

**INNOVASSYNTH
INVESTMENTS
LIMITED**

11th Annual Report 2017-2018

***Board of Directors:**

Mr. S. B. Ghia,	Chairman & Managing Director
Ms. Rashmi Uday Singh	Independent Director
Mr. Unnikrishnan Anchery	Independent Director

***Audit Committee:**

Mr. Unnikrishnan Anchery	Chairman
Ms. Rashmi Uday Singh	Member
Mr. S. B. Ghia	Member

***Nomination and remuneration committee:**

Ms. Rashmi Uday Singh	Chairperson
Mr. Unnikrishnan Anchery	Member
Mr. S. B. Ghia	Member

***Stakeholders Relationship Committee:**

Ms. Rashmi Uday Singh	Chairperson
Mr. Unnikrishnan Anchery	Member
Mr. S. B. Ghia	Member

***Risk Management Committee:**

Mr. Unnikrishnan Anchery	Chairman
Mr. Rashmi Uday Singh	Member
Mr. S. B. Ghia	Member

Company Secretary & Chief Financial Officer:

@Ratnesh Kumar Pandey
#Abhishek Ajay Deshpande

Statutory Auditors:

M/s MSKA & Associates, Pune

Secretarial Auditors:

M/s. Sushil Talathi & Associates, Mumbai

Internal Auditors:

M/s. Ganesh Bhoir & Associates, Karjat

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.
Unit No. 49, Bldg No. 13 A B, 2nd floor, Samhita Commercial,
Co-Op. Soc Ltd, Off Andheri Kurla Road,
MTNL Lane, Sakinaka, Mumbai-400072
Phone: (022) 28520461, 28520462 Fax: 28511809
E-mail I.D.: service@satellitecorporate.com

*Constitution of Board & Committees as on the Date of this report.

@ Resigned as Company Secretary & CFO w.e.f 19th April, 2018

Appointed as Company Secretary & CFO w.e.f 27th June, 2018

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.

Contents	Page No.
Notice	04-10
Directors Report	11-15
Annexure of Directors Report	16-34
Corporate Governance Report	35-45
Auditors Report	46-51
Balance Sheet	52-52
Profit and Loss Account	53-53
Statement of Changes in Equity	54-54
Statement of Cash Flow	55-55
Notes forming part of the Financial Statements	56-75
Attendance Slip & Proxy Form	77-79

Innovassynth Investments Limited

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

CIN: L67120MH2008PLC178923

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

NOTICE

NOTICE is hereby given that the 11th 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 Sunday, 30th September, 2018 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Standalone Audited Balance Sheet as at and Profit & Loss Accounts for the year ended 31st March 2018 and report of the Directors and Auditors thereon.

SPECIAL BUSINESS:

To consider and if thought fit, to pass, with or without modification (s), the following resolutions:

2. To approve re-classification of promoters as Public Shareholders: (Special Resolution)

“RESOLVED THAT, pursuant to Regulation 31 A and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable provisions of the Companies Act, 2013 read with the Rules framed there under the act, the approval of the Members be and is hereby accorded for re-classification of Bhupati Investments and Finance Private Limited forming part of the existing Promoter group of the Company from Promoter category to Public category.

RESOLVED FURTHER THAT that the Promoters seeking re-classification along person acting in concert will not

- a. Have any special rights through formal or informal agreements.
- b. Hold more than 10% of the paid-up capital of the Company.
- c. Act as a Key Managerial person for a period of more than three years from the date of Shareholders approval.

RESOLVED FURTHER THAT the any of the Board of Director or Company Secretary jointly/Severally be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution."

3. To re-appoint Mr. S. B. Ghia (DIN: 00005264) as Chairman & Managing Director of the Company: (Special Resolution)

“RESOLVED THAT the consent of the Members be and is hereby accorded pursuant to the provisions of Sections 196, 196(3), 197 & 203 of the Companies Act, 2013 and rules made thereunder and Regulation 31 A of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, to the reappoint Mr. Shyam B. Ghia as the Chairman & Managing Director of the Company, for a period of 3 (Three) years with effect from 07th August, 2018 to 06th August, 2021 and other applicable provisions, if any of the Companies Act, 2013 ('the Act') on the terms and conditions inter alia as set out in the agreement placed before the meeting and for the purpose of identification initialed by Mr. Abhishek Deshpande, Company Secretary hereof;

“RESOLVED FURTHER THAT, any of Director or Company Secretary of the Company be and is hereby authorized to sign and to perform all such necessary acts and deeds necessary to give effect to the above resolution."

4. To re-appoint Mr. Unnikrishnan Anchery (DIN: 00007022) as an Independent Director: (Ordinary Resolution)

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Unnikrishnan Anchery (DIN: 00007022), who was appointed as an additional Independent Director at the Board of Director held on 14th August, 2018 and who holds office of Independent Director up to the conclusion of this Annual General Meeting and being eligible, and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a him proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a first term of 5 (five) consecutive years on the Board of the Company."

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 20th September, 2018 to 30th September, 2018 (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, 2013 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. 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 (10.00 am to 5.00 pm) on all working days except Sunday up to and including the date of the Annual General Meeting of the company.
8. 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. or Company.
9. 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.

10. 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 20th September, 2018, 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 27th September, 2018 and will end at 5.00 p.m. on 29th September, 2018. 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.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to _____ <Please mention the e-mail ID of Scrutinizer> with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

By order of the Board
For Innovassynth Investments Limited

Abhishek Ajay Deshpande
Company Secretary & Compliance Officer
ACS:54004

Mumbai, September 04, 2018

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 as mentioned in the accompanying Notice:

Item No. 2:**Re-classification of Promoters as Public Shareholders:**

Bhupati Investments and Finance Private Limited are presently part of Promoter's Group as reported in the shareholding pattern dated June 30, 2018 submitted with BSE. They have intimated vide their letter dated 04.09.2018 to the Board of directors that they do not wish to continue their association with the Company as promoters and requested to re-classify their name from the category of Promoters. Since Bhupati Investments and Finance Private Limited are not exercising, directly or indirectly any control over the affairs of the Company individually or jointly and they have no other association with the Company therefore the Board recommended for Members approval for reclassification of status of their shareholding from Promoters to Public Shareholding. As per provisions of regulation 31 A of SEBI (LODR) Regulations 2015, shareholders approval is required for reclassify the status of aforesaid Promoters and Persons Acting in Concerts (PACs) from promoters group to public category.

No Directors except Mr. S. B. Ghia, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the Resolution. Your Directors recommend the Resolution set out at Item No. 2 of the Notice for your approval.

Item No.3:**Re-appointment of Mr. S. B. Ghia (DIN: 00005264) as Chairman & Managing Director:**

The Members of the Company at the 06th Annual General Meeting held on 30th September, 2013 approved re-appointment of Mr. S. B. Ghia as a Managing Director of the Company for a period of five years effective from 07th August, 2013 through an Ordinary Resolution under the relevant provisions of the Companies Act 1956 (then prevailing).

Mr. S. B. Ghia is associated with Company since its incorporation and their presence & management skills, expertise along with other board members, has been instrumental for the Company.

Mr. S. B. Ghia, Managing Director has attained the age of 70 years on 22nd November, 2017. At the Board Meeting held on 14th August, 2018 the Board re-appointed subject to approval of members Mr. S. B. Ghia as Chairman & Managing Director, without remuneration, with effect from 7th August, 2018 till the date of this meeting and it is now proposed to ratify his appointment, in this meeting, as Chairman and Managing Director for the term of 3 years pursuant to Section 196(3) of the Companies Act, 2013 and rules made thereunder further read with reference to the application for re-classification by Bhupati Investments and Finance Private Limited Regulation 31 A of SEBI (LODR) Regulations, 2015, and the terms and conditions as mentioned in the agreement from the date of this meeting till 6th August, 2021. Brief terms of appointment are as under:

- i. The Managing Director shall, during his tenure of Office as managing Director is not liable to retire by rotation as a Director of the Company.
- ii. The Managing Director shall not without Board's approval engage himself in any other business occupation or employment of a nature similar to, or competing with the Company's business.
- iii. The Managing Director shall not divulge or disclose any confidential information or knowledge obtained by him as to the business or affairs of the Company.
- iv. The Managing Director or the Company may terminate this Agreement by giving 3 months notice. Mr. S. B. Ghia has considerable expertise and experience in various fields. His elevation as the Managing Director will be in the interest of the Company. The original agreement between the Company and Mr. S. B. Ghia referred to in the resolution are available for inspection of members at the registered office of the Company during the Company's normal business hours on all working days except Sunday.

The Company seeks consent of the members by way of special resolution for continuation of their holding of existing office during the perpetuation of their term of appointment. The Board therefore recommends the special resolutions for your approval.

Except Mr. S. B. Ghia (being relatives of the appointee) none of the other Directors or key managerial personnel of the Company or their relatives are concerned or interested.

