

37th Annual Report

2017-18

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Corporate Information

Board of Directors

Amit Devchand Rambhia

Chairman & Managing Director

Jayachandran Sunderamoorthy

Whole-Time Director & CFO (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)

Anil Dagade

Additional Independent Director (w.e.f 31st March, 2018)

Company Secretary & Compliance Officer

Priyank Sangoi (w.e.f 11th January, 2018)

Board Committees

Audit Committee

Meeta K. Mehta

Rohit Mathur

Amit Rambhia

Anil Jaychand Dagade

Nomination and Remuneration Committee

Rohit Mathur

Meeta K. Mehta

Anil Jaychand Dagade

Stakeholders Relationship Committee

Mr. Rohit Mathur

Mrs. Meeta Mehta

Mr. Amit Rambhia

Panache Innovations Limited

Registered Office

2nd Floor, Bldg No. A3, Unit 201A, Babosa Industrial, Park,
Mumbai-Nashik Highway (NH3), Saravali Village, Bhiwandi,
CIN: L51100MH1981PLC312742

(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

Payal Tachak

Bankers

Canara Bank

Listed On

BSE (Scrip Code – 538742)

Boards' Report

To the Members of Panache Innovations Limited

Your Directors have pleasure in presenting the 37th Annual Report on the business and operations of the Company together with the Audited Standalone & Consolidated Financial Statement of Panache Innovations Limited ("the Company") for the financial year ended March 31st, 2018.

STATE OF THE COMPANY'S AFFAIRS

Financial Results

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

Particulars	Financial Year Ended			
	Standalone		Consolidated	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Revenue from operations (net)	3488.73	1099.95	4008.44	1120.63
Earnings before interest, tax, depreciation and amortization (EBITDA) and prior period adjustments	37.20	35.54	71.35	39.33
Depreciation and amortization expenses	1.26	1.22	1.26	1.22
Finance Cost	0.11	0.15	0.10	0.15
Profit before tax (PBT)	35.83	34.17	69.99	37.96
Profit after tax and minority interest (PAT)	29.17	27.51	63.30	31.30

(Rs. in lakhs)

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

Accounting treatment in preparation of Financial Statements

The Financial Statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Companies Act, 2013.

Standalone Performance

During the year under review, the Company achieved total revenue of ₹ 3488.73 Lakhs, as compared to ₹ 1099.95 Lakhs in the previous year, representing a year-on-year growth of 217.17%.

The Earnings before Interest, Depreciation, Tax and Appropriations (EBITDA) stood at ₹ 37.20 Lakhs in the current year as compared to ₹ 35.54 Lakhs in the previous year, representing a year-on-year growth of 4.67%.

The Company registered growth of 6.03% in the Net Profit after Tax which stood at ₹ 29.17 Lakhs as compared to ₹ 27.51 Lakhs in the previous year.

Consolidated

During the year under review, the Company achieved consolidated total revenue of ₹ 4008.44 Lakhs as compared to ₹ 1120.63 Lakhs in the previous year, representing a year-on-year growth of 257.70%.

The Earnings before Interest, Depreciation, Tax and Appropriations (EBITDA) stood at ₹ 71.35 Lakhs in the current year as compared to ₹ 39.33 Lakhs in the previous year, representing a year-on-year growth of 81.41%.

The Company registered growth of 102.23% in the Net Profit after Tax which stood at ₹ 63.30 Lakhs as compared to ₹ 31.30 Lakhs in the previous year.

DIVIDEND

Keeping in view the continued good performance, future fund requirements of the Company and policy of the Company for rewarding Members, your directors are pleased to recommend a dividend of ₹ 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 2017-18) for the financial year 2017-18. 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 2017-18 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

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

DEPOSITS

There were no public deposits accepted during the year under review or any amount of principal or interest thereof was outstanding in terms of section 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, for the Financial Year ended on 31st March, 2018.

CHANGE IN NATURE OF BUSINESS, IF ANY

During the year, there is no change in the nature of the business of the Company.

SHARE CAPITAL

During the year under review, the Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

SUBSIDIARY COMPANY AND CONSOLIDATION OF FINANCIAL STATEMENT

During the year under review, Panache Innovations DMCC became Wholly Owned Subsidiary of your Company. The Board of Directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared Consolidated Financial Statements of the Company and its Subsidiaries viz. Eddy and Andy International Limited and Panache Innovations DMCC, in accordance with Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS'), which forms part of this Annual Report. A statement containing the salient features of the financial position of the subsidiary companies 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 subsidiaries 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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations and that such internal financial controls are adequate and were operating effectively.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 134(5) of the Companies Act, 2013, your Directors 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

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.

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.

