

**INNOVASSYNTH  
INVESTMENTS  
LIMITED**

**9<sup>th</sup> Annual Report 2015-2016**

**Board of Directors:**

Mr. S.B. Ghia	Managing Director
Mr. K. Ramasubramanian	Independent Director
Dr. B. Sahu	Director
Ms. Rashmi Uday Singh	Independent Director

**Company Secretary:**

Mr. Ratnesh Kumar Pandey

**Statutory Auditors:**

M/s. N. M. Rajji & Co.

**Bankers:**

Axis Bank Ltd. & HDFC Bank Ltd

**Registered Office:**

Flat No. C-2/3, KMC No. 91,  
 Innovassynth Colony,  
 Khopoli – 410203  
 Telephone: (02192) 260100/260224  
 Fax: 2192 263268  
 E-mail I.D.: secretarial@innovassynthinvestments.in  
 Website: http: www.innovassynthinvestments.in

**Registrar and Share Transfer Agents:**

Satellite Corporate Services Pvt. Ltd.  
 301, Sony Apartments  
 Opp. St. Jude High School  
 Off. Andheri-Kurla Road  
 Jarimari, Mumbai- 400 072.  
 Phone: (022) 28520461, 28520462  
 Fax: 28511809  
 E-mail I.D.: service@satellitecorporate.com

**Request to the Shareholders**

Members desirous of seeking any further information about the accounts and/or operations of the Company are requested to address their queries to the Secretary of the Company at least seven days in advance of the meeting so that the information, to the extent practicable, can be made available at the meeting.

Members are requested to bring this copy of the Annual Report to the meeting.

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**Innovassynth Investments Limited****Registered Office: Flat No. C-2/3, KMC No. 91, Innovassynth Colony, Khopoli – 410203,**

CIN: L67120MH2008PLC178923

Telephone: (02192) 260100/260224, Website: innovassynthinvestments.in

**NOTICE**

NOTICE is hereby given that the 9<sup>th</sup> Annual General Meeting of the Members of Innovassynth Investments Limited will be held at Flat No. C-2/3, KMC No. 91, Innovassynth Colony, Khopoli – 410203 on Wednesday, 28<sup>th</sup> September, 2016 at 11.00 a.m. to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at and Profit & Loss Accounts for the year ended 31<sup>st</sup> March 2016 and report of the Directors and Auditors thereon.
2. To appoint a Director in place of Dr. B. Sahu (DIN: 00005308), who retires by rotation and being eligible, offer himself for reappointment.
3. To reappoint of M/s. N. M. Rajji, Chartered Accountants, Mumbai (Firm Registration No. 108296W) as Statutory Auditors of the Company and in this regard, to consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** M/s. N. M. Rajji, Chartered Accountants, Mumbai (Firm Registration No. 108296W) be and they are hereby reappointed as Statutory Auditors of the Company for a period commencing from the conclusion of this meeting up to the conclusion of the 10<sup>th</sup> Annual General Meeting to be held in the year 2017 and Board of Directors be and are hereby authorised to fix such remuneration plus applicable taxes and reimbursement of traveling and out of pocket expenses incurred in connection with audit. ”

**SPECIAL BUSINESS:****4. Approval for Related Party Transactions:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

**“RESOLVED THAT** pursuant to provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of applicable provisions of Regulation 23 of the SEBI (LODR) Regulations, 2015, (including any amendment, modification or re-enactment thereof), consent of the members of the Company be and are hereby accorded for taking on lease the premises for office use from Innovassynth Technologies (India) Limited.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**NOTES:**

- 1. A Member entitled to attend and vote at the meeting is entitled to appoint one or More Proxies and vote instead of himself and Proxy or Proxies so appointed need not be a member or members of the Company.**

Pursuant to Section 105 of the Companies Act, 2013, a person can act as a Proxy on behalf of not more than fifty members holding in aggregate, not more than ten percent of the total share capital of the Company. Members holding more than ten percent of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member. The instrument of Proxy, in order to be effective, should be deposited at the Registered

Office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution/authority, as applicable.

2. The Register of members and share transfer books of the company will remain closed from 17<sup>th</sup> September 2016 to 28<sup>th</sup> September 2016 (both days inclusive).
3. Members are requested to notify immediately any change in their address /change in bank details to the Company's registered office, quoting their ledger folio number. In respect of shares held in electronic form, instructions regarding change in address/change in bank details may be furnished to their respective depository participants only.
4. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with relevant Rules made thereunder, companies can serve Annual Reports and other communications through electronic mode to those Members who have registered their email address either with the Company or with the Depository Participant(s). To support this green initiative, the shareholders holding shares both in physical/demat form are requested to register/update their e-Mail addresses with the Company/depository participants. Members of the Company who have registered their email address are also entitled to receive such communication in physical form, upon request.
5. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.
6. As per the provisions of the Companies Act, facility for making nominations is available to individuals holding shares in the Company. The prescribed nomination form can be obtained from the Company. As on this date, there are large numbers of shareholders who are yet to opt for the nomination facility. Shareholders, and in particular those holding shares in single name, are requested to avail of the above facility by furnishing to the Company, the particulars of their nomination. Members holding shares in electronic form may forward nomination form duly filled in to their respective depository participants only.
7. Members are requested to note that as per Section 205A of the Companies Act, 1956, dividends not encased/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 IEPF or the Company.
8. All the documents referred to in the accompanying Notice shall be open for inspection at the registered office of the Company during the normal business hours on all working days except Sunday up to and including the date of the Annual General Meeting of the company.
9. The Securities and Exchange Board of India (SEBI) has mandated submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in demat form are, therefore, requested to submit PAN details to the Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to M/s. Satellite Corporate Services Pvt. Ltd. /Company.
10. Members desiring any information relating to the accounts are requested to write to the Company well in advance so as to enable the management to keep the information ready.
11. Pursuant to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide the facility to Members to exercise their right to vote on the resolutions proposed to

be passed at AGM by electronic means. The Members, whose names appear in the Register of Members/list of Beneficial Owners as on 16<sup>th</sup> September 2016, i.e. the date prior to the commencement of book closure, are entitled to vote on the Resolutions set forth in this Notice. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on 25<sup>th</sup> September 2016 and will end at 5.00 p.m. on 27<sup>th</sup> September 2016. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins on 25<sup>th</sup> September, 2016 at 9.00 a.m. and ends on 27<sup>th</sup> September, 2016 at 5.00 P.M. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (16<sup>th</sup> September, 2016) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) 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.
- (vii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <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 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 Ratnesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ul>
<b>Dividend Bank Details or Date of Birth</b>	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. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach 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.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) 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.
- (xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiv) 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.
- (xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xvii) If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) **Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (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.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**12. DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT IN THE FORTHCOMING ANNUAL GENERAL MEETING (IN PURSUANCE OF SEBI (LODR) REGULATIONS, 2015)**

As required under the SEBI (LODR) Regulations, 2015, the particulars of Directors, who are proposed to be appointed / reappointed, are as given below:

Name	Dr. B. Sahu
Date of Appointment	15/02/2008
Age	65 Years
Qualification	Doctorate in Management
Expertise in specific functional areas	He has more than 3 decades of experience in business management and administration in various leading companies in India like TATAs, Indian Oil, Ashok Leyland etc. He has been also associated with leading management Institutes in India as a faculty member. Currently he is serving as a Chief Executive Officer of Innovassynth Technologies (India) Limited.
Directorships held in other companies	Nil
Membership(s)/ Chair-manship (s) of Board Committees in other Companies (includes only Audit Committee and Stakeholders' Relationship Committee)	Nil
Number of shares held in the Company	10

By order of the Board  
**For Innovassynth Investments Limited**

**Ratnesh K. Pandey**  
Company Secretary  
ACS: 33772

Mumbai, 13<sup>th</sup> August 2016  
Registered Office:  
Flat No. C-2/3, KMC No. 91,  
Innovassynth Colony,  
Khopoli – 410203.

**Explanatory statement pursuant to section 102(1) of the Companies Act, 2013:**

The following explanatory statement sets out all material facts relating to the special business mentioned in the accompanying Notice:

**Item No. 4:**

Members of the company requested to note that Section 188(1) of the Companies act, 2013 read with relevant Rules made thereunder and pursuant to Regulation 23 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 requires any material transaction entered into between related parties for leasing of any kind of property to be approved by members. Innovassynth Technologies (India) Limited being an associate company is related party of the Company.

The third proviso to section 188(1) of the Companies Act, 2013 section 188(1) shall not apply to any transaction entered into by the company in its ordinary course of business and at arm’s length basis.

Accordingly, even though the proposed transaction of leasing is to be entered with ITIL on an arm’s length basis, since this transaction could be construed as being outside the ordinary course of business, the approval of members of the Company under section 188 of the Companies Act, 2013 is being sought.

The particulars of transaction which is proposed to be entered into by the Company are provided in brief, herein below:

<b>Sr. No.</b>	<b>Nature of transactions as per section 188 of the Companies Act, 2013</b>	<b>Name of director/KMP who is a related and nature of relationship</b>	<b>Name of related party</b>	<b>Payment</b>
1	The contract envisages taking on lease the premises for office use	Mr. S. B. Ghia Mr. K. Ramasubramanian	Innovassynth Technologies (India) Limited	Rent of ₹ 3,000 per month and Interest free Security deposit of ₹ 5,000.

None of promoter, directors, Key Managerial Personnel or their relatives, either directly or indirectly are any way concerned or interested in the above resolution except S. B. Ghia and K. Ramasubramanian.

By order of the Board  
**For Innovassynth Investments Limited**

**Ratnesh K. Pandey**  
Company Secretary  
ACS: 33772

Mumbai, 13<sup>th</sup> August 2016  
Registered Office:  
Flat No. C-2/3, KMC No. 91,  
Innovassynth Colony,  
Khopoli – 410203.



## DIRECTOR'S REPORT

To,  
The Members,

Your Directors have pleasure in presenting the 9<sup>th</sup> Annual Report of the Company with the Audited Balance Sheet as at 31<sup>st</sup> March, 2016 and the Profit & Loss Accounts for the year ended 31<sup>st</sup> March, 2016.

### 1. FINANCIAL RESULT:

The Company has posted a net loss of ₹ 31,82,221/- as against the net loss of ₹ 23,77,212/- during the last year and the same amount is carried forward to the Balance Sheet. Except the holding of equity shares in Innovassynth Technologies (India) Limited, the Company has not carried out any other business activity.

### 2. DIVIDEND:

In view of the accumulated losses, Directors do not recommend any dividend for the year ended 31<sup>st</sup> March 2016.

### 3. PERFORMANCE REVIEW:

The Company's turnover including service income for 2015-16 was Nil as compared with Nil during the previous year. The year has resulted in a net loss after tax of ₹ 31,82,221/- compared with ₹ 23,77,212/- during the last year.

### 4. SHARE CAPITAL:

There was no change in the Company's share capital during the year under review. The paid up equity share capital as on 31<sup>st</sup> March, 2016 was ₹ 24,27,80,350/-.

### 5. MANAGEMENT DISCUSSION AND ANALYSIS:

A detailed report on Management Discussion and Analysis (MDA) Report is included in this Report as "Annexure A".

### 6. DISCLOSURES UNDER THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER:

#### A. EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in form MGT 9 as required under section 92 of the Companies Act, 2013 is included in this Report as "Annexure B".

