent respectively. The FY2021 has begun amid business pessimism all around. Various forecast estimates indicate economy to shrink by 8-9 per cent and it will require tremendous efforts from businesses to regain the business confidence. The Government too on its part is making all efforts to revive the economy. If the rural growth pick-up backed by normal monsoon and agri harvest, the domestic economy will show a marginal improvement to around 4-5 per cent. The silver lining is, business activity has resumed, albeit with new social distancing and work from home measures; and there are early signs of recovery visible.

## Company's performance & Initiatives during FY2019-20

Your Company is a leader in the new-age technology solutions, centered on Smart Computing Devices, Smart & Digital Classrooms, Smart Tracking & Asset Management, Retail IoT, Healthy Living Solutions and Pen Display Solutions. We are fully in tune with the government's 'Make in India' and 'Atmanirbhar India' initiatives in the Electronics domain. The Company's activities are centered around its customer and driven by the principal philosophy of 'Making Human Life Easy,' No wonder, Panache has been a first recall to all our reputed clientele across verticals. In fact, we are one of the preferred OEM manufacturers for India's largest online retail portal and India's leading Education solution providers for their smart class room solutions.

To briefly mention about financial performance, the Company performance given the challenging scenario around us is more than satisfactory. Total revenue from operations was at Rs. 71.28 crore and the profit after tax was at Rs. 2.04 crore for the year ended March 31st, 2020. Despite tight operating environment necessitating conservation of profit, the Board of Directors of Your Company has declared a Dividend at the

rate of Rs 0.25 per share for the year. Members belonging to the promoter group (holding 78.59 lakhs equity shares) of your Company have waived their right to receive dividend for the Financial Year 2019-20

The Company had quite an eventful last year. The most important milestone achieved was the migration to NSE Main Board. This will enable larger shareholder participation; provide more liquidity, better valuation and wealth creation for all of us in the coming years.

We have undertaken several growth initiatives throughout the year such as teaming up with one of the India's biggest online retail chain for manufacturing of desktops and other computing products; distribution partnership of Pen Display with ViewSonic, Taiwan; Partnership with JWIPC for Open Pluggable Systems (OPS) products; and successful launch of Interactive Flat Panel Displays & Open Pluggable Systems with sole object of making Digital Education especially classroom more interesting and interactive for all. Your Company also successfully executed project for delivering 20,000 tablets to one of the leading IT giants of India for key education assessment projects.

The Company R&D team has developed a unique & portable multiple charging solution and have applied Patent for the same. The product can charge upto 10 devices at once. Besides, the team has put constant efforts and played key role in the deployment of solar based Wi-Fi villages in Maharashtra. Panache has gained niche clientele in segments like Cinema, Retail Chain Giants and Fastest upcoming food chain outlet for its Retail IoT range of products. Furthermore, we have also signed few distribution partnerships during the year to widen the product range and expand our customer-base.

Despite these unexpected circumstances, we at Panache are happy with our performance for this fiscal year and also quite optimistic for upcoming future.

## The Road Ahead

The Company has made a promising start to FY2021 and is on the right path of achieving significant milestones. A brief mention of Panache's initiatives in the current fiscal will give an idea.

The Company is developing IoT based products catering to health and personal care, given the prevailing pandemic. Panache recently played a vital role in an e-governance project for a state government in record time, notwithstanding the pandemic & lockdowns. The project aimed at 'Upliftment of Farmers' involved implementation of 9500 kiosks towards establishing 'Smart Gram Panchayat'. Your Company's Educational vertical has developed 'AI for Youth' product range with an eye on the vast emerging Artificial Intelligence potential in the country and empowering our youths in this very critical area. As a step towards digital education, Panache has also bagged a prestigious order for manufacturing of smart and interactive education solution from India's leading Education Company and the order execution is expected in the current financial year. All these are a part of our new plan called 'Panache 2.0', post Covid; and in continuation to our Vision of "Making Human Life Easy".

The management is quite optimistic about the outlook of FY2021 taking into account the order book and new initiatives taken by the Company.

## Conclusion

In its own very humble way, Panache Digilife has been playing an important role in growing and shaping India's IT & ITes Sector. The industry is very crucial to our economic growth, from the perspective of employment and earning valuable foreign exchange.



We have embarked on a journey to scale new heights in several spheres, products and services segment. The Company's philosophy of "Making Human Life Easy" aims to provide technologically innovative products and services at affordable cost and ensure customer satisfaction. Pragmatic business policies and strategies have enabled us on the desired path, as envisioned, right from the outset. Your Company will continue to emphasize on scaling market penetration in virgin markets, cost reduction and enhancing operational efficiency, manufacturing quality end-products and constant innovation in designs and prevailing trends.

Panache has a promising future; especially the fruits of the efforts put in by the various teams will be visible by the end of FY2021. Our employees are co-partners in our progress and constitute an irreplaceable resource. Credit is also due to the research team which works relentlessly to create trendsetting and high-quality product.

The Company thanks the Government of India, the Bankers and the Board of Directors from whom it has been receiving excellent support and valuable guidance. I thank our Business Associates, customers and shareholders without whose faith and trust, Panache Digilife would have not reached where it has today. I once again express my gratitude for the tireless efforts of our committed workforce without whom our accomplishments would not have been possible. On behalf of the Company and on my personal behalf, I would like to thank all the stakeholders and look forward to their continued patronage, guidance and support.

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

**With warm regards,  
Mr. Amit Rambhia  
Chairman**

**Date: 26.08.2020**

# Management Discussion & Analysis Report



## 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 Digilife Limited has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and profit for the year.*

*The following discussions on our financial condition and result of operations should be read together with our audited 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 Digilife Limited and its subsidiaries and associates.*

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

## ECONOMIC OVERVIEW

### Global Economic

The global economy witnessed several headwinds in 2019 resulting in lowest growth of the decade driven by an escalation in trade disputes, increased geopolitical tensions. As per UN's annual report, the World Economic Situation and Prospects 2020, there was a perceptible slowdown in domestic investment and growth was down in almost all the major economies. Further, this was accompanied by a sharp slowdown in international trade flows and global manufacturing activities. In addition, softening demand also affected global commodity prices, particularly oil and industrial metals. Amidst all these, low business confidence dampened investment growth across most regions. As things stand today economic risks continue to remain high and this could hamper long-term development.

The outbreak of Covid-19 pandemic in China towards the end of the year FY 2019-20 and its spread across the world, delivered an economic shock, of an unprecedented magnitude. The pandemic and related control measures have sharply curbed consumption and investment; and restricted labor supply and production as well. There have been spillover effects in financial markets, global trade, supply chains, travel, and tourism.

Several countries have plunged into economic recession, per capita incomes shrunk and close to a million human lives lost even as millions continue to be afflicted. There seems to be no light at the end of the tunnel, though efforts to develop Covid vaccine are underway in many countries. The World Bank has forecast a 5.2 per cent contraction in global GDP in 2020 and these are just baseline forecasts. The final projected outcome would depend on how soon normalcy is restored. The global recession would worsen, if the pandemic lasts longer than expected. In the worst case scenario, the global growth would shrink almost 8 percent in 2020. (source: [www.worldbank.org](http://www.worldbank.org))

## India Economic Outlook

During FY2019-20, the Indian economy witnessed a slow growth at 4.2 per cent as against 6.1 per cent in 2018-19. As per National Statistical Office (NSO), this growth was the lowest in 11 years. The most disturbing aspect was that all the three components of demand fell - consumption demand, investments and exports. Further, the Controller General of Accounts data showing that the Centre's gross tax revenues fell an unprecedented 3.4 per cent in 2019-20, while fiscal deficit increased to 4.6 per cent of GDP, well above the revised estimate of 3.8 per cent. The Covid-led impact further resulted in Gross Domestic Product (GDP) growth slowing down to 3.1 per cent in the fourth quarter, January-March period.

Post Covid, the growth scenario in FY2020-21 has worsened. The Indian economy is expected to contract by 9 per cent in FY2020-21, from its earlier estimate of 5 per cent. The unabated rise in Covid-19 infections in the unlock phase and localized re-imposition of lockdowns in several states have interrupted this recovery in recent weeks. A firmer recovery may happen only towards the last quarter of FY2021. This presumes that a vaccine will be widely available by then.

However, the rural economy is expected to do well, compared to the urban economy. The normal monsoon rainfall across the country, seasonally high reservoir levels, and returnee labourers at least in some parts of the country gives rise to this optimism. Moreover, kharif sowing was 44.1 per cent higher than the year-ago level, as on July 2020. The agricultural GVA [gross value added] is expected to rise by 3.5-4.0 per cent in FY20-21. (Source: ICRA Research)

## IT & ITeS Industry

The Indian IT-ITeS sector is one of the pillars of modern India, contributing almost 10 per cent to the country's GDP.

### Market Size

IT & ITeS industry's revenue was estimated to have grown at 7 per cent Y-o-Y at around US\$ 191 billion in FY19-20. Industry's domestic revenue was estimated at US\$ 44 billion and export revenue, at US\$ 147 billion.

### Investments/ Developments

Indian IT industry has unmatched strengths which have attracted significant foreign investments. The domestic software and hardware sector attracted cumulative Foreign Direct Investment (FDI) inflow worth US\$ 44.91 billion between April 2000 and March 2020, ranking second in FDI inflow as per the data from Department for Promotion of Industry and Internal Trade (DPIIT).

Indian IT firms are in the forefront, showcasing leading ideas in blockchain and artificial intelligence to clients using innovation hubs; and research and development centres to create differentiated offerings.

Some of the major developments in the Indian IT & BPM sector are as follows:

- PE (private equity) investment in the sector stood at US\$ 11.8 billion across 493 deals in 2019.
- Nasscom has launched an online platform which is aimed at up-skilling over 2 million technology professionals and skilling another 2 million potential employees and students.
- As of February 2020, there were 417 approved SEZs across the country with 274 from IT & BPM and 143 as exporting SEZs.

## Government Initiatives

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

- On May 2019, the Ministry of Electronics and Information Technology (MeitY) launched the MeitY Startup Hub (MSH) portal.
- In February 2019, Government released the National Policy on Software Products 2019 to develop India as a software product nation

- The Government has identified Information Technology as one of 12 champion service sectors for which an action plan is being developed. Also, the Government has set up a Rs 5,000 crore (US\$ 745.82 million) fund for realising the potential of these champion service sectors.
- As part of Union Budget 2018-19, NITI Aayog was to set up a national level programme to enable efforts in Artificial Intelligence (AI) and leverage AI technology for developing the country.
- In the Interim Budget 2019-20, the Government announced plans to launch a national programme on AI and setting up of a National AI portal.
- National Policy on Software Products-2019 was passed by the Union Cabinet to develop India as a software product nation.

### Road Ahead

India is the topmost destination for global IT companies, offering tremendous growth opportunities. The IT industry is expected to grow to US\$ 350 billion by 2025. Revenue from the digital segment is expected to form 38 per cent of the total industry revenue by 2025. Digital economy is estimated to reach US\$ 1 trillion by 2025.

However, in the short-to-medium term, the Indian IT Services industry is expected to have some adverse impact due to coronavirus outbreak. The sector is expected to grow at -3 per cent - Nil in FY2021 versus earlier expectation of 6-8 per cent. With the slowdown in growth during the first half of FY2021, the margins will be impacted before a likely recovery next year.

The global spread of the coronavirus has resulted in simultaneous supply and demand shocks. IT Services companies have managed to overcome supply led challenges through uninterrupted delivery of IT services, through work from home (WFH) model; however, the challenges on the demand front continue to persist. The US and the Eurozone which generates more than 80 per cent of IT Services export revenues will see their GDP contract by -8.0 per cent and 10.2 per cent (**Source: IMF, June 2020 Update**) respectively in CY2020.

The temporary suspension of issuance of fresh H-1B visas and L-1 visas (inter-company transfer) till December 2020 in view of the impact of Covid-19 pandemic on US economy and employment will mildly impact Indian IT Services sector considering their high dependence on such visas though pandemic has anyways led to reduced travel requirements for the foreseeable future. On the positive side, the depreciation of Indian Rupee against US Dollar will be beneficial for IT/ITeS sector, where major proportion of revenue is USD denominated and costs (employee expenses) are denominated in local currency.

Further, as a silver lining, the Covid-19 pandemic is accelerating the secular trends of core modernization, usage of collaborative technologies and cloud migration as companies shift to digital business models to pursue WFH model which will benefit IT Services companies. (**Source; [www.ibef.org](http://www.ibef.org), ICRA Research**)

## STANDALONE & CONSOLIDATED FINANCIAL OVERVIEW

Panache Digilife's operations were impacted due to Covid-19 induced lockdown and thereby the temporary shutdown of facilities. The company resumed its operations at factory in phased manner from the 27th May 2020 with Office staff working from home. Due to the primary reason of suspension of operations and the supply chain disruption in international market, our Revenues and the Profitability for the quarter ended 31st March, 2020 has been affected significantly.

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

- Total revenue from operations at Rs. 71.28 crore for the year ended March 31st, 2020, as against Rs. 93.13 crore for the corresponding previous period, a decrease of 23.46 per cent.
- The cost of Raw Materials for the financial year ended March 31, 2020 were Rs 58.11 crore as against Rs 73.09 crore for the corresponding previous period, a decrease of 20.49 per cent.

- The Employee expenses for the financial year ended March 31st, 2020 were Rs. 5.82 crore as against Rs. 4.87 crore for the corresponding previous period, an increase of 19.40 per cent.
- The other expenses for the financial year ended March 31st, 2020 were Rs. 2.85 crore as against Rs 3.22 crore for the corresponding previous period, a decrease of 11.77 per cent.
- The EBIDTA (earnings before interest, depreciation and tax excluding other income) was Rs. 6.03 crore for the year ended March 31st, 2020, as against Rs. 7.23 crore for the corresponding previous period, a decrease of 16.59 per cent.
- The depreciation for the financial year ended March 31st, 2020 was Rs. 1.14 crore, as against Rs. 0.20 crore for the corresponding previous period, an increase of 483.57 per cent.
- The EBIT (earnings before interest and tax) were Rs. 5.59 crore for the year ended March 31st, 2020, as against Rs. 7.94 crore for the corresponding previous period, a decrease of 29.65 per cent.
- The PAT (profit after tax) were Rs. 2.04 crore for the year ended March 31st, 2020, as against Rs. 4.11 crore for the corresponding previous period, a decrease of 50.31 per cent.
- The interest for the financial year ended March 31st, 2020 was Rs. 2.52 crore as against Rs. 2.06 crore for the corresponding previous period, an increase of 22.15 per cent.
- The EPS (Earning Per Share) for the financial year ended March 31st, 2020 was Rs. 1.70 for a face value of Rs 10 per share, as against Rs. 3.43 for the corresponding previous period.

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

- Total revenue from operations at Rs. 71.28 crore for the year ended March 31st, 2020, as against Rs. 93.13 crore for the corresponding previous period, a decrease of 23.46 per cent.
- The cost of Raw Materials for the financial year ended March 31, 2020 were Rs 58.11 crore as against Rs 73.09 crore for the corresponding previous period, a decrease of 20.49 per cent.
- The Employee expenses for the financial year ended March 31st, 2020 were Rs. 5.82 crore as against Rs. 4.99 crore for the corresponding previous period, an increase of 16.51 per cent.
- The other expenses for the financial year ended March 31st, 2020 were Rs. 2.77 crore as against Rs 3.51 crore for the corresponding previous period, a decrease of 21.18 per cent.
- The EBIDTA (earnings before interest, depreciation and tax excluding other income) was Rs. 1.57 crore for the year ended March 31st, 2020, as against Rs. 6.83 crore for the corresponding previous period, a decrease of 77.05 per cent.
- The depreciation for the financial year ended March 31st, 2020 was Rs. 1.23 crore, as against Rs. 0.20 crore for the corresponding previous period, an increase of 526.07 per cent.
- The EBIT (earnings before interest and tax) were Rs. 0.84 crore for the year ended March 31st, 2020, as against Rs. 7.54 crore for the corresponding previous period, a decrease of 88.91 per cent.
- The PAT (profit after tax) were Rs. (2.93) crore for the year ended March 31st, 2020, as against Rs. 3.72 crore for the corresponding previous period, a decrease of 178.99 per cent.
- The interest for the financial year ended March 31st, 2020 was Rs. 2.90 crore as against Rs. 2.06 crore for the corresponding previous period, an increase of 40.59 per cent.
- The EPS (Earning Per Share) for the financial year ended March 31st, 2020 was Rs. (2.45) for a face value of Rs 10 per share, as against Rs. 3.10 for the corresponding previous period.
- The Board of Directors has recommended, subject to shareholders' approval, a final dividend INR 0.25/- per equity share of INR 10/- each for the financial year ended 31st March, 2020 on 41,40,800 equity

shares. Members belonging to the promoter group (holding 78,59,200 equity shares) of your Company have waived their right to receive dividend for the Financial Year 2019-20 and hence the Dividend, if any, approved by the Members at the ensuing Annual General Meeting shall be only upon 41,40,800 Equity Shares.

## RESOURCES AND LIQUIDITY

- As on March 31st, 2020, the standalone net worth stood at Rs. 28.98 crore and the standalone debt was at Rs. 26.97 crore.
- The cash and cash equivalents at the end of March 31st, 2020 were Rs. 1.73 crore.
- The total debt to equity ratio of the Company stood at 0.93 as on March 31st, 2020.

## BUSINESS PERFORMANCE

Panache Digilife Limited operates primarily in one business vertical, hence segmental reporting is not applicable. Panache Digilife Limited (NSE Symbol: PANACHE), is one of the uniquely "Technology-driven Company" engaged in designing, manufacturing, distribution and services of IoT devices and solutions. .

Typically, the third quarter for the Company is when major orders are booked and the fourth quarter (Q4) is when major portion of revenues are received. However pandemic led disruptions in global supply chain logistics affected import of key components. This in turn impacted execution of orders despite a decent order book. However, we expect the situation to reverse for the better with the re-opening of the economy, post-lockdowns; and the management is optimistic about FY2021. The optimism is based on the order book and new initiatives taken by the Company. In view of the unexpected circumstances which Your Company went through during FY2019-20, the performance is satisfactory.

## 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 most important achievement in FY2020 was the migration of the Company to NSE Main Board. Other than this, Company has made remarkable progress throughout this financial year, such as:

" We managed to breakthrough with one of the India's biggest online retail chain, for manufacturing of desktops and other computing products. This is because of the hard work of our teams and their efforts in designing suitable Quality Assessment, Quality Controls and Standard Operating Procedures.

- We entered into a Distribution partnership for Pen Display with ViewSonic, Taiwan.
- We signed a Partnership with JWIPC for Open Pluggable Systems (OPS) products.
- With the sole object of making Digital Education especially classroom more interesting and interactive, for both students and teachers, we successfully launched Interactive Flat Panel Displays & Open Pluggable Systems.
- We effectively executed project for delivering 20,000 tablets to one of the leading IT giants of India for education assessment.
- We have developed a portable multiple charging solution which can charge upto 10 devices at once. This unique product has been developed by our innovative research and development team.
- Our team has put constant efforts and played key role in the deployment of solar based Wi-Fi villages in Maharashtra.
- We have bagged niche clientele in the Cinema, Retail Chain and fastest upcoming Food Chain segments for their Retail Internet of Things (IoT) range of products.



## **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**

The Company creates debtors in the course of selling its good and services and in the process there is credit exposure which if the debtors fail to pay on time can result in potential bad debts and losses. To manage credit risks, Panache has a credit policy in place, with credit limit requests and approval procedures. We do our own due diligence of client's financial health and project prospects before entering into agreement with them. There is a systematically laid down process for timely and rigorous follow-up with clients for payments. Based on the process, the Company has a focused and aggressive receivables management system, to ensure timely collections.

#### **Competition Risk**

Intense competition in every sphere of life and business is a given in today's world. In that sense while competition cannot be ignored by businesses in general, every player has to change and adapt as per the prevailing typical competitive conditions in their industry. Your Company too is no different, as it faces intense competition from established as well as unorganized players. Our competition depends on several factors which includes quality, price and most importantly to identify emerging trends in the various sphere of digital space. Our products face competition from large and small players, however, amidst all these, Panache has been able to protect and grow its sales due to strong brand differentiation, timeliness, reliability, quality of products and price. These are the success factors the Company depends on. We have a strong, stable client base consisting of large and mid-sized corporations which helps to insulate the Company from this risk. Furthermore, the Company continues to invest in technology and its people to remain ahead of the curve. We counter competition risk with our customer-centric approach and our ability to innovate customer specific solutions. Thus, we reduce the competitive risk.

#### **Input Cost Risk**

The Company's profitability and cost effectiveness is prone to change in the prices of raw materials, non-renewal of agreements, retention of human labor, etc. Some of these risks are potentially important and need constant monitoring.

#### **Liability Risk**

This risk refers to our liability arising from any damage to cargo, equipment, life and third parties which may adversely affect our business. The Company attempts to mitigate this risk through contractual obligations and insurance policies.

#### **Technology Related Risk**

Technological obsolescence is very intricate to our industry as it is ever evolving. Given the dynamic technology environment, it is critical for the Company's survival and growth, to be in tune with changing technology paradigms; and keep upgrading resources and processes at all times. The Company has diversified this risk well and thus is not dependent on any single technology or platform. At the same time, the Company has a range of technologies and has developed competencies on various platforms and operating environments. It thus offers a wide range of technology options to clients to choose from, for their business needs.

## OPPORTUNITIES

### Changing consumer preferences and growing Industrial base

- Growing digitization is providing more opportunities. The lockdowns and WFH concept has accentuated these opportunities. Customers need and demands are constantly evolving and today they are looking for a complete package with good quality product and experience.
- Consumer want an overwhelming experience and after sales service. The trend is increasing with rising incomes and penetration of digital consciousness which paves way to new innovations and techniques.
- The digital education initiative by the Government of India and recent pandemic situation has led us to create an entire range of solutions catering specially to education.
- We have been in the devices manufacturing sector for the past 11 years. The recent Make In India & Made In India initiative by government and the latest Atmanirbhar Policy, has opened doors for newer opportunities for organization like us.

### High Government Focus

- Goods and Service Tax (GST) as a unified tax regime is expected to lead to a re-evaluation of procurement and distribution arrangements
- Removal of excise duty on products would result in cash flow improvements

### Technological Tie-ups & Research and development

- Ever expanding digitization, increasing acceptance of AI offers huge scope for new and innovative products& application development, in partnerships and through intensive R & D.
- Enhanced design capabilities, tools and technological know-how

### Distribution agreements with renowned brands

- With government support and new technological advancements there is huge scope for ever-increasing demand of new and innovative products globally.
- More and more big brands want to come to India and want ready and modern distribution system covering the geographical territories of the country. Serving customers on a PAN India basis which will enable their brand to grow rapidly.

## THREATS

- Fierce Competition from local and multinational players
- Execution risk
- Changing Regulation and Policies
- Input Cost risk
- Attraction and retention of human capital
- Technological Advancements



## INTERNAL CONTROL SYSTEMS AND ADEQUACY

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

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

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

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

For the year 2019-20, 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 report directly reports to Audit Committee.

## HUMAN RESOURCES

The total manpower strength of your Company has increased from 123 employees in FY'2019 to 142 in FY'2020. Subsequently the Employee benefit expenses have increased considerably. Nonetheless these additional expenses will yield results in the long term.

Panache Digilife 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.

Some of HR's best practices include a robust and transparent Performance Management system which enables fostering a performance-based culture and performance assessment in line with Industry best practices. Recognition of individual contribution as well as team efforts of Young Talent, Functional Experts, Innovators and Supporting Staffs done on regular basis. Continuous Learning & Development (Training) is in place for employees. Prime focus is given for Leadership Development within the organization for sustainable growth as Panache places high value on nurturing & developing its people. This is further supplemented by having open communication channels and absence of hierarchical barriers.

The Company has necessary policies / Code of Conduct Human Relations and Industrial Relations policies in force. These are reviewed and updated regularly in line with the Company's strategic plans. The Company continually conducts training programs for the development of employees. The Company aims to develop the potential of every individual associated with the Company as a part of its business goal. Respecting the experienced and mentoring the young talent has been the bedrock for the Company's successful growth. The Company's employees' age bracket represents a healthy mix of experienced and willing-to-experience employees.

## OUTLOOK

The core competency of Panache Digilife is its ability to know their customer's buying preferences and behavior as well. This has not only enabled growth by launching new products from time-to-time but also achieve targeted financial performance, year-after-year. The new fiscal year FY2021 has begun on an optimistic note and in the four months so far, we have had some positive developments which will strengthen our position in the industry and the market place.

Our Company has signed few distribution partnerships during this year; which will expand the product range and our customer-base. We are constantly working towards offering new and advanced solutions to the proposed customers by bringing innovative & qualitatively superior products and application to the market, in line with our sole aim of **"Making Human Life Easy"**. Panache Digilife is fully in agreement with the **"Make in India"** and **"Atmanirbhar Bharat"** initiatives of the Government of India in the Electronics domain. We wish to inform the stakeholders on some of the Company initiatives in this regard during the current fiscal.

- The Company has developed the NextGen - "AI for Youth" products with the aim of educating the empowering the Indian youth in Artificial Intelligence (AI) technology. This is a significant step forward by Your Company which will pay good returns in the years to come. The product is developed with technology assistance from Global Technology Leader and powered by chip-making giant Intel's NUC and Open VINO Platform. As we usher in the Digital Transformation across the globe, AI is likely to be the lead technology driver for the global economy. The product is expected to be part of the school curriculum for Grade 8 to 10, which would enable students from an early age. Globally, AI in Education market is likely to grow from USD 1.1 billion in 2019 to USD 25.7 billion by 2030. In India, this market has a potential of ~ USD 1 billion in coming years.
- Your Company recently implemented a state government project aimed at **'Upliftment of Farmers'** amidst difficult pandemic times. As part of state government's e-governance initiative, the project involved implementation of kiosks for establishing **'Smart Gram Panchayat'**. The kiosks are technologically powered by Panache, which once again demonstrates our prowess in this domain.
- Panache Digilife has also developed an **'IoT based Automated System- Innovative Health Safety Kiosk'** to help mitigate the spread of prevailing COVID-19. This is the first product under the **'New-age Smart Personal and Community Hygiene Ecosystem'** products umbrella. It enables large societies and residential complexes in the sanitization process, cleanliness and creation & maintenance of health records. Our R&D team has developed this new product which we expect to launch soon after testing. Going forward, this product can have a wider use at commercial premises, educational institutions or religious places. It is also capable of offering multiple solutions of security like visitor's records and also safety features like temperature records. The product has high market potential in terms of volume generation for the company.
- The Company has taken serious efforts in developing products and solutions aimed at making human life easy and healthy. It's **'Smart Water Solution - Aquatatva'** is one such product that offers alkaline ionized water with unique properties which increases hydration, balances body pH, increases blood oxygenation, neutralizes harmful free radicals, etc. The Aquatatva market is driven by the growing

consumer awareness about various properties of water. The domestic alkaline water ionizer market is likely to witness large momentum going forward given this kind of innovative technologies. In view of this, Panache's Aquatava is one such Water Solution that holds tremendous promise in coming years. It is easy to maintain and has gained acceptance across households and commercial establishments.

- Once Covid is behind us and near normalcy is restored, Panache Digilife plans to work on the initiative, "Panache 2.0," where we are looking at capitalizing on various opportunities, going forward. In this regard, some of the projects that the Company is aiming to delivered in FY2021 are as under: 9500 kiosks technologically powered by Panache for e-Governance project of the State Government for establishing 'Smart Gram Panchayat' was executed successfully amidst the Pandemic
- 5000 plus digital classrooms powered with interactive projector
- Intel AI for youth program with target to reach more than 20,000 schools

## SIGNIFICANT CHANGES IN FINANCIAL RATIOS

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

Financial Ratio	2018-19	2019-20	Change (%)	Reason for change
Gross Profit Margins	16.45%	21.18%	28.74%	Due to increase in Service Revenue mix.
Inventory Turnover	100 days	140 days	(40.54)%	As sales could not be executed in March 2020, the Stocks were carried forward and accordingly the Ratio has increased to 140 days .
Interest Coverage Ratio	2.99 ratio	1.81 ratio	(39.51)%	Due to Impact of Covid-19 on Supply Chain which in turn affected Annual Sales, the profitability reduced and accordingly the Interest Coverage Ratio reduced to 1.81.
Net Profit Margin	4.42%	2.87%	(35.08)%	Continuing from above due to reduced Sales and static/increase in Expenses, the net Profit Margin has reduced.
Return on Net Worth	15.03%	7.05%	(53.08)%	The Net Profit was significantly lower as compared to the previous year affecting the return on Net Worth.

# BOARDS' REPORT

## To the Members of Panache Digilife Limited

Your Directors are delighted to present the 13<sup>th</sup> Annual Report on the business and operations of the Company together with the Audited Standalone & Consolidated Financial Statement of Panache Digilife Limited ("the Company") for the financial year ended 31<sup>st</sup> March, 2020.

In compliance with the applicable provisions of Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for time being in force) ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the SEBI Regulations"), this report covers the financial results and other development during the financial year 1<sup>st</sup> April, 2019 to 31<sup>st</sup> March, 2020 and other developments upto the date of the Board meeting held on 26<sup>th</sup> August, 2020 to approve this report, in respect of the Company and its Consolidated entities comprising the Company, its Subsidiaries and Associate companies.

## STATE OF THE COMPANY'S AFFAIRS

Your Company is an Information, Communication & Technology & IoT device designing, manufacturing, distribution and services company. Company is currently focused in solution space of IoT enabled Smart Computing Devices & Virtualization, Smart & Digital Classrooms, Smart & Connected Cars, Retail IoT and Smart Water.

## Financial Performance

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

(₹ in lakhs)

Particulars	Financial Year Ended			
	Standalone		Consolidated	
	31/03/2020	31/03/2019	31/03/2020	31/03/2019
Revenue from operations (net)	7128.40	9313.85	7128.40	9313.85
Other income	70.02	90.79	49.59	90.79
Earnings before interest, tax, depreciation and amortization (EBITDA) and prior period adjustments	603.00	722.91	156.76	681.87
Depreciation and amortization expenses	114.38	19.60	122.71	19.60
Finance Cost	251.92	206.23	289.94	206.23
Profit before tax (PBT)	306.72	587.87	(204.19)	546.83
Profit after tax and minority interest (PAT)	204.37	411.28	(293.47)	371.55

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

## Accounting treatment in preparation of Financial Statements

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

## Standalone Performance

During the year under review, your Company achieved total revenue of ₹ 7128.40 Lakhs as compared to ₹ 9313.85 Lakhs in the previous year.

The Earnings before Interest, Depreciation, Tax and Appropriations (EBITDA) stood at ₹603.00 Lakhs in the current year as compared to ₹ 722.91 Lakhs during the previous year.

During the year under review, the Net Profit after Tax stood at ₹ 204.37 Lakhs as compared to ₹ 411.28 Lakhs in the previous year.

### **Consolidated Performance**

Your Company achieved total revenue of ₹ 7128.40 Lakhs as compared to ₹ 9313.85 Lakhs in the previous year.

The Earnings before Interest, Depreciation, Tax and Appropriations (EBITDA) stood at ₹ 156.76 Lakhs in the current year as compared to ₹ 681.87 Lakhs during the previous year.

The Net Profit after Tax stood at ₹ (293.47) Lakhs as compared to ₹ 371.55 Lakhs in the previous year.

### **DIVIDEND**

Keeping in view Company's performance, future fund requirements and strategy of the Company for rewarding Members, your Directors are pleased to recommend a dividend of ₹ 0.25 per equity share of Face Value ₹ 10/- on 41,40,800 equity shares (excluding the Equity Share upon which the members have waived/forgone his/their right to receive the dividend by him/them for financial year 2019-20) for the financial year 2019-20 and shall be paid to those holders of Equity Shares whose names appear in the Register of Members of the Company as on the close of Business hours of Tuesday, 22<sup>nd</sup> September, 2020. The Final Dividend amount, if declared at the 13<sup>th</sup> AGM, shall be ₹ 10,35,200/- (including TDS which is explained in detail in the notes to AGM notice).

Members belonging to the promoter & promoter group of your Company have waived their right to receive dividend for the Financial Year 2019-20 and hence the Dividend, if any, approved by the Members at the ensuing Annual General Meeting shall be only upon 41,40,800 Equity Shares.

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

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

### **TRANSFER TO RESERVE**

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

### **MIGRATION TO MAIN BOARD OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)**

The Equity shares of the Company were listed on the NSE EMERGE, SME Platform of National Stock Exchange of India Limited (NSE) since 25<sup>th</sup> April, 2017. Considering the eligibility of the Company, migration from NSE EMERGE, SME Platform to Main Board of NSE Platform was approved by the Board of Directors on 5<sup>th</sup> June, 2019 followed by Members approval on 11<sup>th</sup> July, 2019 (through Postal Ballot) and pursuant to approval of NSE, the Company got successfully migrated to NSE Main board from SME Emerge effective from 6<sup>th</sup> January, 2020. The migration bears a testimony to our performance and stakeholders confidence.

### **CHANGE IN NATURE OF BUSINESS, IF ANY**

During the year, the Company has altered the incidental or ancillary objects clause of the Memorandum of Association as Company is rapidly growing towards new revenue streams either through itself or in association with other entities which currently were not specifically covered and also certain objects which were no more required as

per the new format of the Companies Act, 2013 were deleted. Approval of Members was obtained through Postal Ballot on 11<sup>th</sup> July, 2019.

## SHARE CAPITAL

During the year under review, the Company has capitalized a sum of ₹ 6 Crores standing to the credit of Securities Premium Account by applying this sum of ₹ 6 Crores in issuing bonus shares in the ratio of 1:1 (i.e. 1 (one) Bonus equity share of ₹ 10/- each for every 1 (one) fully paid up equity share held by shareholders). The said bonus issue was approved by Board on 5<sup>th</sup> June, 2019 followed by members approval on 11<sup>th</sup> July, 2019 and allotment was made on 23<sup>rd</sup> July, 2019. The Bonus shares were credited to the eligible shareholders as on the record date i.e. 19<sup>th</sup> July, 2019.

To accommodate the bonus issue, Company has increased its Authorised Share Capital from ₹ 7.00 Crore to ₹ 13 Crore by creating 60.00 lakh additional equity shares of ₹ 10/- each and consequently amended the Capital Clause (Clause V) of Memorandum of Association.

Thus, the Equity Share Capital as on 31<sup>st</sup> March, 2020 is as under:

Kind	No. of Shares	Face Value	Paid up value
Equity	1,20,00,000	₹ 10/-	₹ 12,00,00,000/-

During the year under review, the Company has not issued shares with differential voting rights.

## Employee Stock Option Scheme

During the year, the Board, subject to the necessary statutory approvals as required in compliance of the provisions of the Companies Act, 2013, Listing Regulations, 2015 and SEBI (Share based employee benefits) regulations, 2014, has approved on 13<sup>th</sup> August, 2019, Employee Stock Option Scheme titled 'Panache Digilife Limited – Employee Stock Option Scheme, 2019 (PDL-ESOS 2019)' as recommended by the Nomination and Remuneration Committee and duly approved by the members in the 12<sup>th</sup> AGM of the Company held on 20<sup>th</sup> September, 2019, for an issue of options upto 6,00,000 to eligible employees including Directors (other than Promoters of the Company, Independent Directors and Directors holding directly or indirectly more than 10% of the outstanding Equity Shares of the Company) and to eligible employees of the holding and subsidiary company(ies) (existing or future).

The Options under PDL-ESOS 2019 are proposed to be granted with a view to enhancing the employee's engagement and reward the employees for their association and performance as well as to motivate them to contribute to the growth and profitability of the Company and to create a sense of ownership and participation amongst them.

During the year under review, Company has not granted any option under the said PDL-ESOS 2019.

## SUBSIDIARY & ASSOCIATE COMPANY AND CONSOLIDATION OF FINANCIAL STATEMENT

A list of bodies corporate which are subsidiaries/associates/joint ventures of your Company as on 31<sup>st</sup> March, 2020 is as follows;

*Wemart Global F.Z.E. (Ajman Free Zone, UAE)	Wholly Owned Subsidiary
**Technofy Digital Private Limited	Wholly Owned Subsidiary
ICT Infratech Services Private Limited	Associate Company

\*The Board noted that there has been no operative income in Wemart Global F.Z.E, since April, 2018, therefore, it is financially and operationally unviable to continue and accordingly the decision to initiate the process to close Wemart Global F.Z.E was taken by the Board in their meeting held on 5<sup>th</sup> July, 2019.



\*\*During the year under review, the Company has formed a Wholly Owned Subsidiary named Technofy Digital Private Limited on 4<sup>th</sup> June, 2019 for furtherance of the business of the Company to focus on establishing Manufacturing Infrastructure for IT and Electronics Products and Components along with Allied Ancillary activities.

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

The Board of Directors reviewed the affairs of the Subsidiaries and Associate Company. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared Consolidated Financial Statements of the Company, its Subsidiary and Associate Company 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 and Associate Company in Form AOC-1 is annexed as Annexure A. 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 Financials of subsidiary Companies are also available on our website at [www.panachedigilife.com](http://www.panachedigilife.com).

The Policy for determining material subsidiaries, amended on 13<sup>th</sup> August, 2019, effective from 1<sup>st</sup> October, 2019, may be accessed on the Company's website at [www.panachedigilife.com](http://www.panachedigilife.com) – Investor Desk – Policies & Code of Conduct.

## 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 report directly reports to Audit Committee.

For more details on the topic, please refer to the Management Discussion and Analysis report which form part of the Annual Report.

## 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. Policy on Risk Management is available on the website of the Company [www.panachedigilife.com](http://www.panachedigilife.com) – Investor Desk – Policies & Code of Conduct.

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY

During the year under review, the Company has entered into transactions with related parties as defined under Section 2 (76) of the Companies Act, 2013 read with Companies (Specification of Definitions Details) Rules, 2014, all of which were in the ordinary course of business and on arm's length basis and in accordance with the provisions of the Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations.

All Related Party 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.

There were no transactions with related parties which qualify as material transactions in accordance with policy of the company on materiality of related party transactions and accordingly, disclosure in Form AOC-2 is not applicable.

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

#### Policy on Related Party Transactions

The Company has adopted a Policy for dealing with Related Party Transactions. The Policy as approved by the Board on 13<sup>th</sup> August, 2019 effective from 1<sup>st</sup> October, 2019 is available on the website of the Company [www.panachedigilife.com](http://www.panachedigilife.com)– Investor Desk – Policies & Code of Conduct.

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

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

### **PREVENTION OF INSIDER TRADING**

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

The said codes & policies are also available on the website of the Company at [www.panachedigilife.com](http://www.panachedigilife.com)– Investor Desk – Policies & Code of Conduct.

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

#### Changes in Directors

During the year under review;

- Mr. Devchand Lalji Rambhia (holding DIN: 00165851) was liable to retire by rotation and being eligible was re-appointed at the 12<sup>th</sup> Annual General Meeting held on 20<sup>th</sup> September, 2019.
- Mr. Gaurav Pratap Singh (holding DIN: 06747792) was appointed as Additional Independent Director in the Board meeting held on 23<sup>rd</sup> July, 2019 and has been appointed as Independent Director for a period of 5 years with effect from 23<sup>rd</sup> July, 2019 upto 22<sup>nd</sup> July, 2024 by Members in 12<sup>th</sup> Annual General Meeting held on 20<sup>th</sup> September, 2019.
- Mr. Rohit Mathur (holding DIN: 06583736) resigned from the post of Independent Director w.e.f 15<sup>th</sup> August, 2019.
- Mr. Amit Rambhia (holding DIN: 00165919) was reappointed as Managing Director for a period of 3 years effective from 17<sup>th</sup> February, 2020 to 16<sup>th</sup> February, 2023 in the Board meeting held on 13<sup>th</sup> August, 2019 and the same was approved by Members in 12<sup>th</sup> Annual General Meeting held on 20<sup>th</sup> September, 2019.



- Mr. Nikit Rambhia (holding DIN: 00165678) was reappointed as Joint Managing Director for a period of 3 years effective from 17<sup>th</sup> February, 2020 to 16<sup>th</sup> February, 2023 in the Board meeting held on 13<sup>th</sup> August, 2019 and the same was approved by Members in 12<sup>th</sup> Annual General Meeting held on 20<sup>th</sup> September, 2019.
- Mr. Devchand Rambhia (holding DIN: 00165851) was reappointed as Whole-Time Director for a period of 3 years effective from 17<sup>th</sup> February, 2020 to 16<sup>th</sup> February, 2023 in the Board meeting held on 13<sup>th</sup> August, 2019 and the same was approved by Members in 12<sup>th</sup> Annual General Meeting held on 20<sup>th</sup> September, 2019.

*During the year 2020-21:*

- *Mr. Gaurav Pratap Singh (holding DIN: 06747792), Independent Director of the Company, resigned w.e.f. from 31<sup>st</sup> May, 2020.*
- *Mr. Shailesh Premji Gala (holding DIN: 01283286) was appointed as Additional Independent Director (Non-Executive), by the Board via Circular resolution dated 29<sup>th</sup> May, 2020, who shall hold office upto the date of ensuing AGM for a period of 5 years with effect from 29<sup>th</sup> May, 2020 and the same is being proposed to the members for their approval in 13<sup>th</sup> AGM.*

#### Director Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Amit Devchand Rambhia (holding DIN: 00165919), is liable to retire by rotation at ensuing AGM and being eligible, offers himself for reappointment. The Board recommends his reappointment as Director liable to retire by rotation at the ensuing AGM. All details pertaining to his appointment are detailed in the Notice of 13<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, re-appointment and at the first meeting of the Board of Directors of the 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. Amit Rambhia is Managing Director
- Mr. Nikit Rambhia is Joint Managing Director
- Mr. Devchand Rambhia is Whole-Time Director
- Ms. Jinkle Khimsaria is Company Secretary & Compliance Officer
- Mr. Nitesh Savla is Chief Financial Officer
- During the year under review, Board appointed Mr. Vishal Lalan as the Chief Executive Officer (CEO) of the Company w.e.f. 5<sup>th</sup> July, 2019.

