

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai- 400 001

BSE Scrip Code : 541353

**Sub.: Intimation for 22<sup>nd</sup> Annual General Meeting (AGM), Book Closure and fixation of cut-off date for e-voting, period of remote e-voting and evoting for the Financial Year 2020-2021.**

Dear Sir/ Madam,

In Compliance with Regulation 30, 34 & 42 of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015, Please note below mentioned details with respect to 22<sup>nd</sup> Annual General Meeting (AGM), Book Closure and fixation of cut-off date for e-voting, period of remote e-voting for the Financial Year 2020-2021. Further, we have also enclosed herewith copy of Annual Report for the Financial Year 2020-2021 and the same also be made available on Company's website at [www.innovators.in](http://www.innovators.in). The company has commenced the dispatching the annual report. The schedule of AGM is as set out below:

| Sr. No. | Event                                                  | Date                                                                                 | Time            |
|---------|--------------------------------------------------------|--------------------------------------------------------------------------------------|-----------------|
| 1.      | Annual General Meeting                                 | Monday, 27 <sup>th</sup> September, 2021                                             | 11.00 a.m.      |
| 2.      | Relevant Date/ Cut-off date to vote on AGM Resolutions | Monday, 20 <sup>th</sup> September, 2021                                             | -               |
| 3.      | Book Closure Date- 22 <sup>nd</sup> AGM                | Tuesday 21 <sup>st</sup> September, 2021 to Monday, 27 <sup>th</sup> September, 2021 | -               |
| 4.      | Commencement of E-Voting                               | Thursday, 23 <sup>rd</sup> September, 2021                                           | 9.00 a.m. (IST) |
| 5.      | End of E-Voting                                        | Sunday, 26 <sup>th</sup> September, 2021                                             | 5.00 p.m (IST)  |

We request you to take this intimation on record.

Thanking you,

Yours faithfully,

**FOR INNOVATORS FAÇADE SYSTEMS LIMITED**



**Radhika Agarwal**

**Company Secretary & Compliance Officer**

**Membership No: A48119**

**Date: 02<sup>nd</sup> September, 2021**

**Place: Thane**



22<sup>nd</sup>

ANNUAL REPORT  
2020-2021

INNOVATORS  
FACADE AND FENESTRATION

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

|                       |                      |
|-----------------------|----------------------|
| Mr. Radheshyam Sharma | Managing Director    |
| Mrs. Anjana Sharma    | Whole-Time Director  |
| Mr. Shivchand Sharma  | Director             |
| Mr. Subhash Gupta     | Independent Director |
| Mr. Sunil Deshpande   | Independent Director |
| Mrs. Poonam Bhati     | Independent Director |

### REGISTERED OFFICE

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

### FACTORY

Survey No. 404/B, Kudus – Chinchghar Village, Chinchghar – Bilavali Road, Post – Kudus, Taluka – Wada, Dist – Palghar, Maharashtra 421312

### AUDITORS

S G C O & Co. LLP  
(Chartered Accountants)

### REGISTRAR & TRANSFER AGENT

LINK INTIME INDIA PRIVATE LIMITED  
C 101, 1st Floor, 247 Park, L.B.S Marg, Vikhroli – (West), Mumbai – 400083

### BANKERS

PUNJAB NATIONAL BANK  
INDIAN BANK

### OTHER INFORMATION

|            |                                                          |
|------------|----------------------------------------------------------|
| LISTED ON  | BSE (SME PLATFORM)                                       |
| WEBSITE    | <a href="http://www.innovators.in">www.innovators.in</a> |
| ISIN       | INE870Z01015                                             |
| SCRIP CODE | 541353                                                   |

### CHIEF EXECUTIVE OFFICER

Mr. Raman Sharma

### CHIEF FINANCIAL OFFICER

Mrs. Priti Raman Sharma

### COMPANY SECRETARY & COMPLIANCE OFFICER

Mrs. Radhika Agarwal (w.e.f. 19<sup>th</sup> May, 2021)



## **Chairman's Message**

*Dear Shareholders,*

*It gives me immense pleasure to be present amongst you in the ensuing 22<sup>nd</sup> Annual General Meeting (AGM) of the Company, which is being organised via audio / video conferencing. I request all of you with your near and dear ones to stay safe and healthy.*

*The Company is an emerging market leader in providing the complete end-to-end facade solutions. I place on record my sincere gratitude to all the stakeholders for bestowing their faith and continuous support.*

*Dear Shareholders, the FY 2020-21 was an exceptionally challenging year for all of us. The economic slowdown and market sentiment has lowered the demand across all the sectors not only in India but globally at large. Pandemic has impacted our Company severely, which is reflected on our financial performance for FY 2020-21. The turnover of the Company has reduced substantially as compared to previous years and so our net margins also. The impact of Covid 19 may have an extended impact during the next financial year also. However, we are continuously taking all possible steps to overcome this effect by optimising our operational efficiency and improving the manufacturing facilities.*

*Our constant focus on improving design and execution is adding more value to our client service and quality products. Management is very optimistic about changing scenario and growth of the façade industry in India in medium and long term.*

*On an ending note, I would like to thank the entire work force of the Company for their tireless support be it work from home or attending work place under restricted circumstances by following govt. guidelines. Also, I place my sincere gratitude to our bankers for extending timely monetary assistance.*

*Please stay safe. Stay healthy.*

*With Best Wishes,  
Sincerely,*

**Radheshyam Sharma**  
*Chairman & Managing Director*

## NOTICE OF 22<sup>ND</sup> ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE TWENTY SECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF INNOVATORS FAÇADE SYSTEMS LIMITED WILL BE HELD ON MONDAY, 27<sup>TH</sup> SEPTEMBER, 2021 AT 11.00 A.M. THROUGH VIDEO CONFERENCING (“VC”) OR OTHER AUDIO-VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESS.

THE VENUE OF THE MEETING SHALL BE DEEMED TO BE THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 204, B-65, SECTOR NO. 1, SHANTI NAGAR, MIRA ROAD (EAST), THANE 401107

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### ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2021, the Reports of the Board of Directors and Auditors thereon;
2. To appoint a director in place of Mr. Shivchand Sharma (DIN: 00298265), who retires by rotation and being eligible, seeks re-appointment;
3. To re-appoint the Statutory Auditors of the Company and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. S G C O & Co. LLP, Chartered Accountants (*Firm Registration No. 112081W/W100184*), be and are hereby re-appointed as Statutory Auditors of the Company for term of 3 (Three) years, to hold office from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in the FY 2024-25 on such terms and remuneration as mutually agreed upon between the said Auditors and the Board of Directors of the company.

**RESOLVED FURTHER THAT** Mr. Radheshyam Sharma, Managing Director or Mrs. Anjana Sharma, Whole-Time Director or Mrs. Radhika Agarwal, Company Secretary and Compliance officer of the company, be and is hereby authorized to sign and submit the necessary application and forms with appropriate authorities and to perform all such acts, deeds and things as they may in their absolute discretion deem necessary or desirable for and on behalf of the Company for the purpose of giving effect to aforesaid resolution.”

### SPECIAL BUSINESS:

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

Appointment of M/s. Y.R. Doshi & Co., Cost Accountants, Mumbai (FRN: 000003) as Cost Auditors for financial year 2021-22.

**“RESOLVED THAT** pursuant to the provision of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. Y.R. Doshi & Co., Cost Accountants, Mumbai (FRN: 000003) being the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2022, be paid the remuneration of INR 30,000/- (Rupees Thirty Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses, if any and that the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

**RESOLVED FURTHER THAT** Mr. Radheshyam Sharma, Managing Director or Mrs. Anjana Sharma, Whole-Time Director or Mrs. Radhika Agarwal, Company Secretary and Compliance officer of the company, be and is hereby authorized to sign and submit the necessary application and forms with appropriate authorities and to perform all such acts, deeds and things as they may in their absolute discretion deem necessary or desirable for and on behalf of the Company for the purpose of giving effect to aforesaid resolution.”

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as **Special Resolution**:

**Continuation of Directorship of Mr. Shivchand Sharma, Director in terms of Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**“RESOLVED THAT** pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, and the applicable provisions of the Companies Act, 2013 and relevant Rules framed thereunder (including any statutory modification(s) / amendment(s) / re-enactment(s) thereto), approval of the Members be and is hereby accorded to the continuation of directorship of Mr. Shivchand Sharma, Director (DIN: 00298265), attaining the age of 75 years on 07<sup>th</sup> March 2022, as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** Mr. Radheshyam Sharma, Managing Director or Mrs. Anjana Sharma, Whole-Time Director or Mrs. Radhika Agarwal, Company Secretary and Compliance officer of the company, be and is hereby authorized to sign and submit the necessary application and forms with appropriate authorities and to perform all such acts, deeds and things as they may in their absolute discretion deem necessary or desirable for and on behalf of the Company for the purpose of giving effect to aforesaid resolution.

**By order of the Board**

**Sd/-**

**Radhika Agarwal**

**Company Secretary & Compliance Officer**

**Date: 01.09.2021**

**Place: Thane**

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

## **ANNEXURE TO THE NOTICE**

### **Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013**

In Conformity with the Provisions of Section 102(1) of the Companies Act, 2013 the following Explanatory Statement sets out all the material facts relating to the item of Special Business at item no. 4 and 5 of the Notice dated 01<sup>st</sup> September, 2021 and the same should be taken as forming part of the notice.

#### **Item No. 4**

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, read with Companies (Cost Records and Audit) Rules, 2014, the Board of Directors of the Company, on recommendation of the Audit Committee, has approved the appointment of M/s Y R Doshi & Co. (FRN 000003) as Cost Auditors to conduct the audit of cost records of the Company for the financial year ending on 31<sup>st</sup> March, 2022 at a remuneration of INR. 30,000/- (Thirty Thousand) plus applicable taxes and reimbursement of out-of-pocket expenses, if any. The remuneration payable to the Cost Auditors is required to be ratified by the shareholders of the Company. Accordingly, consent of Members is sought for passing an Ordinary Resolution for ratification of remuneration payable to the Cost Auditors for the financial year ending on 31<sup>st</sup> March, 2022 in terms of section 148 of the Companies Act, 2013.

None of the Directors or Key Managerial Personnel of the Company or their relative(s) is, in any way, concerned or interested, financially or otherwise, as set out in the item No. 4.

#### **Item No. 5**

Mr. Shivchand Sharma, aged 74 years, is Non-Executive Non-Independent Director of the Company and is liable to retire by rotation. Mr. Shivchand Sharma has been a Director of the Company since 08<sup>th</sup> January, 2018. He holds the experience in business administration & project management. Mr. Shivchand Sharma would be attaining the age of 75 years on 07<sup>th</sup> March 2022. In view of Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018, for the continuation of Mr. Shivchand Sharma as a Non-Executive Director beyond 07<sup>th</sup> March 2022, consent of the Members would be required by way of a Special Resolution. It is in the interest of the Company to continue to avail his valuable expertise and immense contribution in the growth of the Company. The Board of Directors recommends the Special Resolution for the approval of the Members.

Except Mr. Shivchand Sharma, none of the Directors, Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise as set out in the item No. 5.

