



Innovators

Facade Systems Limited

(Formerly Known as Innovators Facade Systems Pvt. Ltd.)

To,

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort,

Mumbai- 400 001

BSE Scrip Code: 541353

Sub.: Intimation for 20th Annual General Meeting (AGM), Book Closure and fixation of cut-off date for e-voting, period of remote e-voting along with the copy of Annual Report for the Financial Year 2018-19

Dear Sir/ Madam,

In Compliance with Regulation 30, 34 & 42 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, please note below mentioned details with respect to 20th Annual General Meeting (AGM), Book Closure and fixation of cut-off date for e-voting, period of remote e-voting. Further, we have also enclosed herewith copy of Annual Report for the Financial Year 2018-19 and the same also be made available on Company's website at www.innovators.in.

The schedule of AGM is as set out below:

Sr. No.	Event	Date	Time
1.	Annual General Meeting	Wednesday, 25 th September, 2019	11:00 am
2.	Relevant Date/ Cut-off date to vote on AGM Resolutions	Wednesday, 18 th September, 2019	-
3.	Book Closure Date- 20 th AGM	Thursday, 19 th September, 2019 to Wednesday, 25 th September, 2019	-
4.	Commencement of E-Voting	Sunday, 22 nd September, 2019	9:00 am
5.	End of E-Voting	Tuesday, 24 th September, 2019	5:00 pm





Innovators

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We request you to take this intimation on record.

Thanking you,

Yours faithfully,

For Innovators Façade Systems Limited



Nitin Kore

Company Secretary & Compliance Officer

Membership: A37732

Date: 23rd August, 2019

Place: Thane



20th Annual Report 2018-2019

Innovators Facade Systems Limited

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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Mr. Radheshyam Sharma, <i>Managing Director</i>
	:	Mrs. Anjana Sharma, <i>Whole-Time Director</i>
	:	Mr. Phoolshankar Shrimali, <i>Independent Director</i>
	:	Mr. Sunil Deshpande, <i>Independent Director</i>
	:	Mrs. Poonam Bhati, <i>Independent Director</i>
	:	Mr. Shivchand Sharma <i>Non-Executive, Non-Independent Director</i>
REGISTERED OFFICE	:	204, B-65, Sector No. 1, Shanti Nagar, Mira Road (East), Thane-401107
FACTORY	:	Survey No. 404/B, Kudus-Chinchghar Village, Chinchghar-Bilavali Road, Post-Kudus, Taluka-Wada, Dist.-Palghar-421312
AUDITORS	:	S G C O & Co. LLP, (<i>Chartered Accountants</i>), Mumbai
REGISTRAR & SHARE TRANSFER AGENT	:	LINK INTIME INDIA PRIVATE LIMITED C 101, 1 st Floor, 247 Park, L.B.S Marg, Vikhroli (West), Mumbai-400083
BANKERS	:	Indian Bank, Fort Branch
	:	Oriental Bank of Commerce, Cuff Parade Branch
OTHER INFORMATION	:	LISTED ON BSE (SME PLATFORM)
	:	WEBSITE www.innovators.in
	:	ISIN INE870Z01015
	:	SCRIP CODE 541353
CHIEF EXECUTIVE OFFICER	:	Mr. Raman Sharma (w.e.f. 07 th December, 2018)
CHIEF FINANCIAL OFFICER	:	Mrs. Priti Raman Sharma
COMPANY SECRETARY & COMPLIANCE OFFICER	:	Mr. Nitin Kore (w.e.f. 07 th December, 2018)

CHAIRMAN'S MESSAGE

Dear Shareholders,

Once again it gives me immense pleasure and zeal to be present amongst you in the ensuing 20th Annual General Meeting of the Company which also marks the twentieth year of its inception. The Company is a pioneer in Façade solutions and an emerging market leader. I place on record my sincere gratitude to all the stakeholders for bestowing their faith and being a part of this wonderful journey.

In recent times, Real Estate sector has been transformed with significant regulatory reforms introduced by the Indian government paving the strong foundation for nation building. Further, with the vision to develop nationwide smart cities, technology parks and tourism development, the government has promised a well-planned and organized environment for economy.

The next decade promises a significant growth in the real estate and infra sector, which would accelerate the necessity of well-equipped manufacturing facility endowed with advanced technology to tap in to such goldmine of opportunities. Keeping this upfront, your Company is gearing up itself with a persistent eye on technological advancements and improvisations.

Also, you are well aware of the landmark event in the history of your Company that in the last year we entered in the securities market through IPO and got listed on the SME platform of BSE (Stock Exchange). With due regards, I would like to convey my earnest gratefulness for reposing trust and confidence in the Company and making the IPO a shining success.

On an ending note, I would like to appreciate and thank the entire work force of the Company for their tireless support in this journey.

Also, I would like to place my sincere gratitude to our bankers for extending timely monetary assistance thereby augmenting the growth of the Company.

With Best Wishes,

Sincerely,

Radheshyam Sharma

Managing Director

NOTICE OF 20TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTITH ANNUAL GENERAL MEETING OF THE MEMBERS OF INNOVATORS FAÇADE SYSTEMS LIMITED WILL BE HELD ON WEDNESDAY, 25TH SEPTEMBER, 2019 AT 11.00 A.M. AT 204, B-65, SECTOR NO. 1, SHANTI NAGAR, MIRA ROAD (EAST), THANE 401 107 TO TRANSACT THE FOLLOWING BUSINESS.

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ORDINARY BUSINESS

Item No. 01 - Adoption of financial statements

To receive, consider, approve and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended 31st March, 2019, the Reports of the Board of Directors and Auditors thereon;

Item No. 02 - Appointment of Mr. Shivchand Sharma as a director liable to retire by rotation

To appoint a Director in place of Mr. Shivchand Sharma (DIN: 00298265), who retires by rotation and, being eligible, seeks re-appointment;

SPECIAL BUSINESS:

Item No. 3 - Ratification of Remuneration to Cost Auditor

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

“**RESOLVED THAT** pursuant to the provision of Section 148 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 thereof for the time being in force), M/s. Y. R. Doshi & Co., Cost Accountants, Mumbai (FRN: 000003) being the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020, be paid the remuneration of ₹ 30,000/- (Rupees Thirty Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses, if any and that the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Date : 20th August, 2019
Place : Thane
Regd. Office : 204, B-65, Sector No. 1,
Shanti Nagar, Mira Road (East),
Thane-401107.

By Order of the Board

Sd/-
Nitin Kore
(Company Secretary & Compliance Officer)

NOTES TO NOTICE

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE ON A POLL ON HIS BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form MGT-11 is enclosed.
2. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 is annexed hereto and forms part of this Notice.
3. The details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force (“SEBI Listing Regulations”), in respect of Directors seeking approval for appointment / reappointment at the Annual General Meeting, forms part of the annexure to this Notice.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. 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 member.
5. During the period beginning twenty four (24) hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, members would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
7. The Register of Members and the Share Transfer books of the Company will remain closed from Thursday, 19th September, 2019 to Wednesday, 25th September, 2019 (both days inclusive) for annual closing for the financial year 2018-19.
8. 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.
9. Queries on financial statements and operations of the Company, if any, may be sent to the Company Secretary seven days in advance of the meeting so as to enable the Management to keep the information ready at the meeting.
10. All transfer deeds, requests for change of address, bank particulars /mandates /ECS mandates, PAN should be lodged with Company’s Registrar and Share Transfer Agent M/s. Link Intime India Private Limited, on or before Saturday, 14th September, 2019. The above details in respect of the shares held in electronic form should be sent to the respective Depository Participants by the members well in time.

11. Members are requested to advise immediately about any change of address:
 - a) To their Depository Participants (DPs) in respect of their electronic share accounts.
 - b) To the Company's Registrar & Share Transfer Agent, M/s. Link Intime India Private Limited in respect of their physical share folios, if any.
12. The Annual Report of the Company circulated to the members of the Company will be made available on the Company's website at www.innovators.in.
13. As a measure of economy, copies of the Annual Report will not be circulated at the AGM. Members/Proxies should bring their copy of Annual Report and also the attendance slip duly filled in for attending the meeting.
14. Electronic copy of the Notice of the AGM of the Company inter alia indicating the process and manner of e-voting along with the Attendance slip and Proxy form is being sent to all the members whose email IDs are registered with the Company/Depository participants(s) for communication purpose unless any member has requested for a hard copy of the same. For the members who have not registered their email address, physical copies of the notice of the AGM of the Company inter alia indicating the process and manner of e-voting along with the Attendance slip and proxy form is being sent in the permitted mode.
15. To support the "Green Initiative", Members who have not registered their e-mail addresses are requested to register the same with RTA/Depositories.
16. Voting through electronic means
 - ❖ In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 ('Amended Rules 2015') and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 20th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Link Intime India Private Limited (LI IPL).
 - ❖ The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
 - ❖ The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - ❖ The remote e-voting period commences on Sunday, 22nd September, 2019 (9:00 am) and ends on Tuesday, 24th September, 2019 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Wednesday, 18th September, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by LI IPL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
 - ❖ The process and manner for remote e-voting are as under:

Log-in to e-Voting website of Link Intime India Private Limited (LIPL)

1. Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
2. Click on “Login” tab, available under ‘Shareholders’ section.
3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on “SUBMIT”.
4. Your User ID details are given below:
 - a) Shareholders holding shares in demat account with NSDL: Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b) Shareholders holding shares in demat account with CDSL: Your User ID is 16 Digit Beneficiary ID
 - c) Shareholders holding shares in Physical Form (i.e. Share Certificate): Your User ID is Event No + Folio Number registered with the Company
5. Your Password details are given below:

If you are using e-Voting system of LIPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

For Shareholders holding shares in Demat Form or Physical Form

For Shareholders holding shares in Demat Form or Physical Form	
PAN	<ul style="list-style-type: none">• Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).• Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.
DOB/ DOI	<ul style="list-style-type: none">• Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	<ul style="list-style-type: none">• Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number.• Please enter the DOB/ DOI or Bank Account number in order to register. If the above-mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

IF SHAREHOLDERS HOLDING SHARES IN DEMAT FORM OR PHYSICAL FORM HAVE FORGOTTEN PASSWORD:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.

7. On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.

8. If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.

9. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.

10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

11. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

❖ **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as ‘**Custodian / Mutual Fund / Corporate Body**’.

They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the ‘Custodian / Mutual Fund / Corporate Body’ login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular “Event”.
 - Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
 - In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions (“FAQs”) and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.
 - The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
17. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Wednesday, 18th September, 2019.
 18. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. Wednesday, 18th September, 2019, may obtain the login ID and password by sending a request at enotices@linkintime.co.in or cs@innovators.in. However, if you are already registered with LIPL for remote e-voting then you can use your existing User ID and Password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on LIPL: <https://instavote.linkintime.co.in>
 19. M/s. Jajodia & Associates, Practicing Company Secretary (COP No: 19900), has been appointed as the scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
 20. The Scrutinizer shall after the conclusion of voting at the AGM, first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favor or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
 21. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
 22. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company www.innovators.in and on the website of LIPL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
 23. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours (10.00 am to 5.00 pm) on all working days except Saturdays, up to and including the date of the Annual General Meeting of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

AS REQUIRED BY SECTION 102 OF THE COMPANIES ACT, 2013 THE FOLLOWING EXPLANATORY STATEMENT SETS OUT ALL MATERIAL FACTS RELATING TO THE BUSINESSES MENTIONED UNDER ITEM NO. 3 OF THE ACCOMPANYING NOTICE.

Item No. 3

Ratification of Remuneration of Cost Auditors

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company, on recommendation of the Audit Committee, has approved the appointment of M/s. Y. R. Doshi & Co. (FRN 000003) as Cost Auditors to conduct the audit of cost records of the Company for the financial year ending on 31st March, 2020 at a remuneration of ₹ 30,000/- (Rupees Thirty Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses, if any. The remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the Company. Accordingly, consent of Members is sought for passing an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors for the financial year ending on 31st March, 2020 in terms of section 148 of the Companies Act, 2013. The Board of Directors recommends the ratification of remuneration of Cost Auditors as set out at item no. 3 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relative(s) is, in any way, concerned or interested, financially or otherwise, in the said resolution.

Date : 20th August, 2019

Place : Thane

Regd. Office : 204, B-65, Sector No. 1,
Shanti Nagar, Mira Road (East),
Thane – 401107.

By Order of the Board

Sd/-

Nitin Kore

(Company Secretary & Compliance Officer)

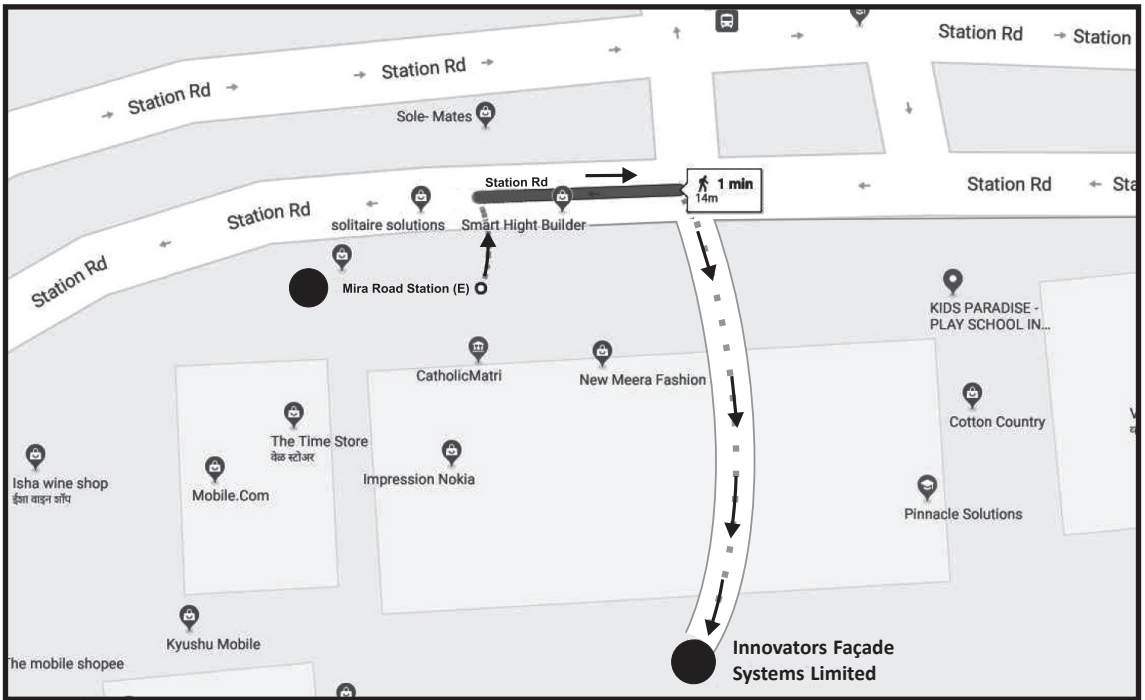
ANNEXURE TO NOTICE

**INFORMATION ON DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT OR REVISION OF
RENUMERATION AT THE FORTHCOMING AGM**

**[PURSUANT TO REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS)
REGULATIONS, 2015 AND CLAUSE 1.2.5 OF SECRETARIAL STANDARDS-2 ON GENERAL MEETINGS]**

Particulars	
Name	Mr. Shivchand Sharma
DIN	00298265
Designation	Non-Executive Non Independent Director
Date of Birth	07-03-1947
Age	72 Years
Date of Appointment on current position	08-01-2018
Nationality	Indian
Qualifications	Grade-9
Expertise in specific Functional Areas	Business Administration & Project Management
List of other Companies in which directorship is held as on 31st March, 2019	Parth Façade Solutions Private Limited
Chairman/Member of Committee of other Company	NIL
No. of Shares held in the company	9,00,000
Inter-se relationship with other Directors and Key Managerial Personnel	Being the father of Radheshyam Sharma, Managing Director of the Company and Raman Sharma, Chief Executive Officer of the Company.
Terms and Conditions of Appointment	Non-Executive Director liable to retire by rotation

ROUTE MAP TO THE VENUE OF 20TH ANNUAL GENERAL MEETING OF INNOVATORS FAÇADE SYSTEMS LIMITED



Prominent Land Mark – Near Mira Road (E) Railway Station

DIRECTOR'S REPORT

To,
The Members of
Innovators Façade Systems Limited

Your Directors have pleasure in presenting Twentieth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended 31st March, 2019.

1. FINANCIAL PERFORMANCE:

I. FINANCIAL RESULTS:

The Company's performance for the Financial Year ended 31st March, 2019 as compared to the previous financial year, is summarized below:

(₹ in Lakh)

Particulars	2018-19	2017-18	2018-19	2017-18
	Standalone		Consolidated	
Revenue from Operations	15,708.58	15,417.46	15,708.58	15,417.46
Other Income	167.49	100.98	167.49	100.98
Total Revenue	15,876.07	15,518.44	15,876.07	15,518.44
EBITDA	2,249.65	2,261.43	2,243.37	2,260.85
Finance Cost	503.95	870.52	503.95	871.53
Depreciation	236.98	220.88	236.98	220.88
Profit Before Exceptional Items and Tax	1,508.72	1,170.02	1,502.44	1,168.43
Less: Exceptional Items	738.70	—	738.70	—
Profit Before Tax	770.02	1,170.02	763.74	1,168.44
Tax Expense	298.53	377.14	298.53	376.54
Profit After Tax	471.48	792.89	465.21	791.90

II. OPERATIONS

The Company is engaged in the business of designing, engineering, fabrication, supply and installation of façade systems. There has been no change in the business of the Company during the financial year ended 31st March, 2019.

The highlights of the Company's performance on standalone basis are as under:

- Revenue from Operation in the Financial Year 2018-19 is ₹ 15,708.58 lakhs as compared to ₹ 15,417.46 lakhs in previous Financial Year 2017-18.
- EBITDA (Before exceptional item) in Financial Year 2018-19 is ₹ 2,249.65 lakhs (i.e. 14.32 % of Revenue from Operations) as compared to ₹ 2,262.43 lakhs (i.e. 14.67 % of Revenue from Operations) in previous Financial Year 2017-18.
- Profit Before Tax is ₹ 770.02 lakhs in Financial Year 2018-19 as compared to ₹ 1,170.02 lakhs in previous Financial Year 2017-18. The decrease in profit before tax of the Company was on account of exceptional items amounting to ₹ 738.70 lakhs and thereby reducing the Profit After Tax to ₹ 471.48 lakhs in Financial Year 2018-19 as compared to ₹ 792.89 lakhs in previous Financial Year 2017-18.

The highlights of the Company's performance on consolidated basis are as under:

- Consolidated Profit After Tax is ₹ 465.21 lakhs in Financial Year 2018-19 as compared to ₹ 791.90 lakhs in previous Financial Year 2017-18.