#### 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. In case of exigencies or urgency of matters, resolutions are passed by circulation or on a shorter notice for such matters as permitted by law.

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

During the year under review, the Board of your Company met 7 (Seven) times on 25<sup>th</sup> May, 2019; 5<sup>th</sup> June, 2019; 5<sup>th</sup> July, 2019; 23<sup>th</sup> July, 2019; 13<sup>th</sup> August, 2019; 19<sup>th</sup> October, 2019 and 11<sup>th</sup> February, 2020.

Detailed information on the meetings of the Board and attendance are included in Corporate Governance Report which is annexed at Annexure F to the Director's Report.

During the year under review Annual General Meeting was held on 20<sup>th</sup> September, 2019 and all the Directors and Chairperson of the respective Committees were present.

### 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 following committees, viz.

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

For details of the terms of reference, meetings held during the year, membership and attendance of the members at the meetings of the above Committees of the Board, kindly refer to Corporate Governance Report which is annexed at Annexure F to the Director's Report.

### 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 11<sup>th</sup> February, 2020.

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

### Independent Director's Separate Meeting

A separate meeting of Independent Directors of the Company, was held on 11<sup>th</sup> February, 2020 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations.

At the meeting following matters were taken up;

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

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

## **HUMAN RESOURCE**

During the year under review, the personal and industrial relations with the employees remained cordial in all respects. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The Company recognizes talent and has judiciously followed the principle of rewarding performance. The total number of employees on the rolls of the Company were 142 (One Hundred and Forty-Two) as on 31<sup>st</sup> March, 2020. Material disclosures in the Human Resource front have been detailed under the head “Human Resource” in the Management Discussion & Analysis which forms a part of the Annual Report.

## **AUDITORS AND AUDITORS’ REPORT**

### **Statutory Auditor & Report**

M/s. KPB & Associates, the Statutory Auditor of the Company for the Financial Year 2019-20 have conducted the audit for the said period. There are no qualifications, reservations or adverse remarks made by M/s. KPB & Associates, in their report on Standalone Financial Statements and hence do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

However M/s. KPB & Associates have qualified their report on the Consolidated Financial Statements for the Financial Year 2019-20 for unavailability of Audited Financial Statements of Company’s Wholly-Owned Subsidiary “Wemart Global FZE” (Wemart) and since the Consolidated Financial Statement are based on unaudited Financial Statements of Wemart, Statutory Auditor has qualified the report stating the possible effects of misstatements on overall Consolidated Financial Statement could be material but not pervasive.

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

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 31<sup>st</sup> March, 2020.

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 Auditor & Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed D. M. ZAVARI & CO., Company Secretaries as Secretarial Auditor to undertake the Secretarial Audit of the Company for the year 2019-20. The Secretarial Audit Report as issued by M/s. D. M. ZAVARI & CO. forms part of this Director’s Report and is marked as “Annexure B”.

M/s. D. M. ZAVERI & CO. have qualified their report w.r.t. non filing of Annual Performance Report (APR) to be filed with Reserve Bank of India.

Explanations or comments by the Board: Due to administrative reasons there was a delay in filing Annual Performance Report (APR) with Reserve Bank of India but the Company is in process of filing the same at the earliest.

The Company has also undertaken an audit for the FY 2019-20 pursuant to SEBI Circular No. CIR/CFD/CMO/I/27/2019 dated February 08, 2019 for all applicable compliances as per the Securities and Exchange Board of India Regulations and Circular/Guidelines issued thereunder. The Report (Annual Secretarial Compliance Report) has been submitted to the Stock Exchanges within the statutory timeline.

### Internal Auditor

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Board of Directors of the Company have appointed M/s. Sanket Sangoi & Associates, to conduct internal audit for the Company for the financial year 2019-20. The Audit Committee reviews reports submitted by Internal Auditors. Suggestions for improvement are considered and the Audit Committee reviews on the corrective actions taken by the Management. The Internal Auditor report directly reports to Audit Committee.

### Cost Audit

During the year under review, 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.

## **MANAGEMENT DISCUSSION & ANALYSIS**

Pursuant to Regulation 34(2)(e) and para B of Schedule V of SEBI (LODR) Regulations 2015, Management Discussion & Analysis Report forms a part of this Report and is provided elsewhere in the Annual 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 Chairman of Audit Committee and it is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The said policy is amended on 31<sup>st</sup> March, 2019 and effective from 1<sup>st</sup> April, 2019 in order to incorporate the amendments as per Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2019.

The Whistle Blower Policy has been posted on the Company's website at [www.panachedigilife.com](http://www.panachedigilife.com) – Investor Desk – Policies & Code of Conduct.

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

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

The Company has complied with the constitution of Internal Complaints Committee as provided under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has not received any complaint of sexual harassment during the financial year 2019-20.

Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace has been posted on the Company's website at [www.panachedigilife.com](http://www.panachedigilife.com) – Investor Desk – Policies & Code of Conduct.

### Deposits

There were no public deposits accepted during the year under review or any amount of principal or interest thereof was outstanding in terms of section 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, for the Financial Year ended on 31<sup>st</sup> March, 2020.

Further, in compliance with 1<sup>st</sup> proviso of Rule (2)(1)(c)(viii) of the Companies (Acceptance of Deposits) Rules, 2014 read with amendment rules thereto, during the year under review the Company has accepted loans from directors for business purpose along with a declaration in writing from them to the effect that the said loan amount is not being given out of funds acquired by borrowing or accepting loans or deposits from others;

(Amount in ₹)

Sr. No.	Name of the person	Relation with the Company	Amount received during the year	Amount Outstanding as on 31/03/2020
1	Amit Rambhia	Managing Director	12,00,000	Nil
2	Devchand Rambhia	Whole- Time Director	1,04,00,000	9,50,000
3	Nikit Rambhia	Joint Managing Director	67,50,000	35,70,000

### Particulars of Loans given, Investments made, guarantees given and securities provided

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

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

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

### Extract of Annual Return

In accordance with the provisions of Section 134(3)(a) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, an extract of the Annual Return of the Company for the year ended 31<sup>st</sup> March, 2020, is provided in the prescribed Form MGT – 9 as Annexure D which forms part of Directors Report and also available at website of the Company at [www.panachedigilife.com](http://www.panachedigilife.com).

### **Particulars of Employees and related disclosures**

The statement containing information as required under the provisions of Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given in Annexure E and forms part 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 Members excluding the information required under Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Any Member 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.

### **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE**

During the year under review, no significant and material orders have been passed against the Company by any Regulators or Courts or Tribunals impacting the Company's going concern status and operations in future.

### **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.

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.

### **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.panachedigilife.com](http://www.panachedigilife.com) – Investor Desk – Policies & Code of Conduct.

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.panachedigilife.com](http://www.panachedigilife.com) – Investor Desk – Policies & Code of Conduct.

### **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 Members 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.

As per regulation 34 of the Listing Regulations, a Corporate Governance Report on the practices followed by your Company along with Compliance certificate regarding compliance of conditions of corporate governance from M/s.



D. M. Zaveri & Company, Company Secretaries is annexed as Annexure F to Directors Report and Annexure F-4 to Corporate Governance Report respectively.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, in respect of the year ended 31<sup>st</sup> March, 2020, confirm that:

- A.** in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- B.** the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- C.** the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act 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 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.

## **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

**For and on behalf of the Board of Directors of  
Panache Digilife Limited**

**Amit Devchand Rambhia**  
Chairman & Managing Director  
DIN: 00165919

**Date: 26/08/2020**  
**Place: Mumbai**



**Annexure A 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 statements of subsidiaries/associate companies/joint ventures u/s 129(3)

**Part A – Subsidiary**

INR in lakhs

Sr. No.	Particulars	Details	
1	Name of the subsidiary	Wemart Global F.Z.E.	Technofy Digital Private Limited
2	The date since when subsidiary was acquired	21 <sup>st</sup> November, 2016	4 <sup>th</sup> June, 2019
3	Reporting period for subsidiary concerned, if different from holding company's reporting period	N.A.	N.A.
4	Reporting currency & Exchange rate as on last date of the relevant FY in case of foreign subsidiaries	INR 75.3859 per USD	INR
5	Share capital	INR 38.00	INR 1.00
6	Reserves & surplus	INR 33.15	INR 15.59
7	Total assets	INR 82.27	INR 2103.05
8	Total Liabilities	INR 82.27	INR 2103.05
9	Investments	NIL	NIL
10	Turnover	NIL	NIL
11	Profit before taxation	INR (484.35)	INR (70.38)
12	Provision for taxation	NIL	NIL
13	Profit after taxation	NIL	INR (55.20)
14	Proposed Dividend	NIL	NIL
15	% of shareholding	100%	100%
<ul style="list-style-type: none"> <li>None of the subsidiaries of the Company as on 31<sup>st</sup> March, 2020 are yet to commence business operations except Technofy Digital Private Limited.</li> <li>None of subsidiaries of the Company have been liquidated or sold during the period 2019-20.</li> </ul>			

**Part “B”: Associates and Joint Ventures**

INR in lakhs except face value

Sr. No.	Particulars	Details
1	Name	ICT Infratech Services Private Limited
2	Latest audited Balance Sheet	31 <sup>st</sup> March, 2020
3	Date on which the Associate or Joint Venture was associated or acquired	7 <sup>th</sup> January, 2019
4	Shares of Joint Venture held by the Company on the year end	
A	-Number	15,000 Equity Shares of Face Value ₹10/-
B	-Amount of Investment in Associates/Joint Venture	INR 1.50
C	- Extend of Holding %	50%
5	Description of how there is significant influence	Extent of equity holding in the associate company exceeds 20% along with Joint Venture Agreement
6	Reason why the joint venture is not consolidated	Not Applicable
7	Profit/Loss for the year	INR (4.22)
A	-Considered in consolidation	INR (2.11)
B	-Not Considered in consolidation	INR (2.11)
<ul style="list-style-type: none"> <li>None of the associates or joint ventures of Company as on 31.03.2020 are yet to commence business operations.</li> <li>None of associates or joint ventures of Company have been liquidated or sold during the period 2019-20.</li> </ul>		

**For and on behalf of the Board of Directors of  
Panache Digilife Limited**

**Amit Devchand Rambhia**  
Chairman & Managing Director  
DIN: 00165919

**Date: 26/08/2020**  
**Place: Mumbai**

**Secretarial Audit Report**

**Form No. MR-3**

For the Financial year ended 31<sup>st</sup> March, 2020

*[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**Panache Digilife Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Panache Digilife 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 Digilife 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, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('The SEBI'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (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 National Stock Exchange of India 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 *except non filing of Annual Performance Report (APR) to be filed with Reserve Bank of India. As explained by the management Company is in process of filing the same at the earliest possible.*

**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 period under review, there were following major actions which have been done in compliance with applicable statutory provisions;

- (i) The members of the Company had approved the following by passing resolution through postal ballot notice dated 5<sup>th</sup> June 2019;
  - a) Increased authorised capital from `7 Cr. to `13 Cr.;
  - b) Issue of bonus shares of `6 Cr.
  - c) Migration from NSE EMERGE to the main Board of NSE Limited
  - d) Authority for Loans, Investments, Guarantee or Security under Section 185 & 186 of the Act.
  - e) Amendment of incidental or ancillary objects of Memorandum of Association.
- (ii) The members of the Company had approved inter alia at the 12<sup>th</sup> Annual General Meeting held on 20<sup>th</sup> September 2020 Employee Stock Option Scheme 2019 (PDL-ESOS-2019).
- (iii) The Board of Directors has allotted `60 Lakhs bonus shares in their meeting held on 23<sup>rd</sup> July 2019.
- (iv) The Company has obtained listing permission from NSE Ltd on 6<sup>th</sup> January 2020 for migration from NSE EMERGE to the main Board of NSE Limited.

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

**Company Secretaries**

**Sd/-**

**Dharmesh Zaveri**

**(Proprietor)**

**FCS. No.: 5418**

**CP No.: 4363**

**ICSI Unique Code: S2001MH046100**

**Peer Review Cer. No.: 294/2015**

**Place: Mumbai**

**Date: 26<sup>th</sup> August 2020**

**ICSI UDIN: F005418B000619405**

**Annexure A**

To,

The Members,  
**Panache Digilife Limited**

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-

**Dharmesh Zaveri**  
**(Proprietor)**  
**FCS. No.: 5418**  
**CP No.: 4363**  
**ICSI Unique Code: S2001MH046100**  
**Peer Review Cer. No.: 294/2015**

**Place: Mumbai**  
**Date: 26<sup>th</sup> August 2020**  
**ICSI UDIN: F005418B000619405**

**Annexure C to Directors Report**

**INFORMATION UNDER SECTION 134(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, 2020**

**A. Conservation of Energy**

(i)	the steps taken or impact on conservation of energy	The Company's operations involve low energy consumption to run its office & factory and therefore the scope of energy conservation is limited. Nevertheless, in its Manufacturing Facility at Bhiwandi, the Company has installed low energy consumption Electric installations like LED Tubelight etc. to reduce electricity consumption. 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 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 undertaken Research and Development activity for development of a new product for ₹29,00,288. The expenses incurred are not written off but capitalised as deferred expenditure which will be considered as expenditure upon completion of the Product development.

**C. Foreign exchange earnings and Outgo**

Particulars	INR
Foreign Exchange earnings	98,87,448.54/-
Foreign Exchange expenditure	32,15,38,187.50 /-

**For and on behalf of the Board of Directors of  
Panache Digilife Limited**

**Amit Devchand Rambhia**  
Chairman & Managing Director  
DIN: 00165919

**Date: 26/08/2020**  
**Place: Mumbai**

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31/03/2020 of**  
**PANACHE DIGILIFE LIMITED**

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

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L72200MH2007PLC169415
2.	Registration Date	30/03/2007
3.	Name of the Company	Panache Digilife Limited
4.	Category/Sub-category of the Company	Public Company limited by Shares
5.	Address of the Registered office & contact details	(A): Bldg.A3, 102-108 & 201-208, Babosa Industrial Park, Mumbai-Nashik Highway NH3, Saravali Village, Bhiwandi, Thane – 421302, Maharashtra, India (E): info@panachedigilife.com (C): 022 2500 7002 (W): www.panachedigilife.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Private Limited (A): 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (Next to Keys Hotel), Marol Maroshi Road, Andheri East, Mumbai – 400059 (E): investor@bigshareonline.com (F): 022-28475207 (C): 022-40430200, 28470652, 62638200 (W): www.bigshareonline.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacture of desktop computers, laptop computers, hand-held computers (e.g. PDA), mainframe computers and computer servers	26201	40.83%
2	Manufacture of pagers, cellular phones and other mobile communication equipment	26305	26.27%
3	Wholesale of telephone, mobile phone and communications equipment and parts	46524	14.39%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable section
1	<b>Wemart Global F.Z.E</b> SM-Office – C1 – 1119 F, Ajman, U.A.E.	N.A. (Foreign Subsidiary)	Subsidiary	100%	2(87)
2	<b>Technofy Digital Private Limited</b> 002 Ground Floor, Raheja Plaza-1, L.B.S Marg, Ghatkopar (West) Mumbai – 400086, Maharashtra	U72900MH2019 PTC326266	Subsidiary	100%	2(87)
3	<b>ICT Infratech Services Private Limited</b> 8/161, Malhar Bhuvan, Sir Bhalchandra Road Hindu Colony, Dadar [East], Mumbai – 400014, Maharashtra, India	U74110MH2007 PTC168503	Associate	50%	2(6)

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

##### A. Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A Promoters									
1 Indian									
a) Individual / HUF	2800000	0	2800000	46.67	5600000	0	5600000	46.67	0
b) Central Government	0	0	0	0	0	0	0	0	0
c) State Government	0	0	0	0	0	0	0	0	0
d) Bodies Corporate	0	0	0	0	0	0	0	0	0
e) Banks / Financial Institutions	0	0	0	0	0	0	0	0	0
f) Any Other (Promoter Group-Individual & HUF)	1400000	0	1400000	23.33	2259200	0	2259200	18.83	(4.51)
Sub-total (A)(1)	4200000	0	4200000	70.00	7859200	0	7859200	65.49	(4.51)
2 Foreign									
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	0	0	0	0	0	0	0	0	0
d) Banks / Financial Institutions	0	0	0	0	0	0	0	0	0
e) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A)(2)	0	0	0	0	0	0	0	0	0
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>4200000</b>	<b>0</b>	<b>4200000</b>	<b>70.00</b>	<b>7859200</b>	<b>0</b>	<b>7859200</b>	<b>65.49</b>	<b>(4.51)</b>
B PUBLIC SHAREHOLDING									
1 Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / Financial Institutions	0	0	0	0	0	0	0	0	0



c) Central Governments	0	0	0	0	0	0	0	0	0	0
d) State Governments	0	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0	0
g) Foreign Institutional Investors (FII)	0	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0	0
i) Others (Specify)	0	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	0	0	0	0	0	0	0	0	0	0
2 Non-Institutions										
a) Bodies Corporate										
i) Indian	38400	0	38400	0.64	11701	0	11701	0.10	(0.54)	
ii) Overseas	0	0	0	0	0	0	0	0	0	
b) Individuals										
i) Individual shareholders holding nominal share capital upto Rs 1 lakh	220800	0	220800	3.68	350064	0	350064	2.92	(0.76)	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1152000	0	1152000	19.20	2928900	0	2928900	24.41	5.21	
c) Others Specify										
1. NRI	0	0	0	0	201	0	201	0	0	
2. Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0	
3. Foreign Nationals	0	0	0	0	0	0	0	0	0	
4. Clearing Members	92800	0	92800	1.55	329828	0	329828	2.75	1.20	
5. Trusts	0	0	0	0	0	0	0	0	0	
6. Foreign Bodies - D.R.	0	0	0	0	0	0	0	0	0	
7. HUF	296000	0	296000	4.93	520106	0	520106	4.33	(0.60)	
Sub-total (B)(2)	1800000	0	1800000	30	4140800	0	4140800	34.51	4.51	
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>1800000</b>	<b>0</b>	<b>1800000</b>	<b>30</b>	<b>4140800</b>	<b>0</b>	<b>4140800</b>	<b>34.51</b>	<b>4.51</b>	

C	Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
	<b>GRAND TOTAL (A+B+C)</b>	<b>6000000</b>	<b>0</b>	<b>6000000</b>	<b>100.00</b>	<b>12000000</b>	<b>0</b>	<b>12000000</b>	<b>100.00</b>	<b>0</b>

**B. Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
Promoter								
1	AMIT D RAMBHIA	1400000	23.3333	0	2800000	23.3333	0	0
2	NIKIT D RAMBHIA	1400000	23.3333	0	2800000	23.3333	0	0
Promoter Group								
1	RAMBHIA D L	1399580	23.3263	0	2258360	18.8197	0	(4.5066)
2	DEEPA AMIT RAMBHIA	70	0.0012	0	140	0.0012	0	0
3	KAVITA N RAMBHIA	70	0.0012	0	140	0.0012	0	0
4	JAYA D RAMBHIA	140	0.0023	0	280	0.0023	0	0
5	DEVCHAND L RAMBHIA (HUF)	140	0.0023	0	280	0.0023	0	0

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

Sr. No.	Name of the Shareholders	Shareholding at the beginning of the year		Change during the year				Cumulative Shareholding during the year		Shareholding at the End of the year	
		No. of Shares	% of total Shares of the Company	Date of increase or decrease	No. of Shares	% of total Shares of the Company	Reason	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
Promoter											
1	AMIT D RAMBHIA	1400000	23.33	31-Jul-2019	1400000	11.67	Bonus	2800000	23.33	2800000	23.33
2	NIKIT D RAMBHIA	1400000	23.33	31-Jul-2019	1400000	11.67	Bonus	2800000	23.33	2800000	23.33
Promoter Group											
3	DEVCHAND LALJI RAMBHIA	1399580	23.33	31-Jul-2019	1399580	11.66	Bonus	2799160	23.33	2258360	18.82
				06-Sep-2019	-44,800	-0.37	Sell	2754360	22.95		

				13-Sep-2019	-96,000	-0.80	Sell	2658360	22.15		
				27-Sep-2019	-163,200	-1.36	Sell	2495160	20.79		
				30-Sep-2019	-44,800	-0.37	Sell	2450360	20.42		
				13-Dec-2019	-192,000	-1.60	Sell	2258360	18.82		
4	DEEPA AMIT RAMBHIA	70	0.00	31-Jul-2019	70	0.00	Bonus	140	0.00	140	0.00
5	KAVITA N RAMBHIA	70	0.00	31-Jul-2019	70	0.00	Bonus	140	0.00	140	0.00
6	JAYA D RAMBHIA	140	0.00	31-Jul-2019	140	0.00	Bonus	280	0.00	280	0.00
7	DEVCHAND L RAMBHIA (HUF)	140	0.00	31-Jul-2019	140	0.00	Bonus	280	0.00	280	0.00

**D. Shareholding Pattern of top ten Shareholders:**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr . No .	Name of the Shareholders	Shareholding at the beginning of the year		Change during the year				Cumulative Shareholding during the year		Shareholding at the End of the year	
		No. of Shares	% of total Shares of the Company	Date of increase or decrease	No. of Shares	% of total Shares of the Company	Reason	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	MAHE NDRAB HAI DAMJIB HAI CHHEDA	0	0	13-Sep-2019	140800	1.17	Buy	140800	1.17	540800	4.51
				30-Sep-2019	105600	0.88	Buy	246400	2.05		
				04-Oct-2019	105600	0.88	Buy	352000	2.93		
				13-Dec-2019	185600	1.55	Buy	537600	4.48		
				27-Dec-2019	3200	0.03	Buy	540800	4.51		
2	PANTOMATH STOCK BROKERS PRIVATE LIMITED	92800	1.55	05-Apr-2019	27200	0.45	Buy	120000	2.00	323200	2.69
				19-Apr-2019	3200	0.05	Buy	123200	2.05		
				03-May-2019	11200	0.19	Buy	134400	2.24		
				17-May-2019	1600	0.03	Buy	136000	2.27		
				31-May-2019	3200	0.05	Buy	139200	2.32		
				07-Jun-2019	1600	0.03	Buy	140800	2.35		
				14-Jun-2019	-4800	-0.08	Sell	136000	2.27		
				28-Jun-2019	1600	0.03	Buy	137600	2.29		
				31-Jul-19	137600	1.15	Bonus	275200	2.29		
				09-Aug-2019	-3200	-0.03	Sell	272000	2.27		

				23-Aug-2019	28800	0.24	Buy	300800	2.51		
				06-Sep-2019	44800	0.37	Buy	345600	2.88		
				13-Sep-2019	-44800	-0.37	Sell	300800	2.51		
				27-Sep-2019	112000	0.93	Buy	412800	3.44		
				30-Sep-2019	-12800	-0.11	Sell	400000	3.33		
				04-Oct-2019	-102400	-0.85	Sell	297600	2.48		
				25-Oct-2019	19200	0.16	Buy	316800	2.64		
				06-Dec-2019	6400	0.05	Buy	323200	2.69		
3	AAKASH DEEPAK SAVLA	156800	2.61	31-Jul-19	156800	1.31	Bonus	313600	2.61	313600	2.61
4	Deepak Meghji Savla	156800	2.61	31-Jul-19	156800	1.31	Bonus	313600	2.61	313600	2.61
5	VANDANA DEEPAK SAVLA	156800	2.61	31-Jul-19	156800	1.31	Bonus	313600	2.61	313600	2.61
6	DEEPAK MEGHJI SAVLA	131200	2.19	31-Jul-19	131200	1.09	Bonus	262400	2.19	262400	2.19
7	JECKY MANILA L SAVLA	64000	1.07	31-Jul-19	64000	0.53	Bonus	128000	1.07	128000	1.07
8	MUKUL AVANISH VARMA	59200	0.99	31-Jul-19	59200	0.49	Bonus	118400	0.99	118402	0.99
				10-Jan-2020	11	0.00	Buy	118411	0.99		
				24-Jan-2020	1	0.00	Buy	118412	0.99		
				31-Jan-2020	89	0.00	Buy	118501	0.99		
				14-Feb-2020	4562	0.04	Buy	123063	1.03		
				06-Mar-2020	-4663	-0.04	Sell	118400	0.99		
				13-Mar-2020	2	0.00	Buy	118402	0.99		
9	JAYANTILAL . HANSRAJ HUF	0	0.00	16-Aug-2019	41600	0.35	Buy	41600	0.35	108214	0.90
				25-Oct-2019	3200	0.03	Buy	44800	0.37		
				08-Nov-2019	3200	0.03	Buy	48000	0.40		
				22-Nov-2019	-3200	-0.03	Sell	44800	0.37		

				06-Dec-2019	-9600	-0.08	Sell	35200	0.29		
				20-Dec-2019	9600	0.08	Buy	44800	0.37		
				03-Jan-2020	3200	0.03	Buy	48000	0.40		
				10-Jan-2020	-1406	-0.01	Sell	46594	0.39		
				17-Jan-2020	21223	0.18	Buy	67817	0.57		
				31-Jan-2020	9414	0.08	Buy	77231	0.64		
				07-Feb-2020	7384	0.06	Buy	84615	0.71		
				14-Feb-2020	10627	0.09	Buy	95242	0.79		
				21-Feb-2020	944	0.01	Buy	96186	0.80		
				28-Feb-2020	-1053	-0.01	Sell	95133	0.79		
				06-Mar-2020	10048	0.08	Buy	105181	0.88		
				13-Mar-2020	3033	0.03	Buy	108214	0.90		
10	NAND U HEMAN SHANTI LAL	48000	0.80	31-Jul-19	48000	0.40	Bonus	96000	0.80	96000	0.80
11	VIKRA M - JAYANT ILAL HUF	78400	1.31	24-May-2019	-4800	-0.08	Sell	73600	1.23	23952	0.20
				31-May-2019	-22400	-0.37	Sell	51200	0.85		
				07-Jun-2019	3200	0.05	Buy	54400	0.91		
				14-Jun-2019	1600	0.03	Buy	56000	0.93		
				31-Jul-19	56000	0.47	Bonus	112000	0.93		
				16-Aug-2019	25600	0.21	Buy	137600	1.15		
				22-Nov-2019	3200	0.03	Buy	140800	1.17		
				29-Nov-2019	-3200	-0.03	Sell	137600	1.15		
				06-Dec-2019	12800	0.11	Buy	150400	1.25		
				13-Dec-2019	-3200	-0.03	Sell	147200	1.23		
				27-Dec-2019	-3200	-0.03	Sell	144000	1.20		
				10-Jan-2020	-53102	-0.44	Sell	90898	0.76		
				17-Jan-2020	-2520	-0.02	Sell	88378	0.74		
				24-Jan-2020	-11595	-0.10	Sell	76783	0.64		
				31-Jan-2020	-12096	-0.10	Sell	64687	0.54		
				07-Feb-2020	-5512	-0.05	Sell	59175	0.49		

				14-Feb-2020	-11261	-0.09	Sell	47914	0.40		
				21-Feb-2020	-15319	-0.13	Sell	32595	0.27		
				28-Feb-2020	-4857	-0.04	Sell	27738	0.23		
				06-Mar-2020	-3786	-0.03	Sell	23952	0.20		
12	MUKUL AVANISH VARMA (HUF)	40000	0.67	31-Jul-19	40000	0.33	Bonus	80000	0.67	80000	0.67

**E. Shareholding of Directors and Key Managerial Personnel**

Sr. No	Name of the Shareholders	Shareholding at the beginning of the year		Change during the year				Cumulative Shareholding during the year		Shareholding at the End of the year	
		No. of Shares	% of total Shares of the Company	Date of increase or decrease	No. of Shares	% of total Shares of the Company	Reason	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	AMIT D RAMBHIA	1400000	23.33	31-Jul-2019	140000	11.67	Bonus	2800000	23.33	2800000	23.33
2	NIKIT D RAMBHIA	1400000	23.33	31-Jul-2019	1,400,000	11.67	Bonus	2800000	23.33	2800000	23.33
3	DEVCHAND LALJI RAMBHIA	1399580	23.33	31-Jul-2019	1399580	11.66	Bonus	2799160	23.33	2258360	18.82
				06-Sep-2019	-44,800	-0.37	Sell	2754360	22.95		
				13-Sep-2019	-96,000	-0.80	Sell	2658360	22.15		
				27-Sep-2019	-163,200	-1.36	Sell	2495160	20.79		
				30-Sep-2019	-44,800	-0.37	Sell	2450360	20.42		
				13-Dec-2019	-192,000	-1.60	Sell	2258360	18.82		

## V. INDEBTEDNESS

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

Particulars	Secured Loans excl. deposits (₹)	Unsecured Loans (₹)	Deposits (₹)	Total Indebtedness (₹)
<b>Indebtedness at the beginning of the FY</b>				
i) Principal Amount	22,25,10,124	1,50,00,000	-	23,75,10,124
ii) Interest due but not paid	-	3,64,500		3,64,500
iii) Interest accrued but not paid	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>22,25,10,124</b>	<b>1,53,64,500</b>	<b>-</b>	<b>23,78,74,624</b>
<b>Change in Indebtedness during the FY</b>				
Addition	8,65,83,656	1,83,50,000	-	10,49,33,656
Reduction	6,23,34,758	1,38,30,000	-	7,61,64,758
<b>Net Change</b>	<b>2,42,48,898</b>	<b>45,20,000</b>	<b>-</b>	<b>2,87,68,898</b>
<b>Indebtedness at the end of the FY</b>				
i) Principal Amount	24,67,59,022	1,95,20,000	-	26,62,79,022
ii) Interest due but not paid	17,37,535	19,82,223	-	37,19,758
iii) Interest accrued but not due	3,61,777	-	-	3,61,777
<b>Total (i+ii+iii)</b>	<b>24,88,58,334</b>	<b>2,150,223</b>	<b>-</b>	<b>27,03,60,557</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹)

Sr. No.	Particulars of Remuneration	Amit D Rambhia (Chairman & MD)	Nikit D Rambhia (Joint MD)	Devchand L Rambhia (WTD)	Total Amount
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	38,50,000	38,50,000	13,75,000	90,75,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>38,50,000</b>	<b>38,50,000</b>	<b>13,75,000</b>	<b>90,75,000</b>
	*Ceiling as per the Act (Schedule V)	84 Lakh	84 Lakh	84 Lakh	-

\*Ceiling is calculated as per effective capital method as provided under Schedule V

### B. Remuneration to other directors:

(₹)

Sr. No.	Particulars of Remuneration	*Rohit Mathur	Meeta K. Mehta	Bhavin Vinod Adani	**Gaurav Singh	Total Amount
1	Independent Directors					
	(a) Fee for attending board / committee meetings	25,000	35,000	35,000	15,000	1,10,000
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>25,000</b>	<b>35,000</b>	<b>35,000</b>	<b>15,000</b>	<b>1,10,000</b>
2	Other Non-Executive Directors					
	(a) Fee for attending board / committee meetings	-	-	-	-	-



(b) Commission	-	-	-	-	-
(c) Others, please specify	-	-	-	-	-
<b>Total (2)</b>	-	-	-	-	-
<b>Total (1)+(2)</b>	<b>25,000</b>	<b>35,000</b>	<b>35,000</b>	<b>15,000</b>	<b>1,10,000</b>

\*Resigned w.e.f. 15th August, 2019

\*\*Appointed w.e.f. 23rd July, 2019

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD: (₹)**

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		Jinkle Khimsaria - CS	Nitesh Savla - CFO	*Vishal Lalan – CEO	Total Amount
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,87,304	14,76,912	31,16,250	<b>52,80,466</b>
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>6,87,304</b>	<b>14,76,912</b>	<b>31,16,250</b>	<b>52,80,466</b>

\*Appointed w.e.f. 5<sup>th</sup> July, 2019

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

For and on behalf of the Board of Directors of  
Panache Digilife Limited

Amit Devchand Rambhia  
Chairman & Managing Director  
DIN: 00165919

Date: 26/08/2020

Place: Mumbai

### DETAILS OF DIRECTORS AND EMPLOYEE REMUNERATION

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>➤ Amit Rambhia, Managing Director – 29.12x</li> <li>➤ Nikit Rambhia, Joint Managing Director – 29.12x</li> <li>➤ Devchand Rambhia, Whole-Time Director – 10.40x</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>➤ Amit Rambhia, Managing Director – Not increased</li> <li>➤ Nikit Rambhia, Joint Managing Director – Not increased</li> <li>➤ Devchand Rambhia, Whole-Time Director – Not increased</li> <li>➤ Nitesh Savla, CFO – Not increased</li> <li>➤ Jinkle Khimsaria, Company Secretary – 45.34%</li> <li>➤ Vishal Lalan, CEO – N.A. as appointed during the year</li> </ul>
3	The percentage increase in the median remuneration of employees in the financial year	There no change in the median remuneration of the employee in this year as compared to previous year
4	The number of permanent employees on the rolls of company	142 employees
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 – (0.01)</li> <li>➤ Average percentile increase already made in the salaries of the managerial personnel in the last financial year – 0.03</li> <li>➤ There is no material 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.

**For and on behalf of the Board of Directors of  
Panache Digilife Limited**

**Date: 26/08/2020  
Place: Mumbai**

**Amit Devchand Rambhia  
Chairman & Managing Director  
DIN: 00165919**

# CORPORATE GOVERNANCE REPORT

## I. A brief statement on listed entity's philosophy on code of governance

The 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 Member 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.

With regards to the Corporate Governance, the Company migrated to Main Board in compliance with the requirements of the Listing Regulations and provisions of the Companies Act, 2013 ("the Act") w.e.f. 6<sup>th</sup> January, 2020. As a Company which believes in implementing corporate governance practices in letter and in spirit, the Company has adopted practices mandated by the Act and the Listing Regulations and has established procedures and systems to remain compliant with it. This report provides the Company's compliance with these provisions as on 31<sup>st</sup> March, 2020.

## II. Board of directors

### 1. Composition and category of directors

The Company is managed by the Board of Directors. The Board formulates strategy, regularly reviews the performance of the Company and ensures that the previously agreed objectives are met on a consistent basis. The Managing Directors & Whole-Time Director are responsible for day-to-day operations of the Company.

The Board of Directors of the Company comprises of a fair combination of Executive, Non-executive and Independent Directors with diverse professional background complying with the provisions of the Companies Act, 2013 (the Act) and the Listing Regulations.

The details of composition of Board and category of directors for the financial year ending 31<sup>st</sup> March, 2020 are given below:

Sr. No.	Name	Designation	Promoter / Non-Promoter	Executive / Non-Executive	Independent / Non-Independent
1	Amit Rambhia	Chairman & Managing Director	Promoter	Executive	Non-Independent
2	Nikit Rambhia	Joint Managing Director	Promoter	Executive	Non-Independent
3	Devchand Rambhia	Whole Time Director	Promoter Group	Executive	Non-Independent
4	*Rohit Mathur	Independent Director	Non-Promoter	Non-Executive	Independent
5	Bhavin Adani	Independent Director	Non-Promoter	Non-Executive	Independent
6	Meeta Mehta	Independent Director	Non-Promoter	Non-Executive	Independent
7	**Gaurav Pratap Singh	Independent Director	Non-Promoter	Non-Executive	Independent

\*Resigned w.e.f. 15<sup>th</sup> August, 2019

\*\*Appointed w.e.f. 23<sup>rd</sup> July, 2019

## 2. Board Meetings, Procedure and Attendance of Directors

The Meetings of the Board of Directors are scheduled well in advance and generally held at the Company's Corporate Office in Mumbai and all the necessary information and documents as required under requisite Regulation of the Listing Regulations pertaining to the meeting are made available to Board of Directors. Senior Executives / Management of the Company is invited to attend the Meetings of the Board and Committees, to make presentations and provide clarifications as and when required. The Board meets at least once a quarter to review the quarterly performance and approve the financial results.

During the year 2019-20, seven (7) board meetings were held on 25<sup>th</sup> May, 2019, 5<sup>th</sup> June, 2019, 5<sup>th</sup> July, 2019, 23<sup>rd</sup> July, 2019, 13<sup>th</sup> August, 2019, 19<sup>th</sup> October, 2019 and 11<sup>th</sup> February, 2020.

The details of attendance of each Director at the Board Meetings & 12<sup>th</sup> AGM are given below;

Sr. No.	Name of the Director	No. of Board Meetings eligible	No. of Board Meetings attended	Attendance at 12 <sup>th</sup> AGM - 20 <sup>th</sup> September, 2019
1	Amit Rambhia	7	7	Yes
2	Nikit Rambhia	7	7	Yes
3	Devchand Rambhia	7	7	Yes
4	*Rohit Mathur	5	5	*
5	Meeta K. Mehta	7	7	Yes
6	Bhavin Adani	7	7	Yes
7	**Gaurav Pratap Singh	3	3	Yes

\*Resigned w.e.f. 15<sup>th</sup> August, 2019

\*\*Appointed w.e.f. 23<sup>rd</sup> July, 2019

## 3. Number of other board of directors or committees in which a director is a member or chairperson

Sr. No.	Name of the Director	%Other Companies as on 31 <sup>st</sup> March, 2020				%Directorship in other listed entities	
		**Board Directorship	**Board Chairmanship	***Committee Memberships	***Committee Chairmanships	Name	Category
1	Amit Rambhia	2	2	2	-	Panache Innovations Limited	#NED
2	Nikit Rambhia	1	-	-	-	-	-
3	Devchand Rambhia	1	1	-	-	-	-
4	Meeta K. Mehta	1	-	2	1	Panache Innovations Limited	#ID
5	Bhavin Adani	1	-	-	-	-	-
6	*Gaurav Singh	1	-	2	1	Panache Innovations Limited	#ID

+Mr. Rohit Mathur resigned w.e.f. 15<sup>th</sup> August, 2019 and hence details as on 31.03.2020 not provided

%Details are excluding Panache Digilife Limited

\*Appointed w.e.f. 23<sup>rd</sup> July, 2019

\*\* Directorships in Foreign Companies and Companies under Section 8 of the Act are excluded for this purpose.

\*\*\*In accordance with Regulation 26 of the Listing Regulations, Considered Membership/Chairmanship of Audit Committee and Stakeholders' Relationship Committee of other Indian Public Limited Companies.

#NED – Non-Executive Director; ID – Independent Director.

4. Number of meetings of the board of directors held and dates on which held during financial year ending on 31<sup>st</sup> March, 2020:

Dates of Board meeting	Board Strength	No. of Directors Present
25 <sup>th</sup> May, 2019	6	6
5 <sup>th</sup> June, 2019	6	6
5 <sup>th</sup> July, 2019	6	6
23 <sup>rd</sup> July, 2019	6	6
13 <sup>th</sup> August, 2019	7	7
19 <sup>th</sup> October, 2019	6	6
11 <sup>th</sup> February, 2020	6	6

5. Disclosure of relationships between directors inter-se

Director	Other Director	Relation
Amit Rambhia	Devchand Rambhia	Son-Father
Nikit Rambhia		
Nikit Rambhia	Amit Rambhia	Siblings

6. Number of shares and convertible instruments held by non- executive directors

Non-executive director	No. of Shares / convertible instruments
Meeta K. Mehta	-
Bhavin Adani	-
Gaurav Pratap Singh	-

7. Web link where details of familiarization programmes imparted to independent directors is disclosed – [www.panachedigilife.com](http://www.panachedigilife.com) – Investor Desk – Policies & Code of Conduct.

#### 8. Skills, Expertise and Competencies of the Board

The Board of Directors has, identified the following core skills / expertise / competencies of Directors as required in the context of business of the Company for its effective functioning.

<b>Skills, expertise and competencies</b>	Industry Experience & Knowledge
	Leadership experience and general management
	Technical skills / experience; - Accounting & Auditing - Corporate Finance - Legal, Secretarial and Compliance - Risk Management and corporate governance - Business Strategy
	Human Resource Management & communication
	Information Technology
	Marketing
	Behavioural Competencies - Integrity and ethical Standards - Mentoring abilities - Interpersonal relations

Given below is a list of core skills, expertise and competencies of the individual Directors:

Sr. No.	skills / expertise / competencies*	Amit Rambhia	Nikit Rambhia	Devchand Rambhia	Meeta Mehta	Gaurav Singh	Bhavin Adani

A	Industry Experience & Knowledge	✓	✓	✓	✓	✓	✓
B	Leadership experience and general management						
-	Accounting & Auditing	✓	✓	✓	✓	✓	✓
-	Corporate Finance	✓	✓	✓	✓	✓	✓
-	Legal, Secretarial and Compliance	✓	✓	✓	✓	✓	✓
-	Risk Management and corporate governance	✓	✓	✓	✓	✓	✓
-	Business Strategy	✓	✓	✓	✓	✓	✓
C	Human Resource Management & communication	✓	✓	✓	✓	✓	✓
D	Information Technology	✓	✓	✓	✓	✓	✓
E	Marketing	✓	✓	✓	✓	✓	✓
F	Behavioural Competencies						
-	Integrity and ethical Standards	✓	✓	✓	✓	✓	✓
-	Mentoring abilities	✓	✓	✓	✓	✓	✓
-	Interpersonal relations	✓	✓	✓	✓	✓	✓

\*The Board as a whole possesses the identified skills, expertise and competencies as are required in the context of business of the Company. However, these skills/competencies are broad-based, encompassing several areas of expertise/experience. Each Director may possess varied combinations of skills/experience within the described set of parameters, and it is not necessary that all Directors possess all skills/experience listed therein at the same scale.

9. The Board is of the opinion that the independent directors fulfil the conditions specified in these regulations and are independent of the management.
10. Mr. Rohit Mathur was appointed as the Independent Director for a period of 5 years effective from 17<sup>th</sup> April, 2018 to 16<sup>th</sup> February, 2023. He has tendered his resignation as Independent Director effective from 15<sup>th</sup> August, 2019 pursuant to an Investor Agreement executed by him for one of his Company and accordingly as per the said Agreement it was obligatory for Mr. Rohit Mathur to resign from the position of Director from the other Companies and he has provided a confirmation to the company that there are no other material reasons other than those provided.

### III. 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 meet at regular intervals for deciding various matters and providing directions and authorizations to the management for its implementation. Meetings of each of these Committees are headed by the respective Chairman, who also inform the Board about the summary of discussions held in those Meetings.