Item No.4:**Appointment of Mr. Unnikrishnan Anchery (DIN: 00007022) as Independent Director:**

Mr. Unnikrishnan Anchery aged 62 years, holds B. Sc degree from Bombay University, he is also a qualified Chartered Accountant and having reach experience of more than 30 years. He is associated with publishing business. He is on the boards of various companies like Gstaad Estates Private Limited, Sharewealth Securities Limited, and Fortune Films Private Limited etc.

Mr. Unnikrishnan Anchery, having huge experience in finance industries, is most suitable candidate to be designated as Independent Director on the Board of this Company providing its expertise knowledge in finance and providing his independence to overview the performance of the Board in near future.

Except Mr. Unnikrishnan Anchery, the appointee herself, none of the Directors or key managerial personnel of the Company or their relatives are concerned or interested, financially or otherwise, in this Resolution.

By order of the Board
For Innovassynth Investments Limited

Abhishek Ajay Deshpande
Company Secretary & Compliance Officer
ACS:54004

Mumbai, September 04, 2018

DIRECTOR'S REPORT

To,
The Members,

INNOVASSYNTH INVESTMENTS LIMITED

Your Directors have pleasure in presenting the 11th Annual Report of the Company with the Audited Balance Sheet as at 31st March, 2018 and the Profit & Loss Accounts for the year ended 31st March, 2018.

1. FINANCIAL SUMMARY:

The Company's financial summary for the year under review along with previous year figures is given hereunder:

(Rupees in Lakhs)

Particulars	2017-18	2016-17
Total Income	1.83	--
Profit/(Loss) Before Interest and depreciation	(26.93)	(25.91)
Interest	10.86	8.30
Depreciation	---	---
Profit/(Loss) Before Tax	(37.79)	(34.21)
Less/Add: Current Tax	---	---
Less/Add: Deferred Tax Adjustment	---	---
Profit/(Loss) After Tax	(37.79)	(34.21)

2. DIVIDEND:

In view of the accumulated losses, Directors do not recommend any dividend for the year ended 31st March 2018.

3. PERFORMANCE REVIEW:

The Company's income for 2017-18 was ` 1,83,000/- as compared with Nil during the previous year. The year has resulted in a net loss after tax of ` 37,79,000/- compared with ` 34,21,000/- 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 31st March, 2018 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**". The web link for extract is www.innovassynthinvestments.in.

B. Number Of Meetings Of The Board Of Directors And Its Committees:

During the year Five Board Meetings, four Audit Committee Meetings, Two Nomination and Remuneration Committee Meetings, one Risk Management Committee Meeting, one Stakeholder Relationship Committee Meeting

and one Independent Directors Meeting were convened and held in compliance with Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of Board and Committee Meetings are given in the Corporate Governance Report.

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:

There were no related party transactions or arrangements entered during the year ended 31st March, 2018.

E. Corporate Governance:

Your company has complied with the various requirements of the Corporate Governance 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, None of the Directors are liable to retire by rotation at the forthcoming Annual General Meeting.

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 the Board and of the Individual Directors has been made.

During the year, the Evaluation cycle was completed by the Company internally which included the evaluation of the Board as a whole, Board Committees and Directors. 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 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 Listing Regulations. The policy attached to this report as "**Annexure C**". The website link for the policy is www.innovassynthinvestments.in.

K. Auditors:**a. Statutory Auditor's:**

The Company's Statutory Auditor M/s MSKA & Associates, Chartered Accountants, Pune (Firm Registration No. 105047W) were appointed in the previous Annual General Meeting held on 29th September, 2017 subject to ratification of appointment in every AGM.

Pursuant to Companies (Amendment) Act, 2017, Provision of ratification of the Statutory Auditor is omitted, M/s MSKA & Associates, will continue as Statutory Auditor for their remaining term.

Director's response to observations:

The Company has obtained legal opinion regarding consolidation of financial Statements. Since there is no significant influence of Innovassynth Investments Limited on Innovassynth Technologies (India) limited no consolidation required.

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 for F.Y 2018-19. The Secretarial Audit Report is included as "Annexure D".

The Report of the Secretarial Audit for year ended 31st March, 2018 does not contain any observation or qualification requiring explanation or comments from the Board under Section 134(3) of the Companies Act, 2013 and is free from qualification, reservation, adverse remark or disclaimer.

c. Internal Auditors:

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Board based on the recommendation of Audit Committee, appointed M/s Ganesh Bhoir & Associates (FRN:134529W), Karjat, Raigad-410201 as Internal auditors of the Company for conducting internal audit of the Company for F.Y 2018-19.

L. Disclosure Under Schedule 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 except sale proceeds of fractional shares of ` 86,101/- which are due to transfer to IEPF after 14th September, 2018, public notice regarding this was given in the English newspaper Business Standard and one local newspaper Tarun Bharat dated 29th August, 2018.

M. Subsidiary And Associate Companies:

The Company does not have any subsidiary or 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 following 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:

1. Mr. S Ramachandran (DIN: 00208979) was appointed as Additional Independent Director in the Board Meeting dated 29th January, 2018, further he resigned from Directorship w.e.f 14th August, 2018 due to pre-occupied work assignments.
2. Mr. Ratnesh Kumar Pandey resigned as Company Secretary and Chief Financial Officer W.e.f. 19th April, 2018 and Mr. Abhishek Deshpande being appointed as Company Secretary & Chief Financial Officer w.e.f. 27th June, 2018
3. Board of Director in its Meeting dated 14th August, 2018, appointed Mr. Unnikrishnan Anchery (DIN: 00007022) as Additional Independent Director.
4. Mr. K Ramasubramanian (DIN: 01623890) and Dr. B. Sahu (DIN: 00005308) resigned from the office of Non-Executive Independent Director and Non-executive Non-Independent Director w.e.f 14th August, 2018 respectively.

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. The website link is available at- <http://www.innovassynthinvestments.in/Doc/Familiarisation%20Programme%20.pdf>.

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 2018-19.

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. COMPLIANCE OF SECRETARIAL STANDARDS-1 AND 2:

The Company has complied with Secretarial Standards-1 i.e. Meetings of Board of Directors and Secretarial Standards-2 i.e. General Meeting, Declaration with reference to the same is attached in "Annexure F".

8. CEO AND CFO CERTIFICATION:

The Chairman and Managing Director and the Chief Financial Officer of the Company give annual certification on financial reporting and internal controls to the Board in terms of Regulation 17 (8) of the Listing Obligations. The Chairman and Managing Director and the Chief Financial Officer also give quarterly certification on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations. The Annual Certificate given by Chairman and Managing Director and the Chief Financial Officer is attached in "Annexure G".

9. ACKNOWLEDGMENT:

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 of Directors
For Innovassynth Investments Limited

S. B. Ghia

Chairman & Managing Director
(DIN: 00005264)

Mumbai, September 04, 2018

ANNEXURE A

MANAGEMENT DISCUSSION AND ANALYSIS REPORT 2017-18

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Company is in investment business and your company holds 31.79% in Innovassynth Technologies (India) Limited.

2. OPPORTUNITIES AND THREATS:

Your Company has invested in Innovassynth Technologies (India) Limited-(ITIL) which is one of the internationally recognized as one of the companies who are manufacturer and development nucleosides and amides. Your Company has not diversified its investment in other entities except ITIL hence company's fortune tide with the performance of Innovassynth Technologies (India) Limited.

3. OUTLOOK:

Performance of the Innovassynth Technologies (India) Limited is key factor for the sustainability of the company, your company has optimistic approach towards the performance of ITIL.

4. RISK & CONCERNS:

Non-Diversification of the investments other than ITIL is one of the concerns for the Company.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

Internal control of the Company is monitored vide circulation monthly compliance sheets, the same is discussed, studied, forecasted and proper plan of action is drawn accordingly.

On behalf of the Board of Directors
For Innovassynth Investments Limited

S. B. Ghia

Chairman & Managing Director
(DIN: 00005264)

Mumbai, September 04, 2018

**ANNEXURE B:
FORM NO. MGT-9**

EXTRACT OF ANNUAL RETURN

As on financial year ended 31.03.2018
[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. Unit No. 49, Bldg No. 13 A B, 2 nd floor, Samhita Commercial Co-Op. Soc Ltd, Off Andheri Kurla Road, MTNL Lane, Sakinaka, Mumbai-400072. Phone: 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.

