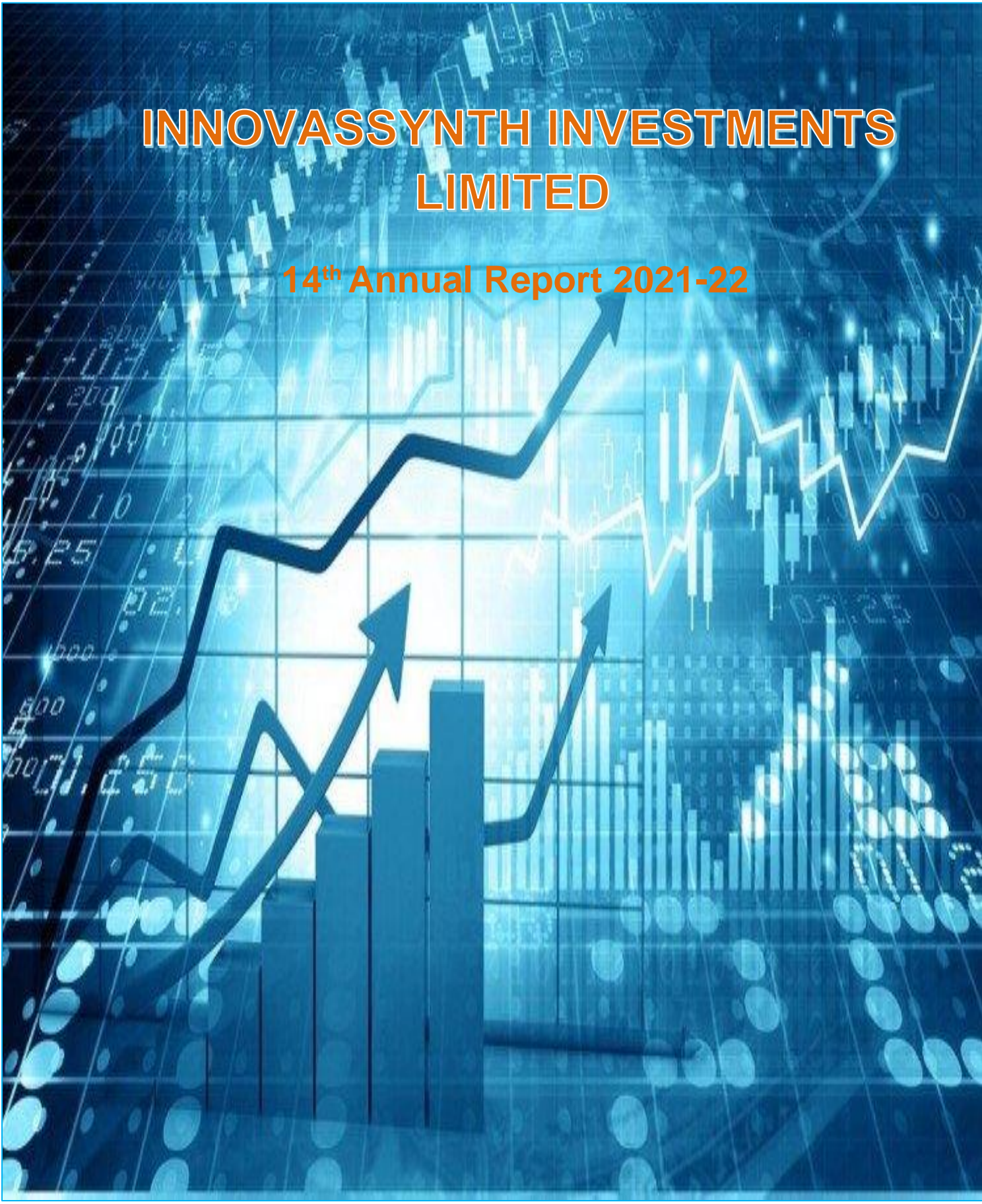


# INNOVASSYNTH INVESTMENTS LIMITED

14<sup>th</sup> Annual Report 2021-22



Board of Directors:		Audit Committee:	
<b>Dr. Hardik Joshipura</b>	Chairman & Managing Director	<b>Sandesh Mhadalkar</b>	<b>Chairman</b>
<b>Sandesh Mhadalkar</b>	Independent Director	<b>Dr. Hardik Joshipura</b>	<b>Member</b>
<b>Rashmi Uday Singh</b>	Independent Director	<b>Rashmi Uday Singh</b>	<b>Member</b>
<b>Vikram Gokhale</b>	Independent Director	<b>Vikram Gokhale</b>	<b>Member</b>

Nomination and Remuneration Committee:		Stakeholders Relationship Committee	
<b>Rashmi Uday Singh</b>	Chairperson	<b>Sandesh Mhadalkar</b>	<b>Chairman</b>
<b>Sandesh Mhadalkar</b>	Member	<b>Dr. Hardik Joshipura</b>	<b>Member</b>
<b>Vikram Gokhale</b>	Member	<b>Rashmi Uday Singh</b>	<b>Member</b>
		<b>Vikram Gokhale</b>	<b>Member</b>

**Company Secretary & Chief Financial Officer:**

Sameer Pakhali

**Statutory Auditors:**

M/s MSKA & Associates, Pune

**Secretarial Auditors:**

M/s. Sushil Talathi & Associates, Mumbai

**Internal Auditor:**

M/s. V D Tilak & Co, Khopoli

**Bankers:**

Bank of Maharashtra, Axis Bank & HDFC Bank

<b>Registered Office:</b>	<b>Registrar and Share Transfer Agents:</b>
<b>Innovassynth Investments Limited</b>	Satellite Corporate Services Pvt. Ltd.
<b>Flat No. C-2/3, KMC No. 91,</b>	A/106-107, Dattani Plaza, East West Indl. Compound,
<b>Telephone: (02192) 260224 Fax: 2192 263268</b>	Andheri Kurla Road, Safed Pool, Saki Naka, Mumbai-400072
<b>E-mail ID: <a href="mailto:secretarial@innovassynthinvestments.in">secretarial@innovassynthinvestments.in</a></b>	Phone: (022) 28520461, 28520462 Fax: 28511809
<b>Website: <a href="http://www.innovassynthinvestments.in">www.innovassynthinvestments.in</a></b>	E-mail ID: <a href="mailto:service@satellitecorporate.com">service@satellitecorporate.com</a>
	Website: <a href="http://www.satellitecorporate.com">www.satellitecorporate.com</a>

## 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 Company Secretary of the Company by writing at [secretarial@innovassynthinvestments.in](mailto:secretarial@innovassynthinvestments.in) 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 keep this copy of the Annual Report during the meeting.

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# INNOVASSYNTH INVESTMENTS LIMITED

Regd. Office: Flat No. C-2/3, KMC No. 91, Innovassynth Colony,  
Khopoli-410203, Maharashtra, INDIA.  
CIN: L67120MH2008PLC178923

Tel.: +91-2192-260224.  
Fax: +91-2192-263628.

Website: [www.innovassynthinvestments.in](http://www.innovassynthinvestments.in)  
E-mail: [secretarial@innovassynthinvestments.in](mailto:secretarial@innovassynthinvestments.in)

## NOTICE

**NOTICE** is hereby given that the 14<sup>th</sup> Annual General Meeting of the Members of Innovassynth Investments Limited will be held on Thursday, 29<sup>th</sup> September 2022 at 11:00 a.m. Indian Standard Time ("IST"), through Video conferencing (VC)/Other Audio-Visual Means (OAVM) to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the reports of the Board of Directors and the Auditors thereon.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022, together with the Reports of the Auditors thereon.
3. To appoint a director in place of Dr. Hardik Joshipura (DIN: 09392511), who retires by rotation and being eligible, offer himself for reappointment.
4. Appointment of Statutory Auditors of the Company.

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED** that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, P G Bhagwat LLP, Chartered Accountants (Firm Registration No. 101118W/W100682) be and is hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of the nineteenth AGM to be held in the year 2027, at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors."

### SPECIAL BUSINESS:

5. Appointment of Dr. Nalini Ramaswamy (DIN: 09714656) as an Independent Director of the Company.

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED** that Dr. Nalini Ramaswamy (DIN: 09714656) who was appointed by the Board of Directors on the recommendation of the Nomination and Remuneration Committee as an Additional Director of the Company with effect from September 02, 2022, and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as an Independent



Director of the Company.

**RESOLVED** further that pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("SEBI Listing Regulations") Dr. Nalini Ramaswamy (DIN: 09714656), who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years up to September 01, 2027.

**RESOLVED** further that pursuant to the provision of sections 149, 197 and other applicable provisions of the Act and the rules made thereunder, Dr. Nalini Ramaswamy be paid such fees and remuneration and profit-related commission as the Board may approve from time to time and subject to such limits prescribed from time to time.

**RESOLVED** further that The Board of Directors (including its Committee thereof) and/or Mr. Sameer Pakhali, Company Secretary and Compliance Officer of the Company be and are hereby authorized to do all such acts deeds, matters and things as may be considered necessary, desirable, or expedient to give effect to this resolution."

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

**Sameer Pakhali**  
Company Secretary & Compliance Officer  
ACS: 55746

Khopoli, 2<sup>nd</sup> September 2022

**Registered Office:**  
**Flat No. C-2/3, KMC No. 91, Innovassynth Colony,**  
**Khopoli-410203, Maharashtra, India**  
**CIN: L67120MH2008PLC178923**  
**E-mail: [secretarial@innovassynthinvestments.in](mailto:secretarial@innovassynthinvestments.in)**  
**website: [www.innovassynthinvestments.in](http://www.innovassynthinvestments.in)**

## NOTES

1. An Explanatory Statement setting out all the materials facts of Special Business to be transacted in compliance with Section 102 of the Companies Act, 2013 and Rules made thereunder is annexed to and forms a part of the Notice along with relevant details, pursuant to Regulations 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India (ICSI), in respect of a Director seeking appointment at this Annual General Meeting is annexed.
2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide its circular dated May 05, 2022, read with circulars dated January 13, 2021, May 5, 2020, April 13, 2020, and April 8, 2020, and Securities and Exchange Board of India ("SEBI") vide its Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, and SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 (collectively referred to as "Circulars"), have permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing or Other Audio Visual Means ("VC/OAVM"), without the physical presence of the Members at a common venue. In accordance with the said Circulars and applicable provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 14<sup>th</sup> AGM of the Company is being held through VC / OAVM. Participation of members through VC / OAVM will be reckoned for the purpose of the quorum for the AGM as per Section 103 of the Act. The registered office of the Company shall be deemed to be the venue for the AGM.
3. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020, and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.
4. Pursuant to Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint a proxy to attend and cast votes for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the EGM/AGM through VC/OAVM and participate there and cast their votes through e-voting.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020, and May 05, 2020, the Company is providing the facility of remote e-Voting to its Members in respect of the business to be transacted at the EGM/AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using a remote e-Voting system as well as venue voting on the date of the EGM/AGM will be provided by NSDL.
6. The Board has appointed Mr. Miket Shashikant Bahuva (Membership No. FCS 7651), of Miket S. Bahuva and Co., as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
7. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee, and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first-come first-served basis.
8. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.innovassynthinvestments.in](http://www.innovassynthinvestments.in). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

9. General Instructions for Members are as under:

- i. The Register of Members and the share transfer books of the company will remain closed from 23<sup>rd</sup> September 2022 to 29<sup>th</sup> September 2022 (both days inclusive).
- ii. The Company has always encouraged the Members to register their email ID and phone numbers for ease of communication between the Company and the Members. The Members who have not yet registered their email addresses are requested to do so with their Depository Participants (DPs) in case the shares are held by them in electronic form, and with the Registrar & Transfer Agent, M/s Satellite Corporate Services Private Limited in case the shares are held by them in physical form.
- iii. As per the Listing Regulations, the securities of listed companies can only be transferred in dematerialized form with effect from 1<sup>st</sup> April 2019. Given the above, Members are advised to dematerialize shares held by them in physical form.
- iv. If your address or bank details have changed, the Members who hold their shares in physical form are requested to inform the Company's Registered Office immediately of the change along with their ledger folio number. The Members who hold shares in electronic form are requested to update their DPs.
- v. During the 14th AGM, Members may access the scanned copy of the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon request made to Company Secretary at [secretarial@innovassynthinvestments.in](mailto:secretarial@innovassynthinvestments.in).
- vi. The Securities and Exchange Board of India (SEBI) has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. The Members holding shares in physical form can submit their PAN details to M/s Satellite Corporate Services Pvt Ltd. or Company. The Members holding shares in dematerialized form are requested to submit their PAN details to their DPs with whom they are maintaining their Demat accounts.
- vii. The Members desiring any information relating to the accounts are requested to write to the Company well in advance to enable the Management to keep the information ready.
- viii. Since the AGM will be held through VC / OAVM, the Route Map, attendance slip, and Proxy Form is not annexed in this Notice.

**INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER: -**





The remote e-voting period begins on Monday, 26<sup>th</sup> September 2022 at 09: 00 A.M. and ends on Wednesday, 28<sup>th</sup> September 2022 at 05: 00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., 22<sup>nd</sup> September 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22<sup>nd</sup> September 2022.

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div> </div>



Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

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

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**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 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. *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.*
5. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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***

6. Password details for shareholders other than Individual shareholders 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

7. 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](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
9. Now, you will have to click on “Login” button.
10. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

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

1. After a successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle.
2. Select “EVEN” of the company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. 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.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. 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 a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with the attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [miket@miketsbahuva.com](mailto:miket@miketsbahuva.com) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll-free no.: 1800 1020 990 and 1800 22 44 30 or send a request to at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. Process for those shareholders whose email ids are not registered with the depositories for procuring user id and passwords and registration of email ids for e-voting for the resolutions set out in this notice:
2. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [scs\\_pl@yahoo.co.in](mailto:scs_pl@yahoo.co.in) and [secretarial@innovassynthinvestments.in](mailto:secretarial@innovassynthinvestments.in).
3. In case shares are held in Demat mode, please provide DPID-CLID (16 digits DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [scs\\_pl@yahoo.co.in](mailto:scs_pl@yahoo.co.in) and [secretarial@innovassynthinvestments.in](mailto:secretarial@innovassynthinvestments.in). If you are Individual shareholders holding securities in Demat mode, you are requested to refer to the login method explained in step 1 (A) i.e.,
4. Login method for e-Voting for Individual shareholders holding securities in Demat mode.
5. Alternatively, shareholders/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring a user id and password for e-voting by providing above mentioned documents.
6. In terms of the SEBI circular dated December 9, 2020, on the e-Voting facility provided by Listed Companies, Individual shareholders holding securities in Demat mode are allowed to vote through their Demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their Demat account to access the e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER: -**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

## **INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [secretarial@innovassynthinvestments.in](mailto:secretarial@innovassynthinvestments.in). The same will be replied by the company suitably.

### **Other Instructions:**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter, unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favor or against, if any, shall be submitted to the Chairman or Company Secretary.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.innovassynthinvestments.in](http://www.innovassynthinvestments.in) and on the website of NSDL [secretarial@innovassynthinvestments.in](mailto:secretarial@innovassynthinvestments.in) immediately. The Company shall simultaneously forward the results to BSE Limited, where the shares of the Company are listed.

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

**Sameer Pakhali**  
Company Secretary & Compliance Officer  
ACS: 54004

Khopoli, 2<sup>nd</sup> September 2022



## **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

### **ITEM NO.4:**

M/s. MSKA & Associates, Chartered Accountants, Pune, (Firm Registration No. 105047W)), were appointed as Statutory Auditors of the Company at the 9<sup>th</sup> Annual General Meeting ('AGM') held on September 29, 2017 for a period of 5 years, up to the conclusion of 14<sup>th</sup> Annual General Meeting. The term of appointment of M/s. MSKA & Associates, Chartered Accountants shall expire at the conclusion of this AGM. Hence, the Board of Directors of the Company recommend appointment of M/s. P G Bhagwat LLP, Chartered Accountants, (Firm Registration No. 101118W/W100682) as Statutory Auditors of the Company.

Based on the recommendations of the Audit Committee and the Board of Directors, it is hereby proposed to appoint P G Bhagwat LLP, Chartered Accountants, (Firm Registration No. 101118W/W100682) as the Statutory Auditors of the Company for the term of five consecutive years, who shall hold office from the conclusion of this AGM till the conclusion of the 19<sup>th</sup> AGM of the Company. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

### **ITEM NO.5:**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Dr. Nalini Ramaswamy (DIN: 09714656) as Additional Non-Executive Independent Director of the Company not being liable to retire by rotation, for a term of 5 years i.e., from 02<sup>nd</sup> September 2022 up to 01<sup>st</sup> September 2027, subject to the approval of the Members.

Dr. Nalini Ramaswamy holds a Doctorate in English Literature from the University of Mumbai, she is also holding a Master of Philosophy degree in English Literature. She has joined KMC College (affiliated with Mumbai University) Khopoli in 1980 as Associate Professor and Head of the English Department and retired in July 2018 as Principal of KMC College Khopoli. Dr. Nalini Ramaswamy, who has extensive academic experience, is the most qualified candidate to be designated as an Independent Director on the Board of this Company, given her expertise in academics and her independence to oversee the Board's performance in the near future. The Board believes that her extensive knowledge and diverse experience will be extremely beneficial to the Company.