2. DIVIDEND:

In order to conserve the resources of company the directors have not recommended any dividend for the Financial Year 2018-19.

3. AMOUNT TRANSFERRED TO RESERVES:

The Board has not recommended any amount to be transferred to the reserves for the financial year under review.

4. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

There is no unpaid/unclaimed dividend amount lying with the Company, therefore the provisions of Section 125 of the Companies Act, 2013 do not apply.

5. EXTRACT OF ANNUAL RETURN:

In accordance with the Companies Act 2013, an extract of the annual return in the prescribed format is made available on www.innovators.in.

6. DETAILS OF SUBSIDIARY, JOINT VENTURE AND ASSOCIATE COMPANIES:

The details of the subsidiaries, joint ventures or associate companies are as mentioned below:

Sr. No.	Name of the Company	Subsidiary/Joint Venture /Associate
1.	M/s. Innovators Engineering Works Private Limited (Formerly known as Kapindra Multi Trade Private Limited)	Wholly Owned Subsidiary Company

Further, a statement containing the salient features of the financial statements of subsidiary Company in the prescribed format AOC 1 is appended as an **"Annexure I"** to the Board's report. The statement also provides the details of performance, financial positions of the subsidiary company.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited accounts of each of its subsidiary, are available on website of www.innovators.in.

These documents will also be available for inspection during the business hours at the registered office of the Company.

7. MATERIAL CHANGES AND COMMITMENTS:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year of the Company i.e. 31st March, 2019 to which these financial statements relate and the date of this report.

8. DETAILS OF INITIAL PUBLIC OFFER (IPO):

During the Financial Year the company has issued 56,60,800 equity shares of ₹ 10/- each at an issue price of ₹ 72/- each aggregating to ₹ 40.76 crores through Initial Public Offer (IPO) pursuant to Section 62(1)(c) and all other applicable provision of the Act, Companies (Prospectus and Allotment of the Securities) Rules, 2014 and in accordance with the provisions of Chapter X(B) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, which was fully subscribed. Subsequently, the equity shares of the company are listed on BSE SME Stock Exchange with effect from 24th May, 2018.

9. UTILIZATION OF NET PROCEEDS FROM THE INITIAL PUBLIC OFFER

The proceeds of the funds raised under IPO by the Company are being utilized as per the Objects of the Issue. The disclosure in compliance with the Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations") is as under:

(Amount in ₹)

Particulars	Projected Utilization of Proceeds as per IPO Objects	Utilization of Proceeds up to 31 st March, 2019	Unutilized balances
Upgradation and Modernization of existing manufacturing facility	10,72,00,000	8,38,97,350	2,33,02,650
Funding the Working capital requirements of the Company	20,00,00,000	20,00,00,000	—
General corporate purpose	5,78,78,000	5,78,78,000	—
Issue related expenses	4,25,00,000	4,25,00,000	—
Total	40,75,78,000	38,42,75,350	2,33,02,650

The unutilized money as on 31st March, 2019 is lying with scheduled commercial bank.

10. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS

Adequate internal control systems commensurate with the nature of the Company's business and size and complexity of its operations are in place and has been operating satisfactorily. Internal control systems comprising of policies and procedures are designed to ensure reliability of financial reporting, timely feedback on achievement of operational and strategic goals, compliance with policies, procedure, applicable laws and regulations and that all assets and resources are acquired economically, used efficiently and adequately protected.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties are in the ordinary course of business and on arm's length basis. As provided under section 134(3)(h) of the Act and Rules made thereunder disclosure of particulars of material transactions with related parties entered into by the Company with related parties in the prescribed format annexed to this report as an "Annexure II".

The Policy on dealing with Related Party Transactions may be accessed on the Company's website at the link: <http://innovators.in/investors-corner/>

12. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

Particulars of loans given, investments made, guarantees given and securities provided as covered under the provisions of Section 186 of the Companies Act, 2013 if any, have been disclosed in the notes to the standalone financial statements forming part of the Annual Report.

13. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

During the year under review there has been no such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

14. DETAILS OF CHANGE IN COMPOSITION OF DIRECTORS OR KEY MANAGERIAL PERSONNEL:

The constitution of the Board of Directors is in accordance with Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations. Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Shivchand Sharma (DIN: 00298265) is liable to retire by rotation at the ensuing Annual General Meeting of the Company and being eligible has offered himself for re-appointment.

Further, pursuant to the provisions of Section 203 of the Companies Act, 2013 and Rules framed thereunder, during the year following persons were appointed as Key Managerial Personnel (KMP) of the Company.

Name of Key Managerial Personnel	Designation	Date of Event
Mr. Raman Sharma	Chief Executive Officer	7 th December, 2018
Mr. Nitin Kore	Company Secretary	7 th December, 2018

15. SHARE CAPITAL

The details of share capital of the Company are as under:

Particulars	As at 31 st March 2019		As at 31 st March 2018	
	Number of Shares	Amount (In ₹)	Number of Shares	Amount (In ₹)
(a) Authorised Capital: Equity Shares of ₹ 10/- each	2,10,00,000	210,000,000	2,10,00,000	210,000,000
(b) Issued, Subscribed & Paid-up Capital: Equity Shares of ₹ 10/- each	1,88,67,808	18,86,78,080	13,20,70,08	13,20,70,080

NOTE

During the year under review, the Company has issued 56,60,800 equity shares of face value of ₹ 10/- each at a premium of ₹ 62/- per share, total issue size amounting to ₹ 40,75,77,600/-, through Initial Public Offer (IPO) vide their members approval in the Extra-Ordinary General Meeting of the Company held on 17th February, 2018, pursuant to Section 62(1)(c) and all other applicable provision of Companies Act, 2013, Companies (Prospectus and Allotment of the Securities) Rules, 2014 and in accordance with the provisions of Chapter X(B) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009. Consequently, the equity shares of the company has got listed on the SME platform of BSE Stock Exchange w.e.f. 24th May, 2018.

16. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES

I. BOARD OF DIRECTORS

The composition of the Board as on 31st March, 2019 is in conformity with the provisions of the Companies Act, 2013 and in line with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015(“SEBI Listing Regulations”) and the Act.

The Board of Directors met eleven times during the financial year under review on 14th April, 2018, 25th April, 2018, 02nd May, 2018, 03rd May, 2018, 18th May, 2018, 22nd May, 2018, 18th June, 2018, 25th August, 2018, 06th November, 2018, 07th December, 2018 and 29th March, 2019.

COMPOSITION OF THE BOARD

The Company has a very balanced and diverse Board of Directors, which primarily takes care of the business needs and stakeholders’ interest. The Non-executive Directors including Independent Directors on the Board are experienced and highly competent persons in their respective fields of expertise. They take active part at the Board and Committee Meetings by providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and play pivotal role on strategic issues, which enhances the transparency and add value in the decision making process of the Board of Directors.

Category of the Directors	No. of Directors
Executive	1
Executive Woman Director	1
Non-executive	
a) Non-executive, Non Independent Director	1
b) Non-executive, Independent Director (Including Woman Director)	3
Total	6

Except Mr. Shivchand Sharma who is the father of Mr. Radheshyam Sharma and Mr. Radheshyam Sharma who is the husband of Mrs. Anjana Radheshyam Sharma, no other Director is related directly or indirectly to any other Directors of the Company.

COMMITTEES OF THE BOARD

The Committees of the Board play a vital role in the governance structure of the Company and help the Board of Directors in discharging their duties and responsibilities. The Committees have been constituted to deal with specific areas / activities, which concern the Company.

The Committees are set with clearly defined roles and goals, which are crucial for the smooth functioning of the Company. The Board is responsible for the action of the Committees.

The Chairman of the respective Committees inform the Board about the summary of the discussions held in the Committee Meetings. The minutes of the meetings of all the Committees are placed before the Board for review.

There are currently Four Committees of the Board, as follows :

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholder Relationship Committee
- d. Corporate and Social Responsibility Committee

Below are the details of all the Committees along with their compositions, and meetings held during the year:

II. AUDIT COMMITTEE:

Pursuant to Provisions of Section 177 of the Companies Act, 2013 during the financial year under review the Audit Committee met seven times on 02nd May, 2018, 03rd May, 2018, 18th May, 2018, 22nd May, 2018, 25th August, 2018, 06th November, 2018 and 07th December, 2018.

i. Terms of Reference/ Policy:

Apart from all the matters provided under Section 177 of the Companies Act, 2013, the Audit Committee reviews reports of the internal auditor, monitoring and utilization of IPO Proceeds, meets statutory auditors as and when required and discusses their findings, suggestions, observations and other related matters. It also reviews major accounting policies followed by the Company.

ii. Composition of the Audit Committee:

Composition of Audit Committee is as follows:

Sr No.	Name	Category	Designation
1.	Phoolshankar Murlidhar Shrimali	Non-Executive, Independent Director	Chairman
2	Sunil Krishnarao Deshpande	Non-Executive, Independent Director	Member
3	Poonam Bhati	Non-Executive, Independent Director	Member
4	Radheshyam Sharma	Managing Director	Member

The Members of the Audit Committee are financially literate and have requisite accounting and financial management expertise.

III. NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to Provisions of Section 178 of the Companies Act, 2013 during the Financial Year under review, the Nomination and Remuneration Committee met three times on 25th August, 2018, 06th November, 2018 and 07th December, 2018.

i. Terms of Reference/Policy:

On recommendation of the Nomination and Remuneration Committee the Company has framed a policy as per Section 178 of the Companies Act, 2013 for selection and appointment of Directors, Senior Management and their remuneration.

ii. Composition of the Nomination and Remuneration Committee:

Composition of Nomination and Remuneration Committee is as follows:

Sr No.	Name	Category	Designation
1.	Phoolshankar Murlidhar Shrimali	Non-Executive, Independent Director	Chairman
2	Sunil Krishnarao Deshpande	Non-Executive, Independent Director	Member
3	Poonam Bhati	Non-Executive, Independent Director	Member
4	Shivchand Sharma	Non-Executive, Non-Independent Director	Member

The Company has Nomination and Remuneration policy, which provides the criteria for determining qualifications, positive attributes, independence of a Director and policy relating to remuneration for Directors, Key Managerial Personnel and other employees in accordance with the provisions of Section 178 of the Companies Act, 2013. The Nomination and Remuneration Policy of the Company is hosted on the Company's Website at: <http://innovators.in/investors-corner/>

IV. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Pursuant to Provisions of Section 178 of the Companies Act, 2013 during the Financial Year under review, the Stakeholders Relationship Committee met two times on 25th August, 2018 and 06th November, 2018.

i. Terms of Reference/Policy:

Apart from all the matters provided under Section 178 of the Companies Act, 2013, the Stakeholder Relationship Committee reviews the complaints received from the stakeholders of the Company as and when required and discusses their findings, suggestions, observations and other related matters.

ii. Composition of the Stakeholder Relationship Committee:

Composition of Stakeholder Relationship Committee is as follows:

Sr No.	Name	Category	Designation
1.	Phoolshankar Murlidhar Shrimali	Non-Executive, Independent Director	Chairman
2	Sunil Krishnarao Deshpande	Non-Executive, Independent Director	Member
3	Poonam Bhati	Non-Executive, Independent Director	Member
4	Radheshyam Sharma	Managing Director	Member

V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 during the year One Corporate Social Responsibility Committee Meeting was held by the Company on 25th April, 2018. The details as per the provisions of Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 is annexed herewith as “Annexure III” to this report.

i. Terms of Reference/Policy:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility) Rules, 2014 the Company has constituted Corporate Social Responsibility Committee and framed a policy on Corporate Social Responsibility.

ii. Composition of the Corporate Social Responsibility Committee:

Composition of Corporate Social Responsibility Committee is as follows:

Sr No.	Name	Category	Designation
1.	Mr. Radheshyam Sharma	Managing Director	Chairman
2.	Mrs. Anjana Sharma	Whole Time Director	Member
3.	Mr. Shivchand Sharma	Non-Executive, Non -Independent Director	Member
4	Mr. Phoolshankar Murlidhar Shrimali	Non-executive, Independent Director	Member

The said Committee has been entrusted with the responsibility of formulating and recommending to the Board, Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR Policy and recommending the amount to be spent on CSR activities. The CSR policy of the Company is available on the Company’s web-site and can be accessed in the link provided herein <http://innovators.in/investors-corner/>

VI. DECLARATION GIVEN BY INDEPENDENT DIRECTORS:

The Company has received and taken on record the declarations received from the Independent Directors of the Company in accordance with the Section 149(6) of the Companies Act, 2013.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder all the Independent Directors of the Company met once without the attendance of Non-Independent Directors and Members of the Management.

The Non-Executive, Independent Directors of the Company met on 29th March, 2019. During the said meeting, the following points were discussed:

- The performance of Non-Independent Directors and the Board as a whole.
- The performance of the Chairman of the Company taking into account the views of Executive Director and Non-Executive Directors.

- The quality, quantity and timeliness of flow of information between the Company management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

All the Non-Executive, Independent Directors were present throughout the meeting. They expressed their satisfaction on the governance process followed by the Company as well as the information provided to them on a timely basis.

17. VIGIL MECHANISM POLICY:

The Board of Directors of the Company has pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 established Vigil Mechanism Policy - Whistle Blower Policy for Directors and employees of the Company to provide a mechanism which ensures adequate safeguards to employees and Directors from any victimization on raising of concerns of any violations of legal or regulatory requirements, incorrect or misrepresentation of any financial statements and/or reports, etc.

The employees of the Company have the right to report their concern or grievance to the Chairman of the Audit Committee. The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. The Whistle Blower Policy is hosted on the Company's website at: <http://innovators.in/investors-corner/>

18. RISK MANAGEMENT POLICY:

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. The Board has adopted a Risk Management Policy for all its business divisions and corporate functions and the same have embraced in the decision making to ease the risk involved. Key business risks and their mitigation are considered in day-to-day working of the Company and also in the annual/strategic business plans and management reviews.

19. PERFORMANCE EVALUATION:

Nomination and Remuneration Committee of the Board has formulated a Performance Evaluation Framework under which evaluation of the performance of Board as a whole, its committees and the individual directors was carried out. The Board subsequently evaluated performance of the Board, the Committees and Independent Directors; without participation of the concerned Director. The Nomination and Remuneration Committee has approved the Policy relating to evaluation of every director's performance. Accordingly, evaluation of all directors was carried out.

20. DETAILS WITH RESPECT TO THE PROGRAMME FOR FAMILIARISATION OF INDEPENDENT DIRECTORS:

The familiarization programme aims to provide Independent Directors with the industry scenario, the socio-economic environment in which the Company operates, the business model, the operational and financial performance of the Company, significant developments so as to enable them to take well informed decisions in a timely manner. The familiarization programme also seeks to update the Directors on the roles, responsibilities, rights and duties under the Act and other statutes.

21. PARTICULARS OF EMPLOYEES:

The Company had 224 employees (on a standalone basis) as of March 31, 2019. The information pursuant to Section 197(12) of the Companies Act, 2013, read with Rule 5(2) of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company will be provided on request. In the terms of Section 136 of the Companies Act, 2013, the Report and accounts are being sent to the members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by members at the Registered Office of the Company during business hours on working days of the Company up to the date of ensuing Annual General Meeting. If any member is interested in inspecting the same, such member may request to the Company Secretary in advance.

22. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the year under review as required pursuant to the provisions of Schedule V of the SEBI Listing Regulations forms part of this Annual Report.

23. AUDITORS AND REPORTS:

The matters related to Auditors and their Reports are as under:

i. STATUTORY AUDITOR:

At the Annual General Meeting of the Company, M/s. S G C O & Co LLP, Chartered Accountants, Mumbai (Firm Registration Number 112081W/W100184), were appointed as statutory auditors of the Company for a term of five years [i.e., till the conclusion of Annual General Meeting to be held in Financial Year 2021-2022].

M/s. S G C O & Co LLP, have confirmed that they are within the limits specified under Section 141(3)(g) of the Companies Act, 2013 and they are not disqualified to act as Statutory Auditors in terms of the provisions of Sections 139 and 141 of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

ii. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2019:

The auditor's report for the financial year ended 31st March, 2019 does not contain any qualification, reservation or adverse remark and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

iii. FRAUD REPORTING:

During the year under review, there were no instances of fraud falling within the purview of Section 143 (12) of the Companies Act, 2013 and rules made thereunder, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit conducted.

24. SECRETARIAL AUDITOR:

The Secretarial Auditor, Ms. Priti Jajodia, Company Secretary in practice, (COP No. 19900), has issued Secretarial Audit Report for the Financial Year 2018-19 pursuant to provisions of Section 204 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, which is annexed as "**Annexure IV**" and forms part of this Report.

The said Secretarial Audit Report does not contain any qualification, reservation, adverse remarks and disclaimer.

25. INTERNAL AUDITOR:

During the financial year the Company has appointed M/s. D. Y. & Associates, Chartered Accountants (Firm Registration Number 141274W), as Internal Auditors of the Company as per

the provisions of Section 138 of Companies Act, 2013. The Report of Internal Auditor was yearly reviewed by Audit Committee.

26. COST AUDITOR:

During the financial year the Company has appointed M/s. Y. R. Doshi & Co., Cost Accountants, Mumbai (FRN: 000003), as Cost Auditor of the Company as per the provision of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2020.

A resolution regarding ratification of remuneration payable to M/s. Y.R. Doshi & Co., Cost Accountants, forms part of the Notice convening the 20th Annual General Meeting of the Company.

The cost accounts and records of the Company are duly prepared and maintained as required under Section 148(1) of Act.

27. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

The particulars as required under the provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 in respect of conservation of energy, technology absorption, foreign exchange earnings and outgo etc. are as mentioned below:

a) Conservation of Energy:

Steps taken for conservation	The Company lays great emphasis on saving energy. Achieving reductions in energy consumption is an ongoing exercise in the Company. Effective measures have been taken to minimize the loss of energy, wherever possible.
Steps taken for utilizing alternate sources of energy	
Capital investment on energy conservation equipments	

b) Technology Absorption:

Efforts made towards technology absorption	Considering the nature of activities of the Company, there is no requirement with regard to technology absorption.
Benefits derived like product improvement, cost reduction, product development or import substitution	
In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):	
Details of technology imported	Nil
Year of import	Not Applicable
Whether the technology has been fully absorbed	Not Applicable
If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
Expenditure incurred on Research and Development	Nil

c) **Foreign Exchange Earnings and Outgo:** (Amount in ₹)

Particulars	Financial Year 2018-19	Financial Year 2017-18
Actual Foreign Exchange earnings	NIL	NIL
Actual Foreign Exchange outgo	1,23,08,904	3,81,22,691

28. DEPOSITS:

The Company has not accepted any deposit or unsecured loans from the public within the meaning of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of deposit by Companies) Rules, 2014.

