



**Date:** August 28, 2019

To,  
The Secretary,  
Listing Department,  
The BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai - 400001.

**Scrip Code:** 541983

Dear Sir,

**Sub: Annual Report for FY 2018-19 and Notice of AGM**

Pursuant to applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed herewith 19<sup>th</sup> Annual Report of the Company for the year 2018-19 and Notice of 19<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 27<sup>th</sup> September, 2019 at 03.00 p.m. at E-202, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Goregoan West, Mumbai-400104.

Please take the same on records.

Thanking you,

Yours Faithfully,

**For, Innovative Ideals and Services (India) Limited**

**Maqsood Dabir Shaikh**  
**Managing Director**  
**DIN: 00834754**

**INNOVATIVE IDEALS & SERVICES (INDIA) LTD.**

**Complete Security Solutions**

**CIN U64201MH2000PLC129901**

E-202, Skypark, Nr. Oshiwara Garden, Off Ajit Glass Road, Oshiwara, Goregoan (W), Mumbai-400104

Phone: 022-67392121 | Fax: 67392123 | Mobile: 91 9867138855

Email: [innovative@innovative.in](mailto:innovative@innovative.in) | [info@innovative.in](mailto:info@innovative.in) | [www.innovative.in](http://www.innovative.in)



Innovative Ideals & Services (India) Ltd.

# Innovative Solutions for Complex Connections

Annual Report  
FY 2018-19

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Note To The Shareholders

Members Are Requested to Kindly Bring Their Copies of Annual Report to The Meeting.

## Board of Directors

### Maqsood Tazyeen Shaikh

Promoter and Managing Director

### Tazyeen Maqsood Shaikh

Promoter and Whole Time Director

### Dabir Ahmed Shaikh

Chairman and Whole Time Director

### Anwar Ismail Baig

Independent Director

### Atul Shashikumar Vaidya

Independent Director

### Preethi Ramesh

Independent Director

## Audit Committee

### Anwar Ismail Baig

Chairman

### Preethi Ramesh

Member

### Maqsood Shaikh

Member

## Stakeholders' Relationship Committee

### Preethi Ramesh

Chairman

### Anwar Ismail Baig

Member

### Dabir Ahmed Shaikh

Member

## Nomination And Remuneration Committee

### Preethi Ramesh

Chairman

### Anwar Ismail Baig

Member

### Atul Shashikumar Vaidya

Member

### Zafar Inamdar

Chief Financial Officer

### Bhagyashree Goyal

Company Secretary & Compliance Officer

### **M/s. Keyur Shah & Co.**

Statutory Auditors  
Chartered Accountant

### **M/s Vishal Thawani & Associates**

Secretarial Auditors  
Practicing Company Secretaries

### **Mr. Omprakash Luthra**

Internal Auditors

### **Lenders To The Company**

**Bank of Maharashtra**

### **Name of The Stock Exchange**

#### **BSE Limited – SME Platform**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001  
Script Code: 541983

### **Registrar & Share Transfer Agent**

#### **Bigshare Services Private Limited**

1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road,  
Marol, Andheri East, Mumbai 400059. email : info@bigshareonline.com

### **Registered Office**

#### **Innovative Ideals and Services (India) Ltd.**

E-202, Skypark, Near Oshiwari Garden, Off Ajit Glass Road, Goregoan West, Mumbai-400104  
email : investors@innovative.in | website : www.innovative.in

# Company Overview

## Innovative as a Corporate Entity

- Innovative Ideals & Services (INDIA) Limited was incorporated in the year 2000 at Maharashtra, Mumbai;
- The Company started its business as proprietorship concern for trading of varieties of security equipment by importing those from Korea;
- They are engaged in the service of system integration for security, safety and building automation and installation of various electronics systems;
- It include wide range of services which includes Video Door Phone, Audio Door Phone, Access Controls, Home Automation Systems, Intrusion Alarm System, CCTV Systems, Fire Alarm Systems and Telecom Products;
- The Company sells Video Door Phone under the brand name of "Onyx" & "Inok" & Home Automation Systems under the brand name of "ehomes";
- The Company caters two segment i.e. B2B & B2C & also provide service in domestic as well as international market. They are the authorized distributor of FERMAX Electronia SAU for the products FERMAX Audio/Video Door Entry System & entered into an agreement with TATA Sky Broadband Pvt. Ltd. for provision of broadband services;
- The Company has provided its services to more than 21,800 apartments;
- Innovative have developed a product "Savior" & "ArmHer" for the safety of citizens & also launched basic feature mobile phones under the brand name of "Inoyo";



# Evolution of Innovative

## 2017- 2019

- Upcoming project business
- Agreement with TATASKY Broadband for ISP on fiber.
- Launching InnoEYE – SaaS CCTV on cloud.
- Launching SAVIOR SOS switch for kids with calling facility.
- To launch “INOYO” & “LEAGOO” brand of mobile phones.
- Launch ArmHER new version .

## 2015 - 2016

- Launched ARMHER- smart asecurity for women by Mrs. Fadnavis.
- Started EXPORT division.
- Tied up with BAJAJ for BMS & TATASKY for DTH in projects.
- B2C with Call center, TV shopping channels & etailers.
- Mobile phone distribution
- ArmHER awarded for Innovation in women Security.

## 2012 - 2014

- Launched Innovative eHOMES- wireless automation system
- Tied up for FTTH soln.
- Launched ONYX,INOK vdp
- eHomes awarded PRODUCT of the year.
- Awarded for Innovation in residential security

## 2004 - 2011

- Launched a co brand INNOVATIVE-KOCOM VDP in India
- Got major new projects for vdp & cctv from various developers.
- Developed Dealer channel for VDP, CCTV.
- Flagship - AMANORA park town.
- Awarded for Excellence in project execution

## 1994 - 2002

- Introduced VDP in India
- Focussed into Security industry
- Got Commax-Korea to India, sole distributor.
- Got VDP projects from major developers.



Got listed on BSE SME On 5th October 2018





# Achievements



## Skoch 2019

Innovative Ideals & Services (India) Limited has received the “SKOCH - Order of Merit Award” for qualifying amongst “TOP-200 MSMEs in INDIA” at 57th SKOCH Summit



## Skoch Order of Merit - March 2018

Skoch order of merit awarded to Innovative Ideals & Services India LTD. For qualifying amongst top 100 SME's in india



## Navbharat - October 2017

Awarded BEST SME – SECURITY SOLUTIONS FOR THE YEAR by NAVBHARAT



# Achievements



**2019**  
**Skoch order of merit, Top 200 SMES in India**



**2018**  
**Skoch order of merit, Top 100 SMES in India**



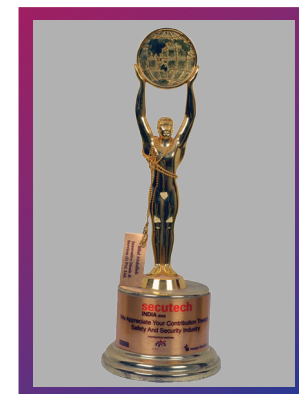
**2017**  
**BEST SME – Security Solutions For The Year By Navbharat**



**2014**  
**Innovation in women security**



**2013**  
**GOLD Winner @ Design Wall of Fame Awarded for contribution in Surveillance**



**2012**  
**Contribution towards Safety and security Industry**



**2011**  
**Best Technology award-Wireless home automation**



**2010**  
**IFSEC India**



**2007**  
**Times International Fire Safety, security and disaster**

# The Products

## Brands

Launched IP & Analog Range of VDP & Home automation solutions.



Video Door Phone



Video Door Phone



Wireless and wired home automation

## Collaboration

Collaborated with FERMAX for premium range of IPVDP, TATSKY & JIO for FTTH & DTH solutions & YALE for digital door lock solutions



Video Door Phone



Broadband & DTH



Broadband & DTH



Door Lock

## The Services

Innovative Smart building solutions offer the following solutions



VDP



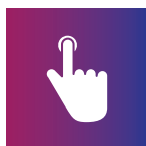
CCTV



FTTH



Fiber Ring



Access Control



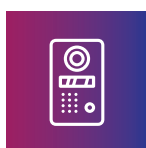
Light Automation



Server Base



Internet



Centrally Manage Intercom



Gas Censor



Centrally Manage Intercom



Door Lock

## The Products



### Video Doorphone

Video Door Phone (VDP) is a Visitor Monitoring system used to manage video calls made at the entrance to a building/ flat/ apartment/workplace with access controlled by audio-visual communication between the inside and outside. The Company deals in VDP as a distributor for foreign companies, such as, Commax & Kocom in past and currently Fermax. The Company has launched VDP under our own brand names, “Oynx” and “Inok”.



### Home Automation Systems

An automation device which controls the function of home, such as, lights, curtain, fans, Air conditioners, etc. from anywhere using a remote control or a smart device. This system can be installed wired/wireless at places like, home, offices among others. The Company sells these products under its own brand name of “eHomes” apart from being a distributor of different companies.

## The Products

### Intrusion Alarm System

These are electronic alarms designed to alert the user of any danger in case of unauthorised intrusion on their premises. These devices gives an alert message / communication to the owner's mobile number.



### CCTV Systems

CCTV (closed-circuit television) is a surveillance system comprising of indoor & outdoor cameras along with recorder & monitor in analog /IP technology. The Company deals in CCTV as distributor for brands like BOSCH, Hikvision, etc.



## The Products

### Leagoo Mobile

Innovative had recently launch "LEAGOO" smartphones, a renowned International brand in smart phone industry to cater the Indian market. Currently we have Launch M9Pro, S8, S11, M13 smartphones.



**LEAGOO**  
Smart Phone



### Inoyo TV

At Inoyo Television we are big believers in technology and innovation. we fully understand that television is the future of connectivity and communications. Our basic television come with a wide variety of features being the leading, innovation -driven LED Television manufacturer in India, we present some power - packed basic television that will leave you amazed.





### Fire Alarm Systems

A fire alarm system has a number of devices working together to detect and warn people through visual and audio appliances when smoke, fire, carbon monoxide or other emergencies are present. These alarms may be activated automatically from smoke detectors, and heat detectors or may also be activated via manual fire alarm activation devices such as manual call points or pull stations. Alarms can be either motorized bells or wall mountable sounders or horns.

### Access Controls

Access control is a way of limiting access to a system or to physical or virtual resources. In computing, access control is a process by which users are granted access and certain privileges to systems, resources or information, giving time attendance facility.



## TATA | sky Broadband

### Fibre to the Home (FTTH)

Large residential complexes requires fibre cable connectivity which serves as a single line of connection for various services such as Video, Broadband Internet and Direct to Home. This avoids the need of installation of fibre cables for each Internet Service Provider (ISPs) and they can use our Fibre cable as their network connection. The Company has installed fibre cables in many large residential projects across Maharashtra.

## Developed Product



### SAVIOR Safety device for Kids

SAVIOR is a smart, wearable GSM tracker for children which helps parents to know their whereabouts by offering one touch panic SMS with geo-location and instant audio communication.



#### S.O.S

Click of SOS button sends sms with GPS location & Help message to 5 pre defined family members.



#### GEO-FENCE

Set a security zone, the moment your kid is out of this zone you will receive a trigger alert & notify on the app



#### CALLING

One touch calling, talking with Mom & dad, to check the safety of child. Listening: silent monitoring



#### TRACKING

Check the location of your child from anywhere on the app/ sms using advance 360 degree technology.



### INOYO Mobile phones

INNOVATIVE launched range of cost effective feature phones for Tier 2 & 3 cities.

Working towards creating a good distribution channel PAN INDIA.

Offering New models time to time for better sales. To launch smart phone series soon.





### ArmHER Smart security device

It is a small panic switch, very convenient to carry like a keychain and a must for every women. The user will download the free app available on her smart phone. The switch connects to her smart phone via bluetooth.

#### What is ArmHer

It is a small panic switch, very convenient to carry like a keychain and a must for every women. The user will download the free app available on her smart phone. The switch connects to her smart phone via bluetooth.

#### How It Works

Incase of a panic situation, the girl press the switch without touching the smart phone, this sends 5 sms & 5 mails to her preselected family members giving a message "help me", date, time & the google map location of the girl.

#### Control Room

Proposed to Control Center: Simultaneously the message and the mail will be sent to control room giving the date, time & the google map location of the girl in trouble where we can have professional guards to safe guard .

### Chief Minister of Maharashtra Shri. Devendra Fadnavis' wife Mrs. Amruta Fadnavis Launches 'ArmHer' – Indias first smart security device for women





## From The Managing Director's Desk



# Well positioned to Capitalize on Opportunities



### Dear Shareholders,

**It gives me immense pleasure to address all the esteemed shareholders of the company and present the 19<sup>th</sup> Annual report of INNOVATIVE IDEALS & SERVICES (INDIA) LIMITED. Firstly, I on behalf of the Company, would like to thank you all for being here and bestowing your trust in the Company.**

Innovative in October, 2018 opted to have its equity shares listed on the BSE SME platform. The listing of equity shares on the Stock Exchange has laid down a path for strong Company and shareholder relationship and we perceive as a huge motivation factor to strive further to secure the interest of the stakeholders of the Company. To highlight some of 2018-19 performances in terms of revenue and business growth, we are pleased to inform that, in the FY 2018-19 as per the Standalone financials your Company has achieved a total revenue of Rs. 2,576 Lakhs as compared to Rs. 2,032 Lakhs in the previous Financial Year 2017-18. The current year Standalone Profit after Tax (PAT) is Rs. 442 Lakhs as compared to Rs. 370 Lakhs in the year 2017-18.

We started laying the FTTH (Fiber to the Home) for private developers properties which was a booming market then & now tied up with **Reliance JIO & TATASKY Broadband** and have successfully connected multiple homes for high speed data connection on fiber backbone.

With our mantra of focused hard work, we grew with time and have setup our **global office in Singapore** to grow exponentially.

We launched Mobile phones under our brand name **"INOVO"** and got a good response, in a very short span of time. We developed a Retail distribution network of 20,000 retailers, 400 distributors & 23 godowns PAN INDIA to reach every corner of India.

Recently we tied up with **"LEAGOO"** a big smartphone global market brand and launched them in India in offline & online market.

We plan to launch more models & brands of smartphones to cater to 120 million subscribers in India.

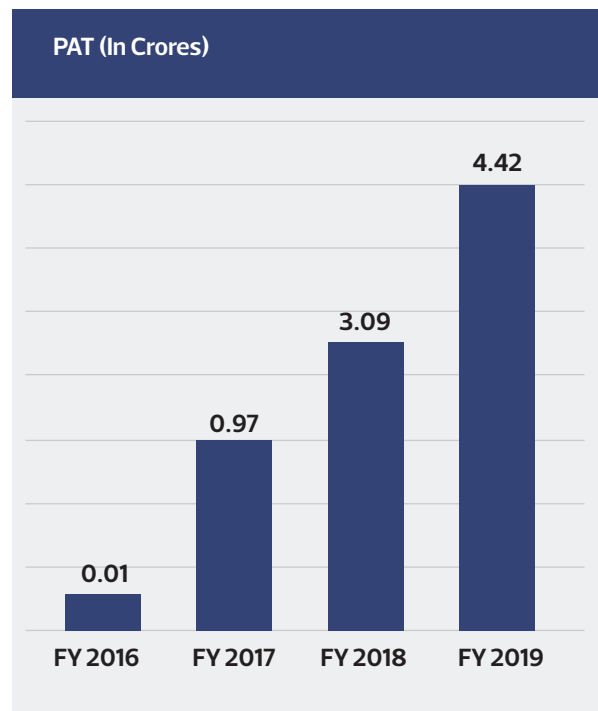
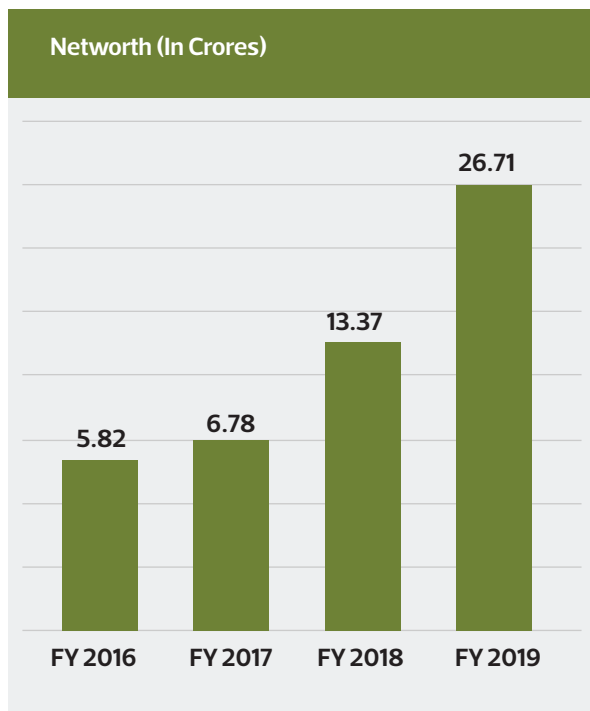
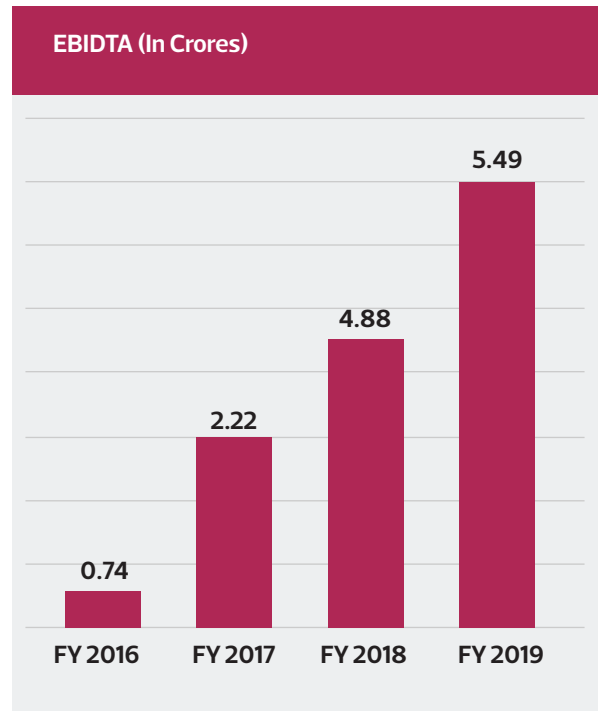
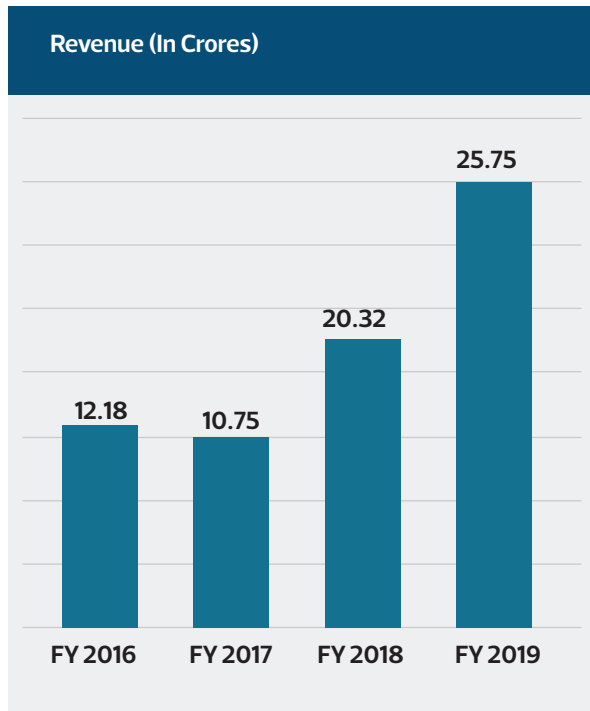
Our strength lies in the right team of people & the strong customer base all connected with the network of ready distribution & retail chain. We are confident that we would make a significant progress and become one of the leading players of electronic security solutions provider.