Dr. Nalini Ramaswamy is not disqualified from being appointed as a director in terms of section 164 of the Companies Act, 2013 (the 'Act'). She has confirmed that she is not debarred from holding the office of director by virtue of any order from SEBI or any such authority and has given her consent to act as Director of the Company. The Company has also received a declaration from her that she meets the criteria of independence as prescribed, both, under section 149(6) of the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The Company has also received notice under Section 160 of the Act from a shareholder proposing the candidature of Dr. Nalini Ramaswamy for the office of a Director of the Company.

In compliance with the provisions of Section 149, read with Schedule IV to the Act and Regulation 17 of the Listing Regulations, the appointment of Dr. Nalini Ramaswamy as Independent Director is now being placed before the Members for their approval.

Except Dr. Nalini Ramaswamy, 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.

**Details of the Directors seeking re-appointment/ appointment at the Forthcoming Annual General Meeting (In pursuance of Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard - 2 on General Meetings)**

<b>Name of Director</b>	<b>Mr. Hardik Joshipura</b>	<b>Dr Nalini Ramaswamy</b>
<b>Date of Birth</b>	12 <sup>th</sup> June 1975 (Age 47 Yrs.)	11th July 1958 (64 years)
<b>Date of Appointment</b>	12 <sup>th</sup> February 2022	2 <sup>nd</sup> September 2022
<b>Expertise in specific functional areas</b>	More than 20 years of experience in Business Management.	She has reach experience of more than 25 years in academics. She was served as principal of KMC College (affiliated to Mumbai University) Khopoli.
<b>Qualifications</b>	He is PhD in Organic Chemistry and is an Alumnus of Harvard Business School (HBS), Boston, MA, USA	She is PhD in English Literature and M.Phil. in English Literature.
<b>Whether related party or not-</b>	Yes	Yes
<b>Directorship in other companies</b>	1	Nil
<b>Committee position held in other companies</b>	Audit Committee, CSR Committee	Nil
<b>Remuneration drawn</b>	Nil (for more details, refer Corporate Governance Report)	She shall be paid remuneration by way of fee for attending meetings of the Board or Committees thereof or for any other purpose as may be decided by the Board, reimbursement of expenses for participating in the Board and other meetings, and profit related commission within the limits stipulated under Section 197 of the Companies Act, 2013.
<b>No. of meetings of the Board attended during the year</b>	1	Nil
<b>No. of shares held:</b>	Nil	Nil
<b>(a) Own</b>	--	--
<b>(b) For other persons on a beneficial basis</b>	--	--

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

**Sameer Pakhali**  
Company Secretary & Compliance Officer  
ACS: 54004

Khopoli, 2<sup>nd</sup> September 2022

## BOARD'S REPORT

To,  
The Members,  
**Innovassynth Investments Limited**

Your directors have the pleasure in presenting the 14<sup>th</sup> Board Report of the Company with the Audited Financial Statements for the year ended 31<sup>st</sup> March 2022.

### 1. FINANCIAL SUMMARY:

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

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
<b>Total Income</b>	---	<b>0.30</b>	---	---
<b>Profit/(Loss) Before Interest and depreciation</b>	(37.46)	(28.03)	(37.46)	---
<b>Interest</b>	27.04	24.11	27.04	---
<b>Depreciation</b>	---	---	---	---
<b>Share of Profit of Associate</b>	---	---	186.00	---
<b>Profit/(Loss) Before Tax</b>	(64.50)	(52.14)	121.50	---
<b>Less/Add: Current Tax</b>	---	---	---	---
<b>Less/Add: Deferred Tax Adjustment</b>	---	---	---	---
<b>Profit/(Loss) After Tax</b>	<b>(64.50)</b>	<b>(52.14)</b>	<b>121.50</b>	---
<b>Other comprehensive income/(loss)</b>	1576.49	33.39	1,588.81	---
<b>Total comprehensive income/(loss) for the year</b>	<b>1511.99</b>	<b>(18.75)</b>	<b>1,710.31</b>	---

### 2. DIVIDEND:

In view of the accumulated losses, Directors do not recommend any dividend for the year ended 31<sup>st</sup> March 2022.

### 3. PERFORMANCE REVIEW:

The Company's income for 2021-22 was nil as compared with Rs. 0.30/- Lakhs during the previous year. The year has resulted in a net loss after tax of Rs. 64.50/- Lakhs compared with Rs. 52.14/- Lakhs during the last year.

### 4. SHARE CAPITAL:

During the year under review, there was no change in the authorized, subscribed, and paid-up share capital of the Company. The paid-up equity share capital as on 31<sup>st</sup> March 2022 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-1.**

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

### a. Extract of Annual Return:

The Annual Return of the Company as on March 31, 2022, in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, is available on the Company's website and can be accessed <http://www.innovassynthinvestments.in/ar.html>

### b. Number of Meetings of The Board of Directors and Its Committees:

During the year Four Board Meetings, Four Audit Committee Meetings, Two Nomination and Remuneration Committee Meetings, 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 the Corporate Governance Report and forms a part of this Annual Report. There have been no instances of non-acceptance of any recommendations of the Audit Committee by the Board during the financial year under review.

### d. Related Party Transactions:

All contracts/ arrangements/ transactions entered by the Company during the FY 2021-22 with related parties were on an arm's length basis and in the ordinary course of business. Given that the Company does not have any RPTs to report pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in Form AOC-2, the same is not provided.

The details of the transactions with Related Parties as per Ind AS 24 are provided in the accompanying financial statements.

### 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 Director of the Company.

### g. Directors and Key Managerial Personnel:

During the year under review, following changes in composition of Board of Director and KMP were taken place:

Dr Hardik Joshipura (DIN: 09392511) was appointed as Additional Director in the capacity of Chairman cum Managing Director w.e.f. 12<sup>th</sup> February 2022.

In accordance with the provisions of the Act, Dr Hardik Joshipura (DIN: 09392511) retires by rotation at the ensuing AGM and being eligible, offers himself for reappointment. The Board commends re-appointment of Dr Hardik Joshipura (DIN: 09392511), for approval of the Members at the ensuing AGM. The disclosures required pursuant to Regulation 36 of the SEBI Listing Regulations and the Secretarial Standards on General Meeting ('SS-2') with respect to proposed Appointment/ Re-appointment of Directors retiring by rotation are given in the Notice of ensuing AGM, forming part of the Annual Report.

Ms. Jana Chatra resigned as Chairperson cum Managing Director w.e.f. 12<sup>th</sup> February 2022 due to pre-occupation, and there being no other reason for his resignation. The Directors placed on record their sincere appreciation for the stellar contributions made by her as a Member of the Board

Mr. Abhishek Deshpande ceased to be a Key Managerial Personnel (Company Secretary and CFO) upon his resignation at the close of business hours on 1<sup>st</sup> November 2021. The Board of Directors places on record its appreciation of his valuable support and guidance to the Board during his tenure.

Mr. Sameer Pakhali was appointed as the Company Secretary and CFO and was designated as a Key Managerial Personnel w.e.f. 12<sup>th</sup> November 2021.

On the recommendation of Nomination and Remuneration Committee, Dr. Nalini Ramaswamy (DIN: 09714656) was appointed as an Additional Director (Independent) by the Board of Directors at its meeting held on September 2, 2022. She holds office up to the date of the ensuing AGM of the Company. The Company has received notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director. Accordingly, Dr. Nalini Ramaswamy (DIN: 09714656) is proposed to be appointed as an Independent Director, not liable to retire by rotation for a term of five years effective September 2, 2022 upto September 1, 2027. Your directors commend her appointment

#### **h. Statement on Declaration Given by Independent Directors:**

All Independent Directors have given declarations that they comply 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 website link for the policy is

<http://www.innovassynthinvestments.in/Doc/THE%20NOMINATION%20AND%20REMUNERATION%20P>



#### **k. Auditors:**

##### **• Statutory Auditor:**

As per the provisions of the Act, the period of office of M/s MSKA & Associates, Chartered Accountants (ICAI Firm Registration No. 105047W), expires at the conclusion of the ensuing Annual General Meeting.

The Board has recommended the appointment of M/s P G Bhagwat LLP, Chartered Accountants (Firm Registration No. 101118W/W100682), as the Statutory Auditors of the Company in their place, for a term of five consecutive years, from the conclusion of the 14th AGM of the Company scheduled to be held in the year 2022 till the conclusion of the 19<sup>th</sup> AGM to be held in the year 2027, for approval of shareholders of the Company, based on the recommendation of the Audit Committee.

They have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

Further, the Auditors' Report "with an unmodified opinion", given by the Statutory Auditors on the financial statements of the Company for financial year 2021-22, is disclosed in the financial statements forming part of this Annual Report. There has been no qualification, reservation, adverse remark, or disclaimer given by the Statutory Auditor in their Report for the year under review.

The notes to the financial statements are self-explanatory and do not call for any further comments.

Pursuant to provisions of Section 143(12) of the Companies Act, 2013, as amended from time to time, the Statutory Auditors have not reported any incident of fraud to the Audit Committee during the year under review.

##### **• 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 and issue Annual Secretarial Compliance Report for F.Y 2021-22.

##### **i. Secretarial Audit Report:**

The secretarial audit report contains one qualification, reservation, or adverse remarks or disclaimer. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued under SEBI (LODR) Regulations, 2015, *except in respect of matters specified below*

1. *Delay in Prior intimation to the stock exchange about the meeting of the board of directors*

##### **Management representation**

The company has paid the amount of fine of ₹ 11,800/-. Further the company had requested BSE Limited for waiver of the fine, by giving the reason of covid 19 pandemic, and the same was waived by BSE Limited.

The said report is attached to this report **Annexure-3.**

##### **ii. Annual Secretarial Compliance Report:**

As per the recent amendment in Regulation 24 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, vide insertion of Regulation 24A, M/s Sushil Talathi & Associates, Secretarial Auditor of the Company, undertook & examine compliances under SEBI (LODR) Regulations, 2015 and issue Annual Secretarial Compliance Report for the year ended 31<sup>st</sup> March 2022.

The Annual Secretarial Compliance Report contains one qualification, reservation, adverse remark, or disclaimer. The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued under SEBI (LODR) Regulations, 2015, *except in respect of matters specified below*

2. *Delay in Prior intimation to the stock exchange about the meeting of the board of directors*

**Management representation**

The company has paid the amount fine ₹ 11800/-. Further, the company had requested BSE Limited for waiver of fine, by giving reason for covid 19 pandemic, and the same was waived by BSE Limited.

The said report is attached to this report **Annexure-4**

• **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 the Audit Committee, appointed M/s V D Tilak & Co, Chartered Accountants (FRN:134853W), Khopoli, Raigad as Internal Auditor of the Company for conducting an internal audit of the Company for F.Y 2021-22.

**I. 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 issues/Right issues.

**m. Subsidiary and Associate Companies:**

The Company does not have any Subsidiary.

**Associate Company:**

**3. Innovassynth Technologies (India) Limited**

The Company holds 31.79% of the equity share capital of Innovassynth Technologies (India)Limited. During the year, the turnover of the company was ₹ 201 crore (previous year ₹ 128 crore) and Profit after tax for the year was ₹ 24 crore (previous year ₹ 11 crore). The Company has a net worth of ₹ 140 crore (previous year ₹ 11.63 crore) as on 31<sup>st</sup> March 2022.

A statement containing the salient features of the financial statements of the associate company and subsidiary in the prescribed format is annexed as **Annexure-2** to this Report.

**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 favor of other parties and has also not made any investment of its fund with any other party during the year under Section 186 of the Companies Act, 2013.

**p. Material Changes and Commitments Between the Date of The Balance Sheet and The Date of Report:**

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the report.

**q. Significant and Material Orders Passed by The Regulators or Courts or Tribunals:**

There are no 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:**

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-5** which forms a part of this Report.

**t. Familiarization Program for Independent Directors:**

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize 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 2021-22.

**y. Obligation of Your Company Under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder.

The below table provides details of complaints received/disposed during financial year 2021-22:

Number of complaints at the beginning of the financial year	: Nil
No. of complaints filed during the financial year	: Nil
No. of complaints disposed of during the financial year	: NA
No. of complaints pending at the end of the financial year	: NA

## **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:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- ii. 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;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. they have prepared the annual accounts on a going concern basis;
- v. 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
- vi. 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 WITH SECRETARIAL STANDARDS-1 AND 2:**

Your Directors confirm that pursuant to Section 118(10) of the Companies Act, 2013, applicable Secretarial Standards, i.e. SS-1 and SS- 2, pertaining to Meeting of Board of Directors and General Meetings, respectively specified by the Institute of Company Secretaries of India has been duly complied by the Company.

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

## **8. CEO AND CFO CERTIFICATION:**

The 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 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 Managing Director and the Chief Financial Officer is attached in **Annexure-6**

## **9. ACKNOWLEDGEMENT:**

We thank our Employees, Investors, and Bankers for their continued support during the year. We are grateful to the various authorities for their continued cooperation. 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.

For and on behalf of the Board of Directors of  
**Innovassynth Investments Limited**

**Sandesh Mhadalkar**  
Director  
(DIN: 08929791)

**Dr Hardik Joshipura**  
Managing Director  
(DIN: 09392511)

Mumbai, 30<sup>th</sup> May 2022

## ANNEXURE-1

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### 1. Macro-Economic Environment:

The financial year 2022 began with the impact from the COVID second wave creating havoc for India and the world, ushering in newer challenges across sectors.

Inflation remains the biggest concern both due to its impact on demand and due to its impact on margins and profitability. Supply concerns and surge in input costs can force India Inc's hand on prices, which would impact affordability and therefore demand which would not be ideal as private consumption accounts for around 60% of the gross domestic product. Another area of concern which India Inc has been highlighting is a rural slowdown in the rural economy. Corporates expect rural demand to remain soft as higher prices have altered consumer spending and preferences. FMCG companies say that inflationary pressures have disrupted demand in both rural and urban areas, with rural demand being significantly weak.

The RBI introduced its Resolution Framework-2.0 in May 2021 during the outbreak of the deadly second wave which gave impacted and vulnerable borrowers breathing space to meet their repayment obligations. Simultaneously, the RBI maintained adequate liquidity to support its accommodative stance throughout the year. It resorted to rebalancing liquidity on a dynamic basis without compromising systemic liquidity. Moreover, the RBI kept its key policy rates including repo rate, reverse repo rate and bank rate unchanged at 4%, 3.35%, and 4.25% respectively throughout FY2022.

#### 2. Industry Structure and Developments:

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

#### 3. Opportunities and Threats:

Your Company has invested in Innovassynth Technologies (India) Limited-(ITIL) which is one of the internationally recognized manufacturers and develops nucleosides and amides. Even in this pandemic situation, Innovassynth Technologies (India) Ltd has done exceptionally well. Your Company has not diversified its investment in other entities except ITIL hence the company's fortune tide with the performance of Innovassynth Technologies (India) Limited.

#### 4. Outlook:

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

#### 5. Risk & Concerns:

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

#### 6. 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.

#### 7. Developments in Human Resources:

During the year, Company has roped in Mr. Sandesh Mhadalkar as Non-Executive Independent Director who has rich experience of working in Banking and Finance Industry.

#### 8. Significant Changes in Key Financial Ratio:



During the period, Only Current Ratio has changed due to increase in borrowings as the compared to previous Financial Year.

#### **9. Return on Net Worth:**

During the period, there has been no significant changes in Return on Net worth as compared to the immediately previous financial years.

For and on Behalf of the Board of Directors of  
**Innovassynth Investments Limited**

**Sandesh Mhadalkar**  
Director  
(DIN: 08929791)

**Dr Hardik Joshipura**  
Managing Director  
(DIN: 09392511)

Mumbai, 30<sup>th</sup> May 2022

## ANNEXURE-2

### Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ASSOCIATE COMPANIES/JOINT VENTURES

#### Part "A": Subsidiaries

Sl. No.	Particulars	Details
1.	Name of the subsidiary	
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	
4.	Share capital	
5.	Reserves & surplus	
6.	Total assets	
7.	Total Liabilities	
8.	Investments	
9.	Turnover	
10.	Profit before taxation	
11.	Provision for taxation	
12.	Profit after taxation	
13.	Proposed Dividend	
14.	% of shareholding	

#### Part "B": Associates and Joint Ventures

#### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Lakhs)

Name of associates/Joint Ventures	Innovassynth Technologies (India) Limited
1. Latest audited Balance Sheet Date	31/03/2022
2. Shares of Associate/Joint Ventures held by the company on the year end	
No.	23,85,070
Amount of Investment in Associates/Joint Venture	2,38,50,700
Extend of Holding%	31.79%
3. Description of how there is significant influence	There is significant influence due to percentage (%) of Share Capital
4. Reason why the associate/joint venture is not consolidated	-
5. Net worth attributable to shareholding as per latest audited Balance Sheet	3695.88
6. Profit/Loss for the year	
i. Considered in Consolidation	1710.31
ii. Not Considered in Consolidation	-

**For and on behalf of the Board of Directors of  
Innovassynth Investments Limited  
CIN: L67120MH2008PLC178923**

**Dr Hardik Joshipura**  
Managing Director  
DIN: 09392511

**Sandesh Mhadalkar**  
Director  
DIN: 08929791

Place: Pune  
Date: May 30, 2022

**Sameer Pakhali**  
Company Secretary & CFO

## ANNEXURE-3

### Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2022

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

To,  
The Members,  
**INNOVASSYNTH INVESTMENTS LIMITED**  
CIN: L67120MH2008PLC178923  
Flat No C-2/3, KMC No 91 Old Mumbai-Pune Road,  
Khopoli – 410203

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

Based on our verification\* of the Company’s books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officer, agents and authorized representatives during the conduct of secretarial audit, the explanation and clarification given to us and the representation made by the management and considering the relaxation granted by Ministry of corporate affairs and Securities and Exchanges Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms, and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2022 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, 2018 and amendment from time to time (not applicable to the company during the audit period);
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021, (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 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;(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; (not applicable to the company during the audit period)
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (not applicable to the company during the audit period); and
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;(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. The Maharashtra State Tax on Professions, Trades, Callings, and Employments Act, 1975.