#### B. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES:

During the year four Board Meetings, four Audit Committee Meetings, one Nomination and Remuneration Committee Meetings, one Risk Management Committee Meeting, one Stakeholder Relationship Committee Meeting and one Independent Directors Meeting were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

#### C. COMPOSITION OF AUDIT COMMITTEE:

The composition of the Audit Committee is provided in Corporate Governance Report and forms a part of this Annual Report. There have been no instances of non acceptance of any recommendations of the Audit Committee by the Board during the financial year under review.

#### D. RELATED PARTY TRANSACTIONS:

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. Further there are no material related party transactions during the year under review

with the Promoters, Directors or Key Managerial Personnel. Hence, no particulars are being provided in Form AOC - 2. All Related Party Transactions are placed before the Audit Committee as also the Board of Directors for approval.

#### **E. CORPORATE GOVERNANCE:**

Your company has complied with the various requirements of the Corporate Governance Code under the provisions of the Companies Act, 2013 and as stipulated under the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

A detailed report on Corporate Governance forms part of this Annual Report.

#### **F. RISK MANAGEMENT:**

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

#### **G. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

In accordance with the provisions of section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Dr. B. Sahu, retire by rotation at the forthcoming Annual General Meeting and being eligible, offer himself for re-appointment.

#### **H. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and as per SEBI (LODR) Regulations, 2015.

#### **I. BOARD EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 the Board of Directors has carried out an annual performance evaluation of its own performance and that of the Directors and Committees.

The Nomination and Remuneration Committee of the Company recommended Evaluation Policy which was adopted by the Board of Directors. The policy provides for evaluation of the Board, the Committees of the Board and individual Directors, including the Chairman of the Board.

The Policy provides that evaluation of the performance of the Board as a whole; Board Committees and Directors shall be carried out on an annual basis.

During the year, the first Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Directors. The exercise was led by the Chairman of Nomination and Remuneration Committee alongwith an Independent Director. The Evaluation process focused on various aspects of the Board and Committees functioning such as composition of the Board and Committees, experience, performance of duties and governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors on parameters such as attendance, contribution, independent judgement and guidance and support provided to the management.

The results of the evaluation were shared with the Board, Chairman of respective Committees and individual Directors.

#### **J. REMUNERATION POLICY**

The Board of Directors on the recommendation of the Nomination & Remuneration Committee has framed a Policy for Directors, Key Managerial Personnel and other Senior Managerial Personnel of the Company, in accordance with

the requirements of the provisions of Section 178 of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015. The policy attached to this report as “**Annexure C**”.

**K. AUDITORS:**

**a. Statutory Auditor’s:**

The Company’s Statutory Auditor M/s. N. M. Rajji & Company having ICAI Registration No. 108296W retire at the ensuing Annual General Meeting.

The Board, based on recommendation of the Audit Committee, proposes the re-appointment of M/s. N. M. Rajji & Company as the Statutory Auditor of the Company at the ensuing Annual General Meeting. M/s. N. M. Rajji & Company, have confirmed their eligibility and willingness to accept office, if appointed by the members of your company.

Your directors proposes appointment of M/s. N. M. Rajji & Company as the Statutory Auditors of your company.

**b. Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Sushil Talathi & Associates, Company Secretary in Practice to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is included as “**Annexure D**”.

With reference to the observation in the Auditor’s Certificate on Corporate Governance, Board has noted the same.

**L. DISCLOSURE UNDER SHEDULE V(F) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015:**

Your Company does not have any unclaimed shares issued in physical form pursuant to Public issue/Right issue.

**M. SUBSIDIARY AND ASSOCIATE COMPANIES:**

The Company has one associate company namely M/s. Innovassynth Technologies (India) Limited in which Company holds 31.79% stake. There has been no material change in the nature of the business of the associate company.

**N. DEPOSITS:**

During the period under review, the Company had not accepted any fixed deposits with the meaning of Section 73 to 76 of the Companies Act, 2013.

**O. LOANS, GUARANTEES OR INVESTMENTS:**

The Company has not given any loan to or provided any guarantee or security in favour of other parties. The Company has also not made any investment of its fund with any other party.

**P. MATERIAL CHANGES AND COMMITMENTS BETWEEN THE DATE OF THE BALANCE SHEET AND THE DATE OF REPORT:**

There have been no material changes and commitments affecting the financial position of the Company 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.

**Q. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS:**

There are no any significant and material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

**R. ENERGY CONSERVATION, TECHNOLOGY, ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company has no particulars to report regarding conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013, read with Rules thereunder.

**S. STATEMENT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

There are no employees drawing remuneration in excess of the limits set out under section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annual Report as **Annexure "E"** which forms a part of this Report.

**T. FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

**U. INTERNAL FINANCIAL CONTROLS:**

The Company has put in place an adequate system of internal financial controls with respect to the financial statement and commensurate with its size and nature of business which helps in ensuring the orderly and efficient conduct of business. No reportable material weakness in the operation was observed.

**V. VIGIL MECHANISM/WHISTLE BLOWER POLICY:**

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and as per SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**W. RESERVES**

The Company does not have any profit during the year under review hence no amount is required to transfer to the reserves.

**X. LISTING OF EQUITY SHARES:**

Your Company's shares are listed with BSE Limited (BSE), Mumbai. Listing fees have been paid for the financial year 2016-17.

**Y. OBLIGATION OF YOUR COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

As there is only one male employee of the company, the provisions of the Act are not applicable to the Company.

**Z. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, your Directors 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.** they have 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.** they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d.** they have prepared the annual accounts on a going concern basis;
- e.** they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f.** they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 7. ACKNOWLEDGEMENT:

We thank our employees, investors and bankers for their continued support during the year. We are grateful to the various authorities for their continued co operation. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

On behalf of the Board  
**For Innovassynth Investments Limited**

**S.B. Ghia**  
Managing Director  
(DIN: 00005264)

Mumbai, 13<sup>th</sup> August, 2016  
Registered Office:  
Flat No. C-2/3, KMC No. 91,  
Innovassynth Colony,  
Khopoli – 410203.

## ANNEXURE A

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2015-16

**During the year under review, the Company has no operations but has only one investment in Innovassynth Technologies (India) Limited (ITIL). Hence the Management Discussion and Analysis Report of ITIL shall be treated as the Management Discussion and Analysis Report of Innovassynth Investments Limited.**

**The Management Discussion and Analysis Report of ITIL as follows:**

#### **1. INDUSTRY STRUCTURE AND DEVELOPMENTS:**

The Company is knowledge-based, chemical service company and it works in the following business segments –

Pharma intermediates,

DNA related building blocks,

Protected amino acid derivatives,

Perfumery and fragrance chemicals, and

Nutraceuticals.

The key business areas are customs synthesis, contract research and contract & toll manufacturing of specialty chemicals and working in diversified areas.

As a result of several years of hard work, there are several exclusive products in companies fold in the area of novel catalyst for polymerization process and intermediate to new drug developments which are already in phase III.

The company is working in the leading edge technologies in bio-tech area, supplying the building blocks for DNA and RNA to leading drug-discovery companies, Pharma companies in the world having several molecules in different clinical phases of clinical trials. The Company has developed hundreds of molecules for several of its internationally well known clients. Last eight years of hard work and presentation of company's technical capabilities have resulted in well known chemical and pharma MNCs accepting Company's status as a quality Research & Development company especially in several new areas.

The Company manufactures various products specifically as per the orders received from its customers. This year the company has also improved in various toll manufacturing projects to supply bulk chemical intermediates for local customers with their partnership.

The largest Contract Manufacturing the Company has with BASF is going in a very positive direction and the capacity has been increased by 25% in this year.

#### **2. OPPORTUNITIES AND THREATS:**

The Company has been recognized Internationally as one of the few companies in development and manufacture of nucleosides and amidites. This breakthrough opens up vast opportunities for the Company in this area. With the established rapport, the Company is able to collaborate with international drug Discovery Company to develop and scale up new molecules for drug delivery applications. There are several Pharma MNCs worldwide which are actively engaged in developing new drugs based on DNA analysis, Stem cell research etc. The progress of various modified nucleosides and phosphoramidites as therapeutic agents in different clinical stages has increased the product demand. The requirement for nucleosides and amidites used in manufacturing of oligonucleotides for different types for research as well as diagnostic

purpose offers unlimited opportunities. The Company is already in the supply chain of some of the large R& D and Pharma companies who are using the Company's products for their research. Some of the drugs developed by them are showing good results in the advanced stage of Clinical trials and once these are successful, the Company hopes to get multi ton orders from these companies for its products.

### **3. OUTLOOK:**

The company has established many products in the area of Pharma Intermediates, specialty chemicals, etc. where it is one of the few companies worldwide having the right technology to produce these products. It has also kept its ties with the old customers, who are buying products for last several years. It has also added a few customers to its list and have started supplying some high end chemicals.

The company has established very firmly in the area of genome- based therapeutics as reliable supplier of various key intermediates for various drugs which are in pipe line. The company has emerged as a preferred supplier for regular amidites as well as wide variety of modified amidites used for development of several therapeutic applications. Also many drug discovery companies with exclusive therapeutic technologies (for example, siRNA, Antisense, MicroRNA, Aptamers, etc) are working in collaboration with us to optimize their technology and scale up to multi kilo scale level for supplying them the intermediates on a regular basis.

The company has added a few new customers in its fold, who are working in the new technology area. Our products have been well-accepted by these customers and are looking forward to increasing the quantum.

With many new molecules developed for next generation technologies working with world leading companies, the company is suitably poised to take those products to larger scales and become their strategic partner and reliable supplier.

### **4. RISK & CONCERNS:**

As the Company is involved in research and development of new molecules and products there are possibilities of delay in its client's commercializing their development. Many of the clients who are carrying out clinical trials for drugs for which the Company has supplied the raw materials, are in advanced stage of trials. Once these trials are completed successfully and they commercialize the same, the Company can look forward to an exponential growth in the business as the requirement for the intermediates it supplies will also go up. There are possibilities that the client may not succeed in their development of their final products.

In view of several new products being developed simultaneously, it would be difficult to assess the capacity utilization which depends on the product mix. The company, however, attaches priority to high contribution products to improve its profitability.

The Company also depends for its growth on its vast skilled scientists and chemists whose continuance in service is a critical factor in spite of the high recurring and retention cost. The Company also increases the repertoire of areas (for example, developing skill set for producing useful molecules for drug delivery), so that new business avenues could be explored

Keeping in view the available infrastructure, the company has started working with a big Indian chemical Company for tolling business for a few of its niche products. This is also likely to generate substantial business for helping the company going forward.

### **5. INTERNAL CONTROL SYSTEMS AND ADEQUACY:**

The Company has adequate internal control systems commensurate with its size and nature of operations. The Audit Committee set up by the Board reviews periodically the internal audit reports submitted by the internal auditors. The Management periodically interacts with the internal and statutory auditors and implement the suggestions make by them from time to time.

**ANNEXURE B:  
FORM NO. MGT-9  
EXTRACT OF ANNUAL RETURN**

As on financial year ended 31.03.2015  
[Pursuant to Section 92(3) of the Companies act, 2013 read with  
[The Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

CIN	L67120MH2008PLC178923
Registration date	15/02/2008
Name of the Company	Innovassynth Investments Limited
Category/Sub-Category of the Company	Company limited by shares
Address of the Registered office and contact details:	Flat No. C-2/3, KMC No. 91, Innovassynth Colony, Khopoli – 410203 Tel: (02192) 260224 Email: secretarial@innovassynthinvestments.in
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Satellite Corporate Services Pvt. Ltd. 301, Sony Apartments Opp. St. Jude High School Off. Andheri-Kurla Road Jarimari, Mumbai-400 072. Phone : 022 28520461, 28520462 Fax: 28511809 E-mail : service@satellitecorporate.com

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

All the business activities contributing 10% or more of total turnover of the company as stated below.