I would like to place on record my sincere appreciation to the Board of directors for their guidance. I would also like to place on record my heartfelt thanks to all the customers, business associates, suppliers, bankers and authorities of the BSE, SEBI, NSDL, CDSL and RTA for their support. Lastly, I would like to extend my gratitude towards all our Shareholders for their continuing faith and confidence in the management of the Company. We aim to earn your trust every day and will work towards achieving the greater heights of success in coming years.

Thank You,

**Maqsood Shaikh**  
Managing Director

# Financial Performance



NOTICE is hereby given that 19th Annual General Meeting of the Members of **Innovative Ideals and Services (India) Limited** will be held on Friday, September 27, 2019 at 03.00 PM at the Registered Office of the Company situated at E-202, 2nd Floor, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Oshiwara, Goregoan (W), Mumbai – 400104 to transact the following business:

## Ordinary Business :

### 1. Adoption of Audited Financial Statements

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon; and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as **Ordinary Resolution** :

**“Resolved That** the audited financial statements of the Company for the financial year ended March 31, 2019 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted;

### 2. Appointment of a Director retiring by rotation

To appoint **Mr. Maqsood Dabir Shaikh**, who retires by rotation and being eligible, offers himself for re-appointment as a Director and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution** :

**“Resolved That** pursuant to the provisions of Section 152 of the Companies Act, 2013, **Mr. Maqsood Dabir Shaikh (DIN: 00834754)**, who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

### 3. Re-appointment of Statutory Auditor

To Re-appointment M/s Keyur Shah & Co., as a Statutory Auditors of the company and fix their remuneration and if thought fit to pass with or without modification 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 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s Keyur Shah & Co., Chartered Accountants, Ahmedabad (FRN No. 141173W) being the retiring Statutory Auditors of the Company, be and is hereby re-appointed as Statutory Auditors for next 5 years to hold office from the conclusion of this AGM until the conclusion of Twenty fourth AGM of the Company to be held in the year 2024, to examine and audit the accounts of the Company on such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

**Resolved Further That** any of the Director of the Company be and is hereby authorized to do all such acts, deeds, matters and things and to execute all such documents and file forms or returns with the Registrar of Companies as may be necessary, to give effect to above Resolution.”

**By Order of The Board of Directors  
For Innovative Ideals and Services (India) Limited**

**Maqsood Shaikh**

Managing Director

Date: May 27, 2019

Place: Mumbai

- 1 The Company got listed with BSE on SME platform on 05th October, 2018.
- 2 A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him/herself and proxy need not be a member. The proxies to be effective should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.  
  
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. A Proxy Form is annexed to this Notice. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
- 3 In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the Listing Regulation (Including any Statutory Modification or re-enactment thereof for the time being in force), the Company is not providing e-Voting facility as per Provisions of Companies Act, 2013, SME listed Company is not Mandatory to provide E-voting Facility.
- 4 Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
- 5 Pursuant to SEBI (LODR) Regulations, 2015, details of directors seeking appointment/reappointment at the Meeting are given in detail, is annexed hereto.
- 6 A statement pursuant to Section 102 of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting is annexed hereto.
- 7 Shareholders are requested to bring their copy of Annual Report to the meeting.
- 8 Members/Proxies should fill Attendance Slip for attending the meeting.
- 9 The Register of Members and Share Transfer Books of the Company will remain closed from **Friday, 20th September, 2019 to Friday, 27th September, 2019 (both days inclusive)**. The Record date / Cut-off date to determine the eligibility of members for the purpose of voting at the 19th Annual General Meeting is **Thursday, 19th September, 2019**.
- 10 Members seeking any information or clarification on Accounts are requested to send written queries to the Company, at least one week before the date of the meeting. Replies will be provided in respect of such written queries received only at the meeting.
- 11 Relevant documents referred to in the accompanying Notice and the Statement is open for inspection by the members at the administrative office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
- 12 The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or its Share registrars and Transfer Agents.
- 13 The Notice of the Annual General Meeting and Annual Report of the Company for the year ended 31st March, 2019 is uploaded on the Company's website [www.innovative.in](http://www.innovative.in) and may be accessed by the members.

14 Electronic copy of the Annual Report for 2018-19 is being sent to all the members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a physical copy of the same. For members who have not registered their email address, a physical copy of the Annual Report for 2018 -19 is being sent in the permitted mode.

**NOTE : E-voting Facility** shall not apply to companies referred to in Chapter XB or Chapter XC of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "ICDR regulations") along with companies with less than 1000 members. Chapter XB of the ICDR regulations deals with the issue of specified securities by small and medium enterprises and Chapter XC of the ICDR regulations relates to listing on the exchange made possible without bringing an initial public offer by small-and-medium enterprises ("SMEs").

**By Order of The Board of Directors  
For Innovative Ideals and Services (India) Limited**

**Maqsood Shaikh**

Managing Director

Date: May 27, 2019

Place: Mumbai

## Annexure to The Notice

### Profile of Directors ( seeking appointment/re-appointment ) :

#### Mr. Maqsood Dabir Shaikh

As per the provisions of the Companies Act, 2013 and rules mentioned thereunder; Mr. Maqsood Dabir Shaikh, Managing Director of the company who is liable to retire by rotation at this meeting and being eligible has offered himself for re-appointment as a Director of the Company.

### Details of The Directors Seeking Appointment / Re-appointment in The 19th Annual General Meeting of The Company Pursuant to SEBI Listing Regulations

Name of Director	: Mr. Maqsood Dabir Shaikh
Terms and conditions of appointment / reappointment	: Managing Director, liable to retire by rotation
Date of Birth	: 07.03.1964
Date of first Appointment on Board	: 06.12.2000
Relationship with other Directors Inter se	: Mr. Dabir Ahmed Shamsuddin Shaikh (Father) Mrs. Tazyeen Maqsood Shaikh (Wife)
No. of Equity Shares held in the Company	: 32,41,758 shares
List of other Companies in which Directorships are held	: Meditek Lifecare LLP (Designated Partner)
List of committees of Board of Directors (across all other Companies) in which Chairmanship/Membership is held	: Member of Audit Committee in Innovative Ideals and Services (I) Ltd.
No of Meetings of the Board attended during the FY 2018-19	: 20 Meetings
Remuneration drawn in the Company for the FY 2018-19	: 24,00,000/-
Remuneration sought to be paid	: Nil

### Route Map for Annual General Meeting Venue



#### Innovative Ideals and Services (India) Ltd.

E-202, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Goregoan West, Mumbai-400104.

Landmark : Near Oshiwara Garden and HDFC House

# Directors' Report

To,  
The Members,  
**Innovative Ideals and Services (India) Limited**

Dear Shareholders,  
Your directors have pleasure in presenting herewith the 19<sup>th</sup> Annual Report along with its Audited Financial Statements for the year ended on 31<sup>st</sup> March, 2019 of your Company.

## Summarised Financial Results

The Financial performance of the company during the year is as under :

( In Rupees )

Particulars	March 31, 2019 ( Year End )	March 31, 2018 ( Year End )
<b>Income</b>		
Revenue from operations	255,761,363	202,653,061
Other income	1,841,793	545,218
<b>Total Revenue</b>	<b>257,603,156</b>	<b>203,198,279</b>
<b>Expenses</b>	<b>215,365,159</b>	<b>162,187,415</b>
<b>Total Expenses</b>	<b>215,365,159</b>	<b>162,187,415</b>
<b>Profit before exceptional and extraordinary items and Tax</b>	<b>42,237,997</b>	<b>41,010,863</b>
Exceptional Items	-	-
<b>Profit before extraordinary items and Tax</b>	<b>42,237,997</b>	<b>41,010,863</b>
Extraordinary Items	-18,173,657	-8,270,587
<b>Profit Before Tax</b>	<b>60,411,654</b>	<b>49,281,450</b>
<b>Tax Expense</b>		
Current Tax	16,806,522	12,320,362
Deferred Tax	-606,004	-75,422
<b>Profit for the Period</b>	<b>44,211,136</b>	<b>37,036,510</b>
<b>Earnings per Equity Share</b>	-	-
<b>Basic</b>	<b>4.51</b>	<b>6.38</b>

## Operational Overview

Your Company delivered yet another year of consistent and profitable growth. During the year the company has earned total income of Rs. 25,76,03,116/- (Previous year Rs. 20,31,98,279). The Company continues to operate only in one segment i.e. Security System and Mobile Phones and there is no change in the nature of Business of the Company. After all the financial adjustments, the company has earned a net profit after tax of Rs. 4,42,11,136/- (Four Crore Forty Two Lacs Eleven Thousand One Hundred Thirty Six Only).

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements are available on [www.innovative.in](http://www.innovative.in). These documents will also be available for inspection during working hours at the registered office of your Company at Mumbai, Maharashtra. Any member interested in obtaining such document may write to the Company Secretary and the same shall be furnished on request.



## Launch of New Products

Your Company had recently launch “LEAGOO” smartphones, a renowned International brand in smart phone industry to cater the Indian market.

## Dividend

In view of the planned business growth, your Directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the **Financial Year ended March 31, 2019**.

## Reserves

The amount of profit of Rs. 4,42,11,136 is transferred to the Reserve and Surplus Account for the year under review.

## Performance Review

Your Company delivered yet another year of consistent and profitable growth. During the year the company has earned total income of Rs. 25,76,03,156/- (Previous year Rs. 20,31,98,279/-). The Company continues to operate only in one segment i.e. pharmaceuticals intermediates and there is no change in the nature of Business of the Company. After all the financial adjustments, the company has earned a net profit after tax of Rs. 4,42,11,136/- (Four Crore Forty Two Lacs Eleven Thousand One Hundred Thirty Six Only).

## Details of The Associates / Joint Venture / Subsidiaries Companies

The company does not have holding or subsidiary companies during the year and no other company has become holding / subsidiary / joint venture.

## Share Capital Structure

The Issued, Subscribed and Paid-up equity share capital as on 31st March, 2019 was Rs. 11,38,01,690/- (divided into 1,13,80,169 equity shares of Rs.10/- each. There was allotment of 30,66,000 equity shares made during the year.

### Initial Public Offer

The Company has made initial public offer (IPO) for 30,66,000 Equity Shares for cash at price of Rs. 40/- per share including a premium of Rs. 30/- per share aggregating to Rs. 12,26,40,000/-.

### Listing of Shares on SME Platform of BSE Limited

Your Directors are pleased to inform you that the Company's securities have now been listed on SME Platform of BSE Limited from October 05, 2018.

## Meetings of The Board

The Board met 21 (Twenty One) times during the financial year. Details of meetings are given in the Corporate Governance Report annexed herewith and forms part of this report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Public Deposit

The Company has not accepted any public deposit during the year under review and no amount against the same was outstanding at the end of the year.

## Regulatory Statement

In conformity with provision of Regulation 34 of SEBI (LODR), Regulations 2015, the required disclosures for the year ended 31.03.2019 are annexed hereto. The equity shares of the Company are listed on the BSE Ltd on SME platform.

## Declaration by Independent Directors

The Company has received necessary declarations from each Independent Director of the Company confirming that he/she met with the criteria of independence as laid out in sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## Board Diversity

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical background. The Company follows diverse Board structure.

## Board Evaluation

As per the provisions of the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, the formal annual evaluation was carried out for the Board's own performance, its committee & Individual directors.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members based on the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee ("NRC") reviewed the performance of the Individual Directors on the basis of criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, Code of conduct etc. In addition, the Chairman was also evaluated on the key aspect of his role.

In a separate meeting of independent Directors, performance of non-independent Directors, performance of the board as a whole and performance of the Chairman was evaluated. The same was discussed in the Board meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual Directors was also discussed. Performance evaluation of Independent Director's was done by the entire Board, excluding the Independent Directors being evaluated.

## Changes in Key Managerial Personnel

During the year under review, there are no changes in the Key Managerial Personnel.

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

As required under Section 134 (3) (m) of the Act read with Rule 8 of The Companies (Accounts) Rules, 2014, particulars relating to conservation of Energy, R & D, Technology absorption and Foreign Exchange earnings / outgo are separately provided in the annexure to the Directors' Report as **Annexure - 1**.

## Health, Safety and Environment

Safety and occupational health responsibilities are integral to your Company's business process. Safety is a key performance indicator and your Company is committed to ensuring zero harm to its employees, to any person in the Company premises and to the community. The Company is continuously focusing on improved training, new initiatives and communications enhancing safety in the work place. Apart from safety initiatives, your Company is also focusing on environment protection policy.

The Company has obtained necessary approvals from concerned Government Department / Pollution Control Board.

## Directors

Pursuant to Section 152 of Companies Act, 2013 Mr. Maqsood Dabir Shaikh shall retire by rotation at the ensuing Annual General Meeting being eligible offers himself for re-appointment for directorship of the company.

## Directors' Responsibility Statement

In terms of section 134 Clause (c) of Sub-Section (3) of the Companies Act, 2013, in relation to financial statements for the year 2018-19, the Board of Directors state :

- A) In the preparation of the annual accounts for the financial year ended 31st March, 2019, the applicable accounting standards have been followed;
- B) The Directors 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 profit and loss account of the Company for that period;

- C) The Directors 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;
- D) The Directors have prepared the annual accounts on a going concern basis;
- E) The Directors have 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 have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## Appointment of Directors and Criteria For Determining Qualifications, Positive Attributes, Independence of A Director

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of your Company. The NRC reviews and meets potential candidates, prior to recommending their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee. The NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and the SEBI Listing Regulations, 2015 as stated under:

**Independence :** A Director will be considered as an 'Independent Director' if he / she meets with the criteria for 'Independence' as laid down in the Act, Regulation 16 of the SEBI Listing Regulations and the Governance Guidelines.

**Competency :** A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is ensured that the Board comprises a mix of members with different educational qualifications, knowledge and who possess adequate experience in banking and finance, accounting and taxation, economics, legal and regulatory matters, consumer industry, hospitality sector and other disciplines related to the company's businesses.

### Additional Positive Attributes:

- The Directors should not have any other pecuniary relationship with your Company, its subsidiaries, associates or joint ventures and the Company's promoters, except as provided under law.
- The Directors should maintain an arm's length relationship between themselves and the employees of the Company, as also with the directors and employees of its subsidiaries, associates, joint ventures, promoters and stakeholders for whom the relationship with these entities is material.
- The Directors should not be the subject of proved allegations of illegal or unethical behavior, in their private or professional lives.
- The Directors should have the ability to devote sufficient time to the affairs of your Company.

## Remuneration Policy

Your Company had adopted a Remuneration Policy for the Directors, KMP and other employees, pursuant to the provisions of the Act and the SEBI Listing Regulations.

The key principles governing your Company's Remuneration Policy are as follows:

### Remuneration to Managing Director / Whole-time Directors

- The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

## Remuneration to Non - Executive / Independent Directors

- The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Companies Act, 2013) shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share-based payment schemes of the Company.
- Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - a) The Services are rendered by such Director in his capacity as the professional; and
  - b) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

## Remuneration to Key Managerial Personnel, Senior Management and other employees

The remuneration to Key Managerial Personnel, Senior Management and other employee shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.

## Particulars of Employees

A statement containing the names and other particulars of employees in accordance with the provisions of section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is appended as **Annexure - 2** to this report.

No employee has received remuneration in excess of the limits set out in rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 during FY 2018-19.

## Details of Related Parties Transactions Pursuant to Section 188(1) of The Companies Act, 2013

Pursuant to the provisions of section 188 of Companies Act, 2013. All the related party transactions entered into during the financial year under review were in ordinary course of business and on an arm's length basis. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Accordingly, information in form AOC-2 is not annexed.

All Related Party Transactions are placed before the Audit Committee and the Board for approval. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors for their review and approval on a quarterly basis.

Other details for inter corporate financial transactions or remuneration and other benefits paid to directors, their relatives, key managerial personnel etc. are given as per requirements of AS 18.

## Details of Loans, Guarantees and Investments U/s 186 of The Companies Act, 2013

During the year under review the Company has not made any inter corporate loans, investments, given any corporate guarantee to any other body corporate, subsidiary, associate or any other company.

## Auditors

### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with rules made thereunder, the Board of Directors has appointed **M/s Vishal Thawani & Associates.**, Practicing Company Secretaries, as Secretarial Auditor to conduct Secretarial Audit of the Company for the Financial Year 2018-19. The report submitted by the Secretarial Auditor in Form MR-3 is attached to this report as **Annexure - 3**. The remark of secretarial auditor is self-explanatory in nature.

### Statutory Auditors

**M/s Keyur Shah & Co.**, Chartered Accountants, an Auditors firm was appointed as Statutory auditors of the company in the Extra-Ordinary General Meeting and are eligible to be re-appointed as Statutory Auditors for next 5 years to hold office from the conclusion of this AGM until the conclusion of Twenty fourth AGM. As per Rule 6(3) of the Companies (Audit and Auditors) Rules 2014, they are eligible to continue as the statutory auditors. They have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer.

## Extract of Annual Return

In compliance with Section 134(3)(a) of the Act, an extract of Annual Return in form MGT-9 is appended to this report as **Annexure - 4**.

## Management Discussion and Analysis Report

Management discussion and perceptions on existing business, future outlook of the industry, future expansion and diversification plans of the Company and future course of action for the development of the Company are fully explained separately **Annexure -5**.

## Corporate Governance

As required by the SEBI Listing Regulations the report on Corporate Governance as well as the Practicing Company Secretary's Certificate regarding compliance of conditions of Corporate Governance, form part of the Annual Report. All Board members and senior management personnel have affirmed compliance with the Code of Conduct for the year 2018-19. A declaration to this effect signed by the Managing Director of the Company is contained in this Annual Report. The Managing Director and CFO have certified to the Board with regard to the financial statements and other matters as required under the Listing Regulations. The above mentioned Corporate Governance Report is annexed to this Report as **Annexure -6**.

## Insurance

The Fixed Assets and Stocks of your Company are adequately insured.

## Significant and Material Orders

There were 2 Civil proceeding filed by our company against Kalpataru Properties Private Limited and Aura Real Estate Private Limited which were transferred before National Company Law Tribunal (NCLT), Mumbai in 2016.

During the hearing held on 02.01.2019, the case now stands as "**dismissed**" by NCLT with reference TCP No. 469/IBC/NCLT/MB/MAH/2017 and TCP No. 470/IBC/NCLT/MB/MAH/2017 respectively and order is received on 24.01.2019.

## INTERNAL CONTROL SYSTEM

Your Company has in place an adequate system of internal controls. The effectiveness of internal controls is reviewed through the internal audit process. Reports of internal auditors are reviewed by management and Audit Committee of the Company from time to time and desired actions are initiated to strengthen the control and effectiveness of the system.

The focus of these reviews is as follows:

- Identify weaknesses and areas of improvement
- Compliance with defined policies and processes
- Safeguarding of tangible and intangible assets
- Management of business and operational risks
- Compliance with applicable statutes

## Risk Management

Your Company has an Internal Financial Control System commensurate with the size, scale and complexity of its operations. Your Company has adopted proper system of Internal Control and Risk Management to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that the transactions are authorized, recorded and reported quickly.

