

**innovana**

— Empowered By Innovation —



**ANNUAL  
REPORT  
2017-2018**

*03<sup>rd</sup> ANNUAL REPORT  
OF  
INNOVANA THINKLABS LIMITED  
(Formerly known as PCVARK Software Limited)  
(Originally known as PCVARK Software Pvt. Ltd.)  
FOR F.Y. 2017-2018*

## BOARD OF DIRECTORS:

NAME	DESIGNATION
Mr. Chandan Garg	Managing Director
Mr. Kapil Garg	Whole Time Director
Mrs. Swaran Kanta	Non-Executive Director
Mr. Apoorv Mittal	Non-Executive Independent Director
Mr. Mohit Bora	Non-Executive Independent Director
Mr. Sumit Sarda	Non-Executive Independent Director

## STATUTORY AUDITOR:

**M/s. Amit Ramakant & Co., Chartered Accountants**  
 404, Okay Plus Tower, Government Hostel, M.I. Road, Jaipur-302001, Rajasthan  
 FRN Number: 009184C  
 Membership No.:077407  
 Email: [amitagrawalca100@gmail.com](mailto:amitagrawalca100@gmail.com)  
 Contact Person: Mr. Amit Agrawal

## REGISTRAR & SHARE TRANSFER AGENTS:

**M/s. Skyline Financial Services Private Limited**  
 D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020  
 Tel.: +91 11 40450193-97, 26812682-83  
 E-Mail: [info@skylinerta.com](mailto:info@skylinerta.com) or [viren@skylinerta.com](mailto:viren@skylinerta.com)

## BANKER TO THE COMPANY:

**Indusind Bank Limited**  
 Raja Park, Jaipur-302004, Rajasthan

**Axis Bank Limited**  
 Tilak Nagar, Jaipur-302004, Rajasthan

## SECRETARIAL AUDITOR:

**M/s. Srishti Mathur & Associates**  
 Practicing Company Secretaries  
 E-Mail: [srishtimathur2710@gmail.com](mailto:srishtimathur2710@gmail.com)  
 CP Number: 16319  
 Membership No.: 42220

**CHIEF FINANCIAL OFFICER:**

*Mr. Sanjeev Mittal*  
*Tel.: 0141-4919128*  
*Fax: N.A.*

**COMPANY SECRETARY/ COMPLIANCE OFFICER:**

*Ms. Prachi Mittal*  
*Tel.: 0141-4919128*  
*Fax: N.A.*  
*E mail ID: [cs@pcvark.com](mailto:cs@pcvark.com)*

**REGISTERED OFFICE:**

*Plot No. D-41, Patrakar Colony, Near Jawahar Nagar Moti Dungri Vistar Yojna,  
Raja Park,  
Jaipur-302004, Rajasthan  
Website: [www.innovanathinklabs.com](http://www.innovanathinklabs.com)  
Email ID: [info@innovanathinklabs.com](mailto:info@innovanathinklabs.com)  
Phone No.-0141-4919128*

**SUBSIDIARY COMPANY:*****Innovana Techlabs Limited***

*Unit No. 407, 4th Floor, Signature Bldg., Block 13B, Zone-I, GIFT SEZ, Gandhinagar,  
Gujarat, India-382355*

## GLIMPSES OF LISTING CEREMONY ON 12<sup>th</sup> DECEMBER 2017





**GLIMPSES OF LISTING CEREMONY ON 12<sup>th</sup> DECEMBER 2017**



*GLIMPSES OF LISTING CEREMONY ON 12<sup>th</sup> DECEMBER 2017*



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## CHAIRMAN'S MESSAGE:



**Dear Shareholders,**

Greeting of the Day!

On behalf of the Board of Directors, it is my pleasure to present to you **Innovana Thinklabs Limited's** ("INNOVANA", and together with its subsidiary, collectively the "Group") Annual Report for the year ended on 31st Day of March, 2018 ("Financial Year 2017-18") after successful listing on NSE Emerge Platform of National Stock Exchange of India Limited Dated 12th December, 2017.

We conduct and grow our business in a sustainable way so that our stakeholders all benefit. An important component of delivering value to our shareholders and earning their trust over the long term is returning capital in a consistent and transparent way.

For the year under review, our revenue saw increase to Rs. 30.83 Crores in Financial Year 2017-18, as compared to Rs. 15.51 Crores in the previous corresponding Financial Year ("F.Y. 2016-17") and The Profit after tax is Rs. 7.52 Crores for the Financial Year 2017-18 as compare to Rs. 0.72 Crores in the previous Financial Year 2016-17.

Last one year has been very eventful for the company, wherein we got your company converted from Private Limited to Limited company and even had it listed on NSE Emerge platform. The listing has been very encouraging as we received a massive response to our IPO. The IPO was oversubscribed by around 2.35 times. We once again thank all the subscribers and shareholders for this overwhelming success.

In closing, I would like to thank our dedicated management team and Board members for working diligently to ensure Innovana Thinklabs's sustained success and our valued shareholders of the Company for their confidence and trust. We assure that all efforts shall be put forth for achieving greater heights and robust growth of our Company in the years to come.

I look forward to continuing this journey together in the future.

With Warm Regards,

Thanking You

For **Innovana Thinklabs Limited**

**Chandan Garg**  
Chairman cum Managing Director

## **NOTICE OF 03<sup>rd</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the 03<sup>rd</sup> Annual General Meeting of the Members of **INNOVANA THINKLABS LIMITED (Formerly known as PCVARK Software Limited)** will be held on Thursday, 06<sup>th</sup> day of September, 2018 at 11:30 A.M. at the registered office of the company at **Plot No. D-41, Patrakar Colony, Near Jawahar Nagar Moti Dungri Vistar Yojna, Raja Park-302004, Jaipur, Rajasthan** to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the company for the Financial Year ended March 31<sup>st</sup>, 2018 and the Reports of the Board and Auditors thereon.
2. To appoint Director in place of Mr. Kapil Garg (DIN: 07143551), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
3. To ratify appointment of M/s. Amit Ramakant & Co., as Statutory Auditor

**To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:**

**“RESOLVED THAT** pursuant to Section 139 of Companies Act, 2013, Rule 3 of Companies (Audit and Auditors) Rules, 2014 and pursuant to recommendation of the Board of Directors **M/s. Amit Ramakant & Co.** (Firm Registration No. 009184C), chartered accountant was appointed as Statutory Auditor of the company for a period of 5 years in the 01<sup>st</sup> Annual General Meeting of the company Subject to ratification of their appointment by members in every Annual General Meeting thereafter till 06<sup>th</sup> Annual General Meeting to be held for the financial year ended on 31<sup>st</sup> March, 2021.

**FURTHER RESOLVED THAT** the Company hereby **ratifies** the appointment of **M/s. Amit Ramakant & Co.** (Firm Registration No. 009184C), as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of Annual General Meeting of the Company to be held for the financial year ending on 31<sup>st</sup> March 2019, on such remuneration as may be determined by the Board of Directors. The Company has received a certificate from the above auditors to the effect that if their appointment is ratified in this Annual General Meeting it would be in accordance with the provisions of section 141 of the Companies Act 2013.”

### **SPECIAL BUSINESS:**

4. Increase in remuneration and change in terms of appointment of Mr. Chandan Garg, Chairman cum Managing Director of the Company:

**To consider and if thought fit, to pass, with or without modification, following resolution as Special Resolution:**

**“RESOLVED THAT** In partial modification of resolution passed in this regard by the members of the Company at 02<sup>nd</sup> Annual General Meeting held on 06<sup>th</sup> July, 2017 and pursuant to provisions of sections 196, 197, 198, 203 read with Schedule V and other applicable provisions if any, of the Companies Act, 2013 (“the Act”), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) the consent and approval of the Members be and are hereby accorded for **Revision of remuneration of Mr. Chandan Garg, Chairman cum Managing Director** on such terms and conditions, in case of absence of profits or its profits are inadequate for a period of 3 years and **Change in terms of appointment** as he shall be liable to retire by rotation in place of not liable to retire by rotation and keeping all other terms and conditions unchanged.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Chandan Garg, Managing Director with effect from September, 2018 shall be as under:

#### **(A) Basic Salary:**

Rs. 8,00,000/- (Rupees Eight Lakh Only) Per Month inclusive of perquisites and allowances, except the perquisites falling outside the purview of the ceiling of remuneration subject to overall ceiling of remuneration stipulated in sections 2(78) and 197 read with Schedule V of the Act.

**Annual Increment:** Maximum sum of Rs. 2,00,000/- (Rupees Two Lakh) per Month which shall be decided by the Board of Directors on the basis of merit and performance.

**Perquisites:** Besides the above salary, Mr. Chandan Garg, shall be entitled to Company's contribution to Provident Fund, gratuity payable as per the Company's Policy and encashment of leave at the end of his tenure as per the Company's Policy and the same shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to do all the acts, deeds, matters and things as he may in his absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

#### 5. Increase in remuneration of Mr. Kapil Garg, Whole Time Director of the Company:

**To consider and if thought fit, to pass, with or without modification, following resolution as Special Resolution:**

**"RESOLVED THAT** In partial modification of resolution passed in this regard by the members of the Company at 02<sup>nd</sup> Annual General Meeting held on 06<sup>th</sup> July, 2017 and pursuant to provisions of sections 196,197,198 and 203 read with Schedule V and other applicable provisions of if any, of the Companies Act, 2013 ("the Act"), The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications or re-enactment(s) thereof for the time being in force) the consent and approval of the members of the company be and are hereby accorded for revision of remuneration of **Mr. Kapil Garg, Whole Time Director** on such terms and conditions, in case of absence of profits or its profits are inadequate for a period of 3 years.

**RESOLVED FURTHER THAT** the remuneration payable to Mr. Kapil Garg, Whole Time Director with effect from September, 2018 shall be as under:

##### **(A) Basic Salary:**

Rs. 2,40,000/- (Rupees Two Lakh Forty Thousand Only) Per Month including of perquisites and allowances except the perquisites falling outside the purview of the ceiling of remuneration subject to overall ceiling of remuneration stipulated in sections 2(78) and 197 read with Schedule V of the Act.

**Annual Increment:** Maximum sum of Rs. 2,00,000/- (Rupees Two Lakh) per Month which shall be decided by the Board of Directors on the basis of merit and performance.

**Perquisites:** Besides the above salary, Mr. Kapil Garg, shall be entitled to Company's contribution to Provident Fund, gratuity payable as per the Company's Policy and encashment of leave at the end of his tenure as per the Company's Policy and the same shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorised to do all the acts, deeds, matters and things as he may in his absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

**By Order of Board of Directors  
For INNOVANA THINKLABS LIMITED  
(Formerly known as PCVARK Software Limited)  
CIN: L72900RJ2015PLC047363**

**Date:** July 31, 2018  
**Place:** Jaipur

**Sd/-  
Prachi Mittal  
Company Secretary**

#### **NOTES:**

1. A member entitled to attend and vote in the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member. Proxy form, in order to be effective must be received by the company not less than 48 hours before the commencement of the meeting. Members/ Proxies should bring their attendance slip duly filled in order to attend 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 (10) percent of the total share capital of the company. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The profile of the Directors seeking appointment/re-appointment, as required in terms of Applicable Regulations of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered with the Stock Exchange is annexed Hereto and forms part of this Notice.
3. An Explanatory Statement under section 102 of the Companies Act, 2013 relating to special Business to be transacted at the Meeting **annexed hereto**.
4. A proxy form is enclosed herewith. In case of shareholder wants to appoint a proxy, a duly completed signed and stamped proxy form must be reach the registered office of the company not later than 48 hours before the time of aforesaid meeting.
5. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
6. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company, a duly certified copy of the Board Resolution authorizing such a representative to attend and vote on their behalf at the Annual General meeting.
8. The route map showing directions to reach the venue of the Annual General Meeting is annexed and forms part of the Notice.
9. The Register of Members and Share Transfer Book of the company shall remain closed from Friday, 31<sup>st</sup> August, 2018 to Thursday, 06<sup>th</sup> September, 2018 (both day inclusive) and cutoff date is Thursday, 30<sup>th</sup> August, 2018.
10. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depository as on Thursday, 30<sup>th</sup> August, 2018 only shall be entitled to vote in the 03<sup>rd</sup> Annual General Meeting. The voting rights of the members shall be in proportion to their shares in the paid up equity share capital of the company as on Thursday, 30<sup>th</sup> August, 2018.
11. Members holding shares in physical form are requested to intimate, indicating their respective folio number, the change of their addresses, the change of Bank Accounts etc. to **Skyline Financial Services Private Limited** at D-153A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi - / 110020 the Registrar and Share Transfer Agents of the Company, while members holding shares in electronic form may write to their respective Depository Participant for immediate updation.
12. Members/ Proxies should bring the Attendance Slip sent herewith duly filed in for attending the Meeting.
13. 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, required to submit their PAN to their Depository Participant with whom they are maintaining their de-mat accounts. Members holding shares in physical form can submit their PAN to the Company's Registrar & Share Transfer Agent (RTA).
14. Members may also note that the Notice of the 03rd Annual General Meeting and the Annual Report for 2017- 18 will also be available on the Company's website at [www.innovanathinklabs.com](http://www.innovanathinklabs.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours on all working days (except Saturday, Sunday and Public Holidays) up to the date of the Annual General Meeting of the company.
15. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
16. The Notice of Annual General Meeting, Attendance Slip and Proxy Form along with annual report 2017-18, are being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
17. To support the 'Green Initiative', the members who have not registered their email addresses are requested to register the same with RTA/ Depositories.



18. As per Notification issued by Ministry of Corporate Affairs dated 19th of March, 2015 with reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB and Chapter XC as per SEBI (ICDR) Regulations, 2009 will be exempted from e-voting provisions. Our Company is covered under Chapter XB as it is a SME Company and listed on SME platform of NSE Limited. Therefore, Company is not providing e-voting facility to its shareholders.
19. Non-Resident Indian members are requested to inform the company's Registrar and Transfer Agents (Skyline Financial Services Pvt. Ltd), immediately of:
- a) Change in their Residential status on return to India for permanent settlement.
  - b) Particulars of their Bank Account maintained in India with complete name of the Bank, branch address, account type and account number with MICR code, if not furnished.

**By Order of Board of Directors**  
**For INNOVANA THINKLABS LIMITED**  
**(Formerly known as PCVARK Software Limited)**  
**CIN: L72900RJ2015PLC047363**

**Date: July 31, 2018**  
**Place: Jaipur**

**Sd/-**  
**Prachi Mittal**  
**Company Secretary**

**THE EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:-****Item No.:-4**

The Board of Directors, on recommendation of the Nomination and Remuneration Committee of the Company, at its meeting held on **Tuesday, 31<sup>st</sup> July, 2018**, has approved the proposal to increase the salary of Mr. Chandan Garg, Managing Director and also change in one term of his appointment that is he is not liable to retire by rotation but now here proposed to change in terms of appointment for retire by rotation in place of not liable to retire by rotation. Subject to the approval of shareholders, as set out in the resolution being Item No. 4 of the accompanying notice w. e. f. September, 2018.

The proposed revision in remuneration above is well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act and hence approval of Central Government is not required for the above revision in remuneration.

Except for the aforesaid revision in salary and change in term of appointment as he shall be liable to retire by rotation, all other terms and conditions of his appointment as Managing Director of the Company as approved by the members of the Company shall remain unchanged.

Except Mr. Chandan Garg, none of Directors and KMPs and their immediate relatives are concerned or interested in the proposed resolution. Board of Directors of the Company recommended passing resolution set out in Item No. 4 of this notice.

**Item No.:- 5**

The Board of Directors, on recommendation of the Nomination and Remuneration Committee of the Company, at its meeting held on **Tuesday, 31<sup>st</sup> July, 2018**, has approved the proposal to increase the salary of Mr. Kapil Garg, Whole Time Director, subject to the approval of shareholders, as set out in the resolution being Item No. 5 of the accompanying notice w. e. f. September, 2018.

The proposed revision in remuneration above is well in conformity with the relevant provisions of the Companies Act, 2013, read with Schedule V to the said Act and hence approval of Central Government is not required for the above revision in remuneration.

Except for the aforesaid revision in salary, all other terms and conditions of his appointment as Whole Time Director of the Company as approved by the members of the Company shall remain unchanged.

Except Mr. Kapil Garg, none of Directors and KMPs and their immediate relatives are concerned or interested in the proposed resolution. Board of Directors of the Company recommended passing resolution set out in Item No. 5 of this notice.

**By Order of Board of Directors  
For INNOVANA THINKLABS LIMITED  
(Formerly known as PCVARK Software Limited)  
CIN: L72900RJ2015PLC047363**

**Date: July 31, 2018  
Place: Jaipur**

**Sd/-  
Prachi Mittal  
Company Secretary**

## ANNEXURE TO NOTICE

Statement Containing Required Information as Per Part II, Point IV of Section II of Schedule V of the Companies Act, 2013

### **I. General Information: -**

- (1) Nature of Industry: - Software Development Industry
- (2) Date or Excepted date of Commencement of Commercial Production: - 13.04.2015
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial Institution appearing in the prospectus: - Not Applicable
- (4) Financial Performance based on given indicators

The Company's Gross Income for the financial year ended March 31, 2018 increased to Rs. 313041562.00 from Rs. 157726418.00 in last year registering a growth.

The operating profit (PBT) of the Company increased to Rs. 106456586.00.

The brief statement indicating our profit related figures is given below:

(Amt. in Rs.)		
Particulars	2017-18	2016-17
Total Income	313041562	157726418
Less: Expenditure and Depreciation	203484396	146140931
Extra ordinary items	3100580	--
Prior Period Items	--	--
Profit Before Tax (PBT)	106456586	11585487
Less: Current Tax	31264471	3781197
Deferred Tax	(537236)	606500
Profit After Tax (PAT)	75729351	7197790

- (5) Export Performance and Net Foreign Exchange Collaborations: - Earning in foreign currency as mentioned below: -

(Amt. In Rs.)		
Particulars	2017-18	2016-17
FOB value of Exports	308288849	155069255

Foreign Exchange Collaborations: - NIL

- (6) Foreign Investments or Collaborations, if any-N.A.

### **II. Information about the appointee**

#### **a) Mr. Chandan Garg**

##### **1. Background Detail**

Age	Designation	Qualification
36 Years	Chairman Cum Managing Director	Bachelor in Science in Bio Technology, Post Graduate Diploma in Management, Certified Professional Course from Microsoft, Certified course in E Business Solution Developer, "A" level in Computer Programming

##### Experience

He has overall experience of 16 Years in Information Technology industry and overall management and operations of the Company. Under his guidance our Company has witnessed continuous growth.

## 2. Past Remuneration: -

Year	Salary	Perquisites	Total
2016-17	61,93,353	NIL	61,93,353
2017-18	48,00,000	NIL	48,00,000

## 3. Recognition or awards: - Not Applicable

## 4. Job profile and his suitability: - Mr. Chandan Garg, is a Chairman Cum Managing Director of the Company. He looks after overall management and operations of the Company. He manages the day-to-day affairs of the Company and is responsible for business policies, strategic decisions, business development etc. As a strategic planner with a hands-on approach, he has been instrumental in the growth of the Company to this level.

## 5. Remuneration proposed: - The terms of remuneration proposed are detailed in the Resolution.

## 6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):- for the responsibility shouldered by Mr. Chandan Garg, Chairman Cum Managing Director of the Company in driving the Company's growth plans, the remuneration paid to him is commensurate and compares favorably with the Compensations paid to the business heads of liked sized and similarly positioned businesses.

## 7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: -Brother of Mr. Kapil Garg Member and Director and son of Mrs. Swaran Kanta, Member and Director.

## b) Mr. Kapil Garg

## 1. Background Detail

Age	Designation	Qualification
33 Years	Whole Time Director	M.Com and M.B.A

Experience

He has overall experience of 12 Years in Information technology industry. He is playing vital role in formulating business strategies and effective implementation of the same.

## 2. Past Remuneration: -

Year	Salary	Perquisites	Total
2016-17	16,70,667	NIL	16,70,667
2017-18	15,67,500	3,00,000	18,67,500

## 3. Recognition or awards: - Not Applicable

## 4. Job profile and his suitability: - Mr. Kapil Garg, is a Whole Time Director of the Company. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company.

## 5. Remuneration proposed: - The terms of remuneration proposed are detailed in the Resolution.

## 6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):- For the responsibility shouldered by Mr. Kapil Garg, Whole Time Director of the Company in driving the Company's growth plans, the remuneration paid to him is commensurate and compares favorably with the Compensations paid to the business heads of liked sized and similarly positioned businesses.

## 7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: - Brother of Mr. Chandan Garg, Member and Director and son of Mrs. Swaran Kanta, Member and Director.



**III. Other Information:****1. Reasons of loss or inadequate profits**

Due to change in technology or other governmental regulations or increasing cost of developing of software, The Company have inadequate profits to meet the proposed remuneration out of profits, some times.

**2. Steps taken or proposed to be taken for improvement**

We are in process of increasing our capacity to bring economies of scale to our business and will certainly boost our profitability.

**3. Expected increase in productivity and profits in measurable terms**

We as such cannot quantify the increase in profits in coming years but definitely will increase as compare to Previous year as Company has developed new product which has a good market.

**IV. Disclosures:**

The Remuneration package of the managerial personnel has been provided in the notice.

**Details of Directors seeking re-appointment as required by Regulation 36(3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015: -**

<b>Name of Director</b>	Mr. Kapil Garg
<b>DIN</b>	07143551
<b>Date of Birth</b>	June 03,1984
<b>Date of appointment</b>	April 13,2015
<b>No. of Equity Shares held in the company as on 31<sup>st</sup> March 2018</b>	79600 Equity shares
<b>Qualification</b>	He is Master in Commerce and M.B.A
<b>Experience</b>	12 Years in information technology industry
<b>Nature of his Expertise In Specific Functional Areas</b>	Marketing Management
<b>List of other company in which directorship held</b>	Innovana Techlabs Limited (Wholly owned subsidiary of “Innovana Thinklabs Limited”)
<b>Terms and Conditions of Appointment/Change in Designation</b>	As per the resolution passed by the members of the company at the 02nd Annual General Meeting held on 06th Day of July 2017, Mr. Kapil Garg has been appointed as Whole Time Director for a period five years w. e. f. 06th July 2017. In terms of Section 152 of the Companies Act, 2013, he retires by rotation at the Meeting and being eligible offer himself for reappointment.
<b>Disclosure of Relationships Between Directors Inter-Se;</b>	He is brother of Mr. Chandan Garg, Managing Director of the company and son of Mrs. Swaran kanta, Director of the company.
<b>List of membership and chairmanship in the committees of the board of the company.</b>	NIL
<b>Names of listed entities in which the person also holds the directorship and the membership of committees of the board;</b>	NIL

## **BOARD'S REPORT**

Dear Members,

Your Directors have immense pleasure in presenting the 03<sup>rd</sup> Board's Report of your Company together with the Standalone and Consolidated Audited Statement and the Auditors' Report of your company for the Financial Year ended 31<sup>st</sup> March, 2018.

### **1. FINANCIAL HIGHLIGHTS:**

Particulars	(Amt. in Lacs)	
	2017-2018	2016-2017
Revenue from Operations	3082.89	1550.69
Other Income	37.71	25.52
Finance Income	9.82	1.04
Total Income	3130.42	1577.26
Expenses	2034.84	1461.41
Net Profit Before Exceptional Items and Tax	1095.57	115.85
Exceptional Items	31.01	--
<b>Net Profit Before Tax</b>	<b>1064.56</b>	<b>115.85</b>
Current tax	312.64	37.81
Deferred Tax	(5.37)	6.06
<b>Net Profit After Tax</b>	<b>757.29</b>	<b>71.98</b>
Comprehensive Income for the Year, Net of Tax	(5.07)	--
<b>Profit For the Year</b>	<b>752.22</b>	<b>71.98</b>

### **2. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS:**

Pursuant to section 134(2)(i) of the companies Act, 2013, The Key highlights pertaining to the business of the company for the year 2017-18 as comparison to previous financial year have been given hereunder:

- Total revenues earned during the Financial Year 2017-18 amounted to Rs. 3082.89 Lakhs as compared to Rs. 1550.69 Lakhs in the previous Financial Year 2016-17.
- The total expenses of the Company during the Financial Year 2017-18 was Rs. 2034.84 Lakhs against the expenses of Rs. 1461.41 Lakhs in the previous Financial Year 2016-17.
- The Profit after tax is Rs. 752.22 Lakhs for the Financial Year 2017-18 as compare to Rs. 71.98 Lakhs in the previous Financial Year 2016-17.
- The Earning per Share (EPS) of the company is 18.35 per share in comparison to the previous Financial Year 2016-17 which was 35.99 per share.

**3. DIVIDEND:**

Our Company has made profits for the Financial Year 2017-18, but in order to ease the operations of the business and to strengthen the financial position, the Company plough back of the profits and therefore the directors are not recommending any dividend for the Financial Year 2017-18.

**4. AMOUNTS TRANSFERRED TO RESERVES:**

Pursuant to provisions of Section 134(3) (j) of the Companies Act, 2013, the company has transferred Rs. 3 crores from retained earnings of the company to General Reserve Account of the company during the year under review.

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

The provisions of Section 125(2) of the Companies Act, 2013 is not applicable, as there was no dividend declared and paid last year.

**6. CONVERSION OF COMPANY FROM PRIVATE LIMITED TO PUBLIC LIMITED:**

The company PCVARK Software Private Limited was originally incorporated as private limited company under the Companies Act, 2013 having CIN No.U72900RJ2015PTC047363 on dated 13<sup>th</sup> April 2015 in Jaipur, Rajasthan.

Subsequently, Pursuant to provisions of section 13, 14, 15, 18 and other applicable provision of the companies act 2013, after getting members approval in the Extra Ordinary General Meeting of the company held on 14<sup>th</sup> June, 2017 the company get converted from private limited to public limited company and consequent the which name of the company has been changed from “PCVARK SOFTWARE PRIVATE LIMITED” to “PCVARK SOFTWARE LIMITED” and consequently the word “Private” will be deleted from the name of the Company and the same was approved by Registrar of Companies, Rajasthan vide its Certificate dated 27th June, 2017.

**7. CHANGE IN NAME OF THE COMPANY:**

Pursuant to provisions of section 13, 14, 15, 18 and other applicable provision of the Companies Act 2013, the company get converted from private limited to public limited company and consequent the which name of the company has been changed from “PCVARK SOFTWARE PRIVATE LIMITED” to “PCVARK SOFTWARE LIMITED” after getting members approval in the Extra Ordinary General Meeting of the company held on 14<sup>th</sup> June, 2017.

Further, pursuant to section 13 (1) read with section 4 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force), Name of the company has been changed from “PCVARK SOFTWARE LIMITED” to “INNOVANA THINKLABS LIMITED” after getting members approval in the Extra Ordinary General Meeting of the company held on 24<sup>th</sup> August, 2017.