Sl. 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 Body Corporates	-	-

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held
1	-	-	-	-

IV. SHARE HOLDING PATTERN:

(i). Category -wise Share Holding

Category of Shareholders	No. of Shares held at the end of the year [As on 01-04-2017]				No. of Shares held at the end of the year [As on 31-03-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter Shareholding									
(1) Indian									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	88,38,067	0	88,38,067	36.40	88,38,068	0	88,38,068	36.47	0.06
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)(1)	88,38,067	0	88,38,067	36.40	88,38,068	0	88,38,068	36.47	0.06
(2) Foreign	0	0	0	0	0	0	0	0	0
a) NRIs Individuals	0	0	0	0	0	0	0	0	0
b) Other – Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)(2)	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A)(1) +(A)(2)	88,38,067	0	88,38,067	36.40	88,38,068	0	88,38,068	36.47	0.06
B. Public Shareholding									
1. Institutions	0	0	0	0	0	0	0	0	0
a) Mutual Funds	399	71,893	72,292	0.30	399	71,893	72,292	0.30	0.00
b) Banks / FI	4,185	7,806	11,991	0.05	3,708	7,806	11,514	0.05	0.00
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	13,16,653	216	13,16,869	5.42	13,06,653	216	13,06,869	5.38	(0.04)
g) FIs	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 (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1):-	13,21,237	83,191	14,04,428	5.78	13,10,760	83,191	13,93,951	5.74	(0.04)

Category of Shareholders	No. of Shares held at the end of the year [As on 01-04-2017]				No. of Shares held at the end of the year [As on 31-03-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	11,43,506	41,805	11,85,311	4.88	4,55,988	41,237	4,97,225	2.05	(2.83)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital upto ` 1 lakh	45,17,544	10,22,343	55,39,887	22.82	51,60,992	10,05,650	61,66,642	25.40	2.58
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	51,55,780	0	51,55,780	21.24	52,11,077	0	52,11,077	21.46	0.23
c) Others-									
Non Resident Indians	5,22,220	2,173	5,24,393	2.16	5,24,783	2,173	5,26,956	2.17	0.01
Overseas Corporate Bodies	0	10,42,584	10,42,584	4.29	0	10,42,584	10,42,584	4.29	0.00
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	6,077	0	6,077	0.03	11,426	0	11,426	0.05	0.02
Trusts	1,784	7,010	8,794	0.04	1,573	7,010	8,583	0.04	0.00
Hindu Undivided Family	5,71,265	871	5,72,136	2.36	5,64,464	871	5,65,335	2.33	(0.03)
Directors & Relatives	568	10	578	0.00	568	10	578	0.00	0.00
Foreign Bodies - D R	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2):-	1,19,18,744	21,16,796	1,40,35,540	57.81	1,19,30,871	20,99,535	1,40,30,406	57.79	(0.02)
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1,32,39,981	21,99,987	1,54,39,968	63.60	1,32,41,631	21,82,726	1,54,24,357	63.53	(0.06)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	2,20,78,048	21,99,987	2,42,78,035	100	2,20,95,309	21,82,726	2,42,78,035	100	0.00

(ii) Shareholding of Promoters:

Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the Year			% change in share holding 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	34,74,827	14.31	0	(2.75)
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
Matsyagandha Investment And Finance Private Limited	22,34,643	9.20	0	22,34,643	9.20	0	0
R Raheja Properties Private Limited	6,81,854	2.81	0	6,81,854	2.81	0	0
Total	95,19,921	39.21	0	88,53,678	36.47	0	(2.75)

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

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				
Bhupati Investments & Finance Pvt Ltd	41,41,070	17.06		
Bloomingdale Investment & Finance Private Limited	24,12,414	9.94		
Futura Polyesters Limited	49,940	0.21		
Matsyagandha Investment And Finance Private Limited	22,34,643	9.20		
R Raheja Properties Private Limited	6,81,854	2.81		
Total	95,19,921	39.21		
Change in Promoter's shareholding				
Bhupati Investments & Finance Pvt Ltd		Sold 6,66,243 Equity shares constituting 2.75% in open market		
At the end of the year				
Bhupati Investments & Finance Pvt Ltd			34,74,827	14.31
Bloomingdale Investment & Finance Private Limited			24,12,414	9.94
Futura Polyesters Limited			49,940	0.21
Matsyagandha Investment And Finance Private Limited			22,34,643	9.20
R Raheja Properties Private Limited			6,81,854	2.81
Total			88,53,678	36.47

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs 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	Rajendra Y Shah	6,00,050	2.47		
4	Sadhana Balkrishna Patil	2,07,243	0.85		
5	Jagat Lodha	2,09,822	0.86		
6	Sudhir Keshavji Sampat	3,53,966	1.46		
7	Maya Anup Shah	73,025	0.30		
8	Devesh R Jaykrishna	2,02,020	0.83		
9	Rahul Duleray Shah	1,55,000	0.64		
10	Hifesh Kuvelkar	82,371	0.34		

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 end of the year :				
1	Life Insurance Corporation Of India			10,95,613	4.51
2	Persiphone Investments Ltd			7,65,280	3.15
3	Rajendra Y Shah			7,00,000	2.88
4	Sadhana Balkrishna Patil			3,78,028	1.56
5	Jagat Lodha			3,75,000	1.54
6	Sudhir Keshavji Sampat			3,53,966	1.46
7	Maya Anup Shah			2,49,489	1.03
8	Devesh R Jaykrishna			2,23,227	0.92
9	Rahul Duleray Shah			1,60,000	0.66
10.	Hitesh Kuvelkar			1,59,336	0.66

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
	At the beginning of the year:				
1	S. B. Ghia	470	0.002		
2	B. Sahu	10	0.000		
3	Rashmi Uday Singh	0	0.000		
4	K. Ramasubramanian	0	0.000		
5	Ratnesh Kumar Pandey	0	0.000		
	At the end of the year:				
1	S. B. Ghia			470	0.002
2	B. Sahu			10	0.000
3	Rashmi Uday Singh			0	0.000
4	K. Ramasubramanian			0	0.000
5	Ratnesh Kumar Pandey			0	0.000

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	92,55,000	-	92,55,000
ii) Interest due but not paid	-	8,29,000	-	8,29,000
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	1,00,84,000	-	1,00,84,000
Change in Indebtedness during the financial year				
Additions	-	28,45,000	-	28,45,000
Reduction	-	-	-	-
Net Change	-	28,45,000	-	28,45,000
Indebtedness at the end of the financial year				
i) Principal Amount	-	1,18,44,000	-	1,18,44,000
ii) Interest due but not paid	-	10,85,000	-	10,85,000
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	1,29,29,000	-	1,29,29,000

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 2017-18.

B. Remuneration to other directors

Particulars of Remuneration	Name of Directors			Total Amount
	Rashmi Uday Singh	K. Ramsubramanian	S. Ramachandran	
Independent Directors				
Fee for attending board/ committee meetings	45,000	70,000	15,000	1,30,000
Commission	0	0	0	
Others, please specify	0	0	0	
Total (1)	45,000	70,000	15,000	1,30,000
Other Non-Executive Directors	B. Sahu			
Fee for attending board/ committee meetings	0			0
Commission	0			0
Others, please specify	0			0
Total (2)	0			0
Total (B) = (1 + 2)	0			0
Total Managerial Remuneration				1,30,000

C. Remuneration To Key Managerial Personnel Other Than Managing Director / Manager / Whole Time Director:

Sr. No.	Particulars of Remuneration	Ratnesh Kumar Pandey (CS and CFO)*
1.	Gross Salary	5,23,000/-
a)	Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	0
b)	Value of perquisites under Section 17 (2) of the Income Tax Act, 1961	0
c)	Profits in lieu of salary under Section 17 (3) of the Income Tax Act, 1961	0
2.	Stock Option	0
3.	Sweat Equity	0
4.	Commission - as % of profit - others, specify	0
5.	Others, please specify (Company's contribution towards Provident Fund and Superannuation)	0
	Total	5,23,000/-

* Resigned from office of CS and CFO w.e.f. 19th April, 2018.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

On behalf of the Board of Directors
For Innovassynth Investments Limited

S.B. Ghia
Chairman and Managing Director
(DIN: 00005264)

Mumbai, September 04, 2018

**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 (NRC) 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 NRC 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 NRC.

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 NRC 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 NRC 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. NRC 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 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 / SMP 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 NRC 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.

On behalf of the Board of Directors
For Innovassynth Investments Limited

S.B. Ghia
Chairman and Managing Director
(DIN: 00005264)

Mumbai, September 04, 2018

ANNEXURE D:
FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018

**[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, Innovassynth Colony

Khopoli Raigarh MH 410203IN

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 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 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, 2015;
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d. The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014 notified on 28th October, 2014; (not applicable to the company during the audit period);
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(not applicable to the company during the audit period);
 - 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; (not applicable to the company during the audit period); and

- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;(not applicable to the company during the audit period);
- vi) Having regard to the compliance system prevailing in the Company, on the basis of report of Internal as well as the Statutory Auditors of the Company and on the examination of the relevant documents, forms, records, in pursuance thereof, on test check basis, the Company has generally complied following laws, being specifically applicable to the Company and identified by the Company:
 - a. Maharashtra Shops and Establishment Act, 1948.

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

- i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 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. However, we wish to draw your attention that the company prepared standalone financial statements instead consolidated.

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 laws.

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 composition of the Board of Directors is changed during the period under review.

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

Sushil Talathi

Proprietor

Membership No. F8506

C.P. No. 9781

Place: Mumbai

Date: 04th September, 2018

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

ANNEXURE A

To,
The Members,
INNOVASSYNTH INVESTMENTS LIMITED
CIN :L67120MH2008PLC178923
Flat No. C-2/3, KMC No. 91, Innovassynth Colony
Khopoli Raigarh MH 410203 IN

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.