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 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 except *delay in furnishing prior intimation about the Board of Directors Meeting to the BSE Limited under Regulation 29 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.* (The company has paid the amount of the fine. Further, the company has requested to BSE Limited for waiver of fine, by giving reason of covid 19 pandemic, and the same was waived by BSE Limited).



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 changes in composition of the Board of Directors that took place during the period under review were carried out in compliance with the provision of the Act.

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

Decisions of the Board are taken unanimously. As per the records provided and representation received 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 etc.

We further report that during the audit period there were no specific events occurred which had 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: 30<sup>th</sup> May 2022  
UDIN: F008506D000434129

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 Old Mumbai-Pune Road,  
Khopoli – 410 203

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

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

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

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

Place: Mumbai  
Date: 30<sup>th</sup> May 2022  
UDIN: F008506D000434129

## ANNEXURE-4

### ANNUAL SECRETARIAL COMPLIANCE REPORT

Secretarial compliance report of Innovassynth Investments Limited for the year ended 31st March 2022

We have examined:

- (a) all the documents and records made available to us, and the explanation provided by **Innovassynth Investments Limited** ("the listed entity"),
- (b) the filings/ submissions made by the listed entity to the stock exchanges,
- (c) Website of the listed entity,
- (d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31st March 2022 ("Review Period") in respect of compliance with the provisions of:
  - (a) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, and guidelines issued thereunder; and
  - (b) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder, and the Regulations, circulars, and guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/guidelines issued thereunder, have been examined, include: -

- (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable during the period under review)
- (c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;(Not Applicable during the period under review)
- (d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable during the period under review)
- (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021; (Not Applicable during the period under review)
- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021; (Not Applicable during the period under review)

- (g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (Not Applicable during the period under review)
- (h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (i) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018; and circulars/ guidelines issued thereunder;

and based on the above examination and considering, we hereby report that, during the Review Period:

- (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

Sr. No.	Compliance Requirement Deviations Observations/ (Regulations/circulars/ Remarks of the guidelines including specific Practicing clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Prior intimation to stock exchange about meeting of the board of directors as per Regulation 29 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Delay in Prior intimation to the stock exchange about the meeting of the board of directors	The fine was imposed by BSE Limited and the same was paid by the company. Further the company has requested to BSE Limited for waiver of fine, by giving reason of covid 19 pandemic, and the same was waived by BSE Limited.

- (b) The listed entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from my/our examination of those records.
- (c) The following are the details of actions taken against the listed entity/ its promoters/ directors/ material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

Sr. No.	Action taken by	Details of Violation	Details of action taken e.g. fines, warning letter, debarment etc.	Observations/ Remarks of the Practicing Company Secretary, if any.
1	BSE Limited	Delay in Prior intimation to the stock Exchange about the meeting of the board of directors	The fine was imposed by BSE Limited	The company has paid the amount of fine. Further, the company has requested to BSE Limited for waiver of fine, by giving reason of covid 19 pandemic, and the same was waived by BSE Limited.

- (d) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended 31.03.2022	Actions taken by the listed entity, if any,	Comments of the Practicing Company Secretary on the actions taken by the listed entity
NIL				

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

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

Place: Mumbai  
Date: 27<sup>th</sup> May 2022  
UDIN: F008506D000406024

## ANNEXURE-5

### 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/Percentage
1	The ratio of remuneration of each director to the median remuneration of employees of the Company for the financial year	Jana Chatra	58.58
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	Jana Chatra	N.A.
		Abhishek Deshpande	15.87%
3	The percentage increase in Remuneration the median Remuneration of employees in the Financial Year	15.87%	
4	The Number of permanent employees on the role of the Company	2	
5	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	The average increase in salaries of employees other than Managerial Personnel in the financial year 2021-22 is NIL.	
6	Affirmation	The Board affirms that the remuneration is as per the Nomination and Remuneration Policy of the Company.	

For and on behalf of the Board of Directors of  
**Innovassynth Investments Limited**

Mumbai, 30<sup>th</sup> May 2022

**Sandesh Mhadalkar**  
Director  
(DIN: 08929791)

**Dr Hardik Joshipura**  
Managing Director  
(DIN: 09392511)



**ANNEXURE-6**  
**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 2022 and to the best of their knowledge and belief:
- i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - 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 is 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 the 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:
- i. There are no significant changes in internal control over financial reporting during the year;
  - ii. There are no significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements; and
  - iii. There are no instances of significant fraud of which we have become aware.

On Behalf of the Board of Directors  
**For Innovassynth Investments Limited**

<b>Dr. Hardik Joshipura</b> <b>Managing Director</b> <b>DIN: 09392511</b>	<b>Sameer Pakhali</b> <b>Chief Financial Officer</b>
---------------------------------------------------------------------------------	---------------------------------------------------------

Mumbai, 30<sup>th</sup> May 2022

## CORPORATE GOVERNANCE REPORT

[Pursuant to Schedule V (c) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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. Worlds corporate governance structures are dynamic, evolve over a period 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 to keep pace with the changing economic environment.

### 2. Board of Directors:

#### 2.1 Composition and Category of Directors:

As of 31 March 2022, the Board is comprised of Four Directors. The Composition of the Board is as under:

CATEGORY OF DIRECTORS	NO. OF DIRECTORS
EXECUTIVE	1
NON-EXECUTIVE AND INDEPENDENT	3
TOTAL	4

#### 2.2 Director's attendance record and Directorships held:

The information on composition and category of the Board of Directors as of 31<sup>st</sup> March 2022, Attendance of each Director at Board Meetings held during the Financial Year 2021-22 and the Annual General Meeting (AGM) held on 27<sup>th</sup> July 2021, 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	#Jana Chatra	--	--	---	---	4	Yes
2	Rashmi Uday Singh	--	--	--	--	2	Yes
3	Vikram Gokhale	--	--	--	--	4	Yes
4	Sandesh Mhadalkar	--	--	--	--	4	Yes
5	\$Dr. Hardik Joshipura	--	1	--	--	-	-

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

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

\$ Dr. Hardik Joshipura was appointed as Chairman cum Managing Director w.e.f. 12<sup>th</sup> February 2022.

# Ms Jana Chatra resigned w.e.f. 12<sup>th</sup> February 2022 as Chairperson and Managing Director.

### 2.3 Number of Board Meetings:

During the Financial Year under review, Four Board Meetings were held on 26<sup>th</sup> June 2021, 11<sup>th</sup> August 2021, 12<sup>th</sup> November 2021, and 12<sup>th</sup> February 2022.

### 2.4 Meeting of Independent Directors:

The meeting of Independent Directors was held on 12<sup>th</sup> February 2022 to discuss the performance of Non-Independent Directors, the Board as a whole and the performance of the Chairman of the Company, considering the views of the Managing Director and Non-Executive Directors.

### 2.5 Familiarization program for Independent Directors:

Pursuant to Regulations 25(7) of the SEBI (LODR) Regulations, 2015, the familiarization program for 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 on Company's website [www.innovassynthinvestments.in](http://www.innovassynthinvestments.in).

### 2.6 Disclosure of relationships between Directors inter-se:

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

### 2.7 Number of shares and convertible instruments held by Non-Executive Directors:

None of the Non-Executive Directors holds shares or securities of the Company.

### 2.8 Resignation of Independent Directors:

No independent director was resigned during the period.

### 2.9 Opinion of Board over Independency of Director:

The Board confirms that Independent Director fulfills the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management.

### 2.10 Key Board Skills, Expertise and Competencies:

The Board comprises qualified members who bring in the required skills, competence, and expertise to enable them to effectively contribute to deliberations at Board and Committee meetings. The below matrix summarizes a mix of skills, expertise and competencies expected to be possessed by our individual directors, which are key to corporate governance and board effectiveness:

**Board Competency Matrix**

Board of Directors	Board Service and Governance	Leadership	Expertise in Finance	Strategy & Risk Management	Global Exposure
Dr. Hardik Joshipura	✓	✓	x	✓	✓
Rashmi Uday Singh	✓	✓	✓	x	✓
Sandesh Mhadalkar	✓	✓	✓	✓	x
Vikram Gokhale	✓	✓	✓	x	✓

### **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 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 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 of 31<sup>st</sup> March 2022, the Audit Committee comprises of One Executive Director and Three Non-Executive Directors, all of them are Independent. The Company Secretary acts as the Secretary to the Committee. The representatives of the Internal Auditor and Statutory Auditor are also invited to the meetings.

During the Financial Year under review, four meetings of the Committee were held on 26<sup>th</sup> June 2021, 11<sup>th</sup> August 2021, 12<sup>th</sup> November 2021, and 12<sup>th</sup> February 2022. The composition of the Committee and attendance at its meetings are given below:

<b>Sr. No.</b>	<b>Name of the Member</b>	<b>Position</b>	<b>Category</b>	<b>Number of meetings attended</b>
1	Sandesh Mhadalkar	Chairman	Independent	4
2	Rashmi Uday Singh	Member	Independent	2
3	Vikram Gokhale	Member	Independent	4
4	# Jana Chatra	Member	Executive	4
5	\$ Dr Hardik Joshipura	Member	Executive	-

\$ Dr. Hardik Joshipura was appointed as Chairman cum Managing Director w.e.f. 12<sup>th</sup> February 2022.

# Ms Jana Chatra resigned w.e.f. 12<sup>th</sup> February 2022 as Chairperson and Managing Director.

## 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 with the stock exchanges as well as those in Section 178 of the Companies Act, 2013 and inter-alia include 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-term and long-term performance objectives appropriate to the working of the Company and its goals.

#### 4.2 Composition:

The Nomination and Remuneration Committee comprises of Three Non - Executive Directors, all of them are Independent. The composition is in conformity with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with Listing Agreement entered 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 12<sup>th</sup> November 2021, and 12<sup>th</sup> February 2022.

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

Sr. No.	Name of the Member	Position	Category	Number attended	of Meetings
1	Rashmi Uday Singh	Chairperson	Independent	2	
2	Sandesh Mhadalkar	Member	Independent	2	
3	Vikram Gokhale	Member	Independent	2	

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

During the year under review, the Board adopted a formal mechanism for evaluating of 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 was carried out by the Independent Directors.

#### 5. Remuneration to Directors:

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

The remuneration if any, 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 fees is payable to Independent Directors for each Board Meeting and Audit Committee Meetings, attended by them.

Details of the remuneration paid to Directors during Financial Year 2021-22:

Sr. No	Name of the Member	Remuneration	Sitting fees
1	* Jana Chatra	₹ 4,33,214/-	-
2	Rashmi Uday Singh	-	₹ 27,000/-
3	Sandesh Mhadalkar*	-	₹ 1,08,000/-
4	Vikram Gokhale	-	₹ 1,08,000/-
5	\$ Dr Hardik Joshipura	-	

\* Jana Chatra resigned as Chairperson cum Managing Director w.e.f. 12<sup>th</sup> February 2022.

\$ Dr. Hardik Joshipura was appointed as Chairman cum Managing Director w.e.f. 12<sup>th</sup> February 2022

#### 6. Stakeholders Relationship Committee:

##### 6.1 Composition:

The Stakeholders Relationship Committee has been constituted to look into stakeholders' complaints and issues and redressal thereof. The Committee is headed by Mr. Sandesh Mhadalkar, Independent Director



along with Ms. Rashmi Uday Singh, Independent Director, Mr. Vikram Gokhale, Independent Director and Ms. Jana Chatra, Executive Director being the other Members of the Committee.

During the Financial Year under review, one meeting of the Committee was held on 12<sup>th</sup> February 2022 the composition of the Committee and attendance at its meetings are given below:

<b>Sr. No.</b>	<b>Name of the Member</b>	<b>Position</b>	<b>Category</b>	<b>Number of meetings attended</b>
<b>1</b>	Sandesh Mhadalkar	Chairman	Independent	1
<b>2</b>	Rashmi Uday Singh	Member	Independent	1
<b>3</b>	Vikram Gokhale	Member	Independent	1
<b>4</b>	* Jana Chatra	Member	Executive	1
<b>5</b>	\$ Dr Hardik Joshipura	Member	Executive	-

\* Jana Chatra resigned as Chairperson cum Managing Director w.e.f. 12<sup>th</sup> February 2022.

\$ Dr. Hardik Joshipura was appointed as Chairman cum Managing Director w.e.f. 12<sup>th</sup> February 2022

Mr. Sameer Pakhali, Company Secretary is the Compliance Officer from 12<sup>th</sup> November 2021.

Mr. Abhishek Deshpande, Company Secretary was the Compliance Officer up to 1<sup>st</sup> November 2021.

During the year under review, no complaints were received from shareholders hence no complaints were outstanding as of 31<sup>st</sup> March 2022.

## **7. General Body Meeting**

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

<b>AGM</b>	<b>Date &amp; Time</b>	<b>Venue</b>	<b>Special Resolution passed at AGM</b>
13 <sup>th</sup>	27/07/2021 at 11.00 am	Through Video Conferencing from Registered Office	No special Resolution was passed
12 <sup>th</sup>	18/09/2020 at 11.00 am	Through Video Conferencing from Registered Office	No special Resolution was passed
11 <sup>th</sup>	30/08/2019 at 11.00 am	Innovassynth Colony Khopoli- 410203, Dist. Raigad, MH, India	- To approve the re-classification of promoters as Public Shareholders - To re-appoint Ms. Rashmi Uday Singh (DIN: 00089445) as an Independent Director for the second term

## **Resolution(s) passed through Postal Ballot.**

During the year, the appointment of Dr. Hardik Joshipura as Managing Director of the Company was approved by members of the Company.

## **Procedure for Postal Ballot**

The Postal Ballot process is conducted in accordance with the provisions of Section 110 of the Companies Act read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended from time to time.

Due to the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs vide its relevant circulars, has permitted companies to conduct the Postal Ballot by sending the Notice in electronic form only.

Accordingly, the Postal Ballot procedure for Postal Ballot Notice dated April 2, 2022 has been carried out as per the above provisions, as applicable and therefore, physical copy of the Notices along with Postal Ballot Form and pre-paid business reply envelope were not sent to the shareholders for aforesaid Postal Ballots and shareholders were required to communicate their assent or dissent through the remote electronic voting ('e-Voting') system only. The Company published a notice in the newspaper informing the details of completion of dispatch of the Postal Ballot Notice and other details.

The Company had engaged the services of National Securities Depository Limited (NSDL) for providing e-voting facility to its members. Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date mentioned in the respective Postal Ballot Notice. The communication of the assent or dissent of the members took place through the process of remote e-voting only, in accordance with the SEBI Circular on e-voting facility provided by Listed Entities.

Apart from the above, the Postal Ballot, if any, post end/ cessation of COVID-19 pandemic restrictions or if no extension has been granted by MCA and/ or any other statutory regulators, would be carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Companies Act read with the rules framed thereunder.

#### **Scrutinizer:**

Mr. Miket Shashikant Bahuva (Membership No. FCS 7651), of Miket S. Bahuva and Co., Practicing Company Secretaries, Mumbai was the Scrutinizer for conducting the aforesaid Postal Ballots e-Voting process in a fair and transparent manner. The results of the aforesaid Postal Ballot were posted on the Company's website [www.innovassynthinvestments.in](http://www.innovassynthinvestments.in) and was communicated to the Stock Exchanges where the Company's shares are listed. This resolution has been passed through Postal Ballot during the FY 2022-23.

#### **Postal Ballot Outcome:**

The Scrutiniser submitted his report on May 10, 2022, after the completion of scrutiny and result of the e-voting was announced on the same day. The summary of voting result is given below:

Particulars	Number	Percentage
<b>Votes in favour of the Resolution</b>	91,44,480	97.35%
<b>Votes against the Resolution</b>	2,49,020	2.65%

The said resolution was passed with the requisite majority on May 8, 2022. Voting result of postal ballot is available on the website of the Stock Exchanges and website of the Company. There is no immediate proposal for passing any resolution through postal ballot. However, if required, the same shall be passed in compliance of provisions of the Companies Act, 2013, the Listing Regulations or any other applicable laws.

#### **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 Financial Express/Business Standard (English) and Tarun Bharat (Marathi).

8.3 The Quarterly/Annual Results are also posted on the Company's website [www.innovassynthinvestments.in](http://www.innovassynthinvestments.in) and on 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, the company has not made any presentation to the institutional investors or to the analysts.

## **9. General Shareholders Information:**

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

Date: 29<sup>th</sup> September 2022

Day: Thursday

Time: 11.00 a.m.