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

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders' Relationship Committee

### IV. Audit committee

#### 1. Brief description of terms of reference:

The Audit Committee acts as a link between the statutory / internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The scope and function of the Audit Committee are in accordance with the Act and Regulation 18 of the Listing Regulations.

#### The Audit Committee has the following powers;

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employee;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise if it considers necessary.

#### The Audit Committee mandatorily reviews the following information;

- i. Management discussion and analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the audit committee),
- iii. submitted by management;
- iv. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- v. Internal audit reports relating to internal control weaknesses; and
- vi. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the Audit committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

#### The role of the Audit Committee is not limited to but includes;

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.



3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, Quarterly / half yearly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / Draft Red Herring Prospectus/ Red Herring Prospectus / Prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.
11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board.
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. To investigate any other matters referred to by the Board of Directors.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

## 2. Composition of Audit Committee and attendance of Members

During the year 2019-20, Six (6) Audit Committee meetings were held on 25<sup>th</sup> May, 2019, 5<sup>th</sup> June, 2019, 5<sup>th</sup> July, 2019, 13<sup>th</sup> August, 2019, 19<sup>th</sup> October, 2019 and 11<sup>th</sup> February, 2020.

The Composition of the Audit Committee, meetings and attendance of the members there at during the financial year ending as on 31<sup>st</sup> March, 2020 is as follows:

Sr. No.	Name of the Committee Member	Position in the Committee	No. of Committee Meetings eligible	No. of Committee Meetings attended
1	Meeta K. Mehta	Chairperson	6	6
2	*Rohit Mathur	Member	3	3
3	Amit Rambhia	Member	6	6
4	Bhavin Vinod Adani	Member	6	6
5	**Gaurav Pratap Singh	Member	3	3

\*Ceased from the committee w.e.f. 23<sup>rd</sup> July, 2019

\*\*Appointed in the committee w.e.f. 23<sup>rd</sup> July, 2019

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

Sr. No.	Name of the Committee Member	Position in the Committee
1	Meeta K. Mehta	Chairperson
2	Shailesh Premji Gala	Member
3	Amit Rambhia	Member
4	Bhavin Vinod Adani	Member

## V. Nomination and Remuneration Committee

- Brief description of terms of reference:** The scope and terms of reference of the Nomination and Remuneration Committee includes recommending to the Board from time to time the remuneration of Directors, Key Managerial Personnel and Senior Management Personnel as more specifically detailed in Part D of Schedule II of the Listing Regulations in addition to the requirements of Section 178 of the Act.

### Role of the Nomination and Remuneration Committee not limited to but includes

- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration for directors, KMPs and other employees.
- Identifying persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Formulation of criteria for evaluation of performance of independent directors and Board of Directors
- Devising a policy on diversity of board of directors
- Deciding on, whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors.
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Director / Managing Directors.
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc.
- To formulate and administer the Employee Stock Option Scheme.

## 2. Composition of Nomination and Remuneration Committee and attendance of Members

During the year 2019-20, five (5) Nomination and Remuneration Committee meetings were held on 25<sup>th</sup> May, 2019, 5<sup>th</sup> July, 2019, 23<sup>rd</sup> July, 2019, 13<sup>th</sup> August, 2019 and 11<sup>th</sup> February, 2020.

The Composition of the Nomination and Remuneration Committee, meetings and attendance of the members thereof during the financial year ending as on 31<sup>st</sup> March, 2020 is as follows:

Sr. No.	Name of the Committee Member	Position in the Committee	No. of Committee Meetings eligible	No. of Committee Meetings attended
1	Bhavin Vinod Adani	Chairman	5	5
2	Meeta K. Mehta	Member	5	5
3	*Rohit Mathur	Member	3	3
4	**Gaurav Pratap Singh	Member	2	2

\*Ceased from the committee w.e.f. 23<sup>rd</sup> July, 2019

\*\*Appointed in the committee w.e.f. 23<sup>rd</sup> July, 2019

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

Sr. No.	Name of the Committee Member	Position in the Committee
1	Bhavin Adani	Chairperson
2	Meeta K Mehta	Member
3	Shailesh Premji Gala	Member

## 3. Performance evaluation for Board, Chairman, Committees and individual Directors including Independent Directors

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 Questioner and feedback form for evaluation of individual Directors, Board as a whole, Chairman, committees, and Independent Directors, which format forms a part of the policy. Thereafter Board evaluated every Director including Independent Director on 11<sup>th</sup> February, 2020 except for the Directors who are subject to evaluation.

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.

## VI. Remuneration of Directors

### 1. Criteria of making payments to non-executive directors.

Currently the Non-Executive Directors are paid remuneration by way of sitting fee for attending the meetings of the Board and Committees and in accordance with Nomination and Remuneration Policy which is available at the website of the Company at [www.panachedigilife.com](http://www.panachedigilife.com) – Investor Desk – Policies & Code of Conduct.

### 2. Remuneration to Directors

The Remuneration paid to Directors for the Financial Year 2019-20 is as follows;

Sr. No.	Particulars of Remuneration	Amit D Rambhia CMD	Nikit D Rambhia JMD	Devchand L Rambhia WTD	*Rohit Mathur ID	Meeta Mehta ID	Bhavin Adani ID	**Gaurav Singh ID
1	Salary	38,50,000	38,50,000	13,75,000	-	-	-	-
2	Benefits	-	-	-	-	-	-	-
3	Bonus	-	-	-	-	-	-	-

4	Stock Option	-	-	-	-	-	-	-
5	Pension	-	-	-	-	-	-	-
6	Others, please specify	-	-	-	-	-	-	-
7	Performance linked incentives	-	-	-	-	-	-	-
8	Sitting fees for attending board / committee meetings	-	-	-	25,000	35,000	35,000	15,000
	<b>Total</b>	<b>38,50,000</b>	<b>38,50,000</b>	<b>13,75,000</b>	<b>25,000</b>	<b>35,000</b>	<b>35,000</b>	<b>15,000</b>
9	Service Contract	%# 3 years w.e.f. 17.02.2020	%# 3 years w.e.f. 17.02.2020	%# 3 years w.e.f. 17.02.2020	^* 5 years w.e.f. 17.02.2018	^ 5 years w.e.f. 17.02.2018	^ 5 years w.e.f. 17.02.2018	^** 5 years w.e.f. 23.07.2019
10	Notice Period	@	@	@	-	-	-	-
11	Severance Fees	-	-	-	-	-	-	-

\*Resigned w.e.f. 15<sup>th</sup> August, 2019

\*\*Appointed w.e.f. 23<sup>rd</sup> July, 2019

#Reappointed for a further period of 3 years w.e.f. 17.02.2020 in the 12<sup>th</sup> AGM on 20.09.2019

%liable to retire by rotation

^not liable to retire by rotation

@unless otherwise agreed for no notice period, by Company-1 month; by Director-3 months

**Note:** Apart from the above, the Company does not have any other pecuniary relationship or transactions with the Non-Executive Directors.

## VII. Stakeholders' Relationship committee

### 1. Brief description of terms of reference

The \*terms of reference of the Stakeholders' Relationship Committee of the Company are in accordance with Section 178 of the Act and Regulation 20 of the Listing Regulations which *inter alia* include:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders
3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company."

\*the terms of reference are revised w.e.f. 11.02.2020.

### 2. Composition of Stakeholders' Relationship Committee and attendance of Members

During the year 2019-20, one (1) Stakeholders' Relationship Committee meeting was held on 11<sup>th</sup> February, 2020.

The Composition of the Stakeholders' Relationship Committee, meetings and attendance of the members thereat during the financial year ending as on 31<sup>st</sup> March, 2020 is as follows:

Sr. No.	Name of the Member	Position in the Committee	No. of Committee Meetings eligible	No. of Committee Meetings attended
1	*Rohit Mathur	Chairman	*	*
2	**Gaurav Pratap Singh	Chairman	1	1
3	Nikit Rambhia	Member	1	1
4	Bhavin Adani	Member	1	1

\*Ceased from the committee w.e.f. 23<sup>rd</sup> July, 2019

\*\*Appointed in the committee w.e.f. 23<sup>rd</sup> July, 2019

During the year 2020-21, pursuant to Changes in the Directors, the Stakeholders' Relationship Committee was reconstituted on 29<sup>th</sup> May, 2020 as follows;

Sr. No.	Name of the Committee Member	Position in the Committee
1	Shailesh Premji Gala	Chairperson
2	Nikit Rambhia	Member
3	Bhavin Adani	Member

**Ms. Jinkle Khimsaria is the Compliance Officer.**

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

Particulars	No. of Complaints
Opening as on 1 <sup>st</sup> April, 2019	-
Received till 31 <sup>st</sup> March, 2020	-
Resolved till 31 <sup>st</sup> March, 2020	-
Closing as on 31 <sup>st</sup> March, 2020	-

## VIII. General body meetings

### 1. Details of last three AGM and the summary of Special Resolutions passed therein, if any, are as under

AGM of the year	Date / Time	Special Resolutions Passed	Location(s)
2018-19	20 <sup>th</sup> September, 2019 3.00 pm	<ul style="list-style-type: none"> <li>Re-appointment of Mr. Amit Rambhia as Managing Director</li> <li>Re-appointment of Mr. Nikit Rambhia as Joint Managing Director</li> <li>Re-appointment of Mr. Devchand Rambhia as Whole-Time Director</li> <li>Approval of Related Party Transactions</li> <li>Approval of limits for the Loans, Guarantees and Investment by the Company as per Section 186 of the Companies Act, 2013</li> <li>Approval of Panache Digilife Limited – Employee Stock Option Scheme, 2019 (PDL-ESOS 2019)</li> <li>Approval for grant of options to the employees of the holding and subsidiary company (ies) under Panache Digilife Limited – Employee Stock Option Scheme, 2019 (PDL-ESOS 2019)</li> <li>Approval for grant of options equal to or exceeding 1% of the issued capital of the company under Panache Digilife Limited – Employee Stock Option Scheme, 2019 (PDL-ESOS 2019)</li> </ul>	Shangrila Resort, Mumbai-Nashik Highway, Bhiwandi By Pass End, Gangaram Pada, Vadpe, Bhiwandi, Thane - 421302, Maharashtra, India
2017-18	25 <sup>th</sup> September, 2018 3.00 pm	<ul style="list-style-type: none"> <li>Alteration of object clause of Memorandum of Association.</li> <li>Shift of Registered Office of the Company.</li> </ul>	Unit No. 201/B1, Raheja Plaza-1, L.B.S. Marg, Ghatkopar West, Mumbai – 400086, Maharashtra, India
2016	21 <sup>st</sup>	Continuation as Whole-Time Director by	Unit No. 201/B1, Raheja

-17	September, 2017 2.00 pm	Mr. Devchand Lalji Rambhia (DIN: 00165851) upon attaining 70 years of Age during his term of appointment. • Alteration of Articles of the Company.	Plaza-1, L.B.S. Marg, Ghatkopar West, Mumbai – 400086, Maharashtra, India
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## 2. Details of Special Resolution passed in the year 2019-20 through postal ballot;

Date of notice of Postal Ballot	05/06/2019
Voting period	12 <sup>th</sup> June, 2019 to 11 <sup>th</sup> July, 2019
Date of declaration of results	11 <sup>th</sup> July, 2019
Date of Approval	11 <sup>th</sup> July, 2019

Description of Resolution	Type of Resolution	No. of Votes polled	Votes Cast in Favour		Votes Cast Against	
			%	Number of votes	%	Number of votes
Migration from NSE EMERGE to the Main Board of NSE Ltd.	Special Resolution with requisite majority	4905600	100	4905600	NIL	NIL
Approval of Loans, Investments, Guarantee or Security under Section 185 of Companies Act, 2013	Special Resolution	4905600	100	4905600	NIL	NIL
Increasing the limits of Loans, Investments and Guarantee under Section 186 of Companies Act, 2013	Special Resolution	4905600	100	4905600	NIL	NIL
Amendment of incidental or ancillary objects clause of the Memorandum of Association	Special Resolution	4905600	100	4905600	NIL	NIL

All the resolutions were passed with requisite majority by the members of the Company.

## 3. Procedure of Postal Ballot

In compliance with Section 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the applicable rules, the Company provides electronic voting (e-voting) facility, in addition to physical ballot, to all its members. For this purpose, the Company has engaged the services of CDSL.

Postal Ballot notices and forms are dispatched, along with pre-paid reply envelopes to registered members/ beneficiaries. The same notice is sent by email to members who have opted for receiving communication through the electronic mode. The Company also publishes a notice in the newspaper declaring the details and requirements as mandated by the Act and applicable rules and also uploads the same on the website of the Company at [www.panachedigilife.com](http://www.panachedigilife.com) – Investor desk – Investor information.

Voting rights are reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off-date. Members who want to exercise their votes by physical postal ballot are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Those using the e-voting option are requested to vote before the close of business hours on the last date of e-voting.

The scrutinizer completes his scrutiny and submits his report to the Chairman, and the consolidated results of the voting are announced by the Chairman/ authorized officer. The results are also displayed on the Company's website, [www.panachedigilife.com](http://www.panachedigilife.com) – Investor desk – Investor information, besides being communicated to the stock exchanges and depository. The last date for receipt of postal ballot forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.



4. whether any special resolution is proposed to be conducted through postal ballot - NO
5. person who conducted the postal ballot exercise - NA

#### IX. Means of communication

In accordance with Regulation 46 of the SEBI Listing Regulations, the Company has maintained a functional website at [www.panachedigilife.com](http://www.panachedigilife.com) containing information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, details of the policies approved by the Company, contact information of the designated official of the Company, who is responsible for assisting and handling investor grievances etc. The contents of the said website are updated from time to time.

##### 1. Quarterly results

The quarterly, half-yearly and yearly financial results are submitted to NSE within 30 minutes after the conclusion of the Board meeting and are also displayed on the Company's website i.e. [www.panachedigilife.com](http://www.panachedigilife.com).

##### 2. Newspapers wherein results normally published

Pursuant to exemption provided under Regulation 15 of SEBI (LODR) Regulation, 2015 for the SME listed entities, Company was exempted from the provisions of Regulation 47 until 6<sup>th</sup> January, 2020. Thereafter, the quarterly, half-yearly and yearly financial results are published in Financial Express & Mumbai Lakshadeep within the prescribed time limit.

##### 3. Any website, where displayed

The results are also displayed on the website of the Company at [www.panachedigilife.com](http://www.panachedigilife.com) and uploaded on the website of NSE.

##### 4. Whether it also displays official news releases

Press Release, if any, made by the Company from time to time are also displayed on the Company's website at [www.panachedigilife.com](http://www.panachedigilife.com) and uploaded on the website of NSE.

##### 5. Presentations made to institutional investors or to the analysts

Presentations, if any, made by the Company for institutional investors or to the analysts from time to time are also displayed on the Company's website at [www.panachedigilife.com](http://www.panachedigilife.com) and uploaded on the website of NSE.

Further, the Company disseminates to NSE, wherein its equity shares are listed, all mandatory information and price sensitive/ such other information, which in its opinion, are material and/or have a bearing on its performance/ operations and issues press releases, wherever necessary, for the information of the public at large.

#### X. General shareholder information

Sr. No	Salient Items of Interest	Particulars
1	AGM Date, time and venue	Tuesday, 29 <sup>th</sup> September, 2020 at 3.00 pm (IST). The Company is conducting AGM through VC / OAVM pursuant to the MCA /SEBI Circulars, hence there is no requirement to have a venue for the AGM. For details please refer to the Notice of AGM separately provided in this Annual Report.
2	Financial year	The Financial Year of the Company is from April 1 <sup>st</sup> to March 31 <sup>st</sup> of the following year.
3	Date of Book closure	23 <sup>rd</sup> September, 2020 to 29 <sup>th</sup> September, 2020
4	Dividend Payment Date	If declared, on or before 30 <sup>th</sup> day of declaration
5	The name and address of the stock exchange at which the listed entity's share are listed	Main Board of National Stock Exchange of India. Exchange Plaza, Plot No. 0-1, G Block, Bandra Kurla Complex, Bandra East, Mumbai — 400 051



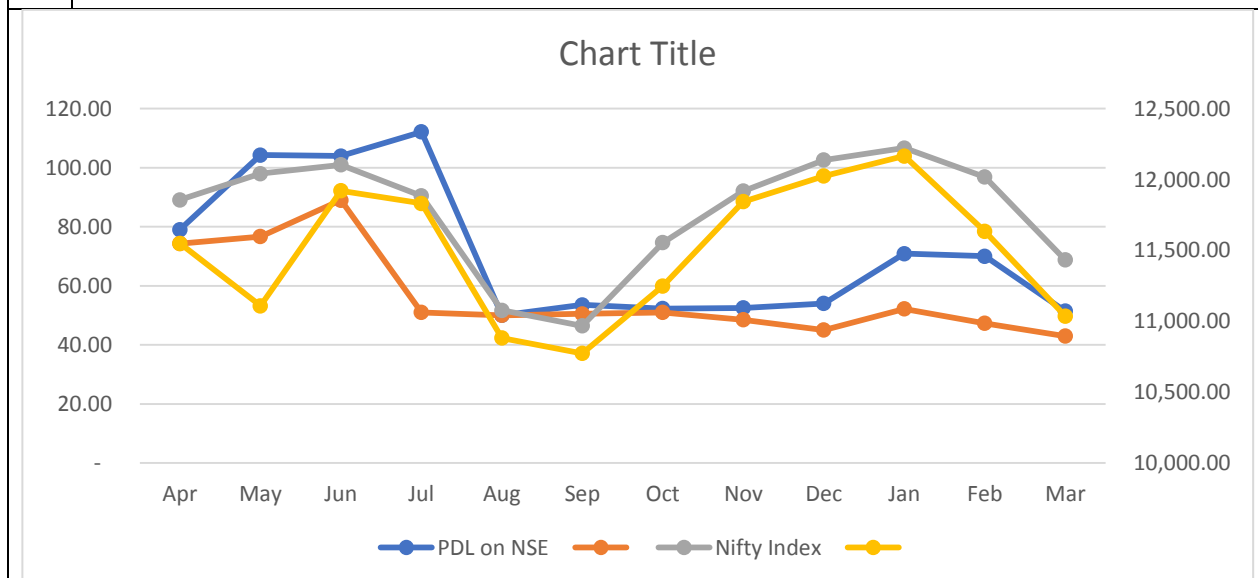
	and a confirmation about payment of annual listing fee to each of such stock exchange	The Company has paid the listing fees to the Stock Exchange for the FY 2019-20 & 2020-21.
6	NSE SYMBOL	PANACHE
7	Registrar & Share Transfer Agent	<b>Bigshare Services Private Limited</b> 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Apartments (Next to Keys Hotel), Marol Maroshi Road, Andheri East, Mumbai – 400059. Tel: 022-62638200, 022-40430200, 28470652, Website: www.bigshareonline.com Email: investor@bigshareonline.com
8	Share Transfer System	Share transfers, dividend payments and all other investor related activities are attended to and processed at the Office of the Company's Registrar and Share Transfer Agent, however, on the date of this report 100% of the total issued, subscribed and paid-up equity share capital of the Company is in Dematerialized form. Also, as per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form. Effective April 1, 2019, transfer of shares in physical form has ceased.
9	Dematerialization of shares and liquidity	As on the date of this report 100% of the total issued, subscribed and paid-up equity share capital of the Company is in Dematerialized form. The equity shares of the Company are traded on the Main Board of NSE Limited.
10	Outstanding GDRs/ADRs/warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in the past and hence as on 31 <sup>st</sup> March, 2020, the Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instruments.
11	Plant Location	<b>Bhiwandi</b> Bldg.A3, 102-108 & 201-208, Babosa Industrial Park, Mumbai-Nashik Highway NH3, Saravali Village, Bhiwandi, Thane – 421302, Maharashtra, India. <b>Daman</b> F-6, Avis Udyog Bhawan, 1st Floor, Near Kalaria Police Chowki, Ringanwada, Dabhel, Daman-396210, U.T.
12	Address for correspondence	<b>Registered Office</b> Bldg.A3, 102-108 & 201-208, Babosa Industrial Park, Mumbai-Nashik Highway NH3, Saravali Village, Bhiwandi, Thane – 421302, Maharashtra, India <b>Corporate Office</b> Unit No. 201/B1, Raheja Plaza – 1, LBS Marg, Ghatkopar West, Mumbai – 400 086 Maharashtra, India
13	In case securities are suspended from trading, the directors report shall explain the reason thereof	N.A.
14	Commodity Price Risk or foreign exchange risk and hedging activities	During the year ended 31 <sup>st</sup> March 2020, the Company had managed the foreign exchange risk. The Company, whenever required, enters into forward contracts for hedging foreign exchange exposures against imports. The details of foreign currency exposure are disclosed in Notes to the Standalone and Consolidated financial statements.  The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 is not required to be given.

15	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad	<p><b>*Ratings</b> Published on 30<sup>th</sup> March, 2019</p> <table><tr><td>Total Bank Loan Facilities Rated</td><td>Rs.33 Crore</td></tr><tr><td>Long Term Rating</td><td>CRISIL BBB-/Stable (Assigned)</td></tr><tr><td>Short Term Rating</td><td>CRISIL A3 (Assigned)</td></tr></table> <p>Published on 3<sup>rd</sup> February, 2020</p> <table><tr><td>Total Bank Loan Facilities Rated</td><td>Rs.33 Crore</td></tr><tr><td>Long Term Rating</td><td>CRISIL BB+/Stable (Downgraded from 'CRISIL BBB-/Stable')</td></tr><tr><td>Short Term Rating</td><td>CRISIL A4+ (Downgraded from 'CRISIL A3')</td></tr></table> <p>*For further details about the rating, it is available at the website of CRISIL Limited.</p>	Total Bank Loan Facilities Rated	Rs.33 Crore	Long Term Rating	CRISIL BBB-/Stable (Assigned)	Short Term Rating	CRISIL A3 (Assigned)	Total Bank Loan Facilities Rated	Rs.33 Crore	Long Term Rating	CRISIL BB+/Stable (Downgraded from 'CRISIL BBB-/Stable')	Short Term Rating	CRISIL A4+ (Downgraded from 'CRISIL A3')
Total Bank Loan Facilities Rated	Rs.33 Crore													
Long Term Rating	CRISIL BBB-/Stable (Assigned)													
Short Term Rating	CRISIL A3 (Assigned)													
Total Bank Loan Facilities Rated	Rs.33 Crore													
Long Term Rating	CRISIL BB+/Stable (Downgraded from 'CRISIL BBB-/Stable')													
Short Term Rating	CRISIL A4+ (Downgraded from 'CRISIL A3')													

16 market price data- high, low during each month in last financial year in comparison of NSE Index

Month	National Stock Exchange of India Limited –Main Board		NSE Index	
	Month's High Price	Month's Low Price	Month's High Price	Month's Low Price
April	79.00	74.30	11,856.15	11,549.10
May	104.25	76.70	12,041.15	11,108.30
June	103.95	89.00	12,103.05	11,920.10
July	112.10	51.00	11,884.65	11,830.80
August	50.00	50.00	11,076.75	10,881.00
September	53.55	50.50	10,967.50	10,772.70
October	52.30	51.00	11,554.20	11,247.90
November	52.50	48.50	11,918.30	11,843.35
December	54.00	45.00	12,137.15	12,023.70
January	70.85	52.15	12,222.20	12,165.30
February	70.00	47.30	12,017.35	11,633.30
March	51.40	42.95	11,433.00	11,036.25

17 performance in comparison to broad-based indices- Nifty Index



**18. Distribution of shareholding as on 31.03.2020**

Sr. No.	Range	Number of Shareholders	% of total shareholders	No. of Shares	% of Total No. of Share
1	1-500	380	70.1107	13889	0.1157
2	501-1000	9	1.6605	7779	0.0648
3	1001-2000	7	1.2915	11898	0.0992
4	2001-3000	7	1.2915	18630	0.1553
5	3001-4000	68	12.5461	219470	1.8289
6	4001-5000	1	0.1845	4375	0.0365
7	5001-10000	21	3.8745	142879	1.1907
8	10001-9999999999	49	9.0406	11581080	96.5090
<b>Total</b>		<b>542</b>	<b>100.00</b>	<b>12000000</b>	<b>100.00</b>

**XI. Other Disclosures**

**1. disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large**

All transactions entered in to with the related parties as defined under the Act during the year under review were in the ordinary course of business and on arm's length basis. All the transactions with the related parties are in the normal course of business and do not conflict with the interest of the Company.

Related party transactions have been disclosed in the notes to the financial statements in accordance with Ind AS24. As required under Regulation 23 of the Listing Regulations the Company has formulated a policy on related party transactions. The Policy is available on the Company's website at [www.panachedigilife.com](http://www.panachedigilife.com) – Investors Desk – Policies & Code of Conduct.

**2. Details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years**

There was no such instance in the last 3 years.

**3. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel have been denied access to the audit committee**

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 Chairman of Audit Committee and it is affirmed that no personnel of the Company has been denied access to the Audit Committee.

The said policy is amended on 31<sup>st</sup> March, 2019 and effective from 1st April, 2019 in order to incorporate the amendments as per Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2019.

The Whistle Blower Policy has been posted on the Company's website [www.panachedigilife.com](http://www.panachedigilife.com) – Investor Desk – Policies & Code of Conduct.

**4. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has to the extent applicable complied with all mandatory requirements prescribed in the Listing Regulations for the FY 2019-20 as are applicable.

**5. Web link where policy for determining 'material' subsidiaries is disclosed**

The policy for determining 'material' subsidiaries can be accessed from the Company's website link [www.panachedigilife.com](http://www.panachedigilife.com) – investor desk – Policies & Code of Conduct.

**6. Web link where policy on dealing with related party transactions**

The policy on dealing with related party transactions can be accessed from the Company's website link [www.panachedigilife.com](http://www.panachedigilife.com) – investor desk – Policies & Code of Conduct.

**7. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)**

No funds have been raised through preferential allotment or qualified institutional placement.

**8. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**

The certificate from Mr. Dharmesh Zaveri of M/s. DMZ & Co., Practicing Company Secretary, in this respect is annexed as Annexure F-1 to Corporate Governance Report.

**9. If the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof.**

No such instance has taken place during the Financial Year 2019-20.

**10. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part**

Company has paid to Statutory Auditor (M/s. KPB & Associates) Rs. 1,47,500/- (including GST) for statutory audit for the period 2019-20.

**11. disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

- a. number of complaints filed during the financial year - NIL
- b. number of complaints disposed of during the financial year - NIL
- c. number of complaints pending as on end of the financial year - NIL

**XII. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed**

There is no non-compliance with any requirement of Corporate Governance Report of sub-paras (2) to (10) of the Corporate Governance Report as given in Schedule V(C) of the Listing Regulation.

**XIII. Code of Conduct**

The Company has adopted a Code of Conduct for the members of Board, KMP and Senior Management Personnel. The Company through its Code of Conduct provides guiding principles of conduct to promote ethical conduct of business, confirms to equitable treatment of all stakeholders, and to avoid practices like bribery, corruption and anti-competitive practices.

All members of the Board, KMP and Senior Management Personnel have affirmed compliance with the Code of Conduct for Board, KMP and Senior Management for the financial year 2019-20. The

declaration to this effect signed by Mr. Vishal Lalan, CEO of the Company is annexed to this report as Annexure F-2 to Corporate Governance Report.

The Code of Conduct for employees and the Board and Senior Management has clear policy and guidelines for avoiding and disclosing actual or potential conflict of interest with the Company, if any

**XIV. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46**

As provided by Regulation 15 of Listing Regulations, Company was exempt from complying with certain regulation of Corporate governance as provided therein until it got migrated to main board i.e. w.e.f. 6<sup>th</sup> January, 2020. The disclosures of compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the Listing Regulations, have been made in this Corporate Governance report. Details required under clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the said Regulations are displayed on the website of the Company at [www.panachedigilife.com](http://www.panachedigilife.com).

**XV. Compliance Certificate under Regulation 17(8) of SEBI (LODR) Regulations, 2015**

The Chief Financial Officer and Chief Executive Officer have certified to the Board in accordance with Regulation 33(2)(a) of the Listing Regulations pertaining to CEO/CFO certification for the Financial Year ended March 31, 2020. Chief Financial Officer and Chief Executive Officer have also issued compliance certificate to the Board pursuant to the provisions of Regulation 17(8) of the Listing Regulations certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company's affairs. The said Certificate is annexed as Annexure F-3 to Corporate Governance Report.

**XVI. The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations is as under**

The Internal Auditor reports to the Audit Committee.

**XVII. Disclosures with respect to demat suspense account/ unclaimed suspense account**

There are no shares in the suspense account/ unclaimed suspense account.

**For and on behalf of the Board of Directors of  
Panache Digilife Limited**

**Amit Devchand Rambhia**  
**Chairman & Managing Director**  
**DIN: 00165919**

**Date: 26/08/2020**  
**Place: Mumbai**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,  
 The Members of,  
**Panache Digilife Limited**

Bldg. A3, 102-108 & 201-208, Babosa Industrial  
 Park Mumbai-Nashik Highway NH3, Saravali  
 Village Bhiwandi Thane - 421302

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Panache Digilife Limited having CIN L72200MH2007PLC169415 and having registered office at Bldg. A3, 102-108 & 201-208, Babosa Industrial Park Mumbai-Nashik Highway NH3, Saravali Village Bhiwandi Thane - 421302 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

Sr. No.	Name of Directors	DIN	Date of appointment in the Company
1.	Mr. Amit Devchand Rambhia	00165919	30/03/2007
2.	Mr. Devchand Lalji Rambhia	00165851	30/03/2007
3.	Mr. Nikit Devchand Rambhia	00165678	30/03/2007
4.	Mr. Bhavin Vinod Adani	02919483	17/02/2017
5.	Ms. Meeta Kaushal Mehta	07515717	17/02/2017
6.	Mr. Gaurav Pratap Singh	06747792	23/07/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sd/-

**Dharmesh Zaveri**  
**(Proprietor)**

**FCS. No.: 5418**

**CP No.: 4363**

**Place: Mumbai**

**Date: 26<sup>th</sup> August 2020**

**ICSI UDIN: F005418B000619416**

**DECLARATION UNDER REGULATION 26(3) READ WITH PART D OF SCHEDULE V OF SEBI (LISTING  
OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING COMPLIANCE OF  
CODE OF CONDUCT**

To,  
The Board of Directors  
Panache Digilife Limited

In accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all Directors and Senior Management Personnel of the Company have affirmed compliance with Code of Conduct, as applicable to them, for the financial year ended March 31, 2020.

**Vishal Lalan**  
**Chief Executive Officer**

**Place: Mumbai**  
**Date: 29<sup>th</sup> July, 2020**



**COMPLIANCE CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS,  
2015**

**To**

The Board of Directors  
Panache Digilife Limited

1. We have reviewed financial statements and the cash flow statement of Panache Digilife Limited for the Financial Year ended 31<sup>st</sup> March, 2020 and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that may be misleading;
  - ii. these statements present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year ended 31<sup>st</sup> March, 2020 which are fraudulent, illegal or in violation of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
4. We have indicated to the Auditors and Audit Committee that:
  - i. there were no significant changes in internal control over financial reporting during the aforesaid period;
  - ii. there were no significant changes in accounting policies during the aforesaid period; and
  - iii. there were no instances of significant fraud of which we have become aware

**Nitesh Savla**  
**Chief Financial Officer**

**Vishal Lalan**  
**Chief Executive Officer**

Place: Mumbai

**CERTIFICATE ON CORPORATE GOVERNANCE**

To,  
The Members of  
**PANACHE DIGILIFE LIMITED**

I have examined the compliance of conditions of Corporate Governance by Panache Digilife Limited ('the Company'), for the Financial Year ended 31<sup>st</sup> March 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations) for a period from 6<sup>th</sup> January 2020 to 31<sup>st</sup> March 2020 since aforesaid provisions were not applicable to the Company during the financial year commencing from 1<sup>st</sup> April 2020 till 6<sup>th</sup> January 2020 since the Company was listed under NSE EMERGE during this period.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

In my opinion and to the best of my information and according to our examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of the Schedule V of the Listing Regulations during the period commencing from 6<sup>th</sup> January 2020 to 31<sup>st</sup> March 2020.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

**Place: Mumbai**  
**Date: 26<sup>th</sup> August 2020**  
**ICSI UDIN: F005418B000619427**

# STANDALONE FINANCIAL STATEMENTS

# Independent Auditor's Report

UDIN: 20106451AAAABY9452

## INDEPENDENT AUDITOR REPORT

To the Shareholders of  
**M/s. Panache Digilife Limited**

We have audited the accompanying Standalone Ind AS financial statements of **M/s Panache Digilife Limited**, (the "Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (Hereinafter referred to as the "Standalone Financial Statements").

### Opinion

In our opinion and to the best of our information and according to the explanations given to us by the management of the Company, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit (including Other Comprehensive Income), changes in equity and statement of cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report

Key Audit Matter	How our audit addressed the Key audit Matter
<b>Adoption of Ind AS 116 Leases</b>	
As described in Note-1(15) to the Standalone financial statements, the company has adopted Ind AS 116 Leases in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since application of the same is based on a significant level of judgements and estimates including the determination of discount rates and lease term.	Our audit procedures on adoption 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 the new lease accounting standard (Ind AS 116);</li> <li>Assessed the company's evaluation on identification of leases based on the contractual arrangements and our knowledge of business;</li> <li>Upon transition as at 01<sup>st</sup> April 2019: <ul style="list-style-type: none"> <li>i) Evaluated the method of transition and related adjustments;</li> </ul> </li> </ul>
Ind AS 116 introduces a new lease	

<p>accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement.</p> <p>Additionally, the standard mandates detailed disclosures in respect of transition.</p> <p>Refer to Note No.1(15) and Note No.49 of the Standalone Ind AS Financial Statements</p>	<p>ii) Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing ROU asset and the lease liabilities.</p> <p>iii) Assessed the appropriateness of practical expedients used while transitioning to Ind AS 116.</p> <ul style="list-style-type: none"> <li>• Additionally we performed the following procedures :- <ul style="list-style-type: none"> <li>i) Assessed the key terms and conditions of each lease with the underlying lease contracts;</li> <li>ii) Evaluated the computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term.</li> </ul> </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>
<p><b>Financial Assistance provided to of Wholly owned Subsidiary- Technofy Digital Private Limited</b></p>	
<p>With a view to expand the business of the organization and increase their geographical reach, the Company has incorporated a wholly owned subsidiary.</p> <p>With a view to provide financial assistance to the subsidiary for its initial phase of operations, the company has provided a loan to Subsidiary to the tune of Rs.597.79 lakhs as on 31.03.2020 which shall be repayable by the subsidiary on demand and has also provided Corporate Guarantee of Rs.1200 Lakhs for enabling the company to raise further capital from external sources like banks and Financial institutions at lower costs.</p> <p>Incorporation of such wholly owned subsidiary has increased the compliance considerations of the company with respect to consolidation, related party transactions, debt covenants, etc. Further, the company had to evaluate the recoverability of the financial assistance provided to such subsidiary in the initial stages of business, which involved a significant level of judgement.</p> <p>Refer Note-1(11) and Note-53 to the Standalone financial statements</p>	<p>We have carried out the following audit procedures to address our Key audit considerations with respect to the said matter;-</p> <ul style="list-style-type: none"> <li>• Understood the objective of management behind the incorporation of such subsidiary and evaluated the compliance with different laws and regulations for incorporation of subsidiary.</li> <li>• Evaluated the business model of the newly incorporated wholly owned subsidiary and assessed the ability of the subsidiary to generate enough cash flows in future, in order to repay the loan provided by the company, thereby determining whether any provision for credit losses were required on such loan provided.</li> <li>• Verified whether the company has complied with its debt covenants while providing such financial assistance to its subsidiary.</li> <li>• Tested whether the company has complied with the provisions of the companies act while providing such financial assistance to the subsidiary.</li> <li>• Evaluated the appropriateness of the value of guarantee provided in the financial statements by the management by:- <ul style="list-style-type: none"> <li>i) Assessing the qualification and capabilities of the expert appointed by the management for the purpose of valuation of such guarantee, to determine the extent of reliance to be placed upon the report provided by such expert.</li> <li>ii) Verifying the appropriateness of data used by the expert, for the purpose of valuation of guarantee. Testing the appropriateness and practical feasibility of assumptions used by the expert while determining the value of guarantee.</li> <li>iii) Checking the appropriateness of the method used by the expert to determine the value of the guarantee.</li> </ul> </li> <li>• Assessed and tested the presentation and disclosures provided by the management in the Standalone Ind AS</li> </ul>

	Financial Statements relating to such Financial assistance provided by the company to its wholly owned subsidiary.
<b>Impairment of Foreign Subsidiary</b>	
As described in Note-7(b) to the Standalone financial statements, Owing to continuous losses in subsidiary, the Management anticipates that the possibility of recoverability of investment in the subsidiary is low and hence the cost of investment in such subsidiary has been impaired as per the provisions of Ind AS 36 "Impairment of Assets".	<p>We carried out procedures to understand management's process for identifying impairment triggers and considered management's assessment of impairment in the mentioned area. Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessing internal controls designed for identification of impairment indicators.</li> <li>• Evaluating the appropriateness of the Company's judgment regarding identification of assets which may be impaired.</li> <li>• Obtained specific representations detailing the basis on which impairment was determined.</li> <li>• Considered the completeness and accuracy of the disclosures, which are included in Note- 1(8) and Note - 7 of the standalone financial statements.</li> </ul>

### Information Other than the Standalone Financial Statements and Auditor's Report

The Board of Directors of the Company are responsible for the preparation of other information. The other information comprise the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company including its joint operation companies in accordance with the Ind AS and accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, 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 is also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibility for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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 financial 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 systems in place and the 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 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 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 financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operations to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of the standalone financial statements of such entities included in the standalone financial statements.

### **Materiality**

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013, we enclose herewith; 'Annexure- A', a statement on the matters specified in paragraphs 3 and 4 of the said Order.



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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on 31<sup>st</sup> March 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013; and
- f. Our Opinion on the adequacy of the Internal Financial Controls of the company over the financial reporting and the operating effectiveness of such controls has been given by us in a separate report in 'Annexure-B'.
- 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 standalone financial statements.
  - (ii) The Company did not have any long term contracts for which there were any material foreseeable losses;
  - (iii) The Company is not required to transfer any amount to the Investor Education and Protection Fund by the Company.

**For KPB & Associates  
Chartered Accountants  
[ ICAI FRNo: 114841W ]**

**Place: Mumbai  
Dated: 29.07.2020**

**Partner  
(CA Ketan N Gada)  
(Membership No. 106451)**

**ANNEXURE - A TO THE AUDITOR'S REPORT FOR THE Y. E. 31<sup>ST</sup> MARCH, 2020**  
**(Referred to in Paragraph (1) of our Report of even date)**

**Report on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013**

- (i) In respect of Property, Plant and Equipment:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment on the basis of available information.
  - b) As explained to us, all the Property, Plant and Equipment have been physically verified by the management in a phased manner over a period of 2 years; which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the program, certain 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 and based on the examination of registered sale deed/transfer deed/conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings (Including land whose title deeds have been pledged as security against loan taken by the company), are held in the name of the Company or in the erstwhile name as at balance sheet date except for the property situated at Bhiwandi which is registered office of the company which has been taken on lease by the company.
- (ii)
  - a) 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, we are of the opinion, that the terms & condition on which the unsecured loans have been granted to the subsidiary companies were not, *prima facie*, prejudicial to the interest of the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are applicable.
- (vi) According to the information and explanations given to us, the Company is not required to maintain any cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii)
  - a. According to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including Provident fund, Employee's State Insurance Corporation, Income tax, VAT, CST, Custom duty,

Cess, GST and any other statutory dues with the appropriate authorities during the year.