29. PREVENTION OF INSIDER TRADING:

The Company has adopted a code of conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

All Directors and the designated employees have confirmed compliance with the Code.

30. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to provide a safe and conducive work environment to its employees. During the year under review, your Directors further state that there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

31. DIRECTORS RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanation obtained by them, your Directors make the following statements in terms of Section 134(5) of the Companies Act, 2013:

- i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii) That such accounting policies selected and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;
- iii) That proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) That they have prepared the annual accounts on a going concern basis;
- v) That proper internal financial controls have been laid down and that such controls are adequate and are operating effectively.
- vi) That proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. GENERAL:

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- I. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- II. There is no change in the nature of the business of the company
- III. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- IV. Neither the Managing Director nor the Whole -time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- V. The Company has not bought back its shares, pursuant to the provisions of Section 68 of Companies Act, 2013 and Rules made thereunder.

33. GREEN INITIATIVE:

Electronic copies of the Annual Report (2018-19) and the Notice of the 20th AGM are sent to all members whose email addresses are registered with the Company / Depository Participant(s). For members who have not registered their email addresses, Physical copies are sent in the permitted mode.

34. ACKNOWLEDGEMENT:

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from all our Clients, Financial Institutions, Bankers, Business Associates and the Government and other regulatory authorities and thanks all stakeholders for their valuable sustained support and encouragement towards the conduct of the proficient operation of the Company. Your Directors would like to place on record their gratitude to all the employees who have continued their support during the year.

Date : 20th August 2019

For and on behalf of the Board

Place : Thane

Regd. Office : 204, B-65, Sector No. 1,
Shanti Nagar, Mira Road (East),
Thane-401107.

(Radheshyam Sharma)
Managing Director
DIN: 00340865

(Anjana Sharma)
Whole-time Director
DIN: 00360233

Form No. AOC-I

Statement containing salient features of the financial statements of subsidiaries/associate companies/ joint ventures

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

Part "A": Subsidiaries		
(Information in respect of each subsidiary to be presented with amounts in ₹)		
Sl. No.	Particulars	
1.	Name of the subsidiary	Innovators Engineering Works Private Limited (Formerly known as "Kapindra Multi Trade Private Limited")
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Same as of Holding Company
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	(In ₹)
4.	Share capital	38,31,800
5.	Reserves & surplus	18,11,96,374
6.	Total assets	18,69,16,569
7.	Total Liabilities	18,88,395
8.	Investments	15,60,41,000
9.	Turnover	Nil
10.	Profit/Loss before taxation	(5,77,383)
11.	Provision for taxation/Deferred Tax	Nil
12.	Profit/Loss after taxation	(5,77,383)
13.	Proposed Dividend	—
14.	% of shareholding	100%

- Names of subsidiaries which are yet to commence operations- NIL
- Names of subsidiaries which have been liquidated or sold during the year- NIL

Part “B”: Associates and Joint Ventures
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to
Associate Companies and Joint Ventures

Name of Associates	
1. Latest audited Balance Sheet Date	—
2. Shares of Associate/Joint Ventures held by the company on the year end	—
No.	—
Amount of Investment in Associates/Joint Venture	—
Extend of Holding %	—
3. Description of how there is significant influence	—
4. Reason why the associate/joint venture is not consolidated	—
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	—
6. Profit / Loss for the year	—
i. Considered in Consolidation	—
i. Not Considered in Consolidation	—

1. Names of associates or joint ventures which are yet to commence operations- NIL
2. Names of associates or joint ventures which have been liquidated or sold during the year- NIL

Date : 20th August, 2019

For and on behalf of the Board

Place : Thane

Regd. Office : 204, B-65, Sector No.1,
Shanti Nagar, Mira Road (East),
Thane-401107.

(Radheshyam Sharma)
Managing Director
DIN: 00340865

(Anjana Sharma)
Whole-time Director
DIN: 00360233

ANNEXURE II

Form AOC-2

(Pursuant to Clause (h) of Sub-Section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-Section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of Contracts of Arrangements or Transactions not at Arm's Length Basis

There were no contracts or arrangements, or transactions entered into during the year ended 31st March, 2019, which were not at arm's length basis.

2. Details of Material Contracts or Arrangements or Transactions at Arm's Length Basis

The details of material contracts or arrangements or transactions at arm's length basis for the year ended 31st March, 2019 are as follows:

(Amount in ₹)

Sr. No.	Name(s) of the related party & Nature of relationship	Nature of transactions	Transactions Value	Duration of transactions	Salient terms of transactions	Date of approval by the board	Amount paid in advance
1.	Innovators Facade Solutions Private Limited	Sales from works contract and facade materials	14,63,06,284	April 2018 – March 2019	The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arms length basis.	14 th April 2018 (Further, the RPTs are in the ordinary course of business and are at arm's length basis)	Nil
2	Parth Facade Solutions Private Limited	Contracts Execution Expenses	9,32,94,629	April 2018 – March 2019			46,29,839

Date : 20th August, 2019

For and on behalf of the Board

Place : Thane

Regd. Office : 204, B-65, Sector No.1,
Shanti Nagar, Mira Road (East),
Thane-401107.

(Radheshyam Sharma)
Managing Director
DIN: 00340865

(Anjana Sharma)
Whole-time Director
DIN: 00360233

ANNEXURE III**Annual Report on Corporate Social Responsibility (CSR) Activities**

Sr. No	Particulars	Details
1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and projects and programs	The CSR policy of the Company lays down the guidelines to make CSR a key business process for sustainable development of the society. The CSR policy also encompasses the scope of CSR activities of the Company.
2.	The composition of the CSR Committee	<ol style="list-style-type: none"> 1. Mr. Radheshyam Sharma - Chairman & Managing Director 2. Mrs. Anjana Sharma- Member & Whole Time Director 3. Mr. Shivchand Sharma - Member & Non-Executive Non -Independent Director 4. Mr. Phoolshankar Murlidhar Shrimali - Member & Non-Executive Independent Director
3.	Average Net Profit of the Company for last three financial years	₹ 5,68,83,950
4.	Prescribed CSR Expenditure (two per cent of the amount as per item no. 3) :	
	Estimated CSR Expenditure	₹ 11,37,679
	Actual CSR Expenditure	₹ 70,44,000
5.	Details of CSR spent during the financial year:	
	(a) Total amount to be spent for the financial year	₹ 11,37,679
	(b) Amount unspent if any	NIL
	(c) Manner in which the amount spent during the financial year is detailed below:	1. CanCare Trust - ₹ 35,00,000
		2. Pantomath Trust - ₹ 35,44,000

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the project is covered	Project or programs (1) Local area or other (2) Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs sub heads: (1) Direct Expenditure on projects and programs (2) Overheads:	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency*
1.	CanCare Trust	Health Sector	Mumbai, Maharashtra	—	35,00,000	—	Through Can Care Trust
2.	Pantomath Investor Awareness & CSR Foundation	Investor Education, Training, Awareness & Protection	PAN India	—	35,44,000	—	Through Pantomath Investor Awareness & CSR Foundation
	Total	—	—	—	70,44,000	—	—
6.	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount:			<p>During the Financial Year 2018-19, the Company has spent the amount on CSR activities on account of its planned CSR activities and in connection with the same the Company has initiated the CSR Programme in the forthcoming year, which includes spending of corpus amount in the CSR activities.</p> <p>The Company believes and acts on an ethos of generosity and compassion, characterised by a willingness to build a society that works for everyone. Believing in the trusteeship concept is the cornerstone of our CSR policy. This entails transcending business interests and grappling with the “quality of life” challenges.</p>			

Date : 20th August, 2019

For and on behalf of the Board

Place : Thane

Regd. Office : 204, B-65, Sector No.1,
Shanti Nagar, Mira Road (East),
Thane-401107.

(Radheshyam Sharma)
Managing Director
DIN: 00340865

(Anjana Sharma)
Whole-time Director
DIN: 00360233

Form No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

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

To,

The Members of

Innovators Facade Systems Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Innovators Facade Systems Limited (CIN: U45200MH1999PLC120229)** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my 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 and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31st March, 2019, and made available to us according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), as applicable:-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - i) The Security and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- (vi) Other specific business/industry related laws that are applicable to the company, viz
- Contract Labour (Regulation and Abolition) Act, 1970;
 - The Maharashtra Industrial Policy, 2013;
 - Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;
 - Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001;
 - Factories Act 1948;
 - The Environment Protection Act, 1986 (“Environment Protection Act”);
 - Air (Prevention and Control of Pollution) Act, 1981;
 - Water (Prevention and Control of Pollution) Act, 1974;
 - Hazardous Waste Management & Handling Rules, 2008.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

We report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned as 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 as per Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

We further report that during the audit period:

- a) During the year, the Company has issued 56,60,800 equity shares of face value of ₹ 10/- each at a premium of ₹ 62/- per share, total issue size amounting to ₹ 40,75,77,600/-, through Initial Public Offer (IPO) vide their members approval in the Extra-Ordinary General Meeting of the Company held on 17th February, 2018, pursuant to Section 62(1)(c) and all other applicable provision of Companies Act, 2013, Companies (Prospectus and Allotment of the Securities) Rules, 2014 and in accordance with the provisions of Chapter X(B) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009 and subsequently, the equity shares of the company has got listed on the SME platform of BSE Limited w.e.f. 24th May, 2018.
- b) The Members at the 19th Annual General Meeting held on 28th September, 2018 has considered and approved Appointment/Reappointment of below mentioned Directors of the Company:
 - i. Reappointment of Mr. Shivchand Dedraj Sharma, Director retiring by rotation;
 - ii. Appointment of Mr. Phoolshankar Shrimali, as an Independent Director of the Company;

- iii. Appointment of Mr. Sunil Deshpande, as an Independent Director of the Company;
 - iv. Appointment of Mrs. Poonam Bhati, as an Independent Director of the Company.
- c) The Board of Directors of the Company at their meeting held on 7th December, 2018 has considered below mentioned appointment and resignation of Key Managerial Personnel:
- i. Appointment of Mr. Raman Sharma as a Chief Executive Officer of the Company pursuant to the provisions of section 203 and Rule 8 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2015 w.e.f. 7th December, 2018.
 - ii. Appointment of Mr. Nitin Kore as a Company Secretary & Compliance Officer of the Company pursuant to the provisions of section 203 and Rule 8A of the Companies (Appointment & Remuneration of Managerial personnel) Rules, 2015 and Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f. 7th December, 2018.
 - iii. Resignation of Ms. Radhika Tibrewala from the post of Company Secretary and Compliance Officer of the Company with effect from 30th November, 2018.
 - iv. Revision in terms of payment of remuneration to Mrs. Priti Sharma, Chief Financial Officer of the company from ₹ 16.80 Lakhs to ₹ 19.80 lakhs.

and except above there was no other specific events/actions in pursuance of the above referred law, rules, regulations, guidelines etc. having a major bearing on the Company Affairs.

Adequate notice is given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance, 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.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

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.

We further report that the compliance by the company of applicable financial law such as direct and indirect tax laws and maintenance of financial records and books of account have not been reviewed in this audit since the same have been subject to review by the statutory financial auditors, and other designated professional.

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

For Jajodia & Associates

Place: Mumbai
Date: 12th August, 2019

Priti Jajodia
Company Secretary in Practice
M. No.: 36944 CP No.: 19900

'Annexure A'

To,

The Members of

Innovators Facade Systems 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 processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for my opinion.
3. We have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules, 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. My examination was limited to the verification of procedures on the test basis.
6. The Secretarial audit report 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 Jajodia & Associates

Place: Mumbai
Date: 12th August, 2019

Priti Jajodia
Company Secretary in Practice
M. No.: 36944 CP No.: 19900

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRIAL STRUCTURE AND DEVELOPMENT

Sustainable and eco-friendly façade developments focused on energy conservation and reduced dependency on fossil fuels are the new imperative of the rapidly – growing façade and fenestration industry.

The global facade market is expected to reach US\$ 342.94 billion by 2025. Façade is an attractive exterior wall or face of buildings that comprise design elements such as deliberate placement of doors and windows. Global facade industry is expected to grow at a significant CAGR in the upcoming period as the scope and its applications are rising enormously across the globe.

The factors that are playing a major role in the growth of facade market are a high investment in R&D of the construction and architecture industries, developing eco-friendly bio-climatic facades, rapid urbanization and increasing number of renovation projects.

Rise in the number of commercial high rise, such as Corporate Parks, IT Parks and Industrial hubs is expected to act as a stimuli to growth.

As per industry estimates as of December 2018, the current market size of the Façade industry in India is ₹ 15,000 Cr and witnessed an annual growth rate of 20% due to rapid urbanization and increased demand for office and other high-end glass façade buildings.

2. FINANCIAL PERFORMANCE

(₹ in Lakhs.)

Particulars	Standalone		Consolidated	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Revenue from Operations	15,708.58	15,417.46	15,708.58	15,417.46
Other Income	167.49	100.98	167.49	100.98
Total Revenue	15,876.07	15,518.44	15,876.07	15,518.44
EBITDA	2,249.65	2,261.43	2,243.37	2,260.85
Finance Cost	503.95	870.52	503.95	871.53
Depreciation	236.98	220.88	236.98	220.88
Profit Before Exceptional Items and Tax	1,508.72	1,170.02	1,502.44	1,168.43
Less: Exceptional Items	738.70	—	738.70	—
Profit Before Tax	770.02	1,170.02	763.74	1,168.44
Tax Expense	298.53	377.14	298.53	376.54
Profit After Tax	471.48	792.89	465.21	791.90

We have undergone a transformational journey over the last few years, undertaking various business strengthening initiatives that have translated in to significant improvement in our financial and operational parameters.

During Financial Year 2018-19, the Company has reported revenues of ₹ 15,708.58 lakhs as compared to ₹ 15,417.46 lakhs in the previous Financial Year. EBITDA (before exceptional item) for the current Financial Year was ₹ 2,249.65 lakhs as compared to ₹ 2,261.43 lakhs in the previous Financial Year.

Profit After Tax is ₹ 471.48 lakhs in Financial Year 2019 as compared to ₹ 792.89 lakhs in previous Financial Year. The decrease in profit after tax of the Company was on account of exceptional items amounting to ₹ 738.70 lakhs. The Earning Per Share (Basic & Diluted) for FY 2018-19 is ₹ 2.62.

3. INITIAL PUBLIC OFFER (IPO)

During the year under review, the Company has successfully completed the IPO with very good response and has got listed its equity shares on the SME Platform of BSE Stock Exchange, w.e.f. 24th May, 2018.

Fund raised through IPO has been utilised effectively in accordance with the purpose as stated in the object clause of the prospectus. With investments in plant & machinery and factory building, we have been able to expand our manufacturing facility with increased output and efficiency. Further, the construction work on the factory premises is still in process as on the reporting date and is expected to complete during current financial year 2019-20. Working capital position of the Company has positively strengthened after infusion of IPO proceeds and is expected to improve further.

Also, the successful completion of IPO and an entry into the capital market has helped the Company in enhancing its brand image in public at large and is also serving as an added advantage in grabbing market opportunities.

4. FUTURE OUTLOOK AND OPPORTUNITIES

The key factor that is expected to boost the façade industry is the need to reduce heating and air conditioning costs and achieve energy efficiency. It is expected that this trend towards cost reduction will generate sustainable products during the forecast period.

The popularity of green buildings requires high transparency glass that allows the passage of light and maintains resistance to heat. It is expected that the forecast period will witness the application of high performance facades, energy saving and solar control that contribute to greater economic benefits and eco-sustainability. This has led to the demand for triple-glazed facades compared to double-glazed structures.

We believe that construction sector shall observe a rapid growth in the coming years on account of changing lifestyle and growth in housing finance facilities. Further we believe that the infrastructure sector in India will also undergo major changes due to government plans and consumer demand. We intend to capitalise on such growth opportunities by supplying products to large construction contractors and sufficing their requirement. We believe that we are well positioned to cater to demand of such sector with our product ranges and competitive pricing structure.

5. RISK AND CONCERNS

The exercise for evaluating the potential risks for the organization is closely monitored by the Management. All the identified risks have been classified with respect to their seriousness and probabilities of such risks getting materialised have also been ascertained. In formulating corporate strategies, these risks are duly considered and counter measures are adopted.

Façade industry is capital intensive industry in nature with gestation period that varies from project to project. Due to high dependency of the industry on the real estate sector, there are certain inherent risks in both the internal as well as external environment. Company monitors the external environment & manages the internal environment to mitigate the risks.

6. INTERNAL CONTROL SYSTEM & ADEQUACY

System of Internal Controls adopted by management team ensures that all the assets are safeguarded from loss, damage or disposition. Also, the Audit Committee monitors financial statement to ensure that the transactions are adequately authorised and recorded, and that they are reported correctly.

Management team available especially for the Company's designing, production and installation activities is highly skilled and experienced, that at every stage from availability of quality of raw materials till the outcome of production, they provide their expertise to such an extent that the Company's products have achieved their due importance in the market and consistently maintained superior quality.

7. HUMAN RESOURCE

Your company gives utmost importance to Human Resource. It considers Human Resource as Human Capital and believes in development of Human Resource. Over the years, your company has developed an environment, which fosters excellence in performance by empowering its people, who are always on the path of continuous improvement with an ultimate aim to add value to their intellectual and knowledge resource. The key focus is to attract, retain and develop talent as a resource through reward mechanism, performance evaluation and harmonious & constructive working climate. During the year 2018-19, the Company had 224 permanent employees on the payroll.

8. CAUTIONARY STATEMENT

Statements in this report describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws and regulations. The actual results may differ materially from those expressed in this statement because of many factors like economic condition, availability of labour, price conditions, domestic and international market, changes in Government policies, tax regime, etc. The Company assumes no responsibility to publicly amend, modify or revise any statement on basis of any development, information and event.

INDEPENDENT AUDITOR'S REPORT

To the Members of
Innovators Façade Systems Limited
Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Innovators Façade Systems Limited (“the Company”), which comprise the balance sheet as at 31st March 2019, the statement of Profit and Loss, statement of cash flows 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 standalone 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, its profit 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, and 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 :

1. Accuracy of estimated cost in respect of fixed price contract

Estimated cost is a critical estimate to determine revenues for ongoing projects. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, cost incurred till date and cost required to complete the remaining contract performance obligations.

Refer note No. 1(C)(ii) under the head “Use of Estimates” in significant accounting policies.

Auditor’s Response

Principal Audit Procedures

Our audit approach was a combination of test of internal controls and substantive procedures which included the following:

- Evaluated the design of internal controls relating to recording of costs incurred and estimation of cost required to complete the contract.

- Basic rate contract (BRC) is prepared by Project Management team having details of budgeted cost for material, execution and installation etc.
- Selected a sample of contract and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to cost incurred and estimated.
- Performed analytical procedures and test of details for reasonableness of incurred and estimated cost.

