

Panache Innovations Limited

(Formerly known as Ruby Traders & Exporters Limited)

CIN: L51100WB1981PLC033779

36th Annual Report 2016-17

Registered Office:

68, Jessore Road, Diamond City Complex,
Block 5, Suite No.1E, Kolkata - 700055

Corporate Office:

Unit No. 201/B1, Raheja Plaza-1, LBS
Marg, Ghatkopar West, Mumbai-400086

Email:

info@panache.co.in

Website:

www.panache.co.in

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Panache Innovations Limited

(Formerly known as ruby Traders & Exporters Limited)

Board of Directors

Amit Devchand Rambhia
Chairman & Managing Director

Jayachandran Sunderamoorthy
Whole Time Director (w.e.f. 14th January, 2017)

Rohit Mathur
Independent Director (w.e.f. 19th May, 2016)

Meeta K. Mehta
Independent Director (w.e.f. 19th May, 2016)

Nikit Rambhia
Whole-Time Director (till 14th January, 2017)

Ashish Jalan
Independent Director (till 19th May, 2017)

Manish Maskara
Independent Director (till 19th May, 2017)

Anita Jhunjhunwala
Independent Director (till 19th May, 2017)

Ramrati Choudhury
Whole Time Director (till 19th May, 2017)

Key Managerial Personnel

Nitesh Savla (till 23rd November, 2016)
CFO

Jinkle Khimsaria (till 23rd November, 2016)
CS & Compliance Officer

Vijay Patil (from 11th february, 2017)
Company Secretary & Compliance Officer

Corporate Identification Number

L51100WB1981PLC033779

Registered Office

68, Jessore Road, Diamond City Complex, Block 5, Suite No.1E, Kolkata, West Bengal-700055

(T): +91 9833995555

(E): info@panache.co.in

(W): www.Panache.co.in

Corporate Office

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

Auditors

Jain Salia & Associates

Chartered Accountant

Share Registrars and Transfer Agents

Niche Technologies Private Limited
D-511, Bagree Market, 71,

B.R.B. Basu Road, Kolkata- 700001

(T): 033-2235 7270/7271, 22343576

(E): nichetechpl@nichetechpl.com

(W): www.nichetechpl.com

Internal Auditor

Sanket Sangoi & Associates

Secretarial Auditor

Piyushkumar Parmar

Bankers

Canara Bank

Listed On

BSE

Scrip Code - 538742

Boards' Report

To the Members,

On behalf of the Board of Directors, it is our pleasure to present the 36th Annual Report on the business and operations of the Company together with the Audited Financial Statement of Panache Innovations Limited ("the Company") for the financial year ended March 31, 2017.

FINANCIAL RESULTS

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

(Rs. in lakhs)

Particulars	Financial Year Ended			
	Standalone		Consolidated	
	31/03/2017	31/03/2016	31/03/2017	31/03/2016
Revenue from operations (net)	1099.95	146.56	1120.63	-
Earnings before interest, tax, depreciation and amortization (EBITDA) and prior period adjustments	13.98	5.85	18.26	-
Depreciation and amortization expenses	1.22	0.32	1.22	-
Finance Cost	0.15	0.36	0.65	-
Profit before tax (PBT)	34.18	63.68	37.96	-
Profit after tax and minority interest (PAT)	27.62	63.63	31.40	-

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

FINANCIAL PERFORMANCE

Standalone:

The Company's Standalone revenue during the year is ₹ 1099.95 Lakhs, as compared to ₹ 146.56 Lakhs in the previous year. The Company's profit before exceptional items and tax on a Standalone basis is ₹ 35.46 Lakhs, as compared to ₹ 63.68 Lakhs in the previous year, an decrease of 44.32% over the previous year. The Company earned a net profit of ₹ 27.62 Lakhs, lower by 56.59% as against a net profit of ₹ 63.63 Lakhs in the previous year, on Standalone basis.

Consolidated:

The Company's consolidated revenue during the year is ₹ 1120.63 Lakhs. The Company's profit before exceptional items and tax on a consolidated basis is ₹ 39.24 Lakhs and the Company earned a net profit of ₹ 31.40 Lakhs during the financial year 2016-17.

DIVIDEND

Keeping in view the continued good performance, future fund requirements of the Company and policy of the Company for rewarding shareholders, your directors are pleased to recommend a dividend of 5%, i.e. ₹ 0.50 per equity share of Face Value of ₹ 10/- on 30,39,900 Equity Shares (Excluding the Equity Share upon which the members have waived/forgone his/their right to receive the dividend by him/them for financial year 2016-17). The dividend, if approved by the members of the Company in the AGM, shall be subject to Dividend Distribution Tax to be paid by your Company but will be tax-free in the hands of the Members.