- b. According to the information and explanations given to us, no undisputed amounts payable in respect of such statutory dues were outstanding, as on 31<sup>st</sup> March, 2020 for a period of more than six months from the date they became payable.
- (viii) On the basis of our examination and according to the information and explanations given to us, the Company has not defaulted in re-payment of its dues to the Banks and no amounts were borrowed by the Company through Debentures from any financial institution.
- (ix) In our opinion and according to the information and explanations provided by the management, the Company has utilized term loans & other borrowing for the purpose for which it was obtained.
- (x) Based on the audit procedures performed for the purpose of reporting the true & fair view of the financial statements and according to information & explanations provided by the management, no fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) In our opinion and according to the information and explanations given to us, the company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Act.
- (xii) In our opinion and according to the information and explanation given to us, the company is not a Nidhi company. Therefore, provisions of clause 3(xii) of the Order is not applicable to our company.
- (xiii) All the transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable, for all transactions with related parties & details of related party transactions have been disclosed in the Standalone Ind AS Financial Statements as required by the applicable accounting standards.
- (xiv) According to the information & explanations provided to us & on overall examination of balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review & hence reporting requirement under clause 3(xiv) of the Order is not applicable to the company.
- (xv) According to the information & explanations provided to us by the management, the company has not entered into any non-cash transactions with directors or persons connected with him as referred to in Section 192 of the Act.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For KPB & Associates**  
**Chartered Accountants**  
**[ FRNo: 114841W ]**

**Place: Mumbai**  
**Dated: 29.07.2020**

**Partner**  
**(CA Ketan N Gada)**  
**(Membership No. 106451)**

**ANNEXURE -B TO THE AUDITOR'S REPORT FOR THE Y. E. 31ST MARCH, 2020**  
**(Referred to in Paragraph 2(f) of our Report of even date)**

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

We have audited the internal financial controls over financial reporting of Panache Digilife Limited ("the Company") as of 31<sup>st</sup> March 2020 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act,

2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance

with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations 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 2020, based on the internal control over financial reporting criteria established by the Company

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For KPB & Associates  
Chartered Accountants  
[ FRNo: 114841W ]**

**Place: Mumbai  
Dated: 29.07.2020**

**Partner  
(CA Ketan N. Gada)  
(Membership No. 106451)**

# Balance Sheet

## STANDALONE BALANCE SHEET AS AT 31ST MARCH, 2020

(All amounts in INR)

Sl. No.	PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<b>I. ASSETS</b>				
<b>1 NON-CURRENT ASSETS</b>				
(a) Property, Plant & Equipments	...	2	1,59,94,164	1,58,36,890
(b) Right to Use Assets		3	1,29,78,215	0
(c) Capital Work-In-Progress	...	4	6,29,81,601	18,34,843
(d) Investment Properties	...	5	2,48,10,474	2,52,50,539
(e) Goodwill	...		0	0
(f) Other Intangible Assets	...	6	94,443	2,04,780
(g) Intangible Assets Under Development	...		0	0
(h) Biological Assets Other than Bearer Plants	...		0	0
(i) <u>Financial Assets</u>				
(i) Investments	...	7	73,29,555	34,20,663
(ii) Loans & Deposits	...	8	31,08,958	28,37,296
(iii) Other Financial Assets	...	9	30,169	30,169
(j) Deferred Tax Assets	...		0	0
(k) Other Non-Current Assets	...	10	18,65,519	2,96,76,187
<b>2 CURRENT ASSETS</b>				
(a) Inventories	...	11	27,42,50,580	25,49,70,393
(b) <u>Financial Assets</u>				
(i) Investments	...		0	0
(ii) Trade Receivables	...	12	39,29,72,942	57,81,58,328
(iii) Cash and Cash Equivalents	...	13	1,73,03,353	4,70,22,409
(iv) Bank Balances other than Cash & Cash Equivalents	...	14	7,200	6,400
(v) Loans & Deposits	...	15	6,18,10,695	33,94,710
(vi) Other Financial Assets	...	16	17,42,634	1,99,430
(c) Other Current Assets	...	17	7,37,23,390	4,66,82,231
<b>TOTAL ASSETS</b>			<b>95,10,03,892</b>	<b>1,00,95,25,268</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 EQUITY</b>				
(a) Equity Share Capital	...	18	12,00,00,000	6,00,00,000
(b) Other Equity	...	19	16,98,41,642	21,36,89,183
<b>2 LIABILITIES</b>				
<b>A Non-Current Liabilities</b>				
(a) <u>Financial Liabilities</u>				
(i) Borrowings	...	20	3,26,27,677	25,91,197
(ii) <u>Trade Payables</u>	...			
(a) total outstanding dues of micro enterprises and small enterprises			0	0
(b) total outstanding dues of creditors other than micro & small enterprises			0	0
(iii) Lease Liabilities	...	21	67,03,985	0
(iv) Other Financial Liabilities	...	22	56,51,836	4,51,302
(b) Provisions	...	23	63,11,275	40,80,683
(c) Deferred Tax Liabilities(Net)	...	24	(1,24,100)	21,07,747
(d) Other Non-Current Liabilities	...	25	0	69,242

<b>B Current Liabilities</b>			
(a) <u>Financial Liabilities</u>			
( i ) Borrowings ...	26	23,70,74,712	23,65,12,248
( ii ) <u>Trade Payables</u> ...	27		
(a) <i>total outstanding dues of micro enterprises and small enterprises</i>		1,41,68,098	2,54,58,313
(b) <i>total outstanding dues of creditors other than micro &amp; small enterprises</i>		30,59,35,261	43,25,93,198
( iii ) Lease Liabilities ...	28	78,30,689	0
( iv ) Other Financial Liabilities ...	29	33,86,968	9,509
(b) Other Current Liabilities ...	30	2,99,34,275	1,80,33,172
(c) Provisions ...	31	45,77,557	43,45,262
(d) Current Tax Liabilities(Net) ...	32	70,84,015	95,84,212
<b>TOTAL EQUITY AND LIABILITIES</b>		95,10,03,891	1,00,95,25,268
<b>CONTINGENT LIABILITIES</b> ...	46		
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO ACCOUNT</b> ...	1		

AS PER OUR REPORT OF EVEN DATE  
FOR KPB & ASSOCIATES  
CHARTERED ACCOUNTANTS  
[ICAI FRNo. 114841W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
PANACHE DIGILIFE LIMITED

CA KETAN N.GADA  
PARTNER  
(MEM NO. 106451)

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

MR. NIKIT D. RAMBHIA  
JOINT MANAGING DIRECTOR  
DINO:- 00165678

MR.NITESH M. SAVLA  
CHIEF FINANCIAL OFFICER

MS.JINKLE KHIMSARIA  
CS & COMPLIANCE OFFICER  
MEM. NO. A43987

PLACE: MUMBAI  
DATED: 29th July 2020  
UDIN : 20106451AAAABY9452

PLACE: MUMBAI  
DATED: 29th July 2020



# Statement on Profit & Loss

STANDALONE STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020				
(All amounts in INR)				
Sr. No.	PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<b>A.</b>	<b>CONTINUING OPERATIONS</b>			
	<b>I. REVENUE</b>			
	Revenue From Operations ...	33	71,28,39,610	93,13,85,242
	Other Income ...	34	70,01,760	88,95,188
	Other Gains / (Losses) - net ...		0	0
	<b>TOTAL INCOME</b>		<b>71,98,41,369</b>	<b>94,02,80,430</b>
	<b>II. EXPENSES</b>			
	Cost of Materials Consumed ...	35	58,11,25,703	73,09,23,926
	Changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods ...	36	(1,92,80,187)	4,72,15,479
	Employee Benefit Expenses ...	37	5,81,52,633	4,87,06,360
	Finance Costs ...	38	2,51,92,574	2,06,22,837
	Depreciation and Amortisation Expenses ...	39	1,14,38,599	19,60,098
	Impairment Expenses / Losses ...	40	40,87,993	0
	Other Expenses ...	41	2,84,52,541	3,20,64,687
	<b>TOTAL EXPENSES</b>		<b>68,91,69,857</b>	<b>88,14,93,387</b>
	<b>III. Profit Before Exceptional items &amp; Tax</b> ...		<b>3,06,71,513</b>	<b>5,87,87,043</b>
	Exceptional Items ...	42	0	(1,241)
	<b>IV. Profit Before Tax From Continuing Operations</b> ...		<b>3,06,71,513</b>	<b>5,87,85,802</b>
	<u>Income Tax Expense</u>	43		
	-Current Tax ...		1,21,33,381	1,76,70,947
	-Deferred Tax ...		(18,98,850)	(13,995)
	<b>A. PROFIT FROM CONTINUING OPERATIONS</b>		<b>2,04,36,981</b>	<b>4,11,28,850</b>
	<b>B. OTHER COMPREHENSIVE INCOME</b>			
	<b>I. Items that will not be reclassified to Profit or Loss A/c</b> ...	44	(7,92,824)	4,79,725
	Income Tax Relating to items that will not be reclassified to Profit or Loss A/c ...	43	3,32,997	(1,33,459)
	<b>II. Items that will be reclassified to Profit or Loss A/c</b> ...		0	0
	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>		<b>(4,59,827)</b>	<b>3,46,266</b>
	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD [(A)+(B)]</b>		<b>1,99,77,155</b>	<b>4,14,75,115</b>
	<b>EARNINGS PER SHARE</b>	45		
	Basic EPS ...		1.70	3.43
	Diluted EPS ...		1.70	3.43

AS PER OUR REPORT OF EVEN DATE  
FOR KPB & ASSOCIATES  
CHARTERED ACCOUNTANTS  
[ICAI FRNo. 114841W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
PANACHE DIGILIFE LIMITED

CA KETAN N.GADA  
PARTNER  
(MEM NO. 106451)

MR. AMIT D. RAMBHIA  
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MEM. NO. A43987

PLACE: MUMBAI  
DATED: 29th July 2020  
UDIN : 20106451AAAABY9452

PLACE: MUMBAI  
DATED: 29th July 2020

# Statement of Changes in Equity

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

### a. EQUITY SHARE CAPITAL

Balance as at 01st April 2018	Changes in Equity Share Capital During FY 2018-19	Balance as at 31st March 2019
6,00,00,000	0	6,00,00,000

Balance as at 01st April 2019	Changes in Equity Share Capital During FY 2019-20	Balance as at 31st March 2020
6,00,00,000	6,00,00,000	12,00,00,000

### b. OTHER EQUITY

(All amounts in INR)

PARTICULARS	SHARE APPLICATION MONEY PENINDG FOR ALLOTMENT	RESERVES & SURPLUS				EQUITY INSTRUMENTS THROUGH OTHER COMPREHENSIVE INCOME	ACTUARIAL GAINS/(LOSSES) ON DEFINED BENEFIT OBLIGATIONS	TOTAL
		CAPITAL RESERVE	SECURITIES PREMIUM RESERVE	OTHER RESERVE (SPECIFY NATURE)	RETAINED EARNINGS			
Balance at the beginning of the reporting Period as at 01st April 2018	0	0	12,78,00,000	0	4,54,99,067	0	0	17,32,99,067
Change in accounting Policy & Prior Period errors Restated balance at the beginning of the reporting period.	0	0	0	0	0	0	0	0
Profit for the year	0	0	0	0	4,11,28,850	0	0	4,11,28,850
Comprehensive Income for the Year	0	0	0	0	0	0	3,46,266	3,46,266
Dividends	0	0	0	0	(9,00,000)	0	0	(9,00,000)
Dividend Distribution Tax	0	0	0	0	(1,85,000)	0	0	(1,85,000)
Transfer to Reserves	0	0	0	0	0	0	0	0
Issue of Bonus Shares	0	0	0	0	0	0	0	0
Premium on Issue of Shares	0	0	0	0	0	0	0	0
<b>Balance as at 31st March 2019</b>	0	0	12,78,00,000	0	8,55,42,917	0	3,46,266	21,36,89,183
Adjustments for Ind AS 116	0	0	0	0	(27,39,695)	0	0	(27,39,695)
Profit for the year	0	0	0	0	2,04,36,981	0	0	2,04,36,981
Total Comprehensive Income for the Year	0	0	0	0			(4,59,827)	(4,59,827)
Dividends	0	0	0	0	(9,00,000)	0	0	(9,00,000)
Dividend Distribution Tax					(1,85,000)			(1,85,000)
Transfer to Reserves	0	0	0	0				0
Premium on Issue of Shares	0	0	0	0	0	0	0	0
Utilised			(6,00,00,000)					(6,00,00,000)
<b>Balance as at 31st March 2020</b>	0	0	6,78,00,000	0	10,21,55,204	0	(1,13,561)	16,98,41,642

AS PER OUR REPORT OF EVEN DATE  
FOR KPB & ASSOCIATES  
CHARTERED ACCOUNTANTS  
[ICAI FRNo. 114841W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
PANACHE DIGILIFE LIMITED

CA KETAN N.GADA  
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(MEM NO. 106451)

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PLACE: MUMBAI  
DATED: 29th July 2020  
UDIN : 20106451AAAABY9452

PLACE: MUMBAI  
DATED: 29th July 2020

# Cash Flow Statement

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020			
PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020		FOR THE YEAR ENDED 31ST MARCH 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit Before Tax as per Profit & Loss A/c		3,06,71,513	5,87,85,802
<u>Adjustments for Non-cash Items</u>			
Depreciation on Property, Plant & Equipment,			
Investment Property & Intangible Assets	35,10,363		19,60,098
Depreciation of Right to Use Assets	79,28,236		0
Finance Charges on Financial Instruments	1,69,428		(1,11,500)
Amortisation of Fair Value Changes	(57,393)		1,48,626
Provision for Gratuity	12,78,597		18,68,828
Impairment Loss recognised/(reversed) under			
Expected Credit Loss Model	7,83,368		6,53,461
Guarantee Premium	(5,33,340)		0
Impairment of Investments	32,70,663		0
Impairment of Property, Plant & Equipment	8,17,330		0
Miscellaneous Expenses Written Off	13,61,259		12,45,028
		1,85,28,511	57,64,541
		4,92,00,024	6,45,50,343
<u>Adjustments for Non-Operating Items</u>			
Interest on Investment	(24,40,969)		(9,93,906)
Interest Paid	2,28,63,036		1,95,88,926
Rent Income from Investment Property	(32,29,200)		(28,95,750)
Finance charges on Lease Liabilities	17,66,184		0
Bank Charges on Finance	1,37,020		10,33,911
Processing charges	4,26,334		0
		1,95,22,405	1,67,33,181
Operating Profit before Working Capital Changes		6,87,22,429	8,12,83,524
<u>Adjusted for Change in Working Capital:</u>			
Inventories	(1,92,80,187)		4,72,15,479
Trade Receivable	18,55,13,583		(15,21,45,995)
Other Current Assets	(2,71,10,383)		50,33,299
Other Non-Current Assets	0		(2,63,44,820)
Other Financial Assets	(15,43,204)		(2,55,818)
Trade Payable	(13,79,48,152)		80,10,431
Other Financial Liabilities	20,31,778		91,727
Provisions (Long Term)	0		(62,596)
Provisions (Short Term)	3,91,466		13,86,682
Other Current Liability	1,19,19,325	1,39,74,226	88,10,082
			(10,82,61,529)
Cash Generated from Operations		8,26,96,655	(2,69,78,005)
Taxed Paid		(1,46,33,578)	2,08,48,168
Net Cash Flow from Operations (A)		6,80,63,077	(4,78,26,173)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<u>Cash Inflow</u>			
Redemption of Deposits with Bank	0		90,55,108
Interest on Investments	24,40,969		9,93,906
Rent Income from Investment Property	32,29,200		28,95,750
Loans Repaid by Parties	0	56,70,169	21,16,968
			1,50,61,732
<u>Cash Outflow</u>			
Purchase of Fixed Assets	3,87,09,322		1,19,54,171
Investment in Subsidiary	1,00,000		0
Investment in Associate (Joint Venture)	0		1,50,000
Loans & Deposits Given	6,00,63,874	9,88,73,196	20,56,112
			1,41,60,283
Net Cash Flow from Investing Activities (B)		(9,32,03,027)	9,01,449

Continued .....

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
<u>Cash Inflow</u>		
Long Term Borrowing	3,01,31,714	0
Short Term Borrowing	0	3,67,09,351
<u>Cash Outflow</u>		
Long Term Borrowing Settled	0	44,39,567
Short Term Borrowing Settled	17,58,727	3,06,85,042
Repayment of Lease Liabilities	99,86,220	0
Interest Paid	2,28,63,036	1,95,88,926
Bank Charges	1,37,020	10,33,911
Dividend Paid	9,00,000	9,00,000
Dividend Distribution Tax Paid	1,85,000	1,85,000
Processing charges	4,26,334	0
Miscellaneous Expenses Incurred	7,74,875	0
	3,70,31,211	5,68,32,446
Net Cash Flow from Financing Activities (C)	(68,99,497)	(2,01,23,095)
<b>CASH FLOW FROM ALL ACTIVITIES (A+B+C)</b>	(3,20,39,447)	(6,70,47,819)
<u>Cash and Cash Equivalents at the Beginning</u>		
Cash in Hand	8,49,918	6,63,310
Balance in Bank	(15,32,37,453)	(8,60,03,025)
<u>Cash and Cash Equivalents at the Beginning</u>	(18,44,26,982)	(15,23,87,535)
<u>Closing Balance as per accounts</u>		
Cash in Hand	6,33,121	8,49,918
Balance in Bank	(18,50,60,102)	(15,32,37,453)
	(18,44,26,982)	(15,23,87,535)

**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 (Indian Accounting Standard Rules), 2015.
- Purchase of Fixed Assets represents additions to Property, Plant and Equipments, Capital Work-in-progress and Other Intangible Assets.
- Non Cash items  
The Company has issued Bonus shares in the ratio of 1:1 to its existing shareholders in the reporting period under consideration, by utilising its reserves.
- Cash & Cash Equivalents included in the statement of Cash Flows comprises of the following.

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Cash balance Disclosed under Cash & Cash Equivalents- Note No.13	6,33,121	8,49,918
<u>Balances With Bank</u>		
Fixed Deposits With Bank Disclosed under Cash & Cash Equivalents - Note No.13	1,39,72,996	3,55,98,254
Current Deposits with Bank Disclosed under Cash & Cash Equivalents - Note No.13	26,97,237	1,05,74,237
Unclaimed Dividends Disclosed in Bank Balances Other than Cash & Cash Equivalents - Note No. 14	7,200	6,400
Cash Credit with Bank Disclosed under Current Financial Liabilities - Note No.26	(20,17,37,535)	(19,94,16,344)
<b>Cash &amp; Cash Equivalents as per Balance Sheet</b>	(18,44,26,982)	(15,23,87,535)

## 5 Net Debt Reconciliation

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Cash and Cash Equivalents	1,73,03,353	4,70,22,409
Borrowings (including overdraft)	(26,97,02,389)	(23,91,03,445)
Lease liabilities	(1,45,34,674)	0
<b>Net Debt</b>	<b>(26,69,33,710)</b>	<b>(19,20,81,036)</b>
Cash and liquid investments	1,73,03,353	4,70,22,409
Gross debts- fixed interest rates	(3,63,76,606)	(1,79,77,750)
Gross debts- variable interest rates	(24,78,60,458)	(22,11,25,695)
<b>Net Debt</b>	<b>(26,69,33,710)</b>	<b>(19,20,81,036)</b>

## 6 Changes in Liabilities Arising from Financing Activities

For the Year Ended 31st March 2019

PARTICULARS	NON CURRENT BORROWINGS	CURRENT BORROWINGS	MATURITIES OF LONG TERM BORROWINGS	LEASE LIABILITIES
Opening Balance as on 31st March 2018	69,42,380	3,04,34,418	6,37,177	
Changes from Financing Cash Flows	(42,56,503)	43,65,155	(6,37,177)	
Interest Accrued	2,03,489	11,91,830	0	
Transfer within categories	(3,86,553)	0	3,86,553	N.A.
Effects of changes in foreign exchange rates	0	7,83,241	0	
Other Changes	88,384	(65,293)	0	
<b>Closing Balance as on 31st March 2019</b>	<b>25,91,197</b>	<b>3,67,09,351</b>	<b>3,86,553</b>	<b>N.A.</b>

For the Year Ended 31st March 2020

PARTICULARS	NON CURRENT BORROWINGS	CURRENT BORROWINGS	MATURITIES OF LONG TERM BORROWINGS	LEASE LIABILITIES
Opening Balance as on 31st March 2019	25,91,197	3,67,09,351	3,86,553	N.A.
Lease Liability Recorded on Ind AS 116 Transition	0	0	0	2,27,54,709
Changes from Financing Cash Flows	3,61,00,775	(1,19,18,492)	(3,86,553)	(99,86,220)
Interest Accrued	31,55,761	10,77,628	0	17,66,185
Transfer within categories	(93,15,290)	0	93,15,290	0
Other Changes	95,234	1,53,400	0	0
<b>Closing Balance as on 31st March 2020</b>	<b>3,26,27,677</b>	<b>2,60,21,887</b>	<b>93,15,290</b>	<b>1,45,34,674</b>

Amounts reported in the statement of cash flow under financing activities

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Proceeds from Non-current Borrowings	3,94,47,004	(40,53,014)
(Repayment) of Non-current Borrowings	(3,86,553)	(6,37,177)
(Repayment) / Proceeds from current Borrowings	(1,06,87,464)	62,74,933
(Repayment) of Lease Liabilities	(99,86,220)	0
<b>Net Movement in Financing Activities</b>	<b>1,83,86,767</b>	<b>15,84,742</b>

AS PER OUR REPORT OF EVEN DATE  
FOR KPB & ASSOCIATES  
CHARTERED ACCOUNTANTS  
[ICAI FRNo. 114841W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
PANACHE DIGILIFE LIMITED

CA KETAN N.GADA  
PARTNER  
(MEM NO. 106451)

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

MR. NIKIT D. RAMBHIA  
JOINT MANAGING DIRECTOR  
DINO:- 00165678

MR.NITESH M. SAVLA  
CHIEF FINANCIAL OFFICER

MS.JINKLE KHIMSARIA  
CS & COMPLIANCE OFFICER  
MEM. NO. A43987

PLACE: MUMBAI  
DATED: 29th July 2020  
UDIN : 20106451AAAABY9452

PLACE: MUMBAI  
DATED: 29th July 2020

# 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 2020**

##### 1 Basis of Preparation

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

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

These financial statements are approved for issue by the Board of Directors on 29<sup>th</sup> of July 2020.

##### 2 Compliance with Ind AS

The Standalone 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
- 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 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.

##### 8 Investment in Subsidiaries, Associates and Joint Ventures

The investments in subsidiaries, associates and joint ventures 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, it is written down immediately to its recoverable amount and the difference is transferred to the Statement of Profit and Loss (except for foreign subsidiaries, in whose case a provision is made for such impairment). 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 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 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.

## 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.

#### b) De-recognition

A Financial Asset is primarily De-recognized when:-

- i. The right to receive cash flows from the asset has expired, or
- ii. The 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.

#### c) 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 Standalone 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 Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and in the subsequent years, at the higher of:

- a) the amount determined in accordance with the expected credit loss model under Ind AS 109 "Financial Instruments" and
- b) the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115 "Revenue from Contracts with Customers".

The fair value of financial guarantee is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

## 12 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 payments or receipts. Such Practice is not consistent with the provisions of Ind AS 21, "The Effects of Changes in Foreign Exchange Rates". However for costing purposes, such practice is consistently followed over the years.
- 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

## 13 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.

## 14 Revenue Recognition

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

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

Interest income is recognised using the effective interest method.

## 15 Leases

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

The company has used the "Modified Retrospective Approach" for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of Application (01st April 2019). Accordingly, Comparatives for the year ended 31st March, 2019 has not be retrospectively adjusted.

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.

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.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of Rs. 2,00,15,015/- and a lease liability of Rs. 2,27,54,709/-. The cumulative effect of applying the standard, amounting to Rs. 27,39,695/- was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. Further as per Ind AS 116, the company has considered prepaid lease rentals as a part of ROU asset from 01st April 2019.

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.

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease. A lease which is not classified as a finance lease is an operating lease.

The Company recognises lease payments in case of assets given on operating leases as income on a straight-line basis. The Company presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

## 16 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.

### 16.1 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.

### 16.2 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.

## 17 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 Segment.

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

SALES MADE TO MAJOR CUSTOMER	TOTAL SALES MADE DURING THE YEAR	% OF SALES MADE TO MAJOR CUSTOMERS
Rs. 37,65,29,567	Rs. 71,28,39,610	52.82%

## 18 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.

#### 19 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.

Accordingly, Corporate Guarantee given to one of its subsidiary (Technofy Digital Private Limited) has been disclosed in Note No.46

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.

#### 20 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.

#### 21 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 more than Rs.1,02,00,000/- for the year or more than Rs.8,50,000/- per month, if employed for part of the year.
- 2 Outstanding balances as at 31<sup>st</sup> March, 2020 of Current & Non-Current Assets and Liabilities including Trade Receivables and Trade Payables are subject to confirmation.
- 3 In the opinion of the Board of Directors, the Company is dealing in different varieties of IT Hardware & its peripherals, Alkaline Water Ionizers, GPS Tracking Units, Solar Power Supply System and Consumer Electronic Goods etc. Day to day Quantitative Stock Records have been maintained properly.
- 4 All the Directors have drawn remuneration for the Accounting Year 2019-20 aggregating to Rs.90,75,000/-

### **C Recent Accounting Pronouncements**

#### a) Issue of Ind AS 117 - Insurance Contracts

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

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

#### b) Amendments to Existing Standards

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

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

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

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

## NOTES FORMING PART OF BALANCE SHEET

### 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 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 & Equipment

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

PARTICULARS	GROSS BLOCK				DEPRECIATION (S.L.M)				NET BLOCK	
	Cost as on 01.04.19	Additions	Deductions (sales / impairment)	Cost as on 31.03.20	Upto 01.04.19	Additions	Deductions (sales / impairment)	As at 31.03.20	As at 01.04.19	As at 31.03.20
<b>Furniture &amp; Fixtures :</b>										
Class I	20,88,703	4,05,280	11,29,051	13,64,932	11,22,727	2,17,206	7,99,862	5,40,071	9,65,976	8,24,861
Class II	34,24,868	7,81,008	0	42,05,876	51,256	4,88,476	0	5,39,732	33,73,612	36,66,144
<b>Plant &amp; Machinery :</b>										
Air Conditioner	28,89,510	0	0	28,89,510	6,61,179	4,43,269	0	11,04,448	22,28,331	17,85,062
Plant & Machinery	38,09,134	13,97,846	6,42,771	45,64,209	12,21,048	3,09,280	2,36,080	12,94,248	25,88,086	32,69,961
Leasehold Improvements	30,93,676	0	0	30,93,676	46,299	3,67,374	0	4,13,673	30,47,377	26,80,003
Mould	1,57,500	1,50,575	0	3,08,075	1,49,627	16,068	0	1,65,695	7,873	1,42,380
Mould - Factory	0	3,92,000	0	3,92,000	0	39,580	0	39,580	0	3,52,420
Office Equipments	4,71,256	65,487	0	5,36,743	3,30,560	45,096	0	3,75,656	1,40,696	1,61,087
Mobile Handset	4,30,521	0	0	4,30,521	2,58,297	78,418	0	3,36,715	1,72,224	93,806
Camera	2,30,337	0	0	2,30,337	75,902	14,819	0	90,721	1,54,435	1,39,616
Lift	1,68,200	0	1,68,200	0	75,571	11,179	86,750	0	92,629	0
Networking Devices	1,02,061	0	0	1,02,061	96,780	691	0	97,471	5,281	4,590
Motor Car	42,19,587	0	0	42,19,587	15,99,817	6,08,273	0	22,08,090	26,19,770	20,11,497
Computers & Laptop	13,94,669	3,27,048	0	17,21,717	9,54,068	2,62,266	0	12,16,334	4,40,601	5,05,383
Zebra Printer	0	3,56,536	0	3,56,536	0	45,470	0	45,470	0	3,11,066
Computer Server	0	58,784	0	58,784	0	12,495	0	12,495	0	46,289
	2,24,80,022	39,34,564	19,40,022	2,44,74,564	66,43,132	29,59,961	11,22,692	84,80,401	1,58,36,890	1,59,94,164

#### (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)	
	ASSETS KEPT IN OFFICE PREMISES	ASSETS KEPT IN LEASED FACTORY
Furniture & Fixtures - Class I	10	10
Furniture & Fixtures - Class II	N.A.	8
Leasehold Improvements	N.A.	8
Air Conditioner	5	5
Plant & Machinery	15	15
Mould	8	8
Office Equipments	5	5
Mobile Handset	3	N.A.
Camera	15	N.A.
Lift	15	N.A.
Networking Devices	6	N.A.
Motor Car	6	N.A.
Computers & Laptop	3	3
Computer Server	6	N.A.

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

#### (d) Impairment Losses

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

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

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

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

**NOTE NO. 3**  
**RIGHT TO USE ASSETS**

**Method Of Valuation Of Right to Use Assets :-**

The Company recognises right-to-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-to-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-to-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

**Value of Right to Use Assets**

The value of Right to Use Assets in the books of the Company as at 31st March 2020 is as follows :-

PARTICULARS	GROSS BLOCK				DEPRECIATION (S.L.M)				NET BLOCK	
	Cost as on 01.04.19	Additions	Deductions (Impairment)	Cost as on 31.03.20	Upto 01.04.19	Additions	Deductions (Impairment)	As at 31.03.20	As at 01.04.19	As at 31.03.20
Finance Lease Assets	0	2,09,06,451	0	2,09,06,451	0	79,28,236	0	79,28,236	0	1,29,78,215
	0	<b>2,09,06,451</b>	0	2,09,06,451	0	79,28,236	0	79,28,236	0	1,29,78,215

**(c) Depreciation**

The right-to-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-to-use asset. The estimated useful lives of right-to-use assets are determined on the same basis as those of property, plant and equipment.

CLASS OF ASSET	USEFUL LIFE ADOPTED (IN YEARS)
Finance Lease Assets	5

**(d) Impairment Losses**

Right-to-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

**NOTE NO. 4**  
**CAPITAL WORK-IN-PROGRESS**

**(a) Manner of Classification**

PPE not ready for intended use on the date of Balance sheet are disclosed as 'Capital work-in-progress'.

**(b) Value of Capital Work-in-progress**

The value of Capital Work-in-progress in the books of the Company as at 31st March 2020 is as follows :-

PARTICULARS	GROSS BLOCK				DEPRECIATION (S.L.M)				NET BLOCK	
	Cost as on 01.04.19	Additions	Deductions (Put to Use)	Cost as on 31.03.20	Upto 01.04.19	Additions	Deductions	As at 31.03.20	As at 01.04.19	As at 31.03.20
Additional Office Premise at Raheja	0	6,29,81,601	0	6,29,81,601	0	0	0	0	0	6,29,81,601
Machine under Development	18,34,843	0	18,34,843	0	0	0	0	0	18,34,843	0
	18,34,843	6,29,81,601	18,34,843	6,29,81,601	0	0	0	0	18,34,843	6,29,81,601

**NOTE NO. 5**  
**INVESTMENT PROPERTIES**

**(a) Method Of Valuation Of Investment Properties**

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

**(b) Value of Investment Property**

The value of Investment Property in the books of the Company as at 31st March 2020 is as follows :-

PARTICULARS	GROSS BLOCK				DEPRECIATION (S.L.M)				NET BLOCK	
	Cost as on 01.04.19	Additions	Deductions (sales / Impairment)	Cost as on 31.03.20	Upto 01.04.19	Additions	Deductions (sales / Impairment)	As at 31.03.20	As at 01.04.19	As at 31.03.20
Land & Building										
Office Premises	2,78,03,000	0	0	2,78,03,000	25,52,461	4,40,065	0	29,92,526	2,52,50,539	2,48,10,474
	2,78,03,000	0	0	2,78,03,000	25,52,461	4,40,065	0	29,92,526	2,52,50,539	2,48,10,474

**(c) Depreciation**

Depreciation on Investment Property is recognised using straight line method so as to write off the cost of asset less the residual value over its useful life specified in Schedule- II of the Companies Act, 2013.

The Useful Life of Investment Property adopted by the management from Schedule II of Companies Act, 2013; for calculating Depreciation to be charged on such Investment property for the current year is as follows:-

CLASS OF ASSET	USEFUL LIFE ADOPTED (IN YEARS)
Office Premises	60

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

**(d) Impairment Losses**

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

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

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

If the recoverable amount of a Investment Property (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 Investment Property (or cash generating unit) is reduced to its recoverable amount.

**(e) Disclosure Pursuant to Ind AS-40 " Investment Property"**

Amount Recognised in the Statement of Profit and Loss for Investment Property

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Rental Income Derived From Investment Property	32,29,200	28,95,750
Interest on Loan	0	(25,153)
Office Maintenance Charges	(1,55,544)	(1,79,154)
Property Tax	(1,19,088)	(1,19,088)
<b>TOTAL</b>	<b>29,54,568</b>	<b>25,72,355</b>

**NOTE NO. 6  
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 the Company as at 31st March 2020 is as follows :-

PARTICULARS	GROSS BLOCK				AMORTISATION (S.L.M)				NET BLOCK	
	Cost as on 01.04.19	Additions	Deductions (sales / Woff)	Cost as on 31.03.20	Upto 01.04.19	Additions	Deductions	As at 31.03.20	As at 01.04.19	As at 31.03.20
Intangible Assets										
Software	4,64,495	0	0	4,64,495	2,59,715	1,10,337	0	3,70,052	2,04,780	94,443
	4,64,495	0	0	4,64,495	2,59,715	1,10,337	0	3,70,052	2,04,780	94,443

**(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

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 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. 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. 7**  
**INVESTMENTS (NON CURRENT)**

**(a) List of Subsidiaries/Associates/Joint Ventures**

NAME	RELATION WITH THE COMPANY	COUNTRY	INCORPORATION DATE	METHOD OF VALUATION	% HOLDING
Wemart Global FZE	Subsidiary	U.A.E.	21 <sup>st</sup> November 2016	Cost	100%
Technofy Digital Private Limited	Subsidiary	India	04 <sup>th</sup> June 2019	Cost	100%
ICT Infratech Services Private Limited	Joint Venture	India	08 <sup>th</sup> March 2007	Cost	50%

**(b) Value of Investments**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Wemart Global FZE	32,70,663	32,70,663
Technofy Digital Private Limited	1,00,000	0
ICT Infratech Services Private Limited	1,50,000	1,50,000
Notional Value of Guarantee Provided to Subsidiary	70,79,555	0
	1,06,00,218	34,20,663
<u>Less:</u> Provision for Impairment of Investments	32,70,663	0
	73,29,555	34,20,663

**Provision for Impairment of Investments**

On Consideration of the continuous material losses incurred by the Company's wholly owned subsidiary viz: Wemart Global FZE , and after ascertaining the future scope of the aforesaid subsidiary, the management has determined that the possibility of recoverability of investment in such subsidiary is low and has accordingly provided for an impairment loss on the same by following a conservative approach.

**NOTE NO. 8**  
**LOANS & DEPOSITS (NON CURRENT)**

**(a) Measurement**

Financial Assets in the nature of deposits have been measured at fair value by discounting the deposits over the tenure of lease.

The Discount rates used to different deposits are as follows:-

DEPOSIT	PERIOD	SOURCE	RATE
Daman Factory Deposit	3	Government Bonds	7.75%
Mumbai Office Deposit	5	Government Bonds	7.75%
Bhiwandi Office Deposit	8	Government Bonds	7.75%
Electricity Deposit	8	Government Bonds	7.75%

**Value of Loans & Deposits**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Rent Deposits	29,26,398	26,71,201
Electricity Deposit	1,82,560	1,66,095
	31,08,958	28,37,296

**NOTE NO. 9**  
**OTHER FINANCIAL ASSETS (NON CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Other Deposits	30,169	30,169
	30,169	30,169



**NOTE NO. 10**  
**OTHER NON-CURRENT ASSETS**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Income Tax Refundable	1,90,768	1,90,768
Advance for Property	0	2,63,72,000
Advances Recoverable other than in Cash	59,859	7,57,168
Miscellaneous Expenditure	16,14,892	23,56,251
	18,65,519	2,96,76,187

**NOTE NO. 11**  
**INVENTORIES**

**(a) Valuation Method**

Inventories comprise of IT Hardware & its peripherals, Alkaline Water Ionizers, GPS Tracking Units, Solar Power Supply System and Other Consumer Electronic Goods which have been measured at weighted average cost or Net Realisable Value whichever is lower as per Ind AS-2. Cost of Inventories consist of its purchase price, cost of conversion and other costs including any duties or taxes (to the extent not recoverable) incurred in bringing them to their present location and condition.

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Closing Stock of Inventories	27,42,50,580	25,49,70,393
	27,42,50,580	25,49,70,393

**NOTE NO. 12**  
**TRADE RECEIVABLES**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Secured, Considered good	0	0
Unsecured, Considered good	37,09,95,793	57,00,82,060
Doubtful	3,25,264	6,53,461
	37,13,21,057	57,07,35,521
Less: Allowance for Bad and Doubtful Debts (Expected Credit Losses)	3,25,264	6,53,461
	37,09,95,793	57,00,82,060
Receivable from related Parties (Refer Note No.52)	2,19,77,149	80,76,268
	39,29,72,942	57,81,58,328

**NOTE NO. 13**  
**CASH AND CASH EQUIVALENTS**

Investments in Fixed Deposits have been considered by the management to be short term in nature, made against letter of credit facility from the Bank and hence they are valued at cost plus accrued interest on it.

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Balance with Banks	26,97,237	1,05,74,237
Cash on Hand	6,33,121	8,49,918
Fixed Deposits with Bank	1,39,72,996	3,55,98,254
	1,73,03,353	4,70,22,409

**NOTE NO. 14**  
**BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Unclaimed Dividends	7,200	6,400
	7,200	6,400

**NOTE NO. 15**  
**LOANS & DEPOSITS (CURRENT)**

**(a) Measurement**

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Short Term Loans & Advances to staff ....	12,24,480	65,364
Other Loans & Advances ....	6,05,84,415	23,09,415
Reimbursement receivable from Subsidiary ....	11,13,365	10,19,931
	6,29,22,260	33,94,710
<u>Less:</u> Provision for Expected Credit Losses on Loans	11,11,565	0
	6,18,10,695	33,94,710

**NOTE NO. 16**  
**OTHER FINANCIAL ASSETS (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Interest Receivable ....	17,42,634	1,99,430
	17,42,634	1,99,430

**NOTE NO. 17**  
**OTHER CURRENT ASSETS**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Prepaid Expenses & Others ....	1,32,15,668	34,37,939
Advances To Creditors ....	2,27,71,180	1,58,03,424
Advances for Capital Assets ....	1,47,50,000	0
Tender registration Deposit ....	2,45,750	0
Input Credit of GST ....	2,13,09,991	2,51,77,223
Miscellaneous Expenses ....	14,00,003	12,45,028
Advance Recoverable Other than in Cash ....	11,680	2,35,879
MEIS Duty Scrips ....	19,118	7,82,738
	7,37,23,390	4,66,82,231

**NOTE NO.18**  
**EQUITY SHARE CAPITAL**

**a. Capital Structure of the Company**

PARTICULARS OF CAPITAL	AS AT 31ST MARCH 2020		AS AT 31ST MARCH 2019	
	NO.OF SHARES	TOTAL VALUE	NO.OF SHARES	TOTAL VALUE
<b><u>AUTHORISED</u></b>				
Equity Shares of Rs.10/- each	13,000,000	130,000,000	7,000,000	70,000,000
	13,000,000	130,000,000	7,000,000	70,000,000
<b><u>ISSUED, SUBSCRIBED &amp; FULLY PAID-UP :</u></b>				
Equity Shares of Rs.10/- each	12,000,000	120,000,000	6,000,000	60,000,000
	12,000,000	120,000,000	6,000,000	60,000,000
<b><u>ISSUED, SUBSCRIBED AND NOT FULLY PAID-UP :</u></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 31.03.20	PERCENTAGE HOLDING	NO.OF SHARES AS ON 31.03.19	PERCENTAGE HOLDING
A.	<b><u>EQUITY SHARES</u></b>				
1.	Amit Devchand Rambhia ... ..	28,00,000	23.33%	14,00,000	23.33%
2.	Nikit Devchand Rambhia ... ..	28,00,000	23.33%	14,00,000	23.33%
3.	Devchand Rambhia ... ..	22,58,360	18.82%	13,99,580	23.33%

**c. Reconciliation of the number of Equity Shares outstanding**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Number of Shares at the beginning of the year :	60,00,000	60,00,000
( + ) Bonus shares issued ... ..	60,00,000	0
( + ) Fresh issue made ... ..	0	0
( - ) Shares forfeited ... ..	0	0
Number of Shares at the end of the year	1,20,00,000	60,00,000

**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 per share.

**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 2020	AS AT 31ST MARCH 2019
Gross Debt	28,42,37,063	23,91,03,445
<u>Less:</u> Liquid Assets	1,73,03,353	4,70,22,409
Net Debt	26,69,33,710	19,20,81,036
Total Equity (As Per Balance Sheet)	28,98,41,642	27,36,89,183
Net Gearing Ratio	<b>0.92</b>	<b>0.70</b>

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

(v) Dividends

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<b>i) On Ordinary Shares</b>		
Final Dividend for the year ended 31st March 2019 of Rs 0.50 per fully paid share net of waivers of dividend	9,00,000	9,00,000
Dividend distribution tax on dividend declared for the year ended 31st March 2019	1,85,000	1,85,000
<b>Total Dividend Paid</b>	<b>10,85,000</b>	<b>10,85,000</b>
<b>ii) Dividends not recognised at the end of the reporting Period</b>		
In addition to the above dividend, for the year ended 31st March 2020 the directors have recommended the payment of a final dividend of 0.25 rupees per fully paid ordinary share (31st March 2019: 0.50 rupees). The aggregate amount of the proposed dividend along with dividend distribution tax net of any waivers received is expected to be paid by October 2020 out of retained earnings at 31st March 2020, but not recognised as a liability at year end, is	10,35,200	9,00,000

**NOTE NO. 19**  
**OTHER EQUITY**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<b>Securities Premium</b>		
Opening Balance	12,78,00,000	12,78,00,000
Add: Premium Collected on Issue of Shares	0	0
Less: Utilised	(6,00,00,000)	0
<b>Closing Balance</b>	<b>6,78,00,000</b>	<b>12,78,00,000</b>
<b>Retained Earnings</b>		
Opening Balance	8,55,42,917	4,54,99,067
Add/(Less): Adjustments for Ind AS 116	(27,39,695)	0
Add: Surplus As per Profit & Loss Account	2,04,36,981	4,11,28,850
<b>Less: Appropriations</b>		
Dividends Paid	9,00,000	9,00,000
Dividend Distribution Tax Paid	1,85,000	1,85,000
Bonus Issue	0	0
<b>Closing Balance</b>	<b>10,21,55,204</b>	<b>8,55,42,917</b>
<b>Other Comprehensive Income</b>		
<b>a) Actuarial Gains or Losses on Defined Benefit Plans</b>		
Opening Balance	3,46,266	0
Add/(Less): Changes for the Year	(4,59,827)	3,46,266
<b>Closing Balance</b>	<b>(1,13,561)</b>	<b>3,46,266</b>
	<b>16,98,41,642</b>	<b>21,36,89,183</b>

**NOTE NO. 20**  
**BORROWINGS (NON CURRENT)**

**(a) Measurement Basis**

Security deposits taken have been measured at fair value by discounting the deposits over the tenure of lease. Deposit against rental systems taken from parties for a short period, have been measured at actual amounts taken/received, as the management considers that the Fair Value of such deposits does not materially defer from the actual amounts taken/received.

The Discount Rate used for discounting security Deposits taken is 7.75%, taken after considering the yield on government bonds over the period equivalent to the tenure of lease.

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Secured Borrowings	3,13,03,622	9,97,876
<u>Unsecured Borrowings</u>		
Other Unsecured Borrowings	0	3,64,500
Office Rent Deposit	13,24,055	12,28,821
	3,26,27,677	25,91,197

**Terms of Repayment of Secured Borrowings**

Car Loan of Rs. 10,00,000 (Sanction Amount) is secured by way of exclusive first charge created by hypothecation of concerned Car. The Balance loan as on March 31, 2020 is repayable in 35 monthly installments of Rs.20,517 each. Interest to be serviced as and when debited. Interest @ 8.50% is applicable on the said loan.