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service to total turnover of the company	% to total turnover of the company
1	Investment in group companies	-	-

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

Sr. No.	Name and address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held
1	Innovassynth Technologies (India) Limited	U24110MH2001PLC134105	Associate	31.79



IV. SHARE HOLDING PATTERN

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2015				No. of Shares held at the end of the year 31/03/2016				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a. Individual / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
b. Central Government	0	0	0	0.00	0	0	0	0.00	0.00
c. State Government (s)	0	0	0	0.00	0	0	0	0.00	0.00
d. Bodies Corporates	88,38,067	0	88,38,067	36.40	88,38,067	0	88,38,067	36.40	0.00
e. Bank / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
f. Any other									
<b>Sub-total (A) (1) :</b>	88,38,067	0	88,38,067	36.40	88,38,067	0	88,38,067	36.40	0.00
<b>(2) Foreign</b>									
a. Non Resident Indians – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b. Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0.00
d. Banks / Financial Institutions	0	0	0	0.00	0	0	0	0.00	0.00
e. Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2)</b>	0	0	0	0	0	0	0	0	0.00
<b>Total Shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	88,38,067	0	88,38,067	36.40	88,38,067	0	88,38,067	36.40	0.00
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a. Mutual Funds	399	71,893	72,292	0.30	399	71,893	72,292	0.30	0.00

b. Banks / Financial Institutions	3,708	8,283	11,991	0.05	3,708	8,283	11,991	0.05	0.00
c. Central Government	0	0	0	0.00	0	0	0	0.00	0.00
d. State Government (s)	0	0	0	0.00	0	0	0	0.00	0.00
e. Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f. Insurance Companies	13,16,653	216	13,16,869	5.42	13,16,653	216	13,16,869	5.42	0.00
g. Foreign Institutional Investors	0	3,276	3,276	0.01	0	3,276	3,276	0.01	0.00
h. Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i. others	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1)</b>	<b>13,20,760</b>	<b>83,668</b>	<b>14,04,428</b>	<b>5.78</b>	<b>13,20,760</b>	<b>83,668</b>	<b>14,04,428</b>	<b>5.78</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a. Body Corporates									
i. Indian	15,97,127	42,063	16,39,190	6.75	12,39,652	42,054	12,81,706	5.28	(1.47)
ii. Overseas	0	0	0	0	0	0	0	0	0.00
b. Individuals									
i. Individual shareholders holding nominal share capital up to ` 1 Lakh	50,32,735	10,52,909	60,85,644	25.07	48,42,744	10,37,650	58,80,394	24.22	(0.85)
ii. Individual shareholders holding nominal share capital in excess of ` 1 Lakh	42,05,997	0	42,05,997	17.32	47,44,219	0	47,44,219	19.54	2.22
c. Others									
i. Non Resident Indians	5,01,988	2,173	5,04,161	2.08	5,25,063	2,173	5,27,236	2.17	0.10
ii. Overseas Corporate Bodies	0	10,42,584	10,42,584	4.29	0	10,42,584	10,42,584	4.29	0.00
iii. Foreign Nationals	0	0	0	0	0	0	0	0	0.00
iv. Trust	1,747	7,010	8,757	0.04	1,747	7,010	8,757	0.04	0.00
v. Directors & Relatives	32,669	10	32,679	0.13	32,669	10	32,679	0.13	0.00
vi. HUF	5,11,853	0	5,11,853	2.11	5,16,358	871	5,17,229	2.13	0.02

vii. Clearing Members	4,675	0	4,675	0.02	736	0	736	0.00	(0.02)
Viii. Foreign Bodies-DR	0	0	0	0	0	0	0	0	0.00
<b>Sub-total (B)(2) :</b>	1,18,88,791	21,46,749	1,40,35,540	57.81	1,19,03,188	21,32,352	1,40,35,540	57.81	0.00
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	1,32,09,551	22,30,417	1,54,39,968	63.60	1,32,23,948	22,16,020	1,54,39,968	63.60	0.00
<b>C. Shares held by custodian for GDRs and ADRs</b>	0	0	0	0	0	0	0	0	0.00
<b>Grand Total (A+B+C)</b>	2,20,47,618	22,30,417	2,42,78,035	100	2,20,62,015	22,16,020	2,42,78,035	100	0.00

**(ii) Shareholding of Promoters:**

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	
Bhupati Investments & Finance Pvt Ltd	41,41,070	17.06	0	41,41,070	17.06	0	0.00
Bloomingdale Investment & Finance Private Limited	24,12,414	9.94	0	24,12,414	9.94	0	0.00
Futura Polyesters Limited	49,940	0.21	0	49,940	0.21	0	0.00
Matsyagandha Investment And Finance Private Limited	22,34,643	9.20	0	22,34,643	9.20	0	0.00

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

Sr. No.	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year	88,38,076	36.40		
	At the end of the year			88,38,076	36.40

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDR and ADRs)

Sr. No.	Name of Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	At the beginning of the year				
1	LIFE INSURANCE CORPORATION OF INDIA	10,95,613	4.51		
2	PERSIPHONE INVESTMENTS LTD	7,65,280	3.15		
3	R RAHEJA PROPERTIES PRIVATE LIMITED	6,81,854	2.81		
4	DIPAK KANAYALAL SHAH	3,60,000	1.48		
5	SUDHIR KESHAVJI SAMPAT	3,53,966	1.46		
6	KAHINI RAJENDRA SHAH	3,00,025	1.24		
7	KADAMBARI RAJENDRA SHAH	3,00,025	1.24		
8	DEVESH R JAYKRISHNA	1,89,005	0.78		
9	SADHANA BALKRISHNA PATIL	1,74,664	0.72		
10	DINERO FINANCE AND INVESTMENTS PVT LTD	1,69,153	0.70		
	At the end of the year (or on the date of separation, if separated during the year)				
1	LIFE INSURANCE CORPORATION OF INDIA			10,95,613	4.51

2	PERSIPHONE INVESTMENTS LTD			7,65,280	3.15
3	R RAHEJA PROPERTIES PRIVATE LIMITED			6,81,854	2.81
4	SUDHIR KESHAVJI SAMPAT			3,53,966	1.46
5	RAJENDRA Y SHAH			3,00,025	1.24
6	KADAMBARI RAJENDRA SHAH			3,00,025	1.24
7	DIPAK KANAYALAL SHAH			3,00,000	1.24
8	SADHANA BALKRISHNA PATIL			2,16,933	0.89
9	DEVESH R JAYKRISHNA			1,94,915	0.80
10.	HAFEEZ SORAB CONTRACTOR			1,52,272	0.63

Note:

1. In case of joint holding, the names of first holder is considered.
2. The shareholding details given above are based on the legal ownership and not beneficial ownership and is derived on the folio number listing provided by the Registrar and share Transfer agent of the Company.
3. Since the shareholding of top ten shareholders are held in electronic form, it is not feasible to provide date-wise increase or decrease in the shareholding pattern of top ten shareholders during the Financial Year.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Shareholding at the end the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
	<b>At the beginning of the year</b>				
1	Mr. S.B. Ghia	470	0.002		
2	Dr. B. Sahu	10	0.000		
3	Ms. Rashmi Uday Singh	0	0.000		
4	Mr. K. Ramasubramanian	0	0.000		
5	Mr. Ratnesh Kumar Pandey	0	0.000		
	<b>At the end of the year</b>				
1	Mr. S.B. Ghia			470	0.002
2	Dr. B. Sahu			10	0.000
3	Ms. Rashmi Uday Saingh			0	0.000
4	Mr. K. Ramasubramanian			0	0.000
5	Mr. Ratnesh Kumar Pandey			0	0.000

**V. INDEBTEDNESS**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
<b>Indebtness at the beginning of the financial year</b>	-	45,00,000	-	45,00,000
i) Principal Amount	-	3,48,041	-	3,48,041
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total(i+ii+iii)</b>	-	48,48,041	-	48,48,041
Change in Indebtedness during the financial year				
Additions	-	25,15,827	-	25,15,827
Reduction	-	-	-	-
Net Change	-	25,15,827	-	25,15,827
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	65,00,000	-	65,00,000
ii) Interest due but not paid	-	8,63,868	-	8,63,868
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	73,63,868	-	73,63,868

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

No remuneration has been paid to Managing Director during the financial year 2015-16.

**B. Remuneration to other directors**

Particulars of Remuneration	Name of Directors		Total Amount
	Ms. Rashmi Uday Singh	Mr. K. Ramasubramanian	
Independent Directors			
Fee for attending board / committee meetings	45,000	60,000	1,05,000
Commission	0	0	
Others, please specify	0	0	
<b>Total (1)</b>	<b>45,000</b>	<b>60,000</b>	<b>1,05,000</b>
Other Non-Executive Directors			
Fee for attending board / committee meetings	0		

Commission	0		
Others, please specify	0		
<b>Total (2)</b>	<b>0</b>		<b>0</b>
<b>Total (B) = (1 + 2)</b>	<b>0</b>		<b>1,05,000</b>
<b>Total Managerial Remuneration</b>			<b>NA</b>

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MANAGING DIRECTOR / MANAGER / WHOLE TIME DIRECTOR**

<b>Sr. No.</b>	<b>Particulars of Remuneration</b>	<b>Company Secretary</b>
<b>1.</b>	Gross Salary	
<b>a)</b>	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	3,71,186
<b>b)</b>	Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	0
<b>c)</b>	Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	0
<b>2.</b>	Stock Option	0
<b>3.</b>	Sweat Equity	0
<b>4.</b>	Commission - as % of profit - others, specify .....	0
<b>5.</b>	Others, please specify (Company's contribution towards Provident Fund and Superannuation)	0
	<b>Total</b>	<b>3,71,186</b>

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

1. Company – None
2. Directors – None
3. Other officers in Default – None

On behalf of the Board  
**For Innovassynth Investments Limited**

**S.B. Ghia**  
Managing Director  
(DIN: 00005264)

Mumbai, 13<sup>th</sup> August, 2016

## ANNEXURE C: THE NOMINATION AND REMUNERATION POLICY

### I. PHILOSOPHY

The Company strongly believes that the system of Corporate Governance protects the interest of all the stakeholders by inculcating transparent business operations and accountability from management towards fulfilling the consistently high standard of Corporate Governance in all facets of the Company's operations.

The Company is committed to provide employment to all eligible applicants on the principles of equality without any discrimination. The employees have to strictly follow code of ethics and the management practices a zero tolerance for the same.

### II. OBJECTIVE

- a) To strike the right balance in the composition of the Board of Directors by ensuring experts from different spectrum of the existing and/or future business environment are co-opted on the Board to help the Company achieve its objectives, aspirations and growth potential.
- b) To implement a transparent process of determining remuneration at Board and Senior Management level of the Company that would strengthen confidence of stakeholders in the Company and its management and help in creation of long - term value for them.
- c) To strike appropriate balance between the elements comprising the remuneration so as to attract and retain potential high performing candidates for critical position in the Company for attaining continual growth in business.
- d) To ensure a direct relationship with the Key Result Areas and individual achievements considering short as well as long term performance objectives appropriate to the working of the Company and its goals.