## Corporate Social Responsibility (CSR) Initiatives

The net profit for the previous year ended 31st March 2018 does not exceeds Rupees Five Crores. Therefore, Section 135 of the Companies Act, 2013 does not apply in the Financial year 2018-19.

## Material Changes And Commitments

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 and the date of this Report.

## Green Initiative

As the Act permits paperless compliances and as a measure of green initiative, we appeal to all those members who have not registered their e-mail addresses so far are requested to register their e-mail address in respect of electronic holding with their concerned Depository Participants and/or with the Company.

## Appreciation

Your Directors place on record their sincere appreciation for the valuable support and co-operation as received from government authorities, Financial Institutions, Banks and ARCs during the year. Directors are also thankful for the support extended by Customers, Suppliers and contribution made by the employees at all level. Directors would also like to acknowledge continued patronage extended by Company's shareholders in its entire endeavor.

## Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 for the year ended March 31, 2019]

### Conservation of Energy

The Company is primarily engaged in business of Installing, Repairing, trading of Security Products and not involved in any industrial or manufacturing activities, the Company has no particulars to report regarding conservation of energy as required under Section 134 of the Companies Act, 2013 and Rules made thereunder.

### Technology Absorption

#### (a) Benefits from such technology absorption

- As we have done backward as well as forward integration which has decreased our costs and helped us to capture 'A' Category customers. This increased our profit margins and reputation in the market.

#### (b) Any expenditure incurred on Research & Development

- Research & Development is in a regular process. Your Company has hired the best of consultants in the industry with whom we have regular interactions.

Particulars	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)
<b>EARNINGS &amp; OUTGO</b>		
Foreign Exchange inward	Nil	12.33
Foreign Exchange outgo	147.90	105.58

## Annexure – 2 To The Directors' Report

### Particulars of Employees

[Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

1. The percentage in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-19:

Sr. No.	Name of Director/KMP	% Increase in Remuneration in FY 2018-19	Ratio of Remuneration of each Director to Median of Remuneration of employees
01	Mr. Maqsood Dabir Shaikh	Nil	10.19
02	Mrs. Tazyeen Maqsood Shaikh	Nil	5.10
03	Mr. Dabir Ahmed Shaikh	Nil	0.51
04	Mr. Anwar Baig	N.A.	N.A.
05	Mr. Atul Vaidya	N.A.	N.A.
06	Mrs. Preethi Ramesh	N.A.	N.A.
07	Mr. Zafar Inamdar	50%	N.A.
08	Ms. Bhagyashree Goyal	40%	N.A.

2. In the Financial Year, there was an increase of 12.75% in the median remuneration of employees.
3. There were 62 permanent employees on the rolls of company as on 31st March 2019.
4. The average percentage increase in the salaries of employees other than the managerial personnel in the last financial year 2018-19 was 19.23% whereas there was 45 percentage increase in the managerial remuneration for the last financial year. The increase in remuneration was in line with the performance of the Company, industrial standards and individual employee's performance.
5. It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.



## Form No. MR-3, Secretarial Audit Report

### For The Financial Year Ended March 31, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Innovative Ideals and Services (India) Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Innovative Ideals and Services (India) 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, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has during the audit period covering the financial year ended on March 31, 2019, generally 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 made available to us and maintained by the Company for the financial year ended on March 31, 2019 according to the applicable provisions of:

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

## Annexure – 3 To The Directors' Report

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018, as applicable (Not applicable to the Company during the audit period).

5. Other laws applicable specifically to the Company namely:-

### Under the Major Group and Head

1. Labour Laws and other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis as related to wages, gratuity, provident fund, ESIC, compensation etc.;
2. Acts as prescribed under Direct Tax and Indirect Tax
3. Acts as prescribed under Shops and Establishment Act of various local authorities.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
2. The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

### We further report that :

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes, the decisions at the Board Meetings were taken unanimously. 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 / actions except the following having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

The company had made an initial public offering (IPO) of 30,66,000 equity shares of face value of Rs. 10 each fully paid up for cash at a price of Rs.40 Per equity share (including share premium of Rs. 30 per equity share) aggregating to Rs 12,26,40,000/- the aforementioned equity shares were allotted on 3rd October, 2018. The equity shares of the company got listed on SME Platform of BSE Limited on 5th October, 2018.

**For, Vishal Thawani & Associates  
Company Secretaries**

Place : Ahmedabad

Date : May 27, 2019

**Vishal Thawani  
Proprietor  
M. No. 43938  
CP. No. 17377**

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  
Innovative Ideals and Services (India) Limited

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 process 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 process 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. Where ever 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 procedure 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, Vishal Thawani & Associates  
Company Secretaries**

Place : Ahmedabad  
Date : May 27, 2019

**Vishal Thawani  
Proprietor  
M. No. 43938  
CP. No. 17377**

# Annexure – 4 To The Directors' Report

## Form No. MGT-9

### Extract of Annual Return As on The Financial Year Ending on 31/03/2019

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

## 1. Registration and Other Details

01	CIN	U64201MH2000PLC129901
02	Registration Date	06.12.2000
03	Name of the Company	Innovative Ideals and Services (I) Limited
04	Category / Sub-Category of the Company	Public Company- Limited by Shares/ Indian Non-Government Company
05	Address of the Registered office	E-202, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Goregaon West, Mumbai-400104
06	Whether listed company	Yes (Bombay Stock Exchange - SME Platform)
07	Name, Address and Contact details of Registrar and Transfer Agent, if any	Bigshare Services Pvt. Ltd. 1st Floor, Bharat Tin Works Building, Opp. Basant Oasis, Makwana Road, Marol. Andheri (E), Mumbai - 400 059. Tel: 91-22-4043020 Fax: 91-22-2847 5207 E-mail: investor@bigshareonline.com

## 2. Principal Business Activities of The Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated: -

Sr. No.	Name and descriptions of main products / services	NIC Code of the Product/ Service	% to Total turnover of the company
01	Security System Service Activities	80200	56.31%
02	Wholesale of telephone, mobile phone and communications equipment and parts	46524	29.91%
03	Wholesale of radio, television and other consumer electronics	46522	13.78%

## 3. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of Share held by the Company	Applicable Section
NA					

## Annexure – 4 To The Directors' Report

### Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

#### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year (i.e. 01.04.2018)				No. of Shares held at the end of the year (i.e. 31.03.2019)				% Change During The Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.Promoters</b>									
<b>1. Indian</b>									
a) Individual / HUF	4969134	-	4969134	59.77%	4969134	-	4969134	43.66%	(16.11%)
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other (Directors' Relatives)	1001517	-	1001517	12.04%	1001517	-	1001517	8.80%	(3.24%)
<b>Sub Total (A1)</b>	<b>5970651</b>	<b>-</b>	<b>5970651</b>	<b>71.81%</b>	<b>5970651</b>	<b>-</b>	<b>5970651</b>	<b>52.46%</b>	<b>(19.35%)</b>
<b>2. Foreign</b>									
a) NRI-Individual									
b) Other-Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A2)	-	-	-	-	-	-	-	-	-
<b>Total Shareholdings of Promoters (A)=(A1)+(A2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Co.	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others Foreign Financial Institutions /Banks	-	-	-	-	-	-	-	-	-
<b>Sub Total (B1)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Annexure – 4 To The Directors' Report

<b>2. Non-Institutions</b>									
a) Bodies Corp.	600000	-	600000	7.22%	1062000	-	1062000	9.33%	2.11%
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	57518	-	57518	0.69%	163518	-	163518	1.44%	0.75%
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1661000	-	1661000	19.98%	2882000	-	2882000	25.32%	5.34%
c) Others (Specify)	-	-	-	-	-	-	-	-	-
i) Trusts	-	-	-	-	-	-	-	-	-
ii) Directors & Relatives	-	-	-	-	-	-	-	-	-
iii) Non-resident Indians (NRIs)	-	-	-	-	-	-	-	-	-
iv) Clearing Members	-	-	-	-	1034000	-	1034000	9.09%	9.09%
v) Market Maker	-	-	-	-	141000	-	141000	1.24%	1.24%
vi) HUF	25000	-	25000	0.30%	127000	-	127000	1.12%	0.82%
<b>Sub Total (B2)</b>	<b>2343518</b>	<b>-</b>	<b>2343518</b>	<b>28.19%</b>	<b>5409518</b>	<b>-</b>	<b>5409518</b>	<b>47.54%</b>	<b>19.35%</b>
<b>Total Public Shareholdings (B)=(B1)+(B2)</b>	<b>2343518</b>	<b>-</b>	<b>2343518</b>	<b>28.19%</b>	<b>5409518</b>	<b>-</b>	<b>5409518</b>	<b>47.54%</b>	<b>19.35%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A)+(B)+(C)</b>	<b>8314169</b>	<b>-</b>	<b>8314169</b>	<b>100%</b>	<b>11380169</b>	<b>-</b>	<b>11380169</b>	<b>100%</b>	<b>0</b>

## Annexure – 4 To The Directors' Report

### ii. Shareholding of Promoters

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year (i.e. 01.04.2018)			Shareholding at the end of the year (i.e. 31.03.2019)			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	
1.	Maqsood Dabir Shaikh	3241758	38.99%	-	3241758	28.49%	-	-10.50%
2.	Tazyeen Maqsood Shaikh	1727376	20.78%	-	1727376	15.18%	-	-5.60%
3.	Iram Maqsood Shaikh	480842	5.78%	-	480842	4.23%	-	-1.55%
4.	Ibad Maqsood Shaikh	392425	4.72%	-	392425	3.45%	-	-1.27%
5.	Dabir Ahmed Shamsuddin Shaikh	128250	1.54%	-	128250	1.13%	-	-0.41%
	<b>Total</b>	<b>59,70,651</b>	<b>71.81%</b>	<b>-</b>	<b>59,70,651</b>	<b>52.47%</b>	<b>-</b>	<b>-19.34%</b>

\* Promoter includes Promoter Group as well.

### iii. Changes in Promoters' Shareholding (Please specify, if there is no change)

Sr. No.	Shareholders' Name	Shareholding at the beginning of the year (i.e. 01.04.2018)			Shareholding at the end of the year (i.e. 31.03.2019)			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged/ encumbered to total shares	
1.	Maqsood Dabir Shaikh	3241758	38.99%	-	3241758	28.49%	-	-10.50%
2.	Tazyeen Maqsood Shaikh	1727376	20.78%	-	1727376	15.18%	-	-5.60%
3.	Iram Maqsood Shaikh	480842	5.78%	-	480842	4.23%	-	-1.55%
4.	Ibad Maqsood Shaikh	392425	4.72%	-	392425	3.45%	-	-1.27%
5.	Dabir Ahmed Shamsuddin Shaikh	128250	1.54%	-	128250	1.13%	-	-0.41%
	<b>Total</b>	<b>59,70,651</b>	<b>71.81%</b>	<b>-</b>	<b>59,70,651</b>	<b>52.47%</b>	<b>-</b>	<b>-19.34%</b>

\* Promoter includes Promoter Group as well.

## Annexure – 4 To The Directors' Report

### iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (01-04-18) / at the end of the year (31-03-19)		Cumulative shareholding during the year (As on 01-04-18 to 31-03-19)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Vikson Securities Private Limited</b>				
	Shares as at the beginning of the year	-	-	-	-
	Bought during the year	1694000	9.02%	1694000	9.02%
	Sold during the year	-909000	7.99%	785000	6.90%
	Shares at the end of the year	785000	6.90%	785000	6.90%
<b>2.</b>	<b>Rikhav Securities Limited</b>				
	Shares as at the beginning of the year	-	-	-	-
	Bought during the year	1161000	10.20%	1161000	10.20%
	Sold during the year	-489000	4.30%	672000	5.90%
	Shares at the end of the year	672000	5.90%	672000	5.90%
<b>3.</b>	<b>Niraj Laherchand Modi</b>				
	Shares as at the beginning of the year	-	-	-	-
	Bought during the year	1027000	9.02%	1027000	9.02%
	Sold during the year	-616000	5.41%	411000	3.61%
	Shares at the end of the year	411000	3.61%	411000	3.61%
<b>4.</b>	<b>Hitesh Mohanbhai Patel</b>				
	Shares as at the beginning of the year	1010000	12.14%	1010000	12.14%
	Bought during the year	-	-	-	-
	Sold during the year	600000	7.21%	410000	3.60%
	Shares at the end of the year	410000	3.60%	410000	3.60%
<b>5.</b>	<b>Kent RO Systems Limited</b>				
	Shares as at the beginning of the year	-	-	-	-
	Bought during the year	400000	4.81%	400000	4.81%
	Sold during the year	-	-	-	-
	Shares at the end of the year	400000	3.51%	400000	3.51%
<b>6.</b>	<b>Gita Kirti Ambani</b>				
	Shares as at the beginning of the year	300000	3.61%	300000	3.61%
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	Shares at the end of the year	300000	2.64%	300000	2.64%



## Annexure – 4 To The Directors' Report

7.	Valuworth Capital Management Pvt Ltd				
	Shares as at the beginning of the year	-	-	-	-
	Bought during the year	200000	2.40%	200000	2.40%
	Sold during the year	-	-	-	-
	Shares at the end of the year	200000	1.76%	200000	1.76%

8.	Pantomath Stock Brokers Pvt Ltd				
	Shares as at the beginning of the year	-	-	-	-
	Bought during the year	714000	6.27%	714000	6.27%
	Sold during the year	-573000	5.04%	141000	1.24%
	Shares at the end of the year	141000	1.24%	141000	1.24%

9.	Omprakash Ramchand Luthra				
	Shares as at the beginning of the year	108000	1.30%	108000	1.30%
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	Shares at the end of the year	108000	0.95%	108000	0.95%

10.	Raza Ahmed Shaikh				
	Shares as at the beginning of the year	108000	1.30%	108000	1.30%
	Bought during the year	-	-	-	-
	Sold during the year	-	-	-	-
	Shares at the end of the year	108000	0.95%	108000	0.95%

### v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	No. of Shares at the beginning of the year (01.04.2018)		Date	Reason	Increase / Decrease in Shareholdings		Cumulative Shareholding during the year (01.04.18 to 31.03.19)	
		No of Shares	% of total Shares of the Company			No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
1	Mr. Maqsood Dabir Shaikh	3241758	38.99 %		No change in No. of shares but change in % during the year due to IPO of Company			3241758	28.49%
2	Mrs. Tazyeen Maqsood Shaikh	1727376	20.78 %		No change in No. of shares but change in % during the year due to IPO of Company			1727376	15.18%
3	Mr. Dabir Ahmed Shaikh	128250	1.54 %		No change in No. of shares but change in % during the year due to IPO of Company			128250	1.13%

## Annexure – 4 To The Directors' Report

### V. Indebtedness

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

(In Rupees)	Secured Loans excluding Deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	7,21,06,330	85,43,245	0	8,06,49,575
ii) Interest due but not Paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (I +ii+iii)</b>	<b>7,21,06,330</b>	<b>85,43,245</b>	<b>0</b>	<b>8,06,49,575</b>
<b>Change in indebtedness during the financial year</b>				
Addition	0	55,83,832	0	55,83,832
Reduction	4,60,78,016	0	0	4,60,78,016
<b>Net Change</b>	<b>4,60,78,016</b>	<b>55,83,832</b>	<b>0</b>	<b>4,04,94,184</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2,60,28,314	1,41,27,077	0	4,01,55,391
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (I + ii + iii)</b>	<b>2,60,28,314</b>	<b>1,41,27,077</b>		<b>4,01,55,391</b>

### VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director / Whole Time Director and / or Manager:

Sr. No.	Particulars of Remuneration	Maqsood Shaikh	Tazyeen Shaikh	Dabir Shaikh	Total Amount (In Rupees)
1	<b>Gross salary</b>	24,00,000	12,00,000	1,20,000	37,20,000
	a) Salary as per provisions contained In Section 17(1) of the Income Tax Act 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) of Income Tax Act 1961	-	-	-	-
	(c) Profit in lieu of salary under Section 17(3) of Income Tax Act 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission paid if any	-	-	-	-
5	Others (Reimbursement of Expenses)				
	<b>Total (A)</b>	<b>24,00,000</b>	<b>12,00,000</b>	<b>1,20,000</b>	<b>37,20,000</b>

B. Remuneration to Other Directors - Independent Directors

Sr. No.	Particulars of Remuneration	Preethi Ramesh	Atul Vaidya	Anwar Baig	Total Amount (In Rupees)
1	Fee for attending Board Meeting / Committee meeting	7000/-	4000/-	7000/-	18000/-
2	Commission				
	<b>Total (B)</b>	<b>7000/-</b>	<b>4000/-</b>	<b>7000/-</b>	<b>18000/-</b>

## Annexure – 4 To The Directors' Report

### B. Remuneration to Other Directors - Non-Executive Directors

Sr. No.	Particulars of Remuneration	-	-	-	Total Amount (In Rupees)
1	Fee for attending Board Meeting / Committee meeting	-	-	-	-
2	Commission	-	-	-	-
	<b>Total (B)</b>	-	-	-	-

### C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

Sr. No.	Particulars of Remuneration	(Chief Financial Officer)	(Company Secretary)	Total Amount (In Rupees)
1	Gross salary	900000/-	360000/-	1260000/-
	(a) Salary as per provisions contained In Section 17(1) of the Income Tax Act 1961			
	(b) Value of perquisites u/s 17(2) of Income Tax Act 1961			-
	(c) Profit in lieu of salary under Section 17(3) of Income Tax Act 1961			-
2	Stock Options			-
3	Sweat Equity			-
4	Commission paid if any			-
5	Others			-
	<b>Total (C)</b>	<b>900000/-</b>	<b>360000/-</b>	<b>1260000/-</b>

## VII. Penalties / Punishment/ Compounding of Offences

Type	Section of the Companies Act 2013	Brief Description	Details of Penalty / Punishment / Compounding fees Imposed	Authority	Appeals made if any
<b>A. COMPANY</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NONE		
Punishment					
Compounding					

On Behalf of The Board of Directors  
for Innovative Ideals and Services (India) Limited

Maqsood Dabir Shaikh  
(Din: 00834754)

Date: 27.05.2019  
Place: Mumbai

## Management Discussion and Analysis Report

### 1. Industry structure and developments Overview.

Fiber to the home (FTTH), also called “fiber to the premises” (FTTP), is the installation and use of optical fiber from a central point directly to individual buildings such as residences, apartment buildings and businesses to provide unprecedented high-speed Internet access. FTTH dramatically increases the connection speeds available to computer users compared with technologies now used in most places.