Car Loan of Rs. 9,99,000 (Sanction Amount) is secured by way of exclusive first charge created by hypothecation of concerned Car. The Balance loan as on March 31, 2020 is repayable in 19 monthly installments of Rs.20,730 each. Interest to be serviced as and when debited. Interest @ 9.66% is applicable on the said loan.

Property Loan of Rs.4,00,00,000 (Sanction Amount) is secured by way of exclusive first charge created on the concerned Property. The Balance loan as on March 31, 2020 is repayable in 53 monthly repayment of Rs.7.41 Lakhs. Interest to be serviced as and when debited. Interest as per Marginal Cost of funds based Lending Rate (MCLR) is applicable on the said loan.

**NOTE NO. 21**  
**LEASE LIABILITIES (NON CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Payables towards Lease Liability	67,03,985	0
	67,03,985	0

**NOTE NO. 22**  
**OTHER FINANCIAL LIABILITIES (NON CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Deposit against Goods on Rent	5,10,366	4,51,302
Deferred Guarantee Premium	51,41,470	0
	56,51,836	4,51,302

**NOTE NO. 23**  
**PROVISIONS (NON CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Provision for Gratuity	63,11,275	40,80,683
	63,11,275	40,80,683

**Disclosure**

Provision for Gratuity has been made based on present value of obligation under defined benefit plan determined through actuarial valuation carried out by an Actuary using Projected Unit Credit Method. The Details of the same have been elaborated in Note No.51

**NOTE NO. 24**  
**DEFERRED TAX LIABILITIES(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 01.04.2018</b>		19,88,283	0	19,88,283
<b>For the Year 2018-19</b>				
Carrying Value of Property Plant & Equipment	96,18,938	26,75,989	0	
Provision for Gratuity	(18,68,828)	(5,19,908)	0	
Actuarial Gains on Employee Benefit Expenses	(4,79,725)	0	1,33,459	
Expected Credit Losses	6,53,461	(1,81,793)	0	
<b>(DTA)/DTL as on 31.03.2019</b>		19,74,288	1,33,459	21,07,747
<b>For the Year 2019-20</b>				
Carrying Value of Property Plant & Equipment	64,49,696	16,23,259	0	
Provision for Gratuity	(12,78,597)	(3,21,797)	0	
Actuarial Gains on Employee Benefit Expenses	(7,92,824)	0	(1,99,538)	
Expected Credit Losses	(7,83,368)	(1,97,158)	0	
Impairment of Assets	(40,87,993)	(10,28,866)	0	
				0
<b>(DTA)/DTL as on 31.03.2020</b>		75,438	(1,99,538)	(1,24,100)

**NOTE NO. 25**  
**OTHER NON-CURRENT LIABILITIES**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Advances Payable other than in Cash	0	69,242
	0	69,242

**NOTE NO. 26**  
**BORROWINGS (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<u>Secured Borrowings</u>		
Cash Credit	20,17,37,535	19,94,16,344
Current Maturities of Long Term Borrowings	93,15,290	3,86,553
Other borrowings	65,01,887	2,17,09,351
<u>Unsecured Borrowings</u>		
Short Term loans & advances from Related Parties	45,20,000	0
Short Term loans & advances from Others	1,50,00,000	1,50,00,000
	23,70,74,712	23,65,12,248

**NOTE NO. 27**  
**TRADE PAYABLES (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<u>Trade payables to Other than Related Parties</u>		
Due to Micro, and Small Enterprises (On the basis of Information available with management)	1,39,56,334	2,54,58,313
Other Trade Payables	30,56,46,596	43,17,53,048
<u>Trade Payables to Related Parties (Refer Note No 52)</u>		
Due to Micro, and Small Enterprises (On the basis of Information available with management)	2,11,764	0
Other Trade Payables	2,88,665	8,40,150
	32,01,03,359	45,80,51,511

Out of the total payables to Micro and Small enterprises, disclosed in the table above, Rs.50,06,054/- stands overdue as on 31st March 2020. However, no interest is due or payable on such balance, pursuant to mutual agreement between the parties.

**NOTE NO. 28**  
**LEASE LIABILITIES (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Payables towards Lease Liabilities	78,30,689	0
	78,30,689	0

**NOTE NO. 29**  
**OTHER FINANCIAL LIABILITIES (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Deferred Guarantee Premium	14,04,745	0
Interest payable	19,82,223	9,509
	33,86,968	9,509

**NOTE NO. 30**  
**OTHER CURRENT LIABILITIES**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Statutory Liabilities	91,27,285	1,56,60,782
Advances From Debtors	2,02,54,778	17,62,026
Advance Payable other than in Cash	69,243	87,465
Others	4,82,969	5,22,899
	2,99,34,275	1,80,33,172

**NOTE NO. 31**  
**PROVISIONS (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Electricity Charges Payable	85,921	60,160
Professional Fees Payable	3,80,000	0
Audit Fees Payable	1,12,500	0
Clearing Charges Payable	0	1,32,397
Freight Charges Payable	57,671	18,103
Salary Payable	34,72,612	34,64,219
Credit Card Expenses Payable	0	43,159
Dividend Payable	7,200	6,400
Provision for Gratuity	4,61,653	6,20,824
	45,77,557	43,45,262

**NOTE NO. 32**  
**CURRENT TAX LIABILITIES(NET)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Direct Taxes	70,84,015	95,84,212
	70,84,015	95,84,212



## NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

### NOTE NO. 33 REVENUE FROM OPERATIONS

#### (a) Recognition of Revenue

The company derives revenue primarily from sale of IT Hardware & its peripherals, Alkaline Water Ionizers, Solar Power Supply System and other Consumer Electronic Goods. It also derives revenue from sale or renting of GPS Tracking units.

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.

Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage of completion method. When there is uncertainty as to the measurement of ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Maintenance revenue is recognized over the term of underlying maintenance agreement.

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Net Sales (Domestic) ....	69,03,67,841	92,30,54,056
Service Charges(Domestic) ....	1,90,60,376	40,88,249
Rental Charges ....	24,06,404	40,54,783
Transportation Charges recovered ....	10,04,989	1,88,154
	<b>71,28,39,610</b>	<b>93,13,85,242</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 company expects to recognize these amounts of revenue. Applying the practical expedient as given in Ind AS 115, the company has not disclosed the remaining performance obligation-related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance obligations completed till date.

#### (c) Movement in Contract Balances

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<b><u>Contract Liability</u></b>		
Opening Balance	17,62,026	64,91,476
<u>Less:</u> Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period.	(17,62,026)	(54,74,301)
<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.	2,02,54,778	7,44,851
<b>Closing Balance</b>	<b>2,02,54,778</b>	<b>17,62,026</b>
<b><u>Contract Assets</u></b>		
Opening Balance	1,67,02,158	1,60,20,059
<u>Less:</u> Expense recognised in the reporting period that was included in the contract asset balance at the beginning of the period.	(64,27,624)	(40,88,259)
<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.	1,36,76,719	47,70,358
<b>Closing Balance</b>	<b>2,39,51,254</b>	<b>1,67,02,158</b>

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Incentives Received	0	40,616
Additional CST Collected from Customers	72,565	4,39,752
Rent on Investment Property	32,29,200	28,95,750
Reimbursement of Lease Rent Paid	3,37,500	2,50,000
Support Service Charges	0	41,63,664
Finance Charges	1,69,428	1,11,500
Notional value of Guarantee Premium	5,33,340	0
Interest Income	24,40,969	9,93,906
Interest on Late Payment from Debtors	2,18,757	0
	70,01,760	88,95,188

**Measurement of Other Incomes**

- (i) Interest Income is accrued on a time basis by reference to the principal amount outstanding and the effective interest rate.  
(ii) Rent income is recognized on a periodic basis as and when the company becomes entitled to receive the amount as per the agreement between the contracting parties.

**NOTE NO. 35**  
**COST OF MATERIALS CONSUMED**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Net Purchase	57,58,66,436	73,19,66,442
Service Charges	50,36,695	3,21,747
Consumables & Others	2,22,572	3,97,856
	58,11,25,703	73,26,86,045
Less: Transitional CGST credit	0	(17,62,119)
	58,11,25,703	73,09,23,926

**NOTE NO. 36**  
**CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Opening Stock / Inventories	25,49,70,393	30,21,85,872
Less: Closing Stock / Inventories	(27,42,50,581)	(25,49,70,393)
	(1,92,80,187)	4,72,15,479

**NOTE NO. 37**  
**EMPLOYEE BENEFIT EXPENSES**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Director's Remuneration	90,75,000	99,00,000
Salary & Bonus to Employees	4,57,20,937	3,63,77,973
Employers Contribution to Provident Fund & ESIC	14,59,326	2,49,054
Staff Welfare Expenses	4,73,453	3,10,505
Contribution to and Provision for Gratuity	14,23,917	18,68,828
	5,81,52,633	4,87,06,360

**NOTE NO. 38**  
**FINANCE COSTS**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Bank Charges on Finance	1,37,020	10,33,911
Interest Expenses	2,28,63,036	1,95,88,926
Finance Charges on Lease Liabilities	17,66,184	0
Processing Charges	4,26,334	0
	2,51,92,574	2,06,22,837

**NOTE NO. 39**  
**DEPRECIATION AND AMORTISATION EXPENSES**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Depreciation on Property, Plant & Equipment	29,59,961	13,96,827
Depreciation on Right to use Assets	79,28,236	0
Depreciation on Investment Property	4,40,065	4,40,065
Amortisation of Intangible Assets	1,10,337	1,23,206
	1,14,38,599	19,60,098

**NOTE NO. 40**  
**IMPAIRMENT EXPENSES / LOSSES**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Impairment of Property, Plant and Equipment	8,17,330	0
Impairment of Investments measured at	32,70,663	0
	40,87,993	0

**Background**

1) The company has not renewed its lease agreement on expiry of the lease tenure for its factory premises. Pursuant to such decision, the additions made to such leasehold property were subjected to Impairment testing. On assessment of impairment, the Company has determined that the following Property, plant and equipments have neither any recoverable value, nor any value in use for the business of the company. Accordingly the following assets have been impaired and written down to Nil value.

NAME OF THE ASSET	CLASSIFICATION UNDER PPE	HISTORICAL COST	PROVISION FOR DEPRECIATION	WDV IMPAIRED
Electrical Fittings	Furniture & Fixtures	47,392	35,542	11,850
Furnitures	Furniture & Fixtures	10,81,659	7,64,320	3,17,339
Lift	Lift	1,68,200	86,750	81,450
Machineries	Plant & Machineries	6,42,771	2,36,080	4,06,691
<b>TOTAL</b>		<b>19,40,022</b>	<b>11,22,692</b>	<b>8,17,330</b>

2) Investment in foreign subsidiary which was initially measured at cost as per Ind AS 27- 'Separate Financial Statements' has been impaired for the reasons stated in Note No.7

**NOTE NO. 41**  
**OTHER EXPENSES**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Administrative Expenses	6,17,480	4,34,320
Bank Charges	4,91,809	1,40,271
Certification Charges	12,11,397	2,10,620
Central Sales Tax	28,466	20,746
Clearing Charges	1,87,537	70,551
Cloud Services	3,30,598	1,18,299
Commission Expenses	3,82,494	5,36,131
Conveyance	5,96,334	5,05,561
Discount	4,74,045	(1,83,745)
Daman Guest House Expenses	0	43,083
Electricity Charges	14,00,205	9,51,046
Insurance Charges	6,80,136	6,84,942
Interest on Late Payment of TDS	23,008	73,353
Interest on Late Payment of GST	40,080	16,364
Late Fees Paid	16,980	0
Labour Charges	97,900	79,360
(Profit) / Loss Due To Foreign Exchange Fluctuation	8,55,097	(2,01,164)
Loading & Unloading Expenses	1,26,555	1,17,080
Manpower Services	55,000	2,66,182
Manufacturing Expenses	2,75,957	4,05,182
Preliminary Expenditure W/off	13,61,259	12,45,028
Office & Factory Maintenance Charges	1,47,134	1,61,553
Office Maintenance Charges on Investment Property	5,89,569	1,79,154
Property Tax on Investment Property	1,19,088	1,19,088
Payment to Auditor's	3,20,000	3,20,000
Printing & Stationery	2,80,785	3,75,847
Professional Fees	45,51,159	30,86,067
Profession Tax	2,500	0
Provision for Expected Credit Losses	26,61,565	6,53,461

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Amortisation of Fair Value Changes	(57,393)	1,48,626
R & D Expenses	9,000	86,141
Rent, Rates & taxes	17,60,000	88,54,963
Rates, Taxes and others	2,13,096	13,650
Repairs & Maintenance	6,35,121	2,10,883
Royalty Paid	7,71,000	9,33,500
Sales Promotion & Advt Expenses	5,15,530	1,84,859
Service Expenses	2,68,000	4,21,600
Service Tax Paid	0	25,217
Software Expenses	28,100	1,49,150
Stamp duty and Registration Charges	1,42,560	6,08,500
Sundry Expenses	5,11,518	3,20,144
Telephone & Mobile Charges	1,53,169	83,541
Tender Registration Fees	1,000	12,071
Testing Charges	2,34,300	2,000
Trainee Expenses	0	95,995
Transportation Charges	13,01,027	50,40,158
Travelling Expenses	36,06,235	34,01,505
VTs Expenses	4,31,327	10,11,649
Value Added Tax Paid	0	30,672
Website Development Charges	4,812	1,484
	<b>2,84,52,541</b>	<b>3,20,64,687</b>

**NOTE NO. 41.1**

**DETAILS OF PAYMENTS TO AUDITORS**

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<u>Payment to Auditors</u>		
Statutory Audit	1,25,000	1,25,000
Tax Audit	75,000	75,000
Internal Audit	1,20,000	1,20,000
<b>Total Payments to Auditors</b>	<b>3,20,000</b>	<b>3,20,000</b>

**NOTE NO. 42**

**EXCEPTIONAL ITEMS**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Assessment tax dues	0	(1,241)
	0	(1,241)

**NOTE NO. 43**

**INCOME TAX EXPENSE**

**A. Disclosure Pursuant to Ind AS 12**

**(a) Major Components of Income Tax**

Sr. No.	PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
(a)	<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	92,87,112	1,63,96,970
	Adjustments in respect of income tax of previous years.	28,46,269	12,73,978
	(ii) <u>Deferred Tax</u>		
	Tax Expense on Origination & Reversal of Temporary Difference	(18,98,850)	(13,995)
	<b>Tax Expense Reported in statement of Profit or Loss [(i) +(ii)]</b>	<b>1,02,34,532</b>	<b>1,76,56,952</b>
(b)	<b><u>Tax on Items Routed Through Other Comprehensive Income</u></b>		
	(i) Income Tax	0	0
	(ii) Deferred Tax	(3,32,997)	1,33,459
	<b>Tax Expense Reported in Other Comprehensive Income [(i) +(ii)]</b>	<b>(3,32,997)</b>	<b>1,33,459</b>

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

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Profit Before Tax	(A)	3,06,71,513	5,87,85,802
Corporate Tax Rate as per Income Tax Act, 1961	(B)	25.17%	27.82%
<b>Tax on Accounting Profit</b>	<b>[(A)*(B)]</b>	<b>77,19,406</b>	<b>1,63,54,210</b>
<u>Adjustments as per Income Tax</u>			
<u>Add:</u> Depreciation as per Companies Act		1,14,38,599	19,60,098
<u>Add:</u> Disallowances U/s 37		86,97,129	8,76,681
<u>Add:</u> Disallowance of Gratuity Provision		12,78,597	18,68,268
<u>Add:</u> Disallowance of Contributions to statutory Funds		6,04,875	14,089
<u>Add/(Less):</u> Other Additions / (Deductions)		(1,29,10,650)	(10,07,095)
<u>Less:</u> Depreciation as per Income Tax Act, 1961		(28,79,584)	(35,58,342)
Corporate Tax rate as per Income Tax Act		62,28,966	1,53,700
		25.17%	27.82%
<b>Tax on Gross Adjustments as per Income Tax</b>		<b>15,67,706</b>	<b>42,759</b>
Tax after adjustments as per Income Tax Act, 1961		92,87,112	1,63,96,970
Less: MAT Credit Set Off under section 115JAA		0	
<b>Net Income Tax Payable by the company</b>	<b>(C)</b>	<b>92,87,112</b>	<b>1,63,96,970</b>
Incremental Deferred Tax Liability/(Asset) on account of PPE and Intangible Assets, Employee Benefits & Expected Credit Losses		(18,98,850)	(13,995)
Incremental Deferred Tax Liability/(Asset) due Defined Benefit Obligations		(3,32,997)	1,33,459
<b>Net Deferred Tax Expense/(Benefit)</b>	<b>(D)</b>	<b>(22,31,847)</b>	<b>1,19,465</b>
<b>Total Tax Expense Recognised for the Year</b>	<b>(E) = [(C)+(D)]</b>	<b>70,55,265</b>	<b>1,65,16,434</b>
<b>Effective Tax Rate</b>	<b>[(E)/(A)*100]</b>	<b>23.00</b>	<b>28.10</b>

**C. Calculation of Corporate Tax Rate**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Basic Tax Rate Applicable to the Company as per Income Tax Act	22%	25%
Surcharge Applicable	10%	7%
Education Cess	4%	4%
<b>Corporate Tax Rate as per Income Tax Act, 1961</b>	<b>25.17%</b>	<b>27.82%</b>

**NOTE NO. 44**

**OTHER COMPREHENSIVE INCOME**

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Remeasurement of Defined Benefit Obligations	....	(7,92,824)	4,79,725
		(7,92,824)	4,79,725

**NOTE NO. 45**  
**EARNINGS PER SHARE**

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<b><u>Calculation of Basic EPS</u></b>		
A. Profit From Continuing Operations (Numerator)	2,04,36,981	4,11,28,850
B. <u>Equity Shares Outstanding as on Balance sheet Date</u>		
a. Weighted Average Number of Equity Shares *	1,20,00,000	1,20,00,000
Total Equity Shares for Calculation of Basic EPS (Denominator)	1,20,00,000	1,20,00,000
<b>Basic Earnings Per Share(EPS) [( A ) / ( B )]</b>	<b>1.70</b>	<b>3.43</b>
<b><u>Calculation of Diluted EPS</u></b>		
A. Profit From Continuing Operations (Numerator)	2,04,36,981	4,11,28,850
B. <u>Equity Shares Outstanding as on Balance sheet Date</u>		
a. Weighted Average Number of Equity Shares *	1,20,00,000	1,20,00,000
b. Potential Equity shares	0	0
Total Equity Shares for Calculation of Diluted EPS (Denominator)	1,20,00,000	1,20,00,000
<b>Diluted Earnings Per Share(EPS) [( A ) / ( B )]</b>	<b>1.70</b>	<b>3.43</b>

\* Basic & Diluted earning per share is calculated by dividing profit available to equity share holders of the company by the weighted average number of shares during the period. The company has issued bonus shares during the period. Accordingly, the company has adjusted its basic and diluted earning per share retrospectively previous year presented in this report, to be in line with Ind AS 33 'Earnings Per Share'.

**NOTE NO. 46**  
**CONTINGENT LIABILITIES**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Corporate guarantees for performance given on behalf of subsidiary companies to Financial Institution	12,00,00,000	0
	12,00,00,000	0

**Notes :**

- The Company does not expect any reimbursements in respect of the above contingent liability.
- The cash outflows, if any, could generally occur up to seven years, being the period over which the validity of the guarantees extends except in a few cases where the cash outflows, if any, could occur at any time during the subsistence of the borrowing to which the guarantees relate.

**NOTE NO. 47**  
**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 2020			AS AT 31ST MARCH 2019		
	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL
Loans	6,18,10,695	0	6,18,10,695	33,94,710	0	33,94,710
Inventories	27,42,50,580	0	27,42,50,580	25,49,70,393	0	25,49,70,393
Trade Receivables	39,29,72,942	0	39,29,72,942	57,81,58,328	0	57,81,58,328
Other Financial Assets	17,42,634	0	17,42,634	1,99,430	0	1,99,430
Other Current Assets	7,37,23,390	0	7,37,23,390	4,66,82,231	0	4,66,82,231

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

The company classifies a liability as current liability when :-

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

**All other Liabilities have been classified as Non-Current**

Credit Period for Current Liabilities

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

PARTICULARS	AS AT 31ST MARCH 2020			AS AT 31ST MARCH 2019		
	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL
Borrowings (Current)	3,53,37,177	0	3,53,37,177	3,70,95,904	0	3,70,95,904
Trade Payables	32,01,03,359	0	32,01,03,359	45,80,51,511	0	45,80,51,511
Lease Liabilities	78,30,689	0	78,30,689	0	0	0
Other Financial Liabilities	33,86,968	0	33,86,968	9,509	0	9,509
Other Current Liabilities	2,99,34,275	0	2,99,34,275	1,80,33,172	0	1,80,33,172
Provisions	45,77,557	0	45,77,557	43,45,262	0	43,45,262
Current Tax Liabilities	70,84,015	0	70,84,015	95,84,212	0	95,84,212

**NOTE NO. 48**  
**RISK MANAGEMENT**

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

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

**A. Market Risk Management**

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

i. Foreign Exchange Risk

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 US Dollars.



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

PARTICULARS	AS AT 31ST MARCH 2020			
	USD	EQUIVALENT IN INR	OTHER CURRENCIES	EQUIVALENT IN INR
Reimbursement receivable Subsidiary	0.00	0	0.00	0
Dollars in Hand	3,633.00	2,73,877	0.00	0
EEFC Account	270.46	20,389	0.00	0
Trade Payables	4,64,598.47	3,50,24,174	0.00	0

PARTICULARS	AS AT 31ST MARCH 2019			
	USD	EQUIVALENT IN INR	GBP	EQUIVALENT IN INR
Reimbursement receivable Subsidiary	14,745.00	10,19,931	0	0
Dollars in Hand	3,923.00	2,71,359	0	0
Trade Receivables	12,188.00	8,53,600	6,675.00	0
Trade Payables	22,79,317.67	15,76,63,366	0.00	0

#### Sensitivity Analysis

A reasonable possible strengthening/weakening of foreign currencies to which the company 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><u>As at 31st March 2020</u></b>			
US DOLLAR	1%	2,59,891	(2,59,891)
<b><u>As at 31st March 2019</u></b>			
US DOLLAR	1%	11,22,608	(11,22,608)
Great Britain Pound	1%	(4,367)	4,367

#### 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, Term loan and other working capital loans. The company's total outstanding debt in local currency presented in the Financial Statements is a combination of fixed rate and floating rate Debts. For the portion of local currency debt on fixed rate basis, there is no interest rate risk. Floating Rate Debts are linked to domestic interest rate benchmarks issued by Reserve Bank of India like MCLR (Marginal Cost of funds based Lending Rate).

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Cash Credit	20,17,37,535	19,94,16,344
Term Loan	3,96,21,036	0
Other Working Capital Loans	65,01,887	2,17,09,351
	24,78,60,458	22,11,25,695

#### 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	FOR THE YEAR ENDED 31ST MARCH 2020	
		IMPACT ON PROFIT OR LOSS AFTER TAX	
		INCREASE	DECREASE
<u>Change in Interest Cost</u>			
Cash Credit *	10 bps	(2,01,738)	2,01,738
Term Loan *	10 bps	(39,621)	39,621
Other Working Capital Loans *	10 bps	(6,502)	6,502
		(2,47,860)	2,47,860
<u>Less:</u> Tax Effect on Interest Cost		62,382	(62,382)
Net Effect on Profit & Loss Account		(1,85,479)	1,85,479

\* Holding all other variables constant

SENSITIVITY TO MOVEMENT IN INTEREST RATES	FOR THE YEAR ENDED 31ST MARCH 2019		
	ASSUMED INTEREST RATE MOVEMENT IN BPS	IMPACT ON PROFIT OR LOSS AFTER TAX	
		INCREASE	DECREASE
<u>Effect on Change in Interest Cost</u>			
Canara Bank Cash Credit *	10 bps	(1,99,416)	1,99,416
Other Working Capital Loans *	10 bps	(21,709)	21,709
		(2,21,126)	2,21,126
<u>Less:</u> Tax Effect on Interest Cost		61,517	(61,517)
Net Effect on Profit & Loss Account		(1,59,609)	1,59,609

\* 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	AS AT
	31ST MARCH 2020	31ST MARCH 2019
Opening Balance	6,53,461	0
<u>Changes in Loss Allowance</u>		
Loss Allowance for the year, based on ECL Model.	15,50,000	6,53,461
Write Off as Bad Debts	18,78,197	0
Closing Balance reproted under Note No.12	3,25,264	6,53,461

#### 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	AS AT
	31ST MARCH 2020	31ST MARCH 2019
Opening Balance	0	0
<u>Changes in Loss Allowance</u>		
Loss Allowance for the year, based on ECL Model.	11,11,565	0
Write Off as Bad Debts	0	0
Closing Balance reproted under Note No.15	11,11,565	0

### 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 bank balances and by having access to funding through an adequate amount of committed credit lines. Management regularly monitors the position of cash and cash equivalents vis-à-vis projections. Assessment of maturity profiles of financial assets and financial liabilities including debt financing plans and maintenance of Balance Sheet liquidity ratios are considered while reviewing the liquidity position.

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

#### **Maturity Analysis**

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

#### **As at 31st March 2020**

NON-DERIVATIVE FINANCIAL LIABILITIES	CONTRACTUAL CASH FLOWS		TOTAL
	PAYABLE WITHIN ONE YEAR	PAYABLE AFTER ONE YEAR	
Borrowings	23,70,74,712	3,27,07,622	26,97,82,334
Trade Payables	32,01,03,359	0	32,01,03,359
Lease Liabilities	88,81,281	74,01,381	1,62,82,662
Other Financial Liabilities	19,82,223	5,10,366	24,92,589

#### **As at 31st March 2019**

NON-DERIVATIVE FINANCIAL LIABILITIES	CONTRACTUAL CASH FLOWS		TOTAL
	PAYABLE WITHIN ONE YEAR	PAYABLE AFTER ONE YEAR	
Borrowings	23,65,12,248	27,66,376	23,92,78,624
Trade Payables	45,80,51,511	0	45,80,51,511
Other Financial Liabilities	9,509	4,51,302	4,60,811

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

#### **NOTE NO. 49 LEASES**

##### **i) Where the Company is a Lessor :-**

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Lease Rentals Received	35,66,700	31,45,750

The Company has given its office premise under non-cancellable operating lease, however the lock-in period of the agreement has ceased before the reporting date.

The operating lease agreements are renewable on a period basis, and these lease agreements are also subjected to price escalation clauses.

The company did not make any adjustments to the accounting for assets held as lessor under operating lease as a result of adoption of Ind AS 116.

##### **ii) Where the Company is a Lessee**

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

As indicated in Note No - 1 (15) the company has adopted Ind AS 116 Leases retrospectively from 1st April 2019, but has not restated comparatives for FY 2018-19 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1st April 2019.

##### **Practical Expedients Applied**

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

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

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

For leases previously classified as operating leases under Ind AS 17 and which are not low value leases or short-term leases, the Company has recognised:

- a) a lease liability at present value of the remaining lease payments, discounted using risk free rate of 7.75% at transition date.
- b) a right-to-use asset at its carrying amount as if the Standard has been applied since the lease commencement date but discounted using risk free rate at the date of initial application.

Reconciliation between operating lease commitments disclosed as per Ind AS 17 as at March 31, 2019 and lease liabilities recognised in the balance sheet at the date of initial application i.e. April 1, 2019 is as follows:

PARTICULARS	AMOUNT
Operating lease commitments under Ind AS 17 as at April 1, 2019	1,51,42,632
<u>Less:</u> Commitments Pertaining to short term leases	0
<u>Less:</u> Commitments Pertaining to low value leases	0
<u>Less:</u> Impact of Discounting of Lease Payments	(90,82,922)
<u>Add:</u> Extension & Termination Option, reasonably certain to be exercised	1,66,95,000
Lease Liability recognised under Ind AS 116 as on 01st April 2019	2,27,54,710
<u>Add:</u> Interest Accrued for the Year	17,66,184
<u>Less:</u> Lease Payments Made	(99,86,220)
Lease Liability recognised in the Financial Statements as on 31st March 2020	1,45,34,674

Details with respect to Right-to-Use Assets :

PARTICULARS	ADDITIONS TO RIGHT TO USE ASSET DURING THE YEAR	DEPRECIATION	CARRYING AMOUNT OF ASSET AS AT 31ST MARCH
Buildings	2,09,06,451	79,28,236	1,29,78,215

Other Transactions recorded in the Financial statements pertaining to Leases are as follows :-

- Interest Expense on Lease liabilities amounts to Rs 17,66,184/-
- The expense relating to payments not included in the measurement of the lease liability and recognised as expense in the Statement of Profit and Loss during the year amounted to Rs. 17,60,000/-
- Total cash outflow for leases amounts to Rs 1,17,46,220/- during the year including cash outflow of short-term and low value leases.

#### NOTE NO. 50 ASSETS PLEDGED AS SECURITY

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

PARTICULARS	NOTES	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<b>CURRENT ASSETS</b>			
<u>Fixed Charge Asset</u>			
Assets		0	0
<u>Floating Charge</u>			
Trade Receivables	Note No . 12	39,29,72,942	57,81,58,328
Inventory	Note No . 11	27,42,50,580	25,49,70,393
<b>Total current assets pledged as security</b>		66,72,23,522	83,31,28,721
<b>NON-CURRENT ASSETS</b>			
<u>Fixed Charge Asset</u>			
Motor Car	Note No . 3	20,11,497	26,19,770
Capital WIP (Property under Development)	Note No . 4	6,29,81,601	0
<u>Floating Charge</u>			
Investment properties	Note No . 5	2,48,10,474	2,52,50,539
<b>Total non-current assets pledged as security</b>		8,98,03,572	2,78,70,309
<b>Total assets pledged as security</b>		75,70,27,094	86,09,99,030

#### NOTE NO. 51 EMPLOYEE BENEFIT EXPENSES

##### (a) Disclosures pursuant to Ind AS-19

##### i. Defined Contribution Plans

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

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Employer's Contribution to Provident Fund & ESIC	14,59,326	2,49,054

**ii. Defined Benefit Plans.**

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

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<u>Present Value of Defined Benefit Obligation</u>		
Wholly Funded	0	0
Wholly Unfunded	67,72,928	47,01,507
	67,72,928	47,01,507
<u>Less:</u> Fair Value of Plan Assets	0	0
Amounts recognised as Liability (See Note No.23 & Note No.31)	67,72,928	47,01,507

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Current Service Cost	11,04,215	15,44,428
Interest Cost	3,19,702	3,24,400
Past Service Cost	0	0
Expenses included in Employee Benefits (See Note No.37)	14,23,917	18,68,828

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Actuarial (Gains) / Losses	7,92,824	(4,79,725)
Expenses included in Other Comprehensive Income (See Note No.44)	7,92,824	(4,79,725)

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Opening Balance of present value of Defined Benefit Obligation	47,01,507	33,75,000
<u>Add:</u> Current Service Cost	11,04,215	15,44,428
<u>Add:</u> Interest Cost	3,19,702	3,24,400
<u>Add:</u> Past Service Cost	0	0
<u>Add/(less):</u> Actuarial Losses/(gains)	7,92,824	(4,79,725)
	69,18,248	47,64,103
<u>Less:</u> Defined Benefit Claims Settled	1,45,320	62,596
	67,72,928	47,01,507

(e) Breakup of Other Comprehensive Income

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Actuarial losses / (gains) arising from change in financial assumptions	7,77,134	(6,35,708)
Actuarial losses / (gains) arising from change in Demographic assumptions	0	0
Actuarial losses / (gains) arising from change in experience adjustments	15,690	1,55,983
	7,92,824	(4,79,725)

(f) Actuarial Assumptions

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Discount Rate (per anum)	6.80%	7.70%
Salary Growth Rate (per anum)	7.00%	6.00%
Retirement Age	58 Years	60 Years
<u>Attrition Rate</u>		
Younger Ages	5%	5%
Older Ages	1%	1%

(g) Sensitivity analysis of defined benefit obligation

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<u>a) Impact of Discount Rate</u>		
Impact due to increase of 1%	(8,55,966)	(5,25,091)
Impact due to Decrease of 1%	10,28,472	6,31,189
<u>b) Impact of Salary Escalation Rate</u>		
Impact due to increase of 1%	10,15,954	6,35,708
Impact due to Decrease of 1%	(8,61,859)	(5,40,491)
<u>a) Impact of Attrition Rate</u>		
Impact due to increase of 1%	(6,494)	38,299
Impact due to Decrease of 1%	6,887	(40,390)

(h) Maturity profile of defined benefit obligation

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Within 1 Year	4,61,653	6,20,824
Year 1 to Year 2	2,11,397	1,80,358
Year 2 to Year 3	2,04,104	1,74,136
Year 4 to Year 5	1,97,062	1,68,128
Year 5 to Year 6	1,90,264	2,77,712
Year 6 to Year 10	6,24,578	5,19,338
After 10 Years	48,83,870	27,61,011

**NOTE NO. 52**  
**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
Wemart Global FZE Technofy Digital Private Limited	Subsidiary Subsidiary

ii) Key Managerial Personnel

NAME OF RELATED PARTY	RELATIONSHIP WITH THE COMPANY
Amit D. Rambhia Nikit D. Rambhia Devchand Rambhia Vishal Lalan Nitesh M Savla Jinkle Kimsaria	Managing Director Joint Managing Director Whole-Time Director Chief Executive Officer (CEO) Chief Financial Officer (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 COMPANY
Wemart Global FZE	Subsidiary
Technofy Digital Private Limited	Subsidiary
ICT Infratech Services Private Limited	Joint Venture
Amit D. Rambhia	Managing Director
Nikit D. Rambhia	Joint Managing Director
Devchand L. Rambhia	Whole-Time Director
Vishal Lalan	Chief Executive Officer
Nitesh M. Savla	Chief Financial Officer
Jinkle Khimsaria	CS & Compliance Officer
Panache Innovations Limited	Company having Common Director
Rambhia IPR Services LLP	Firm in which Director is a Partner
Deepa A. Rambhia	Relative of Director
Kavita N. Rambhia	Relative of Director

**b. List of Transactions with Related Parties**

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

NAME OF THE PERSON / ENTITY	RELATION WITH THE COMPANY	NATURE OF TRANSACTION	VOLUME OF TRANSACTION IN FY 19-20 (NET OF TAX)
Amit D. Rambhia	Managing Director	Remuneration	38,50,000
Nikit D. Rambhia	Joint Managing Director	Remuneration	38,50,000
Devchand L. Rambhia	Whole-Time Director	Remuneration	13,75,000
Deepa A. Rambhia	Relative of Director	Remuneration	18,00,000
Kavita N. Rambhia	Relative of Director	Remuneration	12,00,000
Vishal Lalan	Chief Executive Officer	Remuneration	31,16,250
Nitesh M. Savla	Chief Financial Officer	Remuneration	14,76,912
Jinkle Khimsaria	CS & Compliance Officer	Remuneration	6,87,304
Amit D. Rambhia	Managing Director	Loan Taken	12,00,000
Amit D. Rambhia	Managing Director	Interest on Unsecured Loan	26,113
Nikit D. Rambhia	Joint Managing Director	Loan Taken	67,50,000
Nikit D. Rambhia	Joint Managing Director	Interest on Unsecured Loan	93,474
Devchand L. Rambhia	Whole-Time Director	Loan Taken	1,04,00,000
Devchand L. Rambhia	Whole-Time Director	Interest on Unsecured Loan	1,02,883
Vishal Lalan	Chief Executive Officer	Loan Given	11,38,079
Technofy Digital Private Limited	Subsidiary	Loan Given	5,82,76,800
Technofy Digital Private Limited	Subsidiary	Interest on Unsecured Loan	16,71,602
Technofy Digital Private Limited	Subsidiary	Capital Contribution	1,00,000
Technofy Digital Private Limited	Subsidiary	Guarantee Provided (Non Fund Base)	12,00,00,000
ICT Infratech Services Private Limited	Joint Venture	Services Availed	9,00,000
Panache Innovations Limited	Company having Common Director	Sales	5,31,93,250
Panache Innovations Limited	Company having Common Director	Services Availed	25,380
Panache Innovations Limited	Company having Common Director	Purchases	28,771
Panache Innovations Limited	Company having Common Director	Rent Income	3,37,500
Rambhia IPR Services LLP	Firm in which Director is a Partner	Royalty Paid	7,71,000

The above mentioned transactions with related parties are stated after 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 2020	AS AT 31ST MARCH 2019
<b><u>Amounts Receivable from Related Parties</u></b>			
<b><u>Receivables for Sales &amp; Services Provided</u></b>			
Panache Innovations Limited	Company having Common Director	1,59,25,291	20,04,725
ICT Infratech Services Private Limited	Joint Venture	60,16,858	51,82,943
Devchand L. Rambhia	Whole-Time Director	35,000	35,000
Eddy & Andy International Limited	Company having Common	0	8,53,600
		2,19,77,149	80,76,268
<b><u>Loans &amp; Advances Recoverable</u></b>			
Technofy Digital Private Limited	Subsidiary	5,82,76,800	0
Technofy Digital Private Limited (Interest Payable)	Subsidiary	15,04,442	0
Vishal Ialan	Chief Executive Officer	11,38,079	0
Wemart Global FZE	Subsidiary	0	10,19,931
		6,09,19,321	10,19,931
<b>Total Receivables from Related Parties</b>		<b>8,28,96,471</b>	<b>90,96,199</b>
<b><u>Amounts Payable to Related Parties</u></b>			
<b><u>Payables for Purchases &amp; Services Availed</u></b>			
Panache Innovations Limited	Company having Common Director	28,771	0
ICT Infratech Services Private Limited	Joint Venture	65,065	0
Rambhia IPR Services LLP	Firm in which Director is a Partner	1,82,993	8,40,150
Deepa A. Rambhia	Relative of Director	1,27,800	0
Kavita N. Rambhia	Relative of Director	95,800	0
		5,00,429	8,40,150
<b><u>Payable towards Borrowings Taken</u></b>			
Amit D. Rambhia (Interest Payable)	Managing Director	23,502	0
Nikit D. Rambhia	Joint Managing Director	35,70,000	0
Nikit D. Rambhia (Interest Payable)	Joint Managing Director	84,127	0
Devchand L. Rambhia	Whole-Time Director	9,50,000	0
Devchand L. Rambhia (Interest Payable)	Non- Executive Director	92,594	0
		47,20,223	0
<b><u>Payables to KMP and their Relatives as Remuneration</u></b>			
Nitesh M. Savla	Chief Financial Officer	97,076	1,04,496
Jinkle Khimsaria	CS & Compliance Officer	48,742	38,016
		1,45,818	1,42,512
<b>Total Payables to Related Parties</b>		<b>53,66,470</b>	<b>9,82,662</b>
<b><u>Other Contributions &amp; Commitments</u></b>			
<b><u>Corporate Guarantee Given</u></b>			
Technofy Digital Private Limited	Subsidiary	12,00,00,000	0
<b><u>Capital Contribution Made</u></b>			
Technofy Digital Private Limited	Subsidiary	1,00,000	0

**NOTE NO. 53**

**FAIR VALUE MEASUREMENT HIERARCHY**

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

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<b>Financial Assets</b>		
<u>Measured at Amortised Cost</u>		
Loans	6,49,19,653	62,32,006
Trade Receivables	39,29,72,942	57,81,58,328
Other Financial Assets	17,72,803	2,29,599
Cash & Cash Equivalents	1,73,03,353	4,70,22,409
Bank Balances Other Cash & Cash Equivalents	7,200	6,400
Total financial Assets Measured at Amortised Cost (I)	47,69,75,951	63,16,48,741
Measured at Fair Value Through Other Profit & Loss Account (FVTPL)	70,79,555	0
Total Value of Financial Assets [(I)+(II)]	48,40,55,506	63,16,48,741
<b>Financial Liabilities</b>		
<u>Measured at Amortised Cost</u>		
Borrowings	26,97,02,389	23,91,03,445
Trade Payables	32,01,03,359	45,80,51,511
Lease Liabilities	1,45,34,674	0
Other Financial Liabilities	24,92,589	4,60,811
Total of Financial Liabilities Measured at Amortised Cost	60,68,33,011	69,76,15,767
Measured at Fair Value Through Other Profit & Loss Account (FVTPL)		
Other Financial Liabilities	65,46,215	0
Total Value of Financial Liabilities	61,33,79,226	69,76,15,767

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Net gains/(losses) on financial assets and Financial liabilities measured at amortised cost :-		
(i) Exchange Difference Gains/ (Losses) on revaluation or settlement of items denominated in Foreign Currency (Trade Receivables, Loans Given, etc.)	(8,55,097)	2,01,164
(ii) Amortisation of Fair Value Changes	(57,393)	1,48,626
(iii) Finance Charges (Net)	1,69,428	1,11,500
(iv) Interest Income	24,40,969	9,93,906
(v) Interest Expense	(2,28,63,036)	(1,95,88,926)
(vi) Finance Charges on Lease Liabilities	(17,66,184)	0
(vii) Bank Charges on Finance	(1,37,020)	(10,33,911)
(viii) Processing Charges	(4,26,334)	0
(ix) Provision for Expected Credit Losses	(26,61,565)	(6,53,461)
Total	(2,61,56,232)	(1,98,21,102)
Net gains/(losses) on financial liabilities measured at Fair Value Through Profit & Loss Account (FVTPL) :-		
(i) Gratuity Premium Income	5,33,340	0
Total	5,33,340	0

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

AS AT 31ST MARCH 2020	CARRYING VALUE IN BOOKS	LEVEL OF INPUT USED FOR FAIR VALUATION		
		LEVEL 1	LEVEL 2	LEVEL 3
<u>Other Financial Assets</u>				
Financial Guarantee Contract	65,46,215	0	0	65,46,215

Valuation Method by using Level 3 inputs

Financial Guarantee Contract representing the Fair value of guarantee provided to the Subsidiary company has been valued, based on the interest rate that would have been charged by Banks for providing similar loan's to a customer without any guarantee. Since, the valuation of such guarantee is based on unobservable inputs, the same has been classified as Level - 3.