**8. CHANGE IN CAPITAL STRUCTURE OF THE COMPANY:*****INCREASE IN AUTHORISED SHARE CAPITAL:***

The Authorised Equity Share Capital of the Company has been increased from 20,00,000 (Rupees Twenty lakhs) which is divided into 200000 Equity shares of Rs. 10/- Each to Rs. 5,00,00,000/- (Rupees Five Crore Only) Divided into 5000000 Equity Shares of Rs. 10/- each upon passing of resolutions in the Extra Ordinary General Meeting held on 14th June, 2017.

**9. INDIAN ACCOUNTING STANDARDS:**

The Ministry of Corporate Affairs (MCA) notified its phase-wise roadmap for the adoption of Indian Accounting Standards (Ind AS), converged with the International Financial Reporting Standards (IFRS) vide its notification dated February 16, 2015, announcing the Companies (Indian Accounting Standards) Rules, 2015, for the application of Ind AS. Accordingly, The Company has adopted Ind AS with effect from 1st April, 2017.

We believes in highest standards of Corporate Governance and recognizes that Financial Statements are an important source of information to the Shareholders and other Stakeholders.



**10. MATERIAL CHANGES AND COMMITMENTS:**

Pursuant to section 134(3)(l) of the Companies Act, 2013, There are no material changes have occurred between the end of the financial year of the Company to which the financial statements relates and the date of the report, which is affecting the financial position of the Company:

**11. INCREASE IN ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL:**

1. The company has issued 14,00,000 Equity shares of Rs. 10 Each as bonus shares in the Second Annual General Meeting of the company held on 06<sup>th</sup> July 2017, to the existing shareholders in the ratio of 7:1, by way of capitalization of profits of the company.
2. The company has issued 14,00,000 Equity shares of Rs. 10/- Each by way of preferential allotment at a premium of Rs. 1/- Each in the Extra Ordinary General Meeting of the company held on 24<sup>th</sup> August 2017.
3. The company has issued 11,00,000 Equity shares of Rs. 10/- Each to the public by way of Initial Public Offer (I.P.O.) at a premium of Rs. 60/- per share aggregating 770 Lakhs pursuant to resolution passed in the Board of Directors meeting held on June 29, 2017 and approved by Shareholders of the Company by a passing special resolution, pursuant to Section 62(1)(c) of the Companies Act, 2013, at the Annual General Meeting held on July 06, 2017 and the issue was opened on dated November 29, 2017 and closed on December 04, 2017.

**LISTING OF EQUITY SHARES:**

The company had come out with a public issue of 11,00,000 Equity Shares of Rs. 10/- each for Rs. 70 each including a share premium of Rs. 60 per equity share aggregating 770 Lakhs. The IPO was a huge success and the resulting shares have been listed on the **NSE EMERGE** platform of NSE, Mumbai.

**12. NEW SET OF ARTICLES OF ASSOCIATION:**

The Company, after obtaining necessary approval of the Members at the Extra Ordinary General Meeting held on 14<sup>th</sup> June, 2017 got converted from private limited to public limited and at the same meeting has adopted new set of Articles of Association.

**13. EXTRACT OF ANNUAL RETURN:**

An Extract of Annual Return as required under the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, in Form MGT-9 is annexed in “**ANNEXURE-A**” attached herewith.

**14. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information on conversation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 during the year are given in “**ANNEXURE-B**” forming part of this report.

**15. PARTICULARS OF EMPLOYEES:**

Pursuant to Section 197(12) of the companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 a statement containing such details enclosed as per “**ANNEXURE – C**” of the Board’s Report.

Further, under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 there are no Employees drawing Remuneration in excess of limit specified under the said rule during the year under review.

**16. MANAGEMENT DISCUSSIONS & ANALYSIS REPORT:**

Management Discussion & Analysis Report for the year under review as stipulated under Regulation 34(2) (e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as “**ANNEXURE – D**” hereto and forms part of this Report.

#### 17. INFORMATION ABOUT SUBSIDIARY/ J.V./ ASSOCIATE COMPANY:

The company has a wholly owned subsidiary company – **Innovana Techlabs Limited**, which is incorporated on 21/12/2017 (SEZ Unit) and having its registered office at Gandhinagar, Gujrat.

The statement containing the salient features of the financial statement of both the subsidiaries under first proviso to sub-section (3) of section 129 of the Act in form **AOC- I** is attached as “**ANNEXURE- E**”.

The Consolidated Financial Statement of the Company prepared as per the Indian Accounting Standards (Ind AS), Consolidated Financial Statement along with notes of the Company with its Subsidiaries have also been included as part of this Annual Report.

#### 18. RELATED PARTY TRANSACTION:

Related party transactions that are entered during the financial year were in the **Ordinary Course of Business** and **on an arm’s length basis**. The Company had not entered into any contract/ arrangement / transactions with related parties which could be considered material. All related party transactions are placed before the audit committee and Board for approval.

**Form AOC-2** pursuant to section 134 (3) (h) of the Companies act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 is attached to this report as “**ANNEXURE-F**”.

#### 19. LOANS, GUARANTEES AND INVESTMENTS:

Particulars of loan, guarantee or investment made by the Company under Section 186 of the Companies Act, 2013 is attached to this report as “**ANNEXURE-G**”.

#### 20. DIRECTORS’ RESPONSIBILITY STATEMENT:

Pursuant to Section 134(3) (c) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (a) In the preparation of the annual accounts for the financial year ended 31st March 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors, have down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 21. AUDITORS:

##### STATUTORY AUDITORS AND AUDITOR’S REPORT:

The company at its 01<sup>st</sup> Annual General Meeting held in the year 2015-16, appointed **M/s Amit Ramakant & Co.**, Chartered Accountants (Firm Registration Number 009184C), Jaipur, as Statutory Auditors, for a period of five years i.e. till 06<sup>th</sup> Annual General Meeting of the company. As recommended by the Audit Committee, the Board has proposed the **ratification** of appointment of **M/s. Amit Ramakant &**

Co., Chartered Accountants as statutory auditors from conclusion of this Annual General Meeting till the conclusion of ensuing Annual General Meeting of the company to be held for the financial year ended on 31<sup>st</sup> March 2019.

There are no qualifications or adverse remarks in the Auditors' Report which require any clarification/ explanation. The Notes on financial statements are self-explanatory and needs no further explanation.

#### **COST AUDIT:**

Provision given under section 148 of Companies Act, 2013 and rule 14 of company (audit and auditor) rules, 2014 not applicable for our company.

#### **22. SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company with the approval of Audit Committee and its Board, appointed **M/s. Srishthi Mathur & Associates**, a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2017-18, a statement containing such details enclosed as per "ANNEXURE – H".

There are no qualifications, reservation or adverse remark or disclaimer made by the auditor in the report save and except disclaimer made by them in discharge of their professional obligation.

#### **23. APPOINTMENT OF INTERNAL AUDITOR FOR THE FINANCIAL YEAR 2017-18, FOR CONDUCTING INTERNAL AUDIT OF THE COMPANY:**

Pursuant to provision of section 138 of the companies Act, 2013 the Company with the approval of Audit Committee and its Board, appointed **M/s. Ashok Jindal & Company**, Jaipur, a firm of Chartered Accountants, as internal auditor of the company to undertake the Internal Audit of the Company for the financial year 2017-18.

#### **24. EXPLANATION AND COMMENTS ON AUDITORS AND SECRETARIAL AUDIT REPORT:**

There is no qualification, disclaimer, reservation or adverse remark made either by the Statutory Auditors in the Auditors Report or by the Company Secretary in Practice (Secretarial Auditor) in the Secretarial Audit Report. The Statutory Auditors have not reported any instances of fraud to the Central Government and Audit Committee or Board as required under provisions of Section 143 (12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014.

#### **25. BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONS:**

The Board of the company comprises an optimum combination of executive and non-executive independent directors.

As on the date of this report, Board of Directors and Key Managerial Persons (KMP) of the Company comprises of total six directors. The Composition of the Board of Directors and KMP is as under:

S. No.	Name of Director and KMP	Category And Designation
1.	Mr. Chandan Garg	Chairman cum Managing Director
2.	Mr. Kapil Garg	Whole Time Director
3.	Mrs. Swaran Kanta	Non-Executive Director
4.	Mr. Apoorv Mittal	Non-Executive Independent Director
5.	Mr. Mohit Bora	Non-Executive Independent Director
6.	Mr. Sumit Sarda	Non-Executive Independent Director
7.	Mr. Sanjeev Mittal	Chief Financial Officer
8.	Ms. Prachi Mittal	Company Secretary & Compliance Officer

- Change in designation of Mr. Chandan Garg from Director to Chairman Cum Managing Director of the company in the 02<sup>nd</sup> Annual General Meeting of the company held on 06<sup>th</sup> July 2017.
- Change in designation of Mr. Kapil Garg from Director to Whole Time Director of the company in the 02<sup>nd</sup> Annual General Meeting of the company held on 06<sup>th</sup> July 2017.

- The company has Appointed Mrs. Swaran Kanta as a director of the company in the Extra Ordinary General Meeting of the company held on 14<sup>th</sup> June 2017.
- Mr. Apoorv Mittal, Mr. Mohit Bora and Mr. Sumit Sarda have been appointed as independent director of the company in the Extra Ordinary General Meeting of the company held on 24<sup>th</sup> August 2017.
- Mr. Sanjeev Mittal, Chief Financial Officer and Ms. Prachi Mittal, Company Secretary have been appointed in the board meeting of the company held on 29<sup>th</sup> June 2017.

## 26. MEETING OF BOARD OF DIRECTORS:

The Board of Directors duly met Thirty one times during the financial year 2017-18 for which proper notices were given and the proceedings were properly recorded in the Minutes Book maintained for the purpose. The gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

## 27. COMMITTEES OF THE BOARD:

Presently, the board has Three (3) committees i.e. Audit Committee, Nomination and Remuneration Committees, Stakeholders Relationship Committee, constitution of which are given below -

### (I) Audit Committee:

<u>Composition</u>	<u>Category of Director</u>
(1) Mr. Sumit Sarda (Chairman)	Non-Executive Independent Director
(2) Mr. Apoorv Mittal (Member)	Non-Executive Independent Director
(3) Mr. Chandan Garg (Member)	Chairman & Managing Director

### (II) Shareholder's Grievance Committee:

<u>Composition</u>	<u>Category of Director</u>
(1) Mr. Mohit Bora (Chairman)	Non-Executive Independent Director
(2) Mr. Apoorv Mittal (Member)	Non-Executive Independent Director
(3) Mr. Chandan Garg (Member)	Chairman & Managing Director

### (III) Nomination & Remuneration Committee:

<u>Composition</u>	<u>Category of Director</u>
(1) Mr. Apoorv Mittal (Chairman)	Non-Executive Independent Director
(2) Mr. Sumit Sarda (Member)	Non-Executive Independent Director
(3) Mr. Mohit Bora (Member)	Non-Executive Independent Director

### (IV) Nomination and Remuneration Policy

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

## 28. DEPOSITS:

The Company has neither accepted nor renewed any deposits falling within the purview of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 as amended from time to time, during the year under review and therefore details mentioned in Rule 8(5) (v) & (vi) of Companies (Accounts) Rules, 2014 relating to deposits, covered under Chapter V of the Act is not required to be given.

## 29. CORPORATE SOCIAL RESPONSIBILITY:

The Company has not constituted Corporate Social Responsibility Committee as it does not meet the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.



### 30. **CORPORATE GOVERNANCE:**

Pursuant to Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to Corporate Governance is not applicable to the Company listed on the SME platform (NSE-emerge) of NSE.

Hence the Company is not required to disclose information as covered under Para (C), (D) and (E) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

### 31. **INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS:**

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act, 2013.

### 32. **WHISTLE BLOWER POLICY/ VIGIL MECHANISM:**

The company has framed a Whistle Blower Policy/ Vigil Mechanism as per section 177 of the Company Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 providing a mechanism under which an employee/ director of the company may report unethical behavior, suspected or fraud, violation of code of conduct. The vigil Mechanism ensures standard of professionalism, honesty, integrity and ethical behavior. The Whistle Blower Policy/ Vigil Mechanism is uploaded on the Company's website: [www.innovanathinklabs.com](http://www.innovanathinklabs.com) under investors tab.

### 33. **INTERNAL FINANCIAL CONTROL:**

According to Section 134(5) (e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company 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 Innovana Thinklab's information. The Audit Committee reviews adherence to internal control systems and internal audit reports.

### 34. **RISK MANAGEMENT POLICY:**

The Company has its Risk Management Policy to identify and deal with the risks and threats that could impact the organization. Risk Management Policy is available for inspection at the Registered Office of the Company during business hours on any working day.

### 35. **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:**

There are no significant and material orders passed by the regulators or courts or Tribunals impacting the going concern status and company's operations in future.

### 36. **DISCLOSURE UNDER SEXUAL HARASSEMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:**

The company has a policy and it provides for protection against sexual harassment of woman at work place and for prevention and redressal of such complaints.

There was no case filled during the year (2017-18), under the sexual harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013. Further Company ensures that there is a healthy and safe atmosphere for every women employee at the workplace.

### 37. **DECLARATIONS BY THE INDEPENDENT DIRECTORS:**

Mr. Apoorv Mittal, Mr. Mohit Bora and Mr. Sumit Sarda were the Independent Directors of the Company as on 31st March, 2018 pursuant to the provisions of Section 149(10) of the Act.

The Company has received declaration from all the Independent Directors of the Company confirming that they meet the criteria of the Independence as provided in Section 149(6) of the Companies Act, 2013.

### 38. **HUMAN RESOURCES:**

Innovana Thinklabs Limited treats its "human resources" as one of its most important assets and has taken continuous efforts to set up and maintain an efficient workforce. We are continuously taking steps towards maintaining a low attrition rate which we believes shall be achieved

by investing in learning and development programmes for employees, competitive compensation, creating a compelling work environment, empowering employees at all levels as well as a well-structured reward and recognition mechanism.

**39. ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS HAS BEEN MADE:**

Pursuant to section 134(3) (p) of the companies act, 2013 and regulation 17(10) of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015, The Nomination and Remuneration Committee has set up formal mechanism to evaluate the performance of the Board of Directors as well as that of its Committees and individual Directors, including Chairman of the Board, Key Managerial Personnel/ Senior Management etc. The exercise is to be carried out through an evaluation process covering aspects such as composition of the Board, experience, competencies, governance issues etc.

**40. ACKNOWLEDGEMENT:**

The Directors of the company wish to express their grateful appreciation to the continued cooperation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the dedicated service of the Executives, Staff and Workers of the Company.

**Listing on Stock Exchange:**

The Company's shares are listed on National Stock Exchange of India on NSE EMERGE platform w.e.f. December 12, 2017.

The company has paid initial listing fees and annual listing fees for the same.

NSE Symbol: INNOVANA

**Registrar and Transfer Agent (RTA):**

Share Transfer and all other Investor's / Shareholder's related activities are attended and processed by our Registrar and Transfer Agent. For lodgment of transfer deeds and any other documents, investors may contact **M/s. Skyline Financial Services Private Limited**, situated at D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi- 110020, India. However, shareholders holding shares in the electronic mode should address all correspondence to their respective Depository Participants.

**Date: July 31, 2018**

**Place: Jaipur**

**By Order of the Board**  
**For INNOVANA THINKLABS LIMITED**  
**(Formerly known as PCVARK Software Limited)**  
**CIN: L72900RJ2015PLC047363**

**Sd/-**  
**Chandan Garg**  
**Managing Director**  
**DIN: 06422150**

**Sd/-**  
**Kapil Garg**  
**Whole Time Director**  
**DIN: 07143551**

**“ANNEXURE- A” THE BOARD REPORT**

<b>Form No. MGT-9</b> <b><u>EXTRACT OF ANNUAL RETURN</u></b>
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**As on the Financial Year ended on 31/03/2018**

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

<b>I. REGISTRATION AND OTHER DETAILS:</b>	
<b>CIN</b>	L72900RJ2015PLC047363
<b>Registration Date</b>	13/04/2015
<b>Name of the company</b>	INNOVANA THINKLABS LIMITED (Formerly known as PCVARK Software Limited)
<b>Category of the Company</b>	Company Limited by shares
<b>Sub Category of the Company</b>	Non-Govt. company
<b>Address of the Registered office and contact details</b>	Plot No. D-41, Patrakar Colony, Near Jawahar Nagar Moti Dungri Vistar Yojna, Raja Park, Jaipur-302004, Rajasthan Contact No. 0141-4919128
<b>Whether listed company</b>	YES (NSE EMERGE)
<b>Name, Address and Contact details of Registrar and Transfer Agent, if any</b>	Skyline Financial Services Private Limited D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi Contact No.-011-26812682-83

<b>II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY</b>			
<b>Sr. No.</b>	<b>Name and Description of main products/ services</b>	<b>NIC Code of the Product/ service</b>	<b>% to total turnover of the company</b>
1.	Other computer related activities [for example maintenance of websites of Other firms/ creation of multimedia presentations For other firms etc.]	<b>72900</b>	<b>100%</b>

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Name And Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
<b>INNOVANA TECHLABS LIMITED</b> Unit No. 407, 4th Floor, Signature Bldg, Block 13B, Zone-I, GIFT SEZ, Gandhinagar, Gujarat, India, 382355	U72900GJ2017PLC100237	Wholly owned Subsidiary	100%	2(87)(ii) of Companies Act, 2013

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):**

i) Category-wise Share Holding									
	No. of Shares held at the beginning of the year (As on 01 <sup>st</sup> April 2017)				No. of Shares held at the end of the year (As on 31 <sup>st</sup> March 2018)				
Category of Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% Change during the year
A. PROMOTERS AND PROMOTER GROUP:									
(1) INDIAN:									
a) Individual / HUF	--	200000	200000	100	3000000	--	3000000	73.17	1400
b) Central Govt.	--	--	--	--	--	--	--	--	--
c) State Govt.(s)	--	--	--	--	--	--	--	--	--
d) Bodies Corporate	--	--	--	--	--	--	--	--	--
e) Banks / FI	--	--	--	--	--	--	--	--	--
f) Any Other	--	--	--	--	--	--	--	--	--
Sub-Total (A)(1):	--	200000	200000	100	3000000	--	3000000	73.17	1400
(2) FOREIGN:									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other - Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corporate	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-Total (A)(2):	--	--	--	--	--	--	--	--	--
Total Shareholding of Promoters (A) = A(1)+A (2)	--	200000	200000	100	3000000	--	3000000	73.17	1400

B. PUBLIC SHAREHOLDING:									
(1) INSTITUTIONS:									
a) Mutual Funds / UTI	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	--	--	--	--	--	--	--	--
c) Central Govt.	--	--	--	--	--	--	--	--	--
d) State Govt.(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Funds	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
<b>Sub-Total (B)(1):</b>	--	--	--	--	--	--	--	--	--
(2) NON-INSTITUTIONS									
a) BODIES CORPORATE									
i) Indian	--	--	--	--	796000	--	796000	19.41	19.41
ii) Overseas	--	--	--	--	--	--	--	--	--
b) INDIVIDUALS									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	--	--	--	--	228000	--	228000	5.56	5.56
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	--	--	--	--	46000	--	46000	1.12	1.12
c) Others (I)HUF	--	--	--	--	28000	--	28000	0.68	0.68
(II)Clearing Member	--	--	--	--	2000	--	2000	0.049	0.049
<b>Sub-total (B)(2):-</b>	--	--	--	--	<b>1100000</b>	--	<b>1100000</b>	<b>26.83</b>	<b>26.83</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	--	--	--	--	<b>1100000</b>	--	<b>1100000</b>	<b>26.83</b>	<b>26.83</b>
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRS									
a) Shares held by custodian for GDR'S & ADR'S	--	--	--	--	--	--	--	--	--
<b>Grand Total (A+B+C)</b>	<b>200000</b>	--	<b>200000</b>	<b>100</b>	<b>4100000</b>	--	<b>4100000</b>	<b>100</b>	<b>1950</b>



V. SHAREHOLDING OF PROMOTERS INCLUDING PROMOTER GROUP								
		Shareholding at the beginning of the year (01/04/2017)			Shareholding at the end of the year (31/03/2018)			
Sr. No.	Name of Promoters and members of Promoter Group	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Chandan Garg	190000	95	--	2920000	71.22	--	1436.84
2	Kapil Garg	10000	5	--	79600	1.94	--	696
3	Swaran Kanta	--	--	--	80	0.00	--	0
4	Nancy Garg	--	--	--	80	0.00	--	0
5	Narendra K. Garg	--	--	--	80	0.01	--	0
6	Akash Bansal	--	--	--	80	0.00	--	0
7	Priyanka Garg	--	--	--	80	0.00	--	0
	<b>TOTAL</b>	<b>200000</b>	<b>100</b>	<b>--</b>	<b>3000000</b>	<b>73.17</b>	<b>--</b>	<b>1400</b>

**VI. CHANGE IN PROMOTERS AND PROMOTER GROUP SHAREHOLDING**

Sr. No.	Particulars	Date	Reason	Shareholding at the beginning of the year (01/04/2017)		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	<u>Chandan Garg</u> Beginning of the year	01.04.2017	--	190000	95	190000	95
	Changes during the year	14.06.2017	Bonus	1330000	83.13	1520000	95
		24.08.2017	Preferential	1400000	46.67	2920000	97.33
	<b>At the end of the year</b>	<b>31.03.2018</b>	--	--	--	<b>2920000</b>	<b>71.22</b> (Decrease in % because of Initial Public Offer Allotment on Dec. 2017)
2	<u>Kapil Garg</u> Beginning of the year	01.04.2017	--	10000	5	10000	5
	Changes during the year	10.06.2017	Transfer	(50)	0.025	9950	4.97
		14.06.2017	Bonus	69650	4.35	79600	4.97
	<b>At the end of the year</b>	<b>31.03.2018</b>	--	--	--	<b>79600</b>	<b>1.94</b> (Decrease in % because of Initial Public Offer Allotment on Dec. 2017)
3	<u>Swaran Kanta</u> Beginning of the year	01.04.2017	--	--	--	--	--
	Changes during the year	10.06.2017	Transfer	10	0.00	10	0.00
		14.06.2017	Bonus	70	0.00	80	0.00
	<b>At the end of the year</b>	<b>31.03.2018</b>	--	--	0.00	<b>80</b>	<b>0.00</b>
4	<u>Nancy Garg</u> Beginning of the year	01.04.2017	--	--	--	--	--
	Changes during the year	10.06.2017	Transfer	10	0.00	10	0.00
		14.06.2017	Bonus	70	0.00	80	0.00
	<b>At the end of the year</b>	<b>31.03.2018</b>	--	--	--	<b>80</b>	<b>0.00</b>
5	<u>Narendra K. Garg</u> Beginning of the year	01.04.2017	--	--	--	--	--
	Changes during the year	10.06.2017	Transfer	10	0.00	10	0.00
		14.06.2017	Bonus	70	0.00	80	0.00
	<b>At the end of the year</b>	<b>31.03.2018</b>	--	--	--	<b>80</b>	<b>0.01</b>
6	<u>Akash Bansal</u> Beginning of the year	01.04.2017	--	--	--	--	--
	Changes during the year	10.06.2017	Transfer	10	0.00	10	0.00
		14.06.2017	Bonus	70	0.00	80	0.00
	<b>At the end of the year</b>	<b>31.03.2018</b>	--	--	--	<b>80</b>	<b>0.00</b>

7	Priyanka Garg	01.04.2017	--	--	--	--	--
	Changes during the year	10.06.2017	Transfer	10	0.00	10	0.00
		14.06.2017	Bonus	70	0.00	80	0.00
	At the end of the year	31.03.2018	--	--	--	80	0.00

**VII. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs and ADRs):-**

Sr. No.	Top ten Shareholders Name	Shareholding at the beginning (01/04/2017)		Date	Increase/Decrease in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company				No. of shares	% of total Shares of the company
1	Beeline Broking Limited	--	--	08-12-2017	60000	Purchase	60000	1.46
				15-12-2017	312000	Purchase	372000	9.07
				22-12-2017	206310	Purchase	578310	14.11
				29-12-2017	17101	Purchase	595411	14.52
				05-01-2018	-3411	Sale	592000	14.44
				19-01-2018	4000	Purchase	596000	14.54
				26-01-2018	48000	Purchase	644000	15.71
				09-02-2018	2000	Purchase	646000	15.76
				16-02-2018	44000	Purchase	690000	16.83
				23-02-2018	18000	Purchase	708000	17.27
				02-03-2018	2000	Purchase	710000	17.32
				23-03-2018	-20000	Sale	690000	16.83
				30-03-2018	-80000	Sale	610000	14.88
	<b>End of the year (31/03/2018)</b>	--	--	--	--	--	<b>610000</b>	<b>14.88</b>
2	Umiya Tubes Limited	--	--	30-03-2018	44000	Purchase	44000	1.07
	<b>End of the year (31/03/2018)</b>	--	--	--	--	--	<b>44000</b>	<b>1.07</b>
3	Elite Accfin Solutions Private Limited	--	--	30-03-2018	34000	Purchase	34000	0.83
	<b>End of the year (31/03/2018)</b>	--	--	--	--	--	<b>34000</b>	<b>0.83</b>
4	Bonanza Portfolio Ltd.	--	--	15-12-2017	36000	Purchase	36000	0.88
		--	--	29-12-2017	-4000	Sale	32000	0.78
	<b>End of the year (31/03/2018)</b>	--	--	--	--	--	<b>32000</b>	<b>0.78</b>
5	Choice Equity Broking Pvt. Ltd.	--	--	23-03-2018	18000	Purchase	18000	0.44

	End of the year (31/03/2018)	--	--	--	--	--	<b>18000</b>	<b>0.44</b>
6	Dinesh Goyal	--	--	15-12-2017	4000	Purchase	4000	0.098
		--	--	22-12-2017	6000	Purchase	10000	0.24
		--	--	29-12-2017	2000	Purchase	12000	0.29
		--	--	05-01-2018	4000	Purchase	16000	0.39
		--	--	16-03-2018	2000	Purchase	18000	0.44
	End of the year (31/03/2018)	--	--	--	--	--	<b>18000</b>	<b>0.44</b>
7	Siddharth Saxena	--	--	29-12-2017	4000	Purchase	4000	0.098
				19-01-2018	2000	Purchase	6000	0.146
				25-01-2018	-4000	Sale	2000	0.049
				26-01-2018	6000	Purchase	8000	0.20
				02-02-2018	4000	Purchase	12000	0.29
				23-02-2018	4000	Purchase	16000	0.39
	End of the year (31/03/2018)	--	--	--	--	--	<b>16000</b>	<b>0.39</b>
8	Edelweiss Broking Ltd.	--	--	15-12-2017	2000	Purchase	2000	0.049
				22-12-2017	2000	Purchase	4000	0.098
				29-12-2017	-2000	Sale	2000	0.049
				05-01-2018	2000	Purchase	4000	0.098
				09-02-2018	12000	Purchase	16000	0.39
				23-02-2018	-2000	Sale	14000	0.34
	End of the year (31/03/2018)	--	--	--	--	--	<b>14000</b>	<b>0.34</b>
9	Patel Mehulkumar Chandulal	--	--	15-12-2017	2000	Purchase	2000	0.049
				26-01-2018	2000	Purchase	4000	0.097
				02-02-2018	2000	Purchase	6000	0.146
				09-02-2018	6000	Purchase	12000	0.29
	End of the year (31/03/2018)	--	--	--	--	--	<b>12000</b>	<b>0.29</b>
10	Sushil Bansal	--	--	08-12-2017	6000	Purchase	6000	0.146
				19-01-2018	2000	Purchase	8000	0.195
				16-03-2018	2000	Purchase	10000	0.24
	End of the year (31/03/2018)	--	--				<b>10000</b>	<b>0.24</b>

**VIII. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sr. No.	Directors and KMP Name	Shareholding at the beginning of the year (01/04/2017)		Changes during the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the company	(+)Increase/ (-)Decrease	Reason	No. of Shares	% of total Shares of the company
1	Mr. Chandan Garg	190000	95	--	--	190000	95
		--	--	1330000	Bonus	1520000	95
		--	--	1400000	Allotment	2920000	97.33
	<b>At the end of the year (31/03/2018)</b>	--	--	--	--	<b>2920000</b>	<b>71.22</b> (Decrease in % because of Initial Public Offer Allotment on Dec. 2017)
2	Mr. Kapil Garg	10000	5	--	--	10000	5
		--	--	(50)	Transfer	9950	4.98
		--	--	69650	Bonus	79600	4.98
	<b>At the end of the year (31/03/2018)</b>	--	--	--	--	<b>79600</b>	<b>1.94</b> (Decrease in % because of Initial Public Offer Allotment on Dec. 2017)
3	Mrs. Swaran Kanta	--	--	10	Transfer	10	0.005
		--	--	70	Bonus	80	0.00
	<b>At the end of the year (31/03/2018)</b>	--	--	--	--	<b>80</b>	<b>0.00</b>
4	Mr. Apoorv Mittal	--	--	--	--	--	--
	<b>At the end of the year (31/03/2018)</b>	--	--	--	--	<b>0</b>	<b>0</b>
5	Mr. Mohit Bora	--	--	--	--	--	--
	<b>At the end of the year (31/03/2018)</b>	--	--	--	--	<b>0</b>	<b>0</b>
6	Mr. Sumit Sarda	--	--	--	--	--	--
	<b>At the end of the year (31/03/2018)</b>	--	--	--	--	<b>0</b>	<b>0</b>
7	Mr. Sanjeev Mittal	--	--	--	--	--	--
	<b>At the end of the year (31/03/2018)</b>	--	--	--	--	<b>0</b>	<b>0</b>
8	Ms. Prachi Mittal	--	--	--	--	--	--
	<b>At the end of the year (31/03/2018)</b>	--	--	--	--	<b>0</b>	<b>0</b>

Note: Shareholding of Promoters of the company reduced due to issue of New shares in IPO (11,00,000 Shares), so number of shares held by Director of the company, Mr. Chandan Garg, Mr. Kapil Garg does not change but % shares held by them changes.