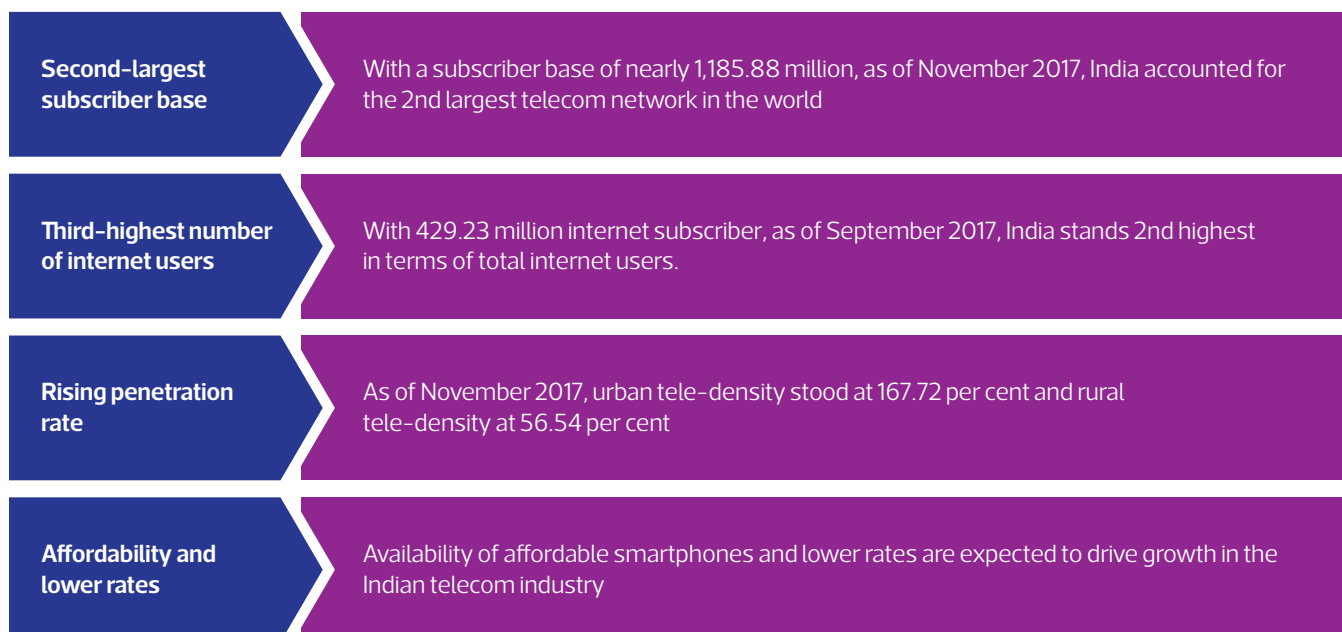
The growth of the global FTTH equipment market is driven by increase in demand for enhanced quality fiber in network architecture from service providers. In addition, rise in demand for energy conservation, strong optical network setup, and continuous improvement in technology propel the growth of the market.

With a purpose to enlighten readers, especially investors and new market entrants, the study centered at **FTTH Equipment** market presents an in-depth analysis focusing on recent developments and existing competitive landscape. The striking aspect of this assessment associates to the availability of valuable information related to production capacity and market share, which eventually help buyers. In addition, knowledge about revenue, gross margin, consumption, supply, export, import volume etc., are all cited to make this research study advantageous to the readers.

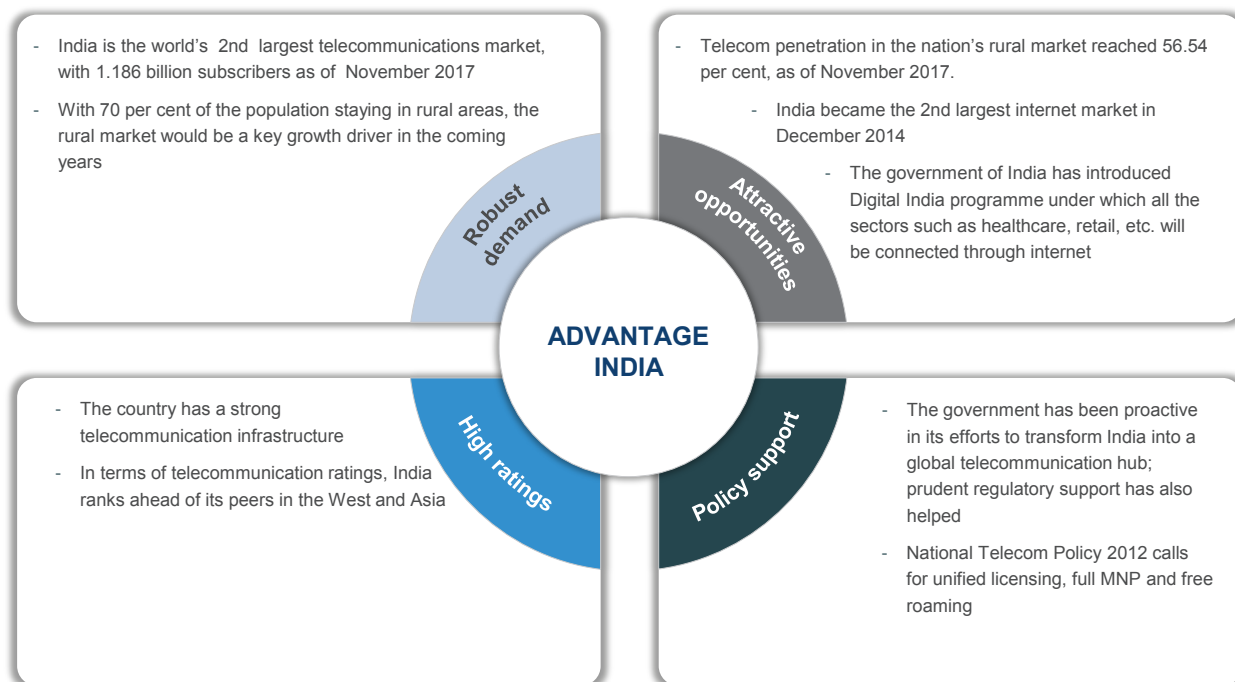
As this assessment gains pace, awareness about different definitions and business arrangements are mentioned. A precise examination of the current market condition and future prospects have been clearly stated in the report, which are followed by prime strategical executions anticipated across the **FTTH Equipment** market during **2019–2025**. Furthermore, the study offers separate sections to drop light on item advancements, associations, as well as mergers and acquisitions. The contribution by various market players and their product offerings is also part of this intelligent report, diligently stated in the later portion.

The market segmentation based on application include (Internet TV, VOIP, Remote Education, Internet Gaming, Virtual Private LAN Service, Smart Home Application, Others), which have constantly steered the demand for **FTTH Equipment**.

### Executive Summary



## Advantage India



## 2. Innovative Strength, Weakness, Opportunities, Threats

### Strengths

**Experienced Management** – With experience of more than 2 decades in the industry, our Company has experienced management and promoter team which lead the operational decisions for the Company.

**Wide range of innovative offerings** – Our focus on introducing innovative products since our inception it has aided us to grow ourselves over the past 2 decades. We continue to add newer innovative products in the market expanding our product portfolio.

**Strong client base** – We have been associated with large developers in Maharashtra who executes high-end residential projects and complexes. Such clientele has aided us to keep on adding newer projects under our basket with such clients.

### Weakness

**Limited marketing activity** – Our Company has already developed few of the products which are innovative and of wide-use, however, owing to our limited marketing activity we were unable to commercially launch these products in the market.

**Limited geographical presence** – Since our inception, we have limited our operations to Maharashtra region for all our projects. Due to limited staff availability with expertise, we have not been able to expand our service and offerings to other states within the country.

### Opportunities

**Acceptance of security products in residential projects** – With growing lifestyle and luxury along with increased affordability of the security products, many large projects have started offering security services to the home-buyers. Such service offering increases demand for our products and services which have been into the business for more than 2 decades.

**Increased focus on women, children safety across the country** – Unfortunate happenings over past few years have led to realisation of increased focus on safety and security of our citizens, primarily, women and children. Innovative products serving the need of the country with a nominal price tag will increase the demand of our products.

### Threats

**Competition from established players** – There are few established players in the organised sector which are larger in size and experience in security service and equipment business. Their market reach and network are stronger than our Company which may possess a potential threat to our business.

**Under-performance of the security equipment** – Much of our success depends on the quality of our products and the level of services we provide. Buyers expect durability of the products which are hassle-free requiring less maintenance. Under-performance of security equipment will adversely impact our brand image and hence our market acceptability.

**Growing demand of smart-phones** – We have launched basic feature mobiles under the brand name of Inoyo to cater the Tier-2 and Tier-3 markets. However, with growing acceptance and demand of smart phones, our product may not be successful enough to bring an operational profit.

### 3. Future Outlook / Strategies: In the next 5 year plan

- Higher customer satisfaction for its varied services and the new launched products that we introduce help our Customers meet their requirements.
- Utility companies are continually employing new and old strategies to overcome these industry challenges and remain relevant in the changing energy marketplace. Adapting to new rules, innovating new offerings and investing in cost-saving technologies are just a few avenues for transforming challenges into opportunities
- Started our new establishment in Singapore "Inoyo Global Pte. Ltd." to cater the global market.
- New major launch of "LEAGOO" smartphones a renowned International brand in smart phone industry to cater the Indian market.
- Amazon platform to showcase and sell our products.
- High distribution network with 23 stockist PAN INDIA & 20,000 Retailers to reach every corner of India to promote and sell our products.
- 2 major International tie ups with :
  - WEEHOMES GROUP PTE. LTD. , SINGAPORE
  - AGAPE ATP INTERNATIONAL HOLDING LIMITED, MALAYSIA

### 4. Risks and concerns, internal control systems and their adequacy

The Company is engaged in the business of import of mobile phones and other materials, which is associated with normal business risk as well as the imbalance of demand-supply of products in the domestic as well as international market. We are subject to foreign currency exchange rate fluctuations which could have a material impact on our results of operations and financial conditions. The Company has a well-defined Policy for Risk Mitigation on foreign exchange by adopting hedging strategies. Global as well as Indian economic and political factors that are beyond our control, influence forecasts and may directly affect our business operations.

The Company has a Risk Management Policy and adequate Internal Control System in place. The main objective of this Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the Company's business. In order to achieve the key objective, this Policy establishes a structured and disciplined approach to Risk Management; in order to guide decisions on risk related issues. Internal Control System is commensurate with the size, scale and complexity of its operations. The Company continuously reviews its various types of regulatory, financial, operational, environmental and other business risks. There are adequate systems to ensure compliance of all various statutory and regulatory requirements and review the same from time to time and to take appropriate actions from time to time.

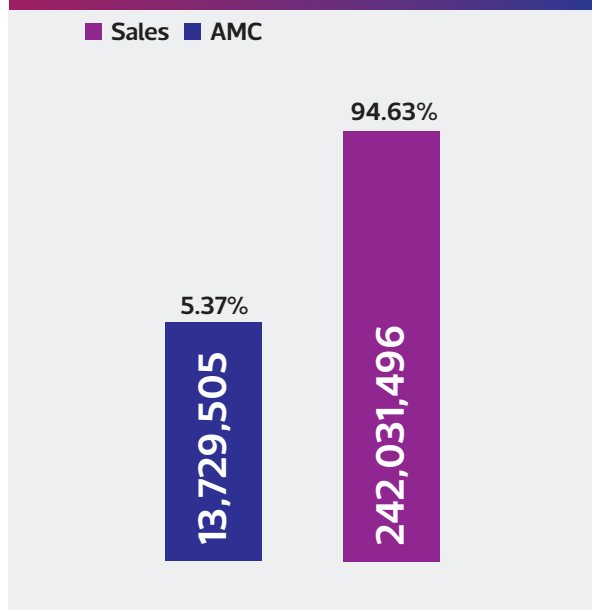
### 5. Discussion on financial performance with respect to operational performance

During the year the performance of the Company has substantially increased compared to the previous year:

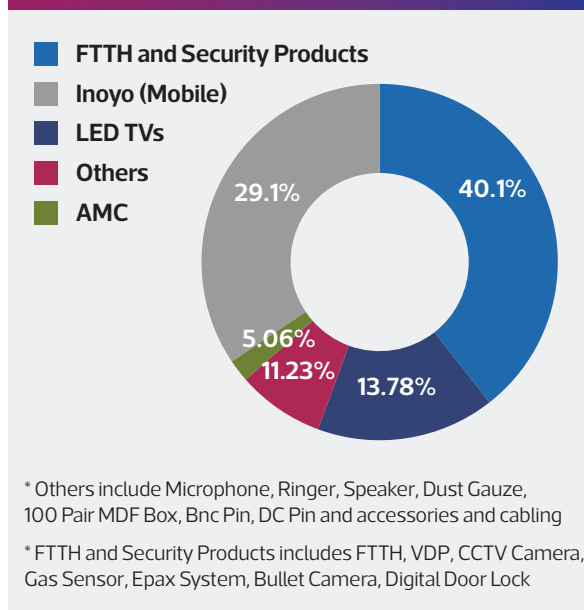
- Total turnover for the year is Rs. 2,576.03 Lakhs as compared to Rs. 2,031.98 Lakhs in previous year, a growth of 26.77%.
- Profit before Tax for the year is Rs. 604.11 lakhs as compared to Rs. 492.81 Lakhs in previous year, increased by 22.58%.
- Profit after Tax for the year is Rs. 442.11 Lakhs as compared to Rs. 370.36 Lakhs in previous year, increased by 19.37%.

## Annexure – 5 To The Directors' Report

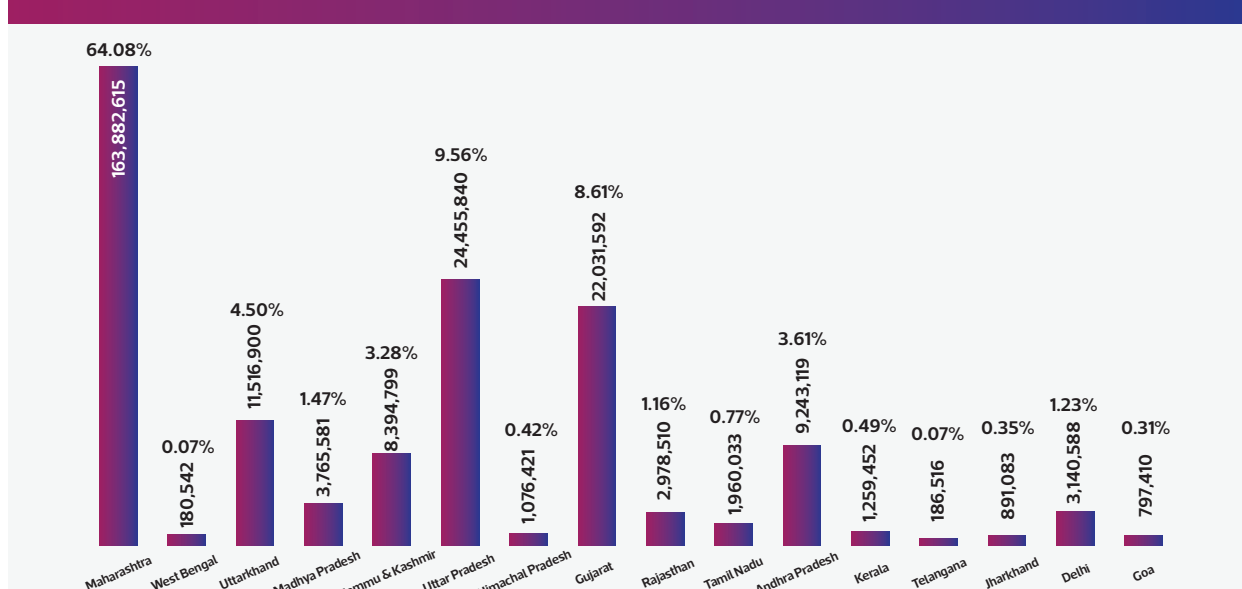
Segment Wise Break Up of Sales  
As On 31.03.2019



Product Wise Breakup of Sales  
As On 31.03.2019



Geographical Area Wise Break Up Of Sales As On 31.03.2019



## 6. Material developments in Human Resources

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business. Many initiatives were taken to support business through organizational efficiency, process change support and various employee engagement programs which has helped the organization to achieve higher productivity level. A significant effort has also been undertaken to develop leadership as well as technical/ functional capabilities in order to meet future talent requirement.

As on March 31, 2019 we have 62 employees on payroll. Company is committed to provide necessary training / conducts development programmes to imbibe necessary skills required within the employees. The management of the Company enjoys cordial relations with its employees at all levels.

# Annexure – 6 To The Directors' Report

## Corporate Governance Report

(The Directors present detailed report on Corporate Governance for the financial year ended March 31st, 2019, as per Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.)

### 1. Philosophy on Corporate Governance

Your Company believes that good corporate governance practices enable the Board to direct and control the affairs of the Company in an efficient manner. At the same time, it also provides transparency in all its day to day management and administration of the business and affairs of the company. Timely information to investors, creditors, institutions, bankers, general public in proper manner also provide them with an opportunity to take right decision on investment in the company whether by way of equity or by debt instrument or even by financing or by making business transactions.

The Company implements and practices the principles of Corporate Governance based on fairness, transparency, integrity, honesty and accountability consistently being followed in all its business practices and dealings. The Company is committed to observe good governance by focusing on adequate & timely disclosures, transparent & robust accounting policies, strong & independent Board and endeavors to maximize shareholders benefit.

Keeping the above in mind, your Company is fully committed to conduct its affairs in a fair and transparent manner and to enhance shareholders value while complying with the applicable Rules and Regulations. We are in compliance with all the requirements of the Corporate Governance enshrined in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "SEBI Listing Regulations").

### 2. Board of Directors

#### a. Composition and Category

The company's present Board of Directors comprises of 6 Directors out of which 1 is Promoter cum Managing Director, 1 is Promoter cum Whole Time Director, 1 is Non-Promoter - Whole Time Director and 3 are Non-Promoters Independent directors. The Chairman of the Company is Non-Promoters Whole Time Director. The Company meets the requirements of the Regulation 17 of the Listing Regulation. All the Directors have certified that they are not members of more than 10 (Ten) Committees and do not act as Chairman of more than 5 (Five) Committees across all the Companies in which they are Directors.

The Composition of Board of Directors as on 31st March, 2019 is as follows:

Name of Director	Category	Total No. of Other Directorship	Details of Committees#	
			Chairman	Member
<b>Mr. Maqsood Dabir Shaikh</b>	Promoter cum Managing Director	1	-	1
<b>Mrs. Tazyeen Maqsood Shaikh</b>	Promoter cum Whole Time Director	-	-	-
<b>Mr. Dabir Ahmed Shamsuddin Shaikh</b>	Whole Time Director	-	-	1
<b>Mr. Anwar Baig</b>	Independent Director	-	1	3
<b>Mr. Atul Vaidya</b>	Independent Director	-	-	1
<b>Mrs. Preethi Ramesh</b>	Independent Director	-	2	3

#Includes only Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee.



## Annexure – 6 To The Directors' Report

### Dates of Board Meetings and Attendance at the Board Meetings and the last Annual General Meeting :

During the Financial Year 2018-19, the Board of Directors of your Company met 21 (Twenty One) times which were held on 20.04.2018, 16.05.2018, 28.05.2018, 07.06.2018, 06.07.2018, 09.08.2018, 27.08.2018, 01.09.2018, 03.09.2018, 04.09.2018, 10.09.2018, 27.09.2018, 03.10.2018, 13.10.2018, 14.11.2018, 27.11.2018, 26.12.2018, 08.01.2019, 28.01.2019, 05.03.2019, 22.03.2019. The details of attendance of each Director at Board Meetings held in the Financial Year and the last Annual General Meeting are as under:

Dates and Attendance of all Director at Board Meeting	Name of Directors and attendance at the Meetings					
	Maqsood Dabir Shaikh	Tazyeen Maqsood Shaikh	Dabir Ahmed Shaikh	Preethi Ramesh	Anwar Ismail Baig	Atul Vaidya
20.04.2018	Yes	Yes	Yes	No	No	No
16.05.2018	Yes	Yes	Yes	No	No	No
28.05.2018	Yes	Yes	Yes	No	No	No
07.06.2018	Yes	Yes	Yes	No	No	No
06.07.2018	Yes	Yes	Yes	No	No	No
09.08.2018	Yes	Yes	Yes	No	No	No
27.08.2018	Yes	Yes	Yes	No	No	No
01.09.2018	Yes	Yes	Yes	No	No	No
03.09.2018	Yes	Yes	Yes	No	No	No
04.09.2018	Yes	Yes	Yes	No	No	No
10.09.2018	Yes	Yes	Yes	No	No	No
27.09.2018	Yes	Yes	Yes	No	No	No
03.10.2018	Yes	Yes	Yes	No	No	No
13.10.2018	No	Yes	Yes	No	Yes	No
14.11.2018	Yes	Yes	Yes	Yes	Yes	No
27.11.2018	Yes	Yes	Yes	No	No	No
26.12.2018	Yes	Yes	Yes	No	No	Yes
08.01.2019	Yes	Yes	Yes	No	No	No
28.01.2019	Yes	Yes	yes	No	No	No
05.03.2019	Yes	Yes	Yes	No	No	No
22.03.2019	Yes	Yes	Yes	Yes	No	Yes
<b>Total No. of Board Meetings Attended</b>	20	21	21	02	02	02
<b>Attendance at the last AGM held on 07th September, 2018</b>	Yes	Yes	Yes	No	No	No

### Code of Conduct for Board & Senior Management Personnel

Your Company has adopted a Code of Conduct for Board Members & Senior Management Personnel and the declaration from the Managing Director, stating that all the Directors and the Senior Management Personnel of your Company have affirmed compliance with the Code of Conduct has been included in this Report.