**By order of the Board**

**Sd/-**

**Radhika Agarwal**

**Company Secretary & Compliance Officer**

**Date: 01.09.2021**

**Place: Thane**

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



## NOTES TO NOTICE

1. The Statement as required under Section 102 of the Companies Act, 2013 ("the Act") is annexed to the Notice.
2. In view of the current extraordinary circumstances caused by the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 05<sup>th</sup> May, 2020 in relation to "Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)" read with General Circular No. 14/ 2020 dated 08<sup>th</sup> April, 2020, the General Circular No. 17/ 2020 dated 13<sup>th</sup> April, 2020, No. 33/2020 dated 28<sup>th</sup> September, 2020 and General Circular No. 39/2020 dated 31<sup>st</sup> December, 2020 and General Circular No.02/2021 dated 13<sup>th</sup> January, 2021 (collectively referred to as "MCA Circulars") permitted the Companies to hold their Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the current AGM of the Company is being held through VC / OAVM. The deemed venue for the 22<sup>nd</sup> AGM will be the registered office of the Company. The procedure for joining the AGM through VC/ OAVM is mentioned in this Notice.
4. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
5. The Members can join the AGM in the VC/OAVM mode **thirty** minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available on first come first served basis.
6. Members shall have the option to vote electronically ("e-voting") either before the AGM ("remote e-voting") or during the AGM. In compliance with the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014 and any amendments thereto, Secretarial Standard on General Meetings ("SS-2"), Regulation 44 of the SEBI Listing Regulations and MCA Circulars, the facility for remote e-voting and e-voting in respect of the business to be transacted at the AGM is being provided by the Company through Link Intime India Private Limited. Necessary arrangements have been made by the Company with Link Intime India Private Limited to facilitate remote e-voting and e-voting during the AGM.
7. The Company has appointed Mr. Nishant Bajaj (Practising Company Secretary), having COP no. 21538 as the scrutinizer for scrutinizing the entire e-voting process i.e. remote e-voting and e-voting during the AGM, to ensure that the process is carried out in a fair and transparent manner.
8. The attendance of the Members joining the AGM through VC / OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Act.
9. Members attending the AGM through VC / OAVM should note that those who are entitled to vote but have not exercised their right to vote by remote e-voting, may vote during the AGM through e-voting for all businesses specified in the Notice. The Members who have exercised their right to vote by remote e-voting may attend the AGM but cannot vote during the AGM.

10. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Member / Beneficial Owner list maintained by the depositories as on the cutoff date i.e. Monday, 20<sup>th</sup> September, 2021 (“cut-off date”).
11. A person who is not a member as on Monday, 20<sup>th</sup> September, 2021 should treat this Notice for information purposes only.
12. A person, whose name is recorded in the Register of Members / Beneficial Owners list maintained by the depositories as on Monday, 20<sup>th</sup> September, 2021 only shall be entitled to avail the facility of remote e-voting or e-voting during the AGM.
13. Register of Members and Share Transfer Books will remain closed from Tuesday, 21<sup>st</sup> September, 2021 to Monday, 27<sup>th</sup> September, 2021 (both days inclusive).
14. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote during the AGM.
15. Members holding shares in dematerialized form are requested to update with their respective Depository Participants (“DP”), their bank account details (account number, 9-digit MICR and 11-digit IFSC), e-mail IDs and mobile number.
16. Members can avail of the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Act.
17. Additional information of Directors seeking re-appointment at the ensuing AGM, as required under Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Clause 1.2.5 of the SS-2, is annexed to the Notice.
18. In line with MCA Circulars and SEBI circular dated 12<sup>th</sup> May 2020, the Notice calling the AGM along with the Annual Report for 2020-21 (“Annual Report”) is being sent through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice of AGM and Annual Report will also be available on the website of the Company at [www.innovators.in/](http://www.innovators.in/) and the website of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The Notice is also disseminated on the website of Link Intime India Private Limited (agency providing the remote e-voting facility and e-voting during the AGM) at [www.instavote.linkintime.co.in](http://www.instavote.linkintime.co.in). Members who have not registered/ updated their e-mail address or mobile number with the Company but wish to receive all communication (including Annual Report) from the Company electronically may register/ update their e-mail and mobile numbers on [investors@innovators.in](mailto:investors@innovators.in). Members are also encouraged to register/update their e-mail addresses or mobile number with the relevant Depository Participant.
19. Since the AGM will be held through VC / OAVM, the route map is not annexed to the Notice.
20. The Company is providing the facility of live webcast of proceedings of the AGM. Members who are entitled to participate in the AGM can view the proceedings of AGM by logging in the website of Link Intime India Private Limited at [www.instavote.linkintime.co.in](http://www.instavote.linkintime.co.in) using the login credentials.
21. All the documents referred in the Notice are available for inspection electronically from the date of dispatch of Notice till Monday, 27<sup>th</sup> September, 2021 Members seeking to inspect such documents are requested to write to the Company at [investors@innovators.in](mailto:investors@innovators.in).

**Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated 9<sup>th</sup> December, 2020:**

The voting period begins on Thursday, 23<sup>rd</sup> September, 2021 at 9.00 a.m. (IST) and ends on Sunday 26<sup>th</sup> September, 2021 at 5.00 p.m (IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut- off date Monday, 20<sup>th</sup> September, 2021 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode/ physical mode is given below :

| Type of shareholders                                                      | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Individual Shareholders holding securities in demat mode with NSDL</b> | <ul style="list-style-type: none"><li>• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password.</li><li>• After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li><li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li><li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li></ul> |

| Type of shareholders                                                                                     | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with CDSL                                       | <ul style="list-style-type: none"> <li>Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINK NTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul> |
| Individual Shareholders (holding securities in demat mode) & login through their depository participants | <ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME.    | <ol style="list-style-type: none"> <li>Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a> <ul style="list-style-type: none"> <li>Click on <b>“Sign Up”</b> under <b>‘SHARE HOLDER’</b> tab and register with your following details: -               <ol style="list-style-type: none"> <li><b>User ID:</b> Shareholders/ members holding shares in <b>physical form shall provide</b> Event No + Folio Number registered with the Company.</li> <li><b>PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> </ol> </li> </ul> </li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |

| Type of shareholders | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                      | <p><b>C. PAN:</b> Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</p> <p><b>D. DOB/DOI:</b> Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</p> <p><b>E. Bank Account Number:</b> Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</p> <ul style="list-style-type: none"> <li>Shareholders/ members holding shares in <b>physical form</b> but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above</li> </ul> <p>► Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</p> <p>► Click "confirm" (Your password is now generated).</p> <p>2. Click on 'Login' under '<b>SHARE HOLDER</b>' tab.</p> <p>3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '<b>Submit</b>'.</p> <p>4. After successful login, you will be able to see the notification for e-voting. Select '<b>View</b>' icon.</p> <p>5. E-voting page will appear.</p> <p>6. Refer the Resolution description and cast your vote by selecting your desired option '<b>Favour / Against</b>' (If you wish to view the entire Resolution details, click on the '<b>View Resolution</b>' file link).</p> <p>7. After selecting the desired option i.e. Favour / Against, click on '<b>Submit</b>'. A confirmation box will be displayed. If you wish to confirm your vote, click on '<b>Yes</b>', else to change your vote, click on 'No' and accordingly modify your vote.</p> |

#### Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.



**Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKINTIME, have forgotten the password:**

- o Click on **‘Login’** under **‘SHARE HOLDER’** tab and further Click **‘forgot password?’**
- o Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **‘Submit’**.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%\*), at least one numeral, at least one alphabet and at least one capital letter.

**Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:**

- ✧ Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
- ✧ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ✧ For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- ✧ During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

**Helpdesk for Individual Shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

| Login type                                                         | Helpdesk details                                                                                                                                                                                                                |
|--------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30              |
| Individual Shareholders holding securities in demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 22-23058542-43. |

**Helpdesk for Individual Shareholders holding securities in physical mode/ Institutional shareholders & evoting service Provider is LINKINTIME.**

In case shareholders/ members holding securities in physical mode/ Institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 –4918 6000.

## **ANNEXURE TO NOTICE**

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

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

The details of director's appointment or re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2") issued by Institute of Company Secretaries of India is as below:

|                                                                                                                                                             |                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of the Directors</b>                                                                                                                                | Mr. Shivchand Sharma                                                                                                                        |
| <b>DIN</b>                                                                                                                                                  | 00298265                                                                                                                                    |
| <b>Designation</b>                                                                                                                                          | Non-Executive Non-Independent Director                                                                                                      |
| <b>Date of Birth</b>                                                                                                                                        | 07-03-1947                                                                                                                                  |
| <b>Age</b>                                                                                                                                                  | 74 Years                                                                                                                                    |
| <b>Date of Appointment on current position</b>                                                                                                              | 08-01-2018                                                                                                                                  |
| <b>Nationality</b>                                                                                                                                          | Indian                                                                                                                                      |
| <b>Qualifications</b>                                                                                                                                       | Grade-9                                                                                                                                     |
| <b>Expertise in specific Functional Areas</b>                                                                                                               | Business Administration & Project Management                                                                                                |
| <b>Directorships held in other public companies<br/>(excluding foreign companies and Section 8<br/>companies)</b>                                           | Parth Facade Solutions Private Limited                                                                                                      |
| <b>Memberships/ Chairmanships of committees<br/>of other public companies (Audit Committee<br/>and Stakeholders' Relationship Committee<br/>considered)</b> | NIL                                                                                                                                         |
| <b>Chairman/Member of Committee of other<br/>Company</b>                                                                                                    | NIL                                                                                                                                         |
| <b>Shareholding of non-executive directors</b>                                                                                                              | 9,00,000                                                                                                                                    |
| <b>Disclosure of relationship s between directors<br/>inter-se</b>                                                                                          | Being the father of Mr. Radheshyam Sharma,<br>Managing Director of the Company and Raman<br>Sharma, Chief Executive Officer of the Company. |
| <b>Remuneration last drawn (including sitting<br/>fees, if any) for the financial year 2020-21</b>                                                          | NIL                                                                                                                                         |

## **DIRECTORS REPORT**

To,  
The Members,  
Innovators Facade Systems Limited

Your directors are presenting Twenty Second Annual Report on the operations of the Company together with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2021.

### **1. FINANCIAL STATEMENTS & RESULTS:**

#### **I. FINANCIAL RESULTS:**

The Company's performance for the year ended 31<sup>st</sup> March 2021 as compared to the previous financial year, is summarized below:

(Rs. In Lakhs)

| Particulars                                    | Standalone     |                 | Consolidated   |                 |
|------------------------------------------------|----------------|-----------------|----------------|-----------------|
|                                                | FY 2020-21     | FY 2019-20      | FY 2020-21     | FY 2019-20      |
| Revenue from Operations                        | 6586.62        | 14130.52        | 6586.62        | 14130.52        |
| Other Income                                   | 55.40          | 125.59          | 59.65          | 125.59          |
| <b>Total Revenue</b>                           | <b>6642.02</b> | <b>14256.11</b> | <b>6646.27</b> | <b>14256.11</b> |
| <b>EBITDA</b>                                  | <b>883.08</b>  | <b>1673.93</b>  | <b>898.24</b>  | <b>1699.11</b>  |
| Finance Cost                                   | 371.15         | 514.81          | 371.15         | 514.81          |
| Depreciation                                   | 429.25         | 398.52          | 429.25         | 398.52          |
| <b>Profit Before Exceptional Items and Tax</b> | <b>82.68</b>   | <b>760.60</b>   | <b>97.84</b>   | <b>785.78</b>   |
| Less: Exceptional Items                        | -              | 1607.13         | -              | 1607.13         |
| <b>Profit Before Tax</b>                       | <b>82.68</b>   | <b>(846.53)</b> | <b>97.84</b>   | <b>(821.35)</b> |
| Tax Expenses (Current Tax & Deferred Tax)      | 4.05           | (26.46)         | 5.54           | 20.69           |
| <b>Profit After Tax</b>                        | <b>78.63</b>   | <b>(820.07)</b> | <b>92.30</b>   | <b>(800.65)</b> |

#### **II OPERATIONS:**

The Company is engaged in the business of designing, engineering, fabrication, supply and installation of façade systems. There has been no change in the business of the Company during the financial year ended 31<sup>st</sup> March, 2021.