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: 04th September, 2018

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	S. B. Ghia	Not Applicable	
		B. Sahu	Not Applicable	
		Rashmi Uday Singh	Not Applicable	
		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	S. B. Ghia	Not Applicable	
		B. Sahu	Not Applicable	
		Rashmi Uday Singh	Not Applicable	
		K. Ramasubramanian	Not Applicable	
		Ratnesh K. Pandey*	7.26%	
3	The percentage increase in the median remuneration of employees in the financial year	7.26%		
4	The number of permanent employees on the rolls of Company	1 (only Ratnesh K. Pandey is employee of company)		
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,		
			2018	2017
		Market Capitalisation (in lakhs)	1925.24	3423.20
		Price earnings ratio	-0.06	-0.14
	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 its comparison with the percentile increase in the managerial remuneration and 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.

*Resigned as CS and CFO w.e.f. 19th April, 2018

On behalf of the Board
For Innovassynth Investments Limited

S. B. Ghia
 Chairman and Managing Director
 (DIN: 00005264)

Mumbai, September 04, 2018

ANNEXURE "F"**DECLARATION ON COMPLIANCE OF SECRETARIAL STANDARDS**

Pursuant to Section 118(10) of the Companies Act, 2013 and rules made thereunder read with Secretarial Standards pertaining to Meeting of Board of Directors (SS-1) and General Meetings (SS-2), as amended or revised from time to time, the Company has duly complied all the provisions of Secretarial Standards issued by Institute of Company Secretaries of India and approved by Central Government.

Company have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards and that such systems are adequate and operating effectively.

On behalf of the Board
For Innovassynth Investments Limited

S. B. Ghia

Chairman and Managing Director
(DIN: 00005264)

Mumbai, September 04, 2018

ANNEXURE "G"

CEO AND CFO CERTIFICATION

To,
The Members,

Innovassynth Investments Limited

- A. We have reviewed financial statements and the cash flow statement of Innovassynth Investments Limited for the year ended 31st March, 2018 and that to the best of their knowledge and belief:
- a. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - i. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
 - ii. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of their knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of company's internal control systems pertaining to financial reporting and we have not come across any reportable deficiencies in the design or operation of such internal controls.
- D. We have indicated to the auditors and the Audit committee
- (1) There are no significant changes in internal control over financial reporting during the year;
 - (2) There are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (3) There are no instances of significant fraud of which we have become aware.

For Innovassynth Investments Limited

Abhishek Deshpande
Chief Financial Officer

S.B. Ghia
Chairman & Managing Director

Mumbai, 04th September, 2018

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 2018, the Board comprised of Five Directors. The Composition of the Board is as under:

Category of Directors	No. of Directors
Executive	1
Non-Executive and Independent	3
Non-Executive and Non-Independent	1
Total	5

2.2 : Director’s attendance record and directorships held:

The information on composition and category of the Board of Directors as on 31 March 2018, attendance of each Director at Board Meetings held during the Financial Year 2017-18 and the Annual General Meeting (AGM) held on 29th September 2017, 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	S. B. Ghia	470	4	1	4	4	Yes
2	B. Sahu	10	0	0	0	4	Yes
3	Rashmi Uday Singh	0	0	0	0	3	Yes
4	K. Ramasubramanian	0	7	1	4	5	Yes
5	S. Ramachandran	0	1	0	0	1	N.A

* 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, five Board Meetings were held on 29th May, 2017, 13th August, 2017, 17th November, 2017, 29th January, 2018 and 14th February, 2018.

2.4 : Meeting of Independent Directors:

The meeting of Independent Directors' was held on 24th March, 2018 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.

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 being 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 2018, the Audit Committee comprises of Four 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 29th May, 2017, 13th August, 2017, 17th November, 2017 and 14th February, 2018 The composition of the Committee and attendance at its meetings is given below:

Sr. No.	Name of the Member	Position	Category	Number of meetings attended
1	K. Ramasubramanian	Chairman	Independent	4
2	Rashmi Uday Singh	Member	Independent	3
3	S Ramachandran	Member	Independent	1
4	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 Four Non - Executive Directors, majority of who 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, two meetings of the Committee were held on 13th August, 2017 and 29th January, 2018.

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

Sr. No.	Name of the Member	Position	Category	Number of meetings attended
1	Rashmi Uday Singh	Chairman	Independent	1
2	K. Ramasubramanian	Member	Independent	2
3	S Ramachandran	Member	Independent	NA
4	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 of 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 2017-18:

Sr. No.	Name of the Member	Remuneration including sitting fees
1	S. B. Ghia	Nil
2	B. Sahu	Nil
3	Rashmi Uday Singh	45,000/-
4	K. Ramasubramanian	70,000/-
5	S Ramachandran	15,000/-

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 14th February, 2018.

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

Sr. No.	Name of the Member	Position	Category	Number of meetings attended
1	K. Ramasubramanian	Chairman	Independent	1
2	S Ramachandran	Member	Independent	1
3	B. Sahu	Member	Non-Independent	1
4	Rashmi Uday Singh	Member	Independent	0

Mr. Ratnesh K. Pandey, Company Secretary was the Compliance Officer for the said period

During the year under review, no complaints were received from shareholders hence no complaints were outstanding as on 31 March 2018.

7. General Body Meeting

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

Financial year	Date	Type of meeting	Venue	Time
2016-17	29/09/2017	AGM	C-2/3, Innovassynth Khopoli- 410203, Dist. Raigad, Maharashtra, India	11.00 am
2015-16	28/09/2016	AGM	C-2/3, Innovassynth Khopoli- 410203, Dist. Raigad, Maharashtra, India	11.00 am
2014-15	23/09/2015	AGM	C-2/3, Innovassynth Khopoli- 410203, Dist. Raigad, Maharashtra, India	11.00 am

No Special Resolutions passed at the above General Meeting.

No Special resolution was passed through postal ballot for last year.

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 and also in the website of BSE Limited.

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

8.5 : Since the Company has minimal transactions, company has not made any presentation to institutional investor or to the analysts.

9. General Shareholders Information:

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

Date: September 30, 2018

Day: Sunday

Time: 11.00 A.M.

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

9.2 : Financial Year: April to March

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

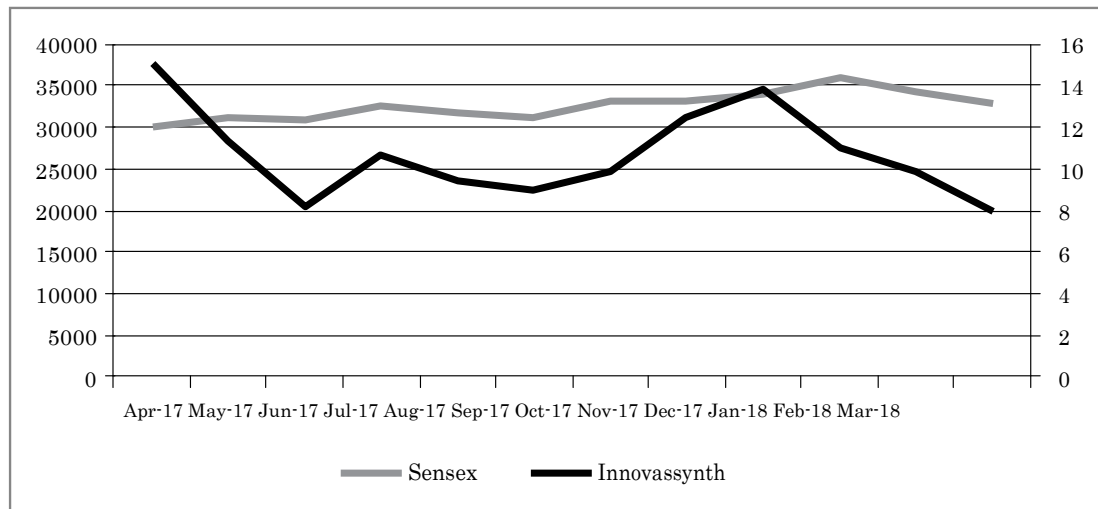
9.5 : Stock Code: 533315

9.6 : Market Price Data: BSE (2017-18):

Month	High Price	Low Price
April	16.88	12.30
May	17.20	10.90
June	12.29	7.45
July	13.20	8.55
August	11.57	8.21
September	10.00	8.30
October	12.00	8.62
November	12.50	9.24
December	16.39	11.01
January	15.01	10.10
February	11.73	8.00
March	10.95	7.00

9.7 : Performance comparison to BSE Sensex and Nifty:

Graphical Representation of Performance of Innovassynth Investments Limited's (ILL) closing Share Price (closing price of BSE) in comparison with BSE Sensex:



9.8 : Suspension of Securities from Trading:

Your Company has not been suspended during financial year 2017-18.

9.9 : Registrar and Share Transfer Agent:

Name: Satellite Corporate Services Pvt. Ltd.