Venue: The Company is conducting a meeting through VC / OAVM pursuant to the MCA Circular dated January 13, 2021, read with May 5, 2020, and the Registered office of the Company shall be deemed venue for the Meeting

### **9.2 Financial Year:** April- 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

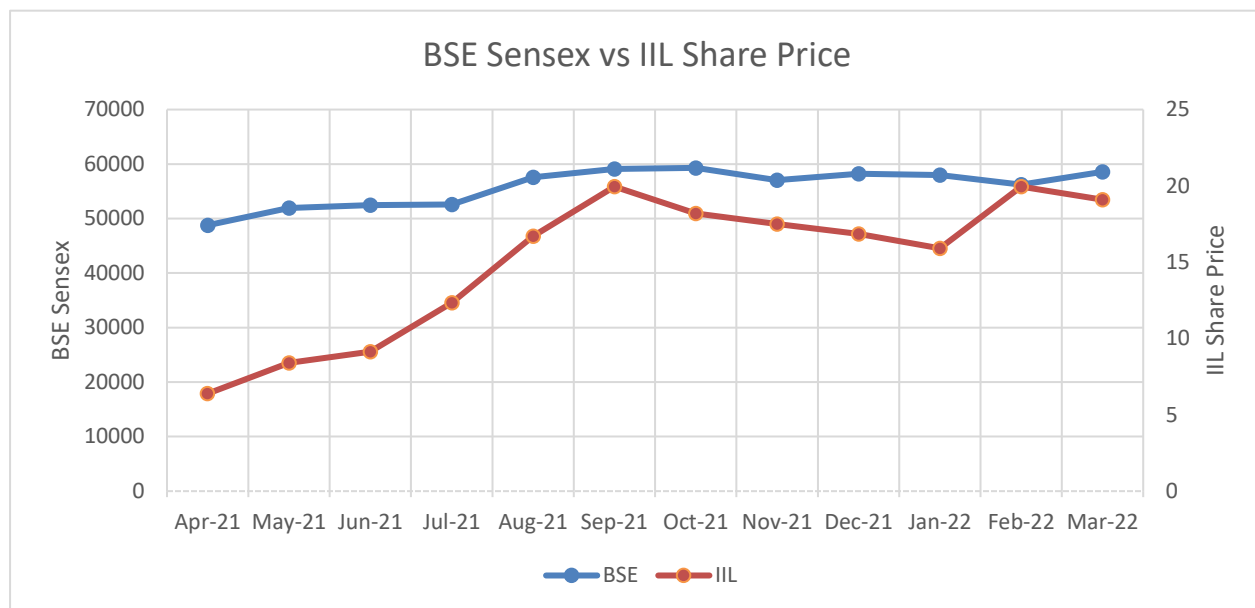
### **9.5 Stock Code:** 533315

### **9.6 Market Price Data:** BSE (2021-22)

Month	Open	High	Low	Close	Volume (No. of Shares)
Apr-21	5.78	6.67	5.15	6.39	1,04,075
May-21	6.08	9.02	6.08	8.4	1,29,924
Jun-21	8.81	9.75	8.06	9.13	1,83,360
Jul-21	8.85	12.35	8.85	12.35	3,80,347
Aug-21	12.96	16.7	11.78	16.7	2,76,308
Sep-21	17.5	21.95	16.7	19.95	4,40,784
Oct-21	19	20	16.45	18.2	1,57,158
Nov-21	19.1	19.3	16.3	17.5	1,21,151
Dec-21	17.85	18.3	14.8	16.85	1,63,193
Jan-22	17.2	18.9	14.65	15.9	2,20,760
Feb-22	15.9	20.35	15.15	19.95	6,55,560
Mar-22	20.85	25.25	18.4	19.1	2,46,650

### **9.7 Performance comparison to BSE Sensex:**

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



#### Suspension of Securities from Trading:

Your Company has not been suspended during the financial year 2021-22.

#### 9.8 Registrar and Share Transfer Agent:

Name: Satellite Corporate Services Pvt. Ltd.

Address: A/106-107, Dattani Plaza, East West Indl. Compound, Andheri Kurla Road, Safed Pool, Sakinaka, Mumbai-400072

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

E-mail Id: [service@satellitecorporate.com](mailto:service@satellitecorporate.com)

#### 9.9 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. 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 yearly basis is issued by the Practicing Company Secretary for compliance with share transfer formalities by the Company.

Range of Holdings		No. of Shares	Amount (Rs.)	% to Capital	No. of Shareholders	% of Shareholders
From	To					
1	5000	22,33,219	2,23,32,190	9.2	27,085	94.07
5001	10000	5,68,333	56,83,330	2.34	752	2.61

10001	20000	5,69,470	56,94,700	2.35	394	1.37
20001	30000	3,84,586	38,45,860	1.58	158	0.55
30001	40000	2,30,770	23,07,700	0.95	65	0.23
40001	50000	3,02,452	30,24,520	1.25	65	0.23
50001	100000	8,86,696	88,66,960	3.65	114	0.4
100001 and above		1,91,02,509	19,10,25,090	78.68	159	0.55
<b>Total</b>		<b>2,42,78,035</b>	<b>24,27,80,350</b>	<b>100.00</b>	<b>29,742</b>	<b>100.00</b>

#### 9.10 Distribution of Shareholding as of 31 March 2022:

Category of Equity shareholders as of 31<sup>st</sup> March 2022

<b>Category</b>	<b>No. of shares</b>	<b>Percentage</b>
Promoter and Promoter Group	88,03,738	36.26
Mutual Funds/UTI	72,292	0.30
Financial Institutions/Banks	1,15,14	0.05
Insurance Companies	8,68,258	3.58
Foreign Institutional Investor	3,276	0.01
Bodies Corporate	13,54,277	5.58
Individuals	1,19,96,695	49.41
Others (Clearing Member, NRIs, Overseas Corporate Bodies, Trust, Directors Relative, Hindu Undivided Families)	11,67,985	4.81
<b>Total</b>	<b>2,42,78,035</b>	<b>100.00</b>

Dematerialization of shares and Liquidity as on 31<sup>st</sup> March 2022

	<b>No. of Shareholders</b>	<b>No. of Shares Held</b>	<b>Shareholding as % of total no. of share</b>
No. of Shareholders in Physical Mode	15,164	20,98,137	8.64
No. of Shareholders in Electronic Mode	13,68	2,21,79,898	91.36
<b>TOTAL</b>	<b>28,792</b>	<b>2,42,78,035</b>	<b>100.00</b>

Details of Dematerialization

<b>Days taken for Dematerialization</b>	<b>No. of Request</b>	<b>No. of Shares</b>	<b>% Of share</b>
1-15	100	10,392	0.04

Details of CDSL & NSDL

<b>Particulars</b>	<b>National Securities Depository Ltd (NSDL)</b>		<b>Central Depository Services (I) LTD (CDSL)</b>	
No. of Shares Dematerialized	65	6656	35	3736
No. of Shares Rematerialized	--	--	--	--

9.11 Outstanding GDRs/ADRs/ Warrants or any Convertible Instruments:

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

9.12 Commodity price risk or foreign exchange risk and hedging activities:

Not Applicable.

9.13 Address for Correspondence:

**Sameer Pakhali**

Company Secretary & Compliance Officer

C-2/3, KMC No. 91, Innovassynth Colony, Khopoli, Raigad – 410203

Telephone: (02192) 260224 Fax: 2192 263268

E-mail ID: [secretarial@innovassynthinvestments.in](mailto:secretarial@innovassynthinvestments.in)

Website: [www.innovassynthinvestments.in](http://www.innovassynthinvestments.in)

**10. Other Disclosure:**

10.1 Related Party Disclosure:

All the contracts/arrangements transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. 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. The details of the transactions with related parties are placed before the Audit Committee, from time to time. Further, the details of Related Party Transactions are also submitted to stock exchanges as per the SEBI Listing Regulations norms on a half-yearly basis. The Board has approved a policy for Related Party Transactions in compliance with the provisions of the Companies Act, and the Listing Regulations 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 Establishment of Vigil Mechanism/Whistle Blower Policy and affirmation that No personnel has been denied access to the Audit Committee:

In accordance with the provisions of Section 177 (9) of the Companies Act 2013 and the rules made thereunder and Regulation 22 of the SEBI (LODR) Regulations, 2015, Your Company established a vigil mechanism. The Audit Committee reviews the functioning of the Vigil Mechanism from time to time. None of the Whistle-Blowers has been denied access to the Audit Committee of the Board. The vigil mechanism policy is available on the website of the Company <http://www.innovassynthinvestments.in/Doc/Policy%20for%20Vigil%20Mechanism.pdf>.

10.3 Details of Compliance with Mandatory Requirements and Adoption of the Non-Mandatory Requirements:

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated under SEBI (LODR) Regulations, 2015 and further also complies with the following non-mandatory requirements of Regulation 27 of SEBI (LODR) Regulations, 2015:

a. The Board:

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

of his office.

b. Modified Opinion(s) in Audit Report:

The Audit Report for the year 2021-22 is unmodified and does not contain any qualifications and the company striving towards a regime of financial statements with an unmodified audit opinion.

c. Reporting of Internal Auditor:

Reporting of internal auditor reports to and has access to the Audit Committee.

d. Disclosure in relation to total fees paid to Statutory Auditors:

Total fees paid in relation to services rendered by MSKA & Associates, Statutory Auditors during Financial Year is Rs. 2.50 Lakhs and there were no payments made in the network firm/ network entity of Statutory Auditors.

11. There were no non-Compliance penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years by the Listed Entity except Non-Compliance with the prior intimation of Board Meeting under regulation 29 of SEBI (LODR) Regulations, 2015 in F.Y 2020-21 causing BSE Ltd imposing Fine, and Company has paid accordingly.

During the reporting period, the Board of Directors had accepted all recommendations of the Committees of the Board of Directors, which are mandatorily required to be made.

**12. Disclosure of Compliance with corporate governance requirements specified in regulations 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	NA
22	Vigil Mechanism	Yes
23	Related Party Transactions	NA
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

**Other Additional Disclosures {As per Schedule V to the SEBI (LODR) Regulations, 2015}:**

14.1 Related Party Disclosure:

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

14.2 Management Discussions and Analysis Report:

The Management discussions and analysis report are included in the Point No. 5 of the Boards Report.



14.3 Disclosure of Accounting Treatment:

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

14.4 Disclosure with respect to Demat suspense account/ unclaimed suspense account:

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

**DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT**

To the Members of Innovassynth Investments Limited

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

On behalf of the Board of Directors

For **Innovassynth Investments Limited**

**Dr Hardik Joshipura**

Chairman and Managing Director

DIN: 07149281

Place: 30<sup>th</sup> May 2022

Date: Khopoli

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of  
**Innovassynth Investments Limited**

We have examined the compliance of conditions of Corporate Governance by Innovassynth Investments Limited (the company), for the year ended March 31, 2022, 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 a review of procedures and implementation thereof adopted by the company for ensuring the compliance with 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 and representation made by the directors and the Management and considering the relaxations granted by the Ministry of Corporate affairs and securities and Exchange Board of India warranted due to spread of the COVID-19 pandemic, 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

Place: Mumbai  
Date: 2<sup>nd</sup> September 2022  
UDIN: F008506D000878177

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

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

**To,**  
**The Members of**  
**INNOVASSYNTH INVESTMENTS LIMITED**  
Flat No. C-2/3, KMC No. 91,  
Innovassynth Colony, Khopoli,  
Raigarh 410203

We have examined the relevant registers, records, forms, returns, and disclosures received from the Directors of Innovassynth Investments Limited having CIN L67120MH2008PLC178923 and having registered office at Flat No. C-2/3, KMC No. 91, Innovassynth Colony, Khopoli, Raigarh 410203 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company. We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company *
1	Sandesh Mhadalkar	08929791	22/10/2020
2	Rashmi Uday Singh	00089445	29/05/2014
3	Vikram Vijay Gokhale	00226352	14/02/2019
4	# Jana Chatra	07149281	28/02/2021
5	\$ Dr Hardik Joshipura	09392511	12/02/2022

#Jana Chatra resigned as Chairperson cum Managing Director w.e.f. 12<sup>th</sup> February 2022.

\$ Dr.. Hardik Joshipura was appointed as Chairman cum Managing Director w.e.f. 12<sup>th</sup> February 2022

\*the date of appointment is as per the MCA portal

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

**For M/s. Sushil Talathi & Associates**  
Practicing Company Secretaries

Place: Mumbai  
Date: 2<sup>nd</sup> September 2022  
UDIN: F008506C000522021

**Sushil Talathi**  
Proprietor  
Membership Number: F8506  
COP: 9781

## INDEPENDENT AUDITOR'S REPORT

To the Members of Innovassynth Investments Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the standalone financial statements of Innovassynth Investments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and loss, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

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

#### Material Uncertainty Related to Going Concern

We draw attention to the Note 28 of the standalone financial statements, which indicates that the Company has incurred a net loss after tax of INR 64.50 lakhs (March 31, 2021: INR 52.14 lakhs) during the year ended March 31, 2022 and as of that date, has accumulated losses of INR 423.07 lakhs (March 31, 2021 INR 358.57 lakhs). Also, the Company's current liabilities exceeded its current assets by INR 378.17 lakhs (Previous year INR 313.73 lakhs) as on balance sheet date. As stated in the said Note, 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, being an investment company, the management believes that on occurrence of either or of the mentioned events in future with respect to its investee company, Innovassynth Technologies (India) Limited ('ITIL') i.e. declaration of dividend by ITIL, or selling off partial/complete investment stake in ITIL, will enable the Company to generate additional cash flows. In view of the above, the standalone financial statements of the Company have been prepared on a going concern basis.

Our opinion is not modified in respect of the above matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2022. These matters were addressed in the

context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **Key Audit Matter:**

#### **Fair value measurement of investment in equity shares (including other equity):**

Refer Note No 4 in the Standalone Financial Statements

As at January 31, 2022 the Company has investment amounting Rs. 3,875.64 Lakhs in unquoted equity instrument of Innovassynth Technologies (India) Limited ('ITIL/Investee') which constitutes appx. 99.98% of total assets of the Company. The Company measures this investment at fair value through other comprehensive income as at each reporting date in accordance with Ind AS 109 - "Financial instruments" read with Ind AS 113- "Fair value measurement". Further, investment has been classified from February 01, 2022 as investment in associate entity.

The Company's fair valuation of investment are of Level 3 with unobservable inputs as per the fair value hierarchy mentioned under Ind AS 113. Unobservable inputs include assumptions about risk, future cashflow, discount rate and judgements with respect to operating performance of the ITIL apart from valuation techniques used to measure fair value. Hence, there is significant judgement involved in evaluation of the inputs.

In view of the above factors and significance in the valuation of investments as at March 31, 2022, the above has been identified as a key audit matter.

#### **How the Key Audit Matter was addressed in our audit**

Our audit procedures with respect of this matter included, but not limited to, the following:

1. Obtained understanding of the investee business and the market in which it operates;
2. Tested the design adequacy and operating effectiveness of the key controls over inputs and assumptions considered by the Company with respect to the fair valuation of Investment in unquoted equity instruments.
3. Performed audit procedures around estimation of future cash flows prepared by the management, verified the assumptions and compared the estimates to externally available industry, economic and financial data;
4. Evaluated the appropriateness of Company's valuation technique for determining the fair value of the investment and reviewed the fair valuation reports obtained by the management by involvement of external valuation experts. We also assessed the professional competence, objectivity and capabilities of the valuation specialist engaged by the management;
5. Involved our internal valuation specialists (auditor's expert), to assess the sensitivity in assumptions and techniques used by the management to determine the recoverable amount of the non-current investments.
6. Inquired and discussed with management on the performance of the investee Company as compared to previous year in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were appropriate;
7. Tested the mathematical accuracy of the computation by performing recalculations.
8. Assessed the appropriateness, accuracy and adequacy of the related presentation and disclosures in accordance with the applicable Indian accounting standards.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

We give in "Annexure A" a detailed description of the Auditor's responsibilities for Audit of the Standalone Financial Statements.

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

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended.
- (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (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:
  - a) The Company does not have any pending litigations which would impact its financial position
  - b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d)
    - 1. The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) / entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary has, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - 2. The Management has represented that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) / entity(ies), including foreign entities, that the company has directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - 3. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule (e) as provided under (1) and (2) above, contain any material misstatement.
  - e) The Company has neither declared nor paid any dividend during the year.
- 3. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Company to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.



**For MSKA & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

**Anup Mundhra**  
Partner  
Membership No: 061083  
UDIN: 22061083AJYBUL5600

Place: Pune  
Date: May 30, 2022

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INNOVASSYNTH INVESTMENTS LIMITED FOR THE YEAR ENDED MARCH 31, 2022**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013 ('the Act'), we are also responsible for expressing our opinion on whether Innovassynth Investments Limited ('the Company') has internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the year ended March 31, 2022 and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a

matter should not be communicated in our report because the adverse consequences of doing so would

reasonably be expected to outweigh the public interest benefits of such communication.

**For MSKA & Associates**

**Chartered Accountants**

ICAI Firm Registration No. 105047W

**Anup Mundhra**

Partner

Membership No: 061083

UDIN: 22061083AJYBUL5600

Place: Pune

Date: May 30, 2022

## **ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF SANGHVI MOVERS LIMITED FOR THE YEAR ENDED MARCH 31, 2022**

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

- i. The Company is involved in the business of investing only and does not have any fixed assets. Accordingly, the provisions stated in paragraph 3 (i) of the Order are not applicable to the Company.
- ii. The Company is involved in the business of investing 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. According to the information explanation provided to us, the Company has not made any investments in, provided any guarantee or security, or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year. Hence, the requirements under paragraph 3 (iii) 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, undisputed statutory dues including income tax, and other statutory dues have generally been regularly deposited with the appropriate authorities. The provisions of provident fund, employees state insurance, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax and cess are not applicable to the Company during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (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, goods and service tax, cess and any other statutory dues which have not been deposited on account of any dispute.
- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the

## Company

ix.

- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information explanation provided to us, money raised by way of term loans (in nature of inter-corporate deposits) during the year have been applied for the purpose for which they were raised.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we report that the company has used funds raised on short-term basis from borrowings aggregating to INR 378.17 lacs towards long term purpose.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from an any entity or person on account of or to meet the obligations of its associate. The Company does not have any subsidiary or joint venture.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.

x.

- (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) 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, partly or optionally convertible debentures during the year. Accordingly, the provisions stated in paragraph 3 (x)(b) of the Order are not applicable to the Company.

xi.

- (a) 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 nor on the Company.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, there are no whistle-blower complaints received by the Company during the year. Accordingly, the provisions stated in paragraph (xi)(c) of the Order is not applicable to Company.

- 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) (a) to (c) 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 standalone financial statements as required by the applicable accounting standards.
- xiv.
- (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
  - (b) We have considered internal audit reports issued by internal auditors during our audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to Company. Accordingly, the provisions stated in paragraph 3(xv) of the Order are not applicable to the Company.
- xvi.
- (a) 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)(a) of the Order are not applicable to the Company.
  - (b) In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(b) of the Order are not applicable to the Company.
  - (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph clause 3 (xvi)(c) of the Order are not applicable to the Company.
  - (d) The Company does not have any CIC as part of its group. Hence the provisions stated in paragraph clause 3 (xvi) (d) of the order are not applicable to the company
- xvii. Based on the overall review of standalone financial statements, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. The details of the same are as follows:

Particulars	March 31, 2022 (Current year)	March 31, 2021 (Previous Year)
Cash Losses	INR 64.50 Lakhs	INR 52.14 Lakhs

- xviii. There has been no resignation of the statutory auditors during the year. Hence, the provisions stated in paragraph clause 3 (xviii) of the Order are not applicable to the Company.
- xix. According to the information and explanations given to us and based on our examination of financial ratios, ageing, and expected date of realisation of financial assets and payment of liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that a material uncertainty exists as on the date of audit report. However, the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. Read with the paragraph "Material uncertainty related to Going Concern" in Main Auditors Report.
- xx. According to the information and explanations given to us, the provisions of section 135 of the Act are not applicable to the Company. Accordingly, the provisions of paragraph (xx)(a) to (b) of the Order are not applicable to the Company.

**For MSKA & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

**Anup Mundhra**  
Partner  
Membership No: 061083  
UDIN: 22061083AJYBUL5600

Place: Pune  
Date: May 30, 2022

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

[Referred to in paragraph (2f) 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")**

#### **Opinion**

We have audited the internal financial controls with reference to standalone financial statements of Innovassynth Investments Limited ("the Company") as of March 31, 2022, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to standalone financial statements 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").

#### **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 with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in 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 with reference to standalone financial statements 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 internal financial controls with reference to standalone financial statements 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 internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements.

### **Meaning of Internal Financial Controls with reference to Standalone Financial Statements**

A Company's internal financial control with reference to standalone financial statements 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 with reference to financial statements 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 standalone financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements in future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **For MSKA & Associates**

#### **Chartered Accountants**

ICAI Firm Registration No. 105047W

#### **Anup Mundhra**

Partner

Membership No: 061083

UDIN: 22061083AJYBUL5600

Place: Pune

Date: May 30, 2022

**INNOVASSYNTH INVESTMENTS LIMITED**  
**STANDALONE BALANCE SHEET AS AT 31 MARCH 2022**

(Amount in INR Lakhs, unless otherwise stated)

Particulars	Notes	31-Mar-22	31-Mar-21
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Financial assets</b>			
Investments	4	3,875.64	2,299.15
Other non-current assets	5	0.09	0.15
<b>Total non-current assets</b>		<b>3,875.73</b>	<b>2,299.30</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	6	0.39	0.39
Other financial assets	7	0.05	0.05
Other current assets	8	0.12	0.35
<b>Total current assets</b>		<b>0.56</b>	<b>0.79</b>
<b>Total assets</b>		<b>3,876.29</b>	<b>2,300.09</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	2,427.80	2,427.80
Other equity	10	1,069.76	(442.23)
<b>Total equity</b>		<b>3,497.56</b>	<b>1,985.57</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	11	284.77	250.00
Trade payables	12		
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprise and small enterprise		11.58	5.77
Other financial liabilities	13	82.14	57.81
Other current liabilities	14	0.24	0.94

<b>Total current liabilities</b>	<b>378.73</b>	<b>314.52</b>
<b>Total liabilities</b>	<b>378.73</b>	<b>314.52</b>
<b>Total equity and liabilities</b>	<b>3,876.29</b>	<b>2,300.09</b>
<b>See accompanying notes to the financial statements</b>	1-31	
<b>The accompanying notes are an integral part of the financial statements.</b>		

**As per our report of even date**

**For MSKA & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 105047W**

**For and on behalf of the Board of Directors of**  
**Innovassynth Investments Limited**  
**CIN: L67120MH2008PLC178923**

**Anup Mundhra**  
 Partner  
 Membership No: 061083

**Dr Hardik Joshipura**  
 Managing Director  
 DIN: 09392511

**Sandesh Mhadalkar**  
 Director  
 DIN: 08929791

Place: Pune  
 Date: May 30, 2022

**Sameer Pakhali**  
 Company Secretary & CFO

**INNOVASSYNTH INVESTMENTS LIMITED**  
**STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022**

(Amount in INR Lakhs, unless otherwise stated)

Particulars	Notes	31-Mar-22	31-Mar-21
<b>Income</b>			
Other income	15	-	0.30
<b>Total income</b>		<b>-</b>	<b>0.30</b>
<b>Expenses</b>			
Employee benefits expense	16	11.12	9.54
Finance costs	17	27.04	24.11
Other expenses	18	26.34	18.79
<b>Total expenses</b>		<b>64.50</b>	<b>52.44</b>
<b>(Loss) before tax</b>		<b>(64.50)</b>	<b>(52.14)</b>
Tax expense	19	-	-
Deferred Tax		-	-
<b>(Loss) for the year</b>		<b>(64.50)</b>	<b>(52.14)</b>
Other comprehensive Income			
<i>Items that will not be reclassified to profit or loss</i>			
Net (loss)/gain on FVTOCI equity Securities		1,576.49	33.39
Other comprehensive income for the year, net of tax		1,576.49	33.39
<b>Total comprehensive income for the year</b>		<b>1,511.99</b>	<b>(18.75)</b>
<b>(Loss) per share</b>			
Basic and diluted (loss) per share (INR)	20	(0.27)	(0.21)

See accompanying notes to the financial statements

1-31

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

**As per our report of even date**

**For MSKA & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 105047W**

**Anup Mundhra**  
Partner  
Membership No: 061083

**For and on behalf of the Board of Directors of**  
**Innovassynth Investments Limited**  
**CIN: L67120MH2008PLC178923**

**Dr Hardik Joshipura**  
Managing Director  
DIN: 09392511

**Sandesh Mhadalkar**  
Director  
DIN: 08929791

Place: Pune  
Date: May 30, 2022

**Sameer Pakhali**  
Company Secretary & CFO

**INNOVASSYNTH INVESTMENTS LIMITED**  
**STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022**

(Amount in INR Lakhs, unless otherwise stated)

Particulars	31-Mar-22	31-Mar-21
<b>Cash flow from operating activities</b>		
(Loss) before tax	(64.50)	(52.14)
Adjustments for:		
Finance cost	27.04	24.11
<b>Operating (loss) before working capital changes</b>	<b>(37.46)</b>	<b>(28.03)</b>
<b>Changes in working capital</b>		
Increase/(Decrease) in trade payables	5.81	(0.18)
Increase/(Decrease) in other current liabilities	(0.70)	0.05
(Increase)/Decrease in other non-current assets	0.06	0.07
(Increase)/Decrease in other current assets	0.23	(0.29)
<b>Net cash flows (used) in operations</b>	<b>(32.06)</b>	<b>(28.38)</b>
<b>Income tax paid</b>	<b>-</b>	<b>-</b>
<b>Net cash flows (used) in operating activities (A)</b>	<b>(32.06)</b>	<b>(28.38)</b>
<b>Cash flow from Investing activities</b>	<b>-</b>	<b>-</b>
<b>Net cash flow from investing activities (B)</b>	<b>-</b>	<b>-</b>
<b>Cash flow from Financing activities</b>		
Proceeds from short-term borrowings	34.77	27.42
Interest paid	(2.71)	(1.96)
<b>Net cash flow from financing activities (C)</b>	<b>32.06</b>	<b>25.46</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>-</b>	<b>(2.92)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>0.39</b>	<b>3.31</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>0.39</b>	<b>0.39</b>
<b>Cash and cash equivalents comprise (Refer note 6)</b>		
<b>Balances with banks</b>		
On current accounts	0.39	0.39
<b>Cheques on hand</b>	<b>-</b>	<b>-</b>
<b>Total cash and cash equivalents at end of the year</b>	<b>0.39</b>	<b>0.39</b>

Note: There are no non cash movement in investing and financing activities during the year.

See accompanying notes to the financial statements

1-31

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

**As per our report of even date**

**For MSKA & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 105047W**

**For and on behalf of the Board of Directors of**  
**Innovassynth Investments Limited**  
**CIN: L67120MH2008PLC178923**

**Anup Mundhra**  
Partner  
Membership No: 061083

**Dr Hardik Joshipura**  
Managing Director  
DIN: 09392511

**Sandesh Mhadalkar**  
Director  
DIN: 08929791

Place: Pune  
Date: May 30, 2022

**Sameer Pakhali**  
Company Secretary & CFO

**INNOVASSYNTH INVESTMENTS LIMITED**  
**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022**

(Amount in INR thousands, unless otherwise stated)

(A)	Equity share capital	31-Mar-22		31-Mar-21	
		No. of shares	Amount	No. of shares	Amount
	Equity shares of Rs. 10 each issued, subscribed, and fully paid				
	Opening	2,42,78,035	2,427.80	2,42,78,035	2,427.80
	Add: issue during the year	-	-	-	-
	Closing	<b>2,42,78,035</b>	<b>2,427.80</b>	<b>2,42,78,035</b>	<b>2,427.80</b>
(B)	Other equity				
	Particulars	Reserves and surplus			
		Capital Reserve	Retained earnings	Investments FVTOCI Reserve on Equity Instruments	Total
	Balance as at 1 April 2020	2.20	(306.43)	(119.25)	(423.48)
	(Loss) for the year	-	(52.14)	-	(52.14)
	Other comprehensive income	-	-	33.39	33.39
	Total other comprehensive income for the year	-	<b>(52.14)</b>	<b>33.39</b>	<b>(18.75)</b>
	<b>Balance as at 31 March 2021</b>	<b>2.20</b>	<b>(358.57)</b>	<b>(85.86)</b>	<b>(442.23)</b>
	Particulars	Reserves and surplus			
		Capital Reserve	Retained earnings	Investments FVTOCI Reserve on Equity Instruments	Total
	Balance as at 1 April 2021	2.20	(358.57)	(85.86)	(442.23)

	(Loss) for the year	-	(64.50)	-	(64.50)
	Other comprehensive income	-	-	1,576.49	1,576.49
	Total other comprehensive income for the year	-	(64.50)	1,576.49	1,511.99
	<b>Balance as at 31 March 2022</b>	<b>2.20</b>	<b>(423.07)</b>	<b>1,490.63</b>	<b>1,069.76</b>

See accompanying notes to the financial statements

1-31

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

**As per our report of even date**

**For MSKA & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 105047W**

**For and on behalf of the Board of Directors of**  
**Innovassynth Investments Limited**  
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**Anup Mundhra**  
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Director  
DIN: 08929791

Place: Pune  
Date: May 30, 2022

**Sameer Pakhali**  
Company Secretary & CFO



## **INNOVASSYNTH INVESTMENTS LIMITED**

### **Notes forming part of the Standalone Financial Statements for the year ended 31 March 2022**

(Amount in INR Lakhs, unless otherwise stated)

#### **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 Raigad Maharashtra, India. the Company was incorporated on 15<sup>th</sup> February 2008.

The Company is an investment company and has invested in Innovassynth Technologies (India) Limited, the equity shares of the Company are listed on BSE Limited.

#### **2 Significant accounting policies**

##### **2.1 Basis of Preparation of Standalone Financial Statements**

###### **(a) Statement of Compliance with Ind AS**

These standalone 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.

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.

The standalone financial statements were authorized for issue by the Company's Board of Directors on May 30, 2022.

###### **(b) Basis of measurement**

The standalone 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.

###### **(c) Current/Non-current classification of assets/liabilities**

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.

###### **(d) 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.

#### **(e) Functional and presentation currency**

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest thousands, unless otherwise indicated.

#### **(f) Fair value measurement**

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows: -

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the notes regarding financial instruments.

### **2.2 Dividend Income**

Income from dividend on investments is accrued in the year in which it is declared, whereby the Company's right to receive is established.

### **2.3 Leases**

As a lessee, Under IND AS 116, the Company recognizes right-of-use assets and lease liabilities for most leases.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the entities incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable

element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Company is contractually required to dismantle, remove, or restore the leased asset

## **2.4 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value. In the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered as integral part of the Company's cash management.

## **2.5 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**

#### **Initial recognition and measurement of financial assets**

All financial asset is measured at its fair value plus, in the case of a financial asset not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

#### **Subsequent measurement**

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

- Debt instruments at amortized cost; or
- Debt instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised 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 amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### **Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of

ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments and are measured at amortised cost.
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward- looking estimates. At every reporting

date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ (income) in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e., as a liability

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The Company does not have any purchased or originated credit impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

## **(b) Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, loans and borrowings or payables as appropriate.

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

The Company's financial liabilities include trade and other payables.

### **Subsequent measurement**

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

#### **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.

## **(c) Offsetting of financial instruments**

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **2.6 Employee Benefits**

### **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.

## **2.7 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.

## **2.8 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 income tax assets and liabilities are measured at the amount expected to be recovered from 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 reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **(b) Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial

recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable Company and the same taxation authority.

## **2.9 Earnings Per Share**

Basic EPS is calculated by dividing the Company's earnings for the year attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. The earnings considered in ascertaining the Company's EPS comprise the net profit after tax attributable to equity shareholders. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares) other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares. There were no instruments excluded from the calculation of diluted earnings per share for the periods presented because of an anti-dilutive impact.

## **2.10 Provisions and contingent liabilities and contingent assets**

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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in



the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

## **2.11 Investments in Associates**

The investment in Associate is carried at historical cost, except when the investment or portion thereof is classified as "held for sale", in which case it is accounted for as non-current assets held for sale and discontinued operations. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is immediately written down to its recoverable amount and the difference is transferred to Statement of Profit and Loss. On disposal of the investment, the difference between the net disposal proceeds and the carrying value of such investment is charged or credited to the Statement of Profit and Loss.

## **3.1 Significant accounting judgments, estimates and assumptions**

In the preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Information about assumptions, judgments and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 are as below.

### **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.

### **Significant Influence - Associate Entity**

Judgement has been used to determine the influence exercised over an entity and whether the investment in equity securities of an entity needs to be classified as an Associate entity.

During the year, on February 12, 2022, the Managing Director of Innovassynth Technologies (I) Limited ('ITIL') was appointed as Managing Director of the Company resulting into establishment of significant influence over ITIL and hence now the Company is treating this as an investment in associate entity.

### 3.2 Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022.

### 3.3 Standards that became effective during the year

There are no new Standards that became effective during the year. Amendments that became effective during the year did not have any material effect.