- i) Significant unobservable inputs used in level 3 fair value measurements and sensitivity of the fair value measurement to changes in unobservable inputs are as follows:-

Particulars	Significant Unobservable Input		AS AT 31ST MARCH 2020
Financial Guarantee Contract	Interest Rate Differential	2%	65,46,215

ii) **Sensitivity Analysis**

Particulars	AS AT 31ST MARCH 2020
<u>Interest Rate Differential (IRD)</u>	
IRD - Increase by 1%	34,73,177
IRD - Decrease by 1%	(33,47,391)

iii) **Reconciliation of Financial Instruments classified under Level - 3**

Particulars	AS AT 31ST MARCH 2020
Opening Balance	0
<u>Add:</u> Premium on Guarantees provided during the year	70,79,555
<u>Less:</u> Recognised in the statement of Total Comprehensive Income	(5,33,340)
<b>Closing Balance (Deferred Value of Financial Guarantee Premium)</b>	<b>65,46,215</b>

**NOTE NO. 54**

**DISCLOSURE UNDER SECTION 186 OF COMPANIES ACT**

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

NAME OF THE ENTITY	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019	NATURE OF ASSISTANCE	PURPOSE FOR WHICH LOAN/ GUARANTEE IS PROPOSED TO BE UTILISED BY RECEIPT
Technofy Digital Private Limited	5,82,76,800	0	Inter Corporate Loan	Purchase of Leasehold Land
Technofy Digital Private Limited	12,00,00,000	0	Corporate Guarantee	
Karram Warehousing Private Limited	10,00,000	10,00,000	Inter Corporate Loan	Short Term Working Capital
Shree Rajlaxmi Textiles	10,00,000	10,00,000	Advance	Advance for Purchase of Property

AS PER OUR REPORT OF EVEN DATE  
FOR KPB & ASSOCIATES  
CHARTERED ACCOUNTANTS  
[ICAI FRNo. 114841W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
PANACHE DIGILIFE LIMITED

CA KETAN N.GADA  
PARTNER  
(MEM NO. 106451)

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

MR. NIKIT D. RAMBHIA  
JOINT MANAGING DIRECTOR  
DINO:- 00165678

MR.NITESH M. SAVLA  
CHIEF FINANCIAL OFFICER

MS.JINKLE KHIMSARIA  
CS & COMPLIANCE OFFICER  
MEM. NO. A43987

PLACE: MUMBAI  
DATED: 29th July 2020  
UDIN : 20106451AAAABY9452

PLACE: MUMBAI  
DATED: 29th July 2020

# CONSOLIDATED FINANCIAL STATEMENTS

# Independent Auditor's Report

**UDIN 20106451AAAAB26169**

## INDEPENDENT AUDITOR REPORT

To the Shareholders of  
**M/s. Panache Digilife Limited**

We have audited the accompanying consolidated financial statements of **M/s Panache Digilife Limited**, (the "Parent"), and its Subsidiary ("the Parent" and its Subsidiary and Associates collectively referred to as "the Group") and its share of the net profit/(loss) after tax and total comprehensive income / loss of its Associate (Joint Venture) for the year ended 31st March, 2020 ("statement"), being submitted by the Parent which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (Hereinafter referred to as the "Consolidated Financial Statements").

### Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to by the management of the group, **except for the effects of the matter described in the 'Basis for Qualified Opinion' section of our report**, the aforesaid Consolidated Ind AS Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2020, and its profit (including Other Comprehensive Income), changes in equity and statement of cash flows for the year ended on that date.

### Basis for Qualified Opinion

The Consolidated Ind AS Financial Statements includes the unaudited Financial Statement of Wemart Global FZE (Dubai), whose Financial Statements reflect total assets of Rs.82.27 Lakhs as at 31st March, 2020, net gain/(net loss) of Rs.(484.35)

Lakhs pertaining to writing off of other assets & liabilities of nominal value and total comprehensive income/(loss) of Rs.(484.35) 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 of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's responsibilities for the Audit of the Consolidated 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 consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key audit Matter
<b>Adoption of Ind AS 116 Leases</b>	
<p>As described in Note-1(14) to the Consolidated financial statements, the Group has adopted Ind AS 116 Leases in the current year. The application and transition to this accounting standard is complex and is an area of focus in our audit since application of the same is based on a significant level of judgements and estimates including the determination of discount rates and lease term.</p> <p>Ind AS 116 introduces a new lease accounting model, wherein lessees are required to recognise a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payments during the lease term as per the contract/ arrangement.</p> <p>Additionally, the standard mandates detailed disclosures in respect of transition.</p> <p>Refer to Note No.1 (14) and Note No.50 of the Consolidated Ind AS Financial Statements.</p>	<p>Our audit procedures on adoption of Ind AS 116 include:</p> <ul style="list-style-type: none"> <li>Assessed and tested new processes and controls established by the management in identifying lease arrangements with respect to the new lease accounting standard (Ind AS 116);</li> <li>Assessed the Group's evaluation on identification of leases based on the contractual arrangements and our knowledge of business;</li> <li>Upon transition as at 01<sup>st</sup> April 2019: <ul style="list-style-type: none"> <li>i) Evaluated the method of transition and related adjustments;</li> <li>ii) Tested the completeness of lease data by reconciling the Group's operating lease commitments to data used in computing ROU asset and lease liabilities.</li> <li>iii) Assessed the appropriateness of practical expedients used while transitioning to Ind AS 116.</li> </ul> </li> <li>Additionally we performed the following procedures :- <ul style="list-style-type: none"> <li>i) Assessed the key terms and conditions of each lease with the underlying lease contracts; and</li> <li>ii) Evaluated the computation of lease liabilities and challenged the key estimates such as, discount rates and the lease term.</li> </ul> </li> <li>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.</li> </ul>

#### Other Matters

The Consolidated Ind AS Financial Statements includes the Financial Statements of Wholly Owned Subsidiary 'Technofy Digital Private Limited' has been audited by M/s.Jain Salia & Associates Chartered Accountants for the period ended on 31<sup>st</sup> March 2020. We have relied upon the report given by the aforesaid auditor for the purpose of consolidation of Financial Statements. The salient features of the aforementioned subsidiary's Financial Statements are as Follows;

Sr.No.	Particulars	Amount in Lakhs (Rs.)
1.	Net Assets	Rs.2,103.45
2.	Total Revenue	Rs.1.06
3.	Net Income	Rs. (55.20)

The consolidated financial results also includes the Associate (Joint Venture) share of net profit/(loss) after tax of Rs (2.11) Lakhs and total comprehensive income/ (loss) of Rs.(2.11) Lakhs for the year ended 31st March, 2020, as considered in the consolidated financial results, in respect of ICT Infratech Services Pvt Ltd, Associate(Joint Venture), whose financial statements / financial information have not been audited by us. This financial statement have been audited by M/s. Jain Salia & Associates, Chartered Accountants auditors, whose report have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this Associate (Joint Venture) is based solely on the reports of aforesaid auditors.

#### **Information Other than the Consolidated Financial Statements and Auditor's Report**

The respective Board of Directors of the Companies included in the Group are responsible for the preparation of other information. The other information comprise the information included in the Management Discussion and Analysis, Board's Report including

Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the other information of subsidiaries, joint ventures and associates audited by other auditors of the companies included in the group, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Other information so far as it relates to the subsidiaries, joint ventures and associates, is traced from their financial statements audited by the other auditors.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

#### **Management's Responsibility for the Consolidated Financial Statements**

The respective Board of Directors of the companies included in the Group are responsible for the matters stated in section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, cash flows and changes in equity of the Company including its joint operation companies in accordance with the Ind AS and accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective Companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing their respective company's ability to continue as a



going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless respective management of the companies included in the Group either intends to liquidate their respective Company 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 their respective Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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 financial 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 systems in place and the 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 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 consolidated 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 financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operations to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements

### **Materiality**

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

### **Report on Other Legal and Regulatory Requirements**

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

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Consolidated Financial Statements;
- b. In our opinion, proper books of accounts as required by law relating to the preparation and presentation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of relevant books & records, returns and the report of the other auditor.
- c. The Consolidated Balance Sheet and the Consolidated Statement of Profit & Loss(including Other Comprehensive Income), Statement of Changes in equity & Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors of the Holding Company as on 31<sup>st</sup> March 2020 taken on record by the Board of Directors of the Holding Company and based on the report of the Statutory auditor of its subsidiary, none of the directors is disqualified as on 31<sup>st</sup> March 2020, from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013; and
- f. Our Opinion on the adequacy of the Internal Financial Controls of the company over the financial reporting and the operating effectiveness of such controls has been given by us in a separate report in '**Annexure-A**', which is based on auditor's reports of the Holding company and its Foreign subsidiary.
- 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 in respect of the Holding Company and its Foreign Subsidiary which would impact its consolidated financial position.
  - (ii) The Holding Company and its Foreign Subsidiary did not have any long term contracts for which there were any material foreseeable losses;

- (iii) The Holding Company is not required to transfer any amount to the Investor Education and Protection Fund by the Company.

**For KPB & Associates  
Chartered Accountants  
[ FRNo: 114841W ]**

**Place : Mumbai  
Dated : 29.07.2020**

**Partner  
(CA Ketan N. Gada)  
(Membership No. 106451)**

**ANNEXURE - A TO THE AUDITOR'S REPORT FOR THE Y. E. 31ST MARCH, 2020**  
*(Referred to in Paragraph (f) of our Report of even date)*

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

We have audited the internal financial controls over financial reporting of Panache Digilife Limited ("hereinafter referred to as the Parent Company") as of 31<sup>st</sup> March 2020 in conjunction with our audit of the Consolidated Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The management of the Parent Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 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 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 2020, based on the internal control over financial reporting criteria established by the Parent 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.

#### **Other Matter Paragraph**

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

**For KPB & Associates  
Chartered Accountants  
[ FRNo: 114841W ]**

**Place : Mumbai  
Dated : 29.07.2020**

**Partner  
(CA Ketan N. Gada)  
(Membership No. 106451)**

## Statement on Impact of Audit Qualifications

**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020**  
[See Re 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. NO.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
			(Rs. In Lacs/amount) except data per share	
	1.	Total income	7,177.99	7,177.99
	2.	Total Expenditure	6,897.83	6,897.83
	3.	Net Profit/(Loss)	(293.47)	(293.47)
	4.	Earnings per Share	(2.45)	(2.45)
	5.	Total Assets	10,994.3	10,994.3
	6.	Total Liabilities	8026.84	8026.84
	7.	Net Worth	2,917.46	2,917.46
	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. Wemart Global FZE are unaudited, possible effects of misstatements on overall consolidated financial statements could be material but not pervasive.			
	b) <b>Type of Audit Qualification:</b> Qualified Opinion			
	c) <b>Frequency of qualification:</b> First 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 no transaction during the year, 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 no commercial transactions during the year, the quantitative impact of results of the subsidiary on the group will be nominal.			
	<b>Signatories:</b>			
	• <b>Amit Rambhia</b> <b>Managing Director</b>			
	• <b>Nitesh Savla</b> <b>CFO</b>			
	• <b>Meeta Mehta</b> <b>Audit Committee Chairman</b>		FOR KPB & ASSOCIATES Chartered Accountants ICAI FRNo: 114841W	
	• <b>Statutory Auditor</b>		PARTNER CA KETAN GADA (Membership No. 106451)	
	<b>Place: Mumbai</b> <b>Date: 29-07-2020</b>			

# Balance Sheet

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2020				
(All amounts in INR)				
Sl. No.	PARTICULARS	NOTE NO.	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<b>I. ASSETS</b>				
<b>1 NON-CURRENT ASSETS</b>				
(a)	Property, Plant & Equipments ...	2	16,032,763	15,836,890
(b)	Right to use assets ...	3	205,360,773	0
(c)	Capital Work-in-Progress ...	4	62,981,601	1,834,843
(d)	Investment Properties ...	5	24,810,474	25,250,539
(e)	Goodwill ...		0	0
(f)	Other Intangible Assets ...	6	94,443	204,780
(g)	Intangible Assets Under Development ...		0	0
(h)	Biological Assets Other than Bearer Plants ...		0	0
(i)	<u>Financial Assets</u>			
(i)	Investments Accounted for Using the equity method ...	7	68,850	280,248
(ii)	Other Investments ...	8	6,517,902	0
(ii)	Loans & Deposits ...	9	3,108,958	2,837,296
(iii)	Other Financial Assets ...	10	30,169	30,169
(j)	Deferred Tax Assets ...		0	0
(k)	Other Non-Current Assets ...	11	1,865,519	29,676,187
<b>2 CURRENT ASSETS</b>				
(a)	Inventories ...	12	274,250,580	254,970,393
(b)	<u>Financial Assets</u>			
(i)	Investments ...		0	0
(ii)	Trade Receivables ...	13	400,597,823	638,949,191
(iii)	Cash and Cash Equivalents ...	14	18,981,532	48,102,689
(iv)	Bank Balances other than Cash & Cash Equivalents ...	15	7,200	6,400
(v)	Loans & Deposits ...	16	3,543,895	2,374,779
(vi)	Other Financial Assets ...	17	238,192	199,430
(c)	Other Current Assets ...	18	75,938,829	46,687,424
<b>TOTAL ASSETS</b>			<b>1,094,429,504</b>	<b>1,067,241,258</b>
<b>II. EQUITY AND LIABILITIES</b>				
<b>1 EQUITY</b>				
(a)	Equity Share Capital ...	19	120,000,000	60,000,000
(b)	Other Equity ...	20	171,746,061	262,711,549
<b>2 LIABILITIES</b>				
<b>A Non-Current Liabilities</b>				
(a)	<u>Financial Liabilities</u>			
(i)	Borrowings ...	21	137,845,447	2,591,197
(ii)	<u>Trade Payables</u>			
(a)	total outstanding dues of micro enterprises and small enterprises		0	0
(b)	total outstanding dues of creditors other than micro enterprises and small enterprises		0	0
(iii)	Lease Liabilities ...	22	6,703,985	0
(iv)	Other Financial Liabilities ...	23	510,366	451,302
(b)	Provisions ...	24	6,311,275	4,080,683
(c)	Deferred Tax Liabilities(Net) ...	25	(920,787)	2,825,885
(d)	Other Non-Current Liabilities ...	26	0	69,242



<b>B Current Liabilities</b>				
(a) <u>Financial Liabilities</u>				
( i ) Borrowings	...	27	278,624,316	236,512,248
( ii ) <u>Trade Payables</u>	...	28		
(a) <i>total outstanding dues of micro enterprises and small enterprises</i>			14,168,098	25,458,313
(b) <i>total outstanding dues of creditors other than micro enterprises and small enterprises</i>			305,935,261	440,568,683
( iii ) Lease Liabilities	...	29	7,830,689	0
( iv ) Other Financial Liabilities	...	30	2,014,223	9,509
(b) Other Current Liabilities	...	31	31,792,837	17,945,707
(c) Provisions	...	32	4,616,557	4,432,727
(d) Current Tax Liabilities(Net)	...	33	7,251,175	9,584,212
<b>TOTAL EQUITY AND LIABILITIES</b>			1,094,429,504	1,067,241,258
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS</b>			1	

AS PER OUR REPORT OF EVEN DATE  
FOR KPB & ASSOCIATES  
CHARTERED ACCOUNTANTS  
[ICAI FRNo. 114841W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
PANACHE DIGILIFE LIMITED

CA KETAN N.GADA  
PARTNER  
(MEM NO. 106451)

MR. AMIT D. RAMBHIA  
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CS & COMPLIANCE OFFICER  
MEM. NO. A43987

PLACE: MUMBAI  
DATED: 29th July 2020  
UDIN: 20106451AAAABZ6169

PLACE: MUMBAI  
DATED: 29th July 2020

## Statement on Profit & Loss

CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2020 (All amounts in INR)				
SR. No.	PARTICULARS	NOTE NO.	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<b>A</b>	<b>CONTINUING OPERATIONS</b>			
	<b>I. REVENUE</b>			
	Revenue From Operations ...	34	712,839,610	931,385,242
	Other Income ...	35	4,959,720	8,895,188
	Other Gains / (Losses) - net ...		0	0
	<b>TOTAL INCOME</b>		717,799,330	940,280,430
	<b>II. EXPENSES</b>			
	Cost of Materials Consumed ...	36	581,125,703	730,923,926
	Changes in Inventories of Work-in-Progress, Stock-in-Trade and Finished Goods ...	37	(19,280,187)	47,215,479
	Employee Benefit Expenses ...	38	58,152,633	49,914,299
	Finance Costs ...	39	28,994,012	20,622,837
	Depreciation and Amortisation Expenses ...	40	12,271,725	1,960,098
	Impairment Expenses / Losses ...	41	817,330	0
	Other Expenses ...	42	27,702,069	34,960,660
	<b>TOTAL EXPENSES</b>		689,783,284	885,597,298
	<b>III. Profit Before Exceptional items &amp; Tax</b> ...		28,016,046	54,683,132
	Exceptional Items ...	43	0	(1,241)
	<b>IV. Profit Before Tax From Continuing Operations</b> ...		28,016,046	54,681,891
	<u>Income Tax Expense</u>	44		
	-Current Tax ...		12,133,382	17,670,947
	-Deferred Tax ...		(3,416,229)	(13,995)
	<b>A. PROFIT FROM CONTINUING OPERATIONS</b>		19,298,893	37,024,938
	Add: Share of Profit/(loss) from Joint Venture		(211,398)	130,248
	<b>TOTAL PROFIT FROM CONTINUING OPERATIONS</b>		19,087,495	37,155,186
<b>B</b>	<b>DISCONTINUING OPERATIONS</b>			
	<b>I. Profit / (loss) from Discontinuing Operations</b>	45	(48,434,685)	0
	Tax Expense of Discontinuing Operations ...		0	0
	<b>B. TOTAL PROFIT/(LOSS) FROM DISCONTINUING OPERATIONS</b>		(48,434,685)	0
	<b>TOTAL PROFIT/(LOSS) FOR THE PERIOD [(A)+(B)]</b>		(29,347,189)	37,155,186
<b>C</b>	<b>OTHER COMPREHENSIVE INCOME</b>			
	<b>I. Items that will not be reclassified to Profit or Loss A/c</b> ...	46	(792,824)	479,725
	Income Tax Relating to items that will not be reclassified to Profit or Loss A/c ...	44	332,997	(133,459)
	<b>II. Items that will be reclassified to Profit or Loss A/c</b> ...	46	2,863,527	3,281,409
	Income Tax Relating to items that will be reclassified to Profit or Loss A/c ...	44	(2,555)	(693,117)
	<b>C. OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>		2,401,146	2,934,558
	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD [(A)+(B)+(C)]</b>		(26,946,043)	40,089,744

<u>Profit for the year attributable to :</u>				
(a) Owners of the Parent Company			19,298,893	37,024,938
(b) Non-Controlling Interest			0	0
			19,298,893	37,024,938
<u>Other Comprehensive Income for the year attributable to :</u>				
(a) Owners of the Parent Company			2,401,146	2,934,558
(b) Non-Controlling Interest			0	0
			2,401,146	2,934,558
<u>Total Comprehensive Income for the year attributable to :</u>				
(a) Owners of the Parent Company			(26,946,043)	40,089,744
(b) Non-Controlling Interest			0	0
			(26,946,043)	40,089,744
<b><u>EARNINGS PER SHARE</u></b>		47		
Basic EPS	...		1.61	3.09
Diluted EPS	...		1.61	3.09

AS PER OUR REPORT OF EVEN DATE  
FOR KPB & ASSOCIATES  
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[ICAI FRNo. 114841W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
PANACHE DIGILIFE LIMITED

CA KETAN N.GADA  
PARTNER  
(MEM NO. 106451)

MR. AMIT D. RAMBHIA  
MANAGING DIRECTOR

DINO:- 00165919

MR. NIKIT D. RAMBHIA  
JOINT MANAGING DIRECTOR

DINO:- 00165678

MR.NITESH M. SAVLA  
CHIEF FINANCIAL OFFICER

PLACE: MUMBAI  
DATED: 29th July 2020

MS.JINKLE KHIMSARIA  
CS & COMPLIANCE OFFICER  
MEM. NO. A43987

PLACE: MUMBAI  
DATED: 29th July 2020  
UDIN: 20106451AAAABZ6169

# Statement of Changes in Equity

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

### a. EQUITY SHARE CAPITAL

Balance as at 01st April 2018	Changes in Equity Share Capital During FY 2018-19	Balance as at 31st March 2019
60,000,000	0	60,000,000

Balance as at 01st April 2019	Changes in Equity Share Capital During FY 2019-20	Balance as at 31st March 2020
60,000,000	60,000,000	120,000,000

### b. OTHER EQUITY

(All amounts in INR)

PARTICULARS	SHARE APPLICATION MONEY PENINDG FOR ALLOTMENT	RESERVES & SURPLUS				EQUITY INSTRUMENTS THROUGH OTHER COMPREHENSIVE INCOME	ACTUARIAL GAINS/(LOSSES) ON DEFINED BENEFIT OBLIGATIONS	TOTAL
		CAPITAL RESERVE	SECURITIES PREMIUM RESERVE	OTHER RESERVE (SPECIFY NATURE)	RETAINED EARNINGS			
Balance at the beginning of the reporting Period as at 01st April 2018	0	0	127,800,000	0	96,286,364	(379,558)	0	223,706,806
Change in accounting Policy & Prior Period errors Restated balance at the beginning of the reporting period.	0	0	0	0	0	0	0	0
Profit for the year	0	0	0	0	37,155,186	0	0	37,155,186
Comprehensive Income for the Year	0	0	0	0	0	2,588,292	346,266	2,934,558
Dividends	0	0	0	0	(900,000)	0	0	(900,000)
Dividend Distribution Tax	0	0	0	0	(185,000)	0	0	(185,000)
Transfer to Reserves	0	0	0	0	0	0	0	0
Issue of Bonus Shares	0	0	0	0	0	0	0	0
Premium on Issue of Shares	0	0	0	0	0	0	0	0
<b>Balance as at 31st March 2019</b>	0	0	127,800,000	0	132,356,550	2,208,734	346,266	262,711,549
Change in accounting Policy & Prior Period errors Restated balance at the beginning of the reporting	0	0	0	0	(2,739,695)	(194,750)	0	(2,934,445)
Profit for the year	0	0	0	0	(29,347,189)	0	0	(29,347,189)
Total Comprehensive Income for the Year	0	0	0	0	0	2,860,973	(459,827)	2,401,146
Dividends	0	0	0	0	(900,000)	0	0	(900,000)
Dividend Distribution Tax	0	0	0	0	(185,000)	0	0	(185,000)
Transfer to Reserves	0	0	0	0	0	0	0	0
Premium on Issue of Shares	0	0	0	0	0	0	0	0
Utilised	0	0	(60,000,000)	0	0	0	0	(60,000,000)
<b>Balance as at 31st March 2020</b>	0	0	67,800,000	0	99,184,666	4,874,956	(113,561)	171,746,061

AS PER OUR REPORT OF EVEN DATE  
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PLACE: MUMBAI  
DATED: 29th July 2020

# Cash Flow Statement

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020			
PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020		FOR THE YEAR ENDED 31ST MARCH 2019
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Net Profit Before Tax as per Profit & Loss A/c	(20,418,639)		54,681,891
<u>Adjustments for Non-cash Items</u>			
Depreciation on Property, Plant & Equipment,	4,343,489		1,960,098
Depreciation of Right to Use Assets	7,928,236		0
Finance Charges on Financial Instruments	169,428		(111,500)
Amortisation of Fair Value Changes	(57,393)		148,626
Provision for Gratuity	1,278,594		1,868,828
Impairment Loss recognised/(reversed) under Expected Credit Loss Model	47,556,375		653,461
Impairment of Property, Plant & Equipment	817,330		0
Adjustment of Prior Periods	(194,750)		0
Miscellaneous Expenses Written Off	1,361,259		1,245,028
	63,202,568		5,764,541
	42,783,929		60,446,431
<u>Adjustments for Non-Operating Items</u>			
Interest on Investment	(769,367)		(993,906)
Interest Paid	26,553,751		19,588,926
Rent Income from Investment Property	(3,229,200)		(3,145,750)
Finance charges on Lease Liabilities	1,766,184		0
Bank Charges on Finance	137,020		1,033,911
Processing charges	315,611		0
	24,773,999		16,483,181
Operating Profit before Working Capital Changes	67,557,928		76,929,612
<u>Adjusted for Change in Working Capital:</u>			
Inventories	(19,280,187)		47,215,479
Trade Receivable	190,794,525		(153,821,842)
Other Current Assets	(29,320,162)		5,440,255
Other Non-Current Assets	0		(26,344,820)
Other Financial Assets	(38,762)		(255,818)
Trade Payable	(145,832,003)		7,006,545
Other Financial Liabilities	527,336		91,727
Provisions (Long Term)	0		(62,596)
Provisions (Short Term)	430,466		1,386,682
Other Current financial liabilities	1,536,442		0
Other Current Liability	13,777,887	12,595,544	8,810,082
			(110,534,306)
Cash Generated from Operations	80,153,472		(33,604,693)
Taxed Paid	(14,466,418)		20,848,168
Net Cash Flow from Operations (A)	65,687,054		(54,452,861)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
<u>Cash Inflow</u>			
Redemption of Deposits with Bank	0		9,055,108
Interest on Investments	769,367		993,906
Rent Income from Investment Property	3,229,200		0
Foreign Currency Translation Reserve	2,863,527		3,281,409
Loans Repaid by Parties	0	6,862,094	830,472
			14,160,895
<u>Cash Outflow</u>			
Purchase of Fixed Assets	231,963,605		11,954,171
Investment in Associate (Joint Venture)	0		150,000
Investment in Bonds	6,517,902		0
Loans Given	1,797,074	240,278,581	252,060
			12,356,231
Net Cash Flow from Investing Activities (B)	(233,416,487)		1,804,664

Continued .....

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2020				
PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020		FOR THE YEAR ENDED 31ST MARCH 2019	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>				
Cash Inflow				
Long Term Borrowing	135,349,484		0	
Short Term Borrowing	41,549,604	176,899,088	6,024,309	6,024,309
Cash Outflow				
Long Term Borrowing Settled	0		4,439,567	
Short Term Borrowing Settled	1,758,727		0	
Repayment of Lease Liabilities	9,986,220		0	
Interest Paid	26,553,751		16,443,176	
Bank Charges	137,020		1,033,911	
Dividend Paid	900,000		900,000	
Dividend Distribution Tax Paid	185,000		185,000	
Processing charges	315,610		0	
Miscellaneous Expenses Incurred	774,875	40,611,204	0	23,001,654
Net Cash Flow from Financing Activities (C)		136,287,884		(16,977,345)
<b>CASH FLOW FROM ALL ACTIVITIES (A+B+C)</b>		(31,441,549)		(69,625,543)
Cash and Cash Equivalents at the Beginning				
Cash in Hand	1,410,368		1,532,374	
Balance in Bank	(152,717,623)	(151,307,255)	(83,214,086)	(81,681,713)
Cash and Cash Equivalents at the Beginning		(182,748,804)		(151,307,255)
Closing Balance as per accounts				
Cash in Hand		662,623		1,410,368
Balance in Bank		(183,411,426)		(152,717,623)
		(182,748,803)		(151,307,255)

**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 (Indian Accounting Standard Rules), 2015.
- Purchase of Fixed Assets represents additions to Property, Plant and Equipments, Capital Work-in-progress and Other Intangible Assets.
- Non Cash items**  
The Group has issued Bonus shares in the ratio of 1:1 to its existing shareholders in the reporting period under consideration, by utilising its reserves.
- Cash & Cash Equivalents included in the statement of Cash Flows comprises of the following.

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Cash balance Disclosed under Current Financial Assets - Note No.14	662,623	1,410,368
<b>Balances With Bank</b>		
Fixed Deposits With Bank Disclosed under Current Financial Assets - Note No.14	13,972,996	35,598,254
Current Deposits with Bank Disclosed under Current Financial Assets - Note No.14	4,345,913	11,094,067
Unclaimed Dividends Disclosed in Bank Balances Other than Cash & Cash Equivalents -	7,200	6,400
Cash Credit with Bank Disclosed under Current Financial Liabilities - Note No.27	(201,737,535)	(199,416,344)
<b>Cash &amp; Cash Equivalents as per Balance Sheet</b>	(182,748,803)	(151,307,255)

## 5 Net Debt Reconciliation

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Cash and Cash Equivalents	18,981,532	48,102,689
Borrowings (including overdraft)	(416,469,763)	(239,103,445)
Lease liabilities	(14,534,674)	0
<b>Net Debt</b>	<b>(412,022,905)</b>	<b>(191,000,756)</b>
Cash and liquid investments	18,981,532	48,102,689
Gross debts- fixed interest rates	(65,926,605)	(17,977,750)
Gross debts- variable interest rates	(365,077,832)	(221,125,695)
<b>Net Debt</b>	<b>(412,022,905)</b>	<b>(191,000,756)</b>

## 6 Changes in Liabilities Arising from Financing Activities

For the Year Ended 31st March 2019

PARTICULARS	NON CURRENT BORROWINGS	CURRENT BORROWINGS	CURRENT MATURITIES OF LONG TERM BORROWINGS	LEASE LIABILITIES
Opening Balance as on 31st March 2018	6,942,380	30,434,418	637,177	
Changes from Financing Cash Flows	(4,256,503)	4,365,155	(637,177)	
Interest Accrued	203,489	1,191,830	0	
Transfer within categories	(386,553)	0	386,553	N.A.
Effects of changes in foreign exchange rates	0	783,241	0	
Other Changes	88,384	(65,293)	0	
<b>Closing Balance as on 31st March 2019</b>	<b>2,591,197</b>	<b>36,709,351</b>	<b>386,553</b>	<b>N.A.</b>

For the Year Ended 31st March 2020

PARTICULARS	NON CURRENT BORROWINGS	CURRENT BORROWINGS	CURRENT MATURITIES OF LONG TERM BORROWINGS	LEASE LIABILITIES
Opening Balance as on 31st March 2019	2,591,197	36,709,351	386,553	N.A.
Lease Liability Recorded on Ind AS 116	0	0	0	22,754,709
Changes from Financing Cash Flows	149,996,525	17,631,508	(386,553)	(9,986,220)
Interest Accrued	6,846,476	1,077,628	0	1,766,185
Transfer within categories	(21,314,894)	0	21,314,894	0
Other Changes	(273,857)	153,400	0	0
<b>Closing Balance as on 31st March 2020</b>	<b>137,845,447</b>	<b>55,571,887</b>	<b>21,314,894</b>	<b>14,534,674</b>

Amounts reported in the statement of cash flow under financing activities

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Proceeds from Non-current Borrowings	156,664,378	(4,053,014)
(Repayment) of Non-current Borrowings	(386,553)	(637,177)
(Repayment) / Proceeds from current Borrowings	18,862,536	6,274,933
(Repayment) of Lease Liabilities	(9,986,220)	0
<b>Net Movement in Financing Activities</b>	<b>165,154,141</b>	<b>1,584,742</b>

AS PER OUR REPORT OF EVEN DATE  
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PLACE: MUMBAI  
DATED: 29th July 2020  
UDIN: 20106451AAAABZ6169

PLACE: MUMBAI  
DATED: 29th July 2020



# Notes to Financial Statement

## NOTE NO. 1

### GENERAL NOTES TO ACCOUNTS ON CONSOLIDATED FINANCIAL STATEMENTS

#### **A Significant Accounting Policies, practices annexed to & forming part of accounts for the year ending on 31st March 2020**

##### **1 Basis of Preparation**

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

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

These financial statements are approved for issue by the Board of Directors on 29th of July 2020.

##### **2 Compliance with Ind AS**

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

##### **3 System of Accounting :**

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

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, its subsidiaries, associates and joint ventures. The Parent Company together with its subsidiaries, associates and joint ventures constitute a Group.

##### **7.1 Consolidation Process for Subsidiaries**

An entity which is, directly or indirectly, controlled by the Parent Company is treated as subsidiary. Control exists when the Parent Company, 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 Company, 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 Company, directly or indirectly, gains control until the date when the Parent Company, 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.

## 7.2 Consolidation Process for Joint Ventures & Associates

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

Associates are companies over which the Parent Company exerts significant influence, generally through an ownership interest between 20% and 50%. Investments in associates are accounted for using the equity method and recognized at cost on the acquisition date. The carrying amount is subsequently increased or decreased to recognize Parent Company's share of profit or loss and other comprehensive income of the associate. Intra-group profits on transactions with associates accounted for using the equity method are eliminated against the investment to the extent of Parent Company's equity interest in the associates. Intra-group losses are eliminated in the same way as intra-group profits unless there is evidence of impairment.

## 8 Prior Period Errors

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

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

## 9 Employee Benefits

### 9.1 Short Term Employee Benefits

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

### 9.2 Post-Employment Benefits

#### a) Defined Contribution Plans

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

#### b) Defined Benefit Plans

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

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

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

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

## 10 Financial Instruments

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

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

#### 10.1 Financial Assets

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

##### a) Recognition

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

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

##### b) De-recognition

A Financial Asset is primarily De-recognized when:-

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

##### c) Impairment of Financial Assets

The Group recognises impairment loss on trade receivables using expected credit loss model, where the provisions are based on a forward-looking ECL, which includes possible default events on the trade receivables over the entire holding period of the trade receivable. These provisions represent the difference between the 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 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 payments or receipts. Such Practice is not consistent with the provisions of Ind AS 21, "The Effects of Changes in Foreign Exchange Rates". However for costing purposes, such practice is consistently followed over the years.
- c) At each Balance Sheet date, foreign currency monetary items are reported using the closing rate. Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing spot rate are recognised in profit or loss in the period in which they arise
- d) Financial statements of foreign operations whose functional currency is different than Indian Rupee are translated into Indian Rupee as follows:
  - i) Assets and liabilities for each Balance Sheet presented are translated at the closing rate at the date of that Balance Sheet;
  - ii) Income and expenses for each income statement are translated at average exchange rates; and
  - iii) All resulting exchange differences are recognised in other comprehensive income and accumulated in equity for subsequent reclassification to profit or loss on disposal of such foreign operations.

#### 12 Recoverability of Trade Receivables

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

### 13 Revenue Recognition

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

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

Interest income is recognised using the effective interest method.

### 14 Leases

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

The Group has used the "Modified Retrospective Approach" for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of Application (01st April 2019). Accordingly, Comparatives for the year ended 31st March, 2019 has not be retrospectively adjusted.

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.

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.

On transition, the adoption of the new standard resulted in recognition of 'Right to Use' asset of Rs. 2,00,15,015/- and a lease liability of Rs. 2,27,54,709/-. The cumulative effect of applying the standard, amounting to Rs. 27,39,695/- was debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. Further as per Ind AS 116, the Group has considered prepaid lease rentals as a part of Right to Use asset from 01st April 2019.

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.

Assets given on lease are classified either as operating lease or as finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Group's net investment in the lease. A lease which is not classified as a finance lease is an operating lease.

The Group recognises lease payments in case of assets given on operating leases as income on a straight-line basis. The Group presents underlying assets subject to operating lease in its balance sheet under the respective class of asset.

### 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.

#### 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.

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

SALES MADE TO MAJOR CUSTOMER	TOTAL SALES MADE DURING THE YEAR	% OF SALES MADE TO MAJOR CUSTOMERS
Rs. 376,529,567	Rs. 712,839,610	52.82%

#### 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:

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

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

Contingent liability is disclosed in case of:

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

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

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

#### 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:

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

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

#### 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 more than Rs.1,02,00,000/- for the year or more than Rs.8,50,000/- per month, if employed for part of the year.
- 2 Outstanding balances as at 31<sup>st</sup> March, 2020 of Current & Non-Current Assets and Liabilities including Trade Receivables and Trade Payables are subject to confirmation.
- 3 In the opinion of the Board of Directors, the Group is dealing in different varieties of IT Hardware & its peripherals, Alkaline Water Ionizers, GPS Tracking Units, Solar Power Supply System and Consumer Electronic Goods etc. Day to day Quantitative Stock Records have been maintained properly.
- 4 All the Directors have drawn remuneration for the Accounting Year 2019-20 aggregating to Rs.90,75,000/-

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

##### a) Issue of Ind AS 117 - Insurance Contracts

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

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

##### b) Amendments to Existing Standards

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

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

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

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

## NOTES FORMING PART OF BALANCE SHEET

### NOTES FORMING PART OF BALANCE SHEET

#### NOTE NO.2 PROPERTY, PLANT & EQUIPMENTS

##### (a) Method Of Valuation Of Property, Plant & Equipment :-

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

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

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

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

PARTICULARS	GROSS BLOCK				DEPRECIATION (S.L.M)				NET BLOCK	
	Cost as on	Additions	Deductions	Cost as on	Upto	Additions	Deductions	As at	As at	As at
	01.04.19		(sales / impairment)	31.03.20	01.04.19		(sales / impairment)	31.03.20	01.04.19	31.03.20
Furnitures & Fixtures										
Class I	2,088,703	444,180	1,129,051	1,403,832	1,122,727	217,507	799,862	540,372	965,976	863,460
Class II	3,424,868	781,008	0	4,205,876	51,256	488,476	0	539,732	3,373,612	3,666,144
Plant & Machinery :										
Air Conditioner	2,889,510	0	0	2,889,510	661,179	443,269	0	1,104,448	2,228,331	1,785,062
Plant & Machinery	3,809,134	1,397,846	642,771	4,564,209	1,221,048	309,280	236,080	1,294,248	2,588,086	3,269,961
Leasehold										
Improvements	3,093,676	0	0	3,093,676	46,299	367,374	0	413,673	3,047,377	2,680,003
Mould	157,500	150,575	0	308,075	149,627	16,068	0	165,695	7,873	142,380
Mould Factory	0	392,000	0	392,000	0	39,580	0	39,580	0	352,420
Office Equipments	471,256	65,487	0	536,743	330,560	45,096	0	375,656	140,696	161,087
Mobile Handset	430,521	0	0	430,521	258,297	78,418	0	336,715	172,224	93,806
Camera	230,337	0	0	230,337	75,902	14,819	0	90,721	154,435	139,616
Lift	168,200	0	168,200	0	75,571	11,179	86,750	0	92,629	0
Networking Devices	102,061	0	0	102,061	96,780	691	0	97,471	5,281	4,590
Motor Car	4,219,587	0	0	4,219,587	1,599,817	608,273	0	2,208,090	2,619,770	2,011,497
Computers & Laptop	1,394,669	327,048	0	1,721,717	954,068	262,266	0	1,216,334	440,601	505,383
Zebra Printer	0	356,536	0	356,536	0	45,470	0	45,470	0	311,066
Computer Server	0	58,784	0	58,784	0	12,495	0	12,495	0	46,289
	22,480,022	3,973,464	1,940,022	24,513,464	6,643,132	2,960,262	1,122,692	8,480,702	15,836,890	16,032,763

##### (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)	
	ASSETS KEPT IN OFFICE PREMISES	ASSETS KEPT IN LEASED FACTORY
Furnitures & Fixtures - Class I	10	10
Furniture & Fixtures - Class II	N.A.	8
Leasehold Improvements	N.A.	8
Air Conditioner	5	5
Plant & Machinery	15	15
Mould	8	N.A.
Office Equipments	5	5
Mobile Handset	3	N.A.
Camera	15	N.A.
Lift	15	N.A.
Networking Devices	6	N.A.
Motor Car	6	N.A.
Computers & Laptop	3	3
Computer Server	6	N.A.

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



**(d) Impairment Losses**

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

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

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

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

**NOTE NO.3**

**RIGHT TO USE ASSETS**

**(a) Method Of Valuation Of Right to Use Assets :-**

The Group recognises right-to-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-to-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-to-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability.

**Value of Right to Use Assets :-**

The value of Right to use assets in the books of Panache Digilife Limited as on 31st March 2020 is as follows :-

PARTICULARS	GROSS BLOCK				DEPRECIATION (S.L.M)				NET BLOCK	
	Cost as on 01.04.19	Additions	Deductions (Impairment)	Cost as on 31.03.20	Upto 01.04.19	Additions	Deductions (Impairment)	As at 31.03.20	As at 01.04.19	As at 31.03.20
Leasehold land in Gujarat	0	193,215,383	0	193,215,383	0	832,825	0	832,825	0	192,382,558
Finance Lease Assets	0	20,906,451	0	20,906,451	0	7,928,236	0	7,928,236	0	12,978,215
	0	214,121,834	0	214,121,834	0	8,761,061	0	8,761,061	0	205,360,773

**(c) Depreciation**

The right-to-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-to-use asset. The estimated useful lives of right-to-use assets are determined on the same basis as those of property, plant and equipment.

CLASS OF ASSET	USEFUL LIFE ADOPTED (IN YEARS)
Leasehold Land in Gujarat	60
Finance Lease Assets	5

**(d) Impairment Losses**

Right-to-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

**NOTE NO. 4**

**CAPITAL WORK-IN-PROGRESS**

**(a) Manner of Classification**

PPE not ready for intended use on the date of Balance sheet are disclosed as 'Capital work-in-progress'.

**(b) Value of Capital Work-in-progress**

The value of Capital Work-in-progress in the books of Panache Digilife Limited as at 31st March 2020 is as follows :-

PARTICULARS	GROSS BLOCK				DEPRECIATION (S.L.M)				NET BLOCK	
	Cost as on 01.04.19	Additions	Deductions (Put to Use)	Cost as on 31.03.20	Upto 01.04.19	Additions	Deductions	As at 31.03.20	As at 01.04.19	As at 31.03.20
Additional Office Premise at Raheja	0	62,981,601	0	62,981,601	0	0	0	0	0	62,981,601
Machine under Development	1,834,843	0	1,834,843	0	0	0	0	0	1,834,843	0
	1,834,843	62,981,601	1,834,843	62,981,601	0	0	0	0	1,834,843	62,981,601



**NOTE NO.5**  
**INVESTMENT PROPERTIES**

**(a) Method Of Valuation Of Investment Properties**

Properties, including those under construction, held to earn rentals and/or capital appreciation are classified as investment property and measured and reported at cost, including transaction costs.