Address: Unit No. 49, Bldg No. 13 A B, 2nd floor, Samhita Commercial Co-Op. Soc Ltd, Off Andheri Kurla Road, MTNL Lane, Sakinaka, Mumbai-400072

Phone: 022-28520461, 28520462 Fax: 022-28511809

E-mail I.D.: 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 2018:

Range of Holdings		No. of Shares	Amount (`)	% to Capital	No. of Shareholders	% of Shareholders
From	To					
1	5000	25,80,337	2,58,03,370	10.63	29592	93.58
5001	10000	6,91,888	69,18,880	2.85	907	2.87
10001	20000	6,80,499	68,04,990	2.80	472	1.49
20001	30000	4,58,805	45,88,050	1.89	189	0.60
30001	40000	2,42,357	24,23,570	1.00	69	0.22
40001	50000	3,80,995	38,09,950	1.57	82	0.26
50001	100000	10,63,864	1,06,38,640	4.38	137	0.43
100001 and above		1,81,79,290	18,17,92,900	74.88	173	0.55
Total		2,42,78,035	24,27,80,350	100.00	31621	100.00

Category of equity shareholders as on 31.03.2018

Category	No. of Shares	Percentage
Promoter and Promoter Group	88,53,678	36.47
Mutual Funds/UTI	72,292	0.30
Financial Institutions/Banks	11,514	0.05
Insurance Companies	13,06,869	5.38
Foreign Institutional Investor	3,276	0.01
Bodies Corporate	4,97,225	2.05
Individuals	1,13,77,719	46.86
Others (Clearing Member, NRIs, Overseas Corporate Bodies, Trust, Directors Relative, Hindu Undivided Families)	21,55,462	8.88
Total	2,42,78,035	100.00

Dematerialization of Shares and Liquidity as on 31.03.2018

Particulars	No. of Shareholders	No. of Shares Held	Shareholding as % of total no. of share
No. of Shareholders in Physical Mode	16,128	21,82,726	8.99
No. of Shareholders in Electronic Mode	15,493	2,20,95,309	91.01
TOTAL	31,621	2,42,78,035	100.00

Details of Dematerialization

Days taken for Dematerialization	No. of Request	No. of Shares	% of share
1-15	237	18,451	0.076

Details of CDSL & NSDL

Particulars	National Securities Depository Ltd (NSDL)		Central Depository Services (i) Ltd (CDSL)	
	No. of Shares Dematerialized	18393605	18957754	3701704
No. of Shares Rematerialized	1190	162	0	55

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:

Abhishek Deshpande

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, the policy on related party transactions is available at: <http://www.innovassynthinvestments.in/Doc/Related%20Party%20Transaction.pdf>

10.2 : Non-Compliance by the Company:

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

10.3 : Establishment of Vigil Mechanism/Whistle Blower Policy and affirmation that no personnel have 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.

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, 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 2017-18 is an unmodified one and does not contain any qualifications.

12.4 : Separate posts of chairperson and chief executive officer

Company only have Chairperson & Managing Director, Company don't have any Chief Executive Officer

12.5 : Reporting of internal auditor

Internal Audit Report for the quarters falling in F.Y 2017-18 is self-explanatory, observation of internal auditor has been implemented accordingly.

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 are as follows:

Regulation	Particulars of Regulations	Compliance Status (Yes/No/NA)
17.	Board of Directors	Yes
18.	Audit Committee	Yes
19.	Nomination and Remuneration Committee	Yes
20.	Stakeholders' Relationship Committee	Yes
21.	Risk Management Committee	Yes
22.	Vigil Mechanism	Yes
23.	Related Party Transactions	Yes
24.	Subsidiaries of the Company	NA
25.	Obligations with respect to Independent Directors	Yes
26.	Obligations with respect to Directors and Senior Management	Yes
27.	Other Corporate Governance requirements	Yes
46(2)(b) to (i)	Website	Yes

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, Ind AS accounting treatment is implemented for the first time for F.Y 2017-18.

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 of Directors
For Innovassynth Investments Limited

S.B. Ghia
 Chairman and Managing Director
 (DIN: 00005264)

Place: Mumbai
 Date: September 04, 2018

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, for the year ended March 31, 2018 as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and Para C, D and E of Schedule V of chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR').

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring the compliance of the conditions of the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

We 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

Sushil Talathi

Proprietor

Membership No. F8506

C.P. No. 9781

Place: Mumbai

Date: 04th September, 2018

INDEPENDENT AUDITOR'S REPORT

To The Members of Innovassynth Investments Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Innovassynth Investments Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the accounting principles generally accepted in India.

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

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 the 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Material Uncertainty Related to Going Concern

We draw attention to Note 25 to the financial statements, which indicate that the Company incurred a net loss of ` 3,778 thousands during the year ended March 31, 2018 and, as of that date, the Company's current liabilities exceeded its current assets by ` 15,255 thousands. As stated in Note 25, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the Company has an option to sell off its investments in its associate company which had performed financially well and fetch fair cash-flows. Also, in accordance with Management contention, in order to support the Company, the associate company may declare dividend in future years. In view of the above, Company is viewed as a going concern and Financial Statements have been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Other Matter

- a) The Indian GAAP financial statements of the Company for the year ended 31st March, 2017, were audited by another auditor whose report dated 29th May, 2017 expressed an unmodified opinion on those statements.
- b) The comparative financial information of the Company for the year ended 31st March, 2018 and the transition date opening balance sheet as at 1st April, 2017 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31st March, 2017 and 31st March, 2016 dated 29th May, 2017 and 24th May, 2016 respectively expressed an unmodified audit opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended. However, the consolidated financial statements as required under Ind AS 110- Consolidated Financial Statements and under the provisions of Section 129 of the Act, have not been prepared by the Company due to non-availability of financial statements of its associate company, Innovassynth Technologies (India) Limited (ITIL).
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'
 - (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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section 11 of section 143 of the Act, we give in the 'Annexure B', a statement on the matters specified in paragraphs 3 and 4 of the Order.

For MSKA & Associates
 (Formerly known as MSKA & Associates)
 Chartered Accountants
 ICAI Firm Registration No. 105047W

Place : Pune
 Date : May 30, 2018

Nitin Manohar Juman
 Partner
 Membership No.: 111700

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
FINANCIAL STATEMENTS OF INNOVASSYNTH INVESTMENTS LIMITED**

[Referred to in paragraph 1 (i) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

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

We have audited the internal financial controls over financial reporting of Innovassynth Investments Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For MSKA & Associates

(Formerly known as MSKA & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W

Nitin Manohar Jumani

Partner

Membership No.: 111700

Place : Pune

Date : May 30, 2018

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF INNOVASSYNTH INVESTMENTS LIMITED FOR THE YEAR ENDED MARCH 31, 2018

[Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- i. The Company is engaged in the business of investments only and does not have any fixed assets. Accordingly, the provisions stated in paragraph 3(i) (a) to (c) of the Order are not applicable to the Company.
- ii. The Company is engaged in the business of investments only and does not have any inventories. Accordingly, the provisions stated in paragraph 3(ii) of the Order are not applicable to the Company.
- iii. The Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships (LLP) or other parties* covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Accordingly, the provisions stated in paragraph 3 (iii) (a) to (c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not either directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act and the Company has not made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.
 (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, GST and any other statutory dues which have not been deposited on account of any dispute.
- viii. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions stated in paragraph 3 (ix) of the Order are not applicable to the Company.

- x. During the course of our audit, examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (xiv) of the Order are not applicable to the Company.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph clause 3 (xvi) of the Order are not applicable to the Company.

For MSKA & Associates

(Formerly known as MSKA & Associates)

Chartered Accountants

ICAI Firm Registration No. 105047W

Place : Pune

Date : May 30, 2018

Nitin Manohar Jumani

Partner

Membership No.: 111700

BALANCE SHEET AS AT 31 MARCH 2018

(Amount in INR thousands, unless otherwise stated)

	Notes	31-Mar-18	31-Mar-17	1-Apr-16
ASSETS				
Non-current assets				
Financial assets				
Investments	6	238,501	238,501	238,501
Total non-current assets		238,501	238,501	238,501
Current assets				
Financial assets				
Cash and cash equivalents	7	211	133	102
Other financial assets	8	5	5	5
Other current assets	9	4	8	12
Total current assets		220	146	119
Total assets		238,721	238,647	238,620
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	242,780	242,780	242,780
Other equity	11	(19,533)	(15,756)	(12,335)
Total equity		223,247	227,024	230,445
Liabilities				
Current liabilities				
Financial liabilities				
Borrowings	12	11,844	9,255	6,500
Trade payables	13	898	606	653
Other financial liabilities	14	2,673	1,696	950
Other current liabilities	15	59	66	72
Total current liabilities		15,474	11,623	8,175
Total liabilities		15,474	11,623	8,175
Total equity and liabilities		238,721	238,647	238,620
Summary of significant accounting policies	2			
The accompanying notes are an integral part of the financial statements.				