Information other than the Financial Statements and Auditor’s Report thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis of Board’s Report but does not include the Consolidated Financial Statement, 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 Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone 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.

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

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements 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

1. 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.

2. 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.
3. 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.
4. 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.
5. 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.

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 Standalone 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 financial statements – Refer Note 31 to the Financial Statements;
 - 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.
3. With respect to the matter to be included in the Auditor's Report under section 197(16): In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For S G C O & Co. LLP

Chartered Accountants

FRN. 112081W/W100184

K. M. Tulsian

Partner

Mem. No. 038430

Place: Mumbai

Date: 28th May, 2019

Annexure “A” to the Independent Auditor's Report

The Annexure referred to in Paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” in our Independent Auditor’s Report to the members of the Company for the year ended 31st March, 2019.

As required by the Companies (Auditors Report) Order, 2016 and according to the information and explanations given to us during the course of the audit and on the basis of such checks of the books and records as were considered appropriate we report that:

- (i) 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 accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of its assets. Pursuant to the program certain fixed assets have been verified during the year. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
- c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified by the management during the year at reasonable intervals. The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. No material discrepancies were noticed on physical verification as compared to book records which have been properly dealt with in the books of account.
- (iii) During the year, the Company has not granted any loans to the parties covered in the register maintained under Section 189 of the Act. Hence paragraph 3(iii)(a), (b) and (c) of the said Order are not applicable to the Company.
- (iv) a) In our opinion and according to the information and explanation given to us, since the Company has not granted any loan, the provisions of Section 185 of the Companies Act, 2013 are not applicable.
- b) With regards to investments in Securities made by the company, the company has complied with the provisions of Section 186 of the Companies Act, 2013. Further the company has not granted any loan or given any guarantee or provided any security to any other body corporate under Section 186 of the Act.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has prescribed the maintenance of cost record under Section 148(1) of the Act. We have not reviewed the cost records maintained by the Company but based on the information submitted by the Company, we are of the view that such accounts and records have been made and duly maintained.
- (vii) a) According to the records of the Company, the undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other statutory dues

wherever applicable have regularly been deposited except in few cases of TDS where slight delay in deposit with appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable which have remained outstanding as at 31st March, 2019 for a period more than six months from the date they became payable.

- b) According to the records of the Company Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Duty of Customs, Duty of Excise and Value Added Tax which have not been deposited on account of any dispute with the relevant authorities are given below:

Name of Statute	Period to which amount relates	Amount in ₹	Forum where dispute is pending
CST/Value Added Tax	FY 2007-08	9,44,301	Sales Tax (Appeals)
	FY 2007-08	453,30,167	
	FY 2010-11	2,59,26,656	
Income Tax	AY 2009-10 to 2011-12	7,46,666	CIT (Appeals)

- (viii) As per the information and explanations given by the management, the Company has not defaulted in repayment of its dues to banks and financial institutions and has not issued debentures.
- (ix) During the year the Company has raised money by the way of Initial Public offer. In our opinion and according to the information and explanations given to us, the Company has utilised the money for the purposes for which they were raised. Further, the company did not raise money by way of term loans during the year.
- (x) According to the information & explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examinations of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanation given to us and based on our examination of the records of the Company, transactions with related parties are in compliance with provisions of section 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with the directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.

(xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For S G C O & Co. LLP

Chartered Accountants

Firm's Registration No. 112081W/W100184

K. M. Tulsian

Partner

Mem. No. 038430

Place: Mumbai

Date: 28th May, 2019

Annexure “B” to the Independent Auditor’s Report of even date on the Standalone financial statements of Innovators Façade Systems Limited for the year ended 31st March 2019.

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 Innovators Façade Systems Limited (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to

the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 S G C O & Co. LLP

Chartered Accountants

Firm's Reg. No. 112081W/W100184

K. M. Tulsian

Partner

Mem. No. 038430

Place: Mumbai

Date: 28th May, 2019

INNOVATORS FAÇADE SYSTEMS LIMITED
STANDALONE BALANCE SHEET AS AT MARCH 31, 2019

(Amount in ₹)

Particulars	Note Nos.	As at 31 st March, 2019	As at 31 st March, 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	188,678,080	132,070,080
Reserves and surplus	3	903,965,101	551,089,731
		1,092,643,181	683,159,811
Non-current liabilities			
Long-term borrowings	4	161,951,189	190,342,329
Deferred tax liabilities (Net)	5	869,686	—
Long-term provisions	6	7,508,072	6,542,214
		170,328,947	196,884,543
Current liabilities			
Short-term borrowings	7	313,952,556	338,010,044
Trade payables	8		
- Due to Micro, Small and Medium Enterprises		8,648,619	1,232,860
- Due to Other than Micro, Small and Medium Enterprises		314,454,905	243,973,343
Other current liabilities	9	28,433,644	163,923,590
Short-term provisions	10	211,526	19,146,052
		665,701,250	766,285,889
		1,928,673,379	1,646,330,244
ASSETS			
Non-current assets			
Property Plant & Equipments	11		
- Tangible assets		244,255,710	131,722,227
- Capital work in progress		50,884,755	—
		295,140,465	131,722,227
Non-current investments	12	3,831,600	3,831,600
Deferred tax assets (Net)	5	—	5,172,130
Long-term loans and advances	13	37,234,352	31,449,710
Other non-current assets	14	41,490,327	23,445,641
		377,696,744	195,621,308
Current assets			
Inventories	15	449,822,916	346,204,874
Trade receivables	16	539,008,297	650,855,543
Unbilled revenue	17	233,439,030	156,088,047
Cash and bank balances	18	142,094,118	105,807,714
Short-term loans and advances	19	67,101,786	34,783,942
Other current assets	20	119,510,488	156,968,816
		1,550,976,636	1,450,708,936
		1,928,673,379	1,646,330,244
Significant Accounting Policies	1		

See accompanying notes to the financial statements

1 to 41

In terms of our Report of even date
For S G C O & Co. LLP
Chartered Accountants
Firm Registration No. 112081W/W100184

K. M. Tulsian
Partner
Membership No. 038430

Place : Mumbai
Date : 28th May, 2019

For and on behalf of the Board of Directors
Innovators Façade Systems Limited

Radheshyam Sharma
Managing Director
DIN: 00340865

Raman Sharma
Chief Executive Officer

Place : Thane
Date : 28th May, 2019

Anjana Sharma
Whole Time Director
DIN: 00360233

Priti Sharma
Chief Financial Officer

Nitin Kore
Company Secretary
Mem No. A37732

INNOVATORS FAÇADE SYSTEMS LIMITED
STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2019
 (Amount in ₹)

Particulars	Note Nos.	Year Ended 31 st March, 2019	Year Ended 31 st March, 2018
REVENUE			
Revenue from operations	21	1,570,857,898	1,541,745,926
Other income	22	16,749,325	10,098,384
		1,587,607,223	1,551,844,310
EXPENSES			
Cost of contracts	23	945,135,054	617,858,289
Purchase of stock in trade	24	212,183,301	519,841,396
Employee benefits expense	25	138,279,994	126,113,792
Finance costs	26	50,394,673	87,051,906
Depreciation	11	23,698,400	22,088,490
Other expenses	27	67,044,263	61,888,072
		1,436,735,684	1,434,841,945
Profit before exceptional items and tax		150,871,539	117,002,365
Less : Exceptional items	28	73,870,239	—
Profit before tax		77,001,300	117,002,365
Less: Tax Expenses			
Current tax		20,560,000	42,400,000
Deferred tax liability / (asset)	5	6,041,816	(1,722,746)
Tax of earlier years		3,250,740	(2,963,695)
Profit for the year		47,148,743	79,288,806
Earnings per equity share:	29		
(Face value of ₹ 10/- each)			
— Basic (₹)		2.62	7.54
— Diluted (₹)		2.62	7.54
Significant Accounting Policies	1		

See accompanying notes to the financial statements 1 to 41

In terms of our Report of even date
For S G C O & Co. LLP
 Chartered Accountants
Firm Registration No. 112081W/W100184

K. M. Tulsian
 Partner
Membership No. 038430

Place : Mumbai
Date : 28th May, 2019

For and on behalf of the Board of Directors
Innovators Façade Systems Limited

Radheshyam Sharma
 Managing Director
DIN: 00340865

Raman Sharma
 Chief Executive Officer

Place : Thane
Date : 28th May, 2019

Anjana Sharma
 Whole Time Director
DIN: 00360233

Priti Sharma
 Chief Financial Officer

Nitin Kore
 Company Secretary
Mem No. A37732

INNOVATORS FAÇADE SYSTEMS LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019
(Amount in ₹)

Particulars	Year Ended 31 st March, 2019	Year Ended 31 st March, 2018
A. Cash Flow from Operating Activities		
Net Profit before Tax	77,001,300	117,002,365
Adjustments for:		
Depreciation on Property Plant & Equipments	23,698,400	22,088,490
Balances Written Off	73,870,239	—
Finance Costs	50,394,673	87,051,906
Profit/(loss) on Sale of Property Plant & Equipments	532,874	(117,050)
Interest income	(6,895,316)	(5,460,821)
Operating Profit before Working Capital changes	218,602,169	220,564,891
Adjustments for:		
(Increase) / Decrease in Inventories	(103,618,042)	(3,679,474)
(Increase) / Decrease in Trade receivables	(39,373,976)	(196,643,468)
(Increase) / Decrease in Short term loans and advances	(32,317,844)	(15,296,846)
(Increase) / Decrease in Long term loans given & advances	(2,746,942)	(3,376,004)
(Increase) / Decrease in Other current & Non-current assets	15,020,645	(47,011,856)
Increase / (Decrease) in Trade payables	77,897,321	27,454,652
Increase / (Decrease) in Other current liabilities	(135,724,198)	46,386,053
Increase / (Decrease) in Provisions	1,022,466	718,227
CASH GENERATED FROM OPERATIONS	(1,238,401)	29,116,175
Income tax Paid	(45,839,574)	(21,884,459)
Net Cash inflow from/ (outflow) from Operating activities	(47,077,975)	7,231,716
B. Cash Flow from Investing Activities		
Purchase of Property Plant & Equipments	(187,899,511)	(7,441,810)
Sale of Property Plant & Equipments	250,000	350,000
(Increase) / Decrease in Fixed Deposits	(12,069,960)	(89,969,469)
Interest received	6,895,316	5,460,821
Net Cash inflow from/ (outflow) from Investing activities	(192,824,155)	(91,600,458)
C. Cash Flow from Financing Activities		
Proceeds from issue of shares (including Securities Premium)	407,577,600	95,000,000
Issue related expenses (IPO)	(45,242,973)	(3,214,409)
Proceeds from borrowings	136,735,294	225,873,039
Repayment from borrowings	(188,949,670)	(213,428,874)
Finance Cost	(50,394,673)	(87,051,906)
Net Cash inflow from/ (outflow) from Financing activities	259,725,578	17,177,850

Particulars	Year Ended 31 st March, 2019	Year Ended 31 st March, 2018
Net increase / (decrease) in cash and cash equivalents (A+B+C)	19,823,448	(67,190,892)
Add: Opening Cash and Cash Equivalents		
Cash in hand	512,753	25,692
Bank balances	7,666,305	2,694,991
Fixed Deposits (original maturity period up to 3 months)	—	72,649,267
	8,179,058	75,369,950
Closing Cash and Cash Equivalents		
Cash in hand	1,650,812	512,753
Bank balances	26,351,693	7,666,305
	28,002,505	8,179,058

Note :

1. Cash Flow Statement have been prepared on Indirect Method as prescribed under Accounting Standard-3 on Cash Flow Statements.
2. Previous Year figures have been regrouped and / or rearranged wherever considered necessary.

In terms of our Report of even date
For S G C O & Co. LLP
Chartered Accountants
Firm Registration No. 112081W/W100184

For and on behalf of the Board of Directors
Innovators Façade Systems Limited

Radheshyam Sharma
Managing Director
DIN: 00340865

Anjana Sharma
Whole Time Director
DIN: 00360233

K. M. Tulsian
Partner
Membership No. 038430

Raman Sharma
Chief Executive Officer

Priti Sharma
Chief Financial Officer

Nitin Kore
Company Secretary
Mem No. A37732

Place : Mumbai
Date : 28th May, 2019

Place : Thane
Date : 28th May, 2019

Note 1 : Significant Accounting Policies

A Corporate Information

Innovators Facade Systems Limited ("the Company") is a company domiciled in India and incorporated on 8th June, 1999 under the provisions of Companies Act, 1956. The Company is mainly engaged in the business of design, engineering, fabrication, supply and installation of facade systems.

B Basis of Accounting

The Financial Statements have been prepared under the historical cost convention, on an accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles in India and comply with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rules 7 of the Companies (Accounts) Rule, 2014.

C Use of Estimates

- i) The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the periods in which the results are known/materialize.
- ii) The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the total costs and balance cost to be incurred. Costs incurred have been used to measure progress towards completion as there is a direct relationship between cost incurred and revenue recognition. The Company uses significant judgments while determining the estimated cost.

D Revenue Recognition

- i) Revenue from fixed price construction contracts is recognized on the percentage of completion method, measured in proportion of the percentage of cost incurred-to-date to the total estimated contract cost.
- ii) Revenue in respect of sales is recognised on the basis of actual execution of work contracts or as and when work contracts is certified.
- iii) Unbilled Revenue is the part of work executed but not billed on the last day of financial year end due to contractual obligation.
- iv) Interest income is recognized on time proportion basis.

E Property Plant & Equipments

Property Plant & Equipments are stated at actual cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

F Depreciation & Amortisation

Depreciation on Property Plant & Equipments has been provided on 'Written Down Value Method' based on the useful life of the assets and in the manner prescribed in the Schedule II of the Companies Act, 2013.

G Investments

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investment and are carried at cost less any provision for diminution in value other than temporary. Investments other than long term investments being current investments are valued at cost or fair value whichever is lower.

H Inventories

- i) Raw Materials are valued at lower of cost or net realisable value and stores & spares are valued at cost.
- ii) Work in Progress and Finished Goods are valued at lower of cost or net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

I Capital Work-In-Progress

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost.

J Foreign Currency Transactions

- i) The transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.
- ii) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is charged to the Statement of Profit and Loss.
- iii) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Statement of Profit and Loss.
- iv) The premium in respect of forward exchange contract is amortised over the life of the contract. The net gain or loss on account of any exchange difference, cancellation or renewal of such forward exchange contracts is recognised in the Statement of Profit & Loss.

K Accounting for Taxes of Income

Current Taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income-tax Act, 1961 and is made after taking credit for tax allowances, exemptions and disallowances.

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

Minimum Alternative Tax

Minimum Alternative Tax (MAT) credit is recognised as an assets in accordance with the recommendation contained in the Guidance note issued by the Institute of Chartered Accountants of India. The said assets is created by way of credit to the Statement of Profit and Loss and shown

as MAT credit entitlement . The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

L Employee Benefits

- i) Company’s contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Statement of Profit & Loss for the year.
- ii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

M Provisions and Contingent Liabilities

- i) Provisions are recognized in terms of Accounting Standard 29 – “Provisions, Contingent Liabilities and Contingent Assets when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.
- ii) Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.
- iii) Contingent Liabilities are disclosed by way of notes.

N Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

O Miscellaneous Expenditure

IPO Expenses are written off against Securities Premium Account. Preliminary expenses are amortised in the year in which they are incurred.

(Amount in ₹)

Note 2 : Share capital

a. Details of authorised, issued, subscribed and paid up share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised capital		
2,10,00,000 (P.Y. 2,10,00,000) Equity shares of ₹ 10/- each	210,000,000	210,000,000
	210,000,000	210,000,000
Issued, subscribed and paid up capital		
1,88,67,808/- (P.Y. 1,32,07,008) Equity shares of ₹ 10/- each	188,678,080	132,070,080
	188,678,080	132,070,080

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

b. Terms & conditions

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share.

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

- c. During the year, the Company has issued 56,60,800 equity shares of face value of ₹ 10/- each at a premium of ₹ 62/- per share, total issue size amounting to ₹ 40,75,77,600/-, through Initial Public Offer (IPO) *vide* their members approval in the Extra-Ordinary General Meeting of the Company held on 17th February, 2018, pursuant to Section 62(1)(c) and all other applicable provision of Companies Act, 2013, Companies (Prospectus and Allotment of the Securities) Rules, 2014 and in accordance with the provisions of Chapter X(B) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009. Consequently, the equity shares of the company has got listed on the SME platform of BSE Limited w.e.f. 24th May, 2018.
- d. During the previous year, the Company had allotted 13,89,000 equity shares of ₹ 10/- each at a premium of ₹ 62/- per share to its existing equity shareholders by conversion of their unsecured loan into equity *vide* resolution passed in the meeting of board of directors of the Company held on 24th February, 2018.
- e. During the previous year, the Company had allotted 15,32,258 equity shares of ₹ 10/- each at a premium of ₹ 52/- per share by way of private placement *vide* resolution passed in the meeting of board of directors of the Company held on 7th March, 2018.

f. Shareholders having more than 5% shareholding

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No of Equity shares held	Percentage	No of Equity shares held	Percentage
Jolly Multi Trade Private Limited	4,541,022	24.07%	4,541,022	34.38%
Mr. Radheshyam Sharma	2,380,209	12.62%	2,380,209	18.02%
Mr. Vijay Kedia	1,913,032	10.14%	1,129,032	8.55%
Mr. Raman Sharma	1,800,000	9.54%	1,800,000	13.63%
Mr. Shivchand Sharma	900,000	4.77%	900,000	6.81%
Mrs. Anjana Sharma	834,315	4.42%	834,315	6.32%

g. Reconciliation of number of shares

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	Equity Shares		Equity Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	13,207,008	132,070,080	10,285,750	102,857,500
Add: Shares issued during the year	5,660,800	56,608,000	2,921,258	29,212,580
Shares outstanding at the end of the year	18,867,808	188,678,080	13,207,008	132,070,080

Note 3 : Reserves and surplus

Particulars	As at March 31, 2019	As at March 31, 2018
a. Securities premium account		
Opening balance	302,624,774	140,043,750
Add : Received during the year	350,969,600	165,795,433
Less: IPO Expenses written off	45,242,973	3,214,409
Closing balance	608,351,401	302,624,774
b. Surplus in the statement of Profit and loss		
Opening balance	248,464,957	169,176,151
Add : Profit for the year	47,148,743	79,288,806
Closing balance	295,613,700	248,464,957
	903,965,101	551,089,731

Note 4 : Long-term borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
SECURED		
From banks		
Term loans	11,831,611	18,566,263
Less: Current maturities of long term debt	7,142,857	7,142,857
	4,688,753	11,423,405
Vehicle loans	7,378,286	6,482,247
Less: Current maturities of long term debt	2,504,662	1,778,135
	4,873,624	4,704,112
UNSECURED		
From banks	—	492,275
Less: Current maturities of long term debt	—	492,275
	—	—

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	As at March 31, 2019	As at March 31, 2018
From related parties:		
- Inter Corporate deposits	152,388,812	174,214,812
	152,388,812	174,214,812
	161,951,189	190,342,329

Additional information pertaining to long term borrowings

- Term Loan from Oriental Bank of Commerce amounting to ₹ 1,18,31,611/- (P.Y. ₹ 1,85,66,263/-) is secured against first charge over Factory Land & Building and Hypothecation of Machinery to be purchased out of term loan and collateral security of equitable mortgage of various immovable properties of directors, hypothecation of immovable assets and personal guarantee of directors. It carries interest rate of 3.25% over base rate plus term premium of 0.50%. The Loan is repayable in 84 monthly installments of ₹ 5,95,000/- each after the 9 months from first disbursements.
- Vehicle Loan from various banks amounting to ₹ 73,78,286/- (P.Y. ₹ 64,82,247/-) are secured against respective vehicles. They carry interest rate ranging between 8.70% to 9.40% per annum. The Installments period of the loans ranges between 46 months to 60 months.
- Loan from Deutsche Bank amounting to ₹ Nil/- (P.Y. ₹ 4,92,275/-) is unsecured. It carries interest rate of 4% over base rate. The Loan is repayable in 36 monthly installments of Rs.1,70,039/- each starting from the month of disbursement.
- Intercorporate Deposits amounting to ₹ Nil/- (P. Y. ₹ 15,00,00,000/-) is unsecured and interest free.
- Intercorporate Deposits amounting to ₹ 15,23,88,812/- (P.Y. ₹ 2,42,14,812/-) are unsecured and interest free. The same are repayable after 31st March, 2024.