Members belonging to the promoter group of your Company have waived their right to receive dividend for the Financial Year 2016-17 and hence the Dividend, if any, approved by the Members at the ensuing Annual General Meeting shall be only upon 30,39,900 Equity Shares.

TRANSFER TO RESERVE

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

DEPOSITS

During the year under review, your company has not accepted any deposits from the public within the meaning of Section 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit Rules), 2014.

CHANGE IN NATURE OF INTEREST, IF ANY

During the year under review, Company has changed the main objects of the Company from trading in textiles to manufacture, trade, distribution of Information Technology Products vide resolution passed by the members of the Company on 1st April, 2016 and the same was approved by the Registrar of Companies, West Bengal through Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause on 10th June, 2016 and the Company has done well in this area of business.

Further the Company in order to expand the business plans proposed to enter in to the market of dealing in water bottles containing ionized water. This line of business is expected to give an increase in the revenues of the Company since the new business of dealing in water bottles of ionized water is technologically innovative product and has accordingly altered the object clause of the company by according members approval on 9th March, 2017 and the same being approved by the Registrar of Companies, West Bengal through Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause on 21st March, 2017.

PROMOTERS

The new promoted of the Company post completion of open offer and takeover are;

1. Amit Rambhia
2. Nikit Rambhia
3. Devchand Rambhia

SHARE CAPITAL

A. Authorised and Paid Up Capital:

There was no change in Authorised and Paid Up Share Capital of the Company during the financial year 2016-17.

B. Issue of Equity Shares with differential rights:

The Company has not issued any Equity Shares with differential rights during the year under review.

C. Sweat Equity:

The Company has not issued any Sweat Equity Shares during the year under review.

D. Bonus Shares:

The Company has not issued any Bonus Shares during the year under review.

E. Employee Stock Option:

The Company has not provided any Employee Stock Option to the employees during the year under review.

F. Issue of Equity Shares

During the year under review, company has not issued any equity shares.

NAME CHANGE

During the year under review, the name of the Company was changed from “Ruby Traders & Exporters Limited” to “Panache Innovations Limited” which was approved by the Board of Directors on 14th January, 2017 and subsequently received Members approval on 9th March, 2017. The change of name was approved by the Registrar of Companies, West Bengal vide Fresh Certificate of Incorporation pursuant to change of name having effect 23rd March, 2017.

SUBSIDIARY COMPANY AND CONSOLIDATION OF FINANCIAL STATEMENT

During the year under review, the Company has incorporated a Wholly Owned Subsidiary under the name “Eddy and Andy International Limited” having address of 13/F, Wah Kit Commercial Centre, 300 Des Voeux Road Central vide Certificate of Incorporation received on 18th July, 2016.

Further, none of the Company’s subsidiaries, joint ventures or associate companies have become or ceased to be Company’s subsidiaries, joint ventures or associate companies.

The Board of Directors reviewed the affairs of the subsidiary. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared consolidated financial statements of the Company and its Subsidiary, which forms part of this Annual Report. A statement containing the salient features of the financial position of the subsidiary companies in Form AOC-1 is annexed as Annexure I. In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of subsidiary is also available on our website at www.panache.co.in.

The Policy for determining material subsidiaries as approved may be accessed on the Company’s website at www.panache.co.in

DIRECTORS’ RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Board of Directors to the best of their knowledge and ability confirm that:

- A. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- B. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- C. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- D. the directors had prepared the annual accounts on a going concern basis;
- E. the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- F. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws are in place and such systems are adequate and operating effectively.

CORPORATE GOVERNANCE

Corporate Governance is essentially a system by which companies are governed and controlled by the management under the direction and supervision of the board in the best interest of all stakeholders. Your Company continues to place greater emphasis on managing its affairs with diligence, transparency, responsibility and accountability and is committed to adopting and adhering to best Corporate Governance Practices.

The Board considers itself as a trustee of its shareholders and acknowledges its responsibilities towards them for creation and safeguarding their wealth. The Company has set itself the objective of expanding its capacities. As a part of its growth strategy, it is committed to high levels of ethics and integrity in all its business dealings that avoid conflicts of interest. In order to conduct business with these principles, the Company has created a corporate structure based on business needs and maintains a high degree of transparency through regular disclosures with a focus on adequate control systems.