As per our report of even date

For MSKA & Associates (Formerly known as MZSK & Associates)

Chartered Accountants

Firm Registration Number : 105047W

Nitin Manohar Jumani

Partner

Membership No: 111700

Place: Mumbai

Date: May 30, 2018

For and on behalf of the Board of Directors

Innovassynth Investments Limited

CIN: L67120MH2008PLC178923

S. B. Ghia

Chairman and Managing Director

DIN: 00005264

Place: Mumbai

Date: May 30, 2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in INR thousands, unless otherwise stated)

	Notes	31-Mar-18	31-Mar-17
Income			
Other income	16	183	-
Total income		183	-
Expenses			
Employee benefits expense	17	524	485
Finance costs	18	1,085	831
Other expenses	19	2,351	2,105
Total expenses		3,960	3,421
(Loss) before tax		(3,777)	(3,421)
Tax expense		-	-
(Loss) for the year		(3,777)	(3,421)
Other comprehensive income		-	-
Total comprehensive income for the year		(3,777)	(3,421)
(Loss) per share			
Basic and diluted (loss) per share (INR)	20	(0.158)	(0.143)
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For MSKA & Associates (Formerly known as MZSK & Associates)

Chartered Accountants

Firm Registration Number : 105047W

Nitin Manohar Jumani

Partner

Membership No: 111700

Place: Mumbai

Date: May 30, 2018

For and on behalf of the Board of Directors

Innovassynth Investments Limited

CIN: L67120MH2008PLC178923

S. B. Ghia

Chairman and Managing Director

DIN: 00005264

Place: Mumbai

Date: May 30, 2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

(Amount in INR thousands, unless otherwise stated)

(A) Equity share capital

	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Equity shares of ` 10 each issued, subscribed and fully paid				
Opening	24,278,035	242,780	24,278,035	242,780
Add: issue during the year	-	-	-	-
Closing	24,278,035	242,780	24,278,035	242,780

(B) Other equity

Particulars	Reserves and Surplus			
	Capital Reserve	Retained earnings	Others	Total
Balance as at 1 April 2016	220	(12,555)	-	(12,335)
(Loss) for the year	-	(3,777)	-	(3,777)
Other comprehensive income	-	-	-	-
Total other comprehensive income for the year	-	(3,777)	-	(3,777)
Balance as at 31 March 2017	220	(16,332)		(16,112)
Balance as at 1 April 2017	220	(16,332)	-	(16,112)
(Loss) for the year	-	(3,421)	-	(3,421)
Other comprehensive income	-	-	-	-
Total other comprehensive income for the year	-	(3,421)	-	(3,421)
Balance as at 31 March 2018	220	(19,753)	-	(19,533)

Summary of significant accounting policies 2

The accompanying notes are an integral part of the financial statements.

As per our report of even date

For MSKA & Associates (Formerly known as MZSK & Associates)

Chartered Accountants

Firm Registration Number : 105047W

Nitin Manohar Jumani

Partner

Membership No: 111700

Place: Mumbai

Date: May 30, 2018

For and on behalf of the Board of Directors

Innovassynth Investments Limited

CIN: L67120MH2008PLC178923

S. B. Ghia

Chairman and Managing Director

DIN: 00005264

Place: Mumbai

Date: May 30, 2018

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in INR thousands, unless otherwise stated)

		31-Mar-18	31-Mar-17
Cash flow from operating activities			
Loss before tax		(3,777)	(3,421)
Adjustments for:		-	
Finance cost		1,085	831
Liabilities written back		-	-
Operating loss before working capital changes		(2,692)	(2,590)
Changes in working capital			
Increase in Other Financial Liabilities		977	746
Increase/(Decrease) in trade payables		294	(47)
(Decrease)in other current liabilities		(7)	(6)
Decrease in other current assets		4	4
Cash generated used in operations		(1,424)	(1,893)
Income tax paid		-	-
Net cash flows used in operating activities (A)		(1,424)	(1,893)
Cash flow from Investing activities		-	-
Net cash flow from investing activities (B)		-	-
Cash flow from Financing activities			
Proceeds from short-term borrowings		2,589	2,755
Interest paid		(1,085)	(831)
Net cash flow from financing activities (C)		1,504	1,924
Net increase in cash and cash equivalents (A+B+C)		80	31
Cash and cash equivalents at the beginning of the year		133	102
Cash and cash equivalents at the end of the year		211	133
Cash and cash equivalents comprise (Refer note 7)			
Balances with banks			
On current accounts		86	133
Cheques on hand		125	-
Total cash and bank balances at end of the year		211	133
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date

For MSKA & Associates (Formerly known as MZSK & Associates)

Chartered Accountants

Firm Registration Number : 105047W

Nitin Manohar Jumani

Partner

Membership No: 111700

Place: Mumbai

Date: May 30, 2018

For and on behalf of the Board of Directors

Innovassynth Investments Limited

CIN: L67120MH2008PLC178923

S. B. Ghia

Chairman and Managing Director

DIN: 00005264

Place: Mumbai

Date: May 30, 2018

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

(Amount in INR thousands, unless otherwise stated)

Note 1 General Information

Innovassynth Investments Limited ("The Company") is public listed company. The registered office of the company is at Flat No. C-2/3, KMC No. 91, Innovassynth Colony Khopoli Raigarh MH 410203 IN, the Company was incorporated on 15th February, 2008.

The Company is an investment company and has invested in Innovassynth Technologies (India) Limited, an associate company.

The equity shares of the Company are listed on Bombay Stock Exchange (BSE).

Note 2 Significant accounting policies

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31 March 2018 are the first set of financial statements prepared in accordance with Ind AS. Refer note 5 for an explanation of how the Company has adopted Ind AS.

Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis except certain financial assets and liabilities measured at fair value as required by relevant Ind AS.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

(c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

2.2 Dividend Income

Dividend is recognized when the Company's right to receive dividend is established.

2.3 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.4 Leases

As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as a lessee are classified as operating leases. Payments made under operating leases are charged to Statement of Profit and Loss on a straight-line basis over the period of the lease.

2.5 Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks, cash/ cheque on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash/cheque on hand, cash in banks and short-term deposits net of bank overdraft.

2.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

(iii) Derecognition of financial assets

A financial asset is derecognized only when:

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) Financial liabilities

(i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

2.7 Employee Benefits

(a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

2.8 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.9 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

(b) Deferred tax

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.10 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

2.11 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation.

Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

2.12 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest thousands as per requirement of Schedule III of the Act, unless otherwise stated.

Note 3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation.

Note 4 Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from April 1, 2018. The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

(b) Ind AS 115- Revenue from Contract with Customers

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

- (i) Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.

Note 5 First-time adoption of Ind-AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 2018, together with the comparative year data as at and for the year ended 31 March 2017, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2016, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

5.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has not applied any exemptions.

5.2 Mandatory Exemption on first-time adoption of Ind AS**(a) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- (i) Impairment of financial assets based on expected credit loss model.
- (ii) Fair valuation of compound instrument.
- (iii) FVTPL – debt securities
- (iv) FVTOCI – debt securities
- (v) Effective interest rate used in calculation of security deposit.

(b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(c) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(Amount in INR thousands, unless otherwise stated)

5.3 Reconciliations

The following reconciliations provides the effect of transition to Ind AS from Indian GAAP in accordance with Ind AS 101, First-time Adoption of Indian Accounting Standards:

(a) Reconciliation of equity as at date of transition 1 April 2016

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Financial assets		-	-	-
Investments	h.iv	238,501	-	238,501
Total non-current assets		238,501	-	238,501
Current assets				
Financial assets				
Cash and cash equivalents		102	-	102
Other financial assets		5	-	5
Other current assets		12	-	12
Total current assets		119	-	119
Total assets		238,620	-	238,620
EQUITY AND LIABILITIES				
Equity				
Equity share capital		242,780	-	242,780
Other equity		(12,335)	-	(12,335)
Total equity		230,445	-	230,445
Liabilities				
Current liabilities				
Financial liabilities				
Borrowings		6,500	-	6,500
Trade payables		653	-	653
Other financial liabilities		950	-	950
Other current liabilities		72	-	72
Total current liabilities		8,175	-	8,175
Total liabilities		8,175	-	8,175
Total equity and liabilities		238,620	-	238,620

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(Amount in INR thousands, unless otherwise stated)

(b) Reconciliation of equity as at 31 March 2017

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
ASSETS				
Non-current assets				
Financial assets				
Investments	h.iv	238,501	-	238,501
Total non-current assets		238,501	-	238,501
Current assets				
Financial assets				
Cash and cash equivalents		133	-	133
Other financial assets		5	-	5
Other current assets		8	-	8
Total current assets		146	-	146
Total assets		238,647	-	238,647
EQUITY AND LIABILITIES				
Equity				
Equity share capital		242,780	-	242,780
Other equity		(15,756)	-	(15,756)
Total equity		227,024	-	227,024
Liabilities				
Current liabilities				
Financial liabilities				
Borrowings		9,255	-	9,255
Trade payables		606	-	606
Other financial liabilities		1,696	-	1,696
Other current liabilities		66	-	66
Total current liabilities		11,623	-	11,623
Total liabilities		11,623	-	11,623
Total equity and liabilities		238,647	-	238,647