Note 5 : Deferred tax liabilities (Net)

The major components of deferred tax liability / asset as recognised in the financial statement is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Asset / (Liabilities)		
Excess of net block of Property Plant & Equipments as per tax purpose over books of account	(2,876,782)	2,831,884
Provision for employee benefits	2,007,095	2,340,246
Net	(869,686)	5,172,130

Note 6 : Long-term provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits:		
Gratuity payable	7,508,072	6,542,214
	7,508,072	6,542,214

Note 7 : Short-term borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured loans		
From banks		
- Cash credit facility	313,952,556	338,010,044
	313,952,556	338,010,044

Additional information pertaining to short term borrowings :

- Cash Credit facility from Oriental Bank of Commerce amounting to ₹ 19,21,37,975/- (P.Y. ₹ 22,20,40,959/-) is secured against *paripassu* charges over Hypothecation of stock of raw material, work in progress, finished goods, stores & spares and receivables and collateral security of equitable mortgage of various immovable properties of directors, hypothecation of immovable assets and personal guarantee of directors. It carries interest rate of 2.10% over base rate.
- Cash Credit facility from Indian Bank amounting to ₹ 12,18,14,581/- (P.Y. ₹ 11,59,69,085/-) is secured against *paripassu* charges over Hypothecation of stocks of raw materials, work in progress, finished goods, stores & spares and receivables and collateral security of equitable mortgage of various immovable properties of directors, hypothecation of immovable assets and personal guarantee of directors. It carries interest rate of 3% over one year MCLR of the bank.

Note 8 : Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables		
Due to Micro, Small and Medium Enterprises*	8,648,619	1,232,860
Other than Micro, Small and Medium Enterprises	314,454,905	243,973,343
	323,103,524	245,206,203

Note : The amounts due to Micro, Small and Medium Enterprises suppliers defined under “The Micro Small and Medium Enterprises Development Act 2006” have been identified on the basis of information available with the Company.

*Disclosures required under Sec. 22 of MSMED Act, 2006

Particulars	As at March 31, 2019	As at March 31, 2018
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	8,648,619	1,232,860
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	—	—

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	As at March 31, 2019	As at March 31, 2018
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	—	—
The amount of interest accrued and remaining unpaid at the end of accounting year; and	194,084	—
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	—	—

Note 9 : Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debt	9,647,520	9,413,267
Advance from customers	7,880,170	88,148,878
Retention money payable	2,487,986	2,546,952
Statutory dues payable	7,670,438	63,642,304
Other payables	747,531	172,189
	28,433,644	163,923,590

Note 10 : Short-term provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits:		
Gratuity payable	211,526	154,918
Provision for Tax (Net of Taxes Paid)	—	18,991,134
Total	211,526	19,146,052

INNOVATORS FAÇADE SYSTEMS LIMITED
ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 11 : Property plant and equipments

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at April 1, 2018	Additions during the Period	Deletion during the Period	As at March 31, 2019	As at April 1, 2018	Depreciation charge for the year	Adjustments on Sale of Assets	As at March 31, 2019	As at March 31, 2018
Tangible Assets									
Freehold Land	571,180	—	—	571,180	—	—	—	571,180	571,180
Factory Building	181,675,845	10,815,750	—	192,491,595	82,451,353	9,477,559	—	100,562,683	99,224,492
Plant & Machinery	52,362,183	117,237,320	—	169,599,503	31,334,806	8,921,298	—	129,343,400	21,027,377
Furniture & Fixtures	2,869,658	102,200	—	2,971,858	1,684,465	316,219	—	971,174	1,185,193
Vehicles	22,712,563	3,857,286	2,895,822	23,674,027	16,345,795	2,599,262	2,112,948	6,841,918	6,366,768
Office Equipment	8,403,665	3,797,584	—	12,201,249	6,884,086	1,079,854	—	4,237,309	1,519,579
Computers	13,462,653	1,204,616	—	14,667,269	11,635,014	1,304,208	—	1,728,047	1,827,639
Total	282,057,746	137,014,756	2,895,822	416,176,680	150,335,519	23,698,400	2,112,948	244,255,710	131,722,227
Previous Year	275,787,250	7,441,810	1,171,314	282,057,746	129,185,393	22,088,490	938,364	131,722,227	—
Capital Work in Progress									
Factory building	—	50,884,755	—	50,884,755	—	—	—	50,884,755	—
Total	—	50,884,755	—	50,884,755	—	—	—	50,884,755	—
Previous Year	—	—	—	—	—	—	—	—	—

(Amount in ₹)

Note 12 : Non-current investments

Particulars	As at March 31, 2019	As at March 31, 2018
Unquoted, Trade Investments		
Investment in Equity instruments		
Subsidiary Company		
Innovators Engineering Works Private Limited (Formerly known as Kapindra Multi Trade Private Limited)		
₹ 3,83,160 (P.Y. ₹ 3,83,160) equity shares of face value ₹ 10/- each, fully paid up	3,831,600	3,831,600
	3,831,600	3,831,600

Particulars	As at March 31, 2019	As at March 31, 2018
Aggregate value of unquoted investments	3,831,600	3,831,600

Note 13 : Long-term loans and advances

(Unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposits	3,737,510	4,208,296
Balances with statutory authorities	13,755,286	10,337,558
Advance Tax & TDS (Net of Provisions)	12,091,555	9,053,855
Other Receivables	7,650,000	7,850,000
	37,234,352	31,449,710

Note 14 : Other non-current assets

(Unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Retention money receivable	41,490,327	19,052,644
Fixed Deposits		
Fixed deposits (maturity period of more than 12 months) (Held as margin money with banks against credit facilities) - Refer note 18	—	4,392,997
	41,490,327	23,445,641

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 15 : Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
(Valued at lower of Cost or Net Realisable Value)		
Raw Materials and components	259,862,084	171,577,870
Work-in-progress *	189,960,832	174,627,004
	449,822,916	346,204,874

*Work in Progress represents Material at site

Note 16 : Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
Outstanding for a period more than six months from the due date for payment	258,821,868	281,711,569
Others debts	280,186,429	369,143,974
	539,008,297	650,855,543

Note 17 : Unbilled revenue

Particulars	As at March 31, 2019	As at March 31, 2018
Unbilled Revenue*	233,439,030	156,088,047
	233,439,030	156,088,047

*Unbilled Revenue is net of Mobilization Advances received amounting to ₹ 12,76,88,966/- (P.Y. ₹ 7,71,47,946/-)

Note 18 : Cash and bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
Cash & cash equivalents		
Balances with banks		
-Current account	26,351,693	7,666,305
Cash on hand	1,650,812	512,753
Other bank balances		
Fixed deposits (maturity period of 3 to 12 months)*	114,091,613	97,628,656
	142,094,118	105,807,714

*represents held as margin money with banks against credit facilities

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed deposits held as margin money with banks against credit facilities - (Refer note 14)	114,091,613	102,021,653

Note 19 : Short-term loans and advances

(Unsecured, Considered Good)

Particulars	As at March 31, 2019	As at March 31, 2018
Security deposit	7,514,676	—
Advance to suppliers	14,746,838	22,288,837
Balances with statutory authorities	36,837,639	7,150,449
Advance to employees	1,821,156	2,911,242
Prepaid expenses	450,771	464,982
Other receivables	5,730,705	1,968,432
	67,101,786	34,783,942

Advance to suppliers stated above include

Particulars	As at March 31, 2019	As at March 31, 2018
Amount paid to Company under significant influence of Director and/or their relatives		
Parth Facade Solutions Private Limited	4,629,839	13,521,978

Note 20 : Other current assets

(Unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Retention money receivables	119,510,488	156,968,816
	119,510,488	156,968,816

Note 21 : Revenue from operations

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Operating revenue		
Sales from works contract and façade materials	1,556,351,586	1,523,183,909
Service Charges	—	11,622,719
	1,556,351,586	1,534,806,628
Other operating revenue		
Sale of scrap	14,506,312	6,939,298
	1,570,857,898	1,541,745,926

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 22 : Other income

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest Income		
- Fixed deposits	6,895,316	5,460,821
- Others	902,320	564,624
VAT/Sales tax Refund	8,645,115	3,613,274
Profit on sale of fixed asset	—	117,050
Gain on foreign exchange fluctuation (net)	306,574	342,615
	16,749,325	10,098,384

Note 23 : Cost of contracts

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Facade materials		
Opening stock of materials	346,204,874	342,525,400
Add: Purchases during the year	819,669,299	462,320,886
Less: Closing stock of materials (including materials at site)	449,822,916	346,204,874
	716,051,257	458,641,412
Direct expenses		
Installation Charges	56,393,395	24,840,476
Coating Expenses	50,771,632	46,208,970
Transportation Expenses	27,868,896	12,175,650
Fabrication Expenses	16,928,306	17,245,256
Other Production and Execution Costs	77,121,567	58,746,525
	229,083,796	159,216,877
	945,135,054	617,858,289

Note 24 : Purchase of stock-in-trade

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Purchases (façade materials)	212,183,301	519,841,396
	212,183,301	519,841,396

Note 25 : Employee benefits expense

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Directors remuneration	7,500,000	5,338,400
Salaries and Incentives	119,097,850	107,670,406
Gratuity Expenses	1,415,632	1,147,753
Contribution to PF and other funds	4,241,142	4,856,546
Staff welfare expenses	6,025,370	7,100,687
	138,279,994	126,113,792

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 26 : Finance costs

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest expenses		
-Banks	31,684,706	39,167,342
-Others	644,358	2,849,235
Other borrowing cost	18,065,609	45,035,330
	50,394,673	87,051,906

Note 27 : Other expenses

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Rent expenses	4,532,727	6,043,217
Rates and Taxes	981,129	1,259,362
Electricity charges	1,504,268	1,423,333
Communication expenses	1,319,389	1,265,535
Insurance charges	1,452,255	1,537,945
Professional and Consultancy fees	12,451,629	11,315,246
Auditors remuneration	797,750	842,500
Security charges	1,719,495	1,432,664
Repairs & maintainance - Machinery	709,719	376,376
Repairs & maintainance - Building	1,200,260	2,463,677
Conveyance and Travelling	12,080,066	13,838,441
Vehicle maintenance and fuel expenses	4,102,405	3,264,449
CSR and Donation Expenditure	7,097,501	—
Sales Promotion expenses	1,643,531	4,858,168
Loss on sale of fixed assets	532,874	—
Miscellaneous expenses	14,919,265	11,967,159
	67,044,263	61,888,072

Auditor's Remuneration:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Audit fees	632,500	632,500
Tax Audit	50,000	50,000
Other Services*	115,250	560,000
Total	797,750	1,242,500

*in FY 17-18 Includes ₹ 4,00,000/- towards IPO Expenses written off against Securities Premium Account.

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 28 : Exceptional items

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Balances written off *	73,870,239	—
	73,870,239	

* Exceptional item represents write off of trade receivables and retention money due from customer against whom insolvency proceedings are in process.

Note 29 : Earnings per equity share:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Basic Earnings per Share		
Profit/(Loss) attributable to Equity shareholders	47,148,743	79,288,806
Shares outstanding at the beginning of the year	13,207,008	10,285,750
Shares outstanding at the end of the year	18,867,808	13,207,008
Weighted average number of equity shares	18,014,811	10,519,693
Basic & Diluted Earnings Per Share	2.62	7.54
Face value per Share	10	10

Note 30 : In the opinion of the Board the Current Assets, Loans & Advances are realisable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of amount reasonably necessary.

Note 31 : Contingent Liabilities

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(i) Bank Guarantees	285,336,199	243,603,418
(ii) Disputed VAT/CST liabilities	72,201,124	72,201,124
(ii) Disputed Income tax liabilities	746,666	746,666
Total	358,283,989	316,551,208

Note 32 : Corporate Social Responsibility

- CSR amount required to be spent as per section 135 of Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 11,37,679/- (Previous year ₹ Nil).
- Expenses related to Corporate Social Responsibility is ₹ 70,44,000/- (Previous year ₹ Nil).

Details of amount spent during the financial year 2018-19 is as follow :

Particulars	Amount Paid
Construction / acquisition of any assets	—
For purpose other than construction / acquisition of assets	7,044,000
Total	7,044,000

Note 33 : Disclosure pursuant to Accounting Standard – 19 ‘Leases’

Disclosures in respect of cancellable operating leases are given as follows:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
A) Lease payments recognized in the statement of profit and loss for the year	4,532,727	6,043,217
B) A general description of the lessee’s significant leasing arrangements:		
— lease rent agreements are for offices and guest houses		
— there are no restrictions imposed by lease arrangements.		
— there are no subleases		

Note 34 : Disclosure pursuant to Accounting Standard – 15 ‘Employee Benefits’

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salary Growth*	6.00%	6.00%
Discount Rate	7.83%	7.20%
Rate of Employee Turnover	10 & 2%	10 & 2%

* The estimates of future salary increases, considered in a actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(i) Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Present value of obligation as at the beginning of the year:	6,676,081	5,978,905
Interest cost	522,737	430,481
Current service cost	1,272,871	1,045,055
Benefits paid	372,115	450,577
Actuarial (gain) / loss on obligation	(379,976)	(327,783)
Closing Present value of obligation	7,719,598	6,676,081

(ii) Actuarial gain/ loss recognised in the Statement of Profit and Loss:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Actuarial (gain)/ loss on obligation for the year	(379,976)	(327,783)

(iii) The amounts recognised in the Balance Sheet are as follows:

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Present value of obligation as at the end of the year	7,719,598	6,676,081
Funded value of assets (unfunded)	—	—
Net assets / (liability) recognised in balance sheet - Non-Current	7,508,072	6,521,163
Net assets / (liability) recognised in balance sheet - Current	211,526	154,918

(iv) The amounts recognised in the Statement of Profit and Loss are as follows:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Current service cost	1,272,871	1,045,055
Past service cost	—	—
Interest cost	522,737	430,481
Expected return on plan assets	—	—
Net actuarial (gain) / loss recognized in the year	(379,976)	(327,783)
Expenses recognised in the statement of profit and loss	1,415,632	1,147,753

(v) Amounts of Gratuity for the current and previous four year are as follows:

Particulars	Gratuity				
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015
Defined benefit obligation	7,719,598	6,676,081	5,978,905	4,868,731	3,944,094
Plan assets	—	—	—	—	—
Surplus/(deficit)	(7,719,598)	(6,676,081)	(5,978,905)	(4,868,731)	(3,944,094)
Actuarial gain/(loss) on Defined benefit obligation	(379,976)	(327,783)	127,637	(67,290)	758,936
Actuarial gain/(loss) on plan assets	—	—	—	—	—

Note 35 : Segment Reporting

In accordance with the requirements of Accounting Standard 17 “Segment Reporting”, the Company is mainly engaged in the business of “design, engineering, fabrication, supply and installation of facade systems” and all other activities of the company revolve around the main business and as such, there are no separate reportable segments that require reporting under Accounting Standard 17 – Segment Reporting.