IX. INDEBTEDNESS				
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	19639510.00	--	--	<b>19639510.00</b>
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ii+iii)</b>	<b>19639510.00</b>	<b>--</b>	<b>--</b>	<b>19639510.00</b>
<b>Change in Indebtedness during the financial year</b>		--	--	
• Addition	--	793409.00	--	793409.00
• Reduction	19639510.00	--	--	19639510.00
<b>Net Change</b>	<b>19639510.00</b>	<b>793409.00</b>	<b>--</b>	<b>(18846101.00)</b>
<b>Indebtedness at the end of the financial year</b>			--	
i) Principal Amount	--	793409.00	--	793409.00
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	--	--	--
<b>Total (i+ ii+ iii)</b>	<b>--</b>	<b>793409.00</b>	<b>--</b>	<b>793409.00</b>

X. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL				
A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:				
S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Chandan Garg (MD)	Kapil Garg (WTD)	
1	Gross salary	48,00,000	18,67,500	66,67,500
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	--	--
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	--	--	--
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit - others, specify	--	--	--
5	Others, please specify	--	--	--
	Total (A)	<b>48,00,000</b>	<b>18,67,500</b>	<b>66,67,500</b>
	Ceiling as per the Act	--	--	--
B. REMUNERATION TO OTHER DIRECTORS:				
S. No.	Particulars of Remuneration	Name of Directors		Total Amount
	Independent Directors			
	• Fee for attending board committee meetings • Commission • Others, please specify			
	Total (1)			

	Other Non-Executive Directors				
	<ul style="list-style-type: none"><li>• Fee for attending board committee meetings</li><li>• Commission</li><li>• Others, please specify</li></ul>				
	Total (2)				
	Total (B) = (1 + 2)				
	<b>Total Managerial Remuneration</b>	<b>NIL</b>	<b>NIL</b>		
	Overall Ceiling as per the Act				
<b>C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD</b>					
S. No.	Particulars of Remuneration	Key Managerial Personnel			
		<b>CEO</b>	<b>Company Secretary (Rs.)</b>	<b>CFO (Rs.)</b>	<b>Total (Rs.)</b>
1	Gross salary (a)Salary as per provisions contained in section17(1) of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2) Income-tax Act,1961 (c)Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	1,50,000/-	6,30,000/-	7,80,000/-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission - as% of profit -others, specify...				
5	Others, please specify				
<b>Total</b>	-	-	<b>1,50,000/-</b>	<b>6,30,000/-</b>	<b>7,80,000/-</b>

I. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCE- NOT APPLICABLE					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	There is No Penalty, Punishment and Compounding During the F.Y.				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	There is No Penalty, Punishment and Compounding During the F.Y.				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	There is No Penalty, Punishment and Compounding During the F.Y.				
Punishment					
Compounding					

Date: July 31, 2018

Place: Jaipur

By Order of the Board  
For INNOVANA THINKLABS LIMITED  
(Formerly known as PCVARK Software Limited)  
CIN: L72900RJ2015PLC047363

Sd/-  
Chandan Garg  
Managing Director  
DIN: 06422150

Sd/-  
Kapil Garg  
Whole Time Director  
DIN: 07143551

**“ANNEXURE – B TO THE BOARD REPORT”**

**INFORMATION AS PER SECTION 134(3) (m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014 AND FORMING PART OF THE BOARD REPORT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2018.**

<b>(A) Conservation of energy</b>	
(i) the steps taken or impact on conservation of energy	N.A.
(ii) the steps taken by the company for utilizing alternate sources of energy	
(iii) the capital investment on energy conservation equipment	
<b>(B) Technology absorption</b>	
(i) the efforts made towards technology absorption	The Company has not imported any technology during the year.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) a) the details of technology imported; b) the year of import; c) whether the technology been fully absorbed; d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv) the expenditure incurred on Research and Development	
<b>(C) Foreign exchange earnings and Outgo</b>	
The Foreign Exchange earned in terms of actual inflows during the year and	INFLOW: Rs. 30,82,88,849/-
The Foreign Exchange outgo during the year in terms of actual outflows.	OUTFLOWS: Rs. 1,71,36,000/-

**Date: July 31, 2018**

**Place: Jaipur**

**By Order of the Board  
For INNOVANA THINKLABS LIMITED  
(Formerly known as PCVARK Software Limited)  
CIN: L72900RJ2015PLC047363**

**Sd/-  
Chandan Garg  
Managing Director  
DIN: 06422150**

**Sd/-  
Kapil Garg  
Whole Time Director  
DIN: 07143551**

**“ANNEXURE – C TO THE BOARD REPORT”**

**Disclosure on the Remuneration of the Managerial Personnel**

Pursuant to section 197(12) of The Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of managerial Personnel) Rules, 2014, the details are as follows:

a. The ratio of the remuneration of each director to the median remuneration of the employee of the Company for the financial year:

S. No.	Name of Director / KMP and designation	Remuneration of Director/ KMP for F.Y. 2017-18 (in Rs.)	% increase in the remuneration for F.Y. 2017-18	Ration of Remuneration of each Director to median remuneration of Employees for the Financial Year
1.	Chandan Garg Managing Director	48,00,000	400	17.14:1
2.	Kapil Garg Whole Time Director	18,67,500	71.43	6.67:1
3.	Swaran Kanta Director	2,00,000	NIL	0.71:1
4.	Sanjeev Mittal Chief Financial Officer	6,30,000	75	2.25:1
5.	Prachi Mittal Company Secretary	1,50,000	38.46	0.54:1

b. The percentage increase in the median remuneration of employee in the Financial Year 2017-18: 22.22%

c. The number of permanent employee on the rolls of the Company as on March 31, 2018: 86

d. The Median Remuneration of Employees of the Company during the financial year was: Rs. 280000/-

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year (2017-18); 32%

f. The Company affirms remuneration paid in during the financial year 2017-18 is as per the remuneration policy of the Company.

Information of employee drawing remuneration of Rs. 1.20 crores per annum or Rs. 8.50 Lakh per month for part of the year or more pursuant to Rule 5(2) of Chapter XII, the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014: NIL

**Date: July 31, 2018**

**Place: Jaipur**

**By Order of the Board**  
**For INNOVANA THINKLABS LIMITED**  
**(Formerly known as PCVARK Software Limited)**  
**CIN: L72900RJ2015PLC047363**

**Sd/-**  
**Chandan Garg**  
**Managing Director**  
**DIN: 06422150**

**Sd/-**  
**Kapil Garg**  
**Whole Time Director**  
**DIN: 07143551**



**ANNEXURE “D” THE BOARD REPORT****MANAGEMENT DISCUSSION AND ANALYSIS REPORT*****FORWARD LOOKING STATEMENTS:***

The Management Discussion and Analysis Report have been prepared in compliance with the requirements of Listing Agreements and contain expectations and projections about the strategy for growth.

Certain statements in the Management Discussion and Analysis Report are forward -looking statements which involve a number of risks and uncertainties that could differ from actual results, performance or achievements on the basis of any subsequent developments, information or events, for which the Company does not bear any responsibility.

***BUSINESS OVERVIEW/ INDUSTRY STRUCTURE AND DEVELOPMENTS:***

“Innovana Thinklabs Limited” was formed in the year 2015 by Mr. Chandan Garg and Mr. Kapil Garg, promoter and directors of the company. The company is engaged in software development business which directly provides services to create new applications and enhance the functionality of existing software products. Our product portfolio consists of applications and software such as Ad-blocker, Disk Cleanup, Space Reviver, File Opener, Privacy Protector, etc. We have developed numerous products and these products have registered their presence. All operations are controlled from its registered office situated in Jaipur, Rajasthan.

The company got converted from Private Limited to Public Limited, after getting shareholders’ approval in the Extra Ordinary General Meeting of the company held on June 14, 2017, Further Company got listed on NSE EMERGE platform of National Stock Exchange of India Limited on December 12, 2017.

We strive to provide our clients with exceptional software and services that will create a meaningful impact on their bottom line. We believe our success stems from the excellence of our people and our unwavering commitment to our clients.

***FUTURE BUSINESS PROSPECTS:***

Software developers across the globe are looking to India as a development and production base for their products, and a number of software packages developed in this country have gained instant recognition overseas. Over the years, the growth drivers for this sector have been the verticals of manufacturing, telecommunications, insurance, banking, finance and of late the fledgling retail revolution. As the new scenario unfolds, it is getting clear that the future growth of IT and ITeS will be fueled by the verticals of climate change, mobile applications, healthcare, energy efficiency and sustainable energy. Traditional business strongholds would make way for new geographies, there would be new customers, and more and more of SMEs will go for IT application and services.

***OPPORTUNITIES AND THREATS:***

With the introduction of the concept of e-governance, both the Central and State Government are keen on implementing different projects to keep the activities of the governments transparent, timely and cost effective. There is an absolute increase in the fund allotment by the Governments for implementing such projects. This creates an opportunity for the experienced and expert organizations to broaden their horizon and support the Government in faster implementation of the projects. The increased volume of business attracts more number of players in the field, and the competition becomes

Severe. Only the effective and efficient organizations could stand a competitive situation. The management is confident that with its exposure and experience in this field of e-governance, it stands a better chance than others.

***INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:***

The internal control system is intended to increase transparency and accountability in an organization's process of designing and implementing a system of internal control. They have been designed to provide reasonable assurance with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use, executing transaction with proper authorization and ensuring compliance of corporate policies.

***OUTLOOK:***

The outlook of the Company remains positive. Innovana Thinklabs Limited (Formerly known as PCVARK Software Limited) is cautiously optimistic about its prospects in the coming years. The Company aims at providing high quality products and services to the customers and to provide them with greater satisfaction. For last couple of years, the company has taken a number of initiatives to re- structure the operation to enable the company to compete better in this profound competitive regime.

There are no major risks and concerns except the technology up gradation and increasing power tariff and growing competition. The company is guarding itself against these risks by laying down appropriate strategy which is to be supplemented by business plans and review mechanisms.

***RISKS AND CONCERNS:***

- Inherent risk to accommodate technological changes due to involvement in IT industry.
- Unable to expand successfully beyond India.
- No clear product vision beyond current offering.
- Little brand recognition.
- Increased competition from local and big players.
- New technology changes.
- Changes in government policies and other regulations.

***HUMAN RESOURCES DEVELOPMENT:***

To retain a sustainable competitive advantage in the new knowledge economy, learning is a key catalyst for an organization's survival and success. The Company provides tremendous learning and development opportunities to its employees starting from induction and orientation programme for all the new joiners to regular training programme to develop and enhance the skill levels, both functional and behavioral, for all the employees. The training programmes are tailored according to the business requirements and employee needs at various levels and designed with the help of a well-structured process of need identification connected to the business demands. Functional and technical training form an important part of the Company's annual training calendar as they are directly linked with the employees' role and on the job performance.

**Date: July 31, 2018**

**Place: Jaipur**

**By Order of the Board  
For INNOVANA THINKLABS LIMITED  
(Formerly known as PCVARK Software Limited)  
CIN: L72900RJ2015PLC047363**

**Sd/-  
Chandan Garg  
Managing Director  
DIN: 06422150**

**Sd/-  
Kapil Garg  
Whole Time Director  
DIN: 07143551**

# **ANNEXURE “E” THE BOARD REPORT**

## **Form AOC-1**

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

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

## **Part “A”: Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	Innovana Techlabs Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	As on 31 <sup>st</sup> March, 2018
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	NA
4.	Share capital	Rs. 100000/-
5.	Reserves & surplus	NIL
6.	Total assets	27,29,895
7.	Total Liabilities	27,29,895
8.	Investments	NIL
9.	Turnover	NIL
10.	Profit before taxation	NIL (Not started operation yet)
11.	Provision for taxation	NIL
12.	Profit after taxation	NIL
13.	Proposed Dividend	NIL
14.	% of shareholding	100

**Notes: 1.The Subsidiary has not yet started its operations.**

**Date: July 31, 2018**

**Place: Jaipur**

**By Order of the Board**  
**For INNOVANA THINKLABS LIMITED**  
**(Formerly known as PCVARK Software Limited)**  
**CIN: L72900RJ2015PLC047363**

**Sd/-**  
**Chandan Garg**  
**Managing Director**  
**DIN: 06422150**

**Sd/-**  
**Kapil Garg**  
**Whole Time Director**  
**DIN: 07143551**

### ANNEXURE “F” THE BOARD REPORT

#### Form No. AOC-2

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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.

#### **Related Party Disclosure (2017-18):**

S. No.	Related parties	Nature of relation
1.	Chandan Garg	Managing Director
2.	Kapil Garg	Whole Time Director
3.	Swaran kanta	Director & Relative of KMP
4.	Nancy Garg	Relative of KMP
5.	Narendra Kumar Garg	
6.	Akash Bansal	
7.	Priyanka Bansal	
8.	Innovana Techlabs Limited	Wholly Owned Subsidiary Company

#### **Details of contracts or arrangements or transactions not at Arm's length basis.**

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	NIL
b)	Nature of contracts/arrangements/transaction	NIL
c)	Duration of the contracts/arrangements/transaction	NIL
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
e)	Justification for entering into such contracts or arrangements or transactions'	NIL
f)	Date of approval by the Board	NIL
g)	Amount paid as advances, if any	NIL
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	NIL

**Details of contracts or arrangements or transactions at Arm's length basis:**

S. No.	Name of Related Party	Nature of relationship	Nature of transaction	Amount as on 31 <sup>st</sup> March 2018 (Rs.)	Amount as on 31 <sup>st</sup> March 2017 (Rs.)
1.	Chandan Garg	Managing Director	Remuneration	48,00,000	61,93,353
2.	Kapil Garg	Whole Time Director	Remuneration	18,67,500	16,70,667
3.	Nancy Garg	Relative of Director	Salary	2,17,510	NIL
4.	Narendra kumar Garg	Relative of Director	Salary	8,30,000	4,80,000
5.	Swaran Kanta	Director	Salary	2,00,000	NIL
6.	Chandan Garg	Managing Director	Lease Rent	15,00,000	NIL
7.	Innovana Techlabs Limited	Wholly Owned Subsidiary Company	Loan	26,29,895	NIL

**Date: July 31, 2018**
**Place: Jaipur**

**By Order of the Board**  
**For INNOVANA THINKLABS LIMITED**  
**(Formerly known as PCVARK Software Limited)**  
**CIN: L72900RJ2015PLC047363**

**Sd/-**  
**Chandan Garg**  
**Managing Director**  
**DIN: 06422150**

**Sd/-**  
**Kapil Garg**  
**Whole Time Director**  
**DIN: 07143551**

### **ANNEXURE “F” THE BOARD REPORT**

#### **Particulars of loans, Guarantee and Investment under section 186 of the companies act 2013:**

<b>S. No.</b>	<b>Particular</b>	<b>Nature of transaction</b>	<b>Amount as on 31<sup>st</sup> March 2018</b>	<b>Amount as on 31<sup>st</sup> March 2017</b>
1.	Investment in shares of “Innovana Techlabs Limited”	Investment	1,00,000	NIL
2.	Loan to subsidiary company “Innovana Techlabs Limited”	Loan	26,29,895	NIL

**Date: July 31, 2018**  
**Place: Jaipur**

**By Order of the Board**  
**For INNOVANA THINKLABS LIMITED**  
**(Formerly known as PCVARK Software Limited)**  
**CIN: L72900RJ2015PLC047363**

**Sd/-**  
**Chandan Garg**  
**Managing Director**  
**DIN: 06422150**

**Sd/-**  
**Kapil Garg**  
**Whole Time Director**  
**DIN: 07143551**



**ANNEXURE “H” THE BOARD REPORT****SECRETARIAL AUDIT REPORT****Form No. MR-3****FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018**

*[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  
**Innovana Thinklabs Limited**  
**(Formerly known as PCVARK Software Limited)**  
**(Originally known as PCVARK software Private Limited)**

Plot No. D-41, Patrakar Colony,  
Near Jawahar Nagar Moti Dungri Vistar Yojna,  
Raja Park-302004, Jaipur, Rajasthan

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices for the Financial Year 2017-2018 of **Innovana Thinklabs Limited** (hereinafter called “The Company”), (CIN L72900RJ2015PLC047363). The 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 my verification of the **Innovana Thinklabs Limited’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, I hereby report that in my opinion; the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018 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.

1. **I have examined the books, papers, minutes’ book, forms and returns filed and other records maintained by Innovana Thinklabs Limited (“The Company”) for the financial year ended on 31<sup>st</sup> March, 2018, to the extent applicable, according to the provisions of:**
  - 1) The Companies Act, 2013 (the Act) and the rules made there under;
  - 2) The Securities Contract (Regulation) Act, 1956 and Rules made there under;
  - 3) The Depositories Act, 1996 and Regulations and Bye-laws framed there under;
  - 4) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent applicable to its business. [Applicable only to the extent of Foreign Direct Investment and Overseas Direct Investment]
  - 5) The following Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 (“SEBI Act”) to the extent applicable;
    - A. SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 2011
    - B. SEBI (Prohibition of Insider Trading) Regulations, 1992
    - C. SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
    - D. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **[Not Applicable as the company has not issued any share under ESOS / ESOP during the period under review]**
    - E. SEBI (Issue and listing of Debt securities) Regulations, 2008; **[Not Applicable as the company has not issued and listed any debt securities during the financial year under review]**
    - F. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- G. SEBI (Delisting of Equity Shares) Regulations, 2009 [Not applicable as there was no reportable event during the period under review];  
H. SEBI (Buy Back of Securities) Regulation, 1998 [Not Applicable as there was no reportable event during the period under review];

6) I have also examined compliance with the applicable clauses of the following:

- a) **Secretarial Standards with regards to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India;**  
b) **The Listing Agreements entered into by the Company with National Stock Exchange of India Limited read with SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.**

In my opinion, during the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

## 2. I 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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in the Board Meeting and in compliance with the provisions of the Act.
- 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 decisions were carried through while the dissenting members' views are captured and recorded as part of the minutes.

- Based on the information provided by the company, its officers, and authorized representatives during the conduct of the audit and also on the review of quarterly compliance report by respective department heads/ Company Secretary/ Executive Director taken on record by the Board of Directors of the Company, in my opinion, adequate systems and processes and control mechanism exist in the company to monitor and ensure compliance with applicable general law.
- The compliance by the company of applicable finance laws have not been reviewed in this Audit since the same have been subject to review by Statutory Auditor, Internal Auditor and other designated professionals.
- Based on the information received and record maintained there are adequate system 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.

**For M/s. Srishthi Mathur & Associates  
Practicing Company Secretaries**

**Date: August 8, 2018  
Place: Jaipur**

**Sd/-  
Srishthi Mathur  
Membership No.: 42220  
CP No.: 16319**

**Note:** This report is to be read with my letter of even date which is annexed as **Annexure - I** which forms an integral part of this report.

**Annexure “A” to Secretarial Audit Report**

To,  
The Members  
**INNOVANA THINKLABS LIMITED**  
(Formerly known as PCVARK Software Limited)  
Plot No. D-41, Patrakar Colony,  
Near Jawahar Nagar, Raja Park  
Jaipur-302004, Rajasthan.

The Secretarial Audit Report of even date, for the financial year 2017-18 is to be read along with this letter;

**Management’s Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.
2. I 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 and I believe that the processes and practices followed by me provide a reasonable basis for my opinion

**Auditor’s Responsibility**

3. My responsibility is to express an opinion on these secretarial records, standards and procedure followed by the Company with respect to secretarial compliances.
4. I believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, I have obtained the management’s representation about compliance of laws, rule and regulations and happening of events etc.

**Disclaimer**

6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

**For M/s. Srishthi Mathur & Associates**  
**Practicing Company Secretaries**

**Date: August 8, 2018**  
**Place: Jaipur**

**Sd/-**  
**Srishthi Mathur**  
**Membership No.: 42220**  
**CP No.: 16319**

**CFO/CEO CERTIFICATION**

*(Pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015*

To,  
The Board of Directors  
**Innovana Thinklabs Limited**

I, Mr. Sanjeev Mittal, Chief Financial Officer of the company, hereby certify that:

1. I have reviewed the financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of my knowledge and belief.
  - (I) These statements do not contain any material untrue statement or omit any material fact or contain statements that might be misleading;
  - (II) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
2. I further state that to the best of my knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's Code of Conduct.
3. I accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
4. I have indicated to the Auditors and the Audit Committee that:
  - (I) There has not been any significant change in internal control over financial reporting during the year under reference;
  - (II) There has not been any significant change in accounting policies during the year requiring disclosures in the notes to the financial statements; and
  - (III) There has not been any instance during the year of significant fraud of which I had become aware and the involvement therein, if any, of The management or an employee having a significant role in the Company's internal control system over financial reporting.

**Date: July 31, 2018**

**Place: Jaipur**

**Sd/-**  
**Mr. Sanjeev Mittal**  
**Chief Financial Officer**

**AUDITOR'S CERTIFICATE ON COMPLIANCE OF CORPORATE GOVERNANCE**

To  
The Members,  
Innovana Thinklabs Limited

We have examined the compliance of conditions of Corporate Governance by **INNOVANA THINKLABS LIMITED** ("the Company"), for the financial year ended on March 31, 2018, as stipulated in clause 49 of the listing agreement entered into by the Company with the stock exchange(s) in India.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

**Place: Jaipur**  
**Date: July 31, 2018**

**For Amit Ramakant & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 009184C**

**Sd/-**  
**Amit Agrawal**  
**Partner**  
**M. No.: 077407**

## INDEPENDENT AUDITORS' REPORT

To,  
The Members of  
**INNOVANA THINKLABS LIMITED**  
(Formerly known as PCVARK Software Limited)

### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of INNOVANA THINKLABS LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information. (Herein after referred to as "Standalone Ind AS Financial Statements).

### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Management and Board of Directors are responsible for the matters 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, Statement of changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Financial Statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the Reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the Standalone Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1	As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the <b>Annexure-A</b> a statement on the matters specified in the paragraph 3 and 4 of the order to the extent applicable.
2	<p>As required by Section 143 (3) of the Act, we report that:</p> <ol style="list-style-type: none"> <li>1. 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.</li> <li>2. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;</li> <li>3. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the statement of changes in Equity, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.</li> <li>4. In our opinion, the aforesaid Standalone Financial Statements comply with Ind. AS specified under section 133 of the Act; read with Rule 7 of the Companies (Accounts) Rules, 2014.</li> <li>5. On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.</li> <li>6. 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"; and</li> <li>7. With respect to the other matters included in the Auditor's Report and to our best of our information and according to the explanations given to us: <ol style="list-style-type: none"> <li>i. The Company does not have any pending litigations which would impact its financial position.</li> <li>ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.</li> <li>iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.</li> <li>iv. The disclosures regarding details of specified bank notes held and transacted during 8 November, 2016 to 30 December, 2016 has not been made since requirement does not pertain to financial year ended 31 March, 2018.</li> </ol> </li> </ol>

Place: Jaipur  
Date: May 30, 2018

For Amit Ramakant & Co.  
Chartered Accountants  
Firm Registration No.: 009184C

Sd/-  
Amit Agrawal  
Partner  
M. No.: 077407



### ANNEXURE-A TO THE AUDITORS' REPORT

**The Annexure referred to in our report to the members of INNOVANA THINKLABS LIMITED for the year ended 31<sup>st</sup> March, 2018.**

On the basis of the information and explanation given to us during the course of our audit, we report that:

1.
  - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment on the basis of available information.
  - (b) The property, plant and equipment covering significant value were physically verified during the year by the management at such intervals which in our opinion, provides for the physical verification of all the property, plant and equipment at reasonable intervals having regard to the size of the Company and nature of its business. According to the information and explanations given to us, no material discrepancies were noticed on such verification;
  - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company. The title deeds of immovable properties are held in the name of the company.
2.
  - (a) As explained to us, the management has conducted the Physical verification of inventory at reasonable intervals and
  - (b) The discrepancies noted on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
3. The company has granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties during the Financial Year 2017-18 covered in the register maintained under section 189 of the Companies Act, 2013.
  - (a) All terms and conditions of loan are for the benefits of company and are not prejudicial to the company's Interest.
  - (b) Schedule of repayment of principal and interest has been stipulated and receipts are regular.
  - (c) There is no such amount which is overdue more than 90 Days of above mentioned loan.
4. In our opinion and according to the information and explanations given to us, the company have been complied with provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security all mandatory
5. The company has not accepted any deposits from public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under subsection (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7.
  - (a) According to information and explanations given to us and on the basis of our examination of the books of account and records, The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
  - (b) According to information and explanations given to us and based on the records examined by us, There is no pending dues of income tax, sales tax, service tax, Excise Duty, Customs Duty, value added tax which have not been deposited as on March 31, 2018 on account of dispute.
8. In our opinion and according to information and explanations given to us, The company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. Based upon the audit procedures performed and the information and explanations given by the management The company has raised money Rs. 770 Lakhs by issuing nos. 11 lacs equity shares of Rs. 10/- each at a premium of Rs. 60/- each by way of initial public offer (IPO) and the fund has been utilised for the purpose which it was raised.
10. Based upon the audit procedures performed and the information and explanation given to us, Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.