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(Amount in INR thousands, unless otherwise stated)

(c) Reconciliation of profit or loss for the year ended 31 March 2017

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
Income				
Other income		-	-	-
Total income		-	-	-
Expenses				
Employee benefit expense		485	-	485
Finance costs		831	-	831
Other expenses		2,105	-	2,105
Total expenses		3,421	-	3,421
(Loss) before exceptional items and tax		(3,421)	-	(3,421)
Exceptional items		-	-	-
(Loss) before tax		(3,421)	-	(3,421)
Tax expense		-	-	-
(Loss) for the year		(3,421)	-	(3,421)
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss		-	-	-
Items that will not be reclassified to profit or loss		-	-	-
Other comprehensive income for the year		-	-	-
Total other comprehensive income for the year		(3,421)	-	(3,421)

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(d) Reconciliation of total equity as at 31 March 2017 and 1 April 2016

	Notes to first-time adoption	As at 1 April 2017	As at 1 April 2016
Shareholder's equity as per Indian GAAP audited financial statements		227,024	230,445
Adjustment		-	-
Shareholder's equity as per Ind AS		227,024	230,445

(Amount in INR thousands, unless otherwise stated)

(e) Reconciliation of total comprehensive income for the year ended 31 March 2017

	Notes to first-time adoption	As at 1 April 2017
Loss as per Indian GAAP		(3,421)
Adjustment		-
Loss as per Ind AS		(3,421)

(f) Impact of Ind AS adoption on cash flow statements for the year ended 31 March 2017

	Notes to first-time adoption	Indian GAAP*	Adjustments	Ind AS
Net cash flow from operating activities	h.iii	(1,893)	-	(1,893)
Net cash flow from investing activities		-	-	-
Net cash flow from financing activities		1,924	-	1,924
Net increase / (decrease) in cash and cash equivalents		31	-	31
Cash and cash equivalents as at 1 April 2016		102	-	102
Cash and cash equivalents as at 31 March 2017		133	-	133

* The Indian GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

(g) Analysis of changes in cash and cash equivalent for the purpose of statement of cash flows under Ind AS:

	Notes to first-time adoption	As at 1 April 2017	As at 1 April 2016
Cash and cash equivalents as per Indian GAAP	h.iii	133	102
Adjustments:		-	-
Cash and cash equivalents as per Ind AS		133	102

(h) Notes to first-time adoption
(i) Deferred tax

Indian GAAP requires assessment of virtual certainty in case of losses for recognizing deferred tax asset, but under Ind AS deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses. In the absence of probability that future taxable amounts will be available as mentioned above, deferred tax asset is not recognized.

(ii) Other comprehensive income

The concept of Other Comprehensive Income (OCI) did not exist under Indian GAAP.

(iii) Statement of cash flows

No material impact on transition from Indian GAAP to Ind AS on the statement of cash flows.

(iv) Fair valuation of Investments

In local GAAP, Investments are carried at cost except for adjustments in respect of permanent diminution in case of long term investments and valuation at lower of cost or market value in case of short term investments. As at 1 April 2016 and 31 March 2017, all of the Company's investments were valued at cost.

(Amount in INR thousands, unless otherwise stated)

Note 6 Financial Assets-Investments

	31-Mar-18	31-Mar-17	31-Mar-16
Investment in equity instruments (fully paid-up)			
Unquoted equity shares			
2,38,50,070 (31 March 2017: 2,38,50,070) equity shares of ` 10 each fully paid-up in Innovassynth Technologies (India) Limited	238,501	238,501	238,501
Total	238,501	238,501	238,501

Note 7 Cash and cash equivalents

	31-Mar-18	31-Mar-17	31-Mar-16
Balances with banks:			
On current accounts	86	133	102
Cheques/drafts on hand	125	-	-
	211	133	102

Note 8 Other financial assets

	31-Mar-18	31-Mar-17	31-Mar-16
Other (Security Deposit)	5	5	5
	5	5	5

Note 9 Other current assets

	31-Mar-18	31-Mar-17	31-Mar-16
Prepaid Expenses	4	8	12
Total	4	8	12

Note 10 Equity Share capital

	31-Mar-18	31-Mar-17	1-Apr-16
Authorized			
2,50,00,000 (31 March 2017: 2,50,00,000, 1 April 2016: 2,50,00,000) Equity Shares of ` 10 each	250,000	250,000	250,000
	250,000	250,000	250,000
Issued, subscribed and paid up			
2,42,78,035 (31 March 2017: 2,42,78,035, 1 April 2016: 2,42,78,035) equity shares of ` 10 each fully paid	242,780	242,780	242,780
Total	242,780	242,780	242,780

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the year

Particulars	31-Mar-18		31-Mar-17		1-Apr-16	
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning and at the end of the year	24,278,035	242,780	24,278,035	242,780	24,278,035	242,780
Total	24,278,035	242,780	24,278,035	242,780	24,278,035	242,780

(Amount in INR thousands, unless otherwise stated)

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of ` 10/- per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	31-Mar-18		31-Mar-17		1-Apr-16	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class	Number of shares	% of holding in the class
Equity shares of ` 10/- each fully paid						
Bhupati Investments & Finance Private Limited	3,474,827	14.31	4,141,070	17.06	4,141,070	17.06
Bloomingle Investments & Finance Private Limited	2,412,414	9.94	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	2,234,643	9.20

Note 11 Other equity

	31-Mar-18	31-Mar-17	1-Apr-16
(A) Capital reserve			
Balance at the beginning and at the end of the year	220	220	220
	220	220	220
(B) (Deficit) in the Statement of Profit and Loss			
Opening balance	(15,976)	(12,555)	(9,373)
Add: Net loss for the current year	(3,777)	(3,421)	(3,182)
Closing balance	(19,753)	(15,976)	(12,555)
Total other equity (A+B)	(19,533)	(15,756)	(12,335)

Note 12 Short-term borrowings

	31-Mar-18	31-Mar-17	1-Apr-16
Unsecured, Loans from related parties	11,844	9,255	6,500
Total short-term borrowings	11,844	9,255	6,500

Terms of Borrowings

Interest on borrowings from Innovassynth Technologies (India) Limited carries interest rate which ranges from 10%-11% p.a.

Interest on borrowings from Matsyagandha Investment & Finance Private Limited is @ 10% p.a. The above borrowings are payable on demand.

(Amount in INR thousands, unless otherwise stated)

Note 13 Trade payables

	31-Mar-18	31-Mar-17	1-Apr-16
Total outstanding dues of micro enterprises and small enterprises	-	-	
Total outstanding dues of creditors other than micro enterprises and small enterprises	898	606	653
Total trade payables	898	606	653

Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

Note 14 Other Financial Liabilities

	31-Mar-18	31-Mar-17	1-Apr-16
Bank overdraft	1	-	
Interest Payable	2,586	1,610	864
Payable to fractional share holders	86	86	86
	2,673	1,696	950

Note 15 Other current liabilities

	31-Mar-18	31-Mar-17	1-Apr-16
Statutory due payable	18	28	22
Employee benefits payable	41	38	50
Total other current liabilities	59	66	72

Note 16 Other income

	31-Mar-18	31-Mar-17
Liabilities written back	183	-
Total other income	183	-

Note 17 Employee benefits expense

	31-Mar-18	31-Mar-17
Salaries, wages, bonus and other allowances	524	485
Total employee benefits expense	524	485

Note 18 Finance costs

	31-Mar-18	31-Mar-17
Interest on borrowing	1,085	829
Other interest	0	2
Total finance costs	1,085	831

(Amount in INR thousands, unless otherwise stated)

Note 19 Other expenses

	31-Mar-18	31-Mar-17
Rent	43	41
Postage and courier	361	480
Printing & Stationery	240	232
Office expenses	184	32
Auditors' remuneration*	261	130
Legal and professional charges	974	966
Advertisement	95	52
Miscellaneous expenses	194	172
Total other expenses	2,352	2,105

*Note : The following is the break-up of Auditors remuneration (exclusive of service tax)

	31-Mar-18	31-Mar-17
As auditor:		
Statutory audit	250	58
Other matters	-	63
Reimbursement of expenses	11	9
Total	261	130

Note 20 Earnings/ Loss per share

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31-Mar-18	31-Mar-17
Loss attributable to equity holders	(3,777)	(3,421)
Loss attributable to equity holders adjusted for the effect of dilution	(3,777)	(3,421)
Weighted average number of equity shares for basic EPS	23,850,070	23,850,070
Effect of dilution:	-	-
Weighted average number of equity shares adjusted for the effect of dilution	23,850,070	23,850,070
Basic and diluted loss per share (INR)	(0.158)	(0.143)

21 Related Party Disclosures: 31 March 2018

(A) Names of related parties and description of relationship as identified and certified by the Company:

Associate Company

Innovassynth Technologies (India) Limited

Entity under common control

(A) Bhupati Investments & Finance Private Limited

(B) Chika Private Limited

(C) Futura Polysters Limited

Key Management Personnel (KMP)

(A) Mr. S. B. Ghia (Chairman and Managing Director)

(B) Mr. Ratnesh Kumar Pandey (CFO & Company Secretary)

(B) Details of transactions with related party in the ordinary course of business for the year ended:

		31-Mar-18	31-Mar-17
(i)	Associate Company		
	Loan received	2,589	2,755
	Interest on borrowing	435	179
(ii)	Key Management Personnel (KMP)		
	Compensation of key management personnel		
	Salaries including bonuses	524	485

(C) Amount due to/from related party as on:

		31-Mar-18	31-Mar-17
(i)	Associate Company		
	Short term borrowing	5,344	2,755
	Outstanding Payables	553	244
	Deposit Receivables	5	5
(ii)	Key Management Personnel (KMP)		
	Employee benefits payables	41	38

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2018, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2017: Nil, 1 April 2016: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Note 22 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of Convertible Preference Shares and current borrowing from ultimate holding company of the Company. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

	31-Mar-18	31-Mar-17
Total Equity	223,246	227,024
Total debt	11,844	9,255
Overall financing	235,090	236,279
Gearing ratio	0.05	0.04

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2018, 31 March 2017 and 1 April 2016.