Note 36 : Related Party disclosures

a. List of related parties

(i) Key Management Personnel:

Name	Designation
Mr. Radheshyam Sharma	Managing Director
Mrs. Anjana Sharma	Whole Time Director
Mr. Shivchand Sharma	Director
Mr. Raman Sharma	Chief Excecutive Officer (From December 2018)
Mrs. Priti Sharma	Chief Financial Officer
Ms. Radhika Tibrewala	Company Secretary (Up to November 2018)
Mr. Nitin Kore	Company Secretary (From December 2018)

(ii) Relative of Key Management Personnel with whom the company has entered into the transactions during the year:

Name
Mrs. Dropadi Sharma
Mr. Narendra Sharma
Mr. Rohit Sharma
Ms. Vedika Sharma

(iii) Subsidiary Company:

Innovators Engineering Works Private Limited
(Formerly known as Kapindra Multi Trade Private Limited)

(iii) Enterprise under significant influence and/or same Key Management Personnel or their relatives with whom the company has entered into transactions during the year:

Name of the Party
Innovators Facade Solutions Private Limited
Innovators Facade Solutions (Mumbai) Private Limited
Parth Façade Solutions Private Limited

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

b. Transactions with Related Parties

Nature of Transaction	Name of Party	Year Ended March 31, 2019	Year Ended March 31, 2018
Directors Remuneration	Mr. Radheshyam Sharma	5,400,000	3,700,000
	Mrs. Anjana Sharma	2,100,000	1,750,000
Salaries	Mr. Narendra Sharma	—	900,000
	Mr. Raman Sharma	2,488,000	2,352,000
	Mr. Rohit Sharma	1,344,000	1,344,000
	Ms. Vedika Sharma	480,000	480,000
	Mrs. Priti Sharma	1,780,200	1,680,000
	Mr. Nitin Kore	160,000	—
	Ms. Radhika Tibrewala	336,000	28,500
Office Rent	Mr. Narendra Sharma	288,000	240,000
	Mr. Raman Sharma	144,000	160,000
	Mr. Shivchand Sharma	144,000	160,000
	Mrs. Dropadi Sharma	192,000	208,000
	Mr. Rohit Sharma	168,000	168,000
	Mrs. Priti Sharma	96,000	96,000
Sales from works contract and façade materials	Innovators Facade Solutions Private Limited	146,306,284	36,066,365
Advance from Customers		—	87,811,329
Contracts Execution Expenses	Parth Façade Solutions Private Limited	93,294,629	58,818,297
Unsecured Loan Taken	Mr. Radheshyam Sharma	—	5,138,320
	Mr. Raman Sharma	—	1,036,565
	Innovators Facade Solutions (Mumbai) Private Limited	128,174,000	—
	Mrs. Anjana Sharma	—	6,400,511
Unsecured Loan Repaid	Innovators Facade Solutions Private Limited	150,000,000	4,025,000
	Jolly Multi Trade Private Limited	—	25,000
	Mr. Radheshyam Sharma	—	3,116,787
	Mr. Raman Sharma	—	1,130,501
	Mr. Radheshyam Sharma (HUF)	—	500,000
	Mr. Rohit Sharma	—	374,025
	Mrs. Anjana Sharma	—	1,201,636

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Nature of Transaction	Name of Party	Year Ended March 31, 2019	Year Ended March 31, 2018
Repayment of Unsecured Loan by conversion into Equity Shares	Mr. Radheshyam Sharma	—	20,175,060
	Mrs. Anjana Sharma	—	16,870,706
	Jolly Multi Trade Private Limited	—	18,379,559
	Innovators Facade Solutions (Mumbai) Private Limited	—	44,582,688
Salary Advance	Mrs. Anjana Sharma	—	327,424
	Mr. Narendra Sharma	—	175,803
	Mr. Radheshyam Sharma	—	213,416
	Mr. Raman Sharma	—	184,866
	Mr. Rohit Sharma	—	20,247

c. Balance Outstanding of Related Parties

Name of Party	Year Ended March 31, 2019	Year Ended March 31, 2018
Unsecured Loan Payable		
Innovators Facade Solutions (Mumbai) Private Limited	152,388,812	24,214,812
Innovators Facade Solutions Private Limited	—	150,000,000
Advance to Suppliers		
Parth Façade Solutions Private Limited	4,629,839	13,521,978
Advance from Customers		
Innovators Facade Solutions Private Limited	—	87,811,329
Other Receivables		
Mrs. Anjana Sharma	—	327,424
Mr. Shivchand Sharma	—	65,194
Mrs. Dropadi Sharma	—	32,000
Mr. Narendra Sharma	—	103,803
Mr. Radheshyam Sharma	—	213,416
Mr. Raman Sharma	—	183,672
Mr. Rohit Sharma	—	20,247
Other Payables		
Mr. Radheshyam Sharma	646,850	—
Mrs. Anjana Sharma	791,248	—
Mr. Narendra Sharma	331,200	—
Mr. Raman Sharma	145,194	—
Mrs. Priti Sharma	550,930	4,929
Mr. Rohit Sharma	114,939	—
Ms. Vedika Sharma	586,400	3,591

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 37 : Additional Disclosure pertaining to general financial statements pursuant to Schedule III of Companies Act, 2013

(a) Value of Imports on C.I.F Basis:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Raw Materials & Components	3,844,944	38,122,691
Plant and Machinery	8,463,960	—
Total	12,308,904	38,122,691

(b) Expenditure in foreign currency - ₹ Nil (PY ₹ Nil)

(c) Consumption of raw materials:

Particulars	Year Ended March 31, 2019		Year Ended March 31, 2018	
	Amount	Percentage	Amount	Percentage
Imported	3,844,944	0.54%	38,122,691	8.31%
Indigenous	712,206,313	99.46%	420,518,721	91.69%
Total	716,051,257	100.00%	458,641,412	100.00%

Note 38 : Accounting Standard - 7

The Company is recognising revenue on contracts on percentage of completion method due to revision of mandatory Accounting Standard 7 "Construction Contracts". Disclosure required in accordance with the said Accounting Standard in respect of contracts in progress as on reporting date are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Progress Billing	3,285,770,347	2,389,384,208
Aggregate amount of contract cost incurred	2,556,580,871	1,924,974,149
Recognised Profits less recognised losses	1,090,317,472	697,646,052
The amount of retentions due from customers for contracts in progress	52,981,325	83,711,712

Note 39 : Utilization of IPO proceeds

The proceeds of the funds raised under IPO by the Company are being utilized as per the Objects of the Issue. The disclosure in compliance with the Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations") is as under:

Particulars	Projected utilization of Proceeds as per IPO Objects	Utilization of IPO Proceeds upto 31st March, 2019	Unutilised balances
Upgradation and Modernisation of existing manufacturing facility	107,200,000	83,897,350	23,302,650
Funding the Working capital requirements of the Company	200,000,000	200,000,000	—
General corporate purpose	57,878,000	57,878,000	—
Issue related expenses	42,500,000	42,500,000	—
Total	407,578,000	384,275,350	23,302,650

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

The unutilized money as on 31st March, 2019 are lying with scheduled commercial bank.

Note 40 : The company was converted into Public Limited Company from Private Limited Company with effect from 15th February, 2018 and fresh incorporation certificate had been received from Registrar of Companies, Mumbai.

Note 41 : Previous year figures have been regrouped/ re-classified and or rearranged wherever considered necessary to confirm Current period's figures.

In terms of our Report of even date
For S G C O & Co. LLP
Chartered Accountants
Firm Registration No. 112081W/W100184

For and on behalf of the Board of Directors
Innovators Façade Systems Limited

Radheshyam Sharma
Managing Director
DIN: 00340865

Anjana Sharma
Whole Time Director
DIN: 00360233

K. M. Tulsian
Partner
Membership No. 038430

Raman Sharma
Chief Executive Officer

Priti Sharma
Chief Financial Officer

Nitin Kore
Company Secretary
Mem No. A37732

Place : Mumbai
Date : 28th May, 2019

Place : Thane
Date : 28th May, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Innovators Façade Systems Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Innovators Façade Systems Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2019, the consolidated statement of Profit and Loss, the consolidated Cash Flow Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31st March, 2019, its consolidated profit (consolidated financial performance) and its consolidated cash flow 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 Consolidated Financial Statements Section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. 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 Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report :

1. Accuracy of estimated cost in respect of fixed price contract.

Estimated cost is a critical estimate to determine revenues for ongoing projects. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, cost incurred till date and cost required to complete the remaining contract performance obligations.

Refer note no. 1 (D) (ii) under the head "use of estimates" in significant accounting policies.

Auditor's Response

Principal Audit Procedures

Our audit approach was a combination of test of internal controls and substantive procedures which included the following:

- Evaluated the design of internal controls relating to recording of cost incurred and estimation of cost required to complete the contract.
- Basic Rate Contract (BRC) is prepared by Project Management team having details of budgeted cost for material, execution and installation etc.

- Selected a sample of contract and through inspection of evidence of performance of these controls, tested the operating effectiveness of the internal controls relating to cost incurred and estimated.
- Performed analytical procedures and test of details for reasonableness of incurred and estimated cost.

Information other than the Financial Statements and Auditor’s Report thereon

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis, Board’s Report but does not include the Consolidated Financial Statements, Standalone Financial Statements and our auditor’s report thereon.

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained 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.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

The Holding Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (Consolidated financial performance) and its consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can

arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
 - (d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies in India, none of the directors of the Group companies 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 internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A".
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 31 to the Consolidated Financial Statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.
2. As required by section 197(16) of the Act, based on our audit, on consolidated financial statements of the subsidiary, we report that the holding company, subsidiary covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and the limits laid down under section 197 read with Schedule V to the Act.

For S G C O & Co. LLP
Chartered Accountants
FRN. 112081W/W100184

K. M. Tulsian
Partner
Mem. No. 038430

Place: Mumbai
Date: 28th May, 2019

Annexure - A to the Independent Auditor's Report of even date on the Consolidated Financial statements of Innovators Façade Systems Limited for the year ended 31st March 2019.

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 **Innovators Façade Systems Limited** (hereinafter referred to as "the Holding Company") as at March 31, 2019 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date. As per circular No G.S.R 583 (E), dated 13th June 2017 the clause (i) of section 143(3) of the Act regarding internal financial control over financial reporting, is not applicable to the subsidiary company.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Holding Company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting 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 ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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 Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Holding 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 Holding 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 holding 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 holding company are being made only in accordance with authorizations of management and directors of the holding company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the holding company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Holding 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 Holding 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 S G C O & Co. LLP

Chartered Accountants

Firm's Registration No. 112081W/W100184

K. M. Tulsian

Partner

Mem. No. 038430

Place: Mumbai

Date: 28th May, 2019

INNOVATORS FAÇADE SYSTEMS LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(Amount in ₹)

Particulars	Note Nos.	As at 31 st March, 2019	As at 31 st March, 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	188,678,080	132,070,080
Reserves and surplus	3	1,085,161,675	732,914,110
		1,273,839,755	864,984,190
Minority interest		—	9,579
Non-current liabilities			
Long-term borrowings	4	135,226,189	167,127,517
Deferred tax liabilities (Net)	5	869,686	—
Long-term provisions	6	7,508,072	6,542,214
		143,603,947	173,669,731
Current liabilities			
Short-term borrowings	7	313,952,556	338,010,044
Trade payables	8		
- Due to Micro, Small and Medium Enterprises		8,862,014	1,320,133
- Due to Other than Micro, Small and Medium Enterprises		314,454,905	243,973,343
Other current liabilities	9	28,433,644	163,923,590
Short-term provisions	10	211,526	19,086,052
		665,914,645	766,313,162
		2,083,358,348	1,804,976,662
ASSETS			
Non-current assets			
Property Plant & Equipments	11		
- Tangible assets		244,255,710	131,722,227
- Capital Work in Progress		50,884,755	—
		295,140,465	131,722,227
Non-current investments	12	156,041,000	156,041,000
Deferred tax assets (Net)	5	—	5,172,130
Long-term loans and advances	13	39,234,352	37,634,898
Other non-current assets	14	41,490,327	23,445,641
		531,906,144	354,015,896
Current assets			
Inventories	15	449,822,916	346,204,874
Trade receivables	16	539,008,297	652,330,622
Unbilled revenue	17	233,439,030	156,088,047
Cash and bank balances	18	142,532,188	106,022,044
Short-term loans and advances	19	67,139,286	33,346,363
Other current assets	20	119,510,488	156,968,816
		1,551,452,205	1,450,960,766
		2,083,358,348	1,804,976,662
Significant Accounting Policies	1		

See accompanying notes to the financial statements

1 to 43

In terms of our Report of even date
For **S G C O & Co. LLP**
Chartered Accountants
Firm Registration No. 112081W/W100184

K. M. Tulsian
Partner
Membership No. 038430

For and on behalf of the Board of Directors
Innovators Façade Systems Limited

Radheshyam Sharma
Managing Director
DIN: 00340865

Anjana Sharma
Whole Time Director
DIN: 00360233

Raman Sharma
Chief Executive Officer

Priti Sharma
Chief Financial Officer

Nitin Kore
Company Secretary
Mem No. A37732

Place : Mumbai
Date : 28th May, 2019

Place : Thane
Date : 28th May, 2019

INNOVATORS FAÇADE SYSTEMS LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2019
 (Amount in ₹)

Particulars	Note Nos.	Year Ended 31 st March, 2019	Year Ended 31 st March, 2018
REVENUE			
Revenue from operations	21	1,570,857,898	1,541,745,926
Other income	22	16,749,325	10,098,384
		1,587,607,223	1,551,844,310
EXPENSES			
Cost of Contracts	23	945,135,054	617,858,289
Purchase of stock-in-trade	24	212,183,301	519,841,396
Employee benefits expense	25	138,279,994	126,113,792
Finance costs	26	50,394,673	87,153,249
Depreciation	11	23,698,400	22,088,490
Other expenses	27	67,672,067	61,945,426
		1,437,363,489	1,435,000,642
Profit before exceptional items and tax		150,243,734	116,843,668
Less : Exceptional items	28	73,870,239	
Profit before tax		76,373,495	116,843,668
Less: Tax Expenses			
Current Tax		20,560,000	42,340,000
Deferred Tax Liabilities / (Assets)	5	6,041,816	(1,722,746)
Tax of Earlier Years		3,250,740	(2,963,695)
Profit for the year (before adjustment for Minority Interest)		46,520,938	79,190,109
Less: Share of Profit/(Loss) transferred to Minority Interest		—	(58)
Profit for the year (after adjustment for Minority Interest)		46,520,938	79,190,167
Earnings per equity share:	29		
(Nominal value of Rs. 10/- each)			
- Basic		2.58	7.53
- Diluted		2.58	7.53
Significant Accounting Policies	1		

See accompanying notes to the financial statements

1 to 43

In terms of our Report of even date
For S G C O & Co. LLP
 Chartered Accountants
Firm Registration No. 112081W/W100184
K. M. Tulsian
 Partner
Membership No. 038430

Place : Mumbai
Date : 28th May, 2019

For and on behalf of the Board of Directors
Innovators Façade Systems Limited

Radheshyam Sharma
 Managing Director
DIN: 00340865

Raman Sharma
 Chief Executive Officer

Place : Thane
Date : 28th May, 2019

Anjana Sharma
 Whole Time Director
DIN: 00360233

Priti Sharma
 Chief Financial Officer

Nitin Kore
 Company Secretary
Mem No. A37732

INNOVATORS FAÇADE SYSTEMS LIMITED
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

(Amount in ₹)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash Flow from Operating Activities		
Net Profit before Tax	76,373,495	116,843,668
Adjustments for:		
Depreciation on Property Plant & Equipments	23,698,400	22,088,490
Balances Written Off	73,870,239	—
Profit/(Loss) on Sale of Property Plant & Equipments	532,874	(117,050)
Finance Costs	50,394,673	87,153,249
Interest income	(6,895,316)	(5,460,821)
Operating Profit before Working Capital changes	217,974,365	220,507,537
Adjustments for :		
(Increase) / Decrease in Inventories	(103,618,042)	(3,679,474)
(Increase) / Decrease in Trade receivables	(37,898,897)	(196,643,468)
(Increase) / Decrease in Short term loans and advances	(33,792,923)	(15,334,346)
(Increase) / Decrease in Long term loans given & advances	1,438,246	(7,561,191)
(Increase) / Decrease in Other current & Non-current assets	19,413,642	(48,801,038)
Increase / (Decrease) in Trade payable	78,023,443	27,469,037
Increase / (Decrease) in Other current liabilities	(135,733,778)	46,640,467
Increase / (Decrease) in Provisions	1,022,466	718,227
CASH GENERATED FROM OPERATIONS	6,828,521	23,315,751
Income tax paid	(45,779,574)	(21,884,461)
Net Cash inflow from/ (outflow) from Operating activities	(38,951,053)	1,431,290
B. Cash Flow from Investing Activities		
Purchase of Property Plant & Equipments	(187,899,511)	(7,441,810)
Sale of Property Plant & Equipments	250,000	350,000
(Increase) / Decrease in Fixed Deposits	(16,462,957)	(88,180,286)
Interest received	6,895,316	5,460,821
Net Cash inflow from/ (outflow) from Investing activities	(197,217,152)	(89,811,275)
C. Cash Flow from Financing Activities		
Proceeds from issue of shares (including Securities Premium)	407,577,600	95,000,000
Issue related expenses (IPO)	(45,242,973)	(3,214,409)
Proceeds from borrowings	133,225,107	229,996,387
Repayment from borrowings	(188,949,670)	(213,428,874)
Finance Cost	(50,394,673)	(87,153,249)
Net Cash inflow from/(outflow) from Financing activities	256,215,391	21,199,855

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Net increase / (decrease) in cash and cash equivalents	20,047,187	(67,180,130)
Add : Opening Cash and Cash Equivalents		
Cash in hand	598,397	170,023
Bank balances	7,794,991	2,754,228
Fixed Deposits (original maturity period up to 3 months)	—	72,649,267
	8,393,388	75,573,518
Closing Cash and Cash Equivalents		
Cash in hand	1,736,458	598,397
Bank balances	26,704,117	7,794,991
	28,440,575	8,393,388

Note :

1. Cash Flow Statement has been prepared on Indirect Method as prescribed under Accounting Standard-3 on Cash Flow Statements
2. Previous Year figures have been regrouped and or rearranged wherever considered necessary.

In terms of our Report of even date
For S G C O & Co. LLP
Chartered Accountants
Firm Registration No. 112081W/W100184

For and on behalf of the Board of Directors
Innovators Façade Systems Limited

Radheshyam Sharma
Managing Director
DIN: 00340865

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Raman Sharma
Chief Executive Officer

Priti Sharma
Chief Financial Officer

Nitin Kore
Company Secretary
Mem No. A37732

Place : Mumbai
Date : 28th May, 2019

Place : Thane
Date : 28th May, 2019

Note 1 : Significant Accounting Policies

A Corporate information

Innovators Facade Systems Limited ("the Holding Company") is a company domiciled in India and incorporated in June, 1999 under the provisions of Companies Act, 1956. Company is mainly engaged in the business of design, engineering, fabrication, supply and installation of facade systems.

B Basis of Accounting

The Financial Statements have been prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis and in compliance with all the mandatory accounting standards as prescribed under Section 133 of the Companies Act 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014.

C Principles of Consolidation

The Consolidated Financial Statements comprise of the financial statements of Innovators Façade Systems Limited and its subsidiary, which are consolidated in accordance with Accounting Standard 21 on Consolidated Financial Statements.

The Consolidated Financial Statements relate to Innovators Façade Systems Limited ('The Company') and Innovators Engineering Works Private Limited (formerly known as "Kapindra Multitrade Private Limited") (its subsidiary) have been prepared on the following basis:

- i) The financial statements of the Company and its subsidiary companies are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions.
- ii) The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.
- iii) The excess of cost to the Company of its investments in the subsidiary over its portion of equity of subsidiary at the dates they become subsidiary is recognized in the financial statements as goodwill.
- iv) The excess of Company's portion of equity of the subsidiary over the cost to the Company of its investments at the dates it became subsidiary is recognized in the financial statements as capital reserve.
- v) Minority Interest's share of net profit of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

D Use of Estimates

- i) The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between actual results and estimates are recognized in the periods in which the results are known/materialise.
- ii) The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate

the total costs and balance cost to be incurred. Costs incurred have been used to measure progress towards completion as there is a direct relationship between cost incurred and revenue recognition. The Company uses significant judgments while determining the estimated cost.

E Revenue Recognition

- i) Revenue from fixed price construction contracts is recognized on the percentage of completion method, measured in proportion of the percentage of cost incurred-to-date to the total estimated contract cost.
- ii) Revenue in respect of sales is recognised on the basis of actual execution of work contracts or as and when work contracts is certified.
- iii) Unbilled Revenue is the part of work executed but not billed on the last day of financial year end due to contractual obligation.
- iv) Interest income is recognized on time proportion basis.