4	Financial Assets- Investments	31-Mar-22	31-Mar-21
	Investment in equity instruments (fully paid-up) at fair value through other comprehensive income (FVOCI)		
	<b>Unquoted equity shares</b>		
	Nil (31 March 2021: 2,38,50,070) equity shares of ₹10 each fully paid-up in Innovassynth Technologies (India) Limited ("ITIL")	-	2,299.15
	Investment in equity instruments (fully paid-up) of Associate entity (carried at cost)		
	<b>Unquoted equity shares</b>		
	2,38,50,070 (31 March 2021: Nil) equity shares of ₹10 each fully paid-up in Innovassynth Technologies (India) Limited	3,875.64	-
	<b>Total</b>	<b>3,875.64</b>	<b>2,299.15</b>
5	<b>Other non-current assets</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Prepaid Expenses	0.09	0.15
	<b>Total</b>	<b>0.09</b>	<b>0.15</b>
6	<b>Cash and cash equivalents</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Balances with banks:		
	On current accounts	0.39	0.39
	<b>Total</b>	<b>0.39</b>	<b>0.39</b>
7	<b>Other financial assets</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Security deposits	0.05	0.05
	<b>Total</b>	<b>0.05</b>	<b>0.05</b>

<b>8</b>	<b>Other current assets</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Prepaid Expenses	0.12	0.35
	<b>Total</b>	<b>0.12</b>	<b>0.35</b>

<b>9</b>	<b>Equity Share capital</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>Authorized</b>		
	2,50,00,000 (31 March 2021: 2,50,00,000) Equity Shares of Rs. 10 each	2,500.00	2,500.00
	<b>Issued, subscribed, and paid up</b>		
	2,42,78,035 (31 March 2021: 2,42,78,035) equity shares of Rs. 10 each fully paid	2,427.80	2,427.80
	<b>Total</b>	<b>2,427.80</b>	<b>2,427.80</b>

<b>(a)</b>	<b>Reconciliation of equity shares outstanding at the beginning and at the end of the year</b>				
	<b>Particulars</b>	<b>31-Mar-22</b>		<b>31-Mar-21</b>	
		<b>Number of shares</b>	<b>Amount</b>	<b>Number of shares</b>	<b>Amount</b>
	Outstanding at the beginning and at the end of the year	2,42,78,035	2,427.80	2,42,78,035	2,427.80
	<b>Total</b>	<b>2,42,78,035</b>	<b>2,427.80</b>	<b>2,42,78,035</b>	<b>2,427.80</b>

<b>(b)</b>	<b>Rights, preferences, and restrictions attached to equity shares</b>
	Equity Shares: The Company has only one class of equity shares having par value of Rs. 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-22		31-Mar-21	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
<b>Equity shares of Rs.10/- each fully paid</b>				
Bloomingdale Investments & Finance Private Limited	33,86,884	13.95	33,86,884	13.95
Matsyagandha Investment & Finance Private Limited	47,35,000	19.50	47,35,000	19.50

**(d) Details of Shares held by Promoters as at the end of the year**

Promoter name	As at March 31, 2022			As at March 31, 2021		
	No. Of Shares	% of total shares	% Change during the year	No. Of Shares	% of total shares	% Change during the year
Bloomingdale Investments & Finance Private Limited	33,86,884	13.95	-	33,86,884	13.95	-
Matsyagandha Investment & Finance Private Limited	47,35,000	19.50	-	47,35,000	19.50	-
R Raheja Properties Private Limited	6,81,854	2.81	-	6,81,854	2.81	-

**10 Other equity**

**(A) Capital reserve**

Balance at the beginning and at the end of the year	2.20	2.20
	<b>2.20</b>	<b>2.20</b>

**(B) (Deficit) in the Statement of Profit and Loss**

Opening balance	(358.57)	(306.43)
Add: Net loss for the current year	(64.50)	(52.14)
<b>Closing balance</b>	<b>(423.07)</b>	<b>(358.57)</b>

<b>(C) Investments FVTOCI Reserve on Equity Instruments #</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
<b>Opening balance</b>	(85.86)	(119.25)
Fair valuation changes for the year	1,576.49	33.39
<b>Closing balance</b>	<b>1,490.63</b>	<b>(85.86)</b>
<b>Total other equity (A+B+C)</b>	<b>1,069.76</b>	<b>(442.23)</b>

#FVOTCI Reserve on investment in Equity Shares of ITIL has not been transferred to Retained Earnings, as the Company has only re-designated the investments from FVTOCI to Investment in Associate and the accumulated reserve has not been realised by way of sale/disposal.

<b>11 Short -term borrowings</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Unsecured, Loans from Others (Inter-Corporate Deposits)	284.77	250.00
<b>Total short-term borrowings</b>	<b>284.77</b>	<b>250.00</b>

Unsecured Loan from others-Inter-Corporate Deposits, constitutes loan from Innovassynth Technologies (India) Limited (ITIL).

<b>Terms</b>	<b>of</b>	<b>Borrowings</b>
Interest on borrowings from ITIL carries interest rate @ 9% p.a. (31 March 2021: 10%) payable on demand.		

<b>12 Trade payables</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	11.58	5.77
<b>Total trade payables</b>	<b>11.58</b>	<b>5.77</b>

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.

### 31 March 2022

#### Particulars

#### Outstanding for following periods from due date of

	Payables Not Due	payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME (Including Interest)	-	-	-	-	-	-
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	8.59	2.99	-	-	-	11.58
(iv) Disputed dues Others	-	-	-	-	-	-
	<b>8.59</b>	<b>2.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.58</b>

### 31 March 2021

Particulars	Payables Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME (Including Interest)	-	-	-	-	-	-
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	1.30	4.47	-	-	-	5.77
(iv) Disputed dues Others	-	-	-	-	-	-
	<b>1.30</b>	<b>4.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.77</b>

<b>13</b>	<b>Other Financial Liabilities</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Interest Payable	82.14	57.81
	<b>Total Other Financial Liabilities</b>	<b>82.14</b>	<b>57.81</b>
<b>14</b>	<b>Other current liabilities</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Statutory dues payable	0.24	0.19
	Employee benefits payable	-	0.75
	<b>Total other current liabilities</b>	<b>0.24</b>	<b>0.94</b>

<b>15</b>	<b>Other income</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Miscellaneous income	-	0.30
	<b>Total other income</b>	<b>-</b>	<b>0.30</b>
<b>16</b>	<b>Employee benefits expense</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Salaries, bonus, and other allowances	11.12	9.54
	<b>Total employee benefits expense</b>	<b>11.12</b>	<b>9.54</b>
<b>17</b>	<b>Finance costs</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Interest on borrowing	27.04	24.11
	<b>Total finance costs</b>	<b>27.04</b>	<b>24.11</b>
<b>18</b>	<b>Other expenses</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Rent	0.36	0.36
	Printing & Stationery	0.02	0.03
	Office expenses	3.56	4.03
	Auditors' remuneration*	8.52	2.50
	Legal and professional charges	10.44	9.20
	Advertisement	0.46	0.56
	Miscellaneous expenses	2.98	2.11
	<b>Total other expenses</b>	<b>26.34</b>	<b>18.79</b>
*Note : The following is the break-up of Auditors remuneration (exclusive of GST)			
	<b>Particulars</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	<b>As auditor:</b>		
	Statutory Audit	7.00	1.00
	Limited Review of quarterly results	1.50	1.50
	Reimbursement of expenses	0.02	-
	<b>Total</b>	<b>8.52</b>	<b>2.50</b>
<b>19</b>	<b>Income Tax and Deferred Tax</b>		
<b>(A)</b>	<b>Reconciliation of tax charge</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Profit before tax	(64.50)	(52.14)
	Income tax expense at tax rates applicable	(16.77)	(13.56)

Deferred Tax asset not recognised on losses (Refer note below)	16.77	13.56
----------------------------------------------------------------	-------	-------

#### Income tax expense

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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 and unrealised loss with respect to investment in Associate entity.

- (B) Tax losses of INR 303.88 Lakhs (31 March 2021: INR 262.51 Lakhs) are available for offsetting for a maximum period of eight years against future taxable profits of the Company as below.

#### March 31, 2022:

Assessment Year (AY)	Amount	Last offsetting year (AY)
2014-15	17.47	2022-23
2015-16	23.77	2023-24
2016-17	31.82	2024-25
2017-18	34.21	2025-26
2018-19	37.78	2026-27
2019-20	52.04	2027-28
2020-21	54.65	2028-29
2021-22	52.14	2029-30
	<b>303.88</b>	

#### March 31, 2021:

Assessment Year (AY)	Amount	Last offsetting year (AY)
2013-14	10.77	2021-22
2014-15	17.47	2022-23
2015-16	23.77	2023-24
2016-17	31.82	2024-25
2017-18	34.21	2025-26
2018-19	37.78	2026-27
2019-20	52.04	2027-28
2020-21	54.65	2028-29



262.51

<b>20</b>	<b>Earnings/ Loss per share</b>		
	The following reflects the income and share data used in the basic and diluted EPS computations:		
		<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Loss attributable to equity holders (before FVTOCI)	(64.50)	(52.14)
	<b>Loss attributable to equity holders adjusted for the effect of dilution</b>	<b>(64.50)</b>	<b>(52.14)</b>
	Weighted average number of equity shares for basic EPS	2,42,78,035	2,42,78,035
	Effect of dilution	-	-
	Weighted average number of equity shares adjusted for the effect of dilution	<b>2,42,78,035</b>	<b>2,42,78,035</b>
	Basic and diluted loss per share (INR)	(0.27)	(0.21)
<b>21</b>	<b>Related Party Disclosures: 31 March 2022</b>		
<b>(A)</b>	<b>Names of related parties and description of relationship as identified and certified by the Company:</b>		
	<b>Key Management Personnel (KMP)</b>		
	(a) Ms. Jana Chatra (Managing Director) (upto 12 February 2022)		
	(b) Mr. Abhishek Deshpande (CFO & Company Secretary) (upto 01 November 2021)		
	(c) Mr. Sameer Pakhali (CFO & Company Secretary) (w.e.f 12 November 2021)		
	(b) Dr. Hardik Joshipura (Chairman & Managing Director) (w.e.f 12 February 2022)		
	<b>Related parties where the Company exercises significant influence</b>		
	Innovassynth Technologies (India) Limited (ITIL) - (Associate entity w.e.f 12 February 2022)		
<b>(B)</b>	<b>Details of transactions with related party in the ordinary course of business for the year ended:</b>		
<b>(i)</b>	<b>KMP</b>		
	<b>Remuneration</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
	Salaries including Bonus (Abhishek Deshpande)	4.84	6.54
	Salaries including Bonus (Jana Chatra)	4.11	3.00
	Salaries including Bonus (Sameer Pakhali)	2.17	-

<b>(ii) Related parties where the Company exercises significant influence (ITIL)</b>		
Interest Expense	27.04	24.11
Rental Charges	0.36	0.36
Additional Loan Taken	34.77	27.42
<b>(C) Amount due to related party as on:</b>	<b>31-Mar-22</b>	<b>31-Mar-21</b>
<b>(i) KMP</b>		
Employee benefits payables (Abhishek Deshpande)	-	0.50
Employee benefits payables (Jana Chatra)	-	0.25
<b>(ii) Related parties where the Company exercises significant influence (ITIL)</b>		
Interest Payable	82.14	57.81
Loan Payable	284.77	250.00
Rent Payable	2.95	2.53

## 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 current and non-current borrowings. 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.

	<b>31-Mar-22</b>	<b>31-Mar-21</b>
Total Equity	3,497.56	1,985.57
Total debt	284.77	250.00
Overall financing	3,782.33	2,235.57
Gearing ratio	0.08	0.11

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022, 31 March 2021

## 23 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-**

#### **Effect on loss before tax**

#### **2022**

Increase by 0.45%	1.21
Decrease by 0.45%	(1.21)

#### **2021**

Increase by 0.45%	1.07
Decrease by 0.45%	(1.07)

### **(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 2022 and 31 March 2021 is the carrying amounts as mentioned in Note 6 to 8.

## 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. The Management believes that the probability of a liquidity risk arising is not present).

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

	<b>Less than 3 months</b>	<b>3 to 12 months</b>	<b>1 to 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b><u>31-Mar-22</u></b>					
Short term borrowings	-	284.77	-	-	<b>284.77</b>
Trade payables	-	11.58	-	-	<b>11.58</b>
Other financial liability	-	82.14	-	-	<b>82.14</b>
Other current liabilities	-	0.24	-	-	<b>0.24</b>
	-	<b>378.73</b>	-	-	<b>378.73</b>
<b><u>31-Mar-21</u></b>					
Short term borrowings	-	250.00	-	-	<b>250.00</b>
Trade payables	-	5.77	-	-	<b>5.77</b>
Other financial liability	-	57.81	-	-	<b>57.81</b>
Other current liabilities	-	0.94	-	-	<b>0.94</b>
	-	<b>314.52</b>	-	-	<b>314.52</b>

## 24 Segment reporting

The Company operates has only single reportable business segment and hence no disclosures have been made in this regard. Further the operations are totally in India, hence no disclosure for

geographical segment reporting is required.

## 25 Commitments and Contingent liabilities

There are no commitments or contingent liabilities as on 31 March 2022 (31 March 2021: Nil)

## 26 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short-term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits and other financial assets.

## 27 Ratios

S No	Ratio	Formula	March 31, 2022		March 31, 2021		Ratio as on		Variation	Reason (If variation is more than 25%)
			Numerator	Denominator	Numerator	Denominator	March 31, 2022	March 31, 2021		
(a)	Current Ratio	Current Assets / Current Liabilities	0.56	378.73	0.79	314.52	0.15%	0.25%	(0.10%)	Not Applicable
(b)	Debt-Equity Ratio	Debt / Equity	284.77	3,497.56	250.00	1,985.57	8.14%	12.59%	(4.45%)	Not Applicable
(c)	Return on Equity Ratio ('ROE')	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	(64.50)	3,497.56	(52.14)	1,985.57	(1.84%)	(2.63%)	0.78%	Not Applicable
(d)	Return on Capital Employed ('ROCE')	EBIT / Capital Employed	(37.46)	3,782.33	(28.03)	2,235.57	(0.99%)	(1.25%)	0.26%	Not Applicable

(e)	Return on Investment ('ROI')	Net Profit / Net Investment	(64.50)	3,497.56	(52.14)	1,985.57	(1.84%)	(2.63%)	0.78%	Not Applicable
(f)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	(37.46)	366.92	(28.03)	307.81	(0.10)	(0.09)	12.10%	Not Applicable
(g)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Since, the Company is an investment company, it is not applicable							
(h)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Since, the Company is an investment company, it is not applicable							
(i)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Since, the Company is an investment company, it is not applicable							
(j)	Net Capital Turnover Ratio	Revenue / Average Working Capital	Since, the Company is an investment company, it is not applicable							
(k)	Net Profit Ratio	Net Profit / Net Sales	Since, the Company is an investment company, it is not applicable							

## 28. Going Concern

The Company has incurred a net loss of INR 64.50 Lakhs (Previous year INR 52.14 Lakhs) during the year ended 31 March 2022 and, as of that date, has accumulated losses of INR 423.07 Lakhs (Previous year INR 358.57 Lakhs). Also, the Company's current liabilities exceeded its current assets by INR 378.17 Lakhs (Previous year INR 313.73 Lakhs) as on the balance sheet date. The Company has adverse financial ratios and no cash inflows from operating activities.

However, being an investment Company, the management believes that on occurrence of either or both of the mentioned events in future i.e. declaration of dividend by investee; Innovassynth Technologies (India) Limited ('ITIL') and selling off partial/complete investment stake in ITIL, the Company may enable it 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. The Company is expecting good dividend capitalisation. Based on the this, the management believes that the Company will continue as a going concern and thereby will be able to realizes its assets and discharges its liabilities in the normal course of its business. Accordingly, these financial results/ financial statements have been prepared considering the company on going concern assumption and consequently, no adjustments have been made to the carrying values of assets and liabilities.

**29. Estimated uncertainty relating to COVID-19 outbreak**

The Company has considered the possible effects that may result from the COVID pandemic, while assessing its liquidity, recoverable values of its financial and non-financial assets taking all relevant external and internal factors into consideration and has concluded that there are no material adjustments required in the financial statements. However, the impact assessment of COVID-19 is a continuous process, given the uncertainties associated with its nature and duration. The Company will continue to closely monitor any material changes to future economic conditions.

- 30.** The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on 28 September 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on 13 November 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 31.** Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.

**For MSKA & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 105047W**

**For and on behalf of the Board of Directors of**  
**Innovassynth Investments Limited**  
**CIN: L67120MH2008PLC178923**

**Anup Mundhra**  
Partner  
Membership No: 061083

**Dr Hardik Joshipura**  
Managing Director  
DIN: 09392511

**Sandesh Mhadalkar**  
Director  
DIN: 08929791

Place: Pune  
Date: May 30, 2022

**Sameer Pakhali**  
Company Secretary & CFO

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Innovassynth Investments Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Innovassynth Investments Limited (hereinafter referred to as the "Holding Company") and its associate entity (Holding Company and its associate entity together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2022, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on consideration of reports of other auditors on separate financial statements and on the other financial information of associate entity, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2022, of consolidated profit, consolidated changes in equity and its consolidated cashflows for the year then ended.

#### Basis for Opinion

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

#### Material Uncertainty Related to Going Concern

We draw attention to the Note 26 of the Consolidated financial statements, which indicates that the Holding Company has incurred a net loss of INR 64.50 lakhs (March 31, 2021 INR 52.14 lakhs) during the year ended March 31, 2022 and as of that date, has accumulated losses of INR 423.07 lakhs (March 31, 2021 INR 358.57 lakhs). Also, the Company's current liabilities exceeded its current assets by INR 378.17 lakhs (Previous year INR 313.73 lakhs) as on balance sheet date. As stated in the said Note, 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, being an investment Company, the management believes that on occurrence of either of the mentioned events in future with respect to its investee company, Innovassynth Technologies (India) Limited ('ITIL') i.e. declaration of dividend by ITIL, or selling off partial/complete investment stake in ITIL, will enable the Company to generate additional cash flows. In view of the above, the financial statements of the company have been prepared



on a going concern basis.

Our opinion is not modified in respect of the above matter.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2022 (current year). These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Key Audit Matter:

#### **Fair value measurement of investment in equity shares (including other equity):**

Refer Note No 4 in the financial Statements

As at January 31, 2022 the Holding Company has investment amounting INR 3,875.64 Lakhs in unquoted equity instrument of Innovassynth Technologies (India) Limited ('ITIL/Investee') which constitutes appx. 99.98% of total assets of the Company. The Holding Company measures these investment at fair value through other comprehensive income as at balance sheet date in accordance with Ind AS 109 - "Financial instruments" read with Ind AS 113- "Fair value measurement". Further, investment has been classified from February 01, 2022 as investment in associate entity.