Note 23 Leases

The Company has entered into lease agreement leasing of office premises with Innovassynth Technologies (India) Limited, The term of lease period is for 1 to 3 years, The terms of lease include terms of renewal, increase in rents in future periods, which are in line with general inflation, and terms of cancellation. the operating lease payment shown in Statement of Profit & loss account recognized is ` 43 (31 March 2017 ` 41)

Note 24 Financial risk management objectives and policies

The Company is exposed to market risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

A Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Interest on Borrowings from ITIL	Increase/ decrease in basis points	Effect on loss before tax
2018		
Increase in Loss before tax	0.45%	53.30
Decrease on Loss before tax	-0.45%	(53.30)
2017		
Increase in Loss before tax	0.45%	41.65
Decrease on Loss before tax	-0.45%	(41.65)

(ii) Foreign currency risk

The Company does not have any transaction / exposure in foreign currency, accordingly there is no foreign currency risk exist on balance sheet date.

B Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credibility check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The Company does not foresee any credit risks on deposits with regulatory authorities.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2018, 31 March 2017 and 1 April 2016 is the carrying amounts as mentioned in Note 6 to 9.

C Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. (For example: The key liquidity risk the Company can face is the risk of subscription fee refund. As per the Company policy, no refunds are allowed once a subscription has been taken and it is only in exceptional cases that fee is refunded with proper approvals from senior Management. The Management believes that the probability of a liquidity risk arising due to fee refund is not there.)

The table below summarizes the maturity profile of the Company's financial liabilities:

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31-Mar-18					
Short term borrowings	-	11,844	-	-	11,844
Trade payables	-	898	-	-	898
Other financial liability	-	2,673	-	-	2,673
	-	15,415	-	-	15,415
31-Mar-17					
Short term borrowings	-	9,255	-	-	9,255
Trade payables	-	606	-	-	606
Other financial liability	-	1,696	-	-	1,696
	-	11,557	-	-	11,557
1-Apr-16					
Short term borrowings	-	6,500	-	-	6,500
Trade payables	-	653	-	-	653
Other financial liability	-	950	-	-	950
	-	8,103	-	-	8,103

Note 25 Going Concern

The Company has incurred a net loss of ` 3,779 during the year ended 31 March, 2018 and as on that date, the Company's accumulated losses amounted to ` 19,535. The Company has adverse financial ratios and no cash inflow.

However, being an investment Company, the management believes that on occurrence of any of the two mentioned events in future i.e. declaration of dividend by ITIL, its associate Company, and selling off partial investment stake in ITIL, the Company may be able to generate cash flows.

ITIL is generating profits and projects fair performance in future and had also considered expansion of business in past that will add up to its financial stability.

Based on the above, the management believes that the Company will continue as a going concern and thereby realizes its assets and discharges its liabilities in the normal course of its business. Accordingly these financial statements has been prepared considering the company on going concern assumption.

And consequently, no adjustments have been made to the carrying values of assets and liabilities and classification of balance sheet accounts.

Note 26 Contingent liabilities

There are no contingent liabilities as on 31 March 2018 (31 March 2017: Nil, 1 April 2016: Nil)

Note 27 Deferred tax

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward.

Note 28 Mr. Ratnesh Pandey, Company Secretary (CS) and Chief Financial Officer (CFO) of the Company has resigned from the Company on April 19, 2018. Currently there is no Company Secretary (CS) and Chief Financial Officer (CFO) in the Company. The period of 6 months not over as per sub section 4 of section 203 of Companies Act, 2013 and Company is in process of appointing CS & CFO.

Note 29 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

As per our report of even date

For MSKA & Associates (Formerly known as MZSK & Associates)

Chartered Accountants

Firm Registration Number : 105047W

Nitin Manohar Jumani

Partner

Membership No: 111700

Place: Mumbai

Date: May 30, 2018

For and on behalf of the Board of Directors

Innovassynth Investments Limited

CIN: L67120MH2008PLC178923

S. B. Ghia

Chairman and Managing Director

DIN: 00005264

Place: Mumbai

Date: May 30, 2018

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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: www.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 Sunday, 30th September, 2018 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

.....

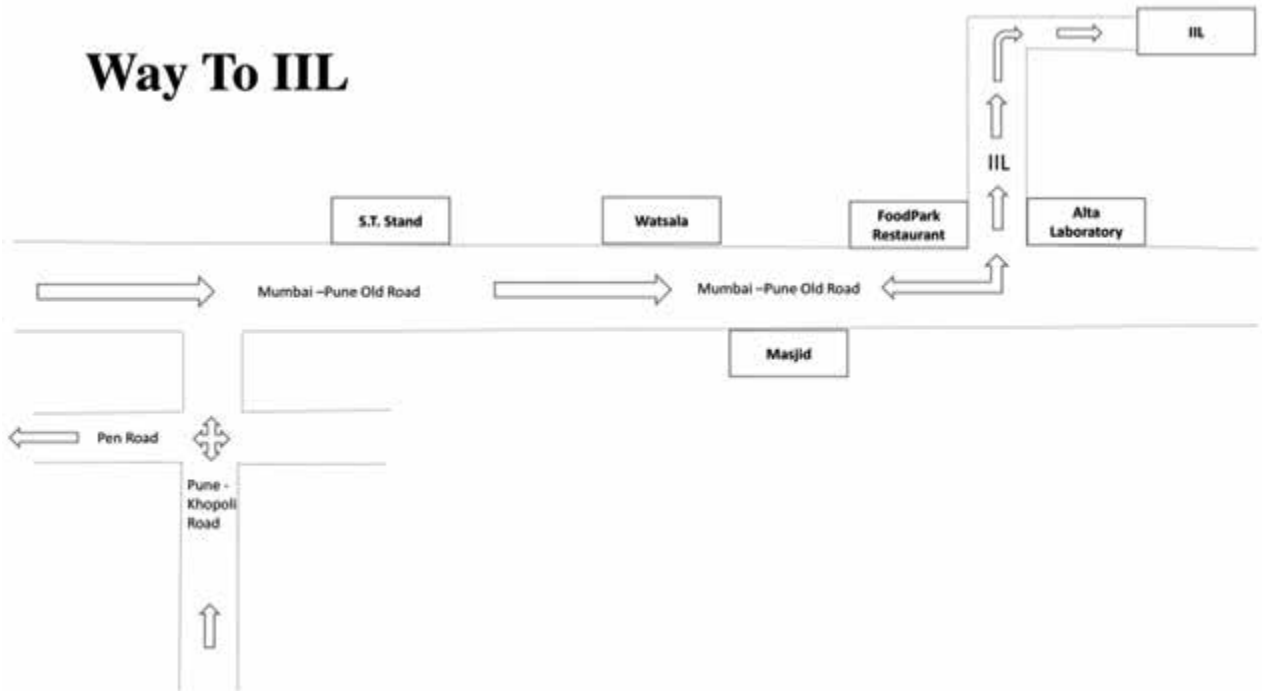
.....

Full name of the member/proxy
(in block letters)

Signature of the member/proxy

.....

Way To IIL



Innovassynth Investments Limited

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

CIN: L67120MH2008PLC178923

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

Email: 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.

Eleventh Annual General Meeting, Sunday, 30th September, 2018 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 Eleventh Annual General Meeting of the Company, to be held on Sunday, 30th September, 2018 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		
Special Business			
2	To approve re-classification of promoters as Public Shareholders		
3	To appoint Mr. S.B Ghia (DIN: 00005264) as Chairman & Managing Director of the Company		
4	To re-appoint Mr. Unnikrishnan Anchery (DIN: 00007022) as an Independent Director		

Signed this..... day of, 2018

.....

Signature of the 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 Eleventh 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.

COURIER

If Undelivered, Please return to
Innovassynth Investments Limited
Flat No. C-2/3, KMC No. 91,
Innovassynth Colony,
Khopoli – 410203.