RISK MANAGEMENT

The Company has formulated a Risk Management Policy for dealing with different kinds of risks, both internal and external, which it faces in day to day operations of the Company. Risk Management Policy of the Company outlines different kinds of risks and risk mitigating measures to be adopted by the Board. The Company has adequate internal control systems and procedures to combat the risk. The Risk management procedure will be reviewed by the Audit Committee and Board of Directors on time to time basis.

For more details on the topic, please refer to the Management Discussion and Analysis report which form part of the Annual Report. 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. There were no materially significant transactions with the related parties during the financial year other than those mentioned in Form AOC-2 at Annexure II of this Director's Report. Also, suitable disclosure as required by the Indian Accounting Standards (Ind AS 24) has been made in the notes to Financial Statements, which forms a part of the Annual Report.

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

Policy on Related Party Transactions

As per Regulation 15 of SEBI (LODR) Regulations, 2015, Company is exempted from complying with Regulation 23 of SEBI (LODR) Regulations, 2015 and hence preparing a Policy on Related Party Transactions 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 –III.

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.

BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Changes in Directors & KMP

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

- Mr. Manan Mayur Trivedi was appointed as Chief Financial Officer of the Company by the Board of Directors with effect from 27th April, 2017.
- Mr. Vijay Patil had resigned from the post of Company Secretary & Compliance Officer of the Company with effect from 26th August, 2017.
- Mr. Manan Trivedi resigned from the post of Chief Financial Officer of the Company with effect from 25th October, 2017.
- Mr. Jayachandran Sunderamoorthy (holding DIN: 07706021) was liable to retire by rotation and being eligible was re-appointed as Whole-Time Director of the Company at the 36th Annual General Meeting held on 21st September, 2017.
- Mr. Jayachandran Sunderamoorthy (holding DIN: 07706021) was re-appointed as Whole-Time Director of the Company for a period of 3 years by the Board of Directors on 11th January, 2018 with effect from 14th January, 2018, subject to the approval of Members in the ensuing Annual General Meeting.
- Mr. Priyank Sangoi was appointed as Company Secretary and Compliance Officer with effect from 11th January, 2018.
- Mr. Jayachandran Sunderamoorthy (holding DIN: 07706021) was appointed as Chief Financial Officer of the Company and re-designated as “Whole-Time Director & Chief Financial Officer” with effect from 12th February, 2018, at the Board meeting held on same day, subject to the approval of Members in the ensuing Annual General Meeting.
- Mr. Anil Jaychand Dagade (holding DIN: 02701030) was appointed as Additional Independent Director of the Company for a term of Five years with effect from 31st March, 2018, at the Board meeting held on same day, subject to the approval of Members in the ensuing Annual General Meeting.

Director Retiring by Rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Amit Devchand Rambhia (holding DIN: 00165919), Managing Director of the Company, retires by rotation at ensuing Annual General Meeting and being eligible, offers himself for reappointment. The Board recommends his reappointment as Director liable to retire by rotation at the ensuing Annual General Meeting.

Declaration by Independent Directors

In accordance with the Section 149(7) of the Act, each Independent Director has given a written declaration to the Company at the time of their appointment and at the first meeting of the Board of Directors in every financial year confirming that he/she meets the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of the SEBI (LODR) Regulations, 2015. Also, in the opinion of the Board, the Independent directors meet the said criteria.

Number of Board Meetings and attendance thereat by Board:

Your Board of Directors ("Board") meets at regular intervals to discuss and decide on various business policies, strategies, financial matters and other businesses. However, in case of an exigency or urgent business matters, the Board's approval is taken by passing Resolutions by Circulation or on a shorter notice for such matters as permitted by law. The notice of Board meeting is given well in advance to all the Directors of the Company.

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

During the Financial Year 2017-18, Total 8 (Eight) meetings of the Board of Directors of the Company were held on 27th April, 2017, 22nd May, 2017, 18th August, 2017, 12th September, 2017, 14th November, 2017, 11th January, 2018, 12th February, 2018 and 31st March, 2018. The details of attendance of each Director at the Board Meetings are given below;

Sr. No.	Name of Director	No. of meetings eligible	No. of Board Meetings attended
1	Amit Devchand Rambhia	8	8
2	Jayachandran Sunderamoorthy	8	8
3	Rohit Mathur	8	8
4	Meeta Mehta	8	8
5	Anil Jaychand Dagade	N.A	N.A

Committees of the Board:

The Board of Directors has constituted various statutory committees comprising of Executive, Non-Executive and Independent Directors to discharge various functions, duties and responsibilities cast under the Companies Act, 2013, SEBI (LODR) Regulations, 2015 and other applicable statutes, rules and regulations applicable to the Company from time to time. The Committees also focus on critical functions of the Company in order to ensure smooth and efficient business operations. The Board of Directors is responsible for constituting, assigning, co-opting and fixing the terms of reference of these committees in line with the extant regulatory requirements. The Committees meets at regular intervals for deciding various matters and providing directions and authorizations to the management for its implementation.