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

- Revenue from Operation in the Financial Year 2021 is Rs.6586.62 lakhs as compared to Rs. 14130.52 lakhs in previous Financial Year 2020.
- EBITDA in financial year 2021 is Rs.883.08 lakhs (i.e. 13.41% of the Revenue from Operations) as compared to Rs. 1673.93 lakhs (i.e. 11.85% of the Revenue from Operations) in previous Financial Year 2020.
- Profit Before Tax is Rs.82.68 lakhs in Financial Year 2021 as compared to loss of Rs. 846.53 lakhs in previous Financial Year 2020.

- Profit After Tax is Rs.78.63 lakhs in Financial Year 2021 as compared to loss of Rs. 820.07 lakhs in previous Financial Year 2020.

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

- Consolidated Profit After Tax in the Financial Year 2021 is Rs.92.30 lakhs as compared to losses of Rs. (800.65) lakhs in previous Financial Year 2020.

## 2 DIVIDEND:

In order to conserve the resources of company the directors are not recommending any dividend for the FY 2020-21.

## 3 AMOUNT TRANSFERRED TO RESERVES:

The Board hasn't recommended any amount to be transferred to the reserves for the financial year under review.

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

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

## 5 EXTRACT OF ANNUAL RETURN:

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Companies (Management and Administration) Rules, 2014, the Annual Return of the Company in Form MGT-7 has been placed on the Company's website [www.innovators.in](http://www.innovators.in).

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

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

| Sr. No. | Name of the Company                                                                                     | Subsidiary/Joint Venture / Associate |
|---------|---------------------------------------------------------------------------------------------------------|--------------------------------------|
| 1.      | Innovators Engineering Works Private Limited<br>(Formerly known as Kapindra Multitrade Private Limited) | Wholly Owned Subsidiary Company      |

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

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

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

## 7. MATERIAL CHANGES AND COMMITMENTS:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year of the Company i.e. 31<sup>st</sup> March, 2021 to which these financial statements relate and the date of this report.

## 8. DISCLOSURE OF INTERNAL FINANCIAL CONTROLS:

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

## 9. PARTICULAR OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

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

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

## 10. PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS AND SECURITIES:

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

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

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

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

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Shivchand Sharma, Director, retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment. Mr. Shivchand Sharma shall attain the age of 75 years on 07<sup>th</sup> March, 2022. A Special Resolution proposing his continuation as a Director on attaining the age of 75 years pursuant to the Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements), (Amendment) Regulations, 2018 forms part of the Notice of Annual General Meeting.

A brief profile relating to him is given separately as an annexure to the AGM Notice.

Following changes were recorded in the composition of KMP of the Company-

| NAME                 | DESIGNATION       | APPOINTMENT/<br>RESIGNATION | DATE OF EVENT                |
|----------------------|-------------------|-----------------------------|------------------------------|
| Mr. Farhan Shaikh    | Company Secretary | Appointment                 | 21 <sup>st</sup> May, 2020   |
| Mr. Farhan Shaikh    | Company Secretary | Resignation                 | 17 <sup>th</sup> April, 2021 |
| Mrs. Radhika Agarwal | Company Secretary | Appointment                 | 19 <sup>th</sup> May, 2021   |



### 13. SHARE CAPITAL:

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

| Particulars                                                                            | As at 31 <sup>st</sup> March 2021 |                 | As at 31 <sup>st</sup> March 2020 |                 |
|----------------------------------------------------------------------------------------|-----------------------------------|-----------------|-----------------------------------|-----------------|
|                                                                                        | Number of Shares                  | Amount (In Rs.) | Number of Shares                  | Amount (In Rs.) |
| (a) <b>Authorised Capital:</b><br>Equity Shares of Rs. 10/- each                       | 2,10,00,000                       | 210,000,000     | 2,10,00,000                       | 210,000,000     |
| (b) <b>Issued, Subscribed &amp; Paid-up Capital:</b><br>Equity Shares of Rs. 10/- each | 1,88,67,808                       | 18,86,78,080    | 1,88,67,808                       | 18,86,78,080    |

### 14. DISCLOSURES RELATED TO BOARD, COMMITTEES AND POLICIES:

#### I. BOARD OF DIRECTORS:

The composition of the Board as on 31<sup>st</sup> March, 2021 is in conformity with the provisions of the Companies Act, 2013.

The Board of Directors met **Nine** times during the financial year under review on 04<sup>th</sup> May 2020, 09<sup>th</sup> June 2020, 31<sup>st</sup> July 2020, 04<sup>th</sup> September 2020, 30<sup>th</sup> September 2020, 12<sup>th</sup> November 2020, 14<sup>th</sup> January, 2021, 10<sup>th</sup> February 2021 and 27<sup>th</sup> March, 2021.

#### COMPOSITION OF THE BOARD:

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

| CATEGORY OF THE DIRECTORS                 | NUMBER OF DIRECTORS |
|-------------------------------------------|---------------------|
| Executive                                 | <b>1</b>            |
| Executive Woman Director                  | <b>1</b>            |
| <b>Non-executive</b>                      |                     |
| a) Non-executive Non-Independent Director | <b>1</b>            |
| b) Non-executive Independent Director     | <b>3</b>            |
| <b>Total</b>                              | <b>6</b>            |

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

#### COMMITTEES OF THE BOARD

The Committees of the Board play a vital role in the governance structure of the Company and help the Board of Directors in discharging their duties and responsibilities. The Committees

have been constituted to deal with specific areas / activities, which concern the Company.

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

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

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

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

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

## II. AUDIT COMMITTEE:

Pursuant to Provisions of Section 177 of the Companies Act, 2013 during the financial year under review the Audit Committee met Four times on 31<sup>st</sup> July, 2020, 04<sup>th</sup> September 2020, 12<sup>th</sup> November 2020 and 10<sup>th</sup> February, 2021.

### i. Terms of Reference/ Policy:

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

### ii. Composition of the Audit Committee:

Composition of Audit Committee is as follows:

| SR NO. | NAME                           | CATEGORY                           | DESIGNATION |
|--------|--------------------------------|------------------------------------|-------------|
| 1.     | Mr. Subhash Chand Gupta        | Non-Executive Independent Director | Chairman    |
| 2.     | Mr. Sunil Krishnarao Deshpande | Non-Executive Independent Director | Member      |
| 3.     | Mrs. Poonam Bhati              | Non-Executive Independent Director | Member      |
| 4.     | Mr. Radheshyam Sharma          | Managing Director                  | Member      |

The Members of the Audit Committee are financially literate and have requisite accounting and financial management expertise. The Audit Committee Policy of the Company is hosted on the Company's Website at:<http://innovators.in/investors-corner>

### III. NOMINATION AND REMUNERATION COMMITTEE:

Pursuant to Provisions of Section 178 of the Companies Act, 2013 during the Financial Year under review, the Nomination and Remuneration Committee met Three times on 09<sup>th</sup> June 2020, 04<sup>th</sup> September, 2020 and 10<sup>th</sup> February, 2021.

#### i. Terms of Reference/Policy:

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

#### ii. Composition of the Nomination and Remuneration Committee:

Composition of Nomination and Remuneration Committee is as follows:

| SR NO. | NAME                           | CATEGORY                               | DESIGNATION |
|--------|--------------------------------|----------------------------------------|-------------|
| 1.     | Mr. Subhash Chand Gupta        | Non-Executive Independent Director     | Chairman    |
| 2.     | Mr. Sunil Krishnarao Deshpande | Non-Executive Independent Director     | Member      |
| 3.     | Mrs. Poonam Bhati              | Non-Executive Independent Director     | Member      |
| 4.     | Mr. Shivchand Sharma           | Non-Executive Non Independent Director | Member      |

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

### IV. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Pursuant to Provisions of Section 178 of the Companies Act, 2013 during the Financial Year under review, the Stakeholders Relationship Committee met twice on 31<sup>st</sup> July 2020 and 14<sup>th</sup> January, 2021.

#### i. Terms of Reference/Policy:

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

**ii. Composition of the Stakeholder Relationship Committee:**

Composition of Stakeholder Relationship Committee is as follows:

| SR NO. | NAME                           | CATEGORY                           | DESIGNATION |
|--------|--------------------------------|------------------------------------|-------------|
| 1.     | Mr. Subhash Chand Gupta        | Non-Executive Independent Director | Chairman    |
| 2.     | Mr. Sunil Krishnarao Deshpande | Non-Executive Independent Director | Member      |
| 3.     | Mrs. Poonam Bhati              | Non-Executive Independent Director | Member      |

The Stakeholder Relationship Committee Policy of the Company is hosted on the Company's Website at:<http://innovators.in/investors-corner>

**V. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

Pursuant to the provisions of Section 135 of the Companies Act, 2013 during the year One Corporate Social Responsibility Committee Meeting was held by the Company on 12<sup>th</sup> November, 2020. The details as per the provisions of Rule 8 of Companies (Corporate Social Responsibility) Rules, 2014 is annexed herewith as “Annexure III” to this report.

**i Terms of Reference/Policy:**

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

**ii Composition of The Corporate Social Responsibility Committee:**

Composition of Corporate Social Responsibility Committee is as follows:

| SR NO. | NAME                    | CATEGORY                               | DESIGNATION |
|--------|-------------------------|----------------------------------------|-------------|
| 1.     | Mr. Radheshyam Sharma   | Managing Director                      | Chairman    |
| 2.     | Mrs. Anjana Sharma      | Whole Time Director                    | Member      |
| 3.     | Mr. Shivchand Sharma    | Non-Executive Non Independent Director | Member      |
| 4.     | Mr. Subhash Chand Gupta | Non-Executive Independent Director     | Member      |

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

## **VI. DECLARATION GIVEN BY INDEPENDENT DIRECTORS:**

The Company has received and taken on record the declarations received from the Independent Directors of the Company in accordance with the Section 149(6) of the Companies Act, 2013 confirming their independence and pursuant to Regulation 25 of the Listing Regulations.