### III. COVERAGE

#### **A. Policy on Board Diversity and Term of Appointment of Independent Directors:**

The Board of Directors shall comprise of persons who have expertise in the areas of business that the Company operates in and of such persons having expertise to help the Company to diversify its business at the appropriate times.

The Nomination and Remuneration Committee of the Board shall recommend persons with the requisite expertise to the Board of Directors for co-option on the Board, at its discretion. The Independent Directors shall be appointed for two terms.

#### **B. Guidelines of determining remuneration of:**

- i. Executive Directors
- ii. Non Executive Directors
- iii. Key Managerial Personnel
- iv. Senior Management Personnel



#### IV. REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

##### A. DIRECTORS

###### i. Managing/Executive Directors:

The Board of Directors of the Company shall decide the remuneration of Managing/Executive Directors on the basis of recommendation from Nomination and Remuneration Committee (N&RC) subject to the overall limits provided under the Companies Act, 2013 and Rules made thereunder, including any amendments, modifications and re-enactments thereto ('the Act') as applicable from time to time. The remuneration shall be approved by the shareholders of the Company, as and when required.

The Company shall enter into a contract with every Managing/Executive Director, which will set out the terms and conditions of the appointment. The contract shall be recommended by the N&RC approved by the Board.

The contract shall be maximum for such tenure as may be provided in the Act subject to such approvals as may be required. The Board may vary any terms and conditions of the contract subject to such approvals, as may be required under the Act.

Every notice sent to the shareholder for seeking their approval for appointment / re-appointment / remuneration of the Managing/Executive Directors shall contain the gist of terms and conditions of the contract.

The remuneration components shall include inter alia:

###### a. Fixed salary:

Each Managing/Executive Director shall be paid fixed salary consisting of basic salary and such allowances and perquisites as may be decided by Board on the recommendation of the N&RC.

OPTION 1: The revision in the salary may be annually done and shall be determined by the Board as per the appraisal of the performance of each Executive Director by the Board, subject to overall limit approved by the shareholders.

OPTION 2: The salary shall remain fixed for the term of the Managing/Executive Director.

###### b. Commission:

The Board may approve payment of commission subject to the provisions of the Act. The amount of commission to be paid to each of the Managing/Executive Director(s), shall be as recommended by the N&RC on the basis of performance evaluation carried out in respect of such Executive Director(s) under Section 178 of the Act, 2013.

###### c. Non-monetary benefits:

Managing/Executive Directors may be entitled to club membership, company vehicle with driver, petrol reimbursement, vehicle maintenance, telephone, fax, internet at residence, reimbursement of mobile phone bill, fully furnished accommodation (in case of use of own residential property for accommodation, house rent allowance shall be paid), furnishings, reimbursement of house maintenance expenditure, reimbursement of gas, electricity bill, water and other utilities and repairs at residence, reimbursement of medical expenditure, including domestic hospitalization expenses for self and family and leave travel assistance.

The Managing/Executive Directors may also be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance etc. or any other benefit as per Company policy.

###### d. Compensation for loss of office may be paid as may be approved by the Board subject to the provisions of Section 202 of the Act.

e. Separation / Retirement benefits:

Managing/Executive Director shall be eligible to the following perquisites which shall be included in the computation of the ceiling on remuneration provided in the Act:

- i. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961 or any amendment thereof;
- ii. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
- iii. Encashment of leave at the end of the tenure.

In case of loss or inadequacy of profits of the Company, the aforesaid perquisites shall not be included in computation of the ceiling on remuneration provided in the Act.

**ii. Non-Executive Directors:**

The Company shall issue a letter of engagement or appointment to every Non -Executive Director.

The components of payment of remuneration to Non-Executive Directors shall include:

a. Sitting fees:

Sitting fees shall be paid for Board and / or any Committee attended by the Directors. Different amount of sitting fees may be paid for different types of meetings.

Sitting fees shall be over and above the limits prescribed in the Act for payment of remuneration but shall not exceed the amount as may be prescribed in the Rules for independent and non-independent directors.

The disclosure of the payment of sitting fees for all types of meetings shall be made in the Annual Report of the Company.

Committees shall include Audit Committee, Nomination and Remuneration Committee, Share Transfer cum Shareholders' / Investors' Grievance and Stakeholders' Relationship Committee or such other committees as may be constituted by the Board from time to time.

b. Commission

The Board may approve payment of commission subject to the provisions of the Act. The amount of commission to be paid to each of the Non-Executive Director(s), shall be as recommended by the N&RC on the basis of performance evaluation carried out in respect of such Non-Executive Director(s) under Section 178 of the Act 2013.

c. Stock Options:

Independent Directors and Promoter Directors shall not be entitled for stock options of the Company. N&RC may recommend issue of stock options to other Directors which may be granted by the Board subject to the compliance of the provisions of relevant laws.

d. Professional fees:

Non Independent Directors may be paid fees for services of professional nature, if in the opinion of N&RC, the Director possesses the requisite qualification for the practice of the profession.

**EXCESS REMUNERATION:**

The Board of Directors may decide to remunerate the Director/s beyond the overall limits provided under the Act, subject to compliance of provisions in this regard including obtaining approval of Central Government, if required, owing to loss incurred by the Company or inadequacy of profits and situation entails providing such remuneration.

**WAIVING OF EXCESS REMUNERATION:**

Any remuneration or sitting fees paid, whether directly or indirectly, to any Director whether Executive or not beyond the limits prescribed under the Act and for which approval of the shareholders or Central Government is not obtained, if required to be obtained, the same shall be refunded to the Company and until such sum is refunded, hold it in trust for the Company.

Company shall not, in any case, waive the recovery of any such sum unless specific permission is obtained from Central Government for waiving such excess payment.

**B. KEY MANAGERIAL PERSONNEL (KMP)**

Key Managerial Personnel (KMP) means Managing Director/Chief Executive Officer, Chief Financial Officer and Company Secretary.

The Company shall issue an appointment letter to every KMP to be signed by the reporting Managing Director. The letter shall detail the expectation from the role, remuneration package and other terms and conditions.

The remuneration components payable to KMP may be:

a. Fixed salary:

Each KMP shall be paid fixed salary consisting of basic salary and such allowances and perquisites as per service rules of the Company. The band of the salary shall be determined according to the industry standards, market conditions, scale of Company's business relating to the position, educational qualification parameters and personal experience in the industry as detailed in the service rules of the Company and such other factors as may be prescribed therein.

The same shall be reviewed annually based on the Company's annual appraisal policy.

b. Variable pay:

Variable pay, if any, to every KMP shall be as per the responsibility of the position, organization and individual performance.

The variable pay shall be payable at the end of financial year based on absolute and relative performance evaluation of the Company as well as individual. The weightage of the same will be decided by the N&RC in each case before the beginning of the each financial year.

c. Non-monetary benefits:

Non-monetary benefits to KMP may include club membership, company vehicle with driver, petrol reimbursement, vehicle maintenance, telephone, fax, internet at residence, reimbursement of mobile phone bill, fully furnished accommodation (in case of use of own residential property for accommodation, house rent allowance shall be paid), furnishings, reimbursement of house maintenance expenditure, reimbursement of gas, electricity bill, water and other utilities and repairs at residence, reimbursement of medical expenditure for self and family and leave travel assistance.

KMP may be entitled to personal accident insurance, group accident insurance coverage, medical insurance coverage, term insurance etc. as per Company policy.

d. Stock options:

To motivate executives to pursue long term growth and objectives of the Company, the Executive Directors may nominate KMP for receiving stock options on the basis of the eligibility criterion of any scheme of stock options declared by the Company.

e. Separation / Retirement benefits:

Separation/retirement benefits as per Company policy which shall include contribution to provident fund, superannuation, gratuity and leave encashment.

**DIRECTORS AND OFFICERS LIABILITY INSURANCE**

The Company may take Directors and Officers liability insurance or such insurance of like nature for indemnifying any of the Directors or its KMP against any liability in respect of any negligence, default, misfeasance, breach of duty or trust for which they may be guilty in relation to the Company, the premium paid on such insurance shall not be treated as part of remuneration payable to such personnel. Provided that if such person is proved to be guilty, the premium paid shall be treated as part of remuneration.

**CONSULTANTS AND ADVISORS**

The N&RC may take services of such consultants and advisors as may be required to assist in determination of optimum remuneration structure and evaluation of the same for the Company's Directors and senior management and shall have the authority to approve the fees payable to such consultants and advisors.

The N&RC shall have access to data of the Company relating to annual operating plan, management and leadership programs, employee survey, initiatives, operational reviews for purpose of undertaking their terms of reference and providing such recommendations as are required under the policy and take such assistance from Executive Director as may be required for assessing the effectiveness and performance of any employee covered under the policy.

**For Innovassynth Investments Limited**

**S.B. Ghia**  
Managing Director  
(DIN: 00005264)

**Mumbai, 13<sup>th</sup> August, 2016**

**ANNEXURE D:  
Form No. MR-3  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31STMARCH 2016**

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

**To,  
The Members,  
INNOVASSYNTH INVESTMENTS LIMITED**

CIN :L67120MH2008PLC178923

Flat No C-2/3, KMC No 91

Old Mumbai-Pune Road,

Khopoli – 410203

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INNOVASSYNTH INVESTMENTS LIMITED** (hereinafter called “the Company”). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officer, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment (FDI), Overseas Direct Investment and External Commercial Borrowings (ECB);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - d. The Securities and Exchange Board Of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Regulations, 2009, and The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 notified on 28<sup>th</sup> October, 2014;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other laws applicable to the Company as per the representation given by the Company.

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

- i) The Listing Agreement entered into by the company with BSE Limited.
- ii) Secretarial Standards with respect to Board & General Meetings of The Institute of Company Secretaries of India.

During the period under review and as per the explanations and clarifications given to us and the representations made by the Management, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. mentioned above.

Our report of compliance of other laws would be limited to the Company’s reporting in system & submissions of documents and subject to the observations and comments made by them in their report, if any.

We further report that we have relied on the report of Internal as well as the Statutory Auditors of the Company for compliance system relating to direct tax, indirect tax and other tax law.

We further report that:

The Board of Directors of the company is duly constituted with proper balance of the Executive Directors, Non – Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. We have noticed few delays in filing forms with Registrar of Companies (ROC) which were filed with additional fees.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in and a system exists for seeking and obtaining further for meaningful participation at the meeting.

Decisions of the Board are taken unanimously. As per the records provided by the company, none of the Directors or members dissented on any resolution passed at the meeting.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. The company is generally regular in depositing with appropriate authorities undisputed applicable statutory dues

We further report that during the audit period there were no specific events / actions having a major bearing on the Company’s affairs in pursuance of the above referred laws, rules, regulations, guidelines, etc..

**For SUSHIL TALATHI & ASSOCIATES**  
**Practicing Company Secretary**

**SushilTalathi**  
**Proprietor**  
**Membership No.F8506**  
**C.P.No. 9781**

**Place: Mumbai**  
**Date: 13<sup>th</sup> August, 2016**

Note: This report is to be read with our letter of even date which is annexed as ‘ANNEXURE A’ and forms an integral part of this report.