11. Based upon the audit procedures performed and the information and explanations given by the management The Managerial remuneration has been paid or provided in accordance with the requisite approvals Mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. In our opinion and the information and explanations given by the management, Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
13. In our opinion, All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
14. Based upon the audit procedures performed and the information and explanations given by the management, The company has issue 14,00,000 Equity shares of Rs. 10/- Each at a premium of Rs. 1/- each by way of preferential allotment but the company has not issued any fully or partly convertible debentures during the year.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place: Jaipur  
Date: May 30, 2018

For Amit Ramakant & Co.  
Chartered Accountants  
Firm Registration No.: 009184C

Sd/-  
Amit Agrawal  
Partner  
M. No.: 077407

**ANNEXURE - B TO THE AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **INNOVANA THINKLABS LIMITED** ("The Company") as of 31 March, 2018 in conjunction with our audit of the Ind AS 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 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 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 31 March 2018, 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.

**Place: Jaipur**  
**Date: May 30, 2018**

**For Amit Ramakant & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 009184C**

**Sd/-**  
**Amit Agrawal**  
**Partner**  
**M. No.: 077407**

**INNOVANA THINKLABS LIMITED**  
(Formerly known as PCVARK Software Limited)  
CIN: L72900RJ2015PLC047363

STANDALONE BALANCE SHEET AS AT MARCH 31 <sup>st</sup> , 2018				
				(Amt.in Rs.)
Particulars	Note No.	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016
<b>A. ASSETS</b>				
<b>1.Non-Current Assets</b>				
(i)Property Plant and Equipment	2	93,673,226	6,745,219	7,092,290
(ii)Capital Work In Progress	3	--	36,449,061	--
(iii)Financial Assets				
a)Investments	4	20,986,419	--	--
b)Securities Deposited	4	825,000	220,000	220,000
(iv)Other Non-Current Assets	5	145,019	--	--
(v)Deferred Tax Assets		--	--	--
		<b>115,629,664</b>	<b>43,414,280</b>	<b>7,312,290</b>
<b>2.Current Assets</b>				
(i)Inventories		--	--	--
(ii)Financial Assets				
a) Trade Receivables	6	88,677	--	--
b)Loans & Advances	6	7,887,653	1,151,620	--
c)Cash and Cash Equivalent	7	61,270,004	7,469,081	11,497,572
(iii)Other Current Assets	8	119,781,715	10,382,343	3,020,808
		<b>189,028,049</b>	<b>19,003,044</b>	<b>14,518,380</b>
<b>Total Assets</b>		<b>304,657,713</b>	<b>62,417,324</b>	<b>21,830,670</b>
<b>B.EQUITY AND LIABILITIES</b>				
<b>1.Equity</b>				
(i)Equity Share Capital	9	41,000,000	2,000,000	2,000,000
(ii)Other Equity				
a)Share Premium	10	67,400,000	--	--
b)General Reserve	10	28,891,514	12,987,054	--
c)Retained Earning	10	45,222,211	--	5,789,265
(iii)Equity Attributable to equity holders of the Parent		<b>182,513,725</b>	<b>14,987,054</b>	<b>7,789,265</b>
<b>2.Non-Current Liabilities</b>				
(i)Financial Liabilities				
a) Borrowings	11	--	19,639,510	--
(ii)Deferred Tax Liabilities	12	282,348	819,584	213,084
(iii)Other Non - Current Liabilities		--	--	--
		<b>282,348</b>	<b>20,459,094</b>	<b>213,084</b>
<b>3.Current Liabilities</b>				
(i)Financial Liabilities				
a)Borrowings	13	793,409	--	--

b) Trade Payables	14	75,265,738	13,938,560	9,723,759
c) Other Payables	15	7,381,277	6,907,087	1,569,026
(ii) Liability for Current Tax (Net)	16	31,264,471	3,781,197	2,535,536
(iii) Other Current Liabilities	17	7,156,745	2,344,332	--
		121,861,640	26,971,176	13,828,321
<b>Total Liabilities</b>		<b>122,143,988</b>	<b>47,430,270</b>	<b>14,041,405</b>
<b>Total Equity &amp; Liabilities</b>		<b>304,657,713</b>	<b>62,417,324</b>	<b>21,830,670</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	1			

**Note:** The accompanying notes form an integral part of the financial statements.

In terms of out report of even date attached

**For & On behalf of the Board of Directors**

**For Amit Ramakant & Co.**  
Chartered Accountants  
Firm Registration No.: 009184C

**Sd/-**  
**Chandan Garg**  
Managing Director  
DIN: 06422150

**Sd/-**  
**Kapil Garg**  
Whole Time Director  
DIN: 07143551

**Sd/-**  
**Amit Agrawal**  
Partner  
Membership Number: 077407

**Date:** 30 May, 2018  
**Place:** Jaipur

**Sd/-**  
**Sanjeev Mittal**  
Chief Financial Officer

**Sd/-**  
**Prachi Mittal**  
Company Secretary  
Membership No. A49708

**INNOVANA THINKLABS LIMITED**  
(Formerly known as PCVARK Software Limited)  
CIN: L72900RJ2015PLC047363

STANDALONE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2018			
(Amt. in Rs.)			
Particulars	Note No	For the year ended on 31st March, 2018	For the year ended on 31st March, 2017
<b><u>1. INCOMES</u></b>			
Revenue from Operations	18	308,288,849.00	155,069,255.00
Other Income	19	3,771,165.00	2,552,732.00
Finance Income	20	981,548.00	104,431.00
<b>Total Income</b>		<b>313,041,562.00</b>	<b>157,726,418.00</b>
<b><u>2. EXPENSES:</u></b>			
Cost of Raw Material and Components Consumes	21	101,895,942.00	83,247,632.00
Purchase of Stock-In-Trade		--	--
(Increase) / Decrease in Inventory of Finished Goods, Work In Progress and Traded Goods		--	--
Employee Benefit Expenses	22	67,972,840.00	48,154,537.00
Depreciation and amortization expenses	23	3,945,184.00	2,135,916.00
Financial Costs	24	838,369.00	1,211,765.00
Other Expenses	25	28,832,061.00	11,391,081.00
<b>Total Expenses</b>		<b>203,484,396.00</b>	<b>146,140,931.00</b>
<b>Profit / (Loss) before exceptional Items and tax from continuing operations</b>		<b>109,557,166.00</b>	<b>11,585,487.00</b>
<b>Exceptional Items</b>	26	3,100,580.00	0.00
<b>Profit / (Loss) before tax from continuing operations</b>		<b>106,456,586.00</b>	<b>11,585,487.00</b>
<b>Tax Expenses</b>			
Current tax		31,264,471.00	3,781,197.00
Deferred tax		(537,236.00)	606,500.00
<b>Income tax expenses</b>		<b>30727235.00</b>	<b>4387697.00</b>
<b>Profit For The Year from Continuing Operation</b>		<b>75,729,351.00</b>	<b>7,197,790.00</b>
<b>Other comprehensive income</b>		--	--
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>		--	--
Net Gain / (Loss) on re measurement of employee benefit Plan of EST and PF		(507,140.00)	--
Net Gain / Loss on FVTOCI Equity Securities		--	--
<b>Comprehensive Income for the Year, Net of Tax</b>		<b>(507,140.00)</b>	--
<b>Profit For the Year</b>		<b>75,222,211.00</b>	<b>7,197,790.00</b>
<b>Earnings per share</b>			
<b>Basic, Computed on the Basis of Profit from continuing Operations attributable to equity holders</b>		18.35	35.99
<b>Significant Accounting Policies and Notes on Accounts</b>	1		



**Note: The accompanying notes form an integral part of the financial statements.**

**In terms of out report of even date attached**

**For & On behalf of the Board of Directors**

**For Amit Ramakant & Co.  
Chartered Accountants  
Firm Registration No.: 009184C**

**Sd/-  
Chandan Garg  
Managing Director  
DIN: 06422150**

**Sd/-  
Kapil Garg  
Whole Time Director  
DIN: 07143551**

**Sd/-  
Amit Agrawal  
Partner  
Membership Number: 077407**

**Sd/-  
Sanjeev Mittal  
Chief Financial Officer**

**Sd/-  
Prachi Mittal  
Company Secretary  
Membership No. A49708**

**Date: 30 May, 2018  
Place: Jaipur**

**INNOVANA THINKLABS LIMITED**  
(Formerly known as PCVARK Software Limited)  
CIN: L72900RJ2015PLC047363

**STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

(Amt. in Rs.)

<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>Year Ended 31.03.2018</b>	<b>Year Ended 31.03.2017</b>
	1.Profit/(Loss) Before Tax	106,456,586.00	11,585,486.00
	<b>2.Adjustment for:</b>		
	Depreciation and Amortization Expenses	3,945,184.00	2,135,916.00
	Provision for Income Tax / FBT earlier years	--	--
	Interest Income	(981,548.00)	(104,431.00)
	Interest on Borrowings	838,369.00	1,211,765.00
	Profit on Sale of Property / Investments	(1,959,417.00)	(214,086.00)
	Re-measurement of defined benefit plans	4,305,273.00	2,344,332.00
	<b>3. Operating Profit before Working Capital Changes (1+2)</b>	<b>112,604,448.00</b>	<b>16,958,982.00</b>
	<b>4. Change in Working Capital</b> (Excluding Cash & Bank Balances)		
	Increase(-) / Decrease in Trade & Other Receivables	<b>(109,488,049.00)</b>	<b>(7361535.00)</b>
	Increase (-) / Decrease in Inventories	--	--
	Increase (-) / Decrease in Loans and advances	(6,736,093.00)	(1,151,620.00)
	Increase / Decrease (-) in Trade payables and Other Current Liabilities	62,594,776.00	9,552,862.00
	<b>Change in Working Capital</b>	<b>(53,629,366.00)</b>	<b>1,039,707.00</b>
	<b>5. Cash Generated from Operations (3+4)</b>	58,975,082.00	17,998,689.00
	<b>6. Tax Paid</b>	3,876,737.00	2,535,536.00
	<b>7. Net Cash Flows from Operating Activities</b>	<b>55,098,345.00</b>	<b>15,463,153.00</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Proceeds from sale of Property, Plant and equipment / Transfer of Assets	137,788,869.00	32,214,086.00
	Purchase of Property, Plant and Equipment	(211,239,941.00)	(70,237,906.00)
	Non-Current Assets	(750,019.00)	--
	Interest Received	981,548.00	104,431.00
	<b>Net Cash Generated / (Used) in Investing Activities:</b>	<b>(73,219,543.00)</b>	<b>(37,919,389.00)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Issue Share Capital	92,400,000	--
	Repayment of Term Borrowings	(19,639,510.00)	--
	Proceeds from Other Borrowings	--	19,639,510.00
	Interest Paid	(838,369.00)	(1,211,765.00)
	<b>Net Cash Generation / (Used) From Financing Activities</b>	<b>71,922,121.00</b>	<b>18,427,745.00</b>
	<b>(D) Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>53,800,923.00</b>	<b>(4,028,491.00)</b>
	(E1) Cash & Cash Equivalents as at the end of the Year	61,270,004.00	7,469,081.00
	(E2) Cash & Cash Equivalents as at the Beginning of the Year	7,469,081.00	11,497,572.00
	<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS (E1 + E2)</b>	<b>53,800,923.00</b>	<b>(4,028,491.00)</b>

	<b>Significant Accounting Policies and Notes on Accounts</b>	<b>1</b>	
--	--	----------	--

**Note:** The accompanying notes form an integral part of the financial statements.

**In terms of out report of even date attached**

**For & On behalf of the Board of Directors**

**For Amit Ramakant & Co.  
Chartered Accountants  
Firm Registration No.: 009184C**

**Sd/-  
Chandan Garg  
Managing Director  
DIN: 06422150**

**Sd/-  
Kapil Garg  
Whole Time Director  
DIN: 07143551**

**Sd/-  
Amit Agrawal  
Partner  
Membership Number: 077407**

**Sd/-  
Sanjeev Mittal  
Chief Financial Officer**

**Sd/-  
Prachi Mittal  
Company Secretary  
Membership No. A49708**

**Date: 30 May, 2018  
Place: Jaipur**

## STATEMENT OF CHANGE IN EQUITY

For the year ended 31<sup>st</sup> March 2018

(ALL AMOUNTS IN LAKHS RUPEES EXCEPT AS OTHERWISE STATED)

### (A) EQUITY SHARE CAPITAL

PARTICULARS	No. of Shares	Amount
Equity Shares of Rs. 10 each issued, subscribed and fully paid		
At 1st April, 2016	200000	2
Issue of Share Capital	--	--
At 1st April, 2017	200000	2
Issue of Share Capital	3900000	39
<b>At 31st March, 2018</b>	<b>4100000</b>	<b>41</b>

### (B) OTHER EQUITY

Particulars	Reserve and Surplus			Item of Other Comprehensive Reserve	Total
	Securities Premium	General Reserve	Retained Earning	FVTOCI Reserve	
<b>At 1st April, 2016</b>	--	57.89	--	--	57.89
Profit / (Loss) for the Period	--	--	71.98	--	71.98
Other Comprehensive Income	--	--	--	--	--
Total Comprehensive Income	--	57.89	71.98	--	129.87
Transfer to General Reserve	--	71.98	(71.98)	--	--
<b>At 1st April, 2017</b>	--	<b>129.87</b>	--	--	<b>129.87</b>
Securities Premium	674	--	--	--	--
Profit / (Loss) for the Period	--	--	757.29	--	1431.29
Other Comprehensive Income	--	--	--	(5.07)	(5.07)

	674	129.87	757.29	(5.07)	1556.09
Transfer to General Reserve	--	300	(300)	--	--
Utilisation of General Reserve	--	(140.96)	--	--	(140.96)
<b>At 31st March, 2018</b>	<b>674</b>	<b>288.92</b>	<b>457.55</b>	<b>(5.07)</b>	<b>1415.14</b>

In terms of out report of even date attached

**For & On behalf of the Board of Directors**

**For Amit Ramakant & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 009184C**

**Sd/-**  
**Chandan Garg**  
**Managing Director**  
**DIN: 06422150**

**Sd/-**  
**Kapil Garg**  
**Whole Time Director**  
**DIN: 07143551**

**Sd/-**  
**Amit Agrawal**  
**Partner**  
**Membership Number: 077407**

**Date: 30 May, 2018**  
**Place: Jaipur**

**Sd/-**  
**Sanjeev Mittal**  
**Chief Financial Officer**

**Sd/-**  
**Prachi Mittal**  
**Company Secretary**  
**Membership No. A49708**

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENT

## Note-2

PROPERTY PLANT AND EQUIPMENTS											
	AT COST					DEPRECIATION AND IMPAIRMENT				NET BLOCK	
DEPRECIATION OF ASSETS	GROSS BLOCK AS AT 1ST APRIL 2017	ADDITION DURING THE YEAR	SALES / DISCARDED	ADJUSTMENTS DURING THE YEAR	GROSS BLOCK AS AT 31ST MARCH 18	DEPRECIATION AS AT 31ST MARCH 2017	DEPRECIATION DURING THE YEAR	ADJUSTMENT DURING THE YEAR	TOTAL DEPRECIATION AS AT 31ST MARCH 2018	AS AT 31ST MARCH 2018	AS AT 31ST MARCH 2017
LAND	-	19,582,200	-	-	19,582,200	-	-	-	-	19,582,200	-
BUILDING	-	60,339,334	-	-	60,339,334	-	1,448,549	-	1,448,549	58,890,785	-
PLANT & EQUIPMENTS	3,773,690	4,678,148	-	-	8,451,838	2,204,768	1,482,695	-	3,687,463	4,764,375	1,568,921
ELECTRICAL EQUIPMENTS	-				-	-	-	-	-	-	-
FURNITURE & FIXTURES	378,895	391,110			770,005	102,126	85,703	-	187,829	582,177	276,770
OFFICE EQUIPMENTS	319,340	5,882,398			6,201,739	53,716	368,736	-	422,452	5,779,286	265,624
VEHICLES	5,636,000	-	-		5,636,000	1,002,096	559,501	-	1,561,597	4,074,403	4,633,904
TOTAL	10,107,925	90,873,190	-	-	100,981,116	3,362,706	3,945,184	-	7,307,890	93,673,226	6,745,219

**Note-3**
**Capital work in progress**

Particulars	31.03.2018	31.03.2017
Building		
Capital Work In Progress	--	36,449,061.00
<b>Total</b>	<b>--</b>	<b>36,449,061.00</b>

**Note-4**
**Financial Assets - Non Current**

Particulars	31.03.2018	31.03.2017
<b>a)Investments</b>		
Investment In Quoted Equity Fair Value Through Profit & Loss	20,886,419	--
Investment In Subsidiaries At Cost Or Deemed Cost	1,00,000	--
<b>Total</b>	<b>20,986,419</b>	<b>--</b>
<b>b)Securities</b>		
Securities Deposited With Govt. Authorities	--	--
Securities Deposits With Other	825,000	220,000
<b>Total</b>	<b>825,000</b>	<b>220,000</b>
<b>Total Financial Assets-Non Current</b>	<b>21,811,419</b>	<b>220,000</b>

**Note-5**
**Other Non-current assets**

Particulars	31.03.2018	31.03.2017
<b>a)Misc. Deposits</b>		
Deposits With Govt.	145,019	--
<b>Total Other Non-current assets</b>	<b>145,019</b>	<b>--</b>

**Note-6**
**Financial Assets**

Particulars	31.03.2018	31.03.2017
<b>a) Trade Receivables</b>		
Trade Receivable	88,677	--
<b>Total</b>	<b>88,677</b>	<b>--</b>
<b>b) Loan And Advances</b>		
Staff Loan	622,388	1,011,654
Loan to Subsidiary	2,629,895	139,966
Advance to Others	4,635,370	--
EMD Deposits	--	--
<b>Total</b>	<b>7,887,653</b>	<b>1,151,620</b>
<b>Total Financial Assets</b>	<b>7,976,330</b>	<b>1,151,620</b>



**Note-7**
**Cash & Cash Equivalent**

Particulars	31.03.2018	31.03.2017
a) Cash In Hand	1,727,379	50,918
<b>Total</b>	<b>1,727,379</b>	<b>50,918</b>
b)Balance With Banks		
Axis Bank	19,820,086	91,256
Indusind Bank-25745	--	2,058,807
Indusind Bank-25738	--	1,650,128
Indusind Bank-73570	--	470,943
Kotak Mahindra Bank	--	74,250
Axis Bank FDR	35,211,812	--
Indusind Bank(FDR)	4,508,991	3,072,780
Interest Accrued	1,736	--
<b>Total</b>	<b>59,542,625</b>	<b>7,418,163</b>
<b>Total Cash &amp; Cash Equivalent</b>	<b>61,270,004</b>	<b>7,469,081</b>

**Note-8**
**Other current assets**

Particulars	31.03.2018	31.03.2017
a) Advance Tax		
Advance Tax Deposited	18,500,000	3,500,000
b) Security Deposits		
Security Deposits Against Rent	1,012,880	--
c) Prepaid Expenses		
Prepaid Expenses	2,501,909	2,460,490
d)Other Current Assets		
TDS, Other Tax Receivable	21,792,865	8,087
Misc. Advances & Receivables	75,974,061	4,413,766
<b>Total</b>	<b>97,766,926</b>	<b>4,421,853</b>
<b>Total Other current assets</b>	<b>119,781,715</b>	<b>10,382,343</b>

**Note-9**
**Equity Share Capital**

Particulars	31.03.2018		31.03.2017	
	No.	INR	No.	INR
Authorised Share Capital				
Equity Shares of INR 10 each				
At the Beginning of the Year	200,000	2,000,000	200,000	2,000,000
Increase / (Decrease) During the Year	4,800,000	48,000,000	--	--
At the end of the year	<b>5,000,000</b>	<b>50,000,000</b>	<b>200,000</b>	<b>2,000,000</b>
Issued Share Capital				

Equity Shares of INR 10 Each Issued, Subscribed And Fully Paid				
At The Beginning of The Year	200,000	2,000,000	200,000	2,000,000
Increase / (Decrease) During the Year	3,900,000	39,000,000	--	--
<b>At the end of the year</b>	<b>4,100,000</b>	<b>41,000,000</b>	<b>200,000</b>	<b>2,000,000</b>

#### Rights preferences and restrictions attached to equity shares:

1. a. The Company has only one class of shares i.e. Equity Shares having a Nominal value of Rs. 10/- per share. Each holder of the equity shares is entitled to one vote per share. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

1.b. The Authorised Equity Share Capital of the Company has been increased from 20,00,000 (Rupees Twenty lakhs) which is divided into 200000 Equity shares of Rs. 10/- Each to Rs. 5,00,00,000/- (Rupees Five Crore Only) Divided into 5000000 Equity Shares of Rs. 10/- each upon passing of resolutions in the Extra Ordinary General Meeting held on 14th June, 2017.

1.c. During the financial year under reporting the company has made the public issue of 1,100,000 (Eleven Lacs) Equity shares of Rs. 10/- each at a premium of Rs. 60 per share aggregating Rs. 770 Lacs and got itself listed on NSE Emerge SME Platform.

1. d. During the year under reporting, company has issued 14 lakh equity shares by way of bonus shares to existing equity shareholders as on 14.06.2017 in the ratio of 7 equity shares for every equity shareholder by capitalizing its free reserve.

1. e. During the year under reporting, company has issued 14 lakh equity shares of Rs. 10/- each at a premium of Rs. 1/- per share by way of Preferential Allotment as on 24.08.2017.

#### Details of Shares held by shareholders holding more than 5% shares in the Company:

Name of shareholder	31.03.2018		31.03.2017	
	No. of shares	% holding	No. of shares	% holding
Chandan Garg	2920000	71.22	190000	95
Beeline Broking Limited	610000	14.88	--	--

#### Note-10

#### Other Equity

Particulars	31.03.2018	31.03.2017
a)Share Premium		
Share Premium	67,400,000	--
	--	--
b) General Reserve		
As Per Last Financial Statements	12,987,054	5,789,265
Add: Transfer From Retained Earning	30,000,000	7,197,790
Less :Utilized Against Earlier Tax	95,540	--
Utilized Against Bonus Share	14,000,000	--
<b>Total</b>	<b>28,891,514</b>	<b>12,987,054</b>
c)Profit And Loss Account Balances		
As Per Financial Statements	75,222,211	7,197,790
Less :Transfer to Retained Earning Being Difference of Depreciation on Revalued Cost of Assets And That on the original Cost	75,222,211	7,197,790
<b>Total</b>	<b>--</b>	<b>--</b>
d)Retained Earning		
As Per Last Financial Statements	--	5,789,265

Add :Transfer From General Reserve	--	--
Transfer From P&L Balances of Earlier Years	75,222,211	7,197,790
Less: transfer to General Reserve	30,000,000	12,987,054
<b>Total</b>	<b>45,222,211</b>	<b>--</b>

#### Note-11

##### Borrowings - Non Current

Particulars	Effective Rate of Interest	Maturity	31.03.2018	31.03.2017
Term Loan Secured			--	--
ICICI LOAN			--	19,639,510
<b>Total</b>			<b>--</b>	<b>19,639,510</b>

**Note:** Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories.

#### Note-12

##### Deferred Tax Liabilities

Particulars	31.03.2018	31.03.2017
As Per Last Financial Statements	819,584	213,084
Add: Adjusted Deferred Tax Liabilities	(537,236)	606,500
<b>Total</b>	<b>282,348</b>	<b>819,584</b>

#### Note-13

##### Borrowings - Current Liabilities

Particulars	31.03.2018	31.03.2017
Loan From Related Parties:		
From Body Corporates	--	--
From Company's Directors	793,409	--
Current Maturity Of Long Term Loan:		
Term Loan	--	--
Vehicle Loan	--	--
<b>Total</b>	<b>793,409</b>	<b>--</b>

#### Note-14

##### Current Financial Liabilities - Trade Payables

Particulars	31.03.2018	31.03.2017
Creditors For Capital Goods:		
Creditors Related Capital Goods	--	--
Trade Payables:		
Trade Payables	74,856,129	13,888,560
Other Payable	409,609	50,000
<b>Total</b>	<b>75,265,738</b>	<b>13,938,560</b>

**Note-15**
**Current Financial Liabilities - Other Payables**

Particulars	31.03.2018	31.03.2017
Expenses & Employee Related Liability:		
Employees Related Liabilities	4,154,162	5,975,509
Directors Remuneration	--	--
Statutory Liabilities	69,632	--
<b>Total</b>	<b>4,223,794</b>	<b>5,975,509</b>
Other Current Financial Liabilities:		
GST Payable	62,100	--
Tax Deducted At Source	3,095,383	--
<b>Total</b>	<b>3,157,483</b>	<b>--</b>
<b>Total of Current Financial Liabilities</b>	<b>7,381,277</b>	<b>6,907,087</b>

**Note-16**
**Liability for Current Tax**

Particulars	31.03.2018	31.03.2017
Income Tax For Current Tax	31,264,471	3,781,197
<b>Total</b>	<b>31,264,471</b>	<b>3,781,197</b>

**Note-17**
**Other Current Liabilities**

Particulars	31.03.2018	31.03.2017
Gratuity Provisions Ind AS 19	7,156,745	2,344,332
Suspense	--	--
<b>Total</b>	<b>7,156,745</b>	<b>2,344,332</b>

**Note-18**
**Revenue from Operation**

Particulars	31.03.2018	31.03.2017
Sale of Products ( Including Excise Duty)		
Sale of Products		
Other Goods		
Software Sales	308,288,849	155,069,255
<b>Total</b>	<b>308,288,849</b>	<b>155,069,255</b>