### **SEPARATE MEETING OF INDEPENDENT DIRECTORS**

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

The Non-Executive, Independent Directors of the Company met on 14<sup>th</sup> January, 2021. During the said meeting, the following points were discussed:

- The performance of Non-Independent Directors and the Board as a whole.
- The performance of the Chairman of the Company taking into account the views of Executive Director and Non-Executive Directors.
- The quality, quantity and timeliness of flow of information between the Company management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

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

## **15. VIGIL MECHANISM POLICY:**

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

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

## **16. RISK MANAGEMENT POLICY:**

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

## **17. PERFORMANCE EVALUATION:**

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

## **18. DETAILS WITH RESPECT TO THE PROGRAMME FOR FAMILIARISATION OF INDEPENDENT DIRECTORS:**

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

## **19. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES:**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annual Report and is marked as "Annexure V" to this Report.

## **20. MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

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

## **21. AUDITORS AND REPORTS:**

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

### **i. STATUTORY AUDITORS:**

The Board of Directors of the Company at their meeting held on 01<sup>st</sup> September, 2021 based on the recommendation of the Audit Committee, recommended re- appointment of M/s. S G C O & Co LLP, Chartered Accountants, (Firm Registration No. 112081W/W100184) as the Statutory Auditors of the Company to hold office for term of 3 (Three) years, to hold office from the conclusion of this Annual General Meeting till the conclusion of Annual General Meeting to be held in the FY 2024-25, subject to compliance of the various provisions of Companies Act, 2013.

M/s. S G C O & Co LLP has expressed its willingness to be appointed as the Statutory Auditors of the Company and confirmed its eligibility in compliance with the provisions of Section 139, 141 and other applicable provisions of the Companies Act, 2013.

Statutory Auditor's comments on your Company's accounts for year ended 31<sup>st</sup> March, 2021 are self-explanatory in nature and do not require any explanation as per provisions of Section 134(3)(f) of the Companies Act, 2013. There were no qualifications, reservation or adverse remark or disclaimer made by Statutory Auditor in its report.

**ii. OBSERVATIONS OF STATUTORY AUDITORS ON ACCOUNTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2021:**

The auditor's report for the financial year ended 31<sup>st</sup> March, 2021 does not contain any qualification, reservation or adverse remark and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

**iii. FRAUD REPORTING:**

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

**22. SECRETARIAL AUDITOR:**

The Secretarial Auditor, M/s. Jajodia & Associates, Practicing Company Secretary in practice, (COP No. 19900), has issued Secretarial Audit Report for the Financial Year 2020-21 pursuant to provisions of Section 204 of the Companies Act, 2013, read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, which is annexed as "Annexure IV" and forms part of this Report.

**23. INTERNAL AUDITORS:**

During the financial year the Company has appointed **M/s. Omprakash Gehlot & Co.** Chartered Accountants (**Firm Registration Number 137081W.**), as Internal Auditors of the Company as per the provisions of Section 138 of Companies Act, 2013.

**24. COST AUDITOR:**

During the financial year the Company has appointed **M/s. Y.R. Doshi & Co.**, Cost Accountants, Mumbai (**FRN: 000003**), as Cost Auditor of the Company as per the provision of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2021.

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

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



**a) Conservation of Energy:**

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

**b) Technology Absorption:**

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

**c) Foreign Exchange Earnings and Outgo:**

| Particulars                      | FY 2020-21 | FY 2019-20    |
|----------------------------------|------------|---------------|
| Actual Foreign Exchange earnings | Nil        | Nil           |
| Actual Foreign Exchange outgo    | 2,74,104   | Rs. 92,89,681 |

**26. DEPOSITS:**

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

**27. PREVENTION OF INSIDER TRADING:**

The Company has adopted a code of conduct for prevention of insider trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price

sensitive information in relation to the Company and during the period when the Trading Window is closed. The Board is responsible for implementation of the Code.

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

## **28. SEXUAL HARASSMENT POLICY**

The Company has in place Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The following is a summary of sexual harassment complaints received and disposed of during the year 2020-21:

- a) No of complaints received: Nil
- b) No of complaints disposed of: N.A.

## **29. DIRECTORS RESPONSIBILITY STATEMENT:**

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

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

## **30. GENERAL:**

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

- I. Issue of equity shares with differential rights as to dividend, voting or otherwise.

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

### 31. GREEN INITIATIVE:

Electronic copies of the Annual Report 2020-21 and the Notice of the 22<sup>nd</sup> AGM are sent to all members whose email addresses are registered with the Company / Depository Participant(s).

### 32. ACKNOWLEDGEMENT:

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

**Date** : 01.09.02021  
**Place** : Thane

**For and on behalf of the Board**

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

**(Radheshyam Sharma)**  
*Managing Director*  
**DIN: 00340865**

**(Anjana Sharma)**  
*Whole-Time Director*  
**DIN : 00360233**

**FORM NO. AOC-I**

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

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

| <b>Part "A": Subsidiaries</b>                                                                |                                                                                                                              |                                                                                                           |
|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| <b>(Information in respect of each subsidiary to be presented with amounts Rs. In Lakhs)</b> |                                                                                                                              |                                                                                                           |
| <b>Sl. No.</b>                                                                               | <b>Particulars</b>                                                                                                           |                                                                                                           |
| <b>1.</b>                                                                                    | Name of the subsidiary                                                                                                       | Innovators Engineering Works Private Limited<br>(Formerly known as "Kapindra Multitrade Private Limited") |
| <b>2.</b>                                                                                    | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                      | Same as of Holding Company                                                                                |
| <b>3.</b>                                                                                    | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | (In Lacs)                                                                                                 |
| <b>4.</b>                                                                                    | Share capital                                                                                                                | 38.32                                                                                                     |
| <b>5.</b>                                                                                    | Reserves & surplus                                                                                                           | 1845.04                                                                                                   |
| <b>6.</b>                                                                                    | Total assets                                                                                                                 | 1948.98                                                                                                   |
| <b>7.</b>                                                                                    | Total Liabilities                                                                                                            | 1948.98                                                                                                   |
| <b>8.</b>                                                                                    | Investments                                                                                                                  | 1560.41                                                                                                   |
| <b>9.</b>                                                                                    | Turnover                                                                                                                     | 137.86                                                                                                    |
| <b>10.</b>                                                                                   | Profit/Loss before taxation                                                                                                  | 15.16                                                                                                     |
| <b>11.</b>                                                                                   | Provision for taxation/Deferred Tax/ Current Tax                                                                             | -                                                                                                         |
| <b>12.</b>                                                                                   | Profit/Loss after taxation                                                                                                   | 13.67                                                                                                     |
| <b>13.</b>                                                                                   | Proposed Dividend                                                                                                            | -                                                                                                         |
| <b>14.</b>                                                                                   | % of shareholding                                                                                                            | 100%                                                                                                      |

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

## Part “B”: Associates and Joint Ventures

### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

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

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

**Date** : 01.09.02021  
**Place** : Thane

**For and on behalf of the Board**

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

**(Radheshyam Sharma)**  
*Managing Director*  
**DIN: 00340865**

**(Anjana Sharma)**  
*Whole-Time Director*  
**DIN : 00360233**

## Form AOC-2

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

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

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

There were no contracts or arrangements, or transactions entered into during the year ended 31<sup>st</sup> March, 2021, which were not at arm's length basis.

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

The details of material contracts or arrangements or transactions at arm's length basis for the year ended 31<sup>st</sup> March, 2021 are as follows:

| Sr No | Name(s) of the related party & Nature of relationship | Nature of transactions                         | Transactions Value (Amount in Rupees ) | Duration of transactions | Salient terms of transactions                                                                                                   | Date of approval by the board | Amount paid in advance (Amount in Rupees ) |
|-------|-------------------------------------------------------|------------------------------------------------|----------------------------------------|--------------------------|---------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------|
| 1.    | Innovators Cleantech Private Limited                  | Sales from works contract and facade materials | 5,00,00,000                            | April 2020 – March 2021  | The related party transactions (RPTs) entered during the year were in the ordinary course of business and on arms length basis. | 4th May 2020                  | Nil                                        |
| 2     | Parth Facade Solutions Private Limited                | Contracts Execution Expenses                   | 10,00,00,000                           | April 2020 – March 2021  |                                                                                                                                 |                               | Nil                                        |
| 3     | Innovators Engineering Works Private Limited          | Contracts Execution Expenses                   | 5,00,00,000                            | April 2020 – March 2021  |                                                                                                                                 |                               | Nil                                        |
| 4     | Innovators Cleantech Private Limited                  | Contracts Execution Expenses                   | 5,00,00,000                            | April 2020 March 2021    |                                                                                                                                 |                               | Nil                                        |

Date : 01.09.02021  
Place : Thane

For and on behalf of the Board

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

(Radheshyam Sharma)  
Managing Director  
DIN: 00340865

(Anjana Sharma)  
Whole-Time Director  
DIN : 00360233

**Annual Report on Corporate Social Responsibility (CSR) Activities for financial year ended  
31<sup>st</sup> March, 2021**

**1. A brief outline of the Company's CSR policy:**

The CSR policy of the Company lays down the guidelines to make CSR a key business process for sustainable development of the society. The CSR policy also encompasses the scope of CSR activities of the Company.

**2. Composition of the CSR Committee:**

| Sr No. | Name of Director        | Designation                                     | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|--------|-------------------------|-------------------------------------------------|----------------------------------------------------------|--------------------------------------------------------------|
| 1      | Mr. Radheshyam Sharma   | Chairman & Managing Director                    | 1                                                        | 1                                                            |
| 2      | Mrs. Anjana Sharma      | Member & Whole Time Director                    | 1                                                        | 1                                                            |
| 3      | Mr. Shivchand Sharma    | Member & Non-Executive Non-Independent Director | 1                                                        | 1                                                            |
| 4      | Mr. Subhash Chand Gupta | Member and Non-Executive Independent Director   | 1                                                        | 1                                                            |

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: <http://innovators.in/wp-content/uploads/2020/06/Policy-on-Corporate-Social-Responsibility.pdf>
4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**
5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **NIL**
6. Average net profit of the Company as per section 135(5): **INR. 3,95,32,316/-**
7.
  - a. Two percent of average net profit of the Company as per section 135(5): **INR. 7,90,646/-**
  - b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **NIL**



- c. Amount required to be set off for the financial year, if any: **NIL**
- d. Total CSR obligation for the financial year (7a+7b- 7c): **INR. 7,90,646/-**

8. a. CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year (Rs. in Lakhs) | Amount Unspent (Rs. in lakhs)                                         |                  |                                                                                                     |        |                  |
|----------------------------------------------------------|-----------------------------------------------------------------------|------------------|-----------------------------------------------------------------------------------------------------|--------|------------------|
|                                                          | Total Amount transferred to Unspent CSR Account as per section 135(6) |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) |        |                  |
|                                                          | Amount                                                                | Date of transfer | Name of the Fund                                                                                    | Amount | Date of transfer |
| 15.00                                                    | N.A                                                                   | N.A              | N.A                                                                                                 | N.A    | N.A              |