**(b) Value of Investment Property**

The value of Investment Property in the books of Panache Digilife Limited as at 31st March 2020 is as follows :-

PARTICULARS	GROSS BLOCK				DEPRECIATION (S.L.M)				NET BLOCK	
	Cost as on	Additions	Deductions	Cost as on	Upto	Additions	Deductions	As at	As at	As at
	01.04.19		(sales / Impairment)	31.03.20	01.04.19		(sales / Impairment)	31.03.20	01.04.19	31.03.20
Land & Building										
Office Premises	27,803,000	0	0	27,803,000	2,552,461	440,065	0	2,992,526	25,250,539	24,810,474
	27,803,000	0	0	27,803,000	2,552,461	440,065	0	2,992,526	25,250,539	24,810,474

**(c) Depreciation**

Depreciation on Investment Property is recognised using straight line method so as to write off the cost of asset less the residual value over its useful life specified in Schedule- II of the Companies Act, 2013.

The Useful Life of Investment Property adopted by the management from Schedule II of Companies Act, 2013; for calculating Depreciation to be charged on such Investment property for the current year is as follows:-

CLASS OF ASSET	USEFUL LIFE ADOPTED (IN YEARS)
Office Premises	60

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 Investment Property, 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 Investment Property (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 Investment Property (or cash generating unit) is reduced to its recoverable amount.

**(e) Disclosure Pursuant to Ind AS-40 " Investment Property"**

Amount Recognised in the Statement of Profit and Loss for Investment Property

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Rental Income Derived From Investment Property	3,229,200	2,895,750
Interest on Loan	0	(25,153)
Office Maintenance Charges	(155,544)	(179,154)
Property Tax	(119,088)	(119,088)
<b>TOTAL</b>	<b>2,954,568</b>	<b>2,572,355</b>

**NOTE NO.6**  
**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 Digilife Limited as at 31st March 2020 is as follows :-

PARTICULARS	GROSS BLOCK				AMORTISATION (S.L.M)				NET BLOCK	
	Cost as on	Additions	Deductions	Cost as on	Upto	Additions	Deductions	As at	As at	As at
	01.04.19		(sales / Impairment)	31.03.20	01.04.19		(sales / Impairment)	31.03.20	01.04.19	31.03.20
Intangible Assets										
Software	464,495	0	0	464,495	259,715	110,337	0	370,052	204,780	94,443
	464,495	0	0	464,495	259,715	110,337	0	370,052	204,780	94,443

**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

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. 7**

**INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
ICT Infratech Services Private Limited	68,850	280,248
	68,850	280,248

**NOTE NO. 8**

**OTHER INVESTMENTS (NON CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Investment in Mutual Funds	6,517,902	0
	6,517,902	0

**NOTE NO. 9**

**LOANS & DEPOSITS (NON CURRENT)**

**(a) Measurement**

Financial Assets in the nature of deposits have been measured at fair value by discounting the deposits over the tenure of lease.

The Discount rates used to different deposits are as follows:-

DEPOSIT	PERIOD	SOURCE	RATE
Daman Factory Deposit	3	Government Bonds	7.75%
Mumbai Office Deposit	5	Government Bonds	7.75%
Bhiwandi office Deposit	8	Government Bonds	7.75%
Electricity Deposit	8	Government Bonds	7.75%

**(b) Value of Other Financial Assets**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Rent Deposits	2,926,398	2,671,201
Electricity Deposit	182,560	166,095
	3,108,958	2,837,296

**NOTE NO. 10**

**OTHER FINANCIAL ASSETS (NON CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Other Deposits	30,169	30,169
	30,169	30,169

**NOTE NO. 11**

**OTHER NON-CURRENT ASSETS**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Income Tax Refundable	190,768	190,768
Advance for Property	0	26,372,000
Advances Recoverable other than in Cash	59,859	757,168
Miscellaneous Expenditure	1,614,892	2,356,251
	1,865,519	29,676,187

**NOTE NO. 12**

**INVENTORIES**

**(a) Valuation Method**

Inventories comprise of IT Hardware & its peripherals, Alkaline Water Ionizers, GPS Tracking Units, Solar Power Supply System and Other Consumer Electronic Goods which have been measured at weighted average cost or Net Realisable Value whichever is lower as per Ind AS-2. Cost of Inventories consist of its purchase price, cost of conversion and other costs including any duties or taxes (to the extent not recoverable) incurred in bringing them to their present location and condition.

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Closing Stock of Inventories	274,250,580	254,970,393
	274,250,580	254,970,393

**NOTE NO. 13**

**TRADE RECEIVABLES**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Secured, Considered good	0	0
Unsecured, Considered good	378,620,674	630,872,923
Doubtful	325,264	653,461
	378,945,938	631,526,384
Less: Allowance for Bad and Doubtful Debts (Expected Credit Losses)	325,264	653,461
	378,620,674	630,872,923
Receivable from related Parties (Refer Note No.54)	21,977,149	8,076,268
	400,597,823	638,949,191

**NOTE NO. 14**  
**CASH AND CASH EQUIVALENTS**

Investments in Fixed Deposits have been considered by the management to be short term in nature, made against letter of credit facility from the Bank and hence they are valued at cost plus accrued interest on it.

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Balance with Banks	4,345,913	11,094,067
Cash on Hand	662,623	1,410,368
Fixed Deposits with Bank	13,972,996	35,598,254
	18,981,532	48,102,689

**NOTE NO. 15**  
**BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Unclaimed Dividends	7,200	6,400
	7,200	6,400

**NOTE NO. 16**  
**LOANS & DEPOSITS (CURRENT)**

**(a) Measurement**

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Short Term Loans & Advances to staff	1,224,480	65,364
Other Loans & Advances	2,309,415	2,309,415
Office Rent Deposit	10,000	0
	3,543,895	2,374,779

**NOTE NO. 17**  
**OTHER FINANCIAL ASSETS (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Interest Receivable	238,192	199,430
	238,192	199,430

**NOTE NO. 18**  
**OTHER CURRENT ASSETS**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Prepaid Expenses & Others	15,174,119	3,443,132
Advances To Creditors	22,771,180	15,803,424
Advance for Capital Assets	14,750,000	0
Tender registration Deposit	245,750	0
Input Credit of GST	21,562,480	25,177,223
Miscellaneous Expenses	1,400,003	1,245,028
Advance Recoverable Other than in Cash	11,680	235,879
MEIS Duty Scrips	19,118	782,738
TDS Receivable	4,500	0
	75,938,829	46,687,424

**NOTE NO.19**  
**EQUITY SHARE CAPITAL**

**a. Capital Structure of the Group**

PARTICULARS OF CAPITAL	AS AT 31ST MARCH 2020		AS AT 31ST MARCH 2019	
	NO.OF SHARES	TOTAL VALUE	NO.OF SHARES	TOTAL VALUE
<b><u>AUTHORISED</u></b>				
Equity Shares of Rs.10/- each	13,000,000	130,000,000	7,000,000	70,000,000
	13,000,000	130,000,000	7,000,000	70,000,000
<b><u>ISSUED, SUBSCRIBED &amp; FULLY PAID-UP :</u></b>				
Equity Shares of Rs.10/- each	12,000,000	120,000,000	6,000,000	60,000,000
	12,000,000	120,000,000	6,000,000	60,000,000
<b><u>ISSUED, SUBSCRIBED AND NOT FULLY PAID-UP :</u></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 31.03.20	PERCENTAGE HOLDING	NO.OF SHARES AS ON 31.03.19	PERCENTAGE HOLDING
A.	<b><u>EQUITY SHARES</u></b>				
✓ 1.	Amit Devchand Rambhia ... ..	2,800,000	23.33%	1,400,000	23.33%
✓ 2.	Nikit Devchand Rambhia ... ..	2,800,000	23.33%	1,400,000	23.33%
3.	Devchand Rambhia ... ..	2,258,360	18.82%	1,399,580	23.33%

**c. Reconciliation of the number of Equity Shares outstanding**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Number of Shares at the beginning of the year :	6,000,000	6,000,000
( + ) Bonus shares issued ... ..	6,000,000	0
( + ) Fresh issue made ... ..	0	0
( - ) Shares forfeited ... ..	0	0
Number of Shares at the end of the year	12,000,000	6,000,000

**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 2020	AS AT 31ST MARCH 2019
Gross Debt	416,469,763	239,103,445
<u>Less: Liquid Assets</u>	18,981,532	48,102,689
Net Debt	397,488,231	191,000,756
Total Equity (As Per Balance Sheet)	291,746,061	322,711,549
Net Gearing Ratio	<b>1.36</b>	<b>0.59</b>

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

(v) Dividends

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
i) <u>On Ordinary Shares</u> Final Dividend for the year ended 31st March 2019 of Rs 0.50 per fully paid share net of waivers of dividend Dividend distribution tax on dividend declared for the year ended 31st March 2019	900,000 185,000	900,000 185,000
<b>Total Dividend Paid</b>	<b>1,085,000</b>	<b>1,085,000</b>
ii) <u>Dividends not recognised at the end of the reporting Period</u> In addition to the above dividend, for the year ended 31st march 2020 the directors of the Parent Company have recommended the payment of a final dividend of 0.25 rupees per fully paid ordinary share (31st march 2019: 0.50 rupees). The aggregate amount of the proposed dividend along with dividend distribution tax net of waivers is expected to be paid by october 2020 out of retained earnings at 31st march 2020, but not recognised as a liability at year end, is	1,035,200	900,000

**NOTE NO. 20  
OTHER EQUITY**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<u>Securities Premium</u> Opening Balance Add: Premium Collected on Issue of Shares Less: Utilised  <b>Closing Balance</b>	 127,800,000 0 (60,000,000)  67,800,000	 127,800,000 0 0  127,800,000
<u>Retained Earnings</u> Opening Balance Add/(Less): Opening Ind AS Adjustments Add: Surplus As per Profit & Loss Account  Less: Appropriations Dividends Paid Dividend Distribution Tax Paid Bonus Issue  <b>Closing Balance</b>	 132,356,551 (2,739,695) (29,347,189)  900,000 185,000 0  99,184,667	 96,286,364   37,155,186  900,000 185,000 0  132,356,551
<u>Foreign Currency Translation Reserve</u> Opening Balance Add/(Less): Adjustments for errors in prior periods Add/(Less): Changes for the Year  <b>Closing Balance</b>	 2,013,983 0 2,860,973  4,874,956	 (379,558) (194,750) 2,588,292  2,013,984
<u>Other Comprehensive Income</u>  a) <u>Actuarial Gains or Losses on Defined Benefit Plans</u> Opening Balance Add/(Less): Changes for the Year  <b>Closing Balance</b>	  346,266 (459,827)  (113,561)	  0 346,266  346,266
	171,746,061	262,516,800

**NOTE NO. 21**  
**BORROWINGS (NON CURRENT)**

**(a) Measurement Basis**

Security deposits taken have been measured at fair value by discounting the deposits over the tenure of lease. Deposit against rental systems taken from parties for a short period, have been measured at actual amounts taken/received, as the management considers that the Fair Value of such deposits does not materially defer from the actual amounts taken/received.

The Discount Rate used for discounting security Deposits taken is 7.75%, taken after considering the yield on government bonds over the period equivalent to the tenure of lease.

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Secured Borrowings	136,521,392	997,876
<u>Unsecured Borrowings</u>		
Other Unsecured Borrowings	0	364,500
Office Rent Deposit	1,324,055	1,228,821
	137,845,447	2,591,197

**Terms of Repayment of Secured Borrowings**

Car Loan of Rs. 10,00,000 (Sanction Amount) is secured by way of exclusive first charge created by hypothecation of concerned Car. The Balance loan as on March 31, 2020 is repayable in 35 monthly instalments of Rs.20,517 each. Interest to be serviced as and when debited. Interest @ 8.50% is applicable on the said loan.

Car Loan of Rs. 9,99,000 (Sanction Amount) is secured by way of exclusive first charge created by hypothecation of concerned Car. The Balance loan as on March 31, 2020 is repayable in 19 monthly instalments of Rs.20,730 each. Interest to be serviced as and when debited. Interest @ 9.66% is applicable on the said loan.

Property Loan of Rs.4,00,00,000 (Sanction Amount) is secured by way of exclusive first charge created on the concerned Property. The Balance loan as on March 31, 2020 is repayable in 53 monthly Repayment of Rs.7.41 Lakhs. Interest to be serviced as and when debited. Interest as per Marginal Cost of funds based Lending Rate (MCLR) is applicable on the said loan.

Property Loan of Rs.12,00,00,000 (Sanction Amount) is secured by way of exclusive first charge created on the concerned Property. The Balance loan as on March 31, 2020 is repayable in 81 monthly installments of Rs.21,18,328 each. Interest to be serviced as and when debited. Interest as per Long Term Reference Rate (LTRR) of the Concerned Financial institution, is applicable on the said loan.

Corporate Guarantee for performance has been given by Panache Digilife Limited on behalf of Technofy Digital Private Limited to the concerned Financial institution

**NOTE NO. 22**  
**LEASE LIABILITIES (NON CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Lease Liabilities	6,703,985	0
	6,703,985	0

**NOTE NO. 23**  
**OTHER FINANCIAL LIABILITIES (NON CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Deposit against Goods on Rent	510,366	451,302
	510,366	451,302

**NOTE NO. 24**  
**PROVISIONS (NON CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Provision for Gratuity	6,311,275	4,080,683
	6,311,275	4,080,683

**Disclosure**

Provision for Gratuity has been made based on present value of obligation under defined benefit plan determined through actuarial valuation carried out by an Actuary using Projected Unit Credit Method. The Details of the same have been elaborated in Note No.53

**NOTE NO. 25**  
**DEFERRED TAX LIABILITIES(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 01.04.2018</b>		1,988,283	25,021	2,013,304
<b><u>For the Year 2018-19</u></b>				
Carrying Value of Property Plant & Equipment	9,618,938	2,675,989	0	
Provision for Gratuity	(1,868,828)	(519,908)	0	
Actuarial Gains on Employee Benefit Expenses	479,725	0	133,459	
Expected Credit Losses	(653,461)	(181,793)	0	
Gains/(losses) from Translating Financial Statements of Foreign Operations.	3,281,409	0	718,138	
<b>(DTA)/DTL as on 31.03.2019</b>		1,974,288	851,597	2,825,885
<b><u>For the Year 2019-20</u></b>				
Carrying Value of Property Plant & Equipment	6,449,696	1,623,259	0	
Provision for Gratuity	(1,278,594)	(321,797)	0	
Actuarial Gains on Employee Benefit Expenses	(792,824)	0	(199,538)	
Expected Credit Losses	(783,368)	(197,158)	0	
Impairment of Assets	(4,087,993)	(1,028,866)	0	
Deferred tax on Carry forward business Losses	(5,836,078)	(1,517,380)	0	
Gains/(losses) from Translating Financial Statements of Foreign Operations.	2,863,527	0	720,693	
				0
<b>(DTA)/DTL as on 31.03.2020</b>		(1,441,942)	521,155	(920,787)

**NOTE NO. 26**  
**OTHER NON-CURRENT LIABILITIES**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Advances Payable other than in Cash	0	69,242
	0	69,242

**NOTE NO. 27**  
**BORROWINGS (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<b><u>Secured Borrowings</u></b>		
Cash Credit	201,737,535	199,416,344
Current Maturities of Long Term Borrowings	21,314,894	386,553
Other borrowings	6,501,887	21,709,351
<b><u>Unsecured Borrowings</u></b>		
Short Term loans & advances from Related Parties	34,070,000	0
Short Term loans & advances from Others	15,000,000	15,000,000
	278,624,316	236,512,248



**NOTE NO. 28**  
**TRADE PAYABLES (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<u>Trade payables to Other than Related Parties</u>		
Due to Micro, and Small Enterprises (On the basis of Information available with management)	13,956,334	25,458,313
Other Trade Payables ....	305,646,596	439,728,533
<u>Trade Payables to Related Parties (Refer Note No 54)</u>		
Due to Micro, and Small Enterprises (On the basis of Information available with management)	211,764	0
Other Trade Payables ....	288,665	840,150
	320,103,359	466,026,996

Out of the total payables to Micro and Small enterprises, disclosed in the table above, Rs.50,06,054/- stand overdue as on 31st March 2020. However, no interest is due or payable on such balance, pursuant to mutual agreement between the parties.

**NOTE NO. 29**  
**LEASE LIABILITIES (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Payables towards Lease Liability ....	7,830,689	0
	7,830,689	0

**NOTE NO. 30**  
**OTHER FINANCIAL LIABILITIES (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Office Rent Payable ....	22,000	0
Deposit Payable ....	10,000	0
Interest Payable ....	1,982,223	9,509
	2,014,223	9,509

**NOTE NO. 31**  
**OTHER CURRENT LIABILITIES**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Statutory Liabilities ....	9,680,876	15,660,782
Advances From Debtors ....	20,254,778	1,762,026
Advance for Property ....	1,300,000	0
Advance Payable other than in Cash ....	69,243	0
Others ....	487,940	522,899
	31,792,837	17,945,707

**NOTE NO. 32**  
**PROVISIONS (CURRENT)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Audit Fees Payable	142,500	0
Professional Fees Payable	380,000	0
Electricity Charges Payable	85,921	60,160
Clearing Charges Payable	0	132,397
Freight Charges Payable	57,671	18,103
Salary Payable	3,472,612	3,464,219
Credit Card Expenses Payable	0	43,159
Dividend Payable	7,200	6,400
Security Charges Payable	9,000	0
Advance Payable other than in Cash	0	87,465
Provision for Gratuity	461,653	620,824
	4,616,557	4,432,727

**NOTE NO. 33**  
**CURRENT TAX LIABILITIES(NET)**

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Direct Taxes	7,251,175	9,584,212
	7,251,175	9,584,212

## NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

### NOTES FORMING PART OF PROFIT & LOSS ACCOUNT

#### NOTE NO. 34 REVENUE FROM OPERATIONS

##### (a) Recognition of Revenue

The Group derives revenue primarily from sale of IT Hardware & its peripherals, Alkaline Water Ionizers, Solar Power Supply System and other Consumer Electronic Goods. It also derives revenue from sale or renting of GPS Tracking units.

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.

Revenue from fixed-price, fixed-time frame contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage of completion method. When there is uncertainty as to the measurement of ultimate collectability, revenue recognition is postponed until such uncertainty is resolved. Maintenance revenue is recognized over the term of underlying maintenance agreement.

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Net Sales (Domestic) ....	690,367,841	923,054,056
Service Charges (Domestic) ....	19,060,376	4,088,249
Rental Charges ....	2,406,404	4,054,783
Transportation Charges recovered ....	1,004,989	188,154
	<b>712,839,610</b>	<b>931,385,242</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 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<b><u>Contract Liability</u></b>		
Opening Balance	1,762,026	6,491,476
<u>Less:</u> Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period.	(1,762,026)	(6,491,476)
<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.	20,254,778	1,762,026
<b>Closing Balance</b>	<b>20,254,778</b>	<b>1,762,026</b>
<b><u>Contract Assets</u></b>		
Opening Balance	16,702,158	16,020,059
<u>Less:</u> Expense recognised in the reporting period that was included in the contract asset balance at the beginning of the period.	(6,427,624)	(4,088,259)
<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.	16,856,066	4,770,358
<b>Closing Balance</b>	<b>27,130,600</b>	<b>16,702,158</b>

**NOTE NO. 35  
OTHER INCOME**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Incentives Received	0	40,616
Additional CST Collected from Custon	72,565	439,752
Rent on Investment Property	3,229,200	2,895,750
Reimbursement of Lease Rent Paid	337,500	250,000
Support Service Charges	0	4,163,664
Notional gain on Fair Valuation of Investments	162,902	0
Finance Charges	169,428	111,500
Interest Income	769,367	993,906
Interest on Late Payment	218,758	0
	4,959,720	8,895,188

**Measurement of Other Incomes**

- (i) Interest Income is accrued on a time basis by reference to the principal amount outstanding and the effective interest rate.
- (ii) Rent income is recognized on a periodic basis as and when the Group becomes entitled to receive the amount as per the agreement between the contracting parties.

**NOTE NO. 36  
COST OF MATERIALS CONSUMED**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Net Purchase	575,866,436	731,966,442
Service Charges	5,036,695	321,747
Consumables & Others	222,572	397,856
	581,125,703	732,686,045
Less: Transitional CGST credit	0	(1,762,119)
	581,125,703	730,923,926

**NOTE NO. 37  
CHANGES IN INVENTORIES OF WORK-IN-PROGRESS, STOCK-IN-TRADE AND FINISHED GOODS**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Opening Stock / Inventories	254,970,393	302,185,872
<u>Less:</u> Closing Stock / Inventories	(274,250,581)	(254,970,393)
	(19,280,187)	47,215,479

**NOTE NO. 38  
EMPLOYEE BENEFIT EXPENSES**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Director's Remuneration	9,075,000	9,900,000
Salary & Bonus to Employees	45,720,937	37,585,912
Employers Contribution to Provident Fund & ESIC	1,459,326	249,054
Staff Welfare Expenses	473,453	310,505
Contribution to and Provision for Gratuity	1,423,917	1,868,828
	58,152,633	49,914,299

**NOTE NO. 39**  
**FINANCE COSTS**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Bank Charges on Finance	137,020	1,033,911
Interest Expenses	26,553,751	19,588,926
Finance Charges on lease Liabilities	1,766,184	0
Processing Charges	537,057	0
	28,994,012	20,622,837

**NOTE NO. 40**  
**DEPRECIATION AND AMORTISATION EXPENSES**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Depreciation on Property, Plant & Equipment	2,960,262	1,396,827
Depreciation on Right to Use Assets	8,761,061	0
Depreciation on Investment Property	440,065	440,065
Amortisation of Intangible Assets	110,337	123,206
	12,271,725	1,960,098

**NOTE NO. 41**  
**IMPAIRMENT EXPENSES / LOSSES**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Impairment of Property, Plant and Equipment	817,330	0
	817,330	0

Background

The Parent Company has not renewed its lease agreement on expiry of the lease tenure for its factory premises. Pursuant to such decision, the additions made to such leasehold property were subjected to Impairment testing. On assessment of impairment, the Parent Company has determined that the following Property, plant and equipments have neither any recoverable value, nor any value in use for the business of the company. Accordingly the following assets have been impaired and written down to Nil value .

NAME OF THE ASSET	CLASSIFICATION UNDER PPE	HISTORICAL COST	PROVISION FOR DEPRECIATION	WDV IMPAIRED
Electrical Fittings	Furniture & Fixtures	47,392	35,542	11,850
Furnitures	Furniture & Fixtures	1,081,659	764,320	317,339
Lift	Lift	168,200	86,750	81,450
Machineries	Plant & Machineries	642,771	236,080	406,691
<b>TOTAL</b>		<b>1,940,022</b>	<b>1,122,692</b>	<b>817,330</b>

**NOTE NO. 42**  
**OTHER EXPENSES**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Accounts & Administrative Expenses	657,280	1,865,027
Bank Charges	500,384	208,847
Certification Charges	1,211,397	210,620
Central Sales Tax Paid	28,466	20,746
Clearing Charges	187,537	70,551
Cloud Services	330,598	118,299
Commission Expenses	382,494	536,131
Conveyance	596,334	861,567
Discount Given	474,045	(183,745)

Daman Guest House Expenses	....	....	0	43,083
Electricity Charges	....	....	1,402,262	951,046
Insurance Charges	....	....	680,136	684,942
Interest on Late Payment of TDS	....	....	23,008	73,353
Interest on Late Payment of GST	....	....	40,080	16,364
Late Fees Paid	....	....	20,880	0
Labour Charges	....	....	97,900	79,360
Land Maintenance Charges	....	....	180,583	0
(Profit) / Loss Due To Foreign Exchange Fluctuation	....	....	855,097	(201,164)
Loading & Unloading Expenses	....	....	126,555	117,080
Manpower Services	....	....	55,000	266,182
Manufacturing Expenses	....	....	275,957	405,182
Preliminary Expenditure W/off	....	....	1,361,259	1,245,028
Office & Factory Maintenance Charge	....	....	147,134	161,553
Office Maintenance Charges on Investment Property	....	....	589,569	179,154
Property Tax on Investment Property	....	....	119,088	119,088
Payment to Auditor's	....	....	350,000	454,215
Printing & Stationery	....	....	280,885	375,847
Professional Fees	....	....	4,620,446	3,086,067
Profession Tax	....	....	2,500	0
Provision for Expected Credit Losses	....	....	1,550,000	653,461
Amortisation of Fair Value Changes	....	....	(57,393)	148,626
R & D Expenses	....	....	9,000	86,141
Rent, Rates & taxes	....	....	1,782,000	8,854,963
Rates, Taxes and others	....	....	213,096	13,650
Repairs & Maintenance	....	....	635,121	210,883
Royalty Paid	....	....	771,000	933,500
Sales Promotion & Advt Expenses	....	....	515,530	184,859
Service Expenses	....	....	268,000	421,600
Service Tax Paid	....	....	0	25,217
Software Expenses	....	....	28,100	149,150
Stamp duty and Registration Charges	....	....	144,091	608,500
Sundry Expenses	....	....	514,778	1,223,413

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	Standalone PDL
Telephone & Mobile Charges	153,169	83,541
Tender Registration Fees	1,000	12,071
Testing Charges	234,300	2,000
Trainee Expenses	0	95,995
Transportation Charges	1,301,027	5,040,158
Travelling Expenses	3,606,235	3,401,505
VTS Expenses	431,327	1,011,649
Value Added Tax Paid	0	33,871
Website Development Charges	4,812	1,484
	27,702,069	34,960,660

**NOTE NO. 42.1**

**DETAILS OF PAYMENTS TO AUDITORS**

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<u>Payment to Auditors</u>		
Statutory Audit	155,000	259,215
Tax Audit	75,000	75,000
Internal Audit	120,000	120,000
<b>Total Payments to Auditors</b>	<b>350,000</b>	<b>454,215</b>

**NOTE NO. 43**

**EXCEPTIONAL ITEMS**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Assessment tax dues	0	(1,241)
	0	(1,241)

**NOTE NO. 44**  
**INCOME TAX EXPENSE**

**A. Disclosure Pursuant to Ind AS 12**

**(a) Major Components of Income Tax**

Sr. No.	PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
(a)	<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	9,287,113	16,396,970
	Adjustments in respect of income tax of previous years.	2,846,269	1,273,978
	(ii) <u>Deferred Tax</u>		
	Tax Expense on Origination & Reversal of Temporary Difference	(3,416,229)	(13,995)
	<b>Tax Expense Reported in statement of Profit or Loss [(i) +(ii)]</b>	<b>8,717,153</b>	<b>17,656,952</b>
(b)	<b><u>Tax on Items Routed Through Other Comprehensive Income</u></b>		
	(i) Income Tax	0	0
	(ii) Deferred Tax	(332,997)	826,576
	<b>Tax Expense Reported in Other Comprehensive Income [(i) +(ii)]</b>	<b>(332,997)</b>	<b>826,576</b>

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Profit Before Tax	28,016,046	54,681,891
Corporate Tax Rate as per Income Tax Act, 1961	24.96%	27.82%
<b>Tax on Accounting Profit (A)</b>	<b>6,992,525</b>	<b>15,212,502</b>
<u>Adjustments as per Income Tax</u>		
Add: Depreciation as per Companies Act	12,271,725	1,960,098
Add: Disallowances U/s 37	4,314,901	876,681
Add: Loss of Foreign Subsidiary not deductible under Indian Income Tax	0	4,103,912
Add: Notional Guarantee Premium Expense	533,340	0
Add: Disallowance of Gratuity Premium	1,278,597	1,868,268
Add: Disallowance of Contribution to statutory Funds	604,875	14,089
Less: Depreciation as per Income Tax	(2,881,529)	(3,558,342)
Less: Other Additions / (Deductions)	(13,073,552)	(1,007,095)
Corporate Tax Rate as per Income Tax Act, 1961	25.17%	27.82%
Tax on Gross Adjustments as per Income Tax	767,210	1,184,468
<b>Tax after adjustments as per Income Tax Act, 1961 [(A)+(B)]</b>	<b>7,769,733</b>	<b>16,396,970</b>
Less: Transferred to Deferred Taxes	1,517,380	0
<b>Net Income Tax Payable by the Group</b>	<b>9,287,113</b>	<b>16,396,970</b>
Incremental Deferred Tax Liability/(Asset) on account of PPE and Intangible Assets, Employee Benefits, Expected Credit Losses & Carried forward Losses	(3,416,229)	(13,995)
Incremental Deferred Tax Liability/(Asset) due Defined Benefit Obligations	(332,997)	133,459
Incremental Deferred Tax Liability/(Asset) due Translation of Foreign operations	(2,555)	693,117
<b>Net Deferred Tax Expense/(Benefit) (D)</b>	<b>(3,751,781)</b>	<b>812,582</b>
<b>Total Tax Expense Recognised for the Year (E) = [(C)+(D)]</b>	<b>5,535,332</b>	<b>17,209,551</b>
<b>Effective Tax Rate [(E)/(A)*100]</b>	<b>19.76</b>	<b>31.47</b>

**C. Calculation of Corporate Tax Rate**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Basic Tax Rate Applicable to the Group as per Income Tax Act	22%	25%
Surcharge Applicable	10%	7%
Education Cess	4%	4%
<b>Corporate Tax Rate as per Income Tax Act, 1961</b>	<b>25.17%</b>	<b>27.82%</b>

**NOTE NO. 45  
DISCONTINUING OPERATIONS**

**a) Description**

The parent company has decided to discontinue the operations of foreign subsidiary viz. Wemart Global FZE by passing a board resolution on 5th of July 2019. 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 2020
Revenue	0
Other Income	0
Expenses	48,434,685
<b>Profit Before Tax</b>	<b>(48,434,685)</b>
Income Tax Expense	0
<b>Total Profit from Discontinued Operations</b>	<b>(48,434,685)</b>
Other Comprehensive Income From discontinued Operations	0
<b>Total Comprehensive Income from Discontinued Operations</b>	<b>(48,434,685)</b>

The Cash inflows incurred by Wemart Global FZE

CASH FLOWS	FOR THE YEAR ENDED 31ST MARCH 2020
Net Cash Flow from Operating Activities	(3,347,770)
Net Cash inflow / (outflows) from investment Activities	2,863,527
Net Cash flow from Financing Activities	0
	<b>(484,243)</b>

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

PARTICULARS	AS AT 31ST MARCH 2020
<u>Assets classified as held for sale</u>	
Property, Plant & Equipment	0
Trade Receivables	7,624,882
Other Current Assets	5,660
<b>Total Assets of Disposal Group held for Sale</b>	<b>7,630,542</b>
<u>Liabilities associated with assets classified as held for sale</u>	
Trade Payables	0
<b>Total Liabilities of Disposal Group held for Sale</b>	<b>0</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 2020
<u>Other Comprehensive Income</u>	
Foreign Currency Translation Gain / (Loss)	2,863,527
<u>Less:</u> Tax effect on Foreign Currency Translation Gain / (Loss)	(2,555)
Net Foreign Currency Translation Gain / (Loss) recognised in Other Comprehensive Income	2,860,973

**NOTE NO. 46  
OTHER COMPREHENSIVE INCOME**

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<u>Items That will not be reclassified to Profit/Loss Account</u>		
Actuarial Gains/Losses on Employee Benefit Expenses	(792,824)	479,725
<u>Items That will be reclassified to profit/Loss Account</u>		
Gains/(Losses) arising from translating financial statements of foreign Operations	2,863,527	3,281,409
	2,070,703	3,761,134

**NOTE NO. 47  
EARNINGS PER SHARE**

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<b><u>Calculation of Basic EPS</u></b>		
A. Profit From Continuing Operations (Numerator)	19,298,893	37,024,938
B. <u>Equity Shares Outstanding as on Balance sheet Date</u>		
a. Weighted Average Number of Equity Shares	12,000,000	12,000,000
Total Equity Shares for Calculation of Basic EPS (Denominator)	12,000,000	12,000,000
<b>Basic Earnings Per Share(EPS) [(A)/(B)]</b>	<b>1.61</b>	<b>3.09</b>
<b><u>Calculation of Diluted EPS</u></b>		
A. Profit From Continuing Operations (Numerator)	19,298,893	37,024,938
B. <u>Equity Shares Outstanding as on Balance sheet Date</u>		
a. Weighted Average Number of Equity Shares	12,000,000	12,000,000
b. Potential Equity shares	0	0
Total Equity Shares for Calculation of Diluted EPS (Denominator)	12,000,000	12,000,000
<b>Diluted Earnings Per Share(EPS) [(A)/(B)]</b>	<b>1.61</b>	<b>3.09</b>

\* Basic & Diluted earning per share is calculated by dividing profit available to equity share holders of the Parent Company by the weighted average number of shares during the period. The Parent company has issued bonus shares during the period. Accordingly, the group has adjusted its basic and diluted earning per share retrospectively previous year presented in this report, to be in line with Ind AS 33 'Earnings Per Share'.

**NOTE NO. 48**  
**DISCLOSURE OF CURRENT ASSETS & LIABILITIES**

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

The Group classifies an asset as current asset when :-

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

**All other assets have been classified as Non-Current**

Recovery Period for Current Assets

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

PARTICULARS	AS AT 31ST MARCH 2020			AS AT 31ST MARCH 2019		
	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL
Loans & Deposits	3,543,895	0	3,543,895	2,374,779	0	2,374,779
Inventories	274,250,580	0	274,250,580	254,970,393	0	254,970,393
Trade Receivables	400,597,823	0	400,597,823	638,949,191	0	638,949,191
Other Financial Assets	238,192	0	238,192	199,430	0	199,430
Other Current Assets	75,938,829	0	75,938,829	46,687,424	0	46,687,424

**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 2020			AS AT 31ST MARCH 2019		
	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL	WITHIN TWELVE MONTHS	AFTER TWELVE MONTHS	TOTAL
Borrowings (Current)	76,886,781	0	76,886,781	37,095,904	0	37,095,904
Trade Payables	320,103,359	0	320,103,359	466,026,996	0	466,026,996
Lease Liabilities	7,830,689	0	7,830,689	0	0	0
Other Financial Liabilities	2,014,223	0	2,014,223	9,509	0	9,509
Other Current Liabilities	31,792,837	0	31,792,837	17,945,707	0	17,945,707
Provisions	4,616,557	0	4,616,557	4,432,727	0	4,432,727
Current Tax Liabilities	7,251,175	0	7,251,175	9,584,212	0	9,584,212

**NOTE NO.49**  
**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	COUNTRY	AS AT 31ST MARCH 2020		AS AT 31ST MARCH 2019	
			PROPORTION OF EFFECTIVE OWNERSHIP (%)	PROPORTION OF VOTING POWER HELD (%)	PROPORTION OF EFFECTIVE OWNERSHIP (%)	PROPORTION OF EFFECTIVE OWNERSHIP (%)
Wemart Global FZE	Subsidiary	U.A.E.	100%	100%	100%	100%
Technofy Digital Pvt Ltd	Subsidiary	India	100%	100%	100%	100%
ICT Infratech Services Private Limited	Joint Venture	India	50%	50%	50%	50%

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

NAME OF THE ENTITY	NET ASSETS = TOTAL ASSETS MINUS TOTAL LIABILITIES		SHARE IN PROFIT OR LOSS		SHARE IN OTHER COMPREHENSIVE INCOME		SHARE IN TOTAL COMPREHENSIVE INCOME	
	% OF GROUP'S NET ASSETS	AMOUNT	% OF GROUP'S PROFIT OR LOSS	AMOUNT	% OF GROUP'S OTHER COMPR- EHENSIVE INCOME	AMOUNT	% OF GROUP'S TOTAL COMPREH- ENSIVE INCOME	AMOUNT
<b>Parent Group</b>								
Panache Digilife Limited	99.30%	289,691,643	-69.64%	20,436,982	-19.15%	(459,827)	-74.14%	19,977,156
<b>Subsidiaries</b>								
Wemart Global FZE	2.44%	7,115,010	165.04%	(48,434,685)	97.19%	2,333,761	171.09%	(46,100,924)
Technofy Digital Pvt Ltd	0.57%	1,659,238	18.81%	(5,520,317)	0.00%	0	20.49%	(5,520,317)
<b>Joint Venture</b>								
ICT Infratech Services Pvt Ltd	0.02%	68,850	0.72%	(211,398)	0.00%	0	0.78%	(211,398)
CFS Adjustments	102.33%	298,534,742	114.93%	(33,729,417)	78.04%	1,873,934	118.22%	(31,855,483)
	-2.33%	(6,788,681)	-14.93%	4,382,228	21.96%	527,212	-18.22%	4,909,440
<b>Total</b>	<b>100.00%</b>	<b>291,746,061</b>	<b>100%</b>	<b>-29,347,189</b>	<b>100.00%</b>	<b>2,401,146</b>	<b>100.00%</b>	<b>-26,946,043</b>

C. Disclosure of Interest in other entities - Joint Ventures and Associates.

a) Summarised Balance Sheet of material joint ventures

PARTICULARS	ICT INFRA TECH SERVICES PRIVATE LIMITED		ICT INFRA TECH SERVICES PRIVATE LIMITED	
	AS AT 31ST MARCH 2020		AS AT 31ST MARCH 2019	
Total Non - Current Assets		408,925		507,914
<b>Current Assets</b>				
Cash & Cash Equivalents	191,008		59,833	
Other Assets	5,191,932	5,382,940	16,623,153	16,682,986
<b>Total Assets</b>		5,791,865		17,190,900
<b>Non - Current Liabilities</b>				
Financial Liabilities (excluding trade Payables)	0		2,500,000	
Other Liabilities (including Trade Payables)	0	0	14,954	2,514,954
<b>Current Liabilities</b>				
Financial Liabilities (excluding trade Payables)	172,356		0	
Other Liabilities (including Trade Payables)	6,383,616	6,555,972	15,017,258	15,017,258
<b>Total Liabilities</b>		6,555,972		17,532,211
<b>NET ASSETS</b>		(764,107)		(341,311)

b) Summarised Statement of Profit and Loss of material joint ventures

PARTICULARS	ICT INFRA TECH SERVICES PRIVATE LIMITED		ICT INFRA TECH SERVICES PRIVATE LIMITED	
	FOR THE YEAR ENDED 31ST MARCH 2020		FOR THE YEAR ENDED 31ST MARCH 2019	
Revenue		1,072,250		780,425
<b>Other Income</b>				
Interest income on loan	0		0	
Others	13,717	13,717	4,519	4,519
<b>Total Income</b>		1,085,967		784,944
<b>Expenses</b>				
Depreciation & Amortisation Expenses	43,573		10,517	
Finance Costs	191,507		68,219	
Income Tax Expense	168,527	403,607	56,472	135,208
Total Other Expenses		1,105,156		389,240
<b>Total Expenses</b>		1,508,763		524,448
Profit/(loss) for the Year		(422,796)		260,496
Other Comprehensive Income		0		0
<b>TOTAL COMPREHENSIVE INCOME</b>		(422,796)		260,496

c) Reconciliation of carrying amounts of material joint ventures

PARTICULARS	ICT INFRA TECH SERVICES PRIVATE LIMITED		ICT INFRA TECH SERVICES PRIVATE LIMITED	
	FOR THE YEAR ENDED 31ST MARCH 2020		FOR THE YEAR ENDED 31ST MARCH 2019	
Opening Net Assets		(341,311)		(601,807)
Adjustments for the year				
Profit/(loss) for the year	(422,796)		260,496	
Other Comprehensive Income for the Year	0	(422,796)	0	260,496
<b>Closing Net Assets</b>		<b>(764,107)</b>		<b>(341,311)</b>
% Share of the Group		50%		50%
Group's Share		(382,054)		(170,656)
Goodwill		450,903		450,903
Adjustments for the year		0		0
<b>CARRYING AMOUNT</b>		<b>68,850</b>		<b>280,248</b>

**NOTE NO. 50**

**RISK MANAGEMENT**

The respective Board of Directors of the companies included in the Group has 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 of the companies included in the Group 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

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 US Dollars.

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

PARTICULARS	AS AT 31ST MARCH 2020			
	USD	EQUIVALENT IN INR	OTHER CURRENCIES	EQUIVALENT IN INR
Dollars in Hand	3,633.00	273,877	0.00	0
EEFC Account	270.46	20,389	0.00	0
Trade Payables	464,598.47	35,024,174	0.00	0

PARTICULARS	AS AT 31ST MARCH 2019			
	USD	EQUIVALENT IN INR	GBP	EQUIVALENT IN INR
Dollars in Hand	3,923.00	271,359	0	0
Trade Receivables	12,188.00	853,600	6,675.00	0
Trade Payables	2,279,317.67	157,663,366	0.00	0

**Sensitivity Analysis**

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

SENSITIVITY TO MOVEMENT IN FOREIGN CURRENCY	% MOVEMENT IN RUPEE (ASSUMED)	PROFIT OR (LOSS) AFTER TAX	
		STRENGTHENING OF RUPEE	WEAKENING OF RUPEE
<b>As at 31st March 2020</b>			
US DOLLAR	1%	259,891	(259,891)
<b>As at 31st March 2019</b>			
US DOLLAR	1%	1,129,970	(1,129,970)
Great Britain Pound	1%	(4,367)	4,367

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 Overdraft CC Account, Term loans from bank and financial institutions and other Working capital loans. 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 Marginal Cost of funds based Lending Rate (MCLR) and other domestic interest rate benchmarks issued by Financial institutions like Long Term Reference Rate (LTRR) of the Financial Institution.