**Note-19**
**Other Income**

Particulars	31.03.2018	31.03.2017
Other Income:		
Currency Fluctuation	1,811,748.92	2,337,050
Discount	--	1,596
Profit From Sale Of Investment	1,959,417	214,086
Commission	--	--

<b>Total</b>	<b>3,771,165</b>	<b>2,552,732</b>
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#### Note-20

##### Finance Income

<b>Particulars</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Interest Income On FDR's	831,137	80,867
Interest Income On NSC & Other	150,411	1,736
Interest On Income Tax Refund	--	21,828
<b>Total</b>	<b>981,548</b>	<b>104,431</b>

#### Note-21

##### Cost of Material and Components Consumed

<b>Particulars</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Material and Components Consumed		
Inventory at the Beginning of the year		
Add: Purchases	101,895,942	83,247,632
Less : Inventory at the end of the year	--	--
<b>Cost of Goods Sold</b>	<b>101,895,942</b>	<b>83,247,632</b>

#### Note-22

##### Employee Benefits Expenses

<b>Particulars</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Salary, Wages And Bonus	54,767,115	37,486,536
Employer Contribution In ESI	83,680	--
Employee Medical Insurance Expenses	789,043	440,519
Staff Welfare	1,160,229	19,150
Directors Remuneration	6,867,500	7,864,000
Gratuity Provision Ind AS 19	4,305,273	2,344,332
<b>Total</b>	<b>67,972,840</b>	<b>48,154,537</b>
Defined Benefit Plan Recognized In OCI		
Gratuity Provision	507,140	--
<b>Total Employee Benefits Expenses</b>	<b>68,479,980</b>	<b>48,154,537</b>

#### Note-23

##### Depreciation and Amortization Expenses

<b>Particulars</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Depreciation on tangible assets	3,945,184	2,135,916
Amortization of intangible assets	--	--
Depreciation on investment properties	--	--
<b>Total</b>	<b>3,945,184</b>	<b>2,135,916</b>

**Note-24**
**Finance Cost**

Particulars	31.03.2018	31.03.2017
Interest on Term Loan	838,369	1,211,765
Interest on CC	--	--
Interest On Vehicles Loan	--	--
Interest Others	--	--
<b>Total</b>	<b>838,369</b>	<b>1,211,765</b>

**Note-25**
**Other Expenses**

Particulars	31.03.2018	31.03.2017
Information Technology Expenses	527,419	25,200
Consumables	2,612,785	39,080
Power & Fuel	829,452	392,792
Advertising And Sales Promotion	10,880,584	21,000
Other Selling Distribution Expenses	--	1,790,176
Conveyance Expenses	300,241	449,743
Repairs And Maintenance - Building, Plant & Machinery	693,733	374,703
Travelling Expenses Domestic	213,116	81,444
Travelling Expenses Foreign	2,356,811	2,872,719
Insurance	2,557,986	132,266
Rent	2,965,667	1,386,000
Postage , Telephone And Stationery Expenses	1,003,274	177,838
Legal & Professional Charges		
Professional & Technical Charges	879,742	2,119,167
Consultancy Charges	1,566,000	31,000
Legal Expenses	60,000	84,500
Internet expenses	--	344,134
Bank Charges	--	51,767
Swachh Bharat Cess	--	84,938
General Charges And Administrative Expenses	--	555,670
Registration And Filing Fees	175,460	35,480
Seminars Conference Expenses	--	121,562
Entertainment Expenses	--	169,903
Misc. Expenses	959,792	--
Payment to Auditors		
Auditor Fee	250,000	50,000
<b>Total</b>	<b>28,832,061</b>	<b>11,391,081</b>

**Note-26**
**Exceptional Extra Ordinary Items**

Particulars	31.03.2018	31.03.2017
Exceptional Expenses		
IPO Charges	2,542,380	--
ROC Expenses	558,200	--
<b>Total</b>	<b>3,100,580</b>	<b>--</b>

In terms of out report of even date attached

For &amp; On behalf of the Board of Directors

For Amit Ramakant & Co.  
Chartered Accountants  
Firm Registration No.: 009184C

Sd/-  
Chandan Garg  
Managing Director  
DIN: 06422150

Sd/-  
Kapil Garg  
Whole Time Director  
DIN: 07143551

Sd/-  
Amit Agrawal  
Partner  
Membership Number: 077407

Date: 30 May, 2018  
Place: Jaipur

Sd/-  
Sanjeev Mittal  
Chief Financial Officer

Sd/-  
Prachi Mittal  
Company Secretary  
Membership No. A49708



## 1. - SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

### 1.1 General information:

The Standalone Financial Statements comprise of Balance Sheet, Statement of Profit and Loss, Statement of Change in Equity and Statement of Cash Flows together with the notes thereon of Innovana Thinklabs Limited for the year ended March 31, 2018.

The Company is a public limited company incorporated and domiciled in India under the provisions of the Companies Act, 2013 applicable in India. It is a company listed at National Stock Exchange (NSE EMERGE). The Registered office and corporate office of the Company is situated at Plot No. D-41, Patrakar Colony, Near Jawahar Nagar Puliya, Moti Dungari Vistar Yojna, Raja Park, Jaipur-302004, Rajasthan.

The Company is primarily engaged in the business of Trading, Development and Marketing of Software and other related activities.

### 1.2 Basis of Preparation and Statement of compliance

The standalone Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended March 31, 2017, the Company prepared Its standalone Financial Statements in accordance with the requirements of previous GAAP prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. The Financial Statements for the financial year ended March 31, 2018 are the Company's First Ind AS compliant Annual Financial Statements with comparative figures for the year ended March 31, 2017 also under Ind AS. The date of transition is April 1, 2016. Please refer to note 5 for detailed disclosure on the first time adoption of Ind AS for the details of significant first-time adoption exemptions availed by the Company and an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, its performance and cash flows.

The financial statements are prepared under the historical cost convention, on the accounting principles of a going concern. All assets and liabilities have been classified as current or non-current in accordance with the operating cycle criteria set out in Ind AS 1 and Schedule III to the Companies Act, 2013.

Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

All expenses and incomes to the extent ascertainable with reasonable certainty are accounted for on accrual basis. All taxes, duties and cess etc. paid on purchases have been charged to the Statement of Profit and Loss except such taxes, duties and cess, which are subsequently recoverable with reasonable certainty from the taxing authorities.

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India sometimes requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of

Revenue and expenses for that year. Actual result could differ from these estimates. Any revision to such estimate is recognised in the period in which same is determined.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest rupee, except otherwise indicated.

### 1.3 Significant Accounting Policies:

#### 1.3.1. - Property, Plant and Equipment:

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold or Leasehold land is stated at historical cost.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimate cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.

Cost of regular comprehensive maintenance work (such as major overhaul) are capitalized as a separate component if they satisfy the recognition criteria. Otherwise they are charged to Profit and Loss during the reporting period in which they are incurred.

### 1.3.2- Other Intangible Assets: -

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

### 1.3.3 De recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### 1.3.4- Depreciation & Amortisation: -

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method as per the provisions of Part C of Schedule II of the Companies Act, 2013 based on useful life and residual value specified therein. The residual values are not more than 5% of the original cost of the asset's the asset's residual value and useful life are reviewed and adjusted if appropriate at the end of each reporting period.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of the assets are as follows:

Class of assets	Useful life in Years
Buildings	30
Plant and Machinery	15
Furniture and fixtures	10
Vehicles	08
Office equipment	05
Computer	03

The Useful life are taken as determined based on technical evaluation done by the management expert or those specified by schedule II of the company Act, 2013 in order to reflect to the actual usages of the Assets

### 1.3.5 Capital Work-in-progress/ intangible assets under development and Pre-Operative Expenses during Construction Period

Capital work-in-progress comprises of the cost of PPE that are not yet ready for their intended use at the Balance Sheet date.

Cost of material consumed, erection charges thereon along with other related expenses incurred for the projects are shown as CWIP for capitalization.

Expenditure attributable to construction of fixed assets are identified and allocated on a systematic basis to the cost of the related asset.

Interest during construction and expenditure (net) allocated to construction are apportioned to CWIP/ intangible assets under development on the basis of the closing balance of Specific asset or part of asset being capitalized. The balance, if any, left after such capitalization is kept as a separate item under the CWIP/intangible assets Schedule.

Claims for price variation / exchange rate variation in case of contracts are accounted for on acceptance of claims.

Any other expenditure which is not directly or indirectly attributable to the construction of the Project / construction of the Fixed Asset is charged off to statement of profit and loss in the period in which they are incurred.

### 1.3.6 - Impairment of tangible and intangible assets other than goodwill:-

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such Indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 1.3.7 - Borrowing costs: -

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

### 1.3.8 - Cash and cash equivalents: -

Cash and cash equivalent in the balance sheet comprise of cash at banks and on hand and demand deposits, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### 1.3.9 - Inventories: -

Inventories of Finished Goods, Raw Material and Work in Process are valued at cost or net realizable value whichever is lower. Cost of inventories includes Cost of manufacturing and other cost incurred for the manufacturing and in bringing the inventory to their present location and condition and applicable statutory levies net of under recovered levies charge to Profit and loss but exclude borrowing cost. Costs are assigned on the basis of FIFO method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

### 1.3.10 - Revenue recognition: -

(a) Trading, Development and Marketing of Software and other related activities:-

Revenue is recognized to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are exclusive of excises duty, and net of returns, trade allowances, rebate, value added taxes and amount collected on behalf of third party.

Sales are recognized when the Goods are delivered to customers.

#### **(b) Interest income:**

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### **1.3.11 - Taxation: -**

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

##### **Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. 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.

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

##### **Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### **1.3.12 - Earnings per share: -**

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to

expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

### **1.3.13 - Provisions, Contingencies and commitments: -**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for contingent liabilities is made when there is

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognized because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

### **1.3.14 - Financial instruments: -**

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### **Financial Assets**

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

(a) the entity's business model for managing the financial assets and

(b) the contractual cash flow characteristics of the financial asset.

### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

### Impairment of financial assets

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Company trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a



Subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### 1.3.15 - Financial liabilities and equity instruments: -

#### Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### Financial liabilities

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

#### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the company documented risk management or investment strategy, and information about the Companying is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

#### Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such change are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model.

The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and the how they are accounted for:

Original Classification	Revised Classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVPTL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.



FVTPL	FVTOCI	Fair value at reclassification date becomes its new gross carrying amount. No other adjustment is required.
FCTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss at the reclassification date.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 1.3.16 Employee related Benefits

#### Defined Benefit Plans - General Description

Gratuity: Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service subject to maximum of 10 Lakhs at the time of separation from the company.

#### Other long-term employee benefits - General Description

Leave Encashment: Each employee is entitled to get 15 earned leaves for each completed year of service. Encashment of earned leaves is made at the end of the financial years.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

#### Changes in the present value of the defined benefit obligation are, as follows:

Particulars	Gratuity Funded	Leave Encashment Unfunded
<b>Defined benefit obligation at 1st April 2016</b>	-	-
Current service cost	23,44,332	-
Interest expense	-	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligations	-	-
<b>Defined benefit obligation at 31st March 2017</b>	<b>23,44,332</b>	-
Current service cost	41,28,979	-
Interest expense	1,76,294	-
Past service cost	-	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligations	5,07,140	-
<b>Defined benefit obligation at 31st March, 2018</b>	<b>71,56,745</b>	-

#### Changes in the Fair value of Plan Assets are, as follows:

Particulars	Gratuity Funded	Leave Encashment Unfunded
<b>Opening Fair Value of Plan Assets at 1st April, 2016</b>	-	-
Actual Return of Plan Assets	-	-
Employer Contribution	-	-
Benefits paid	-	-
Closing fair value of Plan Assets	-	-

Opening Fair Value of Plan Assets at 31 <sup>st</sup> March 2017	-	-
Actual Return of Plan Assets	-	-
Employer Contribution	-	-
Benefits paid	-	-
Closing fair value of Plan Assets	-	-
<b>Opening Fair Value of Plan Assets at 31<sup>st</sup> March, 2018</b>	<b>-</b>	<b>-</b>

**Actuarial (Gain) / Loss on Plan Assets:**

Particulars	31st March 2017	31 <sup>st</sup> March 2018
Expected Interest Income	-	-
Actual Income on Plan Assets	-	-
<b>Actuarial (Gain) / Loss on Assets</b>	<b>-</b>	<b>-</b>

**Other Comprehensive Income**

Particulars	31st March 2017	31 <sup>st</sup> March 2018
Opening amount recognised in OCI outside Profit & Loss account	-	-
Actuarial Gain / (Loss) on Liabilities	-	(5,07,140)
Actuarial Gain / (Loss) on Assets	-	-
<b>Closing amount recognised in OCI outside Profit &amp; Loss account</b>	<b>-</b>	<b>(5,07,140)</b>

**The Amount to be recognized in Balance Sheet Statement**

Particulars	31st March 2017	31 <sup>st</sup> March 2018
Present Value of Obligation	23,44,332	71,56,745
Fair Value of Plan Assets	-	-
Net Obligations	23,44,332	71,56,745
Amount Not Recognized due to assets limit	-	-
<b>Net Defined Benefit Liability / (Assets) Recognized in Balance Sheet</b>	<b>23,44,332</b>	<b>71,56,745</b>

**Expenses Recognised in Statement of Profit and Loss**

Particulars	31st March 2017	31 <sup>st</sup> March 2018
Service Cost	23,44,332	41,28,979
Net Interest Cost	-	1,76,294
<b>Expenses recognised in the statement of Profit &amp; Loss</b>	<b>23,44,332</b>	<b>43,05,273</b>

**Change in Net Defined Obligations**

Particulars	31st March 2017	31 <sup>st</sup> March 2018
Opening of Net Defined Benefit Liability	-	23,44,332
Service Cost	23,44,332	41,28,979
Net Interest Cost	-	1,76,294

Re-measurements	-	5,07,140
Contribution paid to Fund	-	-
<b>Closing of Net Defined Benefit Liabilities</b>	<b>23,44,332</b>	<b>71,56,745</b>

#### Maturity Profit of Defined Benefit Obligation

Particulars	31st March 2017	31st March 2018
Year 1	1,570	5,324
Year 2	1,542	4,565
Year 3	1,787	1,00,321
Year 4	46,925	1,77,618
Year 5	75,880	2,39,569
After 5 <sup>th</sup> Year	1119,89,827	4,04,05,152
<b>Total</b>	<b>1,21,17,531</b>	<b>4,09,32,549</b>

#### 1.3.17 Investments:

Long term investments are stated at cost. In case, there is a decline other than temporary in the value of the investment, a provision for same is made. Current investments are valued at lower of cost or fair value.

#### 1.4 Use of Estimates, Assumptions and Judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialise. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### 1.4.1 Taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any. The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized. MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and loss and is included in Deferred Tax Assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to absorb such credit during the specified period.

#### 1.4.2 Useful life of Property, Plant and Equipment

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

#### 1.4.3 Impairment of Non-financial assets

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.4.4 Provision for decommissioning

In measuring the provision for ARO, the Company uses technical estimates to determine the expected cost to dismantle and remove the infrastructure equipment from the site and the expected timing of these costs. Discount rates are determined based on the risk adjusted bank rate of a similar period as the liability.

#### 1.4.5 Provisions and Contingent Liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### 1.5 First Time Adoption of Ind AS

The Company had prepared its financial statements in accordance with the Accounting Standards (AS) notified under section 133 of the Companies Act, 2013 (Previous GAAP) for and including the year ended March 31, 2017.

The Company has prepared its first Ind AS (Indian Accounting Standards) compliant Financial Statements for the year ended March 31, 2018 with restated comparative figures for the year ended March 31, 2017 in compliance with Ind AS.

Accordingly, the Opening Balance Sheet, in line with Ind AS transitional provisions, has been prepared as at April 1, 2016, the date of Company's transition to Ind AS. The principal adjustments made by the Company in restating its Previous GAAP financial statements as at and for the Financial year ended March 31, 2017 and the balance sheet as at April 1, 2016 are as mentioned below:

#### 1.5.1 EXEMPTIONS APPLIED

Ind AS 101 on First Time Adoption of Ind AS allows first-time adopters certain voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**1.5.1.1** There is no change in the functional currency of the Company and accordingly, it has elected to continue with the carrying values for all of its property, plant and equipment and intangible assets as recognised in its previous GAAP financial statements as the deemed cost at the transition date subject to the adjustments for decommissioning liabilities. As per the exemption under Ind AS 101, decommissioning liability was measured in accordance with Ind AS 37 at the date of transition to Ind AS. To the extent the liability was within the scope of Appendix-A of Ind AS 16, estimated liability that would have been included in the cost of related asset when the liability first arose by discounting the liability to that date using best estimate of the historical risk adjusted discount rate over the intervening period. Accumulated depreciation was calculated on that amount as at the date of transition to Ind AS on the basis of the current estimate of the useful life of the asset, using the depreciation policy adopted by the Company in accordance with Ind AS.

**1.5.1.2** Appendix C to Ind AS 17 requires the Company to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all relevant arrangements for classification of leases based on facts and circumstances existing at the date of transition to Ind AS.

#### 1.5.2 Exceptions Applied

Ind AS 101 specifies mandatory exceptions from retrospective application of some aspects of other Ind AS for first-time adopters. Following exception is applicable to the Company:

##### Use of Estimates

The estimates at April 1, 2016 and March 31, 2017 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

Impairment of financial assets based on Expected Credit Loss (ECL) model The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS and as of March 31, 2017.

#### 1.5.3 First Time Ind AS Adoption reconciliations:

Effect of Ind AS Adoption on the Balance Sheet as at March, 31, 2017 and April 1, 2016: -

Reconciliation of equity as at April 01, 2016 (date of transition to Ind AS)

(Rupees)

Particulars	IGAAP	Adjustments	Ind AS
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	7092290	0	7092290
(b) Capital work-in-progress	0	0	0
(c) Other Intangible assets	0	0	0
(d) Investments	0	0	0
(e) Financial Assets	0	0	0
(i) Security Deposits	0	220000	220000
(f) Deferred tax assets (net)	0	0	0
(g) Other non-current assets	0	0	0
	<b>7092290</b>	<b>220000</b>	<b>7312290</b>
<b>Current assets</b>			
(a) Inventories	0	0	0
(b) Financial Assets			
(i) Trade receivables	0	0	0
(ii) Cash and cash equivalents	11497572	0	11497572
(iii) Loans and Advances	220000	(220000)	0
(iv) Other Financial assets(Deposits)	0	0	0
(d) Other current assets	3020808	0	3020808
	<b>14738380</b>	<b>(220000)</b>	<b>14518380</b>
<b>Total assets</b>	<b>21830670</b>	<b>0</b>	<b>21830670</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity Share capital	2000000	0	2000000
(b) Other Equity	5789265	0	5789265
<b>Total equity</b>	<b>7789265</b>	<b>0</b>	<b>7789265</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	0	0	0
(ii) Other financial liabilities	0	0	0
(b) Deferred tax liabilities (Net)	213084	0	213084
(c) Other Non-Current Liabilities	0	0	0
	<b>213084</b>	<b>0</b>	<b>213084</b>
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	0	0	0
(ii) Trade payables	9588514	135245	9723759
(ii) Other Payables	1704271	-135245	1569026
(b) Current Tax Liabilities (Net)	2535536	0	2535536

(c) Other current liabilities	0	0	0
<b>Total liabilities</b>	<b>13828321</b>	<b>0</b>	<b>13828321</b>
<b>Total Equity and Liabilities</b>	<b>21830670</b>	<b>0</b>	<b>21830670</b>

## Reconciliation of equity as at 31 March 2017 (contd...)

	(Rupees)		
Particulars	IGAAP	Adjustments	Ind AS
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	6745219	0	6745219
(b) Capital work-in-progress	36449061	0	36449061
(c) Other Intangible assets	0	0	0
(d) Investments	0	0	0
(e) Financial Assets			
(i) Security Deposits	0	220000	220000
(f) Deferred tax assets (net)	0	0	0
(g) Other non-current assets	0	0	0
	<b>43194280</b>	<b>220000</b>	<b>43414280</b>
<b>Current assets</b>			
(a) Inventories	0		
(b) Financial Assets			
(i) Trade receivables	0		
(ii) Cash and cash equivalents	4396302	3072779	7469081
(iii) Loans and Advances	1371620	-220000	1151620
(iv) Other Financial assets (Deposits)	0		0
(d) Other current assets	13455122	-3072779	10382343
	<b>19223044</b>	<b>-220000</b>	<b>19003044</b>
<b>Total assets</b>	<b>62417324</b>	<b>0</b>	<b>62417324</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity Share capital	2000000	0	2000000
(b) Other Equity	15331386	-2344332	12987054
<b>Total equity</b>	<b>17331386</b>	<b>--2344332</b>	<b>14987054</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19639510	0	19639510
(ii) Other financial liabilities	0	0	0
(b) Deferred tax liabilities (Net)	819584	0	819584
(c) Other Non-Current Liabilities	0	0	0
<b>Current Liabilities</b>			

(a) Financial liabilities			
(i) Borrowings	0	0	0
(ii) Trade payables	13888560	50000	13938560
(iii) Other Payables	0	6907087	6907087
(b) Current Tax Liabilities (Net)	3781197	0	3781197
(d) Other current liabilities	6957087	-4612755	2344332
<b>Total liabilities</b>	<b>45085938</b>	<b>2344332</b>	<b>47430270</b>
<b>Total equity and liabilities</b>	<b>62417324</b>	<b>0</b>	<b>62417324</b>

Company reconciliation of profit or loss for the year ended 31 March 2017			
			(Rupees)
Particulars	IGAAP	Adjustments	Ind AS
<b>Continuing operations</b>			
Revenue from operations	155069255	0	155069255
Other income	2657162	0	2657162
<b>Total Income</b>	<b>157726417</b>	<b>0</b>	<b>157726417</b>
Cost of Raw Material and Components Consumed	83247632	0	83247632
Purchase of Traded Goods	0	0	0
(Increase) / Decrease in Inventories	0	0	0
Excise Duty	0	0	0
Employee benefits expense	37927055	10227482	48154537
Finance costs	1263531	-51766	1211765
Depreciation and amortisation expense	2135916	0	2135916
Other expenses	19222465	-7831383	11391081
<b>Total expenses</b>	<b>143796599</b>	<b>2344332</b>	<b>146140931</b>
<b>Profit/(loss) before share of (profit)/loss of an associate and a joint venture, exceptional items and tax from continuing operations</b>	<b>13929818</b>	<b>-2344332</b>	<b>11585486</b>
Share of (profit)/ loss from investment in associate and joint venture	0		0
<b>Profit before tax from continuing operations</b>	<b>13929818</b>	<b>-2344332</b>	<b>11585486</b>
(1) Current tax	3781197	0	3781197
(2) Deferred tax	606500	0	606500
Income tax expense	4387697	0	4387697
<b>Profit for the year from continuing operations</b>	<b>9542121</b>	<b>-2344332</b>	<b>7197790</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>	<b>0</b>	<b>0</b>	<b>0</b>
Re-measurement gains/ (losses) on defined benefit plans	0	0	0
<b>Other comprehensive income for the year, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>9542121</b>	<b>-2344332</b>	<b>7197790</b>

Company reconciliation of equity for the year ended 31 <sup>st</sup> March 2017 and 31 <sup>st</sup> March 2016		
Particulars	31/03/2017	31/03/2016
<b>Equity under Previous GAAP</b>	<b>17331386</b>	<b>7789265</b>
Net gain / (loss) on financial assets / liabilities fair valued through statement of profit and loss	(2344332)	0
<b>Equity under IND AS</b>	<b>14987054</b>	<b>7789265</b>

#### Explanatory notes to Reconciliation

##### 1) Property, plant and equipment

The Company has elected to continue with the carrying value of all of its property plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

##### 2) Intangible Assets

The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

##### 3) Borrowings

Under Previous GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

##### 4) Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of Nil. (31 March 2015: Nil).

##### 5) Other comprehensive income

Under Previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Previous GAAP profit or loss to profit or loss as per Ind AS. Further, Previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

##### 6) Statement of cash flows

The transition from Previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

##### 7) Financial Instruments: Classifications and Fair Value Measurement

This note provides information about how the Company determines fair values of various financial assets and financial liabilities (which are measured at fair value through profit or loss).

Financial Assets/Financial Liabilities Fair value hierarchy	Valuation technique(s) and key input(s)
Level 1	Quoted bid prices in an active market.
Level 2	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period.



Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees
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### Fair value of financial assets and financial liabilities

The management consider that the carrying amounts of non-current and current financial assets and liabilities recognised in the financial statements approximate their fair values.

### Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### Gearing ratio

The gearing ratio at end of the reporting period was as follows:

Particulars	As at 31/03/18	As at 31/03/17	As at 1/4/2016
Debt (i)	12,18,61,640	4,66,10,686	1,38,28,321
Cash and bank balances (including cash and bank balances in a disposal Company held for sale)	6,12,70,004	74,69,081	1,14,97,572
<b>Net debt</b>	<b>6,05,91,636</b>	<b>3,91,41,605</b>	<b>23,30,749</b>
Total equity	18,25,38,881	1,49,87,054	77,89,265
<b>Net debt to equity ratio</b>	<b>0.33</b>	<b>2.61</b>	<b>0.30</b>

(i) Debt is defined as long-term and short-term borrowings (excluding derivative and contingent consideration).

### **28.- Other Notes on Financial Statements.**

(a) All the balance shown under the heads Trade Receivables, Trade Payables, Loans and Advances, Security Deposits, Other Current Assets, Other Current Liabilities and Unsecured Loans are subject to confirmation and reconciliation.

### **(b) Corporate Social Responsibility (CSR)**

As the the net worth of the company is below Rs. 500 crores, Turnover is below Rs. 1000 crores and Net Profit is more than Rs. 5 crores, provision of Section 135 of Companies Act, 2013 are applicable on the company for the financial year 2018-19 onwards.

(c) The Company has provided the provision for liability of works carried/supplies received pertaining to financial year 2017-18 till such invoices are received by the Company upto 29.05.2018

(d) Figures have been taken to nearest rupees. Previous year figures have been regrouped / rearranged wherever considered necessary to make them comparable with the Current Year figures.

(e) In respect of Income Tax, the regular assessment up to the A.Y. 2016 - 2017 has been complete. In respect of VAT, the regular assessment up to F.Y. 2015- 2016 has been complete. No demands are outstanding in respect of such assessments.

(f) Consumption of Raw Materials, Stores and Spares, Diesel, Furnace Oil, Lubricants and Power etc. have been considered in the accounts as made available by a Director of Company being technical in nature.