**Annexure A of Secretarial Audit Report:**

To,  
The Members,  
**INNOVASSYNTH INVESTMENTS LIMITED**  
CIN :L67120MH2008PLC178923  
Flat No C-2/3, KMC No 91  
Old Mumbai-Pune Road,  
Khopoli – 410 203

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 SUSHIL TALATHI & ASSOCIATES**  
**Practicing Company Secretary**

**Sushil Talathi**  
**Proprietor**  
**Membership No. F8506**  
**C.P.No. 9781**

**Place: Mumbai**  
**Date: 13<sup>th</sup> August, 2016**

**ANNEXURE E**
**INFORMATION FORMING PART OF THE DIRECTORS' REPORT PURSUANT TO RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014**

Sr. No.	Particulars	Name of Director	Ratio	
1	The ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year	Mr. S.B. Ghia	Not Applicable	
		Dr. B. Sahu	Not Applicable	
		Ms. Rashmi Uday Singh	Not Applicable	
		Mr. K. Ramasubramanian	Not Applicable	
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	Mr. S.B. Ghia	Not Applicable	
		Dr. B. Sahu	Not Applicable	
		Ms. Rashmi Uday Saingh	Not Applicable	
		Mr. K. Ramasubramanian	Not Applicable	
		Mr. Ratnesh Kumar Pandey	13.08%	
3	The percentage increase in the median remuneration of employees in the financial year	13.08%		
4	The number of permanent employees on the rolls of Company	1		
5	The Explanation on the relationship between average increase in remuneration and company performance	The remuneration is not solely based on company performance but also includes various other factors like individual performance, industry trends, economic situation, future growth prospects, etc.		
6	Comparison on the remuneration of the Key Managerial Personnel against the performance of the Company	The remuneration is not solely based on company performance but also includes various other factors like individual performance, industry trends, economic situation, future growth prospects, etc.		
7	Variation in the market capitalizations of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies		As on March 31,	
			2016	2015
		Market Capitalisation (in lakhs)	1074.62	1347.43
		Price earnings ratio –	Not applicable	
		The Company had not made any public offer.		
8	Average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and	Not Applicable		
	its comparison with the percentile increase in the managerial remuneration and	Not Applicable		
	justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Not Applicable		



9	Comparison of the each remuneration of the KMP against the performance of the Company	The remuneration is not solely based on company performance but also includes various other factors like individual performance, industry trends, economic situation, future growth prospects, etc.
10	The key parameters for any variable component of remuneration availed by the Directors	Not Applicable
11	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	Not Applicable
12	Affirmation	The Board affirms that the remuneration is as per the Nomination and Remuneration policy of the Company.

On behalf of the Board  
**For Innovassynth Investments Limited**

**S.B. Ghia**  
Managing Director  
(DIN: 00005264)

**Mumbai, 13<sup>th</sup> August, 2016**

**CORPORATE GOVERNANCE REPORT**

[Pursuant to Schedule V (c) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015{SEBI (LODR) Regulations, 2015}]

**1. Company’s philosophy on code of Corporate Governance:**

Our Company is committed to achieving high standards of corporate governance recognizing the fact that management is accountable to all stakeholders for good governance. Some of the essential elements of good governance are fairness, ethics, transparency, accountability and responsibility. Consistent with this commitment, our company’s practices and policies continue to meet the above attributes in all spheres of Production, operations and services. World over corporate governance structure are dynamic, evolve over a period of time and keep changing in the light of new developments. Ours too is an ever-evolving process. We will make every effort in raising the standards of corporate governance and will constantly review systems and procedures in order to keep pace with the changing economic environment.

**2. Board of Director:**

**2.1: Composition and Category of Directors:**

As at 31 March 2016, the Board comprised of four Directors. The Composition of the Board is as under:

Category of Directors	No. Of Directors
Executive	1
Non-Executive and Independent	2
Non-Executive and Non-Independent	1
<b>Total</b>	<b>4</b>

**2.2: Director’s attendance record and directorships held:**

The information on composition and category of the Board of Directors as on 31 March 2016, attendance of each Director at Board Meetings held during the Financial Year 2015-16 and the Annual General Meeting (AGM) held on 23rd September 2015, Directorships and Committee positions in other public companies of which the Director is a Member/Chairman and the shareholding of Non-Executive Directors is as follows:

Sr. No.	Name of Director	No. of shares held by Directors	No. of Directorships in other public companies*	No. of Committee positions held in other public companies**		Attendance at the meetings	
				Chairman	Member	Board	AGM
1	Mr. S.B. Ghia	470	4	1	5	4	Yes
2	Dr. B. Sahu	10	0	0	0	3	Yes
3	Ms. Rashmi Uday Singh	0	1	0	0	3	Yes
4	Mr. K. Ramasubramanian	0	2	1	2	4	Yes

\* Other Directorships excludes directorships in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.

\*\* For this purpose only Audit and Stakeholders’ Relationship Committee of the Public Limited Companies has been considered as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**2.3: Number of Board Meetings:**

During the Financial Year under review, four Board Meetings were held on May 29, 2015, August 6, 2015, November 7, 2015 and February 2, 2016.

**2.4: Meeting of Independent Directors:**

The meeting of Independent Directors' was held on 2<sup>nd</sup> February 2016 to discuss the performance of Non-Independent Directors, the Board as a whole and the performance of the Chairman of the Company, taking into account the views of Managing Director and Non-Executive Directors.

**2.5: Familiarisation program for Independent Directors:**

Pursuant to Regulations 25(7) of the SEBI (LODR) Regulations, 2015, familiarization programme to Independent Directors of the Company, on the nature of the Industry and the business model of the Company, role, rights and responsibility of the Independent Directors and other relevant information were conducted periodically. Details regarding familiarization are provided in Company's website [www.innovassynthinvestments.in](http://www.innovassynthinvestments.in).

**2.6: Disclosure of relationships between Directors inter se:**

None of the Directors is related to any other Directors/ Key Managerial Personnel of the Company.

**3. Audit Committee****3.1: Terms of Reference**

The terms of reference of the Audit Committee include the matters specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the stock exchanges as well as those in Section 177 of the Companies Act, 2013 and *inter-alia* includes the following:

1. Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
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 and Auditor's Report thereon before submission to the board for approval, with particular reference to:
  - a) 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;
  - b) Changes to any accounting policies and practices;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to Financial Statements;
  - f) Disclosure of any related party transactions;
  - g) Modify opinion(s) in the draft Audit Report.

5. Reviewing, with the management, the quarterly 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 fund utilized for purposes other than those stated in the offer documents/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the board to take up step in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval of 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 functions, if any, including the structure of the internal audit department, staffing the seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with Internal auditors of any significant findings and follow up there on;
15. Reviewing with 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. Discussing with statutory auditors before the audit commences, about 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, the venture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of whistle blower mechanism;
19. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of Audit Committee as amended from time to time by the SEBI (LODR) Regulations, 2015 and Companies Act, 2013.

### **3.2: Composition**

As at 31 March 2016, the Audit Committee comprises of Three Non-Executive Directors, majority of whom are Independent. The Company Secretary acts as the Secretary to the Committee. The representatives of the Internal Auditors and Statutory Auditors are also invited to the meetings.

During the Financial Year under review, four meetings of the Committee were held on May 29, 2015, August 6, November 7, 2015 and February 2, 2016.

The composition of the Committee and attendance at its meetings is given below:

<b>Sr. No.</b>	<b>Name of the Member</b>	<b>Position</b>	<b>Category</b>	<b>Number of meetings attended</b>
1	Mr. K. Ramasubramanian	Chairman	Independent	4
2	Ms. Rashmi Uday Singh	Member	Independent	3
3	Dr. B. Sahu	Member	Non-Independent	3

**4. Nomination and Remuneration Committee**

**4.1: Terms of Reference**

The terms of reference of the Nomination and Remuneration Committee include the matters specified under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the stock exchanges as well as those in Section 178 of the Companies Act, 2013 and *inter-alia* includes the following:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- ii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iii. Formulation of policy relating to the remuneration for the Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

**4.2: Composition**

The Nomination and Remuneration Committee comprises of three Non - Executive Directors, majority of whom are Independent. The composition is in conformity with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into with the stock exchanges in which the Company's Equity Shares are listed.

During the Financial Year under review, one meetings of the Committee were held on November 7, 2015.

The composition of the Committee and attendance at its meetings is given below:

<b>Sr. No.</b>	<b>Name of the Member</b>	<b>Position</b>	<b>Category</b>	<b>Number of meetings attended</b>
1	Ms. Rashmi Uday Singh	Chairman	Independent	1
2	Mr. K. Ramasubramanian	Member	Independent	1
3	Dr. B. Sahu	Member	Non-Independent	1

**4.3: Performance Evaluation criteria for Independent Directors:**

During the year under review, the Board adopted a formal mechanism for evaluation its performance as well as Individual Directors, including the Chairman of the Board.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors were carried out by the Independent Directors.

**5. Remuneration to Directors:**

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a Policy for selection and appointment of Directors, Key Managerial Personnels, Senior Management and their remuneration.

The remuneration to the Executive Director is in accordance with the provisions of the Companies Act, 2013 and Rules thereof and within the ceiling prescribed thereunder. The sitting fee of 10,000/- for per meeting of the Board and 5,000/- for per Audit Committee, attended by the Independent Directors is payable to them.

Details of the remuneration paid to Directors during Financial Year 2015-16

<b>S.N.</b>	<b>Name of the Member</b>	<b>Remuneration including sitting fees</b>
<b>1</b>	Mr. S.B. Ghia	Nil
<b>2</b>	Ms. Rashmi Uday Singh	45,000
<b>3</b>	Mr. K. Ramasubramanian	60,000
<b>4</b>	Dr. B. Sahu	Nil

**6. Stake Holders Relationship Committee**

**6.1: Composition**

The Stake Holders Relationship Committee has been constituted to look into stakeholder’s complaints and issues and redressal thereof. The Committee is headed by Mrs. Rashmi Uday Singh, Independent Director with Mr. K. Ramasubramanian, Independent Director, and Dr. B. Sahu, Non-Independent Director being the other Members of the Committee.

During the Financial Year under review, one meetings of the Committee were held on November 7, 2015.

The composition of the Committee and attendance at its meetings is given below:

<b>Sr. No.</b>	<b>Name of the Member</b>	<b>Position</b>	<b>Category</b>	<b>Number of meetings attended</b>
1	Ms. Rashmi Uday Singh	Chairman	Independent	1
2	Mr. K. Ramasubramanian	Member	Independent	1
3	Dr. B. Sahu	Member	Non-Independent	1

Mr. Ratnesh K. Pandey, Company Secretary is the Compliance Officer.

During the year under review, no complaints were received from shareholders hence no complaints were outstanding as on 31 March 2016.

**7. General Body Meeting**

Previous General Meetings of the shareholders of the Company were held as under:

<b>Financial year</b>	<b>Date</b>	<b>Type of meeting</b>	<b>Venue</b>	<b>Time</b>
2015-16	23/09/2015	AGM	C-2/3, Innovassynth Khopoli- 410203, Dist. Raigad, Maharashtra, India	11.00 am
2014-15	25/09/2014	AGM	Old Mumbai-Pune Road, Khopoli- 410203, Dist. Raigad, Maharashtra, India	11.00 am
2013-14	30/09/2013	AGM	M. C. Ghia Hall, Bhogilal Hargovindas Bldg, 4 <sup>th</sup> Floor, 18/20, K. Dubash Marg, Mumbai 400 001	4.30 pm

No Special Resolutions passed at the above General Meeting were required to be passed through postal ballot.

**8. Means of Communication:**

**8.1:** The unaudited financial results for every quarter and the annual audited financial results of the Company, in the prescribed proforma, are taken on record by the Board and are submitted to the Stock Exchange.