## Annexure – 6 To The Directors' Report

### Profile of Directors seeking appointment / re-appointment:

The brief profile and other information of the directors seeking appointment/re-appointment is provided in the notice convening the Annual General Meeting.

### Meeting of Independent Directors

During the year, a meeting of Independent Directors was held on 22nd March, 2019 to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of the flow of information between the management and the Board. Mrs. Preethi Ramesh, Chairman of the Meeting presented the views of the Independent Directors on matter relating to Board processes and overall affairs of the Company to the full Board. All the three Independent Directors were present in the meeting.

### Familiarization programs for Independent Directors

The Board familiarization program comprises of the following:-

- Induction program for new Independent Directors;
- Presentation on business and functional issues
- Updation of business, branding, corporate governance, regulatory developments and investor relations matters

All new Independent Directors are taken through a detailed induction and familiarization program when they join the Board of your Company. The induction program is an exhaustive one that covers the history and culture of your company, background of the Company and its growth over the decades, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions.

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company by providing various presentations at Board/ Committee meetings from time to time. These presentations provide a good understanding of the business to the Independent Directors which covers various functions of the Company and also an opportunity for the Board to interact with the next level of management. There are opportunities for Independent Directors to interact amongst themselves.

Apart from the above, the Directors are also given an update on the environmental and social impact of the business, branding, corporate governance, regulatory developments and investor relations matters.

The details of the Familiarization programmes can be accessed on the website on the Company [www.innovative.in](http://www.innovative.in).

### Disclosure of relationships between directors inter-se

Following relationships exist between executive directors –

Director	Other Director	Relationship
Maqsood Shaikh	Tazyeen Shaikh	Spouse
	Dabir Shaikh	Son-Father
Tazyeen Shaikh	Dabir Shaikh	Daughter in law – Father in law
	Maqsood Shaikh	Spouse
Dabir Shaikh	Maqsood Shaikh	Father – Son
	Tazyeen Shaikh	Father in law – Daughter in law

None of the Independent Directors are related to each other or with any other executive directors.

## 3. Board Committees

During the Financial Year under review, the Board had following Committee –

- a) Audit Committee
- b) Stakeholders Relationship Committee
- c) Nomination and Remuneration Committee

The Board decides the term of reference of these committees and assignment of its Members thereof.

### A) Audit Committee - Composition, meetings and attendance

The Audit Committee of your Company has been constituted as per the requirements of Section 177 of the Companies Act 2013 and SEBI Listing Regulations. The Chairman of the Audit Committee is an Independent Director and two-thirds of the members of the Audit Committee are Independent Directors. During the Financial Year 2018-19, the Committee met 3 (Three) times on 13.10.2018, 14.11.2018 and 22.03.2019.

The composition of the Audit Committee as on 31st March, 2019 and the attendance of the members in the meetings held during the Financial Year 2018-19 are as follows:

Name of Member	Designation	No. of meetings attended
Mr. Anwar Baig	Chairman	3
Mr. Maqsood Dabir Shaikh	Member	3
Mrs. Preethi Ramesh	Member	3

The Company Secretary of the Company acted as the Secretary to the Committee.

### Terms of Reference:

The broad terms of reference of the Audit Committee include the following as has been mandated in Section 177 of Companies Act, 2013 and SEBI Listing Regulations:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
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 before submission to the board for approval, with particular reference to:
  - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - ii. Changes, if any, in accounting policies and practices and reasons for the same;
  - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
  - iv. Significant adjustments made in the financial statements arising out of audit findings;
  - v. Compliance with listing and other legal requirements relating to financial statements;
  - vi. Disclosure of any related party transactions;
  - vii. Qualifications in the draft audit report.
5. Reviewing, with the management, the half yearly 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 funds utilized for purposes other than those stated in the offer document/Draft Prospectus/ Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

## Annexure – 6 To The Directors' Report

7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or 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 function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- 14 Discussion with internal auditors any significant findings and follow up there on.
- 15 Reviewing the 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 Discussion with statutory auditors before the audit commences, about the 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, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 18 To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
- 19 Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;
- 20 Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- 21 To investigate any other matters referred to by the Board of Directors;
- 22 Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**The Audit Committee shall mandatorily review the following information:**

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

**B) Stakeholders Relationship Committee – Composition, meetings and attendance**

The Stakeholders' Relationship Committee of your Company has been constituted as per the requirements of Section 178 of the Companies Act, 2013 and SEBI Listing Regulations. The Chairman of the Committee is an Independent Director. During the Financial Year 2018-19, the Committee met 2 (Two) times on 14.11.2018 and 08.01.2019.

The composition of the Stakeholder's Relationship Committee as on 31st March, 2019 and the attendance of the members in the meetings held during the Financial Year 2018-19 are as follows:

## Annexure – 6 To The Directors' Report

Name of Member	Designation	No. of meetings attended
Mrs. Preethi Ramesh	Chairman	2
Mr. Anwar Baig	Member	2
Mr. Dabir Ahmed Shaikh	Member	2

The Company Secretary of the Company acted as the Secretary to the Committee.

### Terms of Reference

The terms of reference of the Stakeholders Relationship Committee includes the matters specified under Regulation 20 of SEBI Listing Regulations, 2015 as well as Section 178 of the Companies Act, 2013.

The Committee looks into investor complaints if any and redresses the same expeditiously. Besides, the committee approves allotment, transfer & transmission of shares, debentures, any new certificates on split \ consolidation \ renewal etc. as may be referred to it by the Board of Directors. In addition, the committee also looks into compliance with stock exchange Listing Regulations and circulation of shareholder and general public interest information through proper media and stock exchanges from time to time. This Committee looks into all aspects related to Shares, Bonds Securities and retail investors. The committee also looks after the dematerialization process of equity shares.

Other function roles duties powers etc. have been clearly defined in line with the Regulation 20 of the Listing Regulations and kept flexible for medication by the Board from time to time.

### C) Nomination and Remuneration Committee - Composition

The Nomination and Remuneration Committee of your Company has been constituted as per the requirements of Section 178 of the Companies Act, 2013 and SEBI Listing Regulations. The Chairman of the Committee is an Independent Director.

During the Financial Year 2018-19, the Committee met 2 (Two) times on 26.12.2018, and 05.03.2019.

The composition of the Nomination and Remuneration Committee as on 31st March, 2019 and the attendance of the members in the meetings held during the Financial Year 2018-19 are as follows:

Name of Member	Designation	No. of meetings attended
Mrs. Preethi Ramesh	Chairman	2
Mr. Anwar Baig	Member	2
Mr. Atul Vaidya	Member	2

The Company Secretary of the Company acted as the Secretary to the Committee.

### Terms of Reference

The terms of reference of the Nomination and Remuneration Committee includes the matters specified under Regulation 19 of SEBI Listing Regulations, 2015 as well as Section 178 of the Companies Act, 2013.

Role of committee shall, inter-alia, include the following:

- formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- formulation of criteria for evaluation of performance of independent directors and the board of directors;
- devising a policy on diversity of board of directors;
- identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.

## Annexure – 6 To The Directors' Report

- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- perform such other functions as may be necessary or appropriate for the performance of its duties.

### Performance Evaluation Criteria

The Board has carried out an annual evaluation of its own performance and that of its committees, Chairman and individual directors. The criteria for performance evaluation of the Board included aspects like Board composition and quality, Board meeting and procedure, information and functioning, strategic plans and policies etc. The criteria for performance evaluation of committees of the Board included aspects like composition of committees, functions and duties, committee meeting and procedures, management relation etc. The criteria for performance evaluation of the Chairman included his role, managing relationship and leadership. The criteria for performance evaluation of individual directors included participation and contribution in the Board/Committee meetings, managing relationship, knowledge & skills etc.

The performance of non-independent directors was reviewed in the separate meeting of Independent Directors. The performance evaluation of the Board and the individual directors was evaluated by the Board seeking inputs from all the Directors. The performance of the committees was evaluated by the Board seeking inputs from the committee members.

### Remuneration to Directors

There were no pecuniary relationship or transactions of the non-executive directors vis a vis the Company. Non-Executive Independent Directors are paid sitting fees for attending the Board and Committee Meetings.

Role of Non-Executive/Independent Directors of the Company is not just restricted to corporate governance or outlook of the Company, but they also bring with them significant professional expertise and rich experience across the wide spectrum of functional areas. The Company seeks their expert advice on various matters from time to time. Hence, the compensation to the non-executive/independent directors is recommended.

Details of remuneration and sitting fees paid or provided to all the directors during the year ended March 31, 2019 are as under:

Name of Director	Salary & Perquisites	Sitting Fees	Commission	Total
<b>Mr. Maqsood Dabir Shaikh (Managing Director)</b>	24,00,000	-	-	24,00,000
<b>Mrs. Tazyeen Maqsood Shaikh (Whole-Time Director)</b>	12,00,000	-	-	12,00,000
<b>Mr. Dabir Ahmed Shamsuddin Shaikh (Chairman/ Whole-Time Director)</b>	1,20,000	-	-	1,20,000
<b>Mr. Anwar Ismail Baig (Independent Director)</b>	NA	7,000	-	7,000
<b>Mr. Atul Vaidya (Independent Director)</b>	NA	4,000	-	4,000
<b>Mrs. Preethi Ramesh (Independent Director)</b>	NA	7,000	-	7,000

The Shareholding of Directors as on March 31, 2019 is as under:

Sr. No.	Name of Director	Shareholding	Percentage
1	<b>Mr. Maqsood Dabir Shaikh</b>	32,41,758	28.49 %
2	<b>Mrs. Tazyeen Maqsood Shaikh</b>	17,27,376	15.18 %
3	<b>Mr. Dabir Ahmed Shamsuddin Shaikh</b>	1,28,250	1.13%
4	<b>Mr. Anwar Ismail Baig</b>	Nil	-
5	<b>Mr. Atul Vaidya</b>	Nil	-
6	<b>Mrs. Preethi Ramesh</b>	Nil	-

## 4. General Body Meetings

Details of Annual General Meetings held during the last three financial years –

For the Financial Year	Date of AGM	Time	Venue
2017-18	07.09.2018	03.00 pm	At the Registered Office
2016-17	25.09.2017	11.00 am	At the Registered Office
2015-16	30.09.2016	11.00 am	At the Registered Office

During the previous year under review, no resolutions were proposed and passed through Postal ballot. None of the business items proposed required approval through postal ballot as per the provisions of the Companies Act and rules framed there under.

### Details of special resolutions passed in Previous Three AGMs.

Financial Year	Particulars of Special Resolution Passed
2017-18	NIL
2016-17	Authority for making Initial Public Offering
2015-16	NIL

### Extra-Ordinary General Meeting held during the FY 2018-19:

(One) 1 Extra-Ordinary General Meeting was held during the year on 09th November, 2018 for Appointment of M/s Keyur Shah & Co., Chartered Accountants as Statutory Auditor to fill casual vacancy caused by the unwillingness of M/s. A S B & Associate, Chartered Accountants.

The results of Ballot Paper Voting as per the Scrutinizers' Report dated November 09, 2018 are as follows:

Particulars	% Votes in favour	% Votes against
<b>Special Business</b>		
To appoint M/s Keyur Shah & Co., Chartered Accountants as Statutory Auditor to fill casual vacancy caused by the unwillingness of M/s. A S B & Associate, Chartered Accountants (As an Ordinary Resolution)	100%	0

## 5. Means of Communication

- All Half-year / Annual financial results are immediately sent to stock exchanges after being taken on record by the Board.
- The Company's website [www.innovative.in](http://www.innovative.in) contains a separate dedicated section named "Investors" where information for shareholders is available.

## 6. Other Disclosures

### A. Related Party Transactions

All transactions entered into with Related party as defined under the Companies act, 2013 and Regulation 23 of the SEBI Listing Regulations, 2015 during the financial year were in the ordinary course of business and on an 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 related party during the financial year which conflicted with the interests of the Company at large.

Suitable disclosure as required by the AS 18 has been made in the notes to the Financial Statement. A policy on related party transactions has been formulated and put up on the website of the Company.

## Annexure – 6 To The Directors' Report

### B. Statutory Compliances, Penalties and Strictures

The Company has complied with the requirements of the Stock Exchange/SEBI/any statutory authorities on all matters related to capital markets. There are no penalties or strictures imposed on the Company by Stock Exchange or SEBI.

### C. Whistle Blower Policy / Vigil Mechanism

The Company has established a Whistle Blower / Vigil Mechanism through which its Directors, Employees and Stakeholders can report their genuine concerns about unethical behaviors, actual or suspected frauds or violation of the Company's code of conduct or ethics policy. The said policy provides for adequate safeguard against victimization and also direct access to the higher level of supervisors.

### D. Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all mandatory requirements and has not adopted non-mandatory requirements.

### E. Policies of the Company and Code of Conduct

Various policies and code of conduct of the Company are available on its website.

### F. Risk Management

Risk Management is a key aspect of the "Corporate Governance Principles and Code of Conduct" which aims to improve the governance practices across the Company's activities. Risk management policy and processes enables the Company to proactively manage uncertainty and changes in the internal and external environment to limit negative impacts and capitalize on opportunities. The Company in its meeting of the Audit Committee and the Board of Directors, review its business operations, discuss the risk associated with and prepare the strategy and plans to mitigate those risks. The Senior Management provides the information regarding business operation and risk associated with it monthly. The Board of Directors & Audit Committee is looking after the Risk Management of the Company.

### G. Disclosure of Accounting Treatments

The Company has not adopted any alternative accounting treatment prescribed differently from the Accounting standards.

### H. Reconciliation of Share Capital Audit Report

As stipulated by Securities and Exchange Board of India, Company is required to carry out Reconciliation of Share Capital Audit (RSCA) from a practicing Company Secretary. This audit is carried out every quarter and the report thereon of Practicing Company Secretary is submitted to the stock exchanges. The audit, inter alia, confirms that the total listed and paid-up capital of the company agrees with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total number of shares in physical form.

## 7. General Shareholder Information

### a. 19th Annual General Meeting

Date: Friday, September 27, 2019

Time: 03.00 p.m.

Venue: E-202, 2nd Floor, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Oshiwara, Goregoan (W), Mumbai – 400104.

Book Closure Date: 20th September, 2019 to 27th September, 2019 (both days inclusive)

### b. Financial Year (2018-19)

For accounting and financial reporting purpose, Company follows Financial Year which starts from 1st April each year and ends on 31st March of every succeeding year.

The Half-Year Financial Results for the financial year 2018-19 will be taken on record by the Board of Directors as per the following tentative schedule (subject to change, if any):

Half-year ending 30th September 2018	:	October / November 2018
Half-year ending 31st March 2019	:	April / May 2019

### C. Listing On Stock Exchange

The company's Equity shares are listed on Bombay Stock Exchange Limited (SME Platform) on 05th October, 2018.

The Company has paid the Annual Listing Fee to the Stock Exchanges.

### d. Stock Code

Demat ISIN No. in NSDL and CDSL: INE492Y01011

Scrip Code: BSE-541983



## Annexure – 6 To The Directors' Report

### e. Market Price Data

Month	Low	High	Volume
October, 2018	40.9	114.3	49,80,000
November, 2018	114	178.2	15,96,000
December, 2018	168.1	175	12,000
January, 2019	143.65	164.75	9,24,000
February, 2019	140.8	160	3,87,000
March, 2019	159.9	159.9	6,000

### f. Registrar and Share Transfer Agent

Name	: Bigshare Services Pvt. Ltd.
Address	: 1st Floor, Bharat Tin Works Building, Opp. Basant Oasis, Makwana Road, Marol, Andheri (E), Mumbai – 400 059.
Phone	: 91-22- 6263 8200
Fax	: 91-22- 6263 8200
Email	: investor@bigshareonline.com

### g. Share Transfer System

All transfers of shares held in physical form are dealt by our Registrar and Share Transfer Agents. The transfers which are complete in all respects are taken up for approval at least once in a fortnight and the transferred securities dispatched to the transferee within 21 days. Depositories control share transfers in Demat Mode. The Company obtains from a Company Secretary in Practice half yearly certificate of compliance in respect of compliance with share transfer formalities as required under Regulation 40 of the Listing Regulations with Stock Exchanges and files a copy of the certificate with the stock exchanges.

### h. Distribution of Shareholding as on 31st March, 2019:

Sr. No.	Category of Shareholders.	No. of Shares held	% of total Shares
1	Promoters, Directors, Relatives and Associates.	59,70,651	52.47%
2	Indian Public	31,72,518	27.88%
3	Banks, Financial Institutions & Insurance Companies/ Mutual Funds	-	-
4	NRI's / Overseas Body Corporate	-	-
5	Bodies Corporate	10,62,000	9.33%
6	NBFC Registered with RBI	-	-
7	Trusts	-	-
8	Clearing Members (NSDL+CDSL)	11,75,000	10.32%
9	Any Other	-	-
	<b>Total</b>	<b>1,13,80,169</b>	<b>100%</b>

## Annexure – 6 To The Directors' Report

### i. Category wise Summary of Holders / Holdings as on 31st March, 2019

Range of Holding	No. of Shareholders	% of total Shareholders	Share Amount	% of total Shares
Up to 5000	26	20.63%	84518	0.74%
5001 - 10000	13	10.32%	112000	0.98%
10001 - 20000	49	38.89%	644000	5.66%
20001 - 30000	4	3.17%	106000	0.93%
30001 - 40000	1	0.79%	37500	0.33%
40001 - 50000	13	10.32%	625000	5.49%
50001 - 100000	4	3.17%	302500	2.66%
100001 - 500000	13	10.32%	3827517	33.63%
500001 & above	3	2.38%	5641134	49.57%
<b>Total</b>	<b>126</b>	<b>100.00%</b>	<b>11380169</b>	<b>100.00%</b>

### j. Dematerialization of Shares & Liquidity

On March 31st, 2019, no shares of Company were held in physical form. The Promoters & Promoters-group shareholding was also fully dematerialized. The aggregate dematerialized shareholding of the Company stood at 100%. Brief position of Company's dematerialized shares is given below:

S. No	Description	Shares	% holding
1	NSDL	81,12,169	71.28%
2	CDSL	32,68,000	28.72%
3	PHYSICAL	-	-
	<b>Total</b>	<b>1,13,80,169</b>	<b>100%</b>

### k. Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity

As on 31st March, 2019, the Company did not have any outstanding GDRs/ADRs/ Warrants or any Convertible instruments.

### l. Policy on "Material" Subsidiary

The Company has Board approved policy on determining Material Subsidiary which can be accessed on the website of the Company [www.innovative.in](http://www.innovative.in).