However, as per provisions of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, providing a separate report on Corporate Governance under Regulation 27 (2) is not applicable to the Company.

MANAGEMENT DISCUSSION & ANALYSIS

The Management Discussion and Analysis Report, as required under SEBI (LODR) Regulations 2015, forms part of the Annual Report is attached herewith marked as Annexure –II.

RISK MANAGEMENT

The Company's General Risk Factors include, hardware and software failure, malware, malicious software designed to disrupt computer operations, viruses, spam, scams and phishing-unsolicited communications, criminal and cyber threats, cybercrimes, frauds, security, software updates and innovations, etc. related to the business of the company. Other risk factors are financial risk, operating risk, marketing, lack of technical and specialised skilled staff, political factors and government policy.

Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuous basis. Further to analyse and mitigate the above-mentioned risks the Company has formulated a Risk Management Policy for dealing with different kinds of risks which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure will be reviewed by the Audit Committee and Board of Directors on time to time basis. For more details, please refer to the Management Discussion and Analysis report which form part of the Directors Report which is provided in Annexure II. Policy on Risk Management is available on the website of the Company www.panache.co.in.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTY

During the period under review, all transactions entered into with the related parties as defined under the Companies Act, 2013 were in the ordinary course of business and on arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. The Company is exempt from Regulation 23 of SEBI (LODR) Regulations, 2015 and hence the Company is not mandated to seek approval from members for entering into transactions which are material in nature. However, the company has voluntarily sought approval of members for entering into material related party transactions (on arm's length and in ordinary course of business) on 9th March, 2017. The details of material related party transactions are mentioned in AOC-2 as Annexure III. Also suitable disclosure as required by the Accounting Standards (AS 18) has been made in the note no. 7 to the Standalone Financial Statement, which forms a part of the Annual Report.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are repetitive in nature. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

PREVENTION OF INSIDER TRADING

Your Company has adopted the “Code of Conduct on Prohibition of Insider Trading” and “Code of fair disclosure of Unpublished Price Information” for regulating the dissemination of Unpublished Price Sensitive Information and trading in securities by Insiders. The said codes are also available on the website of the Company www.panache.co.in.

INFORMATION ON BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

During the year under review, following changes took place in the Board and Key Managerial Personnel;

- Mr. Rohit Mathur (holding DIN: 06583736) was appointed as Additional Independent Director of the Company by the Board of Directors on 19th May, 2016 and the same was approved by the Shareholders of the Company on 26th September, 2016.
- Mrs. Meeta K. Mehta (holding DIN: 07515717) was appointed as Additional Independent Director of the Company by the Board of Directors on 19th May, 2016 and the same was approved by the Shareholders of the Company on 26th September, 2016.
- Mr. Ashish Jalan (holding DIN: 06503424) had resigned from the post of Independent Director of the Company with effect from 19th May, 2016.
- Mr. Manish Maskara (holding DIN: 07186168) had resigned from the post of Independent Director of the Company with effect from 19th May, 2016.
- Ms. Anita Jhunjhunwala (holding DIN: 05166313) had resigned from the post of Independent Director of the Company with effect from 19th May, 2016.
- Mr. Ramrati Choudhury (holding DIN: 05178090) had resigned from the post of Whole Time Director of the Company with effect from 19th May, 2016.
- Ms. Jinkle Khimsaria was appointed as Company Secretary & Compliance Officer of the Company by the Board of Directors on 30th May, 2016.
- Mr. Nikit Devchand Rambhia (holding DIN: 00165678) was designated as whole-time director of the Company by the Board of Directors on 30th May, 2016 & the same was approved by the members on 26th September, 2016.
- Mr. Rohit Jain (holding DIN: 01194143) was appointed as Additional Independent Director w.e.f. 19th May, 2016 to hold office till 18th May, 2021, subject to regularisation at the annual general meeting. However, on compliance check it was noticed by the compliance department that he was disqualified to be appointed as the director and hence his appointment was void-ab-initio as per section 164 of the Companies Act, 2013.
- Ms. Jinkle Khimsaria had resigned as Company Secretary & Compliance Officer of the Company with effect from 23rd November, 2016.
- Mr. Nitesh Manilal Savla had resigned as Chief Financial Officer of the Company with effect from 23rd November, 2016.
- Mr. Nikit Devchand Rambhia (holding DIN: 00165678) had resigned from the post of Whole Time Director of the Company with effect from 14th January, 2017.