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Cash Credit	201,737,535	199,416,344
Term Loans	156,838,410	0
Other Working Capital Loans	6,501,887	21,709,351
	365,077,832	221,125,695

**Sensitivity Analysis**

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

SENSITIVITY TO MOVEMENT IN INTEREST RATES	FOR THE YEAR ENDED 31ST MARCH 2020		
	ASSUMED INTEREST RATE MOVEMENT IN BPS	IMPACT ON PROFIT OR LOSS AFTER TAX	
		INCREASE	DECREASE
<b>Change in Interest Cost</b>			
Cash Credit *	10 bps	(201,738)	201,738
Term Loans *	10 bps	(156,838)	156,838
Other Working Capital Loans *	10 bps	(6,502)	6,502
		(365,078)	365,078
<b>Less: Tax Effect on Interest Cost</b>		91,883	(91,883)
<b>Net Effect on Profit &amp; Loss Account</b>		(273,195)	273,195

\* Holding all other variables constant

SENSITIVITY TO MOVEMENT IN INTEREST RATES	FOR THE YEAR ENDED 31ST MARCH 2019		
	ASSUMED INTEREST RATE MOVEMENT IN BPS	IMPACT ON PROFIT OR LOSS AFTER TAX	
		INCREASE	DECREASE
<b>Effect on Change in Interest Cost</b>			
Cash Credit *	10 bps	(199,416)	199,416
Other Working Capital Loans *	10 bps	(21,709)	21,709
		(221,126)	221,126
<b>Less: Tax Effect on Interest Cost</b>		55,653	(61,517)
<b>Net Effect on Profit &amp; Loss Account</b>		(165,473)	159,609

\* Holding all other variables constant

**B. Financial Risk Management**

i. **Credit Risk**

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

**Trade Receivable and other financial assets**

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

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

**Expected Credit loss for trade receivable:**

The Group, based on internal assessment which is driven by the historical experience/current facts available in relation to defaults and delays in collection thereof, the group is making provision on trade receivables based on Expected Credit Loss(ECL) model. The reconciliation of ECL is as follows :-

PARTICULARS	AS AT	AS AT
	31ST MARCH 2020	31ST MARCH 2019
Opening Balance	653,461	0
<u>Changes in Loss Allowance</u>		
Loss Allowance for the year, based on ECL Model.	1,550,000	653,461
Write Off as Bad Debts	1,878,197	0
Closing Balance reported under Note No.13	325,264	653,461

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 bank balances 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 respective board of directors of the companies included in the group and appropriate decisions are taken according to the situation.

**Maturity Analysis**

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

**As at 31st March 2020**

NON-DERIVATIVE FINANCIAL LIABILITIES	CONTRACTUAL CASH FLOWS		TOTAL
	PAYABLE WITHIN ONE YEAR	PAYABLE AFTER ONE YEAR	
Borrowings	278,624,316	137,925,392	416,549,708
Trade Payables	320,103,359	0	320,103,359
Lease Liabilities	8,881,281	7,401,381	16,282,662
Other Financial Liabilities	510,366	2,014,223	2,524,589

**As at 31st March 2019**

NON-DERIVATIVE FINANCIAL LIABILITIES	CONTRACTUAL CASH FLOWS		TOTAL
	PAYABLE WITHIN ONE YEAR	PAYABLE AFTER ONE YEAR	
Borrowings	236,512,248	2,766,376	239,278,624
Trade Payables	466,026,996	0	466,026,996
Other Financial Liabilities	9,509	451,302	460,811

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

**NOTE NO. 51  
LEASES**

**i) Where the Group is a Lessor :-**

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Lease Rentals Received	3,566,700	3,145,750

The group has given its office premise under non-cancellable operating lease, however the lock-in period of the agreement has ceased before the reporting date.

The operating lease agreements are renewable on a period basis, and these lease agreements are also subjected to price escalation clauses.

The group did not make any adjustments to the accounting for assets held as lessor under operating lease as a result of adoption of Ind AS 116.

## **ii) Where the Group is a Lessee**

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

As indicated in Note No - 1 (14) the group has adopted Ind AS 116 Leases retrospectively from 1st April 2019, but has not restated comparatives for FY 2018-19 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1st April 2019.

### **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-to-use asset at the date of initial application, and
- 3) using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- 4) applying a single discount rate to a portfolio of leases with reasonably similar characteristics

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

For leases previously classified as operating leases under Ind AS 17 and which are not low value leases or short-term leases, the group has recognised:

- a) a lease liability at present value of the remaining lease payments, discounted using risk free rate of 7.75% at transition date.
- b) a right-to-use asset at its carrying amount as if the Standard has been applied since the lease commencement date but discounted using risk free rate at the date of initial application.

Reconciliation between operating lease commitments disclosed as per Ind AS 17 as at March 31, 2019 and lease liabilities recognised in the balance sheet at the date of initial application i.e. April 1, 2019 is as follows:

PARTICULARS	AMOUNT
Operating lease commitments under Ind AS 17 as at April 1, 2019	15,142,632
<u>Less:</u> Commitments Pertaining to short term leases	0
<u>Less:</u> Commitments Pertaining to low value leases	0
<u>Less:</u> Impact of Discounting of Lease Payments	(9,082,922)
<u>Add:</u> Extension & Termination Option, reasonably certain to be exercised	16,695,000
Lease Liability recognised under Ind AS 116 as on 01st April 2019	22,754,710
<u>Add:</u> Interest Accrued for the Year	1,766,184
<u>Less:</u> Lease Payments Made	(9,986,220)
Lease Liability recognised in the Financial Statements as on 31st March 2020	14,534,674

Details with respect to right to use Assets :

PARTICULARS	ADDITIONS TO RIGHT TO USE ASSET DURING THE YEAR	DEPRECIATION	CARRYING AMOUNT OF ASSET AS AT 31ST MARCH
Buildings	214,121,834	8,761,061	205,360,773

### **Other Transactions recorded in the Financial statements pertaining to Leases are as follows**

- i) Interest Expense on Lease liabilities amounts to Rs 17,66,184/-
- ii) The expense relating to payments not included in the measurement of the lease liability and recognised as expense in the Statement of Profit and Loss during the year amounted to Rs. 17,82,000
- iii) Total cash outflow for leases amounts to Rs 1,17,46,220/- during the year including cash outflow of short-term and low value leases.

**NOTE NO. 52**  
**ASSETS PLEDGED AS SECURITY**

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

PARTICULARS	NOTES	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<b>CURRENT ASSETS</b>			
<u>Fixed Charge Asset</u>			
Assets		0	0
<u>Floating Charge</u>			
Trade Receivables	Note No. 13	392,972,941	578,158,328
Inventory	Note No. 12	274,250,580	254,970,393
Cash and Cash Equivalents	Note No. 14	1,082,143	0
<b>Total current assets pledged as security</b>		668,305,665	833,128,721
<b>NON-CURRENT ASSETS</b>			
<u>First Mortgage</u>			
Motor Car	Note No . 2	2,011,497	2,619,770
Right to Use Asset	Note No . 3	192,382,558	0
Capital WIP	Note No . 4	62,981,601	0
<u>Floating Charge</u>			
Investment properties	Note No . 5	24,810,474	25,250,539
Financial assets at fair value through profit/loss	Note No. 8	6,517,902	0
<b>Total non-current assets pledged as security</b>		288,704,032	27,870,309
<b>Total assets pledged as security</b>		957,009,697	860,999,030

**NOTE NO. 53**  
**EMPLOYEE BENEFIT EXPENSES**

**(a) Disclosures pursuant to Ind AS-19**

**i. Defined Contribution Plans**

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

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Employer's Contribution to Provident Fund & ESIC	1,459,326	249,054

**ii. Defined Benefit Plans.**

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

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<u>Present Value of Defined Benefit Obligation</u>		
Wholly Funded	0	0
Wholly Unfunded	6,772,928	4,701,507
	6,772,928	4,701,507
<u>Less:</u> Fair Value of Plan Assets	0	0
Amounts recognised as Liability (See Note No.24 & Note No.32)	6,772,928	4,701,507



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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Current Service Cost	1,104,215	1,544,428
Interest Cost	319,702	324,400
Past Service Cost	0	0
Expenses included in Employee Benefits (See Note No.38)	1,423,917	1,868,828

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Actuarial (Gains) / Losses	792,824	(479,725)
Expenses included in Other Comprehensive Income (See Note No.46)	792,824	(479,725)

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Opening Balance of present value of Defined Benefit Obligation	4,701,507	3,375,000
<u>Add:</u> Current Service Cost	1,104,215	1,544,428
<u>Add:</u> Interest Cost	319,702	324,400
<u>Add:</u> Past Service Cost	0	0
<u>Add/(less):</u> Actuarial Losses/(gains)	792,824	(479,725)
	6,918,248	4,764,103
<u>Less:</u> Defined Benefit Claims Settled	145,320	62,596
	6,772,928	4,701,507

(e) Breakup of Other Comprehensive Income

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
Actuarial losses / (gains) arising from change in financial assumptions	777,134	(635,708)
Actuarial losses / (gains) arising from change in Demographic assumptions	0	0
Actuarial losses / (gains) arising from change in experience adjustments	15,690	155,983
	792,824	(479,725)

(f) Actuarial Assumptions

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Discount Rate (per anum)	6.80%	7.70%
Salary Growth Rate (per anum)	7.00%	6.00%
Retirement Age	58 Years	60 Years
<u>Attrition Rate</u>		
Younger Ages	5%	5%
Older Ages	1%	1%

(g) Sensitivity analysis of defined benefit obligation

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<u>a) Impact of Discount Rate</u>		
Impact due to increase of 1%	(855,966)	(525,091)
Impact due to Decrease of 1%	1,028,472	631,189
<u>b) Impact of Salary Escalation Rate</u>		
Impact due to increase of 1%	1,015,954	635,708
Impact due to Decrease of 1%	(861,859)	(540,491)
<u>a) Impact of Attrition Rate</u>		
Impact due to increase of 1%	(6,494)	38,299
Impact due to Decrease of 1%	6,887	(40,390)

(h) Maturity profile of defined benefit obligation

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
Within 1 Year	461,653	620,824
Year 1 to Year 2	211,397	180,358
Year 2 to Year 3	204,104	174,136
Year 4 to Year 5	197,062	168,128
Year 5 to Year 6	190,264	277,712
Year 6 to Year 10	624,578	519,338
After 10 Years	4,883,870	2,761,011

**NOTE NO. 54**

**RELATED PARTY DISCLOSURES**

**a. Details of Related Parties**

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

NAME OF RELATED PARTY	RELATIONSHIP WITH THE GROUP
Wemart Global FZE	Wholly Owned Subsidiary
Technofy Digital private Limited	Wholly Owned Subsidiary

ii) Key Managerial Personnel

NAME OF RELATED PARTY	RELATIONSHIP WITH THE GROUP
Amit D. Rambhia	Managing Director
Nikit D. Rambhia	Joint Managing Director
Devchand Rambhia	Whole-Time Director
Vishal Lalan	Chief Executive Officer (CEO)
Nitesh M Savla	Chief Financial Officer (CFO)
Jinkle Kimsaria	CS & Compliance Officer
Jayachandran Sunderamoorthy	Director (Technofy Digital private Limited)
Chetan Vrujlal Dhakan	Managing Director (Wemart Global FZE)

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

NAME OF RELATED PARTY	RELATIONSHIP WITH THE GROUP
Wemart Global FZE	Wholly Owned Subsidiary
Technofy Digital Private Limited	Wholly Owned Subsidiary
Amit D. Rambhia	Managing Director
Nikit D. Rambhia	Joint Managing Director
Devchand L. Rambhia	Whole-Time Director
Vishal Lalan	Chief Executive Officer
Nitesh M. Savla	Chief Financial Officer
Jinkle Khimsaria	CS & Compliance Officer
Panache Innovations Limited	Company having Common Director
Eddy & Andy International Limited	Company having Common Director
ICT Infratech Services Private Limited	Joint Venture
Rambhia IPR Services LLP	Firm in which Director is a Partner
Deepa A. Rambhia	Relative of Director
Kavita N. Rambhia	Relative of Director

**b. List of Transactions with Related Parties**

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

NAME OF THE PERSON / ENTITY	RELATION WITH THE GROUP	NATURE OF TRANSACTION	VOLUME OF TRANSACTION IN FY 19-20
Amit D. Rambhia	Managing Director	Remuneration	3,850,000
Nikit D. Rambhia	Joint Managing Director	Remuneration	3,850,000
Devchand L. Rambhia	Whole-Time Director	Remuneration	1,375,000
Deepa A. Rambhia	Relative of Director	Remuneration	1,800,000
Kavita N. Rambhia	Relative of Director	Remuneration	1,200,000
Nitesh M. Savla	Chief Financial Officer	Remuneration	1,476,912
Vishal Lalan	Chief Executive Officer	Remuneration	3,116,250
Jinkle Khimsaria	CS & Compliance Officer	Remuneration	687,304
Amit D. Rambhia	Managing Director	Loan Taken	1,200,000
Amit D. Rambhia	Managing Director	Interest on Unsecured Loan	26,113
Nikit D. Rambhia	Joint Managing Director	Loan Taken	6,750,000
Nikit D. Rambhia	Joint Managing Director	Interest on Unsecured Loan	93,474
Devchand L. Rambhia	Whole-Time Director	Loan Taken	39,950,000
Devchand L. Rambhia	Whole-Time Director	Interest on Unsecured Loan	102,883
Devchand L. Rambhia	Whole-Time Director	Reimbursement	4,971
Vishal Lalan	Chief Executive Officer	Loan Given	1,138,079
ICT Infratech Services Private Limited	Joint Venture	Services Availed	900,000
Panache Innovations Limited	Company having Common Director	Sales	53,193,250
Panache Innovations Limited	Company having Common Director	Services Availed	25,380
Panache Innovations Limited	Company having Common Director	Purchases	28,771
Panache Innovations Limited	Company having Common Director	Rent Income	337,500
Rambhia IPR Services LLP	Firm in which Director is a Partner	Royalty Paid	771,000

The above mentioned transactions with related parties are stated after 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 GROUP	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<b>Amounts Receivable from Related Parties</b>			
<u>Receivables for Sales &amp; Services Provided</u>			
Panache Innovations Limited	Company having Common Director	15,925,291	2,004,725
ICT Infratech Services Private Limited	Joint Venture	6,016,858	5,182,943
Devchand L. Rambhia	Whole-Time Director	35,000	35,000
Eddy & Andy International Limited	Company having Common	0	853,600
		21,977,149	8,076,268
<u>Loans &amp; Advances Recoverable</u>			
Vishal Ialan	Chief Executive Officer	1,138,079	0
<b>Total Receivables from Related Parties</b>		23,115,228	8,076,268
<b>Amounts Payable to Related Parties</b>			
<u>Payables for Purchases &amp; Services Availed</u>			
Panache Innovations Limited	Company having Common	28,771	0
ICT Infratech Services Private Limited	Joint Venture	65,065	0
Rambhia IPR Services LLP	Firm in which Director is a Partner	182,993	840,150
Deepa A. Rambhia	Relative of Director	127,800	0
Kavita N. Rambhia	Relative of Director	95,800	0
		500,429	840,150
<u>Payable towards Borrowings Taken</u>			
Amit D. Rambhia (Interest Payable)	Managing Director	23,502	0
Nikit D. Rambhia	Joint Managing Director	3,570,000	0
Nikit D. Rambhia (Interest Payable)	Joint Managing Director	84,127	0
Devchand L. Rambhia	Whole-Time Director	30,500,000	0
Devchand L. Rambhia (Interest Payable)	Whole-Time Director	92,594	0
		34,270,223	0
<u>Expenses Reimbursable</u>			
Devchand L. Rambhia	Whole-Time Director	4,971	0
<u>Payables to KMP and their Relatives as Remuneration</u>			
Nitesh M. Savla	Chief Financial Officer	97,076	104,496
Jinkle Khimsaria	CS & Compliance Officer	48,742	38,016
		145,818	142,512
<b>Total Payables to Related Parties</b>		34,921,441	982,662

**NOTE NO. 55**

**FAIR VALUE MEASUREMENT HIERARCHY**

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

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

PARTICULARS	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019
<b>Financial Assets</b>		
<u>Measured at Amortised Cost</u>		
Loans	6,652,853	5,212,075
Trade Receivables	400,597,823	638,949,191
Other Financial Assets	268,361	229,599
Cash & Cash Equivalents	18,981,532	48,102,689
Bank Balances Other Cash & Cash Equivalents	7,200	6,400
Total financial Assets Measured at Amortised Cost (I)	426,507,769	692,499,953
<u>Measured at Fair Value Through Profit and Loss Account (FVTPL)</u>		
Investment in Mutual Funds	6,517,902	0
	6,517,902	0
Total Value of Financial Assets [(I)+(II)]	433,025,671	692,499,953
<b>Financial Liabilities</b>		
<u>Measured at Amortised Cost</u>		
Borrowings	416,469,763	239,103,445
Trade Payables	320,103,359	466,026,996
Lease Liabilities	14,534,674	0
Other Financial Liabilities	2,524,589	460,811
Total of Financial Liabilities Measured at Amortised Cost	753,632,385	705,591,252
Total Value of Financial Liabilities	753,632,385	705,591,252

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

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH 2020	FOR THE YEAR ENDED 31ST MARCH 2019
<u>Net gains/(losses) on financial assets and Financial liabilities measured at amortised cost :-</u>		
(i) Exchange Difference Gains/ (Losses) on revaluation or settlement of items denominated in Foreign Currency (Trade Receivables, Loans Given, etc.)	(855,097)	201,164
(ii) Amortisation of Fair Value Changes	(57,393)	148,626
(iii) Finance Charges (Net)	169,428	111,500
(iv) Interest Income	769,367	993,906
(v) Interest Expense	(26,553,751)	(19,588,926)
(vi) Finance Charges on Lease Liabilities	(1,766,184)	-
(vii) Bank Charges on Finance	(137,020)	(1,033,911)
(viii) Processing Charges	(537,057)	-
(ix) Provision for Expected Credit Losses	(1,550,000)	(653,461)
Total	(30,517,707)	(19,821,102)
<u>Net gains/(losses) on financial assets measured at Fair Value Through Profit and Loss Account (FVTPL) :-</u>		
(i) Notional Fair Valuation gain on Bonds	162,902	0
	162,902	0

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

AS AT 31ST MARCH 2020	CARRYING VALUE IN BOOKS	LEVEL OF INPUT USED FOR FAIR VALUATION		
		LEVEL 1	LEVEL 2	LEVEL 3
<u>Other Financial Assets</u>				
Investment in Mutual Fund	6,517,902	6,517,902	--	--

Valuation Method by using Level 1 inputs

Investments, made in Mutual Funds by the Group has been measured with respect to the Market movements in instrument's Net Asset Value (NAV) over the reporting period. Hence the instrument has been classified as Level-1, since the same has been valued at its respective market price as on reporting date.

**NOTE NO. 56**  
**DISCLOSURE UNDER SECTION 186 OF COMPANIES ACT**

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

NAME OF THE ENTITY	AS AT 31ST MARCH 2020	AS AT 31ST MARCH 2019	NATURE OF ASSISTANCE	PURPOSE FOR WHICH LOAN/ GUARANTEE IS PROPOSED TO BE UTILISED BY RECEIPT
Karram Warehousing Private Limited	1,000,000	1,000,000	Inter Corporate Loan	Short Term Working Capital
Shree Rajlaxmi Textiles	1,000,000	1,000,000	Advance	Advance for Purchase of Property

AS PER OUR REPORT OF EVEN DATE  
FOR KPB & ASSOCIATES  
CHARTERED ACCOUNTANTS  
[ICAI FRNo. 114841W]

FOR AND ON BEHALF OF BOARD OF DIRECTORS  
PANACHE DIGILIFE LIMITED

CA KETAN N.GADA  
PARTNER  
(MEM NO. 106451)

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

MR. NIKIT D. RAMBHIA  
JOINT MANAGING DIRECTOR  
DINO:- 00165678

MR.NITESH M. SAVLA  
CHIEF FINANCIAL OFFICER

MS.JINKLE KHIMSARIA  
CS & COMPLIANCE OFFICER  
MEM. NO. A43987

PLACE: MUMBAI  
DATED: 29th July 2020  
UDIN: 20106451AAAABZ6169

PLACE: MUMBAI  
DATED: 29th July 2020

# Notice of 13<sup>th</sup> Annual General Meeting

Notice is hereby given that the 13<sup>th</sup> Annual General Meeting (AGM) of the Members of Panache Digilife Limited will be held on Tuesday, 29<sup>th</sup> September, 2020 at 3.00 P.M. Indian Standard Time (IST) through **Video Conferencing / Other Audio - Video means ("VC / OAVM")** to transact the following business;

## Ordinary Business:

1. **To receive, consider and adopt –**
  - a. The Audited Standalone Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020, and the reports of the Board of Directors and Auditors thereon, and
  - b. The Audited Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2020, and the report of the Auditors thereon.
2. **To declare final dividend on Equity Shares at ₹ 0.25/- on per share of Face Value of ₹ 10/- for the Financial Year ended 31<sup>st</sup> March 2020.**

“**RESOLVED THAT** pursuant to the recommendations of the Board of Directors and applicable provisions of the Companies Act 2013, final dividend at ₹ 0.25/- per equity share of Face Value ₹ 10/- each on 41,40,800 Equity Shares (excluding the Equity Shares upon which the members have waived/forgone his/their right to receive the dividend by him/them for financial year 2019-20) for the financial year ended 31<sup>st</sup> March, 2020, absorbing thereby ₹ 10,35,000/- be and is hereby declared for payment subject to deduction of tax at source to those holders of Equity Shares whose names appear in the Register of Members of the Company as on the close of Business hours of Tuesday, 22<sup>nd</sup> September, 2020.”
3. **To appoint a Director in place of Mr. Amit Rambhia, Managing Director, (DIN 00165919), who retires by rotation and being eligible, offers himself for re-appointment.**

## Special Business:

4. **Appointment of Mr. Shailesh Premji Gala (DIN: 01283286) as an Independent Director of the Company.**

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 161 and any other applicable provisions of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014, made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Companies Act, 2013, Mr. Shailesh Premji Gala (holding DIN: 01283286), who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and who has submitted a declaration that he meets the criteria of Independence as provided in section 149(6) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and whose appointment is recommended by the Nomination & Remuneration Committee and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, is appointed as an Independent Director of the company to hold office for a term of 5 (Five) consecutive years, commencing from 29<sup>th</sup> May, 2020 till 28<sup>th</sup> May, 2025, not liable to retire by rotation.

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

## 5. Approval of Related Party Transactions

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

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

Sr. No.	Nature of Transaction	Monetary value
1	Sale / Purchase of IT products, consumer electronics, software etc.	Aggregate Monetary value for the proposed transactions during Financial Year 2021-22 shall not exceed ₹70.00 Crore.
2	Availing and / or rendering services	

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

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

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

## 6. To alter object clause of Memorandum of Association

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

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

*1. To carry on the business of Manufacturing, trading, distributing, importing, exporting, repairing, buy, sell, conduct research, impart training, develop, maintain, hire, let on hire, alter, design, provide services including consultancy or otherwise deal in computer and computer peripherals, accessories, computer parts, laptops, tablets, servers, monitors, AIO, kiosks, healthcare kiosks, UPS, power systems, GPS, Televisions, UV Bulbs, LED Lights & LED Solutions, Air Purifier, Wearables, PCB (Printed Circuit Boards), Plastic parts, Plastic components, plastic granules & raw materials, Rubber parts & components, metal parts & components, IOT devices, RF devices, BLE Devices, Torches, Batteries including but not limited to Battery banks & power backup solution, alkaline batteries, lithium ion batteries, cells, dry cells Solar solutions, solar panels, Digital printing solutions, digital writing solutions, Digital signage, Software, Stick PC, Camera, CCTV, audio products including but not limited to speakers, earphones, headphones, audio-Video products, infrared thermometer, point-of-sale devices, water ioniser, wireless devices, cloud devices, internet gateways, servers, MDM (Mobile Device Management), Automotive products, electronics and electrical equipment, networking*



*systems and products wireless and telecommunication systems and products including mobile phones, implementation of LAN and WAN systems.*

**RESOLVED FURTHER THAT** Clause III (A) of Memorandum of Association of the Company dealing with the “**The objects to be pursued by the Company on its incorporation are**” be and is hereby altered by adding the following new clause III(A)(6) after the existing Clause III(A)(5) and the remaining sub-clauses under Clause III (B) be re-numbered accordingly:

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

**RESOLVED FURTHER THAT** the Board of Directors of the Company, Chief Financial Officer or Company Secretary of the Company, be and are hereby severally authorized to file, sign, verify and execute all such e-forms, papers or documents, as may be required and do all such acts, deeds, matters and things as may be necessary and incidental for giving effect to this Resolution, including agreeing to any change to the aforesaid Clause of the Memorandum of Association of the Company, as may be required by the ROC and/or any statutory/regulatory authority.”

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

**Date: 26/08/2020  
Place: Mumbai**

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**Jinkle Khimsaria  
CS & Compliance Officer  
Membership No. A43987**

**NOTES:**

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

In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its General Circular No. 20/2020 dated 5<sup>th</sup> May, 2020 read with General Circular No. 14/2020 dated 8<sup>th</sup> April, 2020 and General Circular No. 17/2020 dated 13<sup>th</sup> April, 2020 (collectively referred to as "MCA Circulars") and Securities and Exchange Board of India ("SEBI") vide circular dated 12<sup>th</sup> May, 2020 ("SEBI Circular") permitted the holding of the Annual General Meeting ("the Meeting / AGM") through Video Conferencing facility or Other Audio-Visual Means ("VC / OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), MCA Circulars and SEBI Circular, the Meeting of the Company is being convened and conducted through VC / OAVM.

**2. Proxies, Attendance Slip & route map of the AGM venue:** Pursuant to MCA Circulars and SEBI Circular, since the AGM will be held through VC/ OAVM, the physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Meeting and hence the Proxy Form, Attendance Slip and route map of the AGM venue are not annexed to this Notice.

**3. Quorum:** The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

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

**5.** Brief resume of the Directors including those proposed to be appointed / re-appointed, their functional expertise and qualification, names of the Companies in which they hold directorships etc. as stipulated under Companies Act, 2013, Secretarial Standard on General Meetings (SS- 2) and Regulation 36(3) of SEBI (LODR) Regulations, 2015, are provided below as Annexure A and forming part of the Notice.

**6.** The Board of Directors have considered and decided to include the resolution nos. 4 to 6 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.

**7. Cut-off Date for Dispatch:** Members of the Company, holding shares either in dematerialised form or physical form, as on Friday, 21<sup>st</sup> August, 2020 (cut-off date for receiving Notice and Annual Report), shall be entitled for receiving of the Annual Report for the period 2019-20, through their registered mail id. Any person, who acquires shares of the Company and become Member of the Company after sending of the Notice and holding shares as on cut-off date i.e. Tuesday, 22<sup>nd</sup> September, 2020, may obtain login ID and password by writing to Registrar & Share Transfer Agent of the Company, Bigshare Services Private Limited at e-mail vinayak@bigshareonline.com or to Central Depository Services (India) Limited at email helpdesk.evoting@cdslindia.com.

**8. Communication:** Notice of the AGM and the Annual Report for the Financial Year 2019-20 are being sent electronically to the Members whose E-mail IDs are registered with the Depository Participant(s) and / or Company's Registrar and Share Transfer Agents. Any member, who has not registered his Email id, may register his / her Email ID with Registrar and Share Transfer Agents and may also request for a copy of Annual Report electronically. Annual Report for 2019-20 along with Notice of the AGM is available at the website of the Company at [www.panachedigilife.com](http://www.panachedigilife.com) and website of the Stock Exchange i.e. National Stock Exchange Limited of India at [www.nseindia.com](http://www.nseindia.com).

**9.** 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.

10. **Dematerialisation:** As on the date of this Notice all the shares of the Company are held in dematerialised form.
11. **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 Bigshare Services Private Limited, Registrar and Share Transfer Agents (RTA) of the Company located at 1<sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis Apartments (Next to Keys Hotel), Marol Maroshi Road, Andheri East, Mumbai - 400059. 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.
12. **Nomination Facility:** Members holding shares in the physical form and desirous of making / changing Nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 and Rules made thereunder, are requested to submit the prescribed Form No. SH-13, as applicable for this purpose to the Company's Registrar and Share Transfer Agents (RTA), Bigshare Services 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.
13. 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. Tuesday, 22<sup>nd</sup> September, 2020.
14. Any person who is not a Member as on the cut-off date i.e. Tuesday, 22<sup>nd</sup> September, 2020, should treat this Notice for information purposes only.
15. **Go Green Initiative:** Members holding Shares in physical form are requested to register their email IDs with the Company's RTA i.e. Bigshare Services 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.
16. **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, Bigshare Services Private Limited.
17. **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. Bigshare Services Private Limited / Secretarial Department of the Company for encashing the unclaimed dividends standing to the credit of their account.
18. 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@panachedigilife.com](mailto:compliance@panachedigilife.com) from their registered e-mail address.
19. 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. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

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

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

- a. Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the **EVSN (200829049)** of Company will be displayed.
- b. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- c. Shareholders are encouraged to join the Meeting through Laptops / iPads for better experience.
- d. Further shareholders will be required to switch on the video facility and use Internet connection with a good speed to avoid any disturbance during the Meeting.
- e. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuations in their respective networks. It is therefore recommended to use stable Wi-Fi or LAN connection to minimise / mitigate any kind of aforesaid glitches.
- f. Shareholders who would like to express their views/ask questions during the Meeting may register themselves as a speaker by sending their request 7 days in advance prior to the AGM mentioning their name, demat account number/folio number, email ID, mobile number at [compliance@panachedigilife.com](mailto:compliance@panachedigilife.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries 7 days in advance prior to AGM mentioning their name, demat account number/folio number, email id, mobile number at [compliance@panachedigilife.com](mailto:compliance@panachedigilife.com). These queries will be replied to by the company suitably by email or at the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- g. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the Meeting.

## 21. E-Voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised agency. The facility of casting votes by a member using remote e-voting system as well as voting on the date of the AGM will be provided by CDSL.

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

The e-voting period commences on Saturday, 26<sup>th</sup> September, 2020 (9.00 am) to Monday, 28<sup>th</sup> September, 2020 (5.00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Tuesday, 22<sup>nd</sup> September, 2020, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

Process for remote e-voting are as under:

- a. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- b. Click on "Shareholders" tab.
- c. Now Enter your User ID
  - i. For CDSL: 16 digits beneficiary ID,
  - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - iii. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.

**OR**

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

- d. Next enter the Image Verification as displayed and Click on Login.
- e. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- f. If you are a first-time user follow the steps given below:

	<b>For Members holding shares in Demat Form 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>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. mentioned in the mail) in the PAN field.</li> <li>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</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> <p>If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (e).</p>

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

- h. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- i. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- j. Click on the EVSN for the relevant Panache Digilife Limited on which you choose to vote.
- k. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- l. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- m. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- n. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- o. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- p. If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- q. Members can also cast their vote using CDSL's mobile app m-Voting available. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote voting on your mobile.

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

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

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

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



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

#### **4) Instructions for non-individual shareholders and custodians**

- a. Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as “Corporates” module.
- b. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- c. After receiving the login details a “Compliance User” should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- d. The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- e. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- f. Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc., to the Scrutinizer and to the Company at the email address viz [dmz@dmzaveri.com](mailto:dmz@dmzaveri.com) and [compliance@panachedigilife.com](mailto:compliance@panachedigilife.com) respectively, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

#### **Other Instructions**

- 22. The Members may also contact in case of any grievance connected with e-voting to:  
 Compliance Officer: Jinkle Khimsaria  
 Address: Unit No. 201/B1, Raheja Plaza – 1, LBS Marg, Ghatkopar West, Mumbai – 400 086  
 Email id: [compliance@panachedigilife.com](mailto:compliance@panachedigilife.com)  
 Contact: 022-25007002 / 7045077712
- 23. The Company has appointed Mr. Dharmesh Zaveri, proprietor of M/s. D. M. Zaveri & Co., Company Secretaries, as the Scrutinizer for conducting the e-voting and remote e-voting process for the Annual General Meeting in a fair and transparent manner.
- 24. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first download the votes casted at the meeting, thereafter unblock the votes casted through remote e-voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolutions have been carried or not, and such report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the AGM, who shall then countersign and declare the result of the voting forthwith.

25. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.panachedigilife.com](http://www.panachedigilife.com) and on the website of CDSL at [www.evotingindia.com](http://www.evotingindia.com) immediately after the declaration of results by the Chairman or a person authorized by him. The results shall also be immediately forwarded to the National Stock Exchange Limited of India.
26. The resolutions shall be deemed to be passed on the date of the Meeting, i.e. 29<sup>th</sup> September, 2020 subject to receipt of the requisite number of votes in favour of the resolutions.

#### Dividend related Information;

27. **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 Wednesday, 23<sup>rd</sup> September, 2020 to Tuesday 29<sup>th</sup> September, 2020 (both days inclusive) for the purpose of Dividend and 13<sup>th</sup> AGM.
28. **Dividend Waiver:** The actual equity dividend to be declared by the members at the 13<sup>th</sup> AGM will be for only equity shares other than the equity shares in respect of which the equity Members(s) has / have waived / forgone his / their right to receive the dividend for the financial year ended 31<sup>st</sup> March, 2020.
29. Subject to the provisions of Section 123 to Section 127 of the Companies Act, 2013, Dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2020 as recommended by the Board (Excluding the shares upon which the members have waived/forgone his/their right to receive the dividend by him/them for financial year 2019-20), if approved at the AGM, will be paid within a period of 30 days from the date of declaration to those Members who have not waived their right to receive the dividend for the Financial year 2019-20 -
  - I. in respect of shares held in physical form, whose names appear on the Company's Register of Members, at the close of business hours on Tuesday, 22<sup>nd</sup> September, 2020 after giving effect to all valid transfers in physical form lodged on or before Tuesday, 22<sup>nd</sup> September, 2020 with the Company and / or its Registrar and Share Transfer Agents; and
  - II. in respect of Shares held in electronic form, to all beneficial owners as per details furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose, as on Tuesday, 22<sup>nd</sup> September, 2020.
30. The dividend, if approved, will be paid by crediting in to the bank account, as provided by NSDL and CDSL through ECS or NECS or electronic transfer, of those shareholders who have opted for remittance of dividend through electronic mode or through Dividend Warrants or Demand drafts for those shareholders who have not opted for remittance of dividend through electronic mode or in case of ECS, NECS, or electronic payment rejected.
31. Members who have not opted for remittance of dividend through electronic mode and wish to avail the same, are requested to provide their bank details, including IFSC (Indian Financial System Code) and MICR (Magnetic Ink Character Recognition) and any other details as per the requirements of the respective Depository Participants, where shares are held in dematerialised form, or to RTA, where shares are held in physical form. Members holding shares in physical form may use the Mandate for this purpose, which can be requested by emailing to Company or RTA. The Company or RTA cannot act on any request received directly from the Members holding Shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised by the Members concerned to their respective Depository Participants. Any such changes effected by the Depository Participants will automatically reflect in the Company's subsequent records.
32. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with



the Company / RTA (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in demat mode).

33. A Resident individual shareholder with PAN and who is not liable to pay income tax, can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by sending an email to RTA i.e. Bigshare Services Private Limited at [vinayak@bigshareonline.com](mailto:vinayak@bigshareonline.com) or to Company at [compliance@panachedigilife.com](mailto:compliance@panachedigilife.com) latest by 11:59 p.m. (IST) on 20<sup>th</sup> September, 2020.
34. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
35. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to RTA i.e. Bigshare Services Private Limited at [vinayak@bigshareonline.com](mailto:vinayak@bigshareonline.com) or to Company at [compliance@panachedigilife.com](mailto:compliance@panachedigilife.com) latest by 11:59 p.m. (IST) on 20<sup>th</sup> September, 2020.
36. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Members should consult their tax advisors for requisite action to be taken by them.

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

**Resolution No. 4:**

Based on the recommendation of Nomination & Remuneration Committee, the Board of Directors wide circular resolution dated 29<sup>th</sup> May, 2020 have appointed Mr. Shailesh Premji Gala as an Additional Independent Director of the company to hold office up to the date of next Annual General Meeting for a term of Five years, i.e. with effect from 29<sup>th</sup> May, 2020 till 28<sup>th</sup> May, 2025, whose office shall not be liable to retire by rotation, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM"). While recommending the said appointment, the Board has also considered the relevant criteria, attributes and policy on diversity.

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

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

Except Mr. Shailesh Premji Gala, none other Directors, Key Managerial Personnel and their relatives are, in any way concerned or interested as set out at resolution no. 4 of this Notice.

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

**Resolution No. 5:**

Based upon the business requirements, Board of Directors of your Company have evaluated the transactions contained in the resolution no. 5 with Panache Innovations Limited (PIL), being related party 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 KMP 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 Innovations Limited (PIL)	Mr. Amit Rambhia, Mr. Nikit Rambhia and Mr. Devchand Rambhia	Amit Rambhia is Director, Promoter & Member in PIL.  Nikit Rambhia & Devchand Rambhia are Promoter Members in PIL.	- Sale / Purchase of IT products, consumer electronics, software etc. - Availing and / or rendering services	Transactions with PIL shall be on a continuous basis / need based in accordance with the terms and conditions agreed between the parties and in ordinary course of business.  Aggregate Monetary value for the proposed transactions for the Financial Year 2021-22 shall not exceed ₹ 70.00 Crore.  The transactions shall be on arm's length basis.

The above transactions are approved by Audit Committee.

As the transactions are based in ordinary course of business and at arm's length basis, approval of members as per Section 188 of Companies Act, 2013 is not required, however, as per Regulation 23 of SEBI (LODR) Regulations, 2015 members approval is sought for entering into Material Related Party Transactions.

Except Mr. Amit Rambhia (being Director and promoter member in PIL), Mr. Devchand Rambhia & Mr. Nikit Rambhia, (being promoter member in PIL), 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. 5.

The Board of Directors recommend the resolution no. 5 for approval by the members.

#### **Resolution No. 6:**

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

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

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

A copy of the Memorandum and Articles of Association of the Company together with the proposed alterations shall be available for inspection through electronic mode. Members are requested to write to the Company on [compliance@panachedigilife.com](mailto:compliance@panachedigilife.com) for inspection of said documents.

Pursuant to section 13 of the Act, the above said proposal requires consent of the members by way of special resolution and hence the Board proposes to the members of the Company for their assent to the resolution no. 6.

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

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

**Date: 26/08/2020  
Place: Mumbai**

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**Jinkle Khimsaria  
CS & Compliance Officer  
Membership No. A43987**

**Annexure A to Notice of 13<sup>th</sup> AGM**

Information about directors seeking appointment / reappointment in this AGM in compliance with Regulation 26(4) & 36 (3) of SEBI (LODR) Regulations, 2015 and 1.2.5 of the Secretarial Standard on General Meetings (SS- 2)–

<b>Name of the Director</b>	<b>Shailesh Premji Gala</b>	<b>Amit Devchand Rambhia</b>
Father's Name	Premji Rayshi Gala	Devchand Lalji Rambhia
DIN	01283286	00165919
Date of Birth	12/12/1972	23/09/1974
Age	47	45
Educational Qualification	Diploma in Audio and Video Engineering	Bachelor's Degree from Mumbai University; MBA from IIM Indore
Experience / Expertise (Brief Profile)	<p>Mr. Shailesh Premji Gala, has over 25 Years of experience in the field of electronics. He has Completed 2 years of Diploma course in Audio &amp; Video Engineering. He has started his career in VISHA WORLD previously called as VISHA Electronics Corporation in 1995. He has started "UC Micro Systems in 2005" with an intent to serve electronics industry RnD &amp; Production Department. He was instrumental in developing ucFlash – First IC Programming tool which was a revolution for R &amp; D industry 14 years back. He started "LARE – Laboratory for Applied Research in Electronics in 2008" – Hands on Embedded Training Center @ CBD Belapur. He has started new vertical Sensors &amp; Modules in 2014 at VISHA WORLD with 250+ products which have grown exponentially to 850+ products now. In 25 years he has gained skill sets in Electronics Research &amp; Development and he is an Innovation enabler with Leadership &amp; Strategy qualities. He brings many years of well-rounded administrative, practical and business knowledge and his experience and expertise will be of great use for the Company.</p>	<p>Mr. Amit Rambhia, has got 20+ years of experience. He has Bachelor's Degree from Mumbai University; MBA from IIM Indore. He is an innovative and self – driven man. He always had a passion for technology that led him to venture into IoT &amp; ICT hardware business in 1993. He offers rich and varied exposure of 20+ years to the entire spectrum of Business activities.</p> <p>Mr. Amit Rambhia has been recognized amongst The Most Influential Marketing Leader by the World Marketing Congress.</p> <p>Under the robust leadership of Mr. Amit Rambhia, the Company has been recognized by several awards like SME National Award for Excellence in IT - 2013, Best system builder 2010, 2011, 2012 &amp; 2013 by CRN, Intel embedded hero award 2012 and accolades for the kind of innovations he has made in PC segment.</p>
Nature of his expertise in specific functional area	Electronics Research & Development and Innovation enabler with Leadership & Strategy qualities	Management & overall business execution
Terms and conditions of appointment or re-appointment	Upon recommendation of Nomination & Remuneration Committee, Mr. Shailesh Premji Gala is proposed to be appointed as an Independent Director for a period of 5 years w.e.f. 29 <sup>th</sup> May, 2020 to 28 <sup>th</sup> May,	Mr. Amit Rambhia is re-appointed as Managing Director of the Company for a period of 3 years w.e.f. 17 <sup>th</sup> February, 2020 to 16 <sup>th</sup> February, 2023. His appointment is liable to retire by rotation.

	2025. His appointment shall not be liable to retire by rotation.	His appointment is due for retire by rotation and being eligible has offered himself for re-appointment and accordingly proposed to shareholders for their approval.
Last drawn remuneration	N.A.	₹38,50,000/- p.a
Date of 1 <sup>st</sup> Appointment on the Board	29/05/2020	30/03/2007 (Since Inception)
No. of Board Meetings attended during the year 2019-20	N.A.	7
No. of share held as on date	NIL	28,00,000 Equity Shares
Relationship with other directors, manager & KMP	NIL	Son of Devchand Rambhia (Whole-Time Director) & Brother of Nikit Rambhia (Joint Managing Director).
Directorships held in other companies	Panache Innovations Limited – <b>Additional Independent Director</b>	Panache Innovations Limited – <b>Non-Executive Director</b> ICT Infratech Services Private Limited – <b>Director</b>
Committee Memberships in other companies	<b>Panache Innovations Limited</b> Stakeholders Relationship Committee (Chairman) Audit Committee (Member) Nomination and Remuneration Committee (Member)	<b>Panache Innovations Limited</b> Stakeholders Relationship Committee (Member) Audit Committee (Member) Nomination and Remuneration Committee (Member)



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