- b. Details of CSR amount spent against ongoing projects for the financial year:

| (1)     | (2)                 | (3)                                                         | (4)                 | (5)                     |          | (6)              | (7)                                       | (8)                                     | (9)                                                                                     | (10)                                   | (11)                                                 |                      |
|---------|---------------------|-------------------------------------------------------------|---------------------|-------------------------|----------|------------------|-------------------------------------------|-----------------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------|------------------------------------------------------|----------------------|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local area (Yes/No) | Location of the project |          | Project duration | Amount allocated for the project (In Rs.) | Amount spent in the Current FY (in Rs.) | Amount transferred to Unspent CSR account for the project as per Section 13(6) (in Rs.) | Mode of Implementation Direct (Yes/No) | Mode of implementation – Through implementing Agency |                      |
|         |                     |                                                             |                     | State                   | District |                  |                                           |                                         |                                                                                         |                                        | Name                                                 | CSR Registration No. |
| Nil     |                     |                                                             |                     |                         |          |                  |                                           |                                         |                                                                                         |                                        |                                                      |                      |

- c. Details of CSR amount spent against other than ongoing projects for the financial year:

| (1)    | (2)                        | (3)                                                         | (4)                 | (5)                     |          | (6)                                   | (7)                                    | (8)                                                  |                      |
|--------|----------------------------|-------------------------------------------------------------|---------------------|-------------------------|----------|---------------------------------------|----------------------------------------|------------------------------------------------------|----------------------|
| S. No. | Name of the Project        | Item from the list of activities in schedule VII to the Act | Local area (Yes/No) | Location of the project |          | Amount spent for the project (in Rs.) | Mode of Implementation Direct (Yes/No) | Mode of implementation – Through implementing Agency |                      |
|        |                            |                                                             |                     | State                   | District |                                       |                                        | Name                                                 | CSR Registration No. |
| 1      | Sherry And Diya Foundation | Animal Welfare                                              | Yes                 | Maharashtra             | Mumbai   | 15,00,000                             | No                                     | Sherry And Diya Foundation                           | N.A.                 |

- d. Amount spent in Administrative Overheads: **NIL**
- e. Amount spent on Impact Assessment, if applicable: **NIL**
- f. Total amount spent for the Financial Year: **INR. 7,90,646/-**  
(8b+8c+8d+8e)
- g. Excess amount for set off, if any

| Sl. No. | Particular                                                                                                  | Amount (in Rs.)  |
|---------|-------------------------------------------------------------------------------------------------------------|------------------|
|         | Two percent of average net profit of the company as per section 135(5)                                      | <b>7,90,646</b>  |
|         | Total amount spent for the Financial Year                                                                   | <b>15,00,000</b> |
|         | Excess amount spent for the financial year [(ii)-(i)]                                                       | -                |
|         | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | -                |
|         | Amount available for set off in succeeding financial years [(iii)-(iv)]                                     | -                |

9. a. Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year. | Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial Year (in Rs.). | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. |                  |                   | Mode of Implementation Direct (Yes/No) |
|---------|---------------------------|--------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------|------------------|-------------------|----------------------------------------|
|         |                           |                                                                          |                                                        | Name of the Fund                                                                           | Amount (in Rs.). | Date of transfer. |                                        |
| Nil     |                           |                                                                          |                                                        |                                                                                            |                  |                   |                                        |

- b. Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1)     | (2)         | (3)                  | (4)                                                | (5)               | (6)                                              | (7)                                                                   | (8)                                                                      | (9)                                         |
|---------|-------------|----------------------|----------------------------------------------------|-------------------|--------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------------------------------------------|---------------------------------------------|
| Sl. No. | Project ID. | Name of the Project. | Financial Year in which the project was commenced. | Project duration. | Total amount allocated for the project (in Rs.). | Amount spent on the project in the reporting Financial Year (in Rs.). | Cumulative amount spent at the end of reporting Financial Year. (in Rs.) | Status of the project - Completed /Ongoing. |
| Nil     |             |                      |                                                    |                   |                                                  |                                                                       |                                                                          |                                             |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Nil
- (a) Date of creation or acquisition of the capital asset(s): N.A.
  - (b) Amount of CSR spent for creation or acquisition of capital asset: N.A.
  - (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: N.A.
  - (d) Details of the capital asset(s) created or acquired (including complete address and location of the capital asset): N.A.
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): N.A.

**Date** : 01.09.02021  
**Place** : Thane

**For and on behalf of the Board**

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

**(Radheshyam Sharma)**  
*Managing Director*  
**DIN: 00340865**

**(Anjana Sharma)**  
*Whole-Time Director*  
**DIN : 00360233**

**FORM NO. MR-3****SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2021**

[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,

**Innovators Facade Systems Limited**

204, B-65, Sector No. 1, Shanti Nagar,

Mira Road (East), Thane 401107.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Innovators Facade Systems Limited (CIN: L45200MH1999PLC120229) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, 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, 2021, 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.

I have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021, and made available to us according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), as applicable:-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2018;
  - b. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018;

- c. The Securities and Exchange Board of India, (Prohibition of Insider Trading) Regulations, 2018;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; No such transaction during the year under review.
  - f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - g. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - h. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - i. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2018;
  - j. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- (vi) Other specific business/industry related laws that are applicable to the company, viz
- The Micro, Small and Medium Enterprises Development Act, 2006
  - Contract Labour (Regulation and Abolition) Act, 1970;
  - The Maharashtra Industrial Policy, 2013;
  - Competition Act, 2002
  - Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("the EPF Act") and the Employees Provident Fund Scheme, 1952
  - Employees Deposit Linked Insurance Scheme, 1976
  - The Employees Pension Scheme, 1995
  - Employees' State Insurance Act, 1948 (the "ESI Act")
  - Payment of Bonus Act, 1965
  - Payment of Gratuity Act, 1972
  - Minimum Wages Act, 1948
  - Maternity Benefit Act, 1961
  - Equal Remuneration Act, 1979
  - Child Labour Prohibition and Regulation Act, 1986
  - Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001

- Intellectual Property Rights
- Value Added Tax
- Service Tax
- Central Sales Tax Act, 1956 (“CST”)
- The Central Excise Act, 1944
- The Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013
- Inter-State Migrant Workmen (Regulation of Employment And Conditions of Service) Act, 1979
- Industrial Disputes Act, 1947 (“ID Act”) and Industrial Dispute (Central) Rules, 1957
- Goods and Service Tax (GST)
- The Factories Act, 1948 Innovators Façade Systems Limited
- Shops and establishments laws in various states
- The Environment Protection Act, 1986 (“Environment Protection Act”);
- Air (Prevention and Control of Pollution) Act, 1981;
- Water (Prevention and Control of Pollution) Act, 1974;
- Hazardous Waste Management & Handling Rules, 2008;
- The Public Liability Insurance Act, 1991
- National Environmental Policy, 2006
- Indian Patents Act, 1970
- Indian Copyright Act, 1957
- The Trade Marks Act, 1999

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

I report that during the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned as above.

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 as per Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

I further report that during the audit period:

- I. The Board of Directors of the Company at their meeting held on 09<sup>th</sup> June, 2020 has considered the appointment of Mr. Farhan Shaikh w.e.f. 21<sup>st</sup> May, 2020 as Company Secretary & Compliance officer of the Company.
- II. The Board of Directors of the Company at their meeting held on 10<sup>th</sup> February, 2021 has considered and noted the appointment M/s. Omprakash Gehlot & Co., as an Internal Auditor of the company;

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

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

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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 compliance with the provisions of the Act.

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

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

**FOR JAJODIA & ASSOCIATES**

**Place: Mumbai**  
**Date : 01.09.2021**

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

## **‘Annexure A’**

To,  
The Members,  
**Innovators Facade Systems Limited**  
204, B-65, Sector No. 1, Shanti Nagar,  
Mira Road (East), Thane 401107

My report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
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 to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provided a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of Financial Records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. My examination was limited to the verification of procedures on the test basis.
6. The Secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR JAJODIA & ASSOCIATES**

**Place: Mumbai**  
**Date : 01.09.2021**

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



## **ANNEXURE V TO THE DIRECTOR'S REPORT**

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE, 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND ANNEXED TO AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2021:

| <b>(I) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year : -</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                           |                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| <b>Sr. no.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Name of the Director</b>                                                                                                               | <b>Ratio of remuneration to the median remuneration of the employees</b> |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Mr. Radheshyam Sharma, Managing Director                                                                                                  | 14.61                                                                    |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Mrs. Anjana Sharma, Whole Time Director                                                                                                   | 5.68                                                                     |
| <b>(ii) The percentage increase in remuneration of each director, CFO , CEO, Company Secretary or Manager, if any, in the financial year :-</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                           |                                                                          |
| <b>Sr. no.</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>Name of the Director/CFO/Company Secretary</b>                                                                                         | <b>% Increase over last F.Y.</b>                                         |
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Mr. Radheshyam Sharma, Managing Director                                                                                                  | Nil                                                                      |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Mrs. Anjana Sharma, Whole Time Director                                                                                                   | Nil                                                                      |
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Mrs. Priti Sharma, CFO                                                                                                                    | 11.22                                                                    |
| 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Mr. Raman Sharma, CEO                                                                                                                     | 10.93                                                                    |
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Mr. Nitin Kore, Company Secretary & Compliance Officer                                                                                    | Nil                                                                      |
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Ms. Rekha, Company Secretary & Compliance Officer                                                                                         | Nil                                                                      |
| <b>(iii)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>The percentage increase/ decrease in the median remuneration of employees in the financial year</b>                                    | <b>(23)</b>                                                              |
| <b>(iv)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>The number of permanent employees on the rolls of the Company as on 31 st March, 2020.</b>                                             | <b>135</b>                                                               |
| <b>(v)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>Average percentile increase / decrease in the salaries of employees other than the managerial personnel in the last financial year</b> | <b>(29.12)</b>                                                           |
| <b>(vi)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>The key parameters for any variable component of remuneration availed by the directors</b>                                             | <b>Nil</b>                                                               |
| <b>(vii)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Affirmation that the remuneration is as per the remuneration policy of the Company:</b>                                                | <b>Yes</b>                                                               |
| <b>(II) Statement showing details of Employees of the Company as per Section 197 (12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                           |                                                                          |
| <p>In pursuant to the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of top ten employees in terms of remuneration drawn is provided in a separate annexure forming part of this Report. Pursuant to the provisions of the first proviso to Section 136(1) of the Companies Act, 2013 the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Registered Office of the Company during working hours and any member interested in obtaining such information may write to the Company Secretary of the Company and the same will be furnished without any fee.</p> |                                                                                                                                           |                                                                          |

## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRIAL STRUCTURE AND DEVELOPMENT

The Global Facade Market is projected to grow with high CAGR in near future. With the growing investments in research and development, the façade market has undergone a number of technological advancements and changes, especially those related to resistance to extreme weather conditions, durability, waterproofing and permitting more natural light to enter the building.

The architecture and construction industries are also carrying out major R & D operations to develop sustainable and eco-friendly façades which absorb solar energy, creating a new source of energy generation in residential and commercial buildings. These eco-friendly façades are expected to drive the façade market in the coming years as they are seeing increased demand from prospective consumers

### FUTURE OUTLOOK, OPPORTUNITIES & THREATS

Indian façade and fenestration industry is directly linked to the construction industry's performance. On the contrary, the lower GDP growth, slowdown in economy and the novel coronavirus has resulted into a weakening client's sentiment and lower demand and thus, resulted a setback in the window and facade industry. Nevertheless this is just for the interim.

Further, aggressive and organized efforts on the part of manufacturers and processors are expected to achieve higher levels of awareness among glass specifiers and users. Constant technical innovations by manufacturers are keeping customers constantly interested in glass and glass products. In the next few years, the Indian architectural glass market will move to much higher levels. This ever-growing popularity of glass as a material, will ensure growth.