## (g) Commitments

(Rupees)

Particulars	As at 31/03/18	As at 31/03/17	As at 1/04/16
Commitments to contribute funds for the acquisition of property, plant and equipment.	0	0	0

## (h) Contingent liabilities not provided for

(Rupees)

Particulars	As at 31/03/18	As at 31/03/17	As at 01/04/16
(a) Bank Guarantees	0	0	0
(b) Damages and interest under Employees State Insurance Act 1948 being disputed and appeal there against pending for final disposal.	0	0	0

## (i) Raw Material Consumed

(Rupees)

Particulars	As at	31.03.2018	As at	31.03.2017	As at	31.03.2016
	%	Amount	%	Amount	%	Amount
Imported	0	0	0	0	0	0
Indigenous	100.00	101,895,942	100.00	83,247,632	100	20,660,207
Total	100.00	101,895,942	100.00	83,247,632	100	20,660,207

## (j) Stores &amp; Spares Consumed is all Indigenous.

## (k) CIF Value of Imports

(Rupees)

Particulars	As at 31/03/18	As at 31/03/17	As at 01/04/16
CIF Value of Imports.	0	0	0

## (l) Expenditure &amp; Earnings in Foreign Currency

(Rupees)

Particulars	As at 31/03/18	As at 31/03/17	As at 01/04/16
Expenditure in Foreign Currency	17136000	0	0
Earnings in Foreign Currency	308288849	155069255	66095449

## 29.- Related party disclosure

The related parties where control and significant influence exists are Parents and associates respectively. Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director whether executive or otherwise.

## (A) List of Related Parties

Related parties with whom the Company has entered into transactions during the year:

<b>I</b>	<b>Enterprises over which key management personnel and relatives of such personnel exercise significant influence.</b>
	Innovana Techlabs Limited
<b>II</b>	<b>Managerial Personnel</b>
1	Mr. Chandan Garg – Chairman & Managing Director
2	Mr. Kapil Garg – Whole Time Director
3	Mr Swarna Kanta Garg – Director
<b>III</b>	<b>Relative of Managerial Personnel –</b> 1. Narendra Kumar Garg 2. Nancy Garg
<b>IV</b>	<b>Subsidiaries or Associates or Joint Ventures –</b> <b>Innovana Techlabs Limited (Subsidiary company)</b>
<b>V</b>	<b>Post-Employment Benefit Plans – NA</b>

## (B) Transactions with Related Parties for the year ended March 31, 2018 and March 31, 2017

(Rupees)

Sr. No.	Particulars	Current Year (31.03.2018)	Previous Year (31.03.2017)
1-	<b><u>Remuneration Paid:</u></b>		
	Mr. Chandan garg	48,00,000	61,93,353
	Mr. Kapil Garg	18,67,500	16,70,667
	Mrs. Swaran Kanta	2,00,000	NIL
	Mrs. Nancy Garg	2,17,510	NIL
	Mr. Narendra Kumar Garg	8,30,000	4,80,000
2-	<b><u>Interest Paid :-</u></b>	--	--
3-	<b><u>Purchase From:</u></b>	--	--
4-	<b><u>Sales To</u></b>	--	--
5-	<b><u>Interest Received:</u></b>	--	--
6-	Lease Rent:		
	Mr. Chandan Garg	15,00,000	--
7-	<b><u>Loan:-</u></b>		
	Innovana Techlabs Limited	26,29,895	--

## 30.- Auditors Remuneration:

Remuneration to Auditors (excluding service tax):

(Rupees)

Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Audit Fees	2,00,000	35,000
Tax Audit fees	50,000	15,000
Other Services/ Certifications	0	0

### 31.- Events after the reporting period:

In respect of the financial year ending March 31, 2018, no events are required to be reported which occurred after the reporting period.

### 32.- Approval of Financial Statements:

The Financial Statements were approved for issue by the Board of Directors on 30<sup>th</sup> May, 2018.

### 33.- Disclosure under Micro, Small and Medium Enterprises Development Act:

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

S. No.	Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
1	Principal amount outstanding	-	-	-
2	Principal amount due and remaining unpaid	-	-	-
3	Interest due on (2) above and the unpaid interest	-	-	-
4	Interest paid on all delayed payments under the MSMED Act.	-	-	-
5	Payment made beyond the appointed day during the year	-	-	-
6	Interest due and payable for the period of delay other than (4) above	-	-	-
7	Interest accrued and remaining unpaid	-	-	-
8	Amount of further interest remaining due and payable in succeeding years	-	-	-

### 34.- Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company operates in a competitive environment and is exposed in the ordinary course of its business to risk related to changes in foreign currency exchange rates, commodity prices and interest rates. The fair value of future cash flows of sale of products manufactured and traded will depend upon the demand and supply.

### 35.- Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. It encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. Company's credit risk arises principally from the trade receivable and advances.

#### Trade Receivables:

Customer credit risk is managed by the company through established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/economic conditions, market reputation, expected business etc. Based on that credit limits and credit terms are decided. Outstanding customer receivables are regularly monitored.

Trade receivables consists of large number of customers spread across diverse segments and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables. However The Company is not providing any credits to its customers.

**Age of receivables: -**

(Rupees)

Particulars	As at 31/03/18	As at 31/03/17	As at 01/04/16
Within the credit period (60-75 days)	0	0	0
Overdue	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**NOTE: - 36 Tax balances: -**
**a) Deferred Tax: -**

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

(Rupees)

Particulars	As at 31/03/18	As at 31/03/17	As at 01/04/16
Deferred tax assets (DTA)	0	0	0
Deferred tax Liabilities (DTL)	2,82,348	8,19,584	2,13,084
<b>Net (DTL)</b>	<b>2,82,348</b>	<b>8,19,584</b>	<b>2,13,084</b>

**b) Income tax:**

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Rupees)

Particulars	As at 31/03/18	As at 31/03/17
Profit before tax	10,64,56,586	1,15,85,486
Enacted tax rate (%)	28.84	33.06
<b>Computed Expected tax expenses</b>	<b>3,07,27,235</b>	<b>43,87,697</b>
Tax impact of non-deductible / deductible expenses and timing difference	5,37,236	-6,06,500
<b>Income Tax Expenses charged</b>	<b>3,12,64,471</b>	<b>37,81,197</b>

**37.- Operating segment:**

The Managing Director of the Company is Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however only for one segment viz. "Software and Software development". Hence the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

**38.- Earnings per share:**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

(Rupees)		
Particulars	March 31,2018	March 31,2017
Profit attributable to equity holders of the company:		
Continuing operations	75222211	7197790
<b>Profit attributable to equity holders of the parent for basic earnings</b>	75222211	7197790
Weighted average number of Equity shares for basic EPS	4100000	200000
<b>Weighted average number of Equity shares adjusted for the effect of dilution</b>	4100000	200000
Earnings per equity share of face value of Rs. 10 each (In rupees)( Previous Year Face Value of Rs. 10 each (In Rupees)	<b>18.35</b>	<b>35.99</b>

In terms of out report of even date attached

For & On behalf of the Board of Directors

For Amit Ramakant & Co.  
Chartered Accountants  
Firm Registration No.: 009184C

Sd/-  
Chandan Garg  
Managing Director  
DIN: 06422150

Sd/-  
Kapil Garg  
Whole Time Director  
DIN: 07143551

Sd/-  
Amit Agrawal  
Partner  
Membership Number: 077407

Date: 30 May, 2018  
Place: Jaipur

Sd/-  
Sanjeev Mittal  
Chief Financial Officer

Sd/-  
Prachi Mittal  
Company Secretary  
Membership No. A49708

**INDEPENDENT AUDITORS' REPORT**

To,  
**THE MEMBERS OF  
INNOVANA THINKLABS LIMITED**  
(Formerly known as PCVARK Software Limited)

**Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying Consolidated Ind AS Financial Statements of INNOVANA THINKLABS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Financial Statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associates and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal financial control relevant to the Company's preparation of the consolidated financial statements that give True and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

in the case of the consolidated Balance Sheet, of the statement of affairs of the Company as at March 31, 2018;

in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and

in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

## Other Matter:

We have relied on the Unaudited Financial Statement of Subsidiary (Innovana Techlabs Limited), whose Financial Statement reflect total asset of Rs. 27,29,895, total revenue of Rs. NIL (as company has not yet started its operations) for the year ended March 31, 2018 as considered in Consolidated Financial Statement. This Unaudited Financial Statement as approved by the board of director of the company has been furnished to us by the management and our report insofar as it relates to the amounts included in respect of these subsidiaries is based solely on such approved Unaudited Financial Statements.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies incorporated in India, we give in the **Annexure-A** a statement on the matters specified in the paragraph 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 of the aforesaid consolidated Ind AS Financial Statements.
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Consolidated Balance Sheet, Consolidated Statement of Profit and Loss (including other comprehensive income), and Consolidated Cash Flow Statement and consolidated statement of changes in equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors as on 31 March, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, 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**"; and
  - g) With respect to the other matters included in the Auditor's Report and to our 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, its associates and jointly controlled entities (The Company did not have any pending litigation)
    - ii. The Company has made provision in the Consolidated Financial Statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company [or, there were no amounts which required to be transferred.

Place: Jaipur  
Date: May 30, 2018

For Amit Ramakant & Co.  
Chartered Accountants  
Firm Registration No.: 009184C

Sd/-  
Amit Agrawal  
Partner  
M. No.: 077407



### ANNEXURE-A TO THE AUDITORS' REPORT

**The Annexure referred to in our report to the members of INNOVANA THINKLABS LIMITED for the year ended 31<sup>st</sup> March, 2018.**

On the basis of the information and explanation given to us during the course of our audit, we report that:

1. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a reasonable period, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company. The title deeds of immovable properties are held in the name of the company.
2. (a) As explained to us, the management has conducted the Physical verification of inventory at reasonable intervals and
- (b) The discrepancies noted on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
3. The company has granted loans secured or unsecured to companies, firms, Limited Liability Partnerships or other parties during the Financial Year 2017-18 covered in the register maintained under section 189 of the Companies Act, 2013.
- (a) All terms and conditions of loan are for the benefits of company and are not prejudicial to the company's Interest.
- (b) Schedule of repayment of principal and interest has been stipulated and receipts are regular.
- (c) There is no such amount which is overdue more than 90 Days of above mentioned loan.
4. In our opinion and according to the information and explanations given to us, the company have been complied with provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security all mandatory
5. The company has not accepted any deposits from public and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the act and the Companies (Acceptance of Deposits) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under subsection (1) of Section 148 of the Act, in respect of the activities carried on by the company.
7. (a) According to information and explanations given to us and on the basis of our examination of the books of account and records, The company is regular in depositing undisputed statutory dues including provident fund, Employee's state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities.
- (b) According to information and explanations given to us and based on the records examined by us, There is no pending dues of income tax, sales tax, service tax, Excise Duty, Customs Duty, value added tax which have not been deposited as on March 31, 2018 on account of dispute.
8. In our opinion and according to information and explanations given to us, The company hasn't made any default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. Based upon the audit procedures performed and the information and explanations given by the management The company has raised money Rs. 770 Lakhs by issuing nos. 11 lacs equity shares of Rs. 10/- each at a premium of Rs. 60/- each by way of initial public offer (IPO) and the fund has been utilised for the purpose which it was raised.
10. Based upon the audit procedures performed and the information and explanation given to us, Neither company has done any fraud nor by its officers or employees so nothing to be disclosed separately.

11. Based upon the audit procedures performed and the information and explanations given by the management The Managerial remuneration has been paid or provided in accordance with the requisite approvals Mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. In our opinion and the information and explanations given by the management, Company is not a Nidhi Company hence nothing to be disclosed for any provisions applicable on Nidhi Company.
13. In our opinion, All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards;
14. Based upon the audit procedures performed and the information and explanations given by the management, The company has issue 14,00,000 Equity shares of Rs. 10/- Each at a premium of Rs. 1/- each by way of preferential allotment but the company has not issued any fully or partly convertible debentures during the year.
15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**Place: Jaipur**  
**Date: May 30, 2018**

**For Amit Ramakant & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 009184C**

**Sd/-**  
**Amit Agrawal**  
**Partner**  
**M. No.: 077407**

## **ANNEXURE - B TO THE AUDITORS' REPORT**

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March, 2018, we have audited the internal financial controls over financial reporting of Innovana Thinklabs Ltd. (hereinafter referred to as "the Holding Company") and its subsidiary companies, its associates and jointly controlled entities incorporated in India, as of that date.

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

The respective Board of Directors of the Holding company and its subsidiary companies, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the 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 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 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, to the best of our information and explanation given to us, the Holding Company and its subsidiary 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 31 March 2018, 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.

**Place: Jaipur**  
**Date: May 30, 2018**

**For Amit Ramakant & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 009184C**

**Sd/-**  
**Amit Agrawal**  
**Partner**  
**M. No.: 077407**

**INNOVANA THINKLABS LIMITED**  
(Formerly known as PCVARK Software Limited)  
CIN: L72900RJ2015PLC047363

CONSOLIDATED BALANCE SHEET AS AT MARCH 31 <sup>st</sup> , 2018					(Amt.in Rs.)
Particulars	Note No.	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017	As at 01 <sup>st</sup> April, 2016	
<b>A. ASSETS</b>					
<b>1.Non-Current Assets</b>					
(i)Property Plant and Equipment	2	93,673,226	6,745,219	7,092,290	
(ii)Capital Work In Progress	3	--	36,449,061	--	
(iii)Financial Assets					
a)Investments	4	20,886,419		--	
b)Securities Deposited	4	825,000	220,000	220,000	
(iv)Other Non-Current Assets	5	145,019	--	--	
(v)Deferred Tax Assets		--	--	--	
		<b>115,529,664</b>	<b>43,414,280</b>	<b>7,312,290</b>	
<b>2.Current Assets</b>					
(i)Inventories		--	--	--	
(ii)Financial Assets					
a) Trade Receivables	6	88,677	--	--	
b)Loans & Advances	6	7,936,058	1,151,620	--	
c)Cash and Cash Equivalent	7	61,270,004	7,469,081	11,497,572	
(iii)Other Current Assets	8	119,833,310	10,382,343	3,020,808	
		<b>189,128,049</b>	<b>19,003,044</b>	<b>14,518,380</b>	
<b>Total Assets</b>		<b>304,657,713</b>	<b>62,417,324</b>	<b>21,830,670</b>	
<b>B.EQUITY AND LIABILITIES</b>					
<b>1.Equity</b>					
(i)Equity Share Capital	9	41,000,000	2,000,000	2,000,000	
(ii)Other Equity					
a)Share Premium	10	67,400,000	--	--	
b)General Reserve	10	28,891,514	12,987,054	--	
c)Retained Earning	10	45,222,211	--	5,789,265	
(iii)Equity Attributable to equity holders of the Parent		<b>182,513,785</b>	<b>14,987,054</b>	<b>7,789,265</b>	
<b>2.Non-Current Liabilities</b>					
(i)Financial Liabilities					
a) Borrowings	11	--	19,639,510	--	
(ii)Deferred Tax Liabilities	12	282,348	819,584	213,084	
(iii)Other Non - Current Liabilities		--	--	--	
		<b>282,348</b>	<b>20,459,094</b>	<b>213,084</b>	
<b>3.Current Liabilities</b>					
(i)Financial Liabilities					
a)Borrowings	13	793,409	--	--	

b) Trade Payables	14	75,265,738	13,938,560	9,723,759
c) Other Payables	15	7,381,277	6,907,087	1,569,026
(ii) Liability for Current Tax (Net)	16	31,264,471	3,781,197	2,535,536
(iii) Other Current Liabilities	17	7,156,745	2,344,332	--
		121,861,640	26,971,176	13,828,321
<b>Total Liabilities</b>		<b>122,143,988</b>	<b>47,430,270</b>	<b>14,041,405</b>
<b>Total Equity &amp; Liabilities</b>		<b>304,657,713</b>	<b>62,417,324</b>	<b>21,830,670</b>
<b>Significant Accounting Policies and Notes on Accounts</b>	<b>2</b>			

**Note: The accompanying notes form an integral part of the Financial Statements.**

**In terms of out report of even date attached**

**For & On behalf of the Board of Directors**

**For Amit Ramakant & Co.**  
Chartered Accountants  
Firm Registration No.: 009184C

**Sd/-**  
**Chandan Garg**  
Managing Director  
DIN: 06422150

**Sd/-**  
**Kapil Garg**  
Whole Time Director  
DIN: 07143551

**Sd/-**  
**Amit Agrawal**  
Partner  
Membership Number: 077407

**Sd/-**  
**Sanjeev Mittal**  
Chief Financial Officer

**Sd/-**  
**Prachi Mittal**  
Company Secretary  
Membership No. A49708

**Date: 30 May 2018**  
**Place: Jaipur**

**INNOVANA THINKLABS LIMITED**  
(Formerly known as PCVARK Software Limited)  
CIN: L72900RJ2015PLC047363

CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2018			
(Amt.in Rs.)			
Particulars	Note No	For the year ended on 31st March, 2018	For the year ended on 31st March, 2017
<b><u>1. INCOMES</u></b>			
Revenue from Operations	18	308,288,849.00	155,069,255.00
Other Income	19	3,771,165.00	2,552,732.00
Finance Income	20	981,548.00	104,431.00
<b>Total Income</b>		<b>313,041,562.00</b>	<b>157,726,418.00</b>
<b><u>2. EXPENSES:</u></b>			
Cost of Raw Material and Components Consumes	21	101,895,942.00	83,247,632.00
Purchase of Stock-In-Trade		--	--
(Increase) / Decrease in Inventory of Finished Goods, Work In Progress and Traded Goods		--	--
Employee Benefit Expenses	22	67,972,840.00	48,154,537.00
Depreciation and amortization expenses	23	3,945,184.00	2,135,916.00
Financial Costs	24	838,369.00	1,211,765.00
Other Expenses	25	28,832,061.00	11,391,081.00
<b>Total Expenses</b>		<b>203484396.00</b>	<b>146,140,931.00</b>
<b>Profit / (Loss) before exceptional Items and tax from continuing operations</b>		<b>109,557,166.00</b>	<b>11,585,487.00</b>
<b>Exceptional Items</b>	26	3,100,580.00	0.00
<b>Profit / (Loss) before tax from continuing operations</b>		<b>106,456,586.00</b>	<b>11,585,487.00</b>
<b>Tax Expenses</b>			
Current tax		31,264,471.00	3,781,197.00
Deferred tax		(537,236.00)	606,500.00
<b>Income tax expenses</b>		<b>30,727,235.00</b>	<b>4387697.00</b>
<b>Profit For The Year from Continuing Operation</b>		<b>75,729,351.00</b>	<b>7,197,790.00</b>
<b>Other comprehensive income</b>		--	--
<b>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</b>		--	--
Net Gain / (Loss) on re measurement of employee benefit Plan of EST and PF		(507,140.00)	--
Net Gain / Loss on FVTOCI Equity Securities		--	--
<b>Comprehensive Income for the Year, Net of Tax</b>		<b>(507,140.00)</b>	--
<b>Total Comprehensive Income for the Year, Net of Tax</b>		<b>(507,140.00)</b>	--
<b>Profit For the Year</b>		<b>75,222,211.00</b>	<b>7,197,790.00</b>
<b>Earnings per share</b>			
<b>Basic, Computed on the Basis of Profit from continuing Operations attributable to equity holders</b>		18.35	35.99

Significant Accounting Policies and Notes on Accounts	2	
---	---	--

**Note: The accompanying notes form an integral part of the financial statements.**

**In terms of out report of even date attached**

**For & On behalf of the Board of Directors**

**For Amit Ramakant & Co.  
Chartered Accountants  
Firm Registration No.: 009184C**

**Sd/-  
Chandan Garg  
Managing Director  
DIN: 06422150**

**Sd/-  
Kapil Garg  
Whole Time Director  
DIN: 07143551**

**Sd/-  
Amit Agrawal  
Partner  
Membership Number: 077407**

**Sd/-  
Sanjeev Mittal  
Chief Financial Officer**

**Sd/-  
Prachi Mittal  
Company Secretary  
Membership No. A49708**

**Date: 30 May 2018  
Place: Jaipur**



**INNOVANA THINKLABS LIMITED**  
(Formerly known as PCVARK Software Limited)  
CIN: L72900RJ2015PLC047363

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2018**

(Amt.in Rs.)

<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>Year Ended 31.03.2018</b>	<b>Year Ended 31.03.2017</b>
	1.Profit/(Loss) Before Tax	106,456,586.00	11,585,486.00
	<b>2.Adjustment for:</b>		
	Depreciation and Amortization Expenses	3,945,184.00	2,135,916.00
	Provision for Income Tax / FBT earlier years	--	--
	Interest Income	(981,548.00)	(104,431.00)
	Interest on Borrowings	838,369.00	1,211,765.00
	Profit on Sale of Property / Investments	(1,959,417.00)	(214,086.00)
	Re-measurement of defined benefit plans	4,305,273.00	2,344,332.00
	<b>3. Operating Profit before Working Capital Changes (1+2)</b>	<b>112,604,448.00</b>	<b>16,958,982.00</b>
	<b>4. Change in Working Capital</b>		
	(Excluding Cash & Bank Balances)		
	Increase(-) / Decrease in Trade & Other Receivables	(109,488,049.00)	(7361535.00)
	Increase (-) / Decrease in Inventories	--	--
	Increase (-) / Decrease in Loans and advances	(6,736,093.00)	(1,151,620.00)
	Increase / Decrease (-) in Trade payables and Other Current Liabilities	62,594,776.00	9,552,862.00
	<b>Change in Working Capital</b>	<b>(53,629,366.00)</b>	<b>1,039,707.00</b>
	<b>5. Cash Generated from Operations (3+4)</b>	<b>58,975,082.00</b>	<b>17,998,689.00</b>
	<b>6. Tax Paid</b>	<b>3,876,737.00</b>	<b>2,535,536.00</b>
	<b>7. Net Cash Flows from Operating Activities</b>	<b>55,098,345.00</b>	<b>15,463,153.00</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Proceeds from sale of Property, Plant and equipment / Transfer of Assets	137,788,869.00	32,214,086.00
	Purchase of Property, Plant and Equipment	(211,239,941.00)	(70,237,906.00)
	Non-Current Assets	(750,019.00)	--
	Interest Received	981,548.00	104,431.00
	<b>Net Cash Generated / (Used) in Investing Activities:</b>	<b>(73,219,543.00)</b>	<b>(37,919,389.00)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Issue Share Capital	92,400,000	--
	Repayment of Term Borrowings	(19,639,510.00)	--
	Proceeds from Other Borrowings	--	19,639,510.00
	Interest Paid	(838,369.00)	(1,211,765.00)
	<b>Net Cash Generation / (Used) From Financing Activities</b>	<b>71,922,181.00</b>	<b>18,427,745.00</b>
	<b>(D) Net Change in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>53,800,983.00</b>	<b>(4,028,491.00)</b>

	(E1) Cash & Cash Equivalents as at the end of the Year	61,270,064.00	7,469,081.00
	(E2) Cash & Cash Equivalents as at the Beginning of the Year	7,469,081.00	11,497,572.00
	<b>NET CHANGE IN CASH &amp; CASH EQUIVALENTS (E1 + E2)</b>	<b>53,800,983.00</b>	<b>(4,028,491.00)</b>
	<b>Significant Accounting Policies and Notes on Accounts</b>	<b>2</b>	

**Note:** The accompanying notes form an integral part of the financial statements.

**In terms of out report of even date attached**

**For & On behalf of the Board of Directors**

**For Amit Ramakant & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 009184C**

**Sd/-**  
**Chandan Garg**  
**Managing Director**  
**DIN: 06422150**

**Sd/-**  
**Kapil Garg**  
**Whole Time Director**  
**DIN: 07143551**

**Sd/-**  
**Amit Agrawal**  
**Partner**  
**Membership Number: 077407**

**Date: 30 May 2018**  
**Place: Jaipur**

**Sd/-**  
**Sanjeev Mittal**  
**Chief Financial Officer**

**Sd/-**  
**Prachi Mittal**  
**Company Secretary**  
**Membership No. A49708**

## STATEMENT OF CHANGE IN EQUITY

For the year ended 31<sup>st</sup> March 2018

(ALL AMOUNTS IN LAKHS RUPEES EXCEPT AS OTHERWISE STATED)

### (A) EQUITY SHARE CAPITAL

PARTICULARS	No. of Shares	Amount
Equity Shares of Rs. 10 each issued, subscribed and fully paid		
At 1st April, 2016	200000	2
Issue of Share Capital	--	--
At 1st April, 2017	200000	2
Issue of Share Capital	3900000	39
<b>At 31st March, 2018</b>	<b>4100000</b>	<b>41</b>

### (B) OTHER EQUITY

Particulars	Reserve and Surplus			Item of Other Comprehensive Reserve	Total
	Securities Premium	General Reserve	Retained Earning	FVTOCI Reserve	
<b>At 1st April, 2016</b>	--	57.89	--	--	57.89
Profit / (Loss) for the Period	--	--	71.98	--	71.98
Other Comprehensive Income	--	--	--	--	--
Total Comprehensive Income	--	57.89	71.98	--	129.87
Transfer to General Reserve	--	71.98	(71.98)	--	--
<b>At 1st April, 2017</b>	--	<b>129.87</b>	--	--	<b>129.87</b>
Securities Premium	674	--	--	--	--
Profit / (Loss) for the Period	--	--	757.29	--	1431.29
Other Comprehensive Income	--	--	--	(5.07)	(5.07)

	674	129.87	757.29	(5.07)	1556.09
Transfer to General Reserve	--	300	(300)	--	--
Utilisation of General Reserve	--	(140.96)	--	--	(140.96)
<b>At 31st March, 2018</b>	<b>674</b>	<b>288.92</b>	<b>457.29</b>	<b>(5.07)</b>	<b>1415.14</b>

In terms of out report of even date attached

**For & On behalf of the Board of Directors**

**For Amit Ramakant & Co.**  
**Chartered Accountants**  
**Firm Registration No.: 009184C**

**Sd/-**  
**Chandan Garg**  
**Managing Director**  
**DIN: 06422150**

**Sd/-**  
**Kapil Garg**  
**Whole Time Director**  
**DIN: 07143551**

**Sd/-**  
**Amit Agrawal**  
**Partner**  
**Membership Number: 077407**

**Date: 30 May 2018**  
**Place: Jaipur**

**Sd/-**  
**Sanjeev Mittal**  
**Chief Financial Officer**

**Sd/-**  
**Prachi Mittal**  
**Company Secretary**  
**Membership No. A49708**

## NOTES FORMING PART OF THE FINANCIAL STATEMENT

## Note-2

PROPERTY PLANT AND EQUIPMENTS						DEPRECIATION AND IMPAIRMENT				NET BLOCK	
	AT COST										
DEPRECIATION OF ASSETS	GROSS BLOCK AS AT 1ST APRIL 2017	ADDITION DURING THE YEAR	SALES / DISCARDED	ADJUSTMENTS DURING THE YEAR	GROSS BLOCK AS AT 31ST MARCH 18	DEPRECIATION AS AT 31ST MARCH 2017	DEPRECIATION DURING THE YEAR	ADJUSTMENT DURING THE YEAR	TOTAL DEPRECIATION AS AT 31ST MARCH 2018	AS AT 31ST MARCH 2018	AS AT 31ST MARCH 2017
LAND	-	19,582,200	-	-	19,582,200	-	-	-	-	19,582,200	-
BUILDING	-	60,339,334	-	-	60,339,334	-	1,448,549	-	1,448,549	58,890,785	-
PLANT & EQUIPMENTS	3,773,690	4,678,148	-	-	8,451,838	2,204,768	1,482,695	-	3,687,463	4,764,375	1,568,921
ELECTRICAL EQUIPMENTS	-				-	-	-	-	-	-	-
FURNITURE & FIXTURES	378,895	391,110			770,005	102,126	85,703	-	187,829	582,177	276,770
OFFICE EQUIPMENTS	319,340	5,882,398			6,201,739	53,716	368,736	-	422,452	5,779,286	265,624
VEHICLES	5,636,000	-	-		5,636,000	1,002,096	559,501	-	1,561,597	4,074,403	4,633,904
TOTAL	10,107,925	90,873,190	-	-	100,981,116	3,362,706	3,945,184	-	7,307,890	93,673,226	6,745,219