F Property Plant & Equipments

Property Plant & Equipments are stated at actual cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

G Depreciation & Amortisation

Depreciation is systematically allocated over the useful life of an asset on "Written Down Value Method" at the rate and in the manner prescribed in part C of Schedule II of the Companies Act, 2013.

H Investments

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investment and are carried at cost less any provision for diminution in value other than temporary. Investments other than long term investments being current investments are valued at cost or fair value whichever is lower.

I Inventories

- i) Raw material are valued at lower of cost or net realisable value and stores & spares are valued at cost
- ii) Work in progress and finished goods are valued at lower of cost or net realisable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

J Foreign Currency Transactions

- i) The transactions in foreign currencies are stated at the rate of exchange prevailing on the date of transactions.
- ii) The difference on account of fluctuation in the rate of exchange prevailing on the date of transaction and the date of realization is charged to the Profit and Loss Account.
- iii) Differences on translations of Current Assets and Current Liabilities remaining unsettled at the year-end are recognized in the Profit and Loss Account.

- iv) The premium in respect of forward exchange contract is amortised over the life of the contract. The net gain or loss on account of any exchange difference, cancellation or renewal of such forward exchange contracts is recognised in the Statement of Profit & Loss.

K Accounting for Taxes of Income

Current Taxes

Provision for current income-tax is recognized in accordance with the provisions of Indian Income-tax Act, 1961 and is made annually based on the tax liability after taking credit for tax allowances and exemptions.

Deferred Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences that result between the profits offered for income taxes and the profits as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and the tax laws that have been enacted or substantially enacted at the balance sheet date. Deferred tax Assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future. Deferred Tax Assets are reviewed as at each Balance Sheet date.

L Employee Benefits

- i) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Profit & Loss Account for the year.
- ii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

M Provisions and Contingent Liabilities

- i) Provisions are recognized in terms of Accounting Standard 29 – "Provisions, Contingent Liabilities and Contingent Assets" in accordance with the Accounting Standard specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 when there is a present legal or statutory obligation as a result of past events where it is probable that there will be outflow of resources to settle the obligation and when a reliable estimate of the amount of the obligation can be made.
- ii) Contingent Liabilities are recognized only when there is a possible obligation arising from past events due to occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or where reliable estimate of the obligation cannot be made. Obligations are assessed on an ongoing basis and only those having a largely probable outflow of resources are provided for.
- iii) Contingent Liabilities are disclosed by way of notes.

N Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

O Miscellaneous Expenditure

IPO Expenses are written off against Securities Premium Account. Preliminary expenses are amortised in the year in which they are incurred.

Note 2 : Share capital

a. Details of authorised, issued, subscribed and paid up share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised Capital		
2,10,00,000 (P.Y. 2,10,00,000) Equity shares of ₹ 10/- each	210,000,000	110,000,000
	210,000,000	110,000,000
Issued, Subscribed and Paid up Capital		
1,88,67,808/- (P.Y. 1,32,07,008) Equity shares of ₹ 10/- each	188,678,080	132,070,080
	188,678,080	132,070,080

b. Terms & Conditions

The Company has only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share.

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

- c.** During the year, the Company has issued 56,60,800 equity shares of face value of ₹ 10/- each at a premium of ₹ 62/- per share, total issue size amounting to ₹ 40,75,77,600/-, through Initial Public Offer (IPO) vide their members approval in the Extra-Ordinary General Meeting of the Company held on 17th February, 2018, pursuant to Section 62(1)(c) and all other applicable provision of Companies Act, 2013, Companies (Prospectus and Allotment of the Securities) Rules, 2014 and in accordance with the provisions of Chapter X(B) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009. Consequently, the equity shares of the company has got listed on the SME platform of BSE Limited w.e.f. 24th May, 2018.
- d.** During the previous year, the Company had allotted 13,89,000 equity shares of ₹ 10/- each at a premium of ₹ 62/- per share to its existing equity shareholders by conversion of their unsecured loan into equity vide resolution passed in the meeting of board of directors of the Company held on 24th February, 2018.
- e.** During the previous year, the Company had allotted 15,32,258 equity shares of ₹ 10/- each at a premium of ₹ 52/- per share by way of private placement vide resolution passed in the meeting of board of directors of the Company held on 7th March, 2018.
- f. Shareholders having more than 5% Shareholding**

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No of Equity shares held	Percentage	No of Equity shares held	Percentage
Jolly Multi Trade Private Limited	4,541,022	24.07%	4,541,022	34.38%
Mr. Radheshyam Sharma	2,380,209	12.62%	2,380,209	18.02%
Mr. Vijay Kedia	1,913,032	10.14%	1,129,032	8.55%

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	No of Equity shares held	Percentage	No of Equity shares held	Percentage
Mr. Raman Sharma	1,800,000	9.54%	1,800,000	13.63%
Mr. Shivchand Sharma	900,000	4.77%	900,000	6.81%
Mrs. Anjana Sharma	834,315	4.42%	834,315	6.32%

g. Reconciliation of Number of Shares

Name of Shareholder	As at March 31, 2019		As at March 31, 2018	
	Equity Shares		Equity Shares	
Shares outstanding at the beginning of the year	13,207,008	132,070,080	10,285,750	102,857,500
Add: Shares issued during the year	5,660,800	56,608,000	2,921,258	29,212,580
Shares outstanding at the end of the year	18,867,808	188,678,080	13,207,008	132,070,080

Note 3 : Reserves and surplus

Particulars	As at March 31, 2019	As at March 31, 2018
a. Securities Premium Account		
Opening balance	302,624,774	140,043,750
Add : Received during the year	350,969,600	165,795,433
Less: IPO Expenses written off	45,242,973	3,214,409
Closing balance	608,351,401	302,624,774
b. Surplus in the statement of Profit and loss		
Opening balance	247,415,921	168,225,754
Add : Profit for the year	46,520,938	79,190,167
Closing balance	293,936,860	247,415,921
c. Capital Reserve on Consolidation	182,873,414	182,873,414
	1,085,161,675	732,914,110

Note 4 : Long-term borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
SECURED		
From banks		
Term Loans	11,831,611	18,566,263
Less : Current maturities of long term debt	7,142,857	7,142,857
	4,688,753	11,423,405

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	As at March 31, 2019	As at March 31, 2018
Vehicle Loans	7,378,286	6,482,247
Less : Current maturities of long term debt	2,504,662	1,778,135
	4,873,624	4,704,112
UNSECURED		
From banks	—	492,275
Less: Current maturities of long term debt	—	492,275
	—	—
From related parties		
- Inter Corporate Deposits	123,988,812	150,000,000
	123,988,812	150,000,000
From Others	1,675,000	1,000,000
	135,226,189	167,127,517

Additional information pertaining to long term borrowings

- Term Loan from Oriental Bank of Commerce amounting to ₹ 1,18,31,611/- (P.Y. ₹ 1,85,66,263/-) is secured against first charge over Factory Land & Building and Hypothecation of Machinery to be purchased out of term loan and collateral security of equitable mortgage of various immovable properties of directors, hypothecation of immovable assets and personal guarantee of directors. It carries interest rate of 3.25% over base rate plus term premium of 0.50%. The loan is repayable in 84 monthly installments of ₹ 5,95,000/- each after the 9 months from first disbursements.
- Vehicle loan from various banks amounting to ₹ 73,78,286/- (P.Y. ₹ 64,82,247/-) are secured against respective vehicles. They carry interest rate ranging between 8.70% to 9.40% per annum. The Installments period of the loans ranges between 46 months to 60 months.
- Loan from Deutsche Bank amounting to ₹ Nil/- (P.Y. ₹ 4,92,275/-) is unsecured. It carries interest rate of 4% over base rate. The Loan is repayable in 36 monthly installments of ₹ 1,70,039/- each starting from the month of disbursement.
- Intercompany Deposits amounting to ₹ Nil/- (P.Y. 15,00,00,000/-) is unsecured and interest free.
- Intercompany Deposits amounting to ₹ 12,39,88,812/- (P.Y. ₹ Nil/-) are unsecured and interest free. The same are repayable after 31st March, 2024.
- Loan from Others amounting to ₹ 16,75,000/- (P.Y. ₹ 10,00,000/-) is unsecured and interest free. The same is repayable after 31st March, 2020.

Note 5 : Deferred tax liabilities (Net)

The major components of deferred tax liability/asset as recognised in the financial statement is as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Tax Asset		
Excess of net block of Property Plant & Equipments as per net block for tax purpose over books of account	(2,876,782)	2,831,884
Provision for Employee benefits	2,007,095	2,340,246
Net	(869,686)	5,172,130

Note 6 : Long-term provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee Benefits:		
Gratuity Payable	7,508,072	6,542,214
	7,508,072	6,542,214

Note 7 : Short-term borrowings

Particulars	As at March 31, 2019	As at March 31, 2018
Secured loans		
From banks		
-Cash credit facility	313,952,556	338,010,044
	313,952,556	338,010,044

Additional information pertaining to short term borrowings

- a. Cash Credit facility from Oriental Bank of Commerce amounting to ₹ 19,21,37,975/- (P.Y. ₹ 22,20,40,959/-) is secured against pari passu charges over Hypothecation of stock of raw material, work in progress, finished goods, stores & spares and receivables and collateral security of equitable mortgage of various immovable properties of directors, hypothecation of immovable assets and personal guarantee of directors. It carries interest rate of 2.10% over base rate.
- b. Cash Credit facility from Indian Bank amounting to ₹ 12,18,14,581/- (P.Y. ₹ 11,59,69,085/-) is secured against paripassu charges over Hypothecation of stocks of raw materials, work in progress, finished goods, stores & spares and receivables and collateral security of equitable mortgage of various immovable properties of directors, hypothecation of immovable assets and personal guarantee of directors. It carries interest rate of 3% over one year MCLR of the bank.

Note 8 : Trade payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables		
Due to Micro, Small and Medium Enterprises *	8,862,014	1,320,133
Other than Micro, Small and Medium Enterprises	314,454,905	243,973,343
	323,316,919	245,293,476

Note : The amounts due to Micro, Small and Medium Enterprises suppliers defined under “The Micro Small and Medium Enterprises Development Act 2006” have been identified on the basis of information available with the Company.

*Disclosures required under Sec. 22 of MSMED Act, 2006

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Particulars	As at March 31, 2019	As at March 31, 2018
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;	8,862,014	1,320,133
The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;	—	—
The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);	—	—
The amount of interest accrued and remaining unpaid at the end of accounting year; and	194,084	—
The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	—	—

Note 9 : Other current liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current maturities of long-term debt	9,647,520	9,413,267
Advance from customers	7,880,170	88,148,878
Retention money payable	2,487,986	2,546,952
Statutory dues payable	7,670,438	63,642,304
Other payables	747,531	172,189
	28,433,644	163,923,590

Note 10 : Short-term provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits:		
Gratuity payable	211,526	154,918
Provision for Tax (Net of Taxes Paid)	—	18,931,134
	211,526	19,086,052

INNOVATORS FAÇADE SYSTEMS LIMITED
ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 11 : Property plant and equipments

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at April 1, 2018	Additions during the Period	Deletions during the Period	As at March 31, 2019	As at April 1, 2018	Depreciation charge for the year	Adjustments on Sale of Assets	As at March 31, 2019	As at March 31, 2018
Tangible Assets									
Freehold Land	1,142,360	—	—	1,713,540	—	—	—	2,284,720	1,713,540
Factory Building	363,351,690	21,631,500	—	577,474,785	164,902,706	18,955,118	—	402,250,732	297,673,475
Plant & Machinery	104,724,367	234,474,640	—	508,798,510	62,669,612	17,842,595	—	517,373,598	63,082,131
Furniture & Fixtures	5,739,315	204,400	—	8,915,573	3,368,931	632,438	—	3,884,694	3,555,577
Vehicles	45,425,125	7,714,572	5,791,644	71,022,080	32,691,590	5,198,523	4,225,896	27,367,673	19,100,303
Office Equipment	16,807,330	7,595,168	—	36,603,748	13,768,172	2,159,709	—	16,949,236	4,558,738
Computers	26,925,305	2,409,232	—	44,001,806	23,270,028	2,608,416	—	6,912,186	5,482,916
Total	846,173,239	411,044,268	8,687,466	1,664,706,722	451,006,558	71,095,199	6,338,845	1,221,278,549	526,888,909
Previous Year	551,574,501	14,883,620	2,342,628	564,115,493	258,370,787	44,176,979	1,876,728	263,444,454	293,203,714
Capital Work-in-Progress	—	—	—	—	—	—	—	—	—
Factory building	—	101,769,510	—	152,654,265	—	—	—	203,539,020	—
Total	—	152,654,265	—	203,539,020	—	—	—	254,423,775	—
Previous Year	—	—	—	—	—	—	—	—	—

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 12 : Non-current investments

Particulars	As at March 31, 2019	As at March 31, 2018
(Unquoted, Non-Trade Investments valued at Cost)		
Investments in Debentures		
Innovators Facade Solutions Private Limited		
1,56,041 (P.Y. 1,56,041) 0% Compulsory Convertible Debentures of face value ₹ 1,000/- each.	156,041,000	156,041,000
	156,041,000	156,041,000

Particulars	As at March 31, 2019	As at March 31, 2018
Aggregate value of unquoted investments	156,041,000	156,041,000

Note 13 : Long-term loans and advances

(Unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Loans and advances to related parties		
-Inter corporate deposits	—	4,185,188
Loans and advances to other parties	2,000,000	2,000,000
Security deposits	3,737,510	4,208,296
Balances with statutory authorities	13,755,286	10,337,558
Advance tax & TDS (Net of provisions)	12,091,555	9,053,855
Other Receivables	7,650,000	7,850,000
	39,234,352	37,634,898

Loans and advances to related parties represents:

Particulars	As at March 31, 2019	As at March 31, 2018
Enterprises Having Same Key Management & Personnel		
Innovators Facade Solutions (Mumbai) Private Limited	—	4,185,188
	—	4,185,188

Note 14 : Other non-current assets

(Unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Retention money receivable	41,490,327	19,052,644
Fixed Deposits		
Fixed deposits (maturity period of more than 12 months) (Held as margin money with banks against credit facilities) - Refer note 18	—	4,392,997
	41,490,327	23,445,641

Note 15 : Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
(Valued at lower of Cost or Net Realisable Value)		
Raw Materials and components	259,862,084	171,577,870
Work-in-progress *	189,960,832	174,627,004
	449,822,916	346,204,874

*Work in Progress represents Material at site

Note 16 : Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good)		
Outstanding for a period more than six months from the due date for payment	258,821,868	281,711,569
Others debts	280,186,429	370,619,053
	539,008,297	652,330,622

Note 17 : Unbilled revenue

Particulars	As at March 31, 2019	As at March 31, 2018
Unbilled Revenue*	233,439,030	156,088,047
	233,439,030	156,088,047

*Unbilled Revenue is net of Mobilization Advances received amounting to ₹ 12,76,88,966/- (P.Y. ₹ 7,71,47,946/-)

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 18 : Cash and bank balances

Particulars	As at March 31, 2019	As at March 31, 2018
Cash & cash equivalents		
Balances with banks		
-Current account	26,704,117	7,794,991
Cash on hand	1,736,458	598,397
Other bank balances		
Fixed deposits (maturity of 3 to 12 months)*	114,091,613	97,628,656
	142,532,188	106,022,044

*represents held as margin money with banks against credit facilities

Particulars	As at March 31, 2019	As at March 31, 2018
Fixed deposits held as margin money with banks against credit facilities - (Refer note 14)	114,091,613	102,021,653

Note 19 : Short-term loans and advances

(Unsecured, Considered Good)

Particulars	As at March 31, 2019	As at March 31, 2018
Security Deposit	7,514,676	—
Advance to suppliers	14,784,338	20,861,258
Balances with statutory authorities	36,837,639	7,150,449
Advance to employees	1,821,156	2,911,242
Prepaid expenses	450,771	464,982
Other receivables	5,730,705	1,958,432
	67,139,286	33,346,363

Advance to suppliers stated above include :

Particulars	As at March 31, 2019	As at March 31, 2018
Amount paid to Company under significant influence of Director and/or their relatives		
Parth Facade Solutions Private Limited	4,629,839	13,521,978

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 20 : Other current assets

(Unsecured, considered good)

Particulars	As at March 31, 2019	As at March 31, 2018
Retention money receivables	119,510,488	156,968,816
	119,510,488	156,968,816

Note 21 : Revenue from operations

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Operating revenue		
Sales from works contract and façade materials	1,556,351,586	1,523,183,909
Service Charges	—	11,622,719
	1,556,351,586	1,534,806,628
Other operating revenue		
Sale of scrap	14,506,312	6,939,298
	1,570,857,898	1,541,745,926

Note 22 : Other income

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest Income		
- Fixed deposits	6,895,316	5,460,821
- Others	902,320	564,624
VAT/Sales tax Refund	8,645,115	3,613,274
Gain on foreign exchange fluctuation (net)	306,574	342,615
Profit on sale of fixed asset	—	117,050
	16,749,325	10,098,384

Note 23 : Cost of contracts

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Facade materials		
Opening stock of materials	346,204,874	342,525,400
Add: Purchases during the year	819,669,299	462,320,886
Less: Closing stock of materials (including materials at site)	449,822,916	346,204,874
	716,051,257	458,641,412
Direct Expenses		
Installation Charges	56,393,395	24,840,476
Coating Expenses	50,771,632	46,208,970
Transportation Expenses	27,868,896	12,175,650
Fabrication Expenses	16,928,306	17,245,256
Other Production and Execution Costs	77,121,567	58,746,525
	229,083,796	159,216,877
	945,135,054	617,858,289

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 24 : Purchase of stock in trade

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Purchases (façade materials)	212,183,301	519,841,396
	212,183,301	519,841,396

Note 25 : Employee benefits expense

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Directors remuneration	7,500,000	5,338,400
Salaries and Incentives	119,097,850	107,670,406
Gratuity Expenses	1,415,632	1,147,753
Contribution to PF and other funds	4,241,142	4,856,546
Staff welfare expenses	6,025,370	7,100,687
	138,279,994	126,113,792

Note 26 : Finance costs

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Interest expenses		
-Banks	31,684,706	39,167,342
-Others	644,358	2,950,578
Other borrowing cost	18,065,609	45,035,330
	50,394,673	87,153,249

Note 27 : Other expenses

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Rent expenses	4,532,727	6,043,217
Rates and Taxes	981,129	1,259,362
Electricity charges	1,504,268	1,423,333
Communication expenses	1,319,389	1,267,703
Insurance charges	1,452,255	1,537,945
Professional and Consultancy fees	12,901,629	11,377,746
Auditors remuneration	910,912	880,110
Security charges	1,719,495	1,432,664
Repairs & maintainance - Machinery	709,719	376,376
Repairs & maintainance - Building	1,200,260	2,463,677
Conveyance and Travelling	12,080,066	13,841,021
Vehicle maintenance and fuel expenses	4,102,405	3,264,449
CSR and Donation Expenditure	7,097,501	—
Sales Promotion expenses	1,643,531	4,858,168
Loss on sale of fixed assets	532,874	—
Miscellaneous expenses	14,983,908	11,919,655
	67,672,067	61,945,426

Auditor's Remuneration:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Statutory Audit	654,750	670,110
Tax Audit	50,000	50,000
Other Services*	206,162	560,000
Total	910,912	1,280,110

*Includes ₹ 4,00,000/- towards IPO Expenses written off against Securities Premium Account.