The Company's fair valuation of investment are of Level 3 with unobservable inputs as per the fair value hierarchy mentioned under Ind AS 113. Unobservable inputs include assumptions about risk, future cashflow, discount rate and judgements with respect to operating performance of the ITIL apart from valuation techniques used to measure fair value. Hence, there is significant judgement involved in evaluation of the inputs.

In view of the above factors and significance in the valuation of investments as at March 31, 2022, the above has been identified as a key audit matter.

#### **How the Key Audit Matter was addressed in our audit**

Our audit procedures with respect of this matter included, but not limited to, the following:

1. Obtained understanding of the investee business and the market in which it operates;
2. Tested the design adequacy and operating effectiveness of the key controls over inputs and assumptions considered by the Company with respect to the fair valuation of Investment in unquoted equity instruments.
3. Performed audit procedures around estimation of future cash flows prepared by the management, verified the assumptions and compared the estimates to externally available industry, economic and financial data;
4. Evaluated the appropriateness of Company's valuation technique for determining the fair value of the investment and reviewed the fair valuation reports obtained by the management by involvement of external valuation experts. We also assessed the professional competence, objectivity and capabilities of the valuation specialist engaged by the management;

5. Involved our internal valuation specialists (auditor's expert), to assess the sensitivity in assumptions and techniques used by the management to determine the recoverable amount of the non-current investments.
6. Inquired and discussed with management on the performance of the investee Company as compared to previous year in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were appropriate;
7. Tested the mathematical accuracy of the computation by performing recalculations.
8. Assessed the appropriateness, accuracy and adequacy of the related presentation and disclosures in accordance with the applicable Indian accounting standards.

### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Consolidated Financial Statements.

### **Other Matter**

- a. The consolidated financial statements also includes the Group's share of net profit after tax of INR 186.00 Lakhs and total comprehensive income of INR 12.32 Lakhs for the year ended March 31, 2022, in respect of an associate, based on their annual financial statements, which have been audited by their independent auditor. The independent auditor's report on financial statements of this entity have been furnished to us and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of such entity, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

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

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its associate company, none of the directors of such companies are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure B”.
- g. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. There were no pending litigations which would impact the consolidated financial position of the Group.
  - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its associate companies and jointly controlled companies incorporated in India.
  - iv. (1) The respective Managements of the Holding Company and its associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associate that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or associate to or in any other person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that such parties shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or associate (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
  - (2) The respective Managements of the Holding Company and its associate which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such associate that, to the best of their knowledge and belief, no funds have been received by the Holding Company or associate from any person(s) or entity(ies), including foreign entities with the understanding, whether recorded in writing or otherwise, as on the date of this audit report, that the Holding Company or associate shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
  - (3) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the associate which are companies incorporated in India whose financial statements have been audited under the Act, and according to the information and explanations provided to us by the Management of the Holding

company in this regard nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material mis-statement.

v. The Company has neither declared nor paid any dividend during the year.

2. As required by The Companies (Amendment) Act, 2017, in our opinion, according to information, explanations given to us, the remuneration paid by the Holding Company and its associate, to its directors is within the limits laid prescribed under Section 197 of the Act and the rules thereunder.
3. As required by Clause (xxi) of Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we report, according to the information and explanations given to us and based on the consideration of CARO reports issued by statutory auditors of the Associate entity included in the consolidated financial statements of the Holding Company and to which reporting under CARO is applicable, there are no Qualifications/adverse remarks.

**For MSKA & Associates**

**Chartered Accountants**

ICAI Firm Registration No. 105047W

**Anup Mundhra**

Partner

Membership No: 061083

UDIN: 22061083AJYBVY2345

Place: Pune

Date: May 30, 2022

## **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INNOVASSYNTH INVESTMENTS LIMITED FOR YEAR ENDED MARCH 31, 2022**

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in

internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended March 31, 2022 (current year) and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**For MSKA & Associates**  
**Chartered Accountants**

ICAI Firm Registration No. 105047W

**Anup Mundhra**

Partner

Membership No: 061083

UDIN: 22061083AJYBVY2345

Place: Pune

Date: May 30, 2022

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

[Referred to in paragraph 2f under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Innovassynth Investments Limited on the consolidated Financial Statements for the year ended March 31, 2022]

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

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of Innovassynth Investments Limited (hereinafter referred to as "the Holding Company") and its associate company which are companies incorporated in India, as of that date.

In our opinion, and to the best of our information and according to the explanations given to us, the Holding Company and its associate company which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to consolidated financial statements criteria established by the respective companies 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 ("the ICAI").

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

The respective Board of Directors of the Holding company and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to consolidated financial statements criteria established by the respective companies considering the essential components of internal control stated in 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 the respective 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its associate company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing 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 with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Holding company and its associate company, which are companies incorporated in India.

### **Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements 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 consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the 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 consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to an associate company, which is a company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

**For MSKA & Associates**  
**Chartered Accountants**  
ICAI Firm Registration No. 105047W

**Anup Mundhra**  
Partner  
Membership No: 061083  
UDIN: 22061083AJYBVY2345

Place: Pune  
Date: May 30, 2022

**INNOVASSYNTH INVESTMENTS LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022**

(Amount in INR Lakhs, unless otherwise stated)

Particulars	Notes	31-Mar-22
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Financial assets</b>		
Investments	4	4,073.96
Other non-current assets	5	0.09
<b>Total non-current assets</b>		<b>4,074.05</b>
<b>Current assets</b>		
<b>Financial assets</b>		
Cash and cash equivalents	6	0.39
Other financial assets	7	0.05
Other current assets	8	0.12
<b>Total current assets</b>		<b>0.56</b>
<b>Total assets</b>		<b>4,074.61</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	9	2,427.80
Other equity	10	1,268.08
<b>Total equity</b>		<b>3,695.88</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	11	284.77
Trade payables		
i)total outstanding dues of micro enterprises and small enterprises		
ii)total outstanding dues of creditors other than micro enterprise and small enterprise	12	11.58
Other financial liabilities	13	82.14
Other current liabilities	14	0.24
<b>Total current liabilities</b>		<b>378.73</b>
<b>Total liabilities</b>		<b>378.73</b>
<b>Total equity and liabilities</b>		<b>4,074.61</b>
See accompanying notes to the financial statements	1-32	

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

**As per our report of even date**

**For MSKA & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 105047W**

**Anup Mundhra**  
Partner  
Membership No: 061083

Place: Pune  
Date: May 30, 2022

**For and on behalf of the Board of Directors of**  
**Innovassynth Investments Limited**  
**CIN: L67120MH2008PLC178923**

**Dr Hardik Joshipura**  
Managing Director  
DIN: 09392511

**Sandesh Mhadalkar**  
Director  
DIN: 08929791

**Sameer Pakhali**  
Company Secretary & CFO

**INNOVASSYNTH INVESTMENTS LIMITED**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2022**

(Amount in INR Lakhs, unless otherwise stated)

Particulars	Notes	31-Mar-22
<b>Income</b>		
Other income		-
<b>Total income</b>		-
<b>Expenses</b>		
Employee benefits expense	15	11.12
Finance costs	16	27.04
Other expenses	17	26.34
<b>Total expenses</b>		<b>64.50</b>
<b>(Loss) before tax and before share of associate</b>		<b>(64.50)</b>
<b>Share of Profit of Associate</b>		<b>186.00</b>
<b>Profit before Tax</b>		<b>121.50</b>
Tax expense	18	-
Deferred Tax		-
<b>Profit for the year</b>		<b>121.50</b>
<b>Other comprehensive Income</b>		
<i>Items that will not be reclassified to profit or loss</i>		
Net (loss)/gain on FVTOCI equity Securities		1,576.49
<b>Other comprehensive income for the year before share of Other Comprehensive Income of Associate</b>		<b>1,697.99</b>
<b>Share of Other Comprehensive Income of Associate</b>		<b>12.32</b>
<b>Total Comprehensive income after share of profit of associates</b>		<b>1,710.31</b>
<b>Earnings per share</b>		

<b>Basic and diluted earnings per share (INR)</b>		19	0.50
<b>See accompanying notes to the financial statements</b>		1-32	

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

**As per our report of even date**

**For MSKA & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 105047W**

**For and on behalf of the Board of Directors of**  
**Innovassynth Investments Limited**  
**CIN: L67120MH2008PLC178923**

**Anup Mundhra**  
Partner  
Membership No: 061083

**Dr Hardik Joshipura**  
Managing Director  
DIN: 09392511

**Sandesh Mhadalkar**  
Director  
DIN: 08929791

Place: Pune  
Date: May 30, 2022

**Sameer Pakhali**  
Company Secretary & CFO

**INNOVASSYNTH INVESTMENTS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022**

(Amount in INR Lakhs, unless otherwise stated)

Particulars	31-Mar-22
<b>Cash flow from operating activities</b>	
Profit before tax	121.50
<b>Adjustments for:</b>	
Share of Profit from associate	(186.00)
Finance cost	27.04
<b>Operating loss before working capital changes</b>	<b>(37.46)</b>
<b>Changes in working capital</b>	
Increase in trade payables	5.81
(Decrease) in other current liabilities	(0.70)
Decrease in other non-current assets	0.06
Decrease in other current assets	0.23
<b>Net Cash flows (used) in operations</b>	<b>(32.06)</b>
<b>Income tax paid</b>	<b>-</b>
<b>Net cash flows (used) in operating activities (A)</b>	<b>(32.06)</b>
<b>Cash flow from Investing activities</b>	<b>-</b>
<b>Net cash flow from investing activities (B)</b>	<b>-</b>
<b>Cash flow from Financing activities</b>	
Proceeds from short-term borrowings	34.77
Interest paid	(2.71)
<b>Net cash flow from financing activities (C)</b>	<b>32.06</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>0.39</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>0.39</b>
<b>Cash and cash equivalents comprise (Refer note 6)</b>	
<b>Balances with banks</b>	
On current accounts	0.39
<b>Cheques on hand</b>	<b>-</b>

**Total cash and cash equivalents at end of the year** **0.39**

**Note:** There are no non-cash movement in investing and financing activities during the year.

**See accompanying notes to the financial statements** **1-32**

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

**As per our report of even date**

**For MSKA & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 105047W**

**Anup Mundhra**  
Partner  
Membership No: 061083

Place: Pune  
Date: May 30, 2022

**For and on behalf of the Board of Directors of**  
**Innovassynth Investments Limited**  
**CIN: L67120MH2008PLC178923**

<b>Dr Hardik Joshipura</b> Managing Director DIN: 09392511	<b>Sandesh Mhadalkar</b> Director DIN: 08929791
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**Sameer Pakhali**  
Company Secretary & CFO



## INNOVASSYNTH INVESTMENTS LIMITED

<b>(A) Equity share capital</b>		<b>31-Mar-22</b>	
		<b>No. of shares</b>	<b>Amount</b>
Equity shares of Rs. 10 each issued, subscribed and fully paid			
Opening		2,42,78,035	2,427.80
Add: issue during the year		-	-
Closing		<b>2,42,78,035</b>	<b>2,427.80</b>

<b>(B) Other equity</b>					
Particulars	Reserves and surplus		Items of OCI		Total
	Capital Reserve	Retained earnings	Investments FVTOCI Reserve on Equity Instruments	Remeasurement of employee benefit obligation	
Balance as at 1 April 2021	2.20	(358.57)	(85.86)	-	(442.23)
(Loss) for the year	-	(64.50)	-	-	(64.50)
Other comprehensive income	-	-	1,576.49	-	1,576.49
Total other comprehensive income for the year	-	<b>(64.50)</b>	<b>1,576.49</b>	-	<b>1,511.99</b>
Share of Profit of Associate	-	186.00	-	12.32	198.32
<b>Balance as at 31 March 2022</b>	<b>2.20</b>	<b>(237.07)</b>	<b>1,490.63</b>	<b>12.32</b>	<b>1,268.08</b>

**See accompanying notes to the financial statements 1-32**

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

**As per our report of even date**

**For MSKA & Associates  
Chartered Accountants  
Firm Registration Number: 105047W**

**For and on behalf of the Board of Directors of  
Innovassynth Investments Limited  
CIN: L67120MH2008PLC178923**

**Anup Mundhra**  
Partner  
Membership No: 061083

**Dr Hardik Joshipura**  
Managing Director  
DIN: 09392511

**Sandesh Mhadalkar**  
Director  
DIN: 08929791

Place: Pune  
Date: May 30, 2022

**Sameer Pakhali**  
Company Secretary & CFO

## **INNOVASSYNTH INVESTMENTS LIMITED**

### **Notes forming part of the Consolidated Financial Statements for the year ended 31 March 2022**

(Amount in INR Lakhs, unless otherwise stated)

#### **1 General Information**

Innovassynth Investments Limited ("The Holding Company") is public listed company. The registered office of the Holding company is at Flat No. C-2/3, KMC No. 91, Innovassynth Colony Khopoli Raigad Maharastra, India. The Holding Company was incorporated on 15 February 2008. The equity shares of the Holding Company are listed on BSE Limited.

The Holding Company is an investment company and has invested in Innovassynth Technologies (India) Limited ('ITIL'), which is accounted for as Associate w.e.f 12 February 2022.

ITIL is R&D driven, technology-based Organization engaged in developing, scaling up and manufacturing of specialty chemicals and pharmaceutical Intermediates. Key focus business areas are customs synthesis, contract research & manufacturing of specialty chemicals, toll manufacture of chemicals and similar businesses. The niche area of focus is protected nucleosides and modified phosphonamidites used for clinical and therapeutic oligonucleotides applications. The Company's unique capability to supply wide range of protected nucleosides and amidites for therapeutic as well as diagnostic applications has made it one among the top few companies engaged in this activity in the world.

#### **2 Significant accounting policies**

##### **2.1 Basis of Preparation of Standalone Financial Statements**

###### **(a) Statement of Compliance with Ind AS**

These standalone 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.

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.

The consolidated financial statements were authorized for issue by the Company's Board of Directors on May 30, 2022.

###### **(b) Basis of measurement**

The standalone 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.

###### **(c) Current/Non-current classification of assets/liabilities**

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.

#### **(d) 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.

#### **(e) Functional and presentation currency**

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded-off to the nearest thousands, unless otherwise indicated.

#### **(f) Fair value measurement**

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows: -

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the notes regarding financial instruments.

### **2.2 Principles of consolidation and equity accounting**

Associates are all entities over which the Holding Company has significant influence but not control or joint control. This is generally the case where the Holding Company holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

#### **Equity method**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Holding Company's share of the post-acquisition profits or losses of the investee

in profit and loss, and the Holding Company's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Holding Company's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Holding Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Holding Company and its associate are eliminated to the extent of its interest in this entity. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment.

### **2.3 Dividend Income**

Income from dividend on investments is accrued in the year in which it is declared, whereby the Company's right to receive is established.

### **2.4 Leases**

As a lessee, Under IND AS 116, the Company recognizes right-of-use assets and lease liabilities for most leases.

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the entities incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Company if it is reasonable certain to assess option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right of use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and

- The amount of any provision recognised where the Company is contractually required to dismantle, remove, or restore the leased asset.

## **2.5 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with original maturity of three months or less, which are subject to an insignificant risk of changes in value. In the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered as integral part of the Company's cash management.

## **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**

#### **Initial recognition and measurement of financial assets**

All financial asset is measured at its fair value plus, in the case of a financial asset not recorded at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

#### **Subsequent measurement**

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

- Debt instruments at amortized cost; or
- Debt instruments at fair value through profit or loss (FVTPL).
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

#### **Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised 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 amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss.

#### **Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes

recognized in the statement of profit and loss.

### **Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Holding Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Holding Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### **Impairment of financial assets**

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments and are measured at amortised cost.

- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115

The Holding Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ (income) in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e., as a liability



For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis. The Company does not have any purchased or originated credit impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

## **(b) Financial liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, loans and borrowings or payables as appropriate.

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

The Holding Company's financial liabilities include trade and other payables.

### **Subsequent measurement**

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

#### **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.

## **(c) Offsetting of financial instruments**

Financial assets and liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## **2.7 Employee Benefits**

### **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.

(d) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from 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 reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(e) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable Company and the same taxation authority.

## **2.10 Earnings Per Share**

Basic EPS is calculated by dividing the Company's earnings for the year attributable to ordinary equity shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. The earnings considered in ascertaining the Company's EPS comprise the net profit after tax attributable to equity shareholders. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares) other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity shares. There were no instruments excluded from the calculation of diluted earnings per share for the periods presented because of an anti-dilutive impact.

## **2.12 Provisions and contingent liabilities and contingent assets**

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.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

## **3.1 Significant accounting judgments, estimates and assumptions**

In the preparation of the financial statements, the Company makes judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The

estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Information about assumptions, judgments and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2022 are as below.

## **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 Holding 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.

## **Significant Influence - Associate Entity**

During the year, on February 12, 2022, the Managing Director of Innovassynth Technologies (I) Limited ('ITIL') was appointed as Managing Director of the Company resulting into establishment of significant influence over ITIL and hence now the Company is treating this as an investment in associate entity.

### **3.2 Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2022.

### **3.3 Standards that became effective during the year**

There are no new Standards that became effective during the year. Amendments that became effective during the year did not have any material effect.