### FINANCIAL PERFORMANCE

(Rs. In Lakhs)

| Particulars                                    | Standalone     |                 | Consolidated   |                 |
|------------------------------------------------|----------------|-----------------|----------------|-----------------|
|                                                | FY 2020-21     | FY 2019-20      | FY 2020-21     | FY 2019-20      |
| Revenue from Operations                        | 6586.62        | 14130.52        | 6586.62        | 14130.52        |
| Other Income                                   | 55.40          | 125.59          | 59.65          | 125.59          |
| <b>Total Revenue</b>                           | <b>6642.02</b> | <b>14256.11</b> | <b>6646.27</b> | <b>14256.11</b> |
| <b>EBITDA</b>                                  | <b>883.08</b>  | <b>1673.93</b>  | <b>898.24</b>  | <b>1699.11</b>  |
| Finance Cost                                   | 371.15         | 514.81          | 371.15         | 514.81          |
| Depreciation                                   | 429.25         | 398.52          | 429.25         | 398.52          |
| <b>Profit Before Exceptional Items and Tax</b> | <b>82.68</b>   | <b>760.60</b>   | <b>97.84</b>   | <b>785.78</b>   |
| Less: Exceptional Items                        | -              | 1607.13         | -              | 1607.13         |
| <b>Profit Before Tax</b>                       | <b>82.68</b>   | <b>(846.53)</b> | <b>97.84</b>   | <b>(821.35)</b> |
| Tax Expenses (Current Tax & Deferred Tax)      | 4.05           | (26.46)         | 5.54           | 20.69           |
| <b>Profit After Tax</b>                        | <b>78.63</b>   | <b>(820.07)</b> | <b>92.30</b>   | <b>(800.65)</b> |

#### A. Revenue from Operations

During FY 2020-21, the Company has reported total revenues of Rs. 6,586.62 lakhs (PY Rs. 14,256.11 lakhs). A de-growth of around 53.41 %

#### B. EBIDTA (Before Exceptional Item)

EBIDTA for the current financial year was Rs. 883.08 lakhs (PY Rs. 1,673.94 lakhs).

### **C. Net Margin / Profit After Tax**

Profit after Tax to Rs. 78.63 lakhs in FY 2020-21 as compared to Rs. (820.06) lakhs in previous financial year. Net Margin Ratio (Net profit after tax to turnover) in FY 2020-21 is 1.19 against (5.80 %) % in FY 2019-20.

### **D. Debtors Turnover**

Debtors Turnover Ratio in FY 2020-21 is 46.03 % against 25.53 % in FY 2019-20.

### **E. Return on Net Worth**

Return on Net Worth in FY 2020-21 is 0.77 % against (8.11 %) in FY 2019-20

The significant de-growth in EBIDTA, Debtors Turnover Ratio, Net Margin Ratio & Return on Net Worth is on account of Decrease in revenue from operations due to impact of COVID 19 Pandemic exceptional item.

## **SEGMENT-WISE OR PRODUCT WISE PERFORMANCE**

The Company is mainly engaged in the business of “design, engineering, fabrication, supply and installation of facade systems”. The overall performance of the Company is sum of all the project under execution. Each Project is executed as a Work Contract over a period of project duration. All projects varies in terms of their nature, period, and their profitability. Hence, as such there are no separate segment-wise or product-wise performance.

## **RISK AND CONCERNS**

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

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

## **INTERNAL CONTROL SYSTEM & ADEQUACY**

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

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

## **HUMAN RESOURCE**

Your company gives utmost importance to Human Resource. It considers Human Resource as Human Capital and believes in development of Human Resource. Over the years, your company has developed an environment, which fosters excellence in performance by empowering its people, who are always on continuous improvement path with an ultimate aim to add value to their intellectual and knowledge resources. The key focus is to attract, retain and develop talent as a resource through rewards mechanism, performance evaluation and harmonious & constructive working climate. During the year 2020-21, the Company had 113 permanent employees on the payroll.

## **CAUTIONARY STATEMENT**

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

## **INDEPENDENT AUDITOR’S REPORT**

**To the Members of Innovators Façade Systems Limited**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the standalone financial statements of Innovators Façade Systems Limited (“the Company”), which comprise the balance sheet as at 31st March 2021, the statement of Profit and Loss, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report :

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

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

Refer note no. 1 (C) (ii) under the head “use of estimates” in significant accounting policies.

### **Auditor’s Response**

#### **Principal Audit Procedures**

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

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the management discussion and analysis Board's Report but does not include the consolidated financial statement, standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

1. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
2. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also :
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
3. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
4. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

5. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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"**.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 3 In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of



Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

***For S G C O & Co. LLP***

Chartered Accountants

**FRN. 112081W/W100184**

***Suresh Murarka***

Partner

**Mem. No. 044739**

**UDIN: 21044739AAAANG6588**

**Place :** Mumbai

**Date :** 30th June 2021

## **Annexure “A” to the Independent Auditors Report**

The Annexure referred to in Paragraph 1 under the heading “Report on Other Legal and Regulatory Requirements” in our Independent Auditor’s Report to the members of the Company for the year ended 31st March, 2021.

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

- (i) a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Fixed Assets have been physically verified by the management in accordance with a phased programme of verification, which in our opinion is reasonable, considering the size and the nature of its assets. Pursuant to the program certain fixed assets has been verified during the year. The frequency of verification is reasonable and no material discrepancies have been noticed on such physical verification.
- c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventories have been physically verified by the management during the year at reasonable intervals. The procedures of physical verification of the inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. No material discrepancies were noticed on physical verification as compared to book records which have been properly dealt with in the books of accounts.
- (iii) During the year, the Company has not granted any loans to the parties covered in the register maintained under Section 189 of the Act. Hence paragraph 3 (iii) (a), (b) and (c) of the said Order are not applicable to the Company.
- (iv) a) In our opinion and according to the information and explanation given to us, since the Company has not granted any loan, the provisions of Section 185 of the Companies Act, 2013 are not applicable.
- b) With regards to investments in Securities made by the company, the company has complied with the provisions of Section 186 of the Companies Act, 2013. Further the company has not granted any loan or given any guarantee or provided any security to any other body corporate under Section 186 of the Act.
- (v) In our opinion and according to the information and explanation given to us, the Company has not accepted any deposit from the public within the provision of Section 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government has prescribed the maintenance of cost record under Section 148(1) of the Act. We have not reviewed the cost records maintained by the Company but based on the information submitted by the Company we are of the view that such accounts and records have been made and duly maintained.
- (vii) a) According to the records of the Company, the undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, Goods and services tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues wherever applicable have generally been regularly deposited. According to the information and explanations given to us, there are no undisputed amounts payable which have remained

outstanding as at 31st March, 2021 for a period more than six months from the date they became payable.

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

| Name of Statute            | Period to which amount relates | Amount in Rs. | Forum where dispute is pending |
|----------------------------|--------------------------------|---------------|--------------------------------|
| CST/<br>Value Added<br>Tax | FY 2007-08                     | 9,44,301      | Sales Tax (Appeals)            |
|                            | FY 2007-08                     | 4,53,30,167   |                                |
|                            | FY 2010-11                     | 2,59,26,656   |                                |
| Income Tax                 | AY 2009-10 to 2011-12          | 7,46,666      | CIT (Appeals)                  |

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

**For S G C O & Co. LLP**

Chartered Accountants

**FRN. 112081W/W100184**

**Suresh Murarka**

Partner

**Mem. No. 044739**

**UDIN: 21044739AAAANG6588**

**Place :** Mumbai

**Date :** 30th June 2021

**Annexure “B” to the Independent Auditor’s Report of even date on the Standalone financial statements of Innovators Façade Systems Limited for the year ended 31<sup>st</sup> March 2021.**

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

We have audited the internal financial controls over financial reporting of Innovators Façade Systems Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditors’ Responsibility**

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

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

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

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

**Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal

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

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

***For S G C O & Co. LLP***

Chartered Accountants

**FRN. 112081W/W100184**

***Suresh Murarka***

Partner

**Mem. No. 044739**

**UDIN: 21044739AAAANG6588**

**Place :** Mumbai

**Date :** 30th June 2021

# INNOVATORS FAÇADE SYSTEMS LIMITED

## BALANCE SHEET AS AT MARCH 31, 2021

(Amount in Rs.)

| Particulars                                             | Note Nos. | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---------------------------------------------------------|-----------|-------------------------|-------------------------|
| <b>EQUITY AND LIABILITIES</b>                           |           |                         |                         |
| <b>Shareholder's funds</b>                              |           |                         |                         |
| Share capital                                           | 2         | 18,86,78,080            | 18,86,78,080            |
| Reserves and surplus                                    | 3         | 82,98,21,200            | 82,19,58,236            |
|                                                         |           | <b>1,01,84,99,280</b>   | <b>1,01,06,36,316</b>   |
| <b>Non-current liabilities</b>                          |           |                         |                         |
| Long-term borrowings                                    | 4         | 10,20,95,353            | 15,24,07,946            |
| Deferred tax liabilities (Net)                          | 5         | -                       | -                       |
| Long-term provisions                                    | 6         | 80,08,629               | 78,67,018               |
|                                                         |           | <b>11,01,03,982</b>     | <b>16,02,74,964</b>     |
| <b>Current liabilities</b>                              |           |                         |                         |
| Short-term borrowings                                   | 7         | 12,10,58,892            | 26,57,72,416            |
| Trade payables                                          | 8         |                         |                         |
| - Due to Micro, Small and Medium Enterprises            |           | 6,08,630                | 14,22,551               |
| - Due to Other than Micro, Small and Medium Enterprises |           | 14,32,81,937            | 18,79,46,628            |
| Other current liabilities                               | 9         | 5,95,63,019             | 2,77,44,406             |
| Short-term provisions                                   | 10        | 1,98,892                | 2,02,649                |
|                                                         |           | <b>32,47,11,369</b>     | <b>48,30,88,650</b>     |
|                                                         |           | <b>1,45,33,14,631</b>   | <b>1,65,39,99,930</b>   |
| <b>ASSETS</b>                                           |           |                         |                         |
| <b>Non-current assets</b>                               |           |                         |                         |
| Property Plant & Equipment                              | 11        |                         |                         |
| - Tangible assets                                       |           | 36,92,41,102            | 28,72,87,528            |
| Non-current investments                                 | 12        | 38,31,600               | 38,31,600               |
| Deferred tax assets (Net)                               | 5         | 3,13,923                | 17,76,659               |
| Long-term loans and advances                            | 13        | 6,00,67,888             | 5,36,46,154             |
| Other non-current assets                                | 14        | 9,30,69,707             | 4,92,93,762             |
|                                                         |           | <b>15,72,83,118</b>     | <b>10,85,48,175</b>     |
| <b>Current assets</b>                                   |           |                         |                         |
| Inventories                                             | 15        | 26,03,91,236            | 38,97,05,800            |
| Trade receivables                                       | 16        | 30,31,66,347            | 36,08,21,361            |
| Unbilled revenue                                        | 17        | 12,87,99,152            | 17,95,71,971            |
| Cash and bank balances                                  | 18        | 6,74,97,837             | 13,42,21,185            |
| Short-term loans and advances                           | 19        | 4,91,73,288             | 7,09,65,043             |
| Other current assets                                    | 20        | 11,77,62,552            | 12,28,78,868            |
|                                                         |           | <b>92,67,90,411</b>     | <b>1,25,81,64,226</b>   |
|                                                         |           | <b>1,45,33,14,631</b>   | <b>1,65,39,99,930</b>   |
| Significant Accounting Policies                         | 1         |                         |                         |