**8.2:** The same are published within 48 hours, in the national and local dailies, namely Free Press Journal (English) and Navshakti (Marathi).

**8.3:** The quarterly/annual results are also posted in the Company’s website [www.innovassynthinvestments.in](http://www.innovassynthinvestments.in) and also in the website of BSE Limited.

**8.4:** All the official news releases are disseminated on the website of the Company.

**9. General Shareholders Information:**

**9.1: Date, Time and Venue of the Annual General Meeting:**

Date: 28<sup>th</sup> September, 2016

Day: Wednesday

Time: 11.00 a.m.

Venue: Flat No. C-2/3, KMC No. 91, Innovassynth Colony, Khopoli – 410203

**9.2: Financial Year:**

**April- March**

Unaudited First Quarter Result : By 6<sup>th</sup> August, 2015

Unaudited Second Quarter Result : By 7<sup>th</sup> November, 2015

Unaudited Third Quarter Result : By 4<sup>th</sup> February, 2016

Audited Annual Result : By 25<sup>th</sup> May, 2016

**9.3: Dividend Payment Date: N.A.**

**9.4: Name and Address of Stock Exchanges where the Company’s shares are listed and confirmation of payment of Annual Listing Fees:**

**Name:** BSE Limited (BSE)  
**Address:** Phiroze Jeejeebhoy Towers  
 Dalal Street, Mumbai: 400001

**9.5: Stock Code:** 533315

**9.6: Market Price Data: BSE (2015-16)**

Month	High Price	Low Price	No. of Shares
April	7.81	4.82	56,567
May	9.40	5.00	74,102
June	8.90	7.13	1,07,814
July	11.20	7.41	96,824
August	11.30	7.01	1,76,632
December	9.72	8.05	76,377
January	11.27	9.79	4,00,191
February	9.60	7.88	23,969
March	7.78	6.15	3,24,701

**9.7: Performance comparison to BSE Sensex and Nifty:** N.A.

**9.8: Suspension of Securities from Trading:**

The Stock Exchange has suspended trading due to unusual increase in trading activity in shares and its price.

**9.9: Registrar and Share Transfer Agent:**

**Name:** Satellite Corporate Services Pvt. Ltd.  
**Address:** 301, Sony Apartments Opp. St. Jude High School Off. Andheri-Kurla Road Jarimari, Mumbai- 400 072.  
**Phone:** 022-28520461, 28520462  
 Fax: 022-28511809  
**E-mail I.D.:** [service@satellitecorporate.com](mailto:service@satellitecorporate.com)

**9.10: Share Transfer System:**

The applications for transfer of shares lodged at the Company’s Registrar and Share Transfer Agents in physical form are processed within 15 days of receipt of valid and complete documents in all respects. After such processing, the Registrar and Share Transfer Agent issues share certificate to the concerned shareholder(s). Shares under objection are returned within a stipulated period of time. The transfer applications are approved periodically by the senior management of the Company.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, a certificate on half yearly basis is issued by the Practicing Company Secretary for compliance with share transfer formalities by the Company.



9.11: Distribution of Shareholding as on 31 March 2016:

Nominal value of shares (₹)					
From	To	No. of Shareholders	% To Total	No. of Shares(Rs)	% To Total
1	5000	31,537	93.48	2,83,57,350	11.68
5001	10000	1,019	3.02	77,33,730	3.19
10001	20000	522	1.55	74,21,420	3.06
20001	30000	216	0.64	52,90,570	2.18
30001	40000	73	0.22	25,53,490	1.05
40001	50000	88	0.26	40,93,080	1.69
50001	100000	130	0.39	1,00,34,590	4.13
100001 and above		153	0.45	17,72,96,120	73.03
Total		<b>33,738</b>	<b>100</b>	<b>24,27,80,350</b>	<b>100</b>

Category of equity shareholders as on 31.03.2016

Category	Category of Shareholder	Number of Shareholders	No of Shares Held	Number of shares held in dematerialized form	Shareholding as a % of total no. of share
(I)	(II)	(III)	(IV)	(V)	(VI)
(A)	Shareholding of Promoter and Promoter Group <sup>2</sup>				
(1)	Indian				
(a)	Individuals/ Hindu Undivided Family	0	0	0	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00
(c)	Bodies Corporate	4	88,38,067	88,38,067	36.40
(d)	Financial Institutions/ Banks		0	0	0.00
(e)	Any Others(Specify)	0	0	0	0.00
	Sub Total(A)(1)	4	88,38,067	88,38,067	36.40
(2)	Foreign				
(a)	Individuals (Non-Residents Individuals/ Foreign Individuals)	0	0	0	0.00
(b)	Bodies Corporate	0	0	0	0.00
(c)	Institutions	0	0	0	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00
(e)	Any Others(Specify)				
	Sub Total(A)(2)	0	0	0	0.00

	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	4	88,38,067	88,38,067	36.40
<b>(B)</b>	Public shareholding				
<b>(1)</b>	Institutions				
(a)	Mutual Funds/ UTI	13	72,292	399	0.30
(b)	Financial Institutions / Banks	49	11,991	3,708	0.05
©	Central Government/ State Government(s)	0	0	0	0.00
(d)	Venture Capital Funds	0	0	0	0.00
(e)	Insurance Companies	5	13,16,869	13,16,653	5.42
(f)	Foreign Institutional Investors	6	3,276	0	0.01
(g)	Any Other (specify)				0.00
	Sub-Total (B)(1)	73	14,04,428	13,20,760	5.78
<b>(2)</b>	Non-institutions				
(a)	Bodies Corporate	399	12,81,706	12,39,652	5.28
(b)	Individuals				
©	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	32,541	58,80,394	48,42,744	24.22
(d)	ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh.	114	47,44,219	47,44,219	19.54
(e)	Qualified Foreign Investor	0	0	0	0.00
(f)	Any Other (specify)				
	Others	0	0	0	0.00
	Clearing member	7	736	736	0.00
	NRIs	164	5,27,236	5,25,063	2.17
	Overseas Corporate Bodies	4	10,42,584	0	4.29
	Trusts	19	8,757	1,747	0.04
	Directors Relatives	4	32,679	32,669	0.13
	Hindu Undivided Families	409	5,17,229	5,16,358	2.13
	Sub-Total (B)(2)	33,661	1,40,35,540	1,19,03,188	57.81
	Total Public Shareholding (B)= (B)(1)+(B)(2)	33,734	1,54,39,968	1,32,23,948	63.60
	TOTAL (A)+(B)	33,738	2,42,78,035	2,20,62,015	100.00
	Shares held by Custodians and against which Depository Receipts have been issued				
	Promoter and Promoter Group	0	0	0	0
	Public	0	0	0	0
	Sub-Total (C)	0	0	0	0
	GRAND TOTAL (A)+(B)+(C)	33,738	2,42,78,035	2,20,62,015	100.00

<b>Dematerialization of Shares and Liquidity as on 31.03.2016</b>				
	<b>No. of Shareholders</b>	<b>No. of Shares Held</b>	<b>Shareholding as % of total no. of share</b>	
No. of Shareholders in Physical Mode	16,568	22,16,020	9.13	
No. of Shareholders in Electronic Mode	17,187	2,20,62,015	90.87	
TOTAL	33,755	2,42,78,035	100	
<b>Details of Dematerialization</b>				
<b>Days taken for Dematerialization</b>	<b>No. of Request</b>	<b>No. of Shares</b>	<b>% of share</b>	
1-15	163	14,559	0.060	
<b>Details of CDSL &amp; NSDL</b>				
<b>Particulars</b>	<b>National Securities Depository Ltd (NSDL)</b>		<b>Central Depository Services (i) LTD (CDSL)</b>	
	<b>2015-2016</b>	<b>2014-2015</b>	<b>2015-2016</b>	<b>2014-2015</b>
No. of Shares Dematerialized	1,91,84,266	1,95,14,390	2,87,7749	25,33,228
No. of Shares Rematerialized	162	20	0	0

**9.12: Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments:**

The company has not issued any GDRs/ ADRs/ Warrants or convertible instruments.

**9.13: Commodity price risk or foreign exchange risk and hedging activities:**

Not Applicable.

**9.14: Address for Correspondence:**

Ratnesh Kumar Pandey  
 Company Secretary & Compliance Officer  
 Flat No. C-2/3, KMC No. 91, Innovassynth Colony,  
 Khopoli – 410203  
 Telephone: (02192) 260100/260224  
 Fax: 2192 263268  
 E-mail I.D. : secretarial@innovassynthinvestments.in  
 Website: <http://www.innovassynthinvestments.in>

**10. Other Disclosure:**

**10.1: Related Party Disclosure:**

During the Financial Year under review, there was no materially significant related party transaction made by the

Company, as defined in SEBI (LODR) Regulations, 2015 that may have potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in Note to the Standalone Financial Statements in the Annual Report.

**10.2: Non-Compliance by the Company:**

There has been no instance of non-compliance by the Company during the last three financial years except the following:

The Company has received notice from Bombay Stock Exchange for non submission of reports under Listing Agreement for the quarter ended June 30, 2014. The Company has filed necessary reports with the Bombay Stock Exchange immediately after receipt of notice.

**10.3: Establishment of Vigil Mechanism/Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:**

In accordance with the provisions of Section 177 (9) of the Companies Act 2013 and the rules made thereunder and also regulation 22 of the SEBI (LODR) Regulations, 2015, Your Company established a vigil mechanism. The vigil mechanism policy is available on the website of the Company [www.innovassynthinvestments.in](http://www.innovassynthinvestments.in).

**10.4: Compliance with Mandatory requirements and adoption of non-mandatory requirements:**

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated under SEBI (LODR) Regulations, 2015.

**11. Non –Compliance of any requirement of Corporate Governance Report:**

Not Applicable

**12. Disclosure relating to adoption of Discretionary Requirements:**

**12.1: The Board:**

No reimbursement of expenses is made to the Non-executive Chairman in connection with the maintenance of his office.

**12.2: Shareholders Right:**

Since the Company publishes its quarterly results in newspapers (English and Marathi) having wide circulation, and since the results are also displayed on the website of the Stock Exchanges and are also in the website of the Company [www.innovassynthinvestments.in](http://www.innovassynthinvestments.in)., the Company does not send any communication of half yearly performance to the shareholders.

**12.3: Modified Opinion(s) in Audit Report:**

The Audit Report for the year 2015-16 is an unmodified one and does not contain any qualifications.

**13. Disclosure of Compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46:**

The regulations whichever are applicable to the Company have been complied with.

**14. Other Additional Disclosures {As per Schedule V to the SEBI (LODR) Regulations, 2015}:****14.1: Related Party Disclosure:**

Please refer point no. 10.1 of this Corporate Governance Report.

**14.2: Management Discussions and Analysis Report:**

The management discussions and analysis report is included in the point no.5 of the Directors Report.

**14.3: Disclosure on Accounting Treatment:**

In the preparation of financial statements, generally accepted accounting principles and policies were followed. The mandatory Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 were followed in the preparation of financial statements.

**14.4: Disclosure with respect to demat suspense account/ unclaimed suspense account:**

Your Company does not have any unclaimed shares issued in physical form pursuant to Public issue/ Right issue.

## DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT

**To the members of Innovassynth Investments Limited**

As required under Schedule V(D) to the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, It is hereby affirmed that all the Board and Senior Management Personnel have complied with the code of conduct of the Company. It is also Confirmed that the Code of Conduct has already been posted on the website of the Company.