4 Financial Assets- Investments	31-Mar-22
Investment in equity instruments (fully paid-up) of Associate entity	
<b>Unquoted equity shares</b>	
2,38,50,070 equity shares of ₹10 each fully paid-up in Innovassynth Technologies (India) Limited	4,073.96
<b>Total</b>	<b>4,073.96</b>
Also refer Note 30 to the financial statements	

<b>5</b>	<b>Other non-current assets</b>	<b>31-Mar-22</b>
	Prepaid Expenses	0.09
	<b>Total</b>	<b>0.09</b>
<b>6</b>	<b>Cash and cash equivalents</b>	<b>31-Mar-22</b>
	Balances with banks:	
	On current accounts	0.39
	<b>Total</b>	<b>0.39</b>
<b>7</b>	<b>Other financial assets</b>	<b>31-Mar-22</b>
	Security deposits	0.05
	<b>Total</b>	<b>0.05</b>
<b>8</b>	<b>Other current assets</b>	<b>31-Mar-22</b>
	Prepaid Expenses	0.12
	<b>Total</b>	<b>0.12</b>
<b>9</b>	<b>Equity Share capital</b>	<b>31-Mar-22</b>
	<b>Authorized</b>	
	2,50,00,000 (31 March 2021: 2,50,00,000) Equity Shares of Rs. 10 each	2,500.00
	<b>Issued, subscribed, and paid up</b>	
	2,42,78,035 (31 March 2021: 2,42,78,035) equity shares of Rs. 10 each fully paid	2,427.80
	<b>Total</b>	<b>2,427.80</b>
<b>(a)</b>	<b>Reconciliation of equity shares outstanding at the beginning and at the end of the year</b>	
	<b>Particulars</b>	<b>31-Mar-22</b>
		<b>Number of shares</b>
		<b>Amount</b>
	Outstanding at the beginning and at the end of the year	2,42,78,035
		2,427.80
	<b>Total</b>	<b>2,42,78,035</b>
		<b>2,427.80</b>

**(b) Rights, preferences, and restrictions attached to equity shares**

Equity Shares: The Holding Company has only one class of equity shares having par value of Rs. 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 Holding 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 Holding Company****Name of the shareholder****31-Mar-22****Number of  
shares****% of  
holding in  
the class****Equity shares of Rs.10/- each fully paid**

Bloomingdale Investments &amp; Finance Private Limited

33,86,884

13.95

Matsyagandha Investment &amp; Finance Private Limited

47,35,000

19.50

**(d) Details of Shares held by Promoters as at the end of the year****Promoter name****As at March 31, 2022****No. Of  
Shares****% of  
total  
shares****% Change  
during the  
year**

Bloomingdale Investments &amp; Finance Private Limited

33,86,884

13.95

-

Matsyagandha Investment &amp; Finance Private Limited

47,35,000

19.50

-

R Raheja Properties Private Limited

6,81,854

2.81

-

**10 Other equity****31-Mar-22****(A) Capital reserve**

Balance at the beginning and at the end of the year

2.20

**2.20****(B) Surplus in the Statement of Profit and Loss****31-Mar-22**

Opening balance

(358.57)

Add: Net loss for the current  
year

(64.50)

Add: Share of Profit of Associate	186.00
<b>Closing balance</b>	<b>(237.07)</b>

<b>(C) Investments FVTOCI Reserve on Equity Instruments #</b>	<b>31-Mar-22</b>
<b>Opening balance</b>	<b>(85.86)</b>
Add: Fair valuation changes for the year	1,576.49
	<b>1,490.63</b>

<b>(D) Remeasurement of employee benefit obligation</b>	<b>31-Mar-22</b>
<b>Opening balance</b>	<b>-</b>
Add: Addition during the year	-
Add: Share of Other Comprehensive Income of associate	12.32
	<b>12.32</b>

<b>Total other equity</b>	<b>(A+B+C+D)</b>	<b>1,268.08</b>
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#FVOTCI Reserve on investment in Equity Shares of ITIL has not been transferred to Retained Earnings, as the Company has only re-designated the investments from FVTOCI to Investment in Associate and the accumulated reserve has not been realised by way of sale/disposal.

<b>11 Short -term borrowings</b>	<b>31-Mar-22</b>
Unsecured, Loans from Others (Inter-Corporate Deposits)	284.77
<b>Total short-term borrowings</b>	<b>284.77</b>

Unsecured Loan from others-Inter-Corporate Deposits, constitutes loan from Innovassynth Technologies (India) Limited (ITIL).

#### **Terms of Borrowings**

Interest on borrowings from ITIL carries interest rate @ 9% p.a. payable on demand.

<b>12 Trade payables</b>	<b>31-Mar-22</b>
Total outstanding dues of micro enterprises and small enterprises	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	11.58
<b>Total trade payables</b>	<b>11.58</b>

Based on the information available with the Holding 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.

### 31 March 2022

Particulars	Payables Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
(i) MSME (Including Interest)	-	-	-	-	-	-
(ii) Disputed dues – MSME	-	-	-	-	-	-
(iii) Others	8.59	2.99	-	-	-	11.58
(iv) Disputed dues - Others	-	-	-	-	-	-
	<b>8.59</b>	<b>2.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11.58</b>
<b>13 Other Financial Liabilities</b>						<b>31-Mar-22</b>
Interest Payable						82.14
-						
<b>Total Other Financial Liabilities</b>						<b>82.14</b>
<b>14 Other current liabilities</b>						<b>31-Mar-22</b>
Statutory dues payable						0.24
<b>Total other current liabilities</b>						<b>0.24</b>
<b>15 Employee benefits expense</b>						<b>31-Mar-22</b>
Salaries, bonus, and other allowances						11.12
<b>Total employee benefits expense</b>						<b>11.12</b>
<b>16 Finance costs</b>						<b>31-Mar-22</b>
Interest on borrowing						27.04
<b>Total finance costs</b>						<b>27.04</b>



<b>17</b>	<b>Other expenses</b>	<b>31-Mar-22</b>
	Rent	0.36
	Printing & Stationery	0.02
	Office expenses	3.56
	Auditors' remuneration*	8.52
	Legal and professional charges	10.44
	Advertisement	0.46
	Miscellaneous expenses	2.98
	<b>Total other expenses</b>	<b>26.34</b>

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

	<b>Particulars</b>	<b>31-Mar-22</b>
	<b>As auditor:</b>	
	Statutory audit	7.00
	Limited Review of quarterly results	1.50
	Reimbursement of expenses	0.02
	<b>Total</b>	<b>8.52</b>

<b>18</b>	<b>Income Tax and Deferred Tax</b>	
	<b>Reconciliation of tax charge</b>	<b>31-Mar-22</b>
	Profit before tax	(64.50)
	Income tax expense at tax rates applicable	(16.77)
	Deferred Tax asset not recognised on losses (Refer note below)	16.77
	<b>Income tax expense</b>	<b>-</b>

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 Holding 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 Holding Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward and unrealised loss with respect to investment in the Associate entity.

**(B)** Tax losses of INR 303.88 Lakhs are available for offsetting for a maximum period of eight years against

future taxable profits of the Holding Company.

**March 31, 2022:**

<b>Assessment Year (AY)</b>	<b>Amount</b>	<b>Last offsetting year (AY)</b>
2014-15	17.47	2022-23
2015-16	23.77	2023-24
2016-17	31.82	2024-25
2017-18	34.21	2025-26
2018-19	37.78	2026-27
2019-20	52.04	2027-28
2020-21	54.65	2028-29
2021-22	52.14	2029-30
	<b>303.88</b>	

## 19 Earnings/ Loss per share

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

**31-Mar-22**

Profit attributable to equity holders (before FVTOCI)	121.50
Profit attributable to equity holders adjusted for the effect of dilution	<b>121.50</b>
Weighted average number of equity shares for basic EPS	2,42,78,035
Effect of dilution:	-
Weighted average number of equity shares adjusted for the effect of dilution	<b>2,42,78,035</b>
Basic and diluted earnings per share (INR)	0.50

## 20 Related Party Disclosures: 31 March 2022

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

#### Key Management Personnel (KMP)

- (a) Ms. Jana Chatra (Managing Director) (upto 12 February 2022)
- (b) Mr. Abhishek Deshpande (CFO & Company Secretary) (upto 01 November 2021)
- (c) Mr. Sameer Pakhali (CFO & Company Secretary) (w.e.f 12 November 2021)
- (b) Dr. Hardik Joshipura (Chairman & Managing Director) (w.e.f 12 February 2022)

#### Related parties where the Company exercises significant influence

Innovassynth Technologies (India) Limited (ITIL) - (Associate entity w.e.f 12 February 2022)

<b>B) Details of transactions with related party in the ordinary course of business for the year ended:</b>	
<b>(i) KMP</b>	
<b>Remuneration</b>	<b>31-Mar-22</b>
Salaries including Bonus (Abhishek Deshpande)	4.84
Salaries including Bonus (Jana Chatra)	4.11
Salaries including Bonus (Sameer Pakhali)	2.17
<b>(ii) Related parties where the Company exercises significant influence (ITIL)</b>	
Interest Expense	27.04
Rental Charges	0.36
Additional Loan Taken	34.77
<b>C) Amount due to related party as on:</b>	<b>31-Mar-22</b>
<b>(i) KMP</b>	
Employee benefits payables (Abhishek Deshpande)	-
Employee benefits payables (Jana Chatra)	-
<b>(ii) Related parties where the Company exercises significant influence (ITIL)</b>	
Interest Payable	82.14
Loan Payable	284.77
Rent Payable	2.95

## 21 Capital management

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

The Holding Company has not distributed any dividend to its shareholders. The Holding Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of current and non-current borrowings. The Holding 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.

	<b>31-Mar-22</b>
Total Equity	3,695.88
Total debt	284.77
Overall financing	3,980.65
Gearing ratio	0.07

No changes were made in the objectives, policies, or processes for managing capital during the years ended 31 March 2022.

## 22 Financial risk management objectives and policies

The Holding Company is exposed to market risk. The Holding Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short-term cash flows. The Holding 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 Holding Company exposure to the risk of changes in market interest rates relates primarily to the Holding Company's long-term debt obligations with floating interest rates.

The Holding 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 Holding Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Interest on Borrowings from ITIL-	Effect on loss before tax
<b>2022</b>	
Increase by 0.45%	1.21
Decrease by 0.45%	(1.21)

#### (ii) Foreign currency risk

The Holding 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 Holding Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from the Holding 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 Holding Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Holding 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 Holding 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 Holding 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 Holding Company does not foresee any credit risks on deposits with regulatory authorities.

The Holding Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2022 is the carrying amounts as mentioned in Note 6 to 8.

### C Liquidity risk

Liquidity risk is the risk that the Holding Company will not be able to meet its financial obligations as they become due. The Holding 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 Holding Company can face is the risk of subscription fee refund. The Management believes that the probability of a liquidity risk arising is not present).

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

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
<b>31-Mar-22</b>					
Short term borrowings	-	284.77	-	-	<b>284.77</b>
Trade payables	-	11.58	-	-	<b>11.58</b>
Other financial liability	-	82.14	-	-	<b>82.14</b>
Other current liabilities		0.24	-	-	<b>0.24</b>
	-	<b>378.73</b>	-	-	<b>378.73</b>

### 23 Interests in associate entity

Set out below is the associate of the Holding Company as at 31 March 2022 which, in the opinion of the directors, is material. The entity has share capital consisting solely of equity shares, which is held directly by the Holding Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of the Entity	Place of Business	% of ownership interest	Relationship	Accounting Method	Carrying amount as at 31 March 2022
Innovassynth	India	31.79%	Associate	Equity	

Technologies (India)  
Limited

Method 4,073.96

## (i) Summarised financial information for associates

The tables below provide summarised financial information for associate that is material. The information disclosed reflects the amounts presented in the financial statements of the relevant associate and not Innovassynth Investment Limited's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

### Summarised Balance Sheet

31 March 2022

#### Non-Current Assets

Property, Plant and Equipment, Capital Work-in-progress and Intangible assets	12,619.14
Financial Assets	40.10
Other Non-current Assets	762.05
<b>Total Non-current Assets</b>	<b>13,421.29</b>

#### Current Assets

Inventories	3,832.76
Financial Assets	4,319.01
Other Current Assets	1,201.44
<b>Total Current Assets</b>	<b>9,353.21</b>

#### Non-Current Liabilities

Financial Liabilities	1,346.55
Other Non-Current Liabilities	1,091.38
<b>Total Non-Current Liabilities</b>	<b>2,437.93</b>

#### Current Liabilities

Financial Liabilities	5,881.67
Other Current Liabilities	402.26
<b>Total Current Liabilities</b>	<b>6,283.93</b>

#### Net Assets

14,052.64

Summarised statement of profit and loss		31 March 2022
Revenue from Operations		20,185.04
Other Income		263.31
<b>Total Income</b>		<b>20,448.35</b>
Cost of Material Consumed		9,117.77
Changes in Inventories of Stock-in-trade, work-in-progress and finished goods		(767.41)
Employee Benefit Expenses		3,597.89
Finance Cost		92.53
Depreciation and amortisation expense		407.70
Other Expenses		4,923.35
<b>Total Expenses</b>		<b>17,371.83</b>
<b>Profit before tax</b>		<b>3,076.52</b>
Tax Expense		883.19
<b>Profit for the year</b>		<b>2,193.33</b>
Other Comprehensive Income		232.31
<b>Total Comprehensive Income for the year</b>		<b>2,425.64</b>

#### 24 Segment reporting

The Holding Company operates has only single reportable business segment and hence no disclosures have been made in this regard. Further, the operations are totally in India, hence no disclosure for geographical segment reporting is required.

#### 25 Commitments and Contingent liabilities

There are no commitments and contingent liabilities as on 31 March 2022 for the Holding Company.

With respect to the Associate entity, the share of :

Contingent Liabilities	Nil
------------------------	-----

Commitments

- Estimated amount of contracts remaining to be executed on CAPITAL Account	934.22
-----------------------------------------------------------------------------	--------

#### 26 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits and other financial assets.

Non-current borrowing comprises liability portion on liability component of Convertible Preference Shares. The impact of fair value on such portion is not material and therefore not considered for above disclosure. Similarly, carrying values of non-current security deposits and non-current term deposits are not significant and therefore the impact of fair value is not considered for above disclosure.

## 27 Additional information required by Schedule III in respect of associates

	Name of the entity	Net Assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Holding Company									
	Innovassynth Investments Limited	94.63%	3,497.56	(53.1%)	(64.50)	99.22%	1,576.49	88.40%	1,511.99
Associate									
	Innovassynth Technologies (India) Limited	5.37%	198.32	153.08%	186.00	0.78%	12.32	11.60%	198.32

## 28 Going Concern-

The Holding Company has incurred a net loss of INR 64.50 Lakhs (Previous year INR 52.14 Lakhs) during the year ended 31 March 2022 and, as of that date, has accumulated losses of INR 423.07 Lakhs (Previous year INR 358.57 Lakhs). Also, the Company's current liabilities exceeded its current assets by INR 378.17 Lakhs (Previous year INR 313.73 Lakhs) as on the balance sheet date. The Holding Company has adverse financial ratios and no cash inflows from operating activities.

However, being an investment Company, the management believes that on occurrence of either or both of the mentioned events in future i.e. declaration of dividend by investee; Innovassynth Technologies (India) Limited ('ITIL') and selling off partial/complete investment stake in ITIL, the Holding Company may enable it 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. The Holding Company is expecting good dividend capitalisation. Based on the this, the management believes that the Holding Company will continue as a going concern and thereby will be able to realizes its assets and discharges its liabilities in the normal course of its business. Accordingly, these financial statements have been prepared considering the company on going concern assumption and consequently, no adjustments have been made to the carrying values of assets and liabilities.



## 29 Estimated uncertainty relating to COVID-19 outbreak-

The Holding Company has considered the possible effects that may result from the COVID pandemic, while assessing its liquidity, recoverable values of its financial and non-financial assets taking all relevant external and internal factors into consideration and has concluded that there are no material adjustments required in the financial statements. However, the impact assessment of COVID-19 is a continuous process, given the uncertainties associated with its nature and duration. The Holding Company will continue to closely monitor any material changes to future economic conditions.

- 30** During the year, on February 12, 2022, the Managing Director of Innovassynth Technologies (I) Limited ('ITIL') was appointed as Managing Director of the Company resulting into establishment of significant influence over ITIL. Consequently, in accordance with the guidelines given under 'Ind AS 28 -Investment in Associates and Joint Ventures, the investment in ITIL has been classified as Associate. Accordingly, the fair valuation of the investment as at January 31, 2022 (the date nearest to the date of appointment) was considered as deemed cost of such investment in associate entity and the same would continue to be carried at such cost. The fair valuation gains till the date of conversion to associate entity has been accounted under Fair Value Changes through Other Comprehensive Income. The share of profit after becoming an associate entity has been considered in the Statement of Profit and Loss of the entity.
- 31** The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on 28 September 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on 13 November 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Holding Company and the Associate will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 32** As the Holding Company has prepared consolidated financial results for the first time during the year, comparative figures for the previous year have not been disclosed.

### As per our report of even date

**For MSKA & Associates**  
**Chartered Accountants**  
**Firm Registration Number: 105047W**

**For and on behalf of the Board of Directors of**  
**Innovassynth Investments Limited**  
**CIN: L67120MH2008PLC178923**

**Anup Mundhra**  
Partner  
Membership No: 061083

**Dr Hardik Joshipura**  
Managing Director  
DIN: 09392511

**Sandesh Mhadalkar**  
Director  
DIN: 08929791

Place: Pune  
Date: May 30, 2022

**Sameer Pakhali**  
Company Secretary & CFO

**NOTES:**