### m. List of core skills / expertise / competencies identified in the context of the business

The Board continues to identify an appropriate mix of diversity and skills for introducing different perspectives into Board for better anticipating the risks and opportunities in building a long-term sustainable business.

The below table summarizes the key qualifications, skills and attributes which are taken into consideration while nominating to serve on the Board.

<b>Business Strategies</b>	Experience of crafting Successful Business Strategies an understanding the changing regulatory requirements
<b>Financial &amp; Accounting Expertise</b>	Proficiency in financial accounting and reporting, corporate finance and internal controls, corporate funding and associated risks
<b>Governance, Risk and Compliance</b>	Knowledge and experience of best practices in governance structures, policies and processes including establishing risk and legal compliance frameworks, identifying and monitoring key risks.
<b>Innovative</b>	A strong understanding of innovation and technology, and the development and implementation of initiatives to enhance production
<b>Diversity</b>	Representation of gender, cultural or other such diversity that expand the Board's understanding and perspective

## Annexure – 6 To The Directors' Report

### **Dividend:**

In view of the planned business growth, your Directors deem it proper to preserve the resources of the Company for its activities and therefore, do not propose any dividend for the Financial Year ended March 31, 2019.

### **n. Address for Correspondence**

#### **In case any problem or query shareholders can contact at:**

Company Secretary & Compliance Officer

E-202, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Goregoan (W), Mumbai- 400104.

Phone : +9122-67392121

Email : investors@innovative.in

#### **In case of finance and accounts related queries contact at:**

Chief financial Officer

E-202, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Goregoan (W), Mumbai- 400104.

Phone : +9122-67392121

Email : cfo@innovative.in

#### **Shareholders may also contact Company's Registrar & Share Transfer Agent at:**

Bigshare Services Private Limited.

1st Floor, Bharat Tin Works Building, Opp. Basant Oasis, Makwana Road, Marol, Andheri (E), Mumbai – 400 059

Phone : 91-22-6263 8200

Fax : 91-22-6263 8299

Email : investor@bigshareonline.com

## **8. MD/ CEO/ CFO Certification**

As required under Regulation 17 (8) of the SEBI Listing Regulations, 2015, the CEO and the CFO certification of the Financial Statements, the Cash Flow Statement and the Internal Control Systems for financial reporting for the financial year ended was placed before the Board.

## **9. The Company has complied with the requirements of Corporate Governance report as disclosed in paras 1 to 8 above.**

## **10. Compliance of Discretionary Requirements under Part E of Schedule II of SEBI Listing Regulations, 2015**

### **a. The Board:**

The Chairperson of the Company is an executive director and does not maintain his separate office at the Company's expense.

### **b. Shareholder Rights**

The Company declares its financial results half-yearly, submit it to the stock exchange and places on its website.

### **c. Modified opinion(s) in audit report**

The audit opinion received by the Company has not been modified.

### **d. Separate post of Chairperson and Chief Executive Officer**

The Company has a two Whole Time Directors in the Company. There is one Managing Director who is also chairperson of the Company.

### **e. Reporting of Internal Auditor**

The Internal Auditor of the Company directly reports to the Audit Committee of the Company and their Internal Audit Reports are presented in the meeting of the Audit Committee.

## **11. Compliance with Corporate Governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015.**

Although your Company is SME listed company on BSE Limited and compliance with the corporate governance as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the SEBI (LODR) Regulations, 2015 are not applicable to the listed entity which has listed its specified securities on the SME Exchange, your Company has complied with almost all the provisions of the above mentioned regulations of SEBI (LODR) Regulations, 2015 to maintain the effective Corporate Governance in the Company.

### (Under regulation 17(8) of SEBI (LODR) Regulations, 2015)

To,  
The Board of Directors,  
Innovative Ideals and Services (India) Limited

In compliance with Regulation 17(8) read with Schedule II Part B of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, we hereby certify that:

**A.** We have reviewed the audited Financial Results for Innovative Ideals and Services (India) Limited for the year ended 31st March, 2019 and to the best of our knowledge and belief:

**(1)** these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

**(2)** 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 our knowledge and belief, no transaction entered into by the listed entity during the year ended 31st March, 2019 which are fraudulent, illegal or violative of the listed entity's code of conduct.

**C.** We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control system of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

**D.** We have indicated to the Auditors and the Audit Committee:

**(i)** that there are no significant changes in internal control over financial reporting during the half year and year ended;

**(ii)** that there are no significant changes in accounting policies during the half year and year ended; and hence there are no disclosures to be made regarding the same in the notes to the financial results;

**(iii)** that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

**Maqsood Dabir Shaikh**  
Managing Director  
DIN: 00834754

**Zafar Inamdar**  
Chief Financial Officer  
PAN: AAZPI4161K

# Certificate of Compliance with The Code of Conduct Policy

## **[Regulation 34(3) read with Schedule V (Part D) of the SEBI (LODR) Regulations, 2015]**

In accordance with SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, we hereby confirm that, all the Directors and the Senior Management personnel of the Company have confirmed compliance with their respective Codes of Conduct, as applicable to them, for the financial year ended March 31, 2019.

**For Innovative Ideals and Services (India) Limited**

**Chairman cum Whole Time Director**  
**DIN: 00643164**

**Managing Director**  
**DIN: 00834754**

Date: May 27, 2019  
Place: Mumbai

# Certificate on 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  
**INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED**  
Add: E-202, 2nd floor, Skypark, Near Oshiwara Garden,  
Off Ajit Glass Road, Oshiwara, Goregoan (w),  
Mumbai – 400104, Maharashtra.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Innovative Ideals And Services (India) Limited (CIN: U64201MH2000PLC129901) and having registered office at E-202, 2nd floor, Skypark, Near Oshiwara Garden, off Ajit Glass Road, Oshiwara, Goregoan (W), Mumbai – 400104 Maharashtra, India (hereinafter referred to as “the Company”), produced before me 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 my opinion and to the best of my 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 me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ending on 31st March, 2019 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	Dabir Ahmed Shamsuddin Shaikh	00643164	06/12/2000
2	Tazyeen Maqsood Shaikh	00834590	06/12/2000
3	Maqsood Dabir Shaikh	00834754	06/12/2000
4	Preethi Ramesh	01124749	25/09/2017
5	Anwar Ismail Baig	07897576	25/09/2017
6	Shashikumar Atul Vaidya	07897588	25/09/2017

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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 Vishal Thawani & Associates**  
**Practicing Company Secretaries**

**CS Vishal Thawani**  
**Proprietor**  
**ACS: 43938, COP: 17377**

Place: Ahmedabad  
Date: May 27, 2019

# Practising Company Secretary's Certificate On Corporate Governance

To,  
The Members,  
INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED

We have examined the compliance of conditions of corporate governance by Innovative Ideals and Services (India) Limited, for the year ended on March 31, 2019, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s).

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Vishal Thawani & Associates**  
**Practicing Company Secretaries**

**CS Vishal Thawani**  
**Proprietor**  
**ACS: 43938, COP: 17377**

Place: Ahmedabad  
Date: May 27, 2019

# Independent Auditor's Report

To  
The Members of  
INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED

## Opinion

We have audited the financial statements of Innovative Ideals and Services (India) Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss and statement of cash flows for the year then ended, and notes to the 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, 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 Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters:

We have determined the matters described below to be the Key Audit Matters to be communicated in our report:

**The Company has filed suit for the recovery of amounting to Rs. 74.20 Lakhs which is included in other receivable under the head "Other Non- Current Assets" shown in the Financial Statement stated as disputed trade debtors. And all the matter is currently pending in the respective court, the material suit filed by the company are as follows:**

1. Suit No 2374 of 2013 before Bombay City Civil Court, Mumbai amounting to 56.16 Lakhs against Pebble Bay Developers Private Limited, Dated 01/08/2013.
2. Suit No. 807 of 2017 under order XXXVII of the Civil Procedure Code, 1908 before Bombay City Civil Court, Mumbai amounting to 8.82 Lakhs against Kalpataru Properties Private Limited.
3. Suit No. 809 of 2017 before Bombay City Civil Court, Mumbai amounting to 7.44 lakhs against Kalpataru Properties Private Limited.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, 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 during the course of our 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.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in



# Independent Auditor's Report

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 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, management 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 management 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 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 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, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 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 financial statements, including the disclosures, and whether the 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 financial statements of the current period 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.

# Independent Auditor's Report

## 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 Companies Act, 2013, we give in the 'Annexure A' 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its notes to financial statements. (Refer note no. 24)
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

**For Keyur Shah & Co**  
**Chartered Accountants**  
**FRN 141173W**

**Keyur B. Shah**  
**(Proprietor)**  
**M No: 153774**

Date: 27th May, 2019  
Place: Ahmedabad

"Annexure A" to the Independent Auditors' Report Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2019:

## Fixed Assets:

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b. The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- c. The Title deed of immovable properties are held in the name of the company.

# Independent Auditor's Report

## Inventory:

- The management has conducted the physical verification of inventory at reasonable intervals.
- The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.

## Loans given by the Company:

The company has not granted loans & advances to parties covered under section 189 of the Act.

## Loans to directors & Investment by the Company:

In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 & 186 of the Companies Act, 2013 In respect of loans etc.

## Deposits

The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

## Cost Records

As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

## Statutory Dues:

- According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Goods & Service Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts are payable in respect of the above wherein arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable, except, Interest on Income Tax Payable for AY 2017-18 Rs. 22.06 Lakhs, Interest on Income Tax Payable for AY 2018-19 Rs. 164.21 Lakhs and Provident Fund for Employee payable for AY 2019-20 Rs. 1.64 Lakhs.
- According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute except:

Name of Statute	Nature of dues	Amount (in Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961 (Note :-1)	Income Tax Dues	1.53 Lakhs	A.Y. 2012-13	CPC
Income Tax Act, 1961 (Note :-1)	Income Tax Dues	1.22 Lakhs	A.Y. 2015-16	Jurisdictional Assessing Officer

Note: - 1

As per communication received from Income Tax Department dated February 27, 2016 there is refund determined in AY 2015-16 adjusting all demands determined in the previous years. However as per the Income Tax Department's website under the head - "Response to outstanding tax demand" head for our company displays outstanding demand of Rs 1.53 Lakhs under section 220 (2) of the I.T. Act, 1961 and of Rs 1.22 Lakhs under section 143 (3) of the I.T. Act, 1961

## Repayment of Loans:

In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan from the government and has not issued any debentures. The Loans taken from financial institutions have been properly disclosed in Financial Statements & are repaid at regular intervals.

## Utilization of IPO & FPO:

Based upon the audit procedures performed and the information and explanations given by the management, the company has raised monies by way of initial public offer and the same monies has been utilized for the purpose for which they were raised.

The Proceeds from the IPO is **Rs. 1226.40 Lakhs** and the utilization of the same is as follows:

Particulars	Planned as per prospectus	Utilization up to 31 March, 2019	Balance as at 31 March, 2019
Funding The Working Capital Requirements Of Company	892.40	892.40	-
General Corporate Purpose	234.00	234.00	-
Issue Related Expenses	100.00	100.00	-
<b>Total</b>	<b>1226.40</b>	<b>1226.40</b>	-

## Reporting of Fraud:

Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

## Approval of Managerial Remuneration:

Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

Particulars	Amount of Directors Remuneration paid (Rs.)	% of Net Profit
Directors Remuneration	37.20 Lakhs	5.80 %

## NIDHI Company:

In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

## Related Party Transaction:

In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

## Independent Auditor's Report

### **Private Placement or Preferential Issues:**

Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

### **Non Cash Transaction:**

The company has not entered into non cash transaction with the directors or their relatives and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

### **Register under RBI Act, 1934:**

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 of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For, Keyur Shah & Co**  
**FRN: 141173W**  
**Chartered Accountants**

**Keyur Shah**  
**Proprietor**  
**M. No: 153774**

**Place: Ahmedabad**  
**Date: 27<sup>th</sup> May, 2019**

**“Annexure B” to the Independent Auditor’s Report** of even date on the Financial Statements of INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED

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

We have audited the internal financial controls over financial reporting of INNOVATIVE IDEALS AND SERVICES (INDIA) LIMITED (“the Company”) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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 Companies Act, 2013.

**Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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 Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

## **Meaning of Internal Financial Controls over Financial Reporting**

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

## **Limitations of Internal Financial Controls over Financial Reporting**

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

## **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Keyur Shah & Co**  
**Chartered Accountants**  
**FRN 141173W**

**Keyur B. Shah**  
**(Proprietor)**  
**M No: 153774**

**Date: 27<sup>th</sup> May, 2019**  
**Place: Ahmedabad**

# Balance Sheet

<b>Innovative Ideals And Services (India) Limited</b>			
<b>Balance Sheet As At 31st March 2019</b>			
Particulars	Note	AMOUNT IN Rs. As At 31 -Mar-2019	AMOUNT IN Rs. As At 31 -Mar-2018
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Funds</b>			
(a) Share Capital	2	113,801,690	83,141,690
(b) Reserves and Surplus	3	153,372,116	45,084,706
		<b>267,173,806</b>	<b>128,226,396</b>
<b>2 Share Application Money Pending Allotment</b>			
<b>3 Non-Current Liabilities</b>			
(a) Long-Term Borrowings	4	10,206,464	4,370,062
(b) Deferred tax liabilities (Net)	10	-	356,066
		<b>10,206,464</b>	<b>4,726,128</b>
<b>4 Current liabilities</b>			
(a) Short-term borrowings	5	24,768,272	72,106,330
(b) Trade payables	6	52,278,037	86,772,847
(c) Other current liabilities	7	54,225,907	28,983,067
(d) Short-term provisions	8	36,348,472	19,958,278
		<b>167,620,688</b>	<b>207,820,522</b>
<b>TOTAL</b>		<b>445,000,958</b>	<b>340,773,046</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
<b>1 (a) Fixed Assets</b>			
(i) Tangible Assets	9	5,325,407	5,506,762
(b) Deferred Tax Assets (Net)	10	249,939	-
(c) Long Term Loans & Advances	11	1,548,113	74,064
(d) Other Non-Current Assets	12	66,674,365	19,838,793
		<b>73,797,824</b>	<b>25,419,619</b>
<b>2 Current assets</b>			
(a) Inventories	19	194,313,510	162,123,154
(b) Sundry Debtors	13	137,058,533	128,598,962
(c) Cash & Cash Equivalents	14	550,531	4,080,462
(d) Short Term Loans & Advances	15	37,237,034	17,854,364
(e) Other Current Asset	16	2,043,526	2,696,485
		<b>371,203,134</b>	<b>315,353,427</b>
<b>TOTAL</b>		<b>445,000,958</b>	<b>340,773,046</b>
<b>Notes on Accounts and Accounting policies</b>			
As per our Report of even date attached here with			
<b>For, Keyur Shah &amp; Co.</b> <b>F.R. No: 141173W</b> <b>Chartered Accountants</b>  <b>Keyur Shah</b> <b>Proprietor</b> <b>M.No. 153774</b> <b>Place :- Ahmedabad</b> <b>Date: 27th May, 2019</b>		<b>For Innovative Ideals &amp; Services (India) Limited</b>  <b>Maqsood D. Shaikh</b> <b>Tazyeen M. Shaikh</b> Managing Director      Whole Time Director DIN :- 00834754      DIN :- 00834590  <b>Zafar I. Inamdar</b> <b>Bhagya Shree Goyal</b> Chief Financial officer      Company Secretary PAN :- AAZPI4161K      PAN :- CJMPS2527R	



# Profit and Loss Account

<b>Innovative Ideals And Services (India) Limited</b>				
Statement of Audited Financial Results for year Ended on 31st March 2019				
Particulars	Note	For the Period Ending on		
		31st March 2019 Audited	31st March 2018 Audited	
<b>I. Revenue From Operations</b>				
Sales (Net of Return)	17	255,761,363	202,653,061	
II. Other Incomes	18	1,841,793	545,218	
<b>III. Total Revenue (I + II)</b>		<b>257,603,156</b>	<b>203,198,279</b>	
<b>IV. Expenses:</b>				
Purchases of Stock-in-Trade		184,941,912	224,835,276	
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	19	(32,190,356)	(89,529,882)	
Employee Emoluments	20	30,090,019	11,481,390	
Finance Costs	21	11,880,612	4,729,498	
Depreciation and Amortization Expense	9	765,959	624,596	
Other Expenses	22	19,877,014	10,046,539	
<b>Total Expenses</b>		<b>215,365,160</b>	<b>162,187,417</b>	
<b>Profit Before Exceptional And Extraordinary Items And Tax (III-IV)</b>		<b>42,237,996</b>	<b>41,010,862</b>	
VI. Exceptional Items				
<b>VII. Profit Before Extraordinary Items And Tax (V - VI)</b>		<b>42,237,996</b>	<b>41,010,862</b>	
VIII. A. Extraordinary Items		(18,173,657)	(8,270,587)	
<b>IX. Profit Before Tax (VII- VIII)</b>		<b>60,411,653</b>	<b>49,281,449</b>	
<b>X Tax Expense:</b>				
(1) Current Tax		16,806,522	12,320,363	
(2) Deferred Tax		(606,005)	(75,423)	
<b>XV Profit (Loss) For The Period (IX - X)</b>		<b>44,211,136</b>	<b>37,036,509</b>	
<b>XVI Earnings Per Equity Share:</b>				
(1) Basic & Diluted	23	<b>4.50</b>	<b>6.38</b>	
<b>Notes on Accounts and Accounting policies</b>				
As per our Report of even date attached here with				
For, Keyur Shah & Co.		<b>For Innovative Ideals &amp; Services (India) Limited</b>		
F.R. No: 141173W				
Chartered Accountants				
		Maqsood D. Shaikh	Tazyeen M. Shaikh	
		Managing Director	Whole Time Director	
		DIN :- 00834754	DIN :- 00834590	
Keyur Shah				
Proprietor				
M.No. 153774		Zafar I. Inamdar	Bhagya Shree Goyal	
Place :- Ahmedabad		Chief Financial officer	Company Secretary	
Date: 27th May, 2019		PAN : - AAZPI4161K	PAN :- CJMPS2527R	

# Cash Flow Statement

<b>Innovative Ideals And Services (India) Limited</b>		
<b>Cashflow Statement for the year ending on 31st March, 2019</b>		
Particulars	For the Period ending on March 31, 2019	For the Period Ending on March 31, 2018
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Net profit Before Tax and Extraordinary Items	60,411,653	49,281,449
<b>Adjustments For:</b>		
Depreciation	765,959	624,596
(Interest Received)	(16,804)	(89,081)
Loss on Sale Of Fixed Assets	330,058	-
Rental income	(12,000)	-
Interest and Finance Charges	11,880,612	4,729,498
<b>Operating Profit before working capital changes</b>	<b>73,359,479</b>	<b>54,546,462</b>
<b>Adjustment For:</b>		
Decrease/(Increase) in Inventories	(32,190,356)	(89,529,882)
Decrease/(Increase) in Trade receivables	(8,459,571)	9,784,160
Decrease/(Increase) in Other Current Assets	652,959	(3,207,962)
Decrease/(Increase) in Other Non-Current Assets	(46,835,572)	(11,652,927)
Decrease/(Increase) in Short-term loans and advances	(19,382,670)	(15,884,935)
Decrease/(Increase) in Long Term Loans and Advances	(1,474,049)	(165,670)
(Decrease)/Increase in Trade Payables	(34,494,810)	30,285,222
(Decrease)/Increase in Other Current Liabilities	18,699,003	(19,509,325)
(Decrease)/Increase in Short Term Provisions	16,390,194	-
<b>Cash Generated from Operations</b>	<b>(33,735,394)</b>	<b>(45,334,857)</b>
Taxes Paid	16,806,522	11,450,251
<b>Net Cash From / (Used In ) Operating Activities (A)</b>	<b>(50,541,916)</b>	<b>(56,785,108)</b>
<b><u>Cash Flow From Investing Activities</u></b>		
(Purchase) / Sale of Fixed Assets/ Capital Work In Progress	(914,662)	(1,849,818)
Other Adjustments	(13,916,591)	-
Interest Received	16,804	89,081
Rental income	12,000	-
<b>Net Cash From / (Used In ) Investing Activities (B)</b>	<b>(14,802,449)</b>	<b>(1,760,737)</b>
<b><u>Cash Flow From Financing Activities</u></b>		
Proceeds from Issue of Shares	30,660,000	29,141,690
Security Premium	91,980,000	5,828,334
Interest and Finance Charges	(11,880,612)	(4,729,498)
(Decrease)/Increase in Short Term Borrowing	(47,338,058)	24,769,554
(Decrease)/Increase in Long Term Borrowing	12,380,239	7,583,120
Share Issue Expenses	(13,987,136)	-
<b>Net Cash From Financing Activities (c)</b>	<b>61,814,433</b>	<b>62,593,200</b>
<b>Net Increase / (Decrease) in Cash (A)+(B)+(C)</b>	<b>(3,529,931)</b>	<b>4,047,355</b>
<b>Cash and Cash equivalents at the beginning of the year</b>	<b>4,080,462</b>	<b>33,107</b>
<b>Cash and Cash equivalents at the end of the year</b>	<b>550,531</b>	<b>4,080,462</b>
<b>For, Keyur Shah &amp; Co.</b>		
<b>F.R. No: 141173W</b>		
<b>Chartered Accountants</b>		
<b>Keyur Shah</b>	<b>For Innovative Ideals &amp; Services (India) Limited</b>	
<b>Proprietor</b>	<b>Maqsood D. Shaikh</b>	<b>Tazyeen M. Shaikh</b>
<b>M.No. 153774</b>	Managing Director	Whole Time Director
	DIN :- 00834754	DIN :- 00834590
<b>Place :- Ahmedabad</b>	<b>Zafar I. Inamdar</b>	<b>Bhagya Shree Goyal</b>
<b>Date: 27th May, 2019</b>	Chief Financial officer	Company Secretary
	PAN :- AAZPI4161K	PAN :- CJMPS2527R

## Note No.-: 1

### Accounting Policies

#### A. Significant Accounting Policies:

The Accounting policies set out below have been adopted in preparation and presentation of financial statement and applied consistently to the period presented in this financial statement.