Note 28 : Exceptional items

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Balances written off *	73,870,239	—
	73,870,239	—

* Exceptional item represents write off of trade receivables and retention money due from customer against whom insolvency proceedings are in process.

Note 29 : Earnings per equity share

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Basic Earnings per Share		
Profit/(Loss) attributable to Equity shareholders	46,520,938	79,190,167
Shares outstanding at the beginning of the year	13,207,008	10,285,750
Shares outstanding at the end of the year	18,867,808	13,207,008
Weighted average number of equity shares	18,014,811	10,519,693
Basic & Diluted Earnings Per Share	2.58	7.53
Face value per Share	10	10

Note 30 : In the opinion of the Board the Current Assets, Loans & Advances are realisable in the ordinary course of business at least equal to the amount at which they are stated in the Balance Sheet. The provision for all known liabilities is adequate and not in excess of amount reasonably necessary.

Note 31 : Contingent Liabilities

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
(i) Bank Guarantees	285,336,199	243,603,418
(ii) Disputed VAT Liabilities	72,201,124	72,201,124
(iii) Disputed Income Tax Liabilities	15,653,386	14,906,720
TOTAL	373,190,709	330,711,262

Note 32 : Corporate Social Responsibility

- a) CSR amount required to be spent as per section 135 of Companies Act, 2013 read with Schedule VII thereof by the Company during the year is ₹ 11,37,679/- (Previous year ₹ Nil).
- b) Expenses related to Corporate Social Responsibility is ₹ 70,44,000/- (Previous year ₹ Nil).

Details of amount spent during the financial year 2018-19 is as follow :

Particulars	Amount Paid In ₹
Construction / acquisition of any assets	—
For purpose other than construction / acquisition of assets	7,044,000
Total	7,044,000

Note 33 : Disclosure pursuant to Accounting Standard – 19 ‘Leases’

Disclosures in respect of cancellable operating leases are given as follows:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
A) Lease payments recognized in the statement of profit and loss for the year	4,532,727	6,043,217
B) A general description of the lessee’s significant leasing arrangements:		
- Lease rent agreements are for offices and guest houses		
- There are no restrictions imposed by lease arrangements.		
- There are no subleases		

Note 34 : Disclosure pursuant to Accounting Standard – 15 ‘Employee Benefits’

Actuarial assumption:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Salary Growth *	6%	6%
Discount Rate	7.83%	7.20%
Rate of Employee Turnover	10 & 2%	10 & 2%

* The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

- (i) Changes in the present value of defined benefit obligation representing reconciliation of opening and closing balances thereof:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Present value of obligation as at the beginning of the year:	6,676,081	5,978,905
Interest cost	522,737	430,481
Current service cost	1,272,871	1,045,055
Benefits paid	372,115	450,577
Actuarial (gain) / loss on obligation	(379,976)	(327,783)
Closing Present value of obligation	7,719,598	6,676,081

- (ii) Actuarial (gain)/ loss recognised in the Statement of Profit and Loss:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Actuarial (gain)/ loss for the year obligation	(379,976)	(327,783)

- (iii) The amounts recognised in the Balance Sheet are as follows:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Present value of obligation as at the end of the year	7,719,598	6,676,081
Funded value of assets (unfunded)	—	—
Net assets / (liability) recognised in balance sheet - Non-Current	7,508,072	6,521,163
Net assets / (liability) recognised in balance sheet - Current	211,526	154,918

- (iv) The amounts recognised in the Statement of Profit and Loss are as follows:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Current service cost	1,272,871	1,045,055
Past service cost	—	—
Interest cost	522,737	430,481
Expected return on plan assets	—	—
Net actuarial (gain) / loss recognized in the year	(379,976)	(327,783)
Expenses recognised in the statement of profit and loss	1,415,632	1,147,753

- (v) Amounts of Gratuity for the current and previous four year are as follows:

Particulars	Gratuity				
	Year Ended March 31, 2019	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Year Ended March 31, 2015
Defined benefit obligation	7,719,598	6,676,081	5,978,905	4,868,731	3,944,094
Plan assets	—	—	—	—	—
Surplus/(deficit)	(7,719,598)	(6,676,081)	(5,978,905)	(4,868,731)	(3,944,094)
Actuarial gain/(loss) on Defined benefit obligation	(379,976)	(327,783)	127,637	(67,290)	758,936
Actuarial gain/(loss) on plan assets	—	—	—	—	—

Note 35 : Segment Reporting

In accordance with the requirements of Accounting Standard 17 “Segment Reporting”, the Group is mainly engaged in the business of “design, engineering, fabrication, supply and installation of facade systems” and all other activities of the company revolve around the main business and as such, there are no separate reportable segments that require reporting under Accounting Standard 17 – Segment Reporting.

Note 36 : Related Party disclosures

a. List of related parties

(i) Key Management Personnel:

Name	Designation
Mr. Radheshyam Sharma	Managing Director
Mrs. Anjana Sharma	Whole Time Director
Mr. Shivchand Sharma	Director
Mr. Raman Sharma	Chief Executive Officer (From December 2018)
Mrs. Priti Sharma	Chief Financial Officer
Ms. Radhika Tibrewala	Company Secretary (Upto November 2018)
Mr. Nitin Kore	Company Secretary (From December 2018)

(ii) Relative of Key Management Personnel with whom the company has entered into the transactions during the year:

Name
Mrs. Dropadi Sharma
Mr. Narendra Sharma
Mr. Rohit Sharma
Ms. Vedika Sharma

(iii) Enterprise under significant influence and/or Same Key Management Personnel or their relatives with whom the company has entered into transactions during the year:

Name
Innovators Facade Solutions Private Limited
Innovators Facade Solutions (Mumbai) Private Limited
Jolly Multi Trade Private Limited
Parth Façade Solutions Private Limited

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

b. Transactions with Related Parties :

Nature of Transaction	Name of Party	Year Ended March 31, 2019	Year Ended March 31, 2018
Directors Remuneration	Mr. Radheshyam Shivchand Sharma	5,400,000	3,700,000
	Mrs. Anjana Radheshyam Sharma	2,100,000	1,750,000
Salaries	Mr. Narendra Sharma	—	900,000
	Mr. Raman Sharma	2,488,000	2,352,000
	Mr. Rohit Sharma	1,344,000	1,344,000
	Ms. Vedika Sharma	480,000	480,000
	Mrs. Priti Sharma	1,780,200	1,680,000
	Mr. Nitin Kore	160,000	-
	Miss. Radhika Tibrewala	336,000	28,500
Office Rent	Mr. Narendra Sharma	288,000	240,000
	Mr. Raman Sharma	144,000	160,000
	Mr. Shivchand Sharma	144,000	160,000
	Mrs. Dropadi Sharma	192,000	208,000
	Mr. Rohit Sharma	168,000	168,000
	Mrs. Priti Sharma	96,000	96,000
Sales from works contract and façade materials (including Unbilled Revenue)	Innovators Facade Solutions Private Limited	146,306,284	36,066,365
Advance from Customers		—	87,811,329
Contracts Execution Expenses	Parth Façade Solutions Private Limited	93,294,629	58,818,297
Unsecured Loan Taken	Mr. Radheshyam Shivchand Sharma	—	5,138,320
	Mr. Raman Sharma	—	1,036,565
	Mrs. Anjana Radheshyam Sharma	—	6,400,511
Unsecured Loan Repaid	Innovators Facade Solutions (Mumbai) Private Limited	150,000,000	4,025,000
	Jolly Multi Trade Private Limited	—	25,000
	Innovators Facade Solutions (Mumbai) Private Limited	128,174,000	—
	Mr. Radheshyam Shivchand Sharma	—	3,116,787
	Mr. Raman Sharma	—	1,130,501
	Mr. Radheshyam Sharma (HUF)	—	500,000
	Mr. Rohit Sharma	—	374,025
	Mrs. Anjana Radheshyam Sharma	—	1,201,636

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Nature of Transaction	Name of Party	Year Ended March 31, 2019	Year Ended March 31, 2018
Repayment of Unsecured Loan by conversion into issue of Equity Shares	Mr. Radheshyam Shivchand Sharma	—	20,175,060
	Mrs. Anjana Radheshyam Sharma	—	16,870,706
	Jolly Multi Trade Pvt. Ltd.	—	18,379,559
	Innovators Facade Solutions (Mumbai) Private Limited	—	44,582,688
Advance to Employees (Salary Advance)	Mrs. Anjana Sharma	—	327,424
	Mr. Narendra Sharma	—	175,803
	Mr. Radheshyam Sharma	—	213,416
	Mr. Raman Sharma	—	184,866
	Mr. Rohit Sharma	—	20,247

c. Balance Outstanding of Related Parties :

Name of Party	Year Ended March 31, 2019	Year Ended March 31, 2018
Unsecured Loan Payable		
Innovators Facade Solutions (Mumbai) Private Limited	123,988,812	—
Innovators Facade Solutions Private Limited	—	150,000,000
Unsecured Loan Receivable		
Innovators Façade Solutions (Mumbai) Pvt. Ltd.	—	4,185,188
Investment in 0% Compulsory Convertible Debentures		
Innovators Façade Solutions Pvt. Ltd.	156,041,000	156,041,000
Advance to Suppliers		
Parth Façade Solutions Private Limited	4,629,839	13,521,978
Advance from Customers		
Innovators Facade Solutions Private Limited	—	87,811,329
Other Receivables		
Mrs. Anjana Sharma	—	327,424
Mr. Shivchand Sharma	—	65,194
Mrs. Dropadi Sharma	—	32,000
Mr. Narendra Sharma	—	103,803
Mr. Radheshyam Sharma	—	213,416
Mr. Raman Sharma	—	183,672
Mr. Rohit Sharma	—	20,247
Other Payables		
Mr. Radheshyam Sharma	646,850	—
Mr. Narendra Sharma	791,248	—
Mr. Raman Sharma	331,200	—
Mrs. Priti Sharma	550,930	4,929
Mr. Rohit Sharma	114,939	—
Ms. Vedika Sharma	586,400	3,591

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Note 37 : Additional Disclosure pertaining to general financial statements pursuant to Schedule III of Companies Act, 2013

(a) Value of Imports on C.I.F Basis:

Particulars	Year Ended March 31, 2019	Year Ended March 31, 2018
Raw Materials & Components	3,844,944	38,122,691
Plant and Machinery	8,463,960	—
Total	12,308,904	38,122,691

(b) Expenditure in foreign currency - ₹ Nil (PY ₹ Nil)

(c) Consumption of raw materials:

Particulars	Year Ended March 31, 2019		Year Ended March 31, 2018	
	Amount	Percentage	Amount	Percentage
Imported	3,844,944	0.54%	38,122,691	8.31%
Indigenous	712,206,313	99.46%	420,518,721	91.69%
Total	716,051,257	100%	458,641,412	100.00%

Note 38 : Accounting Standard - 7

The Company is recognising revenue on contracts on percentage of completion method due to revision of mandatory Accounting Standard 7 "Construction Contracts". Disclosure required in accordance with the said Accounting Standard in respect of contracts in progress as on reporting date are as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Progress Billing	3,285,770,347	2,389,384,208
Aggregate amount of contract cost incurred	2,556,580,871	1,924,974,149
Recognised Profits less recognised losses	1,090,317,472	697,646,052
The amount of retentions due from customers for contracts in progress	52,981,325	83,711,712

Note 39 : Disclosure with regards to section 186 of the Companies Act, 2013

- The company has not granted loan or provided any guarantee or security to any body corporate after the enforcement of Section 186 of the Companies Act, 2013.
- For disclosure related to the investment made by the company - Refer Note No.12

Note 40 : Company consolidated as subsidiary in accordance with Accounting Standard 21 - Consolidated Financial Statements :

Name of Subsidiary	Date of becoming subsidiary	Country of Incorporation	% of Voting held on 31st March 2019	% of Voting held on 31st March 2018
Innovators Engineering Works Private Limited (Formerly known as "Kapindra Multi Trade Private Limited") and its nominees	22nd June, 2010	India	100%	100%

INNOVATORS FAÇADE SYSTEMS LIMITED

ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

Additional Information as required under Schedule III to the Companies Act, 2013 of company consolidated as subsidiary company :

Name of the Enterprise	Net Assets i.e. total assets minus total liabilities		Share in Profit & Loss	
	As % of Consolidated Net Assets	Amount (₹)	As % of Consolidated Profit & Loss	Amount (₹)
Parent				
Innovators Façade Systems Limited	85.47%	1,088,811,581	101.24%	47,088,743
Previous Year	68.73%	679,388,211	106.25%	79,348,806
Subsidiary				
Innovators Engineering Works Private Limited (Formerly known as "Kapindra Multi Trade Private Limited")	14.53%	185,028,174	-1.24%	(577,383)
Previous Year	31.27%	185,595,978	-6.25%	(158,640)
Minority Interest in Subsidiary	0.000%	—	0.0000%	—
Previous Year	0.002%	9,579	-0.0012%	(58)
TOTAL	100%	1,273,839,755	100%	46,511,361

Note 41 : Utilization of IPO proceeds

"The proceeds of the funds raised under IPO by the Company are being utilized as per the Objects of the Issue. The disclosure in compliance with the Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations") is as under:"

Particulars	Projected utilization of Proceeds as per IPO Objects	Utilization of IPO Proceeds upto 31st March, 2019	Unutilised balances In ₹
Upgradation and Modernisation of existing manufacturing facility	107,200,000	83,897,350	23,302,650
Funding the Working capital requirements of the Company	200,000,000	200,000,000	—
General corporate purpose	57,878,000	57,878,000	—
Issue related expenses	42,500,000	42,500,000	—
Total	407,578,000	384,275,350	23,302,650

The unutilized money as on 31st March, 2019 are lying with scheduled commercial bank.

Note 42 : The company was converted into Public Limited Company from Private Limited Company with effect from 15th February, 2018 and fresh incorporation certificate had been received from Registrar of Companies, Mumbai.

Note 43 : Previous year figures have been re-grouped/ re-classified and or re-arranged wherever considered necessary to confirm Current year's figures.

In terms of our Report of even date

For S G C O & Co. LLP

Chartered Accountants

Firm Registration No. 112081W/W100184

For and on behalf of the Board of Directors

Innovators Façade Systems Limited

Radheshyam Sharma

Managing Director

DIN: 00340865

Anjana Sharma

Whole Time Director

DIN: 00360233

K. M. Tulsian

Partner

Membership No. 038430

Raman Sharma

Chief Executive Officer

Priti Sharma

Chief Financial Officer

Nitin Kore

Company Secretary

Mem No. A37732

Place : Mumbai

Date : 28th May, 2019

Place : Thane

Date : 28th May, 2019

INNOVATORS FACADE SYSTEMS LIMITED

CIN: U45200MH1999PLC120229

Registered Office: 204, B-65, Sector No. 1, Shanti Nagar, Mira Road (East), Thane 401107

Website: www.innovators.in , Email: investors@innovators.in

Phone: +91-22- 022-28132151, Fax: +91- 022-28131919

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the venue.

Regd. Folio / DP ID & Client ID	
Name and Address of the Shareholders	
Name of the Joint Holder(s)	
No of Shares held	

I hereby record my presence at the 20th Annual General Meeting of the Company at registered office of the Company situated at held on Wednesday, 25th September, 2019.

.....
Shareholder's/Proxy's Name in Block Letters

.....
Shareholder's/Proxy's Signature

Note: The practice of distributing copies of Annual Report at the Annual General Meeting has been discontinued. Members attending the meeting are requested to bring their copies of Annual Report with them.

TEAR HERE

PROXY FORM

Innovators Façade Systems Limited

(CIN: U45200MH1999PLC120229)

Registered Office: 204, B-65, Sector No. 1, Shanti Nagar, Mira Road (East), Thane 401107.

Website: www.innovators.in, Email: investors@innovators.in

Phone: +91-22- 022-28132151, Fax: +91- 022-28131919

Name of the member(s)	:	
Registered address	:	
E-mail ID	:	
Folio No/ *Client ID	:	
*DP ID	:	

I/We, being the member(s) of _____ shares of Innovators Façade Systems Limited, hereby appoint:

1. _____ of _____ having e-mail id _____ or failing him
2. _____ of _____ having e-mail id _____ or failing him
3. _____ of _____ having e-mail id _____ or failing him as my / our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the 20th Annual General Meeting of the company, to be held on Wednesday, the 25th day of September, 2019 at 11.00 a.m. at 204, B-65, Sector No. 1, Shanti Nagar, Mira Road (East), Thane 401107 and at any adjournment thereof in respect of such resolutions as are indicated below:

**I wish my above Proxy to vote in the manner as indicated in the box below:

Description of Resolution		For	Against
ORDINARY BUSINESS			
1.	To consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended 31 st March, 2019, the Reports of the Board of Directors and Auditors thereon		
2.	To appoint Mr. Shivchand Sharma (DIN - 00298265), who retires by rotation and being eligible, offer himself for re-appointment as a Director.		
SPECIAL BUSINESS			
3.	To Ratification of Remuneration of M/s. Y. R. Doshi & Co., Cost Accountants, Mumbai (Firm Registration Number: 000003) as Cost Auditors for financial year 2019-20 by Ordinary Resolution.		

Signed this _____ day of _____, 2019

Signature of Shareholder

Signature of Proxy holder(s)

Affix a
Re. 1/-
Revenue
Stamp

TEAR HERE

NOTE:

1. The proxy form duly signed across the Revenue Stamp must be deposited at the Registered Office of the Company not less than 48 hours before the time of the meeting.
2. A proxy need not be a member of the Company.
3. This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. For the resolution and notes please refer the accompanying Notice.
5. All alterations made in the form of proxy should be initialled.

TEAR HERE



INNOVATORS FACADE SYSTEMS LIMITED

CIN: U45200MH1999PLC120229

Registered Office: 204, B-65, Sector No. 1, Shanti Nagar, Mira Road (East), Thane 401107

Website: www.innovators.in | **Email:** investors@innovators.in

Phone: +91-22- 022-28132151 | **Fax:** +91- 022-28131919