On behalf of the Board  
**For Innovassynth Investments Limited**

Place: Mumbai  
Date: 13<sup>th</sup> August, 2016

**S.B. Ghia**  
**Managing Director**  
**(DIN: 00005264)**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To The Members of  
Innovassynth Investments Limited

We have examined the compliance of conditions of corporate governance by Innovassynth Investments Limited ("the Company") for the year ended 31<sup>st</sup> March 2016, as stipulated in Clause 49 of the listing agreement of the Company with relevant stock exchanges for the period April 1, 2015 to November 30, 2015 and as per Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 for the period December 1, 2015 to March 31, 2016.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Management except In the Audit Committee meeting held on 29/05/2015 only one independent Director was present instead of two.

we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the listing agreement and Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as applicable.

We 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 SUSHIL TALATHI & ASSOCIATES**  
**Practicing Company Secretary**

**Place: Mumbai**  
**Date: 13<sup>th</sup> August, 2016**

**Sushil Talathi**  
**Proprietor**  
**Membership No. F8506**  
**C.P. No. 9781**

## Independent Auditor's Report

### To the Members of Innovassynth Investments Limited, Report on the Financial Statements

We have audited the accompanying financial statements of Innovassynth Investments Limited ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in sub-section (5) of Section 134 of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of 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 financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under sub-section (10) of section 143 of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, of its loss and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India

in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us during the course of the audit, we give in the Annexure , a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by sub-section (3) of section 143 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 appears from our examination of those books.
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid 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, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2016 from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
  - f. The company has adequate internal financial controls system in place and the same are generally operating effectively.
  - 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 the explanations given to us:
    - (i) The Company has no pending litigations which has impact on its financial position.
    - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For N. M. RAIJI & CO.**  
Chartered Accountants  
Firm Registration No: 108296W

**CA. Y. N. THAKKAR**  
Partner  
Membership No: 33329

Place : Mumbai  
Date : 24.05.2016



**Annexure to the Independent Auditor's report of even date**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Innovassynth Investments Limited (the Company))

The Clause No.3 (i), 3 (ii) and 3 (xii) of the Order is not applicable to the Company

- (i) The Company has not granted any loans secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act, therefore sub-clause (a), (b), (c) of clause (iii) of the Order are not applicable.
- (ii) During the year the Company has neither granted any loans nor made any investments nor has it given any guarantee or provided security in connection with loan to others.
- (iii) The Company has not accepted any deposits from the public.
- (iv) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the activities of the Company.
- (v) a) The Company is generally regular in depositing undisputed statutory dues including Service tax, Profession tax and Income tax deducted at source with the appropriate authority. There are no arrears of undisputed statutory dues which remained outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.  
b) According to the records made available to us and the information and explanations given by the management, there are no dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax or cess that have not been deposited on account of any dispute.
- (vi) The Company has not defaulted in repayment of loans or borrowings to any financial institution, banks, Government or debenture holders.
- (vii) The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) or term loans during the year.
- (viii) During the year, no fraud by the Company or any fraud on the Company by its officers or employees has been noticed or reported, during the course of our audit.
- (ix) During the year the Company has not paid any managerial remuneration. Accordingly, clause (xi) of the Order is not applicable.
- (x) All the related party transactions are in compliance with the Section 177 & 188 of the Act, and the details have been disclosed in the Financial Statement as required by the applicable accounting standards.
- (xi) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xii) The Company has not entered into non-cash transactions with directors or persons connected with them.
- (xiii) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For N. M. RAIJI & CO.**

Chartered Accountants  
Firm Registration No: 108296W

**CA. Y. N. THAKKAR**

Partner  
Membership No: 33329

Place : Mumbai  
Date : 24.05.2016

Balance Sheet as on 31<sup>st</sup> March, 2016

Particulars	Note No.	As at 31 March, 2016	As at 31 March, 2015
		₹	₹
<b>A EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	242,780,350	242,780,350
Reserves and surplus	2	(12,334,930)	(9,152,709)
Money received against share warrants		-	-
<b>Share application money pending allotment</b>		-	-
<b>Non-current liabilities</b>			
Long-term borrowings		-	-
Deferred tax liabilities (net)		-	-
Other long-term liabilities		-	-
Long-term provisions		-	-
<b>Current liabilities</b>			
Short-term borrowings	3	6,500,000	4,500,000
Trade payables	4	499,865	149,302
Other current liabilities	5	1,174,819	539,375
Short-term provisions		-	-
<b>TOTAL</b>		238,620,104	238,816,319
<b>B ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
Non-current investments	6	238,500,700	238,500,700
Deferred tax assets (net)		-	-
Long-term loans and advances	7	5,000	5,000
Other non-current assets		-	-
<b>Current assets</b>			
Current investments		-	-
Inventories		-	-
Trade receivables		-	-
Cash and cash equivalents	8	101,917	293,968
Short-term loans and advances	9	12,487	16,651
Other current assets		-	-
<b>TOTAL</b>		238,620,104	238,816,319
<b>See accompanying notes forming part of the financial statements</b>	<b>1 - 18</b>		

As per our report annexed

For **N.M. RAIJI & CO.**,  
Chartered Accountants  
Reg. No. 108296W

**CA. Y.N. THAKKAR**  
Partner  
Membership No. 33329

Place: Mumbai  
Date : May 24, 2016

For and on behalf of the Board of Directors

**S.B. Ghia**  
Managing Director

**Dr B Sahu**  
Director

**Ratnesh K. Pandey**  
Company Secretary

**Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2016**

Particulars		Note No.	For the year ended 31 March, 2016	For the year ended 31 March, 2015
			₹	₹
<b>I</b>	Revenue from Operations		-	-
<b>II</b>	Other income		-	-
<b>III</b>	<b>Total Revenue</b>		-	-
<b>IV</b>	<b>Expenses</b>			
	Cost of materials consumed		-	-
	Purchases of stock-in-trade		-	-
	Changes in inventories of finished goods, work-in-progress and stock-in-trade		-	-
	Employee benefits expense		371,186	35,468
	Finance costs	10	579,624	389,492
	Depreciation and amortisation expense		-	-
	Other Expenses	11	2,231,411	1,952,252
	<b>Total expenses</b>		<b>3,182,221</b>	<b>2,377,212</b>
<b>V</b>	<b>Profit / (Loss) before exceptional and extraordinary items and tax</b>		(3,182,221)	(2,377,212)
<b>VI</b>	Exceptional items		-	-
<b>VII</b>	<b>Profit / (Loss) before extraordinary items and tax</b>		(3,182,221)	(2,377,212)
<b>VIII</b>	Extraordinary items		-	-
<b>IX</b>	<b>Profit / (Loss) before tax</b>		(3,182,221)	(2,377,212)
<b>X</b>	<b>Tax Expense:</b>			
	(a) Current tax		-	-
	(b) Deferred tax		-	-
<b>XI</b>	<b>Profit / (Loss) from continuing operations</b>		<b>(3,182,221)</b>	<b>(2,377,212)</b>
<b>XII</b>	Profit / (Loss) from discontinuing operations (before tax)		-	-
<b>XIII</b>	Tax expense of discontinuing operations		-	-
<b>XIV</b>	<b>Profit / (Loss) from discontinuing operations</b>		-	-
<b>XV</b>	<b>Profit / (Loss) for the year after tax</b>		<b>(3,182,221)</b>	<b>(2,377,212)</b>
<b>XVI</b>	<b>Earnings per share (on face value of ₹ 10/- each):</b>	14		
	(a) Basic		(0.13)	(0.10)
	(b) Diluted		(0.13)	(0.10)
	<b>See accompanying notes forming part of the financial statements</b>	<b>1 - 18</b>		

As per our report annexed

For **N.M. RAIJI & CO.**,  
Chartered Accountants  
Reg. No. 108296W

**CA. Y.N. THAKKAR**  
Partner  
Membership No. 33329

Place : Mumbai  
Date : May 24, 2016

For and on behalf of the Board of Directors

**S.B. Ghia**  
Managing Director

**Dr B Sahu**  
Director

**Ratnesh K. Pandey**  
Company Secretary

**Cash Flow Statement For The Year 1<sup>st</sup> April 2015 To 31<sup>st</sup> March 2016**

Particulars		For the year ended	For the year ended
		31 March, 2016	31 March, 2015
		₹	₹
<b>(A) CASH FLOW FROM OPERATIONS</b>			
(Loss) before tax and extra-ordinary item		(3,182,221)	(2,377,212)
Adjustment for			
Interest on Loan		573,151	386,713
<b>Operating Loss before working capital changes</b>		<b>(2,609,070)</b>	<b>(1,990,499)</b>
<b>Adjustment for</b>			
Loans & Advances		4,163	(19,880)
Trade & Other Payables		412,856	155,975
Cash Generated from Operations		<b>(2,192,051)</b>	<b>(1,854,404)</b>
<b>NET CASH FROM OPERATING ACTIVITIES</b>	(A)	<b>(2,192,051)</b>	<b>(1,854,404)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Advance (Given)/ Repaid		-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	(B)	-	-
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>			
Issue of equity Shares		-	-
Proceeds from Short Term borrowing		<b>2,000,000</b>	<b>1,500,000</b>
<b>NET CASH FROM FINANCING ACTIVITIES</b>	(C)	<b>2,000,000</b>	<b>1,500,000</b>
<b>Net increase in cash and cash activities (A + B + C)</b>		<b>(192,051)</b>	<b>(354,404)</b>
<b>Cash and cash equivalents at the commencement of the year (Opening Balance)</b>			
		293,968	648,372
<b>Cash and cash equivalents at the end of the year (Closing Balance)</b>		101,917	293,968
<b>NET INCREASE / ( DECREASE) AS DISCLOSED ABOVE</b>		<b>(192,051)</b>	<b>(354,404)</b>

**Notes :**

1. Cash and cash equivalents include all items under Note 8 forming part of financial statement.
2. Cash and Cash equivalents includes ₹ 86,101 (previous year ₹ 86,101) which is earmarked for fractional payment.
3. All figures in brackets are outflows.

As per our report annexed  
 For **N.M. RAIJI & CO.**,  
 Chartered Accountants  
**Reg. No. 108296W**

**CA. Y.N. THAKKAR**  
 Partner  
**Membership No. 33329**

**Place : Mumbai**  
**Date : May 24, 2016**

**For and on behalf of the Board of Directors**

**S.B. Ghia**  
**Managing Director**

**Dr B Sahu**  
**Director**

**Ratnesh K. Pandey**  
**Company Secretary**

**Notes forming part of the financial statements**
**Note 1 Share Capital**
**1 (a)**

Particulars	As at 31 <sup>st</sup> March 2016	As at 31 <sup>st</sup> March 2015
	₹	₹
(a) Authorised 2,50,00,000 (2,50,00,000) Equity shares of ₹10/- each with voting rights	250,000,000	250,000,000
(b) Issued 24,278,035 (24,278,035) Equity shares of ₹10/- each with voting rights	242,780,350	242,780,350
(c) Subscribed and fully paid up 24,278,035 (24,278,035) Equity shares of ₹10/- each with voting rights	242,780,350	242,780,350
<b>Total</b>	<b>242,780,350</b>	<b>242,780,350</b>

**1 (b)**

**The reconciliation of the number of shares outstanding and the amount of share capital as at March 31, 2016 and March 31, 2015 is set out below:**

Particulars	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares	₹	Number of shares	₹
Number of shares at the beginning	24,278,035	242,780,350	24,278,035	242,780,350
Add: Shares issued	0	0	0	0
Number of shares at the end	<b>24,278,035</b>	<b>242,780,350</b>	<b>24,278,035</b>	<b>242,780,350</b>

**1 (c)**
**Rights of Shareholders**

The company has equity shares having a par value of ₹10/- each. Shareholder is entitled for one vote per share. The shareholders have the right to receive interim dividends declared by the Board of Directors and final dividend proposed by the Board of directors and approved by the shareholders.