#### 1. Disclosure of Accounting Policies (Accounting Standard -1):

##### **Accounting Concepts & Basis of preparation:**

These financial statements have been prepared to comply in all material aspects with applicable accounting principles in India, the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and other accounting principles generally accepted in India, to the extent applicable. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

##### **Use of Estimates:**

The preparation of the financial statements in conformity with GAPP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### 2. Valuation of Inventories (Accounting Standard - 2):

(i) Raw Materials are valued at cost together with cost incurred to bring it to present location and condition.

(ii) Stock in Process has been valued at cost of Materials and Labour charges together with relevant factory overheads

(iii) Finished Goods are valued at cost or Net realizable Value whichever is lower. There is no closing stock of Stores & Fuel.

#### 3. Cash Flow Statement (Accounting Standard - 3):

Cash Flow Statement is reported using Indirect Method; whereby profit before tax is adjusted for the effects of transactions of a non-cash nature. The cash flow from regular revenue generating, financing and investing activities of the company is segregated. Cash and cash equivalents in the balance sheet comprise cash at bank (excluding pledged term deposits), cash/cheques in hand and short term investments with an original maturity of three months or less.

#### 4. Contingencies & Events occurring after Balance Sheet Date (Accounting Standard - 4):

Disclosure of Contingencies as required by the accounting standard is furnished in the Notes on Accounts. Events occurring after the balance sheet date are those significant events, both favourable and unfavourable, that occur between the balance sheet date and the date on which the financial statements are approved by the Board of Directors. Asset and Liabilities should be adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date or that indicate that the fundamental accounting assumption of Going Concern is not appropriate. There are no such events thus do not require any adjustment.

#### 5. Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policy (Accounting Standard - 5):

The term 'prior period items', as defined in this Standard, refers only to income or expenses which arise in the current period as a result of errors or omissions in the preparation of the financial statements of one or more prior periods. Net Profit or Loss for the Period and Prior Period Items are shown in Profit & Loss Account.

**6. Revenue Recognition (Accounting Standard -9):**

The Financial Statements have been prepared on a going concern basis in accordance with historical cost convention. Both Income and Expenditure are recognized on accrual basis.

Revenue from Sales is recognized when practically all risks and rewards of ownership are transferred to the buyer and there is no effective control of the seller as the owner, this usually occurs upon dispatch of the goods. Gross sales shown in the Statement of Profit & Loss excludes Goods & Service Tax.

Other Operative Revenue and Other Income except Dividend income, which is accounted on receipt basis, are accounted on accrual basis.

**7. Property, Plant & Equipments (Accounting Standard - 10):**

Property, plant and equipment are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment losses, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and arrangements arising from exchange rate variations attributable to the assets. Expenditure on additions, improvements and renewals is capitalized and expenditure for maintenance and repairs is charged to profit and loss account.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

Depreciation on property, plant and equipment is provided using Written Down Value method over the useful life of the Asset. Depreciation in respect of addition to assets has been charged on pro rata basis with reference to the period of use of such asset.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of a property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognised

**8. The effects of changes in Foreign Exchange Rates (Accounting Standard - 11):**

Monetary items denominated in foreign currencies at the year end and not covered by forward exchange contracts are translated at year end rates and those covered by forward exchange contracts are translated at the rate ruling at the date of transaction as increased or decreased by the difference between the forward rate and exchange rate on the date of transaction, such difference having been amortized over the life of the contract.

Non-monetary items carried at historical cost are reported using the rate at the date of transaction.

**9. Employee Benefit (Accounting Standard -15):**

Staff benefits arising out of retirements / death, comprising of contributions to Provident Fund, Superannuation & Gratuity Schemes, accrued Leave Encashment and other post-separation benefits are accounted for on the basis of an independent actuarial valuation, in accordance with AS-15. The actuarial liability is determined with reference to employees at the end of each financial year.

Expenses for defined benefit gratuity payment plans are calculated as at the balance sheet date by independent actuaries in the manner that distributes expenses over the employees working life. These commitments are valued at the present value of the expected future payments, with consideration for calculated future salary increases, using a discounted rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on Government Bonds with a remaining term i.e. almost equivalent to the average balance working period of employees.

The Company has adopted accounting standard 15 on Employee Benefits as per Actuarial Valuation carried out by an independent actuary in the Books of Accounts of the Company and the Disclosure relating to same which is envisaged under the standard are disclosed under the notes to Financial Statement.

**10. Borrowing Costs (Accounting Standard -16):**

Borrowing costs are recognized in the period to which they relate, regardless of how the funds have been utilized, except where it relates to the financing of construction or development of assets requiring a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue under the head "Finance Cost" in the statement of Profit and loss for the period under review. The amount of interest capitalized for the period is determined by applying the interest rate applicable to appropriate borrowings.

**11. Related Party Disclosures (Accounting Standard -18):**

Disclosure relating to Related Party Transactions are shown under the notes to Financial Statement

**12. Earning Per Share (Accounting Standard -20):**

Basic earning per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the company by the weighted average number of Equity Shares outstanding during the year. Diluted earning per Share is calculated by dividing net profit attributable to equity shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.

**13. Accounting for Taxes on Income (Accounting Standard - 22):**

Income tax expense comprise of Current Tax and Deferred Tax Charge or Credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year. The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset and deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount being considered. Deferred Tax Asset should be recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on prevailing enacted or substantially enacted regulations. At each balance sheet date, the carrying amount of deferred tax assets is reviewed to reassess realization.

**14. Intangible Assets (Accounting Standard -26):**

Intangible asset is acquired by payment and are disclosed at cost less amortization on a straight line basis over its estimated useful life. Only those intangible items which meet asset recognition criteria namely identifiability, Control over resources & Expected future economic benefits are considered as Intangible Assets and if an item does not meet above criteria then it is recognised as an expense when it is incurred.

**15. Impairment of Assets (Accounting Standard -28):**

The Management periodically assesses using, external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset other than goodwill is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss recognized. The carrying amount of an asset other than goodwill is increased to its recoverable amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment losses been recognized for the asset in prior years.

**16. Provision, Contingent Liabilities and Contingent Assets (Accounting Standard -29):**

a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if :

i) The Company has a present obligation as a result of a past event;

ii) A probable outflow of resources is expected to settle the obligation; and

iii) The amount of the obligation can be reliably estimated.

iv) Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

**b) Contingent Liability is disclosed in the case of:**

i) A present obligation arising from a past event, when it is not probable that an outflow of resources will be required to settle the obligation;

ii) A possible obligation, unless the probability of outflow of resources is remote. Contingent Assets are neither recognized nor disclosed.

## NOTES TO ACCOUNTS

### 2 SHARE CAPITAL :

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
<b>Authorised :</b> Equity Shares 13500000 of Rs 10 Each	135,000,000	135,000,000
<b>Issued, Subscribed and Paid up :</b> Equity Shares 83,14,169 of Rs 10 Each Equity Shares 1,13,80,169 of Rs 10 Each	- 113,801,690	83,141,690 -
	<b>113,801,690</b>	<b>83,141,690</b>

- (A) The company has only one class of equity share having at par value of Rs.10/- per share.
- (B) During the year 31st March, 2019 ,the amount of share dividend recognised to equity share holder was "nil" (P.Y. "nil")
- (C) The company had made an initial public offering (IPO) of 30,66,000 equity shares of face value of Rs. 10 each fully paid up for cash at a price of Rs.40 Per equity share (including share premium of rs. 30 per equity share) aggregating to Rs 12,26,40,000/- the aforementioned equity shares were allotted on 3rd October, 2018. The equity shares of the company got listed SME Platform of BSE Limited on 5th October, 2018.

#### 2.1 The Details of Shareholder holding more than 5% Shares of Company

Name Of Shareholder	As At 31-03-2019 Rs.		As At 31-03-2018 Rs	
	No. Of Shares	% Held	No. Of Shares	% Held
Maqsood Shaikh	3,241,758	28.49%	3,241,758	38.99%
Tazyeen Shaikh	1,727,376	15.18%	1,727,376	20.78%
Rikhav Securities Limited	672,000	5.91%	-	-
Vikson Securities Pvt Ltd	785,000	6.90%	-	-
Hitesh Patel	410,000	3.60%	1,010,000	12.15%
Iram Shaikh	480,842	4.23%	480,482	5.78%
<b>TOTAL</b>	<b>7,316,976</b>	<b>64.30%</b>	<b>6,459,616</b>	<b>77.69%</b>

#### 2.2 The Reconciliation Of No. Of Shares Outstanding Is Set Out Below:

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
Equity Shares at the beginning of the year	8,314,169	3,000,000
Add : Issued during Period	3,066,000	5,314,169
<b>Equity Shares at the end of the year</b>	<b>11,380,169</b>	<b>8,314,169</b>

#### 2.3 Statement Showing Shares Allotted without payment being received in cash

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
<b>1</b> Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash.	-	2,914,169
<b>2</b> Aggregate number and class of shares allotted as fully paid up by way of Bonus Shares	-	2,400,000
<b>Total</b>	<b>-</b>	<b>5,314,169</b>

## NOTES TO ACCOUNTS

### 3 Reserve & Surplus:

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
<b>Securities Premium</b>		
Opening Balance	5,828,334	-
Add: Addition during the year	91,980,000	5,828,334
Less: Adjustment of Issue Expenses	(13,987,136)	-
<b>Closing balance (A)</b>	<b>83,821,198</b>	<b>5,828,334</b>
<b>Reserve &amp; Surplus</b>		
Opening Balance	39,256,372	29,724,706
Add:- Profit for the year	44,211,136	37,036,509
Less:- Issue of Bonus Shares	-	(24,000,000)
Less:- Other Adjustment	(13,916,591)	(3,504,843)
<b>Closing balance (B)</b>	<b>69,550,918</b>	<b>39,256,372</b>
<b>Total (A+B)</b>	<b>153,372,116</b>	<b>45,084,706</b>

### 4 Long Term Borrowings:

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
<b>A. From Banks &amp; NBFC</b>		
<b>A1 From Banks ( Secured)</b>		
Yes Bank	835,391	-
Less: Current Maturity of long term borrowings	(146,069)	-
	<b>689,322</b>	-
<b>A1 From Banks ( Unsecured)</b>		
HDFC Bank	3,933,916	4,924,159
Less: Current Maturity of long term borrowings	(1,155,116)	(988,233)
	<b>2,778,800</b>	<b>3,935,926</b>
<b>A2 From NBFC ( Secured)</b>		
Tata Capital	424,651	809,086
Less: Current Maturity of long term borrowings	(424,651)	(374,950)
	-	<b>434,136</b>
<b>A3 From NBFC (Unsecured)</b>		
Clix Capital	339,274	-
Moneywise Financial Services Pvt.Ltd	2,095,540	-
Neo Growth Credit Finance	1,947,965	-
Niyogin Fintech Limited	1,725,202	-
Tata Capital - I	1,904,316	-
Tata Capital - II	342,277	-
Less: Current Maturity of long term borrowings	(3,454,819)	-
	<b>4,899,755</b>	-
<b>Total (A)</b>	<b>8,367,877</b>	<b>4,370,062</b>
<b>B. From Other Parties (Unsecured)</b>		
<b>B1. From Promoter / Promoter Group / Group Companies / Other Related Parties</b>		
<b>Loan From Directors</b>		
Maqsood D. Shaikh	1,346,792	-
Tazyeen M. Shaikh	481,796	-
Dabir Ahmed Shaikh	10,000	-
<b>Total (B)</b>	<b>1,838,587</b>	-
<b>Total (A+B)</b>	<b>10,206,464</b>	<b>4,370,062</b>

#### Note:

- 1 Unsecured Loans From Promoter / Promoter Group / Group Companies / Other Related Parties are repaid
- 2 For Details of Borrowings from Bank Kindly, refer Note No. 32(A) & 32(B) to this report



## NOTES TO ACCOUNTS

### 5 Short Term Borrowings:

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
<b>Loan Repayable on Demand :-</b>		
<b>A. From Banks (Secured)</b>		
Short Term Borrowing	24,494,482	58,126,831
Shapoorji Pallonji Finance Private Limited	-	11,739,624
Bank Over Draft	273,790	-
<b>A1. Unsecured</b>		
India Infoline Finance Limited	-	2,239,875
<b>Closing Balance</b>	<b>24,768,272</b>	<b>72,106,330</b>

**Note:**

1 For Details of Loans, Kindly refer Note No. 33 to this report.

### 6 Trade Payables

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
<b>A. Creditors from Micro , Small &amp; Medium Enterprise</b>		
Creditors for goods	9,631,525	
Creditors for Exp	-	
Creditors for Capital Goods	-	
	9,631,525	
<b>B. Creditors from other than Micro , Small &amp; Medium Enterprise</b>		
Creditors for goods	41,857,138	85,685,232
Creditors for Exp	789,374	1,087,615
	42,646,512	86,772,847
<b>Closing Balance</b>	<b>52,278,037</b>	<b>86,772,847</b>

**Note:** The management is in process of identifying parites which are covered under MSME, The amount relating to MSME are disclosed to the extant identified.

### 7 Other Current Liability

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
Advance Received From Customer	41,753,951	18,927,177
Other Current Liabilities	4,726,624	3,804,300
Other Statutory Dues	723,148	3,530,478
TDS	1,841,530	1,357,929
Current Maturity	5,180,655	1,363,183
<b>Closing Balance</b>	<b>54,225,907</b>	<b>28,983,067</b>

### 8 Short Term Provisions:

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
Provision for Direct tax	30,855,009	14,442,111
Provision for Indirect Tax	1,560,859	5,516,167
Provision for others	3,932,603	-
<b>Closing Balance</b>	<b>36,348,472</b>	<b>19,958,278</b>

## NOTES TO ACCOUNTS

### 11 Long Term Loans & Advances

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
Security Deposit	1,548,113	74,064
<b>Closing Balance</b>	<b>1,548,113</b>	<b>74,064</b>

### 12 Other Non Current Assets

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
Deferred Expenses	20,155,455	11,628,543
Other Receivable	44,253,009	7,420,196
Advance Against Contract	2,189,085	-
<b>Non Current Investment:</b>		
Fixed Deposit	76,817	790,054
<b>Closing Balance</b>	<b>66,674,365</b>	<b>19,838,793</b>

### 13 Sundry Debtors:

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
<b>A From Related parties</b>		
Debtors due for period more than 6 months	-	-
Debtors due for period Less than 6 months	-	-
<b>B. from non - related parties</b>		
Debtors due for period more than 6 months	47,383,117	52,383,454
Debtors due for period Less than 6 months	89,675,416	76,215,508
<b>Closing Balance</b>	<b>137,058,533</b>	<b>128,598,962</b>

### 14 Cash & Cash Equivalents

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
Cash on Hand	136,717	308,240
<b>Bank Balance :-</b>		
Axis Bank	-	164,572
Bank Of Maharashtra - I	15,597	1,918,280
Bank Of Maharashtra - II	1,581	39,648
Bank Of Maharashtra - III	47,819	1,598,761
Bank Of Maharashtra - IV	-	20
Bank Of Maharashtra - V	-	4,687
Bank Of Maharashtra - VI	337,590	-
DCB Bank	11,227	46,254
	<b>550,531</b>	<b>4,080,462</b>

Innovative Ideals And Services (India) Limited												
Fixed Assets												
Sr No	Fixed Assets	Gross Block			Accumulated Depreciation			Net Block				
		Balance as on 1 April 2018	Additions	Disposals	Balance on at 31 March 2019	Balance as on 1 April 2018	Depreciation charge for the year	On disposals	Balance as on 31 March 2019	Balance as on 31 March 2019	Balance as on 31 March 2018	
		Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)	Amount (Rs)	
a	<b>Tangible Assets (Not Under Lease)</b>											
	Land & Building - Office Premises	6,491,700	-	-	6,491,700	2,786,855	180,426	-	2,967,281	3,524,419	3,704,845	
	Plant and Equipment - Plant & Machinery	5,418	-	-	5,418	3,888	277	-	4,165	1,253	1,530	
	Furniture and Fixtures - Office Equipment - Computer - Computer Printer	1,313,712 1,168,041 1,119,079 98,904	41,060	-	1,313,712 1,209,101 1,221,725 98,904	1,126,224 900,884 1,084,904 98,264	48,541 74,900 46,213 252	-	1,174,765 975,784 1,131,117 98,516	138,947 233,317 90,608 388	187,488 267,157 34,168 640	
	Motor Car - Mercedes Motor Car	929,868 647,112	866,449	647,112	929,868 866,449	169,399 117,888	237,494 166,629	-	406,893 67,463	522,975 798,986	760,469 529,224	
b	<b>Intangible Assets (Not Under Lease)</b>											
	Trade Mark (Taking 5 Years As useful life and according to WDV Method)	27,000	4,500	-	31,500	5,759	11,228	-	16,987	14,513	21,241	
	<b>Total Current Year</b>	<b>11,800,834</b>	<b>1,014,655</b>	<b>647,112</b>	<b>12,168,377</b>	<b>6,294,065</b>	<b>765,959</b>	<b>217,054</b>	<b>6,842,970</b>	<b>5,325,407</b>	<b>5,506,762</b>	
	<b>Total Previous Year</b>	<b>9,951,015</b>	<b>1,849,819</b>	<b>-</b>	<b>11,800,834</b>	<b>5,669,476</b>	<b>624,596</b>	<b>-</b>	<b>6,294,065</b>	<b>5,506,762</b>	<b>4,620,663</b>	