**Note-3**
**Capital work in progress**

Particulars	31.03.2018	31.03.2017
Building		
Capital Work In Progress	--	36,449,061.00
<b>Total</b>	<b>--</b>	<b>36,449,061.00</b>

**Note-4**
**Financial Assets - Non Current**

Particulars	31.03.2018	31.03.2017
<b>a) Investments</b>		
Investment In Quoted Equity Fair Value Through Profit & Loss	20,886,419	--
<b>Total</b>	<b>20,886,419</b>	<b>--</b>
<b>b) Securities</b>		
Securities Deposited With Govt. Authorities	--	--
Securities Deposits With Other	825,000	220,000
<b>Total</b>	<b>825,000</b>	<b>220,000</b>
<b>Total Financial Assets</b>	<b>21,711,419</b>	<b>220,000</b>

**Note-5**
**Other Non-current assets**

Particulars	31.03.2018	31.03.2017
<b>a) Misc. Deposits</b>		
Deposits With Govt.	145,019	--
<b>Total</b>	<b>145,019</b>	<b>--</b>

**Note-6**
**Financial Assets**

Particulars	31.03.2018	31.03.2017
<b>a) Trade Receivables</b>		
Trade Receivable	88,677	--
<b>Total</b>	<b>88,677</b>	<b>--</b>
<b>b) Loan And Advances</b>		
Staff Loan	622,388	1,011,654
Loan to Subsidiary	2,678,300	--
Advance to Others	4,635,370	139,966
EMD Deposits	--	--
<b>Total</b>	<b>7,936,058</b>	<b>1,151,620</b>
<b>Total Financial Assets</b>	<b>8,024,735</b>	<b>1,151,620</b>

**Note-7**
**Cash & Cash Equivalent**

Particulars	31.03.2018	31.03.2017
a) Cash In Hand	1,727,379	50,918
<b>Total</b>	<b>1,727,379</b>	<b>50,918</b>
b)Balance With Banks		
Axis Bank	19,820,086	91,256
Indusind Bank-25745	--	2,058,807
Indusind Bank-25738	--	1,650,128
Indusind Bank-73570	--	470,943
Kotak Mahindra Bank	--	74,250
Axis Bank FDR	35,211,812	--
Indusind Bank(FDR)	4,508,991	3,072,780
Interest Accrued	1,736	--
<b>Total</b>	<b>59,542,625</b>	<b>7,418,163</b>
<b>Total Cash &amp; Cash Equivalent</b>	<b>61,270,004</b>	<b>7,469,081</b>

**Note-8**
**Other current assets**

Particulars	31.03.2018	31.03.2017
a) Advance Tax		
Advance Tax Deposited	18,500,000	3,500,000
b) Security Deposits		
Security Deposits Against Rent	1,012,880	--
c) Prepaid Expenses		
Prepaid Expenses	2,553,504	2,460,490
d)Other Current Assets		
TDS, Other Tax Receivable	21,792,865	8,087
Misc. Advances & Receivables	75,974,061	4,413,766
<b>Total</b>	<b>97,766,926</b>	<b>4,421,853</b>
<b>Total Other current assets</b>	<b>119,833,310</b>	<b>10,382,343</b>

**Note-9**
**Equity Share Capital**

Particulars	31.03.2018		31.03.2017	
	No.	INR	No.	INR
Authorised Share Capital				
Equity Shares of INR 10 each				
At the Beginning of the Year	200,000	2,000,000	200,000	2,000,000
Increase / (Decrease) During the Year	4,800,000	48,000,000	--	--
At the end of the year	<b>5,000,000</b>	<b>50,000,000</b>	<b>200,000</b>	<b>2,000,000</b>

Issued Share Capital				
Equity Shares of INR 10 Each Issued, Subscribed And Fully Paid				
At The Beginning of The Year	200,000	2,000,000	200,000	2,000,000
Increase / (Decrease) During the Year	3,900,000	39,000,000	--	--
<b>At the end of the year</b>	<b>4,100,000</b>	<b>41,000,000</b>	<b>200,000</b>	<b>2,000,000</b>

**Rights preferences and restrictions attached to equity shares:**

1. a. The Company has only one class of shares i.e. Equity Shares having a Nominal value of Rs. 10/- per share. Each holder of the equity shares is entitled to one vote per share. In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, if any, in proportion to their shareholding.

1. b. During the financial year under reporting the company has made the public issue of 1,100,000 (Eleven Lacs) Equity shares of Rs. 10/- each at a premium of Rs. 60 per share aggregating Rs. 770 Lacs and got itself listed on NSE Emerge SME Platform.

1. c. During the year under reporting, company has issued 14 lakh Equity Shares by way of bonus shares to existing equity shareholders as on 14.06.2017 in the ratio of 7 equity shares for every equity shareholder by capitalizing its free reserve.

1. d. During the year under reporting, company has issued 14 lakh Equity Shares of Rs. 10/- each at a premium of Rs. 1/- per share by way of Preferential Allotment as on 24.08.2017.

**Details of Shares held by shareholders holding more than 5% shares in the Company:**

Name of shareholder	31.03.2018		31.03.2017	
	No. of shares	% holding	No. of shares	% holding
Chandan Garg	2920000	71.22	190000	95
Beeline Broking Limited	610000	14.88	--	--

**Note-10**
**Other Equity**

Particulars	31.03.2018	31.03.2017
a)Share Premium:		
Share Premium	67,400,000	--
	--	--
b) General Reserve:		
As Per Last Financial Statements	12,987,054	5,789,265
Add: Transfer From Retained Earning	30,000,000	7,197,790
Less :Utilized Against Earlier Tax	95,540	--
Utilized Against Bonus Share	14,000,000	--
<b>Total</b>	<b>28,891,514</b>	<b>12,987,054</b>
c)Profit And Loss Account Balances:		
As Per Financial Statements	75,222,211	7,197,790
Less :Transfer to Retained Earning Being Difference of Depreciation on Revalued Cost of Assets And That on the original Cost	75,222,211	7,197,790
<b>Total</b>	<b>--</b>	<b>--</b>
d)Retained Earnings:		
As Per Last Financial Statements	--	5,789,265
Add :Transfer From General Reserve	--	--



Transfer From P&L Balances of Earlier Years	75,222,211	7,197,790
Less: transfer to General Reserve	30,000,000	12,987,054
<b>Total</b>	<b>45,222,211</b>	<b>--</b>

#### Note-11

##### Borrowings - Non Current

Particulars	Effective Rate of Interest	Maturity	31.03.2018	31.03.2017
Term Loan Secured			--	--
ICICI LOAN			--	19,639,510
<b>Total</b>			<b>--</b>	<b>19,639,510</b>

**Note:** Secured by first mortgage charge on all of the company's immovable & movable properties both present and future including movable machinery, spares, tools & accessories.

#### Note-12

##### Deferred Tax Liabilities

Particulars	31.03.2018	31.03.2017
As Per Last Financial Statements	819,584	213,084
Add: Adjusted Deferred Tax Liabilities	(537,236)	606,500
<b>Total</b>	<b>282,348</b>	<b>819,584</b>

#### Note-13

##### Borrowings - Current Liabilities

Particulars	31.03.2018	31.03.2017
Loan From Related Parties:		
From Body Corporates	--	--
From Company's Directors	793,409	--
Current Maturity Of Long Term Loan:		
Term Loan	--	--
Vehicle Loan	--	--
<b>Total</b>	<b>793,409</b>	<b>--</b>

#### Note-14

##### Current Financial Liabilities - Trade Payables

Particulars	31.03.2018	31.03.2017
Creditors For Capital Goods:		
Creditors Related Capital Goods	--	--
Trade Payables:		
Trade Payables	74,856,129	13,888,560
Other Payable	409,609	50,000
<b>Total</b>	<b>75,265,738</b>	<b>13,938,560</b>

**Note-15**
**Current Financial Liabilities - Other Payables**

Particulars	31.03.2018	31.03.2017
Expenses & Employee Related Liability:		
Employees Related Liabilities	4,154,162	5,975,509
Directors Remuneration	--	--
Statutory Liabilities	69,632	--
<b>Total</b>	<b>4,223,794</b>	<b>5,975,509</b>
Other Current Financial Liabilities:		
GST Payable	62,100	--
Tax Deducted At Source	3,095,383	--
<b>Total</b>	<b>3,157,483</b>	<b>--</b>
<b>Total of Current Financial Liabilities</b>	<b>7,381,277</b>	<b>6,907,087</b>

**Note-16**
**Liability for Current Tax**

Particulars	31.03.2018	31.03.2017
Income Tax For Current Tax	31,264,471	3,781,197
<b>Total</b>	<b>31,264,471</b>	<b>3,781,197</b>

**Note-17**
**Other Current Liabilities**

Particulars	31.03.2018	31.03.2017
Gratuity Provisions Ind AS 19	7,156,745	2,344,332
Suspense	--	--
<b>Total</b>	<b>7,156,745</b>	<b>2,344,332</b>

**Note-18**
**Revenue from Operation**

Particulars	31.03.2018	31.03.2017
Sale of Products ( Including Excise Duty)		
Sale of Products		
Other Goods		
Software Sales	308,288,849	155,069,255
<b>Total</b>	<b>308,288,849</b>	<b>155,069,255</b>

**Note-19**
**Other Income**

Particulars	31.03.2018	31.03.2017
Other Income:		
Currency Fluctuation	1,811,748.92	2,337,050
Discount	--	1,596
Profit From Sale Of Investment	1,959,417	214,086

Commission	--	--
<b>Total</b>	<b>3,771,165</b>	<b>2,552,732</b>

**Note-20**
**Finance Income**

Particulars	31.03.2018	31.03.2017
Interest Income On FDR's	831,137	80,867
Interest Income On NSC & Other	150,411	1,736
Interest On Income Tax Refund	--	21,828
<b>Total</b>	<b>981,548</b>	<b>104,431</b>

**Note-21**
**Cost of Material and Components Consumed**

Particulars	31.03.2018	31.03.2017
Material and Components Consumed		
Inventory at the Beginning of the year		
Add: Purchases	101,895,942	83,247,632
Less : Inventory at the end of the year	--	--
<b>Cost of Goods Sold</b>	<b>101,895,942</b>	<b>83,247,632</b>

**Note-22**
**Employee Benefits Expenses**

Particulars	31.03.2018	31.03.2017
Salary, Wages And Bonus	54,767,115	37,486,536
Employer Contribution In ESI	83,680	--
Employee Medical Insurance Expenses	789,043	440,519
Staff Welfare	1,160,229	19,150
Directors Remuneration	6,867,500	7,864,000
Gratuity Provision Ind AS 19	4,305,273	2,344,332
<b>Total</b>	<b>67,972,840</b>	<b>48,154,537</b>
Defined Benefit Plan Recognized In OCI		
Gratuity Provision	507,140	--
<b>Total Employee Benefits Expenses</b>	<b>68,479,980</b>	<b>48,154,537</b>

**Note-23**
**Depreciation and Amortization Expenses**

Particulars	31.03.2018	31.03.2017
Depreciation on tangible assets	3,945,184	2,135,916
Amortization of intangible assets	--	--
Depreciation on investment properties	--	--
<b>Total</b>	<b>3,945,184</b>	<b>2,135,916</b>

**Note-24**
**Finance Cost**

Particulars	31.03.2018	31.03.2017
Interest on Term Loan	838,369	1,211,765
Interest on CC	--	--
Interest On Vehicles Loan	--	--
Interest Others	--	--
<b>Total</b>	<b>838,369</b>	<b>1,211,765</b>

**Note-25**
**Other Expenses**

Particulars	31.03.2018	31.03.2017
Information Technology Expenses	527,419	25,200
Consumables	2,612,785	39,080
Power & Fuel	829,452	392,792
Advertising And Sales Promotion	10,880,584	21,000
Other Selling Distribution Expenses	--	1,790,176
Conveyance Expenses	300,241	449,743
Repairs And Maintenance - Building, Plant & Machinery	693,733	374,703
Travelling Expenses Domestic	213,116	81,444
Travelling Expenses Foreign	2,356,811	2,872,719
Insurance	2,557,986	132,266
Rent	2,965,667	1,386,000
Postage , Telephone And Stationery Expenses	1,003,274	177,838
Legal & Professional Charges		
Professional & Technical Charges	879,742	2,119,167
Consultancy Charges	1,566,000	31,000
Legal Expenses	60,000	84,500
Internet expenses	--	344,134
Bank Charges	--	51,767
Swachh Bharat Cess	--	84,938
General Charges And Administrative Expenses	--	555,670
Registration And Filing Fees	175,460	35,480
Seminars Conference Expenses	--	121,562
Entertainment Expenses	--	169,903
Misc. Expenses	959,792	--
Payment to Auditors		
Auditor Fee	250,000	50,000
<b>Total</b>	<b>28,832,061</b>	<b>11,391,081</b>

**Note-26**
**Exceptional Extra Ordinary Items**

Particulars	31.03.2018	31.03.2017
Exceptional Expenses		
IPO Charges	2,542,380	--
ROC Expenses	558,200	--
<b>Total</b>	<b>3,100,580</b>	<b>--</b>

In terms of out report of even date attached

For &amp; On behalf of the Board of Directors

For Amit Ramakant & Co.  
Chartered Accountants  
Firm Registration No.: 009184C

Sd/-  
Chandan Garg  
Managing Director  
DIN: 06422150

Sd/-  
Kapil Garg  
Whole Time Director  
DIN: 07143551

Sd/-  
Amit Agrawal  
Partner  
Membership Number: 077407

Date: 30 May 2018  
Place: Jaipur

Sd/-  
Sanjeev Mittal  
Chief Financial Officer

Sd/-  
Prachi Mittal  
Company Secretary  
Membership No. A49708

## 2. - SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

### 1.1 General information:

The consolidated Financial Statements comprise of Balance Sheet, Statement of Profit and Loss, Statement of Change in Equity and Statement of Cash Flows together with the notes thereon of Innovana Thinklabs Limited for the year ended March 31, 2018.

The Company is a public limited company incorporated and domiciled in India under the provisions of the Companies Act, 2013 applicable in India. It is a company listed at National Stock Exchange (NSE EMERGE). The Registered office and corporate office of the Company is situated at Plot No. D-41, Patrakar Colony, Near Jawahar Nagar Puliya, Moti Dungari Vistar Yojna, Raja Park, Jaipur-302004, Rajasthan.

The Company is primarily engaged in the business of Trading, Development and Marketing of Software and other related activities.

The details of subsidiaries, considered in these consolidated financial statements are:

Name of Subsidiary	Incorporated Location	% holding as on 31 <sup>st</sup> March 2018	% holding as on 31 <sup>st</sup> March 2017
Innovana Techlabs Limited	India	100%	NIL

### 1.2.1 Basis of Preparation and Statement of compliance

The Consolidated Financial Statements have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016.

For all periods up to and including the year ended March 31, 2017, the Company prepared Its Consolidated Financial Statements in accordance with the requirements of previous GAAP prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014. The financial statements for the financial year ended March 31, 2018 are the Company's First Ind AS compliant annual financial statements with comparative figures for the year ended March 31, 2017 also under Ind AS. The date of transition is April 1, 2016. Please refer to note 5 for detailed disclosure on the first time adoption of Ind AS for the details of significant first-time adoption exemptions availed by the Company and an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, it's performance and cash flows.

The Consolidated Financial Statements are prepared under the historical cost convention, on the accounting principles of a going concern. All assets and liabilities have been classified as current or non-current in accordance with the operating cycle criteria set out in Ind AS 1 and Schedule III to the Companies Act, 2013.

Accounting Policies not specifically referred to otherwise are consistent and in consonance with the applicable accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

All expenses and incomes to the extent ascertainable with reasonable certainty are accounted for on accrual basis. All taxes, duties and cess etc. paid on purchases have been charged to the Statement of Profit and Loss except such taxes, duties and cess, which are subsequently recoverable with reasonable certainty from the taxing authorities.

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in India sometimes requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amounts of Revenue and expenses for that year. Actual result could differ from these estimates. Any revision to such estimate is recognised in the period in which same is determined.

The financial statements are presented in Indian Rupees ('INR') and all values are rounded to the nearest rupee, except otherwise indicated.

### 1.2.2 Principles of Consolidation

The consolidated financial statements relate to Innovana Thinklabs Limited. ('The Parent' or 'the company') and its subsidiary Innovana Techlabs Limited together referred to as 'the Group'. The consolidated financial statements have been prepared in accordance with the principles and procedures required for the preparation and presentation of financial statements as laid down under the accounting standards issued by the Institute of financial statements of the company and its subsidiary have been 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 transactions and resulting unrealized gain/losses. The Group accounts for investments by the equity method of accounting where it is able to exercise significant influence over the operating and financial policies of the investee. The Group's share of profit/loss of associate firms is included in the profit and loss account. Inter company profits and losses have been proportionately eliminated until realized by the investor or investee.

CFS comprises the financial statements of Innovana Thinklabs Limited and its subsidiaries as below:

S. No.	Name of Company	Date of Incorporation	% of Holding	No. of shares held
1.	Innovana Techlabs Limited	21.12.2017	100%	10000

### Basis of Consolidation

The consolidated financial statements include the financial statements of Innovana Thinklabs Limited and its subsidiary Innovana Techlabs Limited, which are owned or controlled by the parent company. Subsidiaries are consolidated from the date control commences until the date control ceases. The financial statements of Group companies are consolidated on a line by line basis and intra-group balances and transactions are eliminated. The financial statements are prepared by applying uniform accounting policies in use at the Group. Since the Subsidiary, is owned and controlled 100% by Innovana Thinklabs as on the closing date, there is no minority interest and Goodwill/capital reserve.

### 1.3 Significant Accounting Policies:

#### 1.3.1. - Property, Plant and Equipment:

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses. Freehold or Leasehold land is stated at historical cost.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Where an obligation (legal or constructive) exists to dismantle or remove an asset or restore a site to its former condition at the end of its useful life, the present value of the estimate cost of dismantling, removing or restoring the site is capitalized along with the cost of acquisition or construction upon completion and a corresponding liability is recognized.

Cost of regular comprehensive maintenance work (such as major overhaul) are capitalized as a separate component if they satisfy the recognition criteria. Otherwise they are charged to Profit and Loss during the reporting period in which they are incurred.

#### 1.3.2- Other Intangible Assets: -

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Intangible assets with indefinite useful lives are carried at cost less accumulated impairment losses.

#### 1.3.3 De recognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### 1.3.4- Depreciation & Amortisation: -

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method as per the provisions of Part C of Schedule II of the Companies Act, 2013 based on useful life and residual value specified therein. The residual values are not more than 5% of the original cost of the asset's the asset's residual value and useful life are reviewed and adjusted if appropriate at the end of each reporting period.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

Estimated useful lives of the assets are as follows:

Class of assets	Useful life in Years
Buildings	30
Plant and Machinery	15
Furniture and fixtures	10
Vehicles	08
Office equipment	05
Computer	03

The Use full life are taken as determined based on technical evaluation done by the management expert or those specified by schedule II of the company Act,2013 in order to reflect to the actual usages of the Assets

### 1.3.5 Capital Work-in-progress/ intangible assets under development and Pre-Operative Expenses during Construction Period

Capital work-in-progress comprises of the cost of PPE that are not yet ready for their intended use at the Balance Sheet date.

Cost of material consumed, erection charges thereon along with other related expenses incurred for the projects are shown as CWIP for capitalization.

Expenditure attributable to construction of fixed assets are identified and allocated on a systematic basis to the cost of the related asset.

Interest during construction and expenditure (net) allocated to construction are apportioned to CWIP/ intangible assets under development on the basis of the closing balance of Specific asset or part of asset being capitalized. The balance, if any, left after such capitalization is kept as a separate item under the CWIP/intangible assets Schedule.

Claims for price variation / exchange rate variation in case of contracts are accounted for on acceptance of claims.

Any other expenditure which is not directly or indirectly attributable to the construction of the Project / construction of the Fixed Asset is charged off to statement of profit and loss in the period in which they are incurred.

### 1.3.6 - Impairment of tangible and intangible assets other than goodwill:-

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such Indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.



Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 1.3.7 - Borrowing costs: -

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in statement of profit or loss in the period in which they are incurred.

### 1.3.8 - Cash and cash equivalents: -

Cash and cash equivalent in the balance sheet comprise of cash at banks and on hand and demand deposits, that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### 1.3.9 - Inventories: -

Inventories of Finished Goods, Raw Material and Work in Process are valued at cost or net realizable value whichever is lower. Cost of inventories includes Cost of manufacturing and other cost incurred for the manufacturing and in bringing the inventory to their present location and condition and applicable statutory levies net of under recovered levies charge to Profit and loss but exclude borrowing cost. Costs are assigned on the basis of FIFO method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and estimated cost necessary to make the sale.

### 1.3.10 - Revenue recognition: -

#### (a) Trading, Development and Marketing of Software and other related activities:-

Revenue is recognized to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are exclusive of excises duty, and net of returns, trade allowances, rebate, value added taxes and amount collected on behalf of third party.

Sales are recognized when the Goods are delivered to customers.

#### (b) Interest income:

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 1.3.11 - Taxation: -

Income tax comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

#### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternative Tax ('MAT') credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. 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.

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

**Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**1.3.12 - Earnings per share: -**

Basic earnings per share is computed by dividing the profit/(loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

**1.3.13 - Provisions, Contingencies and commitments: -**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for contingent liabilities is made when there is

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(b) a present obligation that arises from past events but is not recognized because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each reporting period.

Provisions for onerous contracts are recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract.

### 1.3.14 - Financial instruments: -

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Financial Assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets other than trade receivables are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Profit and Loss.

Financial assets, other than equity instruments, are subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- (a) the entity's business model for managing the financial assets and
- (b) the contractual cash flow characteristics of the financial asset.

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

### Impairment of financial assets

The Company recognises a loss allowance for Expected Credit Losses (ECL) on financial assets that are measured at amortised cost and at FVOCI. The credit loss is difference between all contractual cash flows that are due to an entity in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate. This is assessed on an individual or collective basis after considering all reasonable and supportable including that which is forward-looking.

The Company trade receivables or contract revenue receivables do not contain significant financing component and loss allowance on trade receivables is measured at an amount equal to life time expected losses i.e. expected cash shortfall, being simplified approach for recognition of impairment loss allowance.

Under simplified approach, the Company does not track changes in credit risk. Rather it recognizes impairment loss allowance based on the lifetime ECL at each reporting date right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The impairment losses and reversals are recognised in Statement of Profit and Loss. For equity instruments and financial assets measured at FVTPL, there is no requirement for impairment testing.

### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset’s carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

For financial assets other than trade receivables, the Company recognises 12-month expected credit losses for all originated or acquired financial assets if at the reporting date the credit risk of the financial asset has not increased significantly since its initial recognition. The expected credit losses are measured as lifetime expected credit losses if the credit risk on financial asset increases significantly since its initial recognition. If, in a subsequent period, credit quality of the instrument improves such that there is no longer significant increase in credit risks since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12 months ECL.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### 1.3.15 - Financial liabilities and equity instruments: -

#### Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

## Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

## Financial liabilities

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

## Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the company documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

## Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### Reclassification of financial assets and liabilities

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such change are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in the business model.

The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassifications and the how they are accounted for:

Original Classification	Revised Classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FVPTL	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new gross carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new gross carrying amount. No other adjustment is required.
FCTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognised in OCI is reclassified to statement of profit and loss at the reclassification date.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 1.3.16 Employee related Benefits

#### Defined Benefit Plans - General Description

Gratuity: Each employee rendering continuous service of 5 years or more is entitled to receive gratuity amount equal to 15/26 of the monthly emoluments for every completed year of service subject to maximum of 10 Lakhs at the time of separation from the company.

### Other long-term employee benefits - General Description

Leave Encashment: Each employee is entitled to get 15 earned leaves for each completed year of service. Encashment of earned leaves is made at the end of the financial years.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Changes in the present value of the defined benefit obligation are, as follows:

Particulars	Gratuity Funded	Leave Encashment Unfunded
<b>Defined benefit obligation at 1st April, 2016</b>	-	-
Current service cost	23,44,332	-
Interest expense	-	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligations	-	-
<b>Defined benefit obligation at 31st March, 2017</b>	<b>23,44,332</b>	-
Current service cost	41,28,979	-
Interest expense	1,76,294	-
Past service cost	-	-
Benefits paid	-	-
Actuarial (gain)/ loss on obligations	5,07,140	-
<b>Defined benefit obligation at 31st March, 2018</b>	<b>71,56,745</b>	-

Changes in the Fair value of Plan Assets are, as follows:

Particulars	Gratuity Funded	Leave Encashment Unfunded
<b>Opening Fair Value of Plan Assets at 1st April, 2016</b>	-	-
Actual Return of Plan Assets	-	-
Employer Contribution	-	-
Benefits paid	-	-
Closing fair value of Plan Assets	-	-
<b>Opening Fair Value of Plan Assets at 31st March, 2017</b>	-	-
Actual Return of Plan Assets	-	-
Employer Contribution	-	-
Benefits paid	-	-
Closing fair value of Plan Assets	-	-
<b>Opening Fair Value of Plan Assets at 31st March, 2018</b>	-	-

Actuarial (Gain) / Loss on Plan Assets:

Particulars	31st March 2017	31st March 2018
Expected Interest Income	-	-
Actual Income on Plan Assets	-	-
<b>Actuarial (Gain) / Loss on Assets</b>	-	-



#### Other Comprehensive Income

Particulars	31st March 2017	31 <sup>st</sup> March 2018
Opening amount recognised in OCI outside Profit & Loss account	-	-
Actuarial Gain / (Loss) on Liabilities	-	(5,07,140)
Actuarial Gain / (Loss) on Assets	-	-
<b>Closing amount recognised in OCI outside Profit &amp; Loss account</b>	<b>-</b>	<b>(5,07,140)</b>

#### The Amount to be recognized in Balance Sheet Statement

Particulars	31st March 2017	31 <sup>st</sup> March 2018
Present Value of Obligation	23,44,332	71,56,745
Fair Value of Plan Assets	-	-
Net Obligations	23,44,332	71,56,745
Amount Not Recognized due to assets limit	-	-
<b>Net Defined Benefit Liability / (Assets) Recognized in Balance Sheet</b>	<b>23,44,332</b>	<b>71,56,745</b>

#### Expenses Recognised in Statement of Profit and Loss

Particulars	31st March 2017	31 <sup>st</sup> March 2018
Service Cost	23,44,332	41,28,979
Net Interest Cost	-	1,76,294
<b>Expenses recognised in the statement of Profit &amp; Loss</b>	<b>23,44,332</b>	<b>43,05,273</b>

#### Change in Net Defined Obligations

Particulars	31st March 2017	31 <sup>st</sup> March 2018
Opening of Net Defined Benefit Liability	-	23,44,332
Service Cost	23,44,332	41,28,979
Net Interest Cost	-	1,76,294
Re-measurements	-	5,07,140
Contribution paid to Fund	-	-
<b>Closing of Net Defined Benefit Liabilities</b>	<b>23,44,332</b>	<b>71,56,745</b>

#### Maturity Profit of Defined Benefit Obligation

Particulars	31st March 2017	31 <sup>st</sup> March 2018
Year 1	1,570	5,324
Year 2	1,542	4,565
Year 3	1,787	1,00,321
Year 4	46,925	1,77,618
Year 5	75,880	2,39,569
After 5 <sup>th</sup> Year	1119,89,827	4,04,05,152
<b>Total</b>	<b>1,21,17,531</b>	<b>4,09,32,549</b>



### 1.3.17 Investments:

Long term investments are stated at cost. In case, there is a decline other than temporary in the value of the investment, a provision for same is made. Current investments are valued at lower of cost or fair value.