See accompanying notes to the financial statements

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

**Suresh Murarka**  
Partner  
Membership No. **044739**

Place : Mumbai  
Date : 30th June 2021

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

**Radheshyam Sharma**      **Anjana Sharma**  
Managing Director      Whole - Time Director  
DIN: **00340865**      DIN: **00360233**

**Priti Sharma**      **Raman Sharma**      **Radhika Tibrewal**  
Chief Financial Officer      Chief Executive Officer      Company Secretary  
Mem No. **A48119**

Place : Thane  
Date : 30th June 2021

**INNOVATORS FAÇADE SYSTEMS LIMITED**  
**STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2021**

(Amount in Rs.)

| Particulars                                   | Note Nos. | For the year Ended<br>March 31, 2021 | For the year Ended<br>March 31, 2020 |
|-----------------------------------------------|-----------|--------------------------------------|--------------------------------------|
| <b>REVENUE</b>                                |           |                                      |                                      |
| Revenue from operations                       | 21        | 65,86,61,789                         | 1,41,30,52,271                       |
| Other income                                  | 22        | 55,39,916                            | 1,25,59,043                          |
|                                               |           | <b>66,42,01,705</b>                  | <b>1,42,56,11,314</b>                |
| <b>EXPENSES</b>                               |           |                                      |                                      |
| Cost of contracts                             | 23        | 48,65,67,804                         | 1,09,52,01,215                       |
| Purchase of stock in trade                    | 24        | -                                    | 81,51,424                            |
| Employee benefit expense                      | 25        | 5,45,99,471                          | 10,19,18,046                         |
| Finance cost                                  | 26        | 3,71,15,478                          | 5,14,81,122                          |
| Depreciation                                  | 11        | 4,29,25,101                          | 3,98,52,548                          |
| Other expenses                                | 27        | 3,47,26,252                          | 5,29,47,410                          |
|                                               |           | <b>65,59,34,106</b>                  | <b>1,34,95,51,765</b>                |
| <b>Profit before exceptional item and tax</b> |           | <b>82,67,600</b>                     | <b>7,60,59,549</b>                   |
| Less : Exceptional item                       | 28        | -                                    | 16,07,12,760                         |
| <b>Profit before tax</b>                      |           | <b>82,67,600</b>                     | <b>(8,46,53,211)</b>                 |
| <b>Less: Tax expenses</b>                     |           |                                      |                                      |
| Current tax                                   |           | -                                    | -                                    |
| Deferred tax liability / (asset)              | 5         | 14,62,736                            | (26,46,345)                          |
| Tax of earlier years                          |           | (10,58,100)                          | -                                    |
| <b>Profit for the year</b>                    |           | <b>78,62,964</b>                     | <b>(8,20,06,866)</b>                 |
| <b>Earnings per equity share:</b>             | 29        |                                      |                                      |
| (Face value of Rs. 10/- each)                 |           |                                      |                                      |
| - Basic (Rs.)                                 |           | 0.42                                 | (4.35)                               |
| - Diluted (Rs.)                               |           | 0.42                                 | (4.35)                               |
| Significant Accounting Policies               | 1         |                                      |                                      |

See accompanying notes to the financial statements

1 to 41

In terms of our report of even date

For **S G C O & Co. LLP**

Chartered Accountants

Firm Registration No. 112081W/W100184

**Suresh Murarka**

Partner

Membership No. 044739

Place : Mumbai

Date : 30th June 2021

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

**Radheshyam Sharma**

Managing Director

DIN: 00340865

**Priti Sharma**

Chief Financial Officer

Place : Thane

Date : 30th June 2021

**Anjana Sharma**

Whole - Time Director

DIN: 00360233

**Raman Sharma**

Chief Executive Officer

**Radhika Tibrewal**

Company Secretary

Mem No. A48119

**INNOVATORS FAÇADE SYSTEMS LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in Rs.)

| Particulars                                                      | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2019 |
|------------------------------------------------------------------|------------------------------|------------------------------|
| <b>A. Cash Flow from Operating Activities</b>                    |                              |                              |
| Net Profit before Tax                                            | 82,67,600                    | (8,46,53,211)                |
| Adjustments for:                                                 |                              |                              |
| Depreciation                                                     | 4,29,25,101                  | 3,98,52,548                  |
| Balances Written Off                                             | -                            | 14,73,06,286                 |
| Provision for Doubtful debts                                     | -                            | 1,34,06,474                  |
| Finance Costs                                                    | 3,71,15,478                  | 5,14,81,122                  |
| (Profit)/loss on Sale of Property Plant & Equipments             | (4,93,534)                   | (95,221)                     |
| Interest income                                                  | (42,88,584)                  | (60,27,325)                  |
| <b>Operating Profit before Working Capital changes</b>           | <b>8,35,26,061</b>           | <b>16,12,70,673</b>          |
| Adjustments for:                                                 |                              |                              |
| (Increase) / Decrease in Inventories                             | 12,93,14,564                 | 6,01,17,116                  |
| (Increase) / Decrease in Trade receivables                       | 10,84,27,833                 | 7,13,41,235                  |
| (Increase) / Decrease in Short term loans and advances           | 2,17,91,755                  | (38,63,257)                  |
| (Increase) / Decrease in Long term loans given & advances        | (25,87,706)                  | 28,09,425                    |
| (Increase) / Decrease in Other current & Non-current assets      | (2,83,61,355)                | (1,11,71,814)                |
| Increase / (Decrease) in Trade payables                          | (4,54,78,613)                | (12,58,96,864)               |
| Increase / (Decrease) in Other current liabilities               | 1,59,57,639                  | (62,71,922)                  |
| Increase / (Decrease) in Provisions                              | 1,37,854                     | 3,50,069                     |
| <b>CASH GENERATED FROM OPERATIONS</b>                            | <b>28,27,28,031</b>          | <b>14,86,84,662</b>          |
| Income tax Paid                                                  | (27,75,927)                  | (1,92,21,227)                |
| <b>Net Cash inflow from/ (outflow) from Operating activities</b> | <b>27,99,52,105</b>          | <b>12,94,63,435</b>          |
| <b>B. Cash Flow from Investing Activities</b>                    |                              |                              |
| Purchase of Property Plant & Equipment's                         | (13,37,55,424)               | (3,20,24,390)                |
| Sale of Property Plant & Equipment's                             | 93,70,284                    | 1,20,000                     |
| Maturity / (Investment) in fixed deposits                        | 5,45,04,136                  | (1,24,60,941)                |
| Interest received                                                | 42,88,584                    | 60,27,325                    |
| <b>Net Cash inflow from/ (outflow) from Investing activities</b> | <b>(6,55,92,420)</b>         | <b>(3,83,38,006)</b>         |
| <b>C. Cash Flow from Financing Activities</b>                    |                              |                              |
| Proceeds from borrowings                                         | 4,39,41,102                  | -                            |
| Repayment from borrowings                                        | (22,31,06,245)               | (5,99,78,182)                |
| Finance Cost                                                     | (3,71,15,478)                | (5,14,81,122)                |
| <b>Net Cash inflow from/ (outflow) from Financing activities</b> | <b>(21,62,80,621)</b>        | <b>(11,14,59,304)</b>        |



# INNOVATORS FAÇADE SYSTEMS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

| Particulars                                                           | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2019 |
|-----------------------------------------------------------------------|------------------------------|------------------------------|
| <b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b> | (19,20,937)                  | (2,03,33,875)                |
| <b>Add: Opening Cash and Cash Equivalents</b>                         |                              |                              |
| Cash in hand                                                          | 17,62,881                    | 16,50,812                    |
| Bank balances                                                         | 59,05,749                    | 2,63,51,693                  |
|                                                                       | <b>76,68,630</b>             | <b>2,80,02,505</b>           |
| <b>Closing Cash and Cash Equivalents</b>                              |                              |                              |
| Cash in hand                                                          | 38,03,874                    | 17,62,881                    |
| Bank balances                                                         | 19,43,819                    | 59,05,749                    |
|                                                                       | <b>57,47,693</b>             | <b>76,68,630</b>             |

**Note :**

- Cash Flow Statement have been prepared on Indirect Method as prescribed under Accounting Standard -3 on Cash Flow Statements.
- Previous Year figures have been re-grouped and or re-arranged wherever considered necessary.

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

**Suresh Murarka**  
Partner  
Membership No. 044739

Place : Mumbai  
Date : 30th June 2021

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

**Radheshyam Sharma**  
Managing Director  
DIN: 00340865

**Priti Sharma**  
Chief Financial Officer

Place : Thane  
Date : 30th June 2021

**Anjana Sharma**  
Whole - Time Director  
DIN: 00360233

**Raman Sharma**  
Chief Executive Officer

**Radhika Tibrewal**  
Company Secretary  
Mem No. A48119

# INNOVATORS FAÇADE SYSTEMS LIMITED

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### **Note 1 : Significant Accounting Policies:**

#### **A Corporate Information:**

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

#### **B Basis of Accounting:**

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

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

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

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

#### **D Revenue Recognition:**

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

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### **E Property Plant & Equipment's :**

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

#### **F Depreciation & Amortisation:**

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

#### **G Investments:**

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

#### **H Inventories:**

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

#### **I Foreign Currency Transactions:**

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

#### **J Accounting for Taxes of Income:**

##### **Current Taxes**

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

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### **Deferred Taxes**

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

#### **Minimum Alternative Tax**

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

#### **K Employee Benefits:**

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

#### **L Provisions and Contingent Liabilities:**

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

#### **M Impairment of Assets:**

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

# INNOVATORS FAÇADE SYSTEMS LIMITED

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

### Note 2 : Share capital

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

| Particulars                                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-----------------------------------------------|-------------------------|-------------------------|
| <b>Authorised capital</b>                     |                         |                         |
| 2,10,00,000 Equity shares of Rs. 10/- each    | 21,00,00,000            | 21,00,00,000            |
|                                               | <b>21,00,00,000</b>     | <b>21,00,00,000</b>     |
| <b>Issued, subscribed and paid up capital</b> |                         |                         |
| 1,88,67,808 Equity shares of Rs. 10/- each    | 18,86,78,080            | 18,86,78,080            |
|                                               | <b>18,86,78,080</b>     | <b>18,86,78,080</b>     |

#### b. Terms & conditions

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

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

#### c. Shareholders having more than 5% shareholding

| Name of Shareholder              | As at March 31, 2021      |            | As at March 31, 2020      |            |
|----------------------------------|---------------------------|------------|---------------------------|------------|
|                                  | No. of equity shares held | Percentage | No. of equity shares held | Percentage |
| Jolly Multitrade Private Limited | 45,41,022                 | 24.07%     | 45,41,022                 | 24.07%     |
| Mr.Radheshyam Sharma             | 23,80,209                 | 12.62%     | 23,80,209                 | 12.62%     |
| Mr. Vijay Kedia                  | 20,10,632                 | 10.66%     | 20,10,632                 | 10.66%     |
| Mr. Raman Sharma                 | 18,86,400                 | 10.00%     | 18,57,600                 | 9.85%      |