## Innovative Ideals And Services (India) Limited

10

### Deferred Tax Assets & Liabilities Provision

Particulars	As at March 31, 2019	As at March 31, 2018
WDV As per Companies Act. 2013	5,325,407	5,506,762
WDV As per Incometax Act, 1961	3,214,902	4,123,982
Diff in WDV	2,110,505	1,382,780
Gratuity Provision	(3,008,918)	-
Disallowance U/s 37 / 43B	-	-
Total Timming Differece	(898,413)	1,382,780
Tax Rate as per Income Tax	27.82%	25.75%
<b>Closing Balance</b>	<b>(249,939)</b>	<b>356,066</b>

### Note No 10:-

### Deffered Tax Assets & Liabilities Summary

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance of DTA	356,066	431,489
Add: Provision for the Year	606,005	(75,423)
<b>Closing Balance of DTA</b>	<b>(249,939)</b>	<b>356,066</b>

## NOTES TO ACCOUNTS

### 15 Short Term Loans & Advances

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
<b>A. Balance with government Authorities</b>		
(i) VAT / CENVAT Credit Receivable/WCT Credit Receivable/GST Receivable	750,067	1,647,911
(ii) TDS / TCS Receivables	389,702	393,623
(iii) Advance / Self Assessment Tax	150,000	-
(iv) Incometax Refund Receivable	682,000	682,000
<b>B. Others Loans &amp; Advances :</b>		
- Advance against Contract	20,746,804	12,597,994
- Advance to other	14,500,000	-
- Advance to Staff	18,461	28,000
- Other Prepaid Expenses	-	2,504,836
<b>Closing Balance</b>	<b>37,237,034</b>	<b>17,854,364</b>

### 16 Other Current Assets

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
Other Current Assets	321,304	2,055,530
Prepaid Exp	1,722,222	640,955
	<b>2,043,526</b>	<b>2,696,485</b>

### 17 Revenue From Operation

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
Revenue from Sales of Goods	213,783,676	194,930,228
Revenue from Installation Charges	498,024	961,207
Revenue from AMC Business	12,951,125	6,761,626
Revenue from Other Operation	28,528,538	-
	<b>255,761,363</b>	<b>202,653,061</b>

### 18 Other Income

Particulars	As At 31-03-2019 Rs	As At 31-03-2018 Rs
Freight & Cartage Charges (Outward)	27,091	-
Interest Income	16,804	89,081
Other Income	430,054	243,476
Foreign Exchange Fluctuation	498,462	-
Repairs & Maintaince (Income)	356,433	212,661
Balances Written Back	512,949	-
	<b>1,841,793</b>	<b>545,218</b>

## NOTES TO ACCOUNTS

### 19 Changes in inventories of finished goods, work-in-progress and Stock-in-Trade

Particulars	For The Year Ended on 31-03-2019 RS	For The Year Ended on 31-03-2018 RS
Opening Stock	162,123,154	72,593,272
<b>Total</b>	<b>162,123,154</b>	<b>72,593,272</b>
Less:Closing Stock	194,313,510	162,123,154
	<b>(32,190,356)</b>	<b>(89,529,882)</b>

### 20 Employee Emoluments

Particulars	For The Year Ended on 31-03-2019 RS	For The Year Ended on 31-03-2018 RS
<b>Salaries and Wages</b>		
Staff Salary	23,900,304	9,354,118
Director Remuneration	3,720,000	697,900
<b>Contribution to Provident fund and other Fund</b>		
Contribution to provident and other funds for others	662,593	1,022,120
Provision for Gratuity	879,870	-
<b>Staff Welfare Exp.</b>		
Staff Welfare Expenses	927,252	407,252
	<b>30,090,019</b>	<b>11,481,390</b>

### 21 Finance Cost

Particulars	For The Year Ended on 31-03-2019 RS	For The Year Ended on 31-03-2018 RS
Interest on Short Term Borrowings	7,444,848	4,341,260
Interest on Long Term Borrowings	2,857,354	95,532
Other Borrowing Cost	1,578,410	292,706
	<b>11,880,612</b>	<b>4,729,498</b>

### 22 Other Expense

Particulars	For The Year Ended on 31-03-2019 RS	For The Year Ended on 31-03-2018 RS
Annual Maintenance Expenses	825,955	74,842
Audit Fees	140,000	115,400
Duties, Rates & Taxes	1,852,816	599,214
BIS Testing Charges	72,500	-
Business Promotion Expenses	1,557,056	229,154
Commission Expenses	593,993	55,550
Contractor Fees	206,700	9,500
Discount	59,232	37,806
Electricity Expenses	272,263	238,814
Labour Charges	44,660	-
Advance Written Off	498,607	3,579,732
License Fees	35,400	66,080
Loss on Sale of Assets	330,058	-
Membership Charges	19,843	59,316
Miscellaneous Expenses	237,846	262,921
Office Expenses	1,932,095	568,507
Petrol Expenses	261,444	160,939
Printing & Stationery	491,813	119,044
Processing Charges	212,375	50,000
Legal & Professional Fees	4,255,603	1,219,411
Rent Expenses	488,000	223,500
Repair & Maintenance Expenses	254,689	172,128
Services Charges	1,754,279	669,004
Site Expenses	525,183	278,184
Telephone,Internet & Courier Charges	464,390	439,216
Transportation Expenses	1,374,560	601,547
Travelling Expenses	1,115,654	216,730
	<b>19,877,014</b>	<b>10,046,539</b>

## NOTES TO ACCOUNTS

### 23 Earning Per Share :

Particulars	For The Year Ended on 31-03-2019 RS	For The Year Ended on 31-03-2018 RS
Basic Earning Per Share	4.50	6.38
Diluted Earning Per Share	4.50	6.38
Nominal Value Per Share	Rs. 10.00	Rs. 10.00

Earning Per share is calculated by dividing the Profit (Loss) attributable to the Equity Shareholders by the weighted average number of

Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earning per Equity Share as stated below.

Particulars	For The Year Ended on 31-03-2019 RS
Profit / (Loss) after taxation	44,211,136
Less : Dividend on Equity Shares	
Net Profit / (Loss) attributable to Equity	44,211,136
Weighted Average Number of shares outstanding during the year	9,817,769

### 24 Contingent Liabilities:-

Contingent Liabilities, not provided for:  
(As Certified by the Management)

Income tax Law	274,351
Bank Gaurantee	300,000

25 The company had made an initial public offering (IPO) of 30,66,000 equity shares of face value of Rs. 10 each fully paid up for cash at a price of Rs.40 Per equity share (including share premium of rs. 30 per equity share) aggregating to Rs 12,26,40,000/- the aforementioned equity shares were allotted on 3rd October, 2018. The equity shares of the company got listed SME Platform of BSE Limited on 5th October, 2018.

The Proceeds from the Net off Issue Related Expenses is **Rs. 1126.40 Lakhs** and the Utilisation of the same is as follows :

Statement Showing Utilization of net proceeds :-

Particulars	Planned as per prospectus	Utilisation upto 31 March 2019	Balance as at 31 March 2019
Funding the Working Capital Requiremets of the Company	892.40	892.40	-
General Corporate Purposes	234.00	234.00	-
<b>Total</b>	<b>1,126.40</b>	<b>1,126.40</b>	-

## NOTES TO ACCOUNTS

26 The Company has adopted Accounting Standard 15 on Employee Benefits as per Actuarial Valuation carried out by an independent actuary

in the Book of Account of the Company and the Disclosure relating to same which is envisaged under the standard are disclosed as under :

<b>1. Amount of Liability in respect of Gratuity</b>	
<u>Particulars</u>	<u>FY 2018-19</u>
Opening Balance of Obligation	2,325,827
<b>Add :-</b>	
Current Service Cost	367,536
Past Service Cost	-
Interest Cost	180,252
Banefits Paid (if any)	(96,779)
Acturial Gain (Loss)	332,082
<b>Closing Balance</b>	<b>3,108,918</b>

<b>2. Amount of obligation recognized in statement of Profit &amp; Loss</b>	
<u>Particulars</u>	<u>FY 2018-19</u>
Current Service Cost	367,536
Past Service Cost	-
Interest Cost	180,252
Expected Return on plan assets	-
Net Acturial Losses (Gain) Recognised in the Year	332,082
<b>Expenses Recognised In Statement of Profit &amp; Loss</b>	<b>879,870</b>

- 27 Outstanding balances of Creditors, Debtors, Secured and Unsecured Loans & Advanced Received from Customer and Advance to Customer are subject to confirmations / reconciliation.
- 28 A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- 29 Previous years' figures are restated and/or regrouped and/or rearranged wherever necessary in order to confirm to the current years' grouping and classifications.



30

## Related Party Transaction

Names of Related Parties and Description of Relationship

Sr. No.	Nature of Relationship	Name of Related Parties
1	Key Management Personnel	Maqsood Dabir Shaikh
		Tazyeen Maqsood Shaikh
		Dabir Ahmed Shaikh
		Zafar I. Inamdar
		Bhagya Shree Goyal
		Omprakash Luthra
2.	Relatives of Key Person	Nazib Shaikh
		Sabiha Inamdar
		Shagufta Shaikh
		Ibad Shaikh
		Iram Shaikh
3	Associates /Sister Concern/Enterprise	Bevel Design
		Big Dhamaka Com Service LLP
		Concept & Design
		Innovative Solutions

Note: Related parties are identified by the Management and relied upon by the Auditor.

Sr. No.	Nature of Transaction	Associates /Sister Concern/Enterprise	Key Management Personnel & Relatives of Such Personnel
		April'18 to Mar.'19	April'18 to Mar.'19
(A)	<b>Volume of Transactions</b>		
1	<u>Remuneration to KMP &amp; Relatives</u>		
	Maqsood Dabir Shaikh	--	2,400,000
	Tazyeen Maqsood Shaikh	--	1,200,000
	Dabir Ahmed Shaikh	--	120,000
	Nazib Shaikh	--	--
	Sabiha Inamdar	--	--
	Shagufta Shaikh	--	--
	Ibad Shaikh	--	--
	Iram Shaikh	--	--

## Accounting Policies

Sr. No.	Nature of Transaction	Associates /Sister Concern/Enterprise	Key Management Personnel & Relatives of Such Personnel
		April'18 to Mar.'19	April'18 to Mar.'19
2	<u>Unsecured Loan</u>		
	<u>Maqsood Dabir Shaikh</u>		
	Loan Accepted	--	68,186,860
	Loan Repaid	--	58,565,312
	<u>Tazyeen Shaikh</u>		
	Loan Accepted	--	5,525,820
	Loan Repaid	--	5,044,024
	<u>Dabir Ahmed Shaikh</u>		
	Loan Accepted	--	620,000
Loan Repaid	--	620,000	
3	<u>Commission</u>		
	Big Dhamaka Com Service LLP	22,635	--

### 31 Additional Information

#### a) Reporting under Micro, small & Medium Enterprise Development Act, 2016

The Company has initiated the process of identification of Vendors which falls under category of MSME, the dislouser relating to amount due to MSME are made to the extent information received

#### b) Payment to auditor

Payment to Statutory Auditor as	For the year ended on 31st March, 2019 (Amount in Rs.)	For the year ended on 31st March, 2018 (Amount in Rs.)
Audit Fees	140,000.00	115,400.00

### 32 (A)

#### Details of Long Term Borrowings(Secured)

Sr. No.	Lender	Nature of facility	Loan	Amount outstanding as at March 31, 2019	Rate of interest (%)	Repayment Terms	Security / Principal terms and conditions
1	Tata Capital Finance Services Ltd	Vehicle Loan	Rs. 13.95 Lakhs	Rs. 4.25 Lakhs	Basic Rate-15.43%	Repayment in 48 Equal monthly installments of Rs. 39150/-	I. Primary Security: Hypothication of Motor vehicle having Model Mercedes A class & vehicle number MH14DA2049
2	Yes Bank	Vehicle Loan	Rs. 8.73 Lakhs	Rs. 8.35 Lakhs	9.51%	Repayable in 60 Monthly installment of Rs.18,272/- Each	I. Primary Security: Hypothication of Motor vehicle having Model Honda WR-V & vehicle number MH02EZ8065

## 32 (B)

### Details of Long Term Borrowings(Unsecured)

Sr. No.	Lender	Nature of facility	Loan	Amount outstanding as at March 31, 2019	Rate of interest (%)	Repayment Terms
1	Clix Capital	Business Loan	Rs. 20.00/- Lakhs	339,274.02	18.00%	Repayable in 12 Monthly Installment of Rs.1,83,360/- Each
2	HDFC Bank	Business Loan	Rs. 50.00/- Lakhs	3,933,915.96	15.50%	Repayable in 48 Monthly Installment of Rs.1,40,424/- Each
3	Moneywise Financial Services Pvt.Ltd	Business Loan	Rs. 25.00/- Lakhs	2,095,540.40	20%	Repayable in 36 Monthly Installment of Rs.92,909/- Each
4	Neo Growth Credit Finance	Business Loan	Rs. 25.75/- Lakhs	1,947,964.50	10.29%	Repayable in 48 Monthly Installment of Rs.65,667/- Each
5	Niyogin Fintech Limited	Business Loan	Rs. 20.00/- Lakhs	1,725,202.00	21%	Repayable in 36 Monthly Installment of Rs.75,350/- Each
6	Tata Capital 1	Business Loan	Rs. 20.23/- Lakhs	1,904,316.00	18.07%	Repayable in 36 Monthly Installment of Rs.72,118/- Each
7	TATA Capital 2	Business Loan	Rs. 25.00/- Lakhs	342,277.00	18.59%	Repayable in 12 Monthly Installment of Rs.2,69,054/- Each

33  
Details of Short Term Borrowings

Sr. No.	Lender	Nature of facility	Loan	Amount outstanding as at March 31, 2019	Rate of Interest (%)	Repayment Terms	Security / Principal terms and conditions
1	Bank Of Maharashtra	Working capital	Rs. 700 lakhs	Rs. 244.94 lakhs	MCLR+4.00%+BSS 8.75%+4.00%+0.25% =13.00% 0.50%(Incentive for collateral cover of 87.39%)=12.50% p.a. with monthly rest	On demand	<p><b>I.Primary Securities:</b> Hypothecation of Inventory &amp; Receivables</p> <p><b>II.Collateral Securities</b></p> <p>a. Additional Charge on Equitable Mortgage of office Premises owned by Innovative Ideals and Services India Private Limited Situated At 202, 2nd Floor, Deshmukh Park Building, Nr. Oshiwara Garden, Ajit Glass Factory road, Jogeshwari West, Mumbai-400102</p> <p>b.Additional Charge on Equitable Mortgage of Flat owned by Maqsood Dabir Shaikh And Mrs. Tazyeen Maqsood Shaikh situated at 604, 6th floor, Bhagwati CHS Ltd, Plot No.68, Yari Road, Andheri West, Mumbai 400061.</p> <p><b>III. Personal Guarantee:</b></p> <p>1.Mr. Dabir Shaikh 2.Mr. Maqsood Shaikh 3.Mrs. Tazyeen Shaikh</p>

**For, Keyur Shah &  
F.R. No: 141173W  
Chartered Accountants**

**For Innovative Ideals & Services (India) Limited**

**Keyur Shah  
Proprietor  
M.No. 153774  
Place :- Ahmedabad  
Date: 27th May, 2019**

**Maqsood D. Shaikh  
Managing Director  
DIN :- 00834754**

**Tazyeen M. Shaikh  
Whole Time Director  
DIN :- 00834590**

**Zafar I. Inamdar  
Chief Financial officer  
PAN :- AAZPI4161K**

**Bhagya Shree Goyal  
Company Secretary  
PAN :- CJMPS2527R**

## Innovative Ideals and Services (India) Limited

**CIN:** U64201MH2000PLC129901

**Add:** E-202, 2<sup>nd</sup> floor, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Oshiwara, Goregoan (w), Mumbai – 400104

**Website:** www.innovative.in

**E-mail:** investors@innovative.in

**Phone:** +91 22-67392121

### ATTENDANCE SLIP

DP ID*		Folio
Client ID*		No. of Shares

#### NAME AND ADDRESS OF THE SHAREHOLDER

.....  
.....

I hereby record my presence at the **19<sup>th</sup> ANNUAL GENERAL MEETING** of the Company held on Friday, 27<sup>th</sup> September, 2019 at 03.00 P.M. at E-202, 2<sup>nd</sup> floor, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Oshiwara, Goregoan (w), Mumbai – 400104.

Signature of the Shareholder | Proxy

\* Applicable for investors holding shares in electronic form.

#### Notes:

Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting venue. For route map of the meeting venue, please see overleaf.

## Innovative Ideals and Services (India) Limited

**CIN:** U64201MH2000PLC129901

**Add:** E-202, 2<sup>nd</sup> floor, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Oshiwara, Goregoan (w), Mumbai – 400104

**Website:** www.innovative.in

**E-mail:** investors@innovative.in

**Phone:** +91 22-67392121

### Form No. MGT- 11 [PROXY FORM]

*[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

Name of Members: \_\_\_\_\_

Registered Address: \_\_\_\_\_

E-mail Address: \_\_\_\_\_

Folio No. | Client ID: \_\_\_\_\_ DP Id: \_\_\_\_\_

I/we, being the member(s) of Innovative Ideals and Services (India) Limited, holding \_\_\_\_\_ shares, hereby appoint:

1) Name: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

or failing him/her

2) Name: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

or failing him/her

3) Name: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Address: \_\_\_\_\_

Signature: \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **19<sup>th</sup> ANNUAL GENERAL MEETING** of the Company, to be held on Friday, 27<sup>th</sup> September, 2019 at 03.00 P.M. at E-202, 2<sup>nd</sup> floor, Skypark, Near Oshiwara Garden, Off Ajit Glass Road, Oshiwara, Goregoan (w), Mumbai – 400104 and at any adjournment thereof in respect of such resolutions as are indicated below:

# Proxy Form

S.NO	ORDINARY RESOLUTIONS	Vote (optional, see Note 2)	
		For	Against
1	To consider and Adopt Audited Financial Statements for the year ended on March 31, 2019, together with reports of Director and Auditor's thereon;		
2	To consider re-appointment of Mr. Maqsood Dabir Shaikh, who retires by rotation and being eligible, offers himself for re-appointment;		
3			
4			

Signed this ..... day of ..... 2019

Affix Revenue Stamp
---------------------------

Signature of the Shareholder(s): .....

Signature of the Proxy holder(s): .....

**Note:**

1. This form of proxy in order to be effective should be duly stamped, completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. It is optional to indicate your preference by tick mark. If you leave the for/against column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.
3. Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip/Proxy.
4. Proxy need not be a member of the Company.
5. A person can act as Proxy on behalf of not more than fifty (50) members and holding in aggregate not more than ten percent of total share capital of the Company. Members holding more than ten percent of total share capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other member.





**Innovative Ideas and Services (India) Limited**  
Add: E-202, Skypark, Near Oshiwara Garden,  
Off Ajit Glass Road, Goregoan (w), Mumbai – 400104  
Ph.: +9122-67392121