### 1.4 Use of Estimates, Assumptions and Judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require an adjustment to the carrying amount of assets or liabilities in future periods. Difference between actual results and estimates are recognised in the periods in which the results are known / materialise. The Company has based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

#### 1.4.1 Taxes

The Company provides for tax considering the applicable tax regulations and based on reasonable estimates. Management periodically evaluates positions taken in the tax returns giving due considerations to tax laws and establishes provisions in the event if required as a result of differing interpretation or due to retrospective amendments, if any. The recognition of deferred tax assets is based on availability of sufficient taxable profits in the Company against which such assets can be utilized. MAT (Minimum Alternate Tax) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax and will be able to utilize such credit during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the Statement of Profit and loss and is included in Deferred Tax Assets. The Company reviews the same at each balance sheet date and if required, writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will be able to absorb such credit during the specified period.

#### 1.4.2 Useful life of Property, Plant and Equipment

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

#### 1.4.3 Impairment of Non-financial assets

Non-financial assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

#### 1.4.4 Provision for decommissioning

In measuring the provision for ARO, the Company uses technical estimates to determine the expected cost to dismantle and remove the infrastructure equipment from the site and the expected timing of these costs. Discount rates are determined based on the risk adjusted bank rate of a similar period as the liability.

#### 1.4.5 Provisions and Contingent Liabilities

Provisions and contingent liabilities are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

### 1.5 First Time Adoption of Ind AS

The Company had prepared its financial statements in accordance with the Accounting Standards (AS) notified under section 133 of the Companies Act, 2013 (Previous GAAP) for and including the year ended March 31, 2017.

The Company has prepared its first Ind AS (Indian Accounting Standards) compliant Financial Statements for the year ended March 31, 2018 with restated comparative figures for the year ended March 31, 2017 in compliance with Ind AS. Accordingly, the Opening Balance Sheet, in line with Ind AS transitional provisions, has been prepared as at April 1, 2016, the date of Company's transition to Ind AS. The principal adjustments made by the Company in restating its Previous GAAP financial statements as at and for the Financial year ended March 31, 2017 and the balance sheet as at April 1, 2016 are as mentioned below:

### 1.5.1 EXEMPTIONS APPLIED

Ind AS 101 on First Time Adoption of Ind AS allows first-time adopters certain voluntary exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**1.5.1.1** There is no change in the functional currency of the Company and accordingly, it has elected to continue with the carrying values for all of its property, plant and equipment and intangible assets as recognised in its previous GAAP financial statements as the deemed cost at the transition date subject to the adjustments for decommissioning liabilities. As per the exemption under Ind AS 101, decommissioning liability was measured in accordance with Ind AS 37 at the date of transition to Ind AS. To the extent the liability was within the scope of Appendix-A of Ind AS 16, estimated liability that would have been included in the cost of related asset when the liability first arose by discounting the liability to that date using best estimate of the historical risk adjusted discount rate over the intervening period. Accumulated depreciation was calculated on that amount as at the date of transition to Ind AS on the basis of the current estimate of the useful life of the asset, using the depreciation policy adopted by the Company in accordance with Ind AS.

**1.5.1.2** Appendix C to Ind AS 17 requires the Company to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. However, the Company has used Ind AS 101 exemption and assessed all relevant arrangements for classification of leases based on facts and circumstances existing at the date of transition to Ind AS.

### 1.5.2 Exceptions Applied

Ind AS 101 specifies mandatory exceptions from retrospective application of some aspects of other Ind ASs for first-time adopters. Following exception is applicable to the Company:

#### Use of Estimates

The estimates at April 1, 2016 and March 31, 2017 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Previous GAAP did not require estimation: •

Impairment of financial assets based on Expected Credit Loss (ECL) model The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS and as of March 31, 2017.

### 1.5.3 First Time Ind AS Adoption reconciliations:

Effect of Ind AS Adoption on the Balance Sheet as at March, 31, 2017 and April 1, 2016

Reconciliation of equity as at April 01, 2016 (date of transition to Ind AS)

(Rupees)			
Particulars	IGAAP	Adjustments	Ind AS
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	7092290	0	7092290
(b) Capital work-in-progress	0	0	0
(c) Other Intangible assets	0	0	0
(d) Investments	0	0	0
(e) Financial Assets	0	0	0
(i) Security Deposits	0	220000	220000
(f) Deferred tax assets (net)	0	0	0
(g) Other non-current assets	0	0	0
	<b>7092290</b>	<b>220000</b>	<b>7312290</b>
<b>Current assets</b>			
(a) Inventories	0	0	0

(b) Financial Assets			
(i) Trade receivables	0	0	0
(ii) Cash and cash equivalents	11497572	0	11497572
(iii) Loans and Advances	220000	(220000)	0
(iv) Other Financial assets(Deposits)	0	0	0
(d) Other current assets	3020808	0	3020808
	<b>14738380</b>	<b>(220000)</b>	<b>14518380</b>
<b>Total assets</b>	<b>21830670</b>	<b>0</b>	<b>21830670</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity Share capital	2000000	0	2000000
(b) Other Equity	5789265	0	5789265
<b>Total equity</b>	<b>7789265</b>	<b>0</b>	<b>7789265</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	0	0	0
(ii) Other financial liabilities	0	0	0
(b) Deferred tax liabilities (Net)	213084	0	213084
(c) Other Non-Current Liabilities	0	0	0
	<b>213084</b>	<b>0</b>	<b>213084</b>
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	0	0	0
(ii) Trade payables	9588514	135245	9723759
(ii) Other Payables	1704271	-135245	1569026
(b) Current Tax Liabilities (Net)	2535536	0	2535536
(c) Other current liabilities	0	0	0
<b>Total liabilities</b>	<b>13828321</b>	<b>0</b>	<b>13828321</b>
<b>Total equity and liabilities</b>	<b>21830670</b>	<b>0</b>	<b>21830670</b>

## Reconciliation of equity as at 31 March 2017 (contd...)

(Rupees)			
Particulars	IGAAP	Adjustments	Ind AS
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, Plant and Equipment	6745219	0	6745219
(b) Capital work-in-progress	36449061	0	36449061
(c) Other Intangible assets	0	0	0
(d) Investments	0	0	0
(e) Financial Assets			

(i) Security Deposits	0	220000	220000
(f) Deferred tax assets (net)	0	0	0
(g) Other non-current assets	0	0	0
	<b>43194280</b>	<b>220000</b>	<b>43414280</b>
<b>Current assets</b>			
(a) Inventories	0		
(b) Financial Assets			
(i) Trade receivables	0		
(ii) Cash and cash equivalents	4396302	3072779	7469081
(iii) Loans and Advances	1371620	-220000	1151620
(iv) Other Financial assets(Deposits)	0		0
(d) Other current assets	13455122	-3072779	10382343
	<b>19223044</b>	<b>-220000</b>	<b>19003044</b>
<b>Total assets</b>	<b>62417324</b>	<b>0</b>	<b>62417324</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
(a) Equity Share capital	2000000	0	2000000
(b) Other Equity	15331386	-2344332	12987054
<b>Total equity</b>	<b>17331386</b>	<b>--2344332</b>	<b>14987054</b>
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19639510	0	19639510
(ii) Other financial liabilities	0	0	0
(b) Deferred tax liabilities (Net)	819584	0	819584
(c) Other Non-Current Liabilities	0	0	0
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	0	0	0
(ii) Trade payables	13888560	50000	13938560
(iii) Other Payables	0	6907087	6907087
(b) Current Tax Liabilities (Net)	3781197	0	3781197
(d) Other current liabilities	6957087	-4612755	2344332
<b>Total liabilities</b>	<b>45085938</b>	<b>2344332</b>	<b>47430270</b>
<b>Total equity and liabilities</b>	<b>62417324</b>	<b>0</b>	<b>62417324</b>

Company reconciliation of profit or loss for the year ended 31 March 2017			
			(Rupees)
Particulars	IGAAP	Adjustments	Ind AS
<b>Continuing operations</b>			
Revenue from operations	155069255	0	155069255
Other income	2657162	0	2657162
<b>Total Income</b>	<b>157726417</b>	<b>0</b>	<b>157726417</b>

Cost of Raw Material and Components Consumed	83247632	0	83247632
Purchase of Traded Goods	0	0	0
(Increase) / Decrease in Inventories	0	0	0
Excise Duty	0	0	0
Employee benefits expense	37927055	10227482	48154537
Finance costs	1263531	-51766	1211765
Depreciation and amortisation expense	2135916	0	2135916
Other expenses	19222465	-7831383	11391081
<b>Total expenses</b>	<b>143796599</b>	<b>2344332</b>	<b>146140931</b>
<b>Profit/(loss) before share of (profit)/loss of an associate and a joint venture, exceptional items and tax from continuing operations</b>	<b>13929818</b>	<b>-2344332</b>	<b>11585486</b>
Share of (profit)/ loss from investment in associate and joint venture	0		0
<b>Profit before tax from continuing operations</b>	<b>13929818</b>	<b>-2344332</b>	<b>11585486</b>
(1) Current tax	3781197	0	3781197
(2) Deferred tax	606500	0	606500
Income tax expense	4387697	0	4387697
<b>Profit for the year from continuing operations</b>	<b>9542121</b>	<b>-2344332</b>	<b>7197790</b>
<b>Other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>	<b>0</b>	<b>0</b>	<b>0</b>
Re-measurement gains/ (losses) on defined benefit plans	0	0	0
<b>Other comprehensive income for the year, net of tax</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income for the year, net of tax</b>	<b>9542121</b>	<b>-2344332</b>	<b>7197790</b>

Company reconciliation of equity for the year ended 31 <sup>st</sup> March 2017 and 31 March 2016		
Particulars	31/03/2017	31/03/2016
<b>Equity under Previous GAAP</b>	<b>17331386</b>	<b>7789265</b>
Net gain / (loss) on financial assets / liabilities fair valued through statement of profit and loss	(2344332)	0
<b>Equity under IND AS</b>	<b>14987054</b>	<b>7789265</b>

#### Explanatory notes to Reconciliation

##### 1) Property, plant and equipment

The Company has elected to continue with the carrying value of all of its property plant and equipment recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

##### 2) Intangible Assets

The Company has elected to continue with the carrying value of all of its intangible assets recognised as of April 1, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

### 3) Borrowings

Under Previous GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

### 4) Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Previous GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity. On the date of transition, the net impact on deferred tax liabilities is of Nil. (31 March 2015: Nil).

### 5) Other comprehensive income

Under Previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled Previous GAAP profit or loss to profit or loss as per Ind AS. Further, Previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

### 6) Statement of cash flows

The transition from Previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

## Financial Instruments: Classifications and Fair Value Measurement

This note provides information about how the Company determines fair values of various financial assets and financial liabilities (which are measured at fair value through profit or loss).

Financial Assets/Financial Liabilities Fair value hierarchy	Valuation technique(s) and key input(s)
Level 1	Quoted bid prices in an active market.
Level 2	Discounted cash flow at a discount rate that reflects the issuer's current borrowing rate at the end of the reporting period.
Level 3	Income approach – in this approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of these investees

## Fair value of financial assets and financial liabilities

The management consider that the carrying amounts of non-current and current financial assets and liabilities recognised in the financial statements approximate their fair values.

## Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

### Gearing ratio

The gearing ratio at end of the reporting period was as follows:

Particulars	As at 31/03/18	As at 31/03/17	As at 1/4/2016
Debt (i)	12,18,61,640	4,66,10,686	1,38,28,321
Cash and bank balances (including cash and bank balances in a disposal Company held for sale)	6,12,70,004	74,69,081	1,14,97,572
<b>Net debt</b>	<b>6,05,91,636</b>	<b>3,91,41,605</b>	<b>23,30,749</b>
Total equity	18,25,38,881	1,49,87,054	77,89,265
<b>Net debt to equity ratio</b>	<b>0.33</b>	<b>2.61</b>	<b>0.30</b>

(i) Debt is defined as long-term and short-term borrowings (excluding derivative and contingent consideration).

### **28.- Other Notes on Financial Statements.**

(a) All the balance shown under the heads Trade Receivables, Trade Payables, Loans and Advances, Security Deposits, Other Current Assets, Other Current Liabilities and Unsecured Loans are subject to confirmation and reconciliation.

#### **(b) Corporate Social Responsibility (CSR)**

As the the net worth of the company is below Rs. 500 crores, Turnover is below Rs. 1000 crores and Net Profit is more than Rs. 5 crores, provision of Section 135 of Companies Act, 2013 are applicable on the company for the financial year 2018-19 onwards.

(c) The Company has provided the provision for liability of works carried/supplies received pertaining to Financial year 2017-18 till such invoices are received by the Company upto 29.05.2018

(d) Figures have been taken to nearest rupees. Previous year figures have been regrouped / rearranged wherever considered necessary to make them comparable with the Current Year figures.

(e) In respect of Income Tax, the regular assessment up to the A.Y. 2016 - 2017 has been complete. In respect of VAT, the regular assessment up to F.Y. 2015- 2016 has been complete. No demands are outstanding in respect of such assessments.

(f) Consumption of Raw Materials, Stores and Spares, Diesel, Furnace Oil, Lubricants and Power etc. have been considered in the accounts as made available by a Director of Company being technical in nature.

#### **(g) Commitments**

Particulars	(Rupees)		
	As at 31/03/18	As at 31/03/17	As at 1/04/16
Commitments to contribute funds for the acquisition of property, plant and equipment.	0	0	0

#### **(h) Contingent liabilities not provided for**

Particulars	(Rupees)		
	As at 31/03/18	As at 31/03/17	As at 01/04/16
(a) Bank Guarantees	0	0	0

(b) Damages and interest under Employees State Insurance Act 1948 being disputed and appeal there against pending for final disposal.	0	0	0
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**(i) Raw Material Consumed**

(Rupees)

Particulars	As at	31.03.2018	As at	31.03.2017	As at	31.03.2016
	%	Amount	%	Amount	%	Amount
Imported	0	0	0	0	0	0
Indigenous	100.00	10,18,95,942	100.00	8,32,47,632	100	2,06,60,207
Total	100.00	10,18,95,942	100.00	8,32,47,632	100	2,06,60,207

(j) Stores &amp; Spares Consumed is all Indigenous.

**(k) CIF Value of Imports**

(Rupees)

Particulars	As at 31/03/18	As at 31/03/17	As at 1/04/16
CIF Value of Imports.	0	0	0

**(l) Expenditure & Earnings in Foreign Currency**

(Rupees)

Particulars	As at 31/03/18	As at 31/03/17	As at 1/04/16
Expenditure in Foreign Currency	1,71,36,000	0	0
Earnings in Foreign Currency	30,82,88,849	15,50,69,255	6,60,95,449

**29.- Related party disclosure**

The related parties where control and significant influence exists are Parents and associates respectively. Key Management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director whether executive or otherwise.

**(A) List of Related Parties**

Related parties with whom the Company has entered into transactions during the year:

I	Enterprises over which key management personnel and relatives of such personnel exercise significant influence.
	INNOVANA TECHLABS LIMITED
II	Key Managerial Personnel
1	Mr. Chandan Garg – Chairman & Managing Director
2	Mr. Kapil Garg – Director
3	Mr Swarna Kanta Garg – Director
4	Miss .Prachi Mittal – Company Secretary
5	Mr Sanjeev Mittal –Chief financial officer
III	Relative of Key Managerial Personnel –
	3. Nariender Kumar Garg
	4. Nancy Garg



IV	Subsidiaries of Associates and Joint Ventures – Innovana Techlabs Limited
V	Post-Employment Benefit Plans – NA

(B) Transactions with Related Parties for the year ended March 31, 2018 and March 31, 2017

(Rupees)			
Sr. No.	Particulars	Current Year (31.03.2018)	Previous Year (31.03.2017)
1-	<b><u>Remuneration Paid:</u></b>		
	Mr. Chandan garg	48,00,000	61,93,353
	Mr. Kapil Garg	18,67,500	16,70,667
	Mrs. Swaran Kanta	2,00,000	NIL
	Mrs. Nancy Garg	2,17,510	NIL
	Mr. Narendra Kumar Garg	8,30,000	4,80,000
2-	<b><u>Interest Paid :-</u></b>	--	--
3-	<b><u>Purchase From:</u></b>	--	--
4-	<b><u>Sales To</u></b>	--	--
5-	<b><u>Interest Received:</u></b>	--	--
6-	Lease Rent:		
	Mr. Chandan Garg	15,00,000	--
7-	<b><u>Loan:-</u></b>		
	Innovana Techlabs Limited	26,29,895	--

**30.- Auditors Remuneration:**

Remuneration to Auditors (excluding service tax):

(Rupees)		
Particulars	For the Year ended March 31, 2018	For the Year ended March 31, 2017
Audit Fees	2,00,000	35,000
Tax Audit fees	50,000	15,000
Other Services/ Certifications	0	0

**31.- Events after the reporting period:**

In respect of the financial year ending March 31, 2018, no events are required to be reported which occurred after the reporting period.

**32.- Approval of financial statements:**

The financial statements were approved for issue by the Board of Directors on 30<sup>th</sup> May, 2018.

**33.- Disclosure under Micro, Small and Medium Enterprises Development Act:**

The details of amounts outstanding to Micro, Small and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

S. No.	Particulars	As at 31/03/2018	As at 31/03/2017	As at 01/04/2016
1	Principal amount outstanding	-	-	-
2	Principal amount due and remaining unpaid	-	-	-
3	Interest due on (2) above and the unpaid interest	-	-	-
4	Interest paid on all delayed payments under the MSMED Act.	-	-	-
5	Payment made beyond the appointed day during the year	-	-	-
6	Interest due and payable for the period of delay other than (4) above	-	-	-
7	Interest accrued and remaining unpaid	-	-	-
8	Amount of further interest remaining due and payable in succeeding years	-	-	-

### 34.- Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company operates in a competitive environment and is exposed in the ordinary course of its business to risk related to changes in foreign currency exchange rates, commodity prices and interest rates. The fair value of future cash flows of sale of products manufactured and traded will depend upon the demand and supply.

### 35.- Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. It encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks. Company's credit risk arises principally from the trade receivable and advances.

#### Trade Receivables:

Customer credit risk is managed by the company through established policy, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/economic conditions, market reputation, expected business etc. Based on that credit limits and credit terms are decided. Outstanding customer receivables are regularly monitored.

Trade receivables consists of large number of customers spread across diverse segments and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables. However The Company is not providing any credits to its customers.

#### Age of receivables: -

Particulars	(Rupees)		
	As at 31/03/18	As at 31/03/17	As at 01/04/16
Within the credit period (60-75 days)	0	0	0
Overdue	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

**NOTE: - 36 Tax balances: -**
**a) Deferred Tax: -**

The following is the analysis of deferred tax assets/(liabilities) presented in the balance sheet:

(Rupees)

Particulars	As at 31/03/18	As at 31/03/17	As at 01/04/16
Deferred tax assets (DTA)	0	0	0
Deferred tax Liabilities (DTL)	282348	819584	213084
<b>Net (DTL)</b>	<b>282348</b>	<b>819584</b>	<b>213084</b>

**b) Income tax:**

The income tax expense for the year can be reconciled to the accounting profit as follows:

(Rupees)

Particulars	As at 31/03/18	As at 31/03/17
Profit before tax	106456586	11585486
Enacted tax rate (%)	28.84	33.06
<b>Computed Expected tax expenses</b>	<b>30727235</b>	<b>4387697</b>
Tax impact of non-deductible / deductible expenses and timing difference	537236	-606500
<b>Income Tax Expenses charged</b>	<b>31264471</b>	<b>3781197</b>

**37.- Operating segment:**

The Managing Director of the Company is Chief Operating Decision Maker (CODM) as defined by Ind AS 108, Operating Segments. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators, however only for one segment viz. "Software and Software development ". Hence the Company does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments".

**38.- Earnings per share:**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

(Rupees)		
Particulars	March 31,2018	March 31,2017
Profit attributable to equity holders of the company:		
Continuing operations	75222211	7197790
<b>Profit attributable to equity holders of the parent for basic earnings</b>	75222211	7197790
Weighted average number of Equity shares for basic EPS	4100000	200000
<b>Weighted average number of Equity shares adjusted for the effect of dilution</b>	4100000	200000
Earnings per equity share of face value of Rs. 10 each (In rupees)( Previous Year Face Value of Rs. 10 each (In Rupees)	<b>18.35</b>	<b>35.99</b>

In terms of out report of even date attached

For & On behalf of the Board of Directors

For Amit Ramakant & Co.  
Chartered Accountants  
Firm Registration No.: 009184C

Sd/-  
Chandan Garg  
Managing Director  
DIN: 06422150

Sd/-  
Kapil Garg  
Whole Time Director  
DIN: 07143551

Sd/-  
Amit Agrawal  
Partner  
Membership Number: 077407

Date: 30 May 2018  
Place: Jaipur

Sd/-  
Sanjeev Mittal  
Chief Financial Officer

Sd/-  
Prachi Mittal  
Company Secretary  
Membership No. A49708

**INNOVANA THINKLABS LIMITED**

**Registered office:** Plot No. D-41, Patrakar Colony, Near Jawahar Nagar Moti Dungri Vistar Yojna,  
Raja Park-302004, Jaipur, Rajasthan

**CIN:** L72900RJ2015PLC047363

**E-Mail ID:** info@innovanathinklabs.com

**Contact No.:** 0141-4919128

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**Attendance Slip**  
**03<sup>rd</sup> Annual General Meeting**

Please Fill Attendance Slip and hand it over at The Entrance of the Meeting Hall.

Joint shareholders may obtain additional slip at the venue of the meeting.

Folio No.	
DP Id	
Client ID	
No. of shares	

I/We hereby record my presence at the 03<sup>rd</sup> Annual General Meeting of the Company at Plot No. D-41, Patrakar Colony, Near Jawahar Nagar Moti Dungri Vistar Yojna, Raja Park-302004, Jaipur, Rajasthan on Thursday, 06<sup>th</sup> day of September, 2018 at 11:30 A.M.

Name of the Shareholder		Signature of shareholder	
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**Notes:**

1. Only Member/Proxy holder can attend the Meeting.
2. Please complete the Folio No. /DP ID No., Client ID No. and name of the Member/Proxy holder, sign this Attendance Slip and hand it over, duly signed, at the entrance of the Meeting Hall.

**INNOVANA THINKLABS LIMITED**

**Registered office:** Plot No. D-41, Patrakar Colony, Near Jawahar Nagar Moti Dungri Vistar Yojna,  
Raja Park-302004, Jaipur, Rajasthan

**CIN:** L72900RJ2015PLC047363

**E-Mail ID:** info@innovanathinklabs.com

**Contact No.:** 0141-4919128

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**Form No. MGT-11****Proxy form**

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

**CIN:** L72900RJ2015PLC047363

**Name of the company:** Innovana Thinklabs Limited (Formerly known as PCVARK Software Limited)

**Registered office:** Plot No. D-41, Patrakar Colony, Near Jawahar Nagar Moti Dungri Vistar Yojna, Raja Park-302004, Jaipur, Rajasthan

<b>Name of the Member (s):</b>
<b>Registered Address:</b>
<b>E-Mail Id:</b>
<b>Folio No/ Client Id:</b>
<b>DP ID:</b>

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: .....

Address:

E-Mail Id:

Signature....., or failing him

2. Name: .....

Address:

E-Mail Id:

Signature....., or failing him

as my proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 03rd Annual General Meeting of the company, to be held on the Thursday, 06<sup>th</sup> day of September, 2018 At 11:30 A.M. at Plot No. D-41, Patrakar Colony, Near Jawahar Nagar Moti Dungri Vistar Yojna, Raja Park-302004, Jaipur, Rajasthan and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution		
Ordinary Business:		For	Against
01	To receive, consider and adopt the standalone and consolidated financial statement of the company for the year ended March, 31 <sup>st</sup> 2018 together director's report and auditor's report thereon		
02	To reappoint Mr. Kapil Garg, Whole Time Director of the company, who is liable to retire by rotation.		
03	To re-appoint of M/s. Amit Ramakant & Co., Chartered Accountants, (Firm Registration No. 009184C) as Statutory Auditors.		
Special Business:			
04	To Increase in remuneration and Change in terms of appointment of Mr. Chandan Garg, Managing Director of the company		
05	To Increase in remuneration of Mr. Kapil Garg, Whole Time Director of the company		

Signed this..... day of..... 20....

Signature of shareholder

Signature of Proxy holder(s)

AFFIX  
REVENUE  
STAMP

#### Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A proxy need not be a member of the Company.
3. For the Resolutions, Explanatory Statement and Notes please refer to the Notice of the Extra Ordinary General Meeting of the Company.

***INNOVANA THINKLABS LIMITED***

***Registered office: Plot No. D-41, Patrakar Colony, Near Jawahar Nagar Moti Dungri Vistar Yojna,  
Raja Park-302004, Jaipur, Rajasthan***

***CIN: L72900RJ2015PLC047363***

***E-Mail ID: info@innovanathinklabs.com***

***Contact No.: 0141-4919128***

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***Route Map for holding Annual General Meeting***