#### d. Reconciliation of number of equity shares

| Particulars                                     | As at March 31, 2021 |                   | As at March 31, 2020 |                    |
|-------------------------------------------------|----------------------|-------------------|----------------------|--------------------|
|                                                 | Nos.                 | Rs.               | Nos.                 | Rs.                |
| Shares outstanding at the beginning of the year | 1,88,67,808          | 1,32,07,080       | 1,88,67,808          | 1,32,07,080        |
| Add: Shares issued during the year              | -                    | -                 | -                    | -                  |
| Shares outstanding at the end of the year       | <b>1,88,67,808</b>   | <b>,32,07,080</b> | <b>1,88,67,808</b>   | <b>1,32,07,080</b> |

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### Note 3 : Reserves and surplus

(Amount in Rs.)

| Particulars                                           | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-------------------------------------------------------|-------------------------|-------------------------|
| <b>a. Securities premium</b>                          |                         |                         |
| Opening balance                                       | 60,83,51,401            | 60,83,51,401            |
| Additions / (utilised) during the year                | -                       | -                       |
| <b>Closing balance</b>                                | <b>60,83,51,401</b>     | <b>60,83,51,401</b>     |
| <b>b. Surplus in the statement of profit and loss</b> |                         |                         |
| Opening balance                                       | 21,36,06,835            | 29,56,13,701            |
| Add/(Less) : Profit/(Loss) for the year               | 78,62,964               | (8,20,06,866)           |
| <b>Closing balance</b>                                | <b>22,14,69,799</b>     | <b>21,36,06,835</b>     |
| <b>Total</b>                                          | <b>82,98,21,200</b>     | <b>82,19,58,236</b>     |

#### Note 4 : Long-term borrowings

| Particulars                                | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--------------------------------------------|-------------------------|-------------------------|
| <b>Secured</b>                             |                         |                         |
| <b>Term loan from banks</b>                | -                       | 49,26,460               |
| Less: Current maturities of long term debt | -                       | 49,26,460               |
|                                            | -                       | -                       |
| <b>Vehicle loans</b>                       | 24,07,946               | 48,74,208               |
| Less: Current maturities of long term debt | 14,21,316               | 24,66,262               |
|                                            | <b>9,86,630</b>         | <b>24,07,946</b>        |
| <b>Finance lease obligation</b>            | 1,58,39,525             | -                       |
| Less: Current maturities of long term debt | 48,99,046               | -                       |
|                                            | <b>1,09,40,479</b>      | -                       |
| <b>Working capital demand loans</b>        | 2,81,01,577             | -                       |
| Less: Current maturities of long term debt | 1,69,33,333             | -                       |
|                                            | <b>1,11,68,244</b>      | -                       |
| <b>Unsecured</b>                           |                         |                         |
| <b>From related parties:</b>               |                         |                         |
| - Inter Corporate deposits                 | 7,90,00,000             | 15,00,00,000            |
|                                            | <b>7,90,00,000</b>      | <b>15,00,00,000</b>     |
|                                            | <b>10,20,95,353</b>     | <b>15,24,07,946</b>     |

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

#### Additional information pertaining to long term borrowings:

- a. Term loan from Punjab National Bank (earstwhile Oriental Bank of Commerce) amounting to Rs.Nil (P.Y. Rs.49,26,460/-) is secured against first charge over factory land & building and hypothecation of machinery to be purchased out of repective term loan and collateral security of equitable mortgage of various immovable properties of directors, hypothecation of immovable assets and personal guarantee of directors. It carries interest rate of 4% over base rate . The loan is repayable in 84 monthly instalments of Rs. 5,95,000/- each after the 9 months from first disbursements. The loan has been repaid fully during the previous year.
- b. Vehicle loans from ICICI bank amounting to Rs.24,07,946 (P.Y. Rs.48,74,208/-) are secured against respective vehicles. They carry interest rate ranging between 8.70% to 9.40% per annum. The Instalments period of the loans ranges between 46 months to 60 months.
- c. Finance lease obligation from Siemens Financial Services Private Limited amounting to Rs 1,58,39,525 (P.Y. Rs.Nil) are secured against respective machinery. Lease rentals are payable on monthly basis for total tenure of 48 months
- d. Working capital demand loan from Punjab National Bank amounting to Rs 1,83,80,782 (P.Y. Rs.Nil) is secured against pari pasu first charge by hypothecation of stock of raw material, work in process and finished goods, stores & spares and receivables, both present & future, along with collateral security of various immovable properties of directors their personal guarantees. It carries interest rate of MCLR (1 Year) + 0.50 spread per annum. The laon is repayable in18 equated monthly installments amounting to Rs. 11,45,994 after the moratorium period of 6 months from disbursement.
- e. Working capital demand loan from Indian Bank amounting to Rs. 97,19,795 (P.Y. Rs.Nil) is secured by extension of charges on the primary and collateral security (present & future) and existing personal guarantes for Cash credit facilities). They carry interest rate ranging between per annum.The laon is repayable in 30 equated monthly installments amounting to Rs. 3,44,828 after the holiday period of 6 months from disbursement.
- f. Intercompany Deposits amounting to Rs.7,90,00,000/- (P.Y. Rs.15,00,00,000/-) are unsecured and interest free. The same are repayable after 31st March, 2024.

#### Note 5 : Deferred tax assets / (liabilities)

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

| Particulars                                                                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Net Deferred Tax Asset / (Liabilities)</b>                                                                                  |                         |                         |
| (i) Excess of written down value of property plant & equipment's as per books of accounts the value considered for tax purpose | (17,51,746)             | (1,98,925)              |
| (ii) Provision for employee benefits                                                                                           | 20,65,669               | 19,75,584               |
| <b>Net</b>                                                                                                                     | <b>3,13,923</b>         | <b>17,76,659</b>        |

# INNOVATORS FAÇADE SYSTEMS LIMITED

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Note 6 : Long-term provisions (Amount in Rs.)

| Particulars                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-----------------------------------------|-------------------------|-------------------------|
| <b>Provision for employee benefits:</b> |                         |                         |
| Gratuity payable                        | 80,08,629               | 78,67,018               |
|                                         | <b>80,08,629</b>        | <b>78,67,018</b>        |

### Note 7 : Short-term borrowings

| Particulars            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------|-------------------------|-------------------------|
| <b>Secured</b>         |                         |                         |
| <b>From banks</b>      |                         |                         |
| - Cash credit facility | 12,10,58,892            | 26,57,72,416            |
|                        | <b>12,10,58,892</b>     | <b>26,57,72,416</b>     |

#### Additional information pertaining to short term borrowings :

- Cash Credit facility from Punjab National Bank (earstwhile Oriental Bank of Commerce) amounting to Rs. 9,87,21,896 /- (P.Y. Rs.14,73,89,182/-) is secured against paripassu charges over Hypothecation of stock of raw material, work in progress, finished goods, stores & spares and receivables and collateral security of equitable mortgage of various immovable properties of directors, hypothecation of immovable assets and personal guarantee of directors. It carries interest rate of 2.50% over one year MCLR.
- Cash Credit facility from Indian Bank amounting to Rs. 2,23,36,996 /- (P.Y. Rs.11,83,83,234/-) is secured against paripassu charges over Hypothecation of stocks of raw materials, work in progress, finished goods, stores & spares and receivables and collateral security of equitable mortgage of various immovable properties of directors, hypothecation of immovable assets and personal guarantee of directors. It carries interest rate of 2.50% over one year MCLR.

### Note 8 : Trade payables

| Particulars                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------------------|-------------------------|-------------------------|
| Trade payables                                 |                         |                         |
| Due to Micro, Small and Medium Enterprises *   | 6,08,630                | 14,22,551               |
| Other than Micro, Small and Medium Enterprises | 14,32,81,937            | 18,79,46,628            |
|                                                | <b>14,38,90,567</b>     | <b>18,93,69,179</b>     |

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



## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

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

| Particulars                                                                                                                                                                                                                                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;                                                                                                        | 6,08,630                | 14,22,551               |
| The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;                                                                           | -                       | -                       |
| The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);                                                                                                           | -                       | -                       |
| The amount of interest accrued and remaining unpaid at the end of accounting year; and                                                                                                                                                               | 40,400                  | 99,430                  |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23. | -                       | -                       |

#### Note 9 : Other current liabilities

| Particulars                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--------------------------------------|-------------------------|-------------------------|
| Current maturities of long-term debt | 2,32,53,695             | 73,92,721               |
| Advance from customers               | 1,83,49,908             | 1,03,41,150             |
| Retention money payable              | 6,48,512                | 6,22,170                |
| Statutory dues payable               | 1,09,74,711             | 14,28,944               |
| Expenses payable                     | 62,95,793               | 78,37,482               |
| Other payables                       | 40,400                  | 1,21,939                |
|                                      | <b>5,95,63,019</b>      | <b>2,77,44,406</b>      |

#### Note 10 : Short-term provisions

| Particulars                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-----------------------------------------|-------------------------|-------------------------|
| <b>Provision for employee benefits:</b> |                         |                         |
| Gratuity payable                        | 1,98,892                | 2,02,649                |
|                                         | <b>1,98,892</b>         | <b>2,02,649</b>         |

# INNOVATORS FAÇADE SYSTEMS LIMITED

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**Note 11 : Property Plant & Equipment** (Amount in Rs.)

| Particulars            | Gross Block         |                           |                          | Accumulated Depreciation |                     |                                  | Net Block                                |                      |                      |
|------------------------|---------------------|---------------------------|--------------------------|--------------------------|---------------------|----------------------------------|------------------------------------------|----------------------|----------------------|
|                        | As at April 1, 2020 | Additions during the Year | Deletion during the Year | As at March 31, 2021     | As at April 1, 2020 | Depreciation charge for the year | Adjustments on Sale / Disposal of Assets | As at March 31, 2021 | As at March 31, 2020 |
| <b>Tangible Assets</b> |                     |                           |                          |                          |                     |                                  |                                          |                      |                      |
| Freehold Land          | 1,03,66,660         | -                         | -                        | 1,03,66,660              | -                   | -                                | -                                        | 1,03,66,660          | 1,03,66,660          |
| Factory Building       | 24,60,28,572        | 75,94,788                 | -                        | 25,36,23,360             | 10,18,53,215        | 1,43,84,576                      | -                                        | 13,73,85,569         | 14,41,75,357         |
| Plant & Machinery      | 18,80,72,812        | 12,47,43,283              | 1,00,23,488              | 30,27,92,607             | 6,49,25,687         | 2,51,52,606                      | 11,46,738                                | 21,38,61,053         | 12,31,47,126         |
| Furniture & Fixtures   | 30,61,883           | 1,71,753                  | -                        | 32,33,636                | 22,66,155           | 2,11,975                         | -                                        | 24,78,130            | 7,95,728             |
| Vehicles               | 2,36,74,027         | -                         | -                        | 2,36,74,027              | 1,89,05,703         