In the event of liquidation by the company, the shareholders will be entitled in proportion to the number of equity shares held by them to receive remaining assets of the company, after distribution to those it was secured.

The shareholders have all other rights as available to equity shareholders as per the provisions of the Companies Act, 2013, read together with the Memorandum of Association and Articles of Association of the Company, as applicable.

**1 (d)**
**Details of shares held by each shareholder holding more than 5% shares**

Class of shares / Name of shareholder	As at 31 March, 2016		As at 31 March, 2015	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Bhupati Investments & Finance Private Limited	4,141,070	17.06	4,141,070	17.06
Bloomingdale Investments & Finance Private Limited	2,412,414	9.94	2,412,414	9.94
Matsyagandha Investment & Finance Private Limited	2,234,643	9.20	2,234,643	9.20

**Note 2 Reserves and surplus**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
Capital reserve	220,350	220,350
Surplus / (Deficit)		
Opening balance	(9,373,059)	(6,995,847)
Add:(Loss) for the year transferred from Statement of Profit & Loss	(3,182,221)	(2,377,212)
Closing balance	<b>(12,555,280)</b>	<b>(9,373,059)</b>
<b>Total</b>	<b>(12,334,930)</b>	<b>(9,152,709)</b>

**Note 3 Short-term borrowings**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
(a) Loans repayable on demand (Unsecured)		
Matsyagandha Investments and Finance Private Limited	6,500,000	4,500,000
<b>Total</b>	<b>6,500,000</b>	<b>4,500,000</b>

**Note 4 Trade Payables**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
Others	499,865	149,301
	<b>499,865</b>	<b>149,301</b>

**Note 5 Other current liabilities**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
Other payables		
Statutory Dues	21,760	46,178
Dues to Fractional Shareholders	86,101	86,101
Interest accrued but not due on borrowings	863,868	348,041
Salary Payable	50,045	24,701
Other Outstanding Liability	153,045	34,354
<b>Total</b>	<b>1,174,819</b>	<b>539,375</b>

**Note 6 Non-current investments (Non- Trade, Unquoted)**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	Total	Total
Investment in equity instruments		
2,38,50,070 (2,38,50,070) Equity Shares of ₹10/- each of Innovassynth Technologies (India) Limited fully paid up	238,500,700	238,500,700
<b>Total</b>	<b>238,500,700</b>	<b>238,500,700</b>
Aggregate cost of unquoted investments	238,500,700	238,500,700

**Note 7: Long Term Loans & Advances**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
<b>Unsecured, Considered Good :-</b>		
Sundry Deposit to related party	5,000	5,000
<b>Total</b>	<b>5,000</b>	<b>5,000</b>

**Note 8 Cash and cash equivalents**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
Cash on hand	-	-
Balances with banks		
In Fractional Payment Account	86,101	86,101
In current account	15,816	207,866
<b>Total</b>	<b>101,917</b>	<b>293,968</b>

**Note 9 Short-term Loans and Advances**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
<b>Unsecured, Considered Good :-</b>		
Prepaid Expenses	12,487	16,651
<b>Total</b>	<b>12,487</b>	<b>16,651</b>

**Note 10 Finance Cost**

Particulars	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
Interest on Loans	573,151	386,713
Interest Others	6,473	2,779
<b>Total</b>	<b>579,624</b>	<b>389,492</b>



**Note 11 Other expenses**

Particulars	For the year ended 31 March, 2016	For the year ended 31 March, 2015
	Total	Total
Postage charges	240,244	513,892
Printing and Stationary	306,180	362,250
Custodial & Listing Fees	477,101	293,044
Registrar and share Transfer agent fees	181,261	212,600
Legal and Professional Fees	283,048	205,661
Director Sitting Fees (Refer Note 15)	135,000	100,000
Rent	41,017	700
Rates & Taxes	36,919	48,089
Advertisement	103,430	96,069
Penalty & Fines	312,243	-
<b>Payments to auditors</b>		
Audit fees	50,000	15,000
Other services	34,300	29,800
Reimbursement of Service Tax & Expenses	7,250	5,539
Other expenses	23,418	69,608
<b>Total</b>	<b>2,231,411</b>	<b>1,952,252</b>

**NOTE 12 : NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

1 SIGNIFICANT ACCOUNTING POLICIES

A. These financial statements have been prepared in accordance with generally accepted accounting principles in India under historical cost convention on accrual basis. These financial statements have been prepared to comply in all materials aspects with accounting standards notified under Section 133 of the Companies Act 2013 read with Companies (Accounts) Rules 2014.

B. Revenue Recognition

Dividend on Investments is accounted when the right to receive payment is established.

C. Investments

Investments being long-term are stated at cost less diminution, other than temporary, in the value of investments if any.

D. Taxes on Income

- (I) Current Tax: Provision for Income Tax is determined in accordance with the provision of Income Tax Act, 1961.
- (II) Deferred Tax Provision: Deferred Tax is recognised on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted on the Balance Sheet date. Deferred Tax Assets are recognized and carried forward against which deferred tax assets can be realised.

E. Employee Benefits

Short Term employee benefits are recognised as a expense in the statement of Profit and Loss Account of the year in which the employee render the related services.

**Note 13: Related Parties Disclosures**

**Details of related parties:**

<b>Description of relationship</b>	<b>Names of related parties</b>
Key Managerial Personnel (KMP)	Mr. S. B. Ghia (Chairman and Managing Director) Mr. Ratnesh K. Pandey (Company Secretary)
Associate Company	Innovassynth Technologies (India) Limited
Company in which KMP / Relatives of KMP can exercise significant influence	(A) Bhupati Investments & Finance Private Limited (B) Chika Private Limited (C) Futura Polysters Limited

<b>Nature of Transaction</b>	<b>Key Managerial Personnel</b>	<b>Innovassynth Technologies (I) Limited</b>
A.Salary (including provision for Ex-Gratia & Leave Travel Allowances)	371,186 (35,468)	- (-)
B.Rent	- (-)	41,017 (700)
C.Security Deposit Paid	- (-)	- (5,000)
D.Outstanding Receivables as on 31-03-2016	- (-)	5,000 (5,000)
E.Outstanding payables as on 31-03-2016	50,045 (24,701)	41,717 (700)

**Note 14: Earnings Per Share**

	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
<b>(a) Weighted Average Number of Shares Outstanding during the year</b>		
i) For Basic Earnings Per Share	24,278,035	24,278,035
ii) For Diluted Earnings Per Share	24,278,035	24,278,035
<b>(b) Net Profit/(Loss) after Tax available for Equity Shareholders (in Rs)</b>	(3,182,221)	(2,377,212)
<b>(c) Earnings Per Share (Rs.) Face value of Rs.10/-</b>		
i) Basic	(0.13)	(0.10)
ii) Diluted	(0.13)	(0.10)

**Note 15:**

Director sitting fees includes Rs 30,000/- Prior Period Item for meeting held on 24.03.2015.

**Note 16:**

General instruction for preparation of Balance sheet and Statement of Profit and Loss as per schedule III are given to the extent they are applicable to the Company.

**Note 17:**

The Company operates only in one segment viz, investment. Hence the segment reporting as required by AS-17, issued by ICAI/Company (Accounts ) Rules 2014 is not applicable.

**Note 18:**

Figures of Previous Year have been regrouped wherever necessary.

As per our report annexed  
For **N.M. RAJI & CO.**,  
Chartered Accountants  
**Reg. No. 108296W**

**CA. Y.N. THAKKAR**  
Partner  
Membership No. 33329

Place : Mumbai  
Date : May 24, 2016

**For and on behalf of the Board of Directors**

**S.B. Ghia**  
Managing Director

**Dr B Sahu**  
Director

**Ratnesh K. Pandey**  
Company Secretary

**Innovassynth Investments Limited**

**Registered Office: Flat No. C-2/3, KMC No. 91, Innovassynth Colony, Khopoli – 410203,**

CIN: L67120MH2008PLC178923

Telephone: (02192) 260100/260224, Website: innovassynthinvestments.in

Email: secretarial@innovassynthinvestments.in

**ATTENDANCE SLIP**

CIN: L67120MH2008PLC178923

Name of the Company: Innovassynth Investments Limited

Registered Office:

Flat No. C-2/3, KMC No. 91,

Innovassynth Colony, Khopoli – 410203.

Members attending the Meeting in person or by Proxy are requested to complete the Attendance Slip and hand it over at the entrance of the meeting room.

I hereby record my presence at the Annual General Meeting of the Company at Flat No. C-2/3, KMC No. 91, Innovassynth Colony, Khopoli – 410203, on Wednesday, September 28, 2016 at 11.00 am.

.....  
.....

Full name of the Member (in block letters)

Signature

E-Mail I.D. ....Folio No.: ..... DP ID No.:\* .....Client ID No.:\* .....

\*Applicable for Member holding shares in electronic form

.....

Full name of the proxy (in block letters)

Signature

-----

**Innovassynth Investments Limited**  
**Registered Office: Flat No. C-2/3, KMC No. 91, Innovassynth Colony, Khopoli – 410203,**  
 CIN: L67120MH2008PLC178923  
 Telephone: (02192) 260100/260224, Website: innovassynthinvestments.in  
 Email: [secretarial@innovassynthinvestments.in](mailto:secretarial@innovassynthinvestments.in)

**Form No. MGT-11**  
**Proxy Form**  
**[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)**  
**of the Companies (Management and Administration) Rules, 2014]**

CIN: L67120MH2008PLC178923  
 Name of the Company: Innovassynth Investments Limited  
 Registered Office: Flat No. C-2/3, KMC No. 91, Innovassynth Colony, Khopoli – 410203.

**Ninth Annual General Meeting, Wednesday, September 28, 2016 at 11.00 am**

Full name of the Member (in block letters)-.....

Registered Address-.....

E-mail I.D.: .....Folio No.: ..... DP ID No.:^..... Client ID No.:^.....

I/We, being the Member(s), holding..... shares of the above named company, hereby appoint:

(1) Name.....

Address.....Email Id.....

Signature.....or failing him/her;

(2) Name.....

Address.....Email Id.....

Signature.....or failing him/her;

(3) Name.....

Address.....Email Id.....

Signature.....or failing him/her;

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Ninth Annual General Meeting of the Company, to be held on Wednesday, September 28, 2016 at 11.00 am at Flat No. C-2/3, KMC No. 91, Innovassynth Colony, Khopoli – 410203 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1	Adoption of Accounts		
2	Re-appointment of Dr. B. Sahu who retire by rotation and, being eligible, offers himself for re-appointment		
3	Appointment of Statutory Auditors		
4	Approval for Related Party Transactions		

Signed this..... day of ....., 2016

Signature of Member(s).....Signature of Proxy holder(s).....

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Eighth Annual General Meeting.
- ^3. Applicable for Member holding shares in electronic form
- \*4. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
5. Please complete all details including details of member(s) in above box before submission.





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