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

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

Audit Committee:

During the year under review, the Audit Committee comprised of the following Directors;

Sr. No.	Name of the Committee Member	Position in the Committee
1	Meeta K. Mehta	Chairperson
2	Rohit Mathur	Member
3	Amit Rambhia	Member

The Audit Committee was reconstituted on 28th May, 2018 vide Circular Resolution passed by the Board of Directors and currently the Committee comprises as follows;

Sr. No.	Name of the Committee Member	Position in the Committee
1	Meeta K. Mehta	Chair Person
2	Rohit Mathur	Member
3	Amit Rambhia	Member
4	Anil Jaychand Dagade	Member

During the year under review there were Six (6) Meetings held on 27th April, 2017, 22nd May, 2017, 18th August, 2017, 12th September, 2017, 14th November, 2017 and 12th February, 2018. The details of attendance of each Director at the Audit Committee Meetings are given below;

Sr. No.	Name of Member	No. of Committee Meetings eligible	No. of Committee Meetings attended
1	Mrs. Meeta Mehta	6	6
2	Mr. Amit Rambhia	6	6
3	Mr. Rohit Mathur	6	6

Nomination and Remuneration Committee:

Composition of Nomination and Remuneration Committee comprised of the following Directors:

Sr. No.	Name of Member	Position in the Committee
1	Mr. Rohit Mathur	Chairman
2	Mr. Jayachandran Sunderamoorthy	Member
3	Mrs. Meeta Mehta	Member

The Nomination and Remuneration Committee was reconstituted on 11th January, 2018 by the Board of Directors and the Committee comprised as follows;

Sr. No.	Name of Member	Position in the Committee
1	Mr. Rohit Mathur	Chairman
2	Mr. Amit Rambhia	Member
3	Mrs. Meeta Mehta	Member

The Nomination and Remuneration Committee was reconstituted on 31st March, 2018 by the Board of Directors and currently the Committee comprises as follows;

Sr. No.	Name of the Committee Member	Position in the Committee
1	Rohit Mathur	Chairperson
2	Meeta K. Mehta	Member
3	Anil Jaychand Dagade	Member

During the year under review there were four (4) times during the financial year 2017-18 on 27th April, 2017, 11th January, 2018, 12th February, 2018 and 31st March, 2018.

SN	Name of Member	No. of Committee Meetings eligible	No. of Committee Meetings attended
1	Mrs. Meeta Mehta	4	4
2	Mr. Amit Rambhia	2	2
3	Mr. Rohit Mathur	4	4
4	Mr. Jayachandran Sunderamoorthy	2	2
5	Mr. Anil Jaychand Dagade	N.A	N.A

Stakeholders Relationship Committee:

During the year under review, the Stakeholders' Relationship Committee comprised of the following Directors;

Sr. No.	Name of Member	Position in the Committee
1	Mr. Rohit Mathur	Chairman
2	Mrs. Meeta Mehta	Member
3	Mr. Amit Rambhia	Member

During the year under review there was 1 (One) Meeting held on 12th February, 2018. The details of attendance of each Director at the Stakeholders' Relationship Committee Meetings are given below;

Sr. No.	Name of the Member	No. of Committee Meetings eligible	No. of Committee Meetings attended
1	Mr. Rohit Mathur	1	1
2	Mrs. Meeta Mehta	1	1
3	Mr. Amit Rambhia	1	1

The details of complaints received and resolved during the Financial Year 2017-18 are given in the table below:

Particulars	No. of Complaints Attended
Opening as on 1 st April, 2017	-
Received during the year	-
Resolved during the year	-
Closing as on 31 st March, 2018	-

During the year under review there was one General Meeting held on 19th September, 2017 i.e. Annual General Meeting and all the Four Directors were present at the said meeting.

Compliance with Secretarial Standards on Board and Annual General Meetings:

The Company has complied with Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

Annual Evaluation process

Pursuant to Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Company has "Directors Performance Evaluation Policy" in place. In accordance with the said Policy, all the Directors had filled up Questioner and feedback form for evaluation of individual Directors, Board as a whole, Chairman, Committees, and Independent Directors, which format forms a part of the policy. Thereafter Nomination & Remuneration Committee evaluated every Director including Independent Director on 12th February, 2018 and submitted a report on evaluation to the Chairman of the Company.

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

Independent Director's Separate Meeting

A separate meeting of Independent Directors of the Company, was held on 12th February, 2018 as required under Schedule IV to the Act (Code for Independent Directors) and Regulation 25(3) of the Listing Regulations.

At the meeting following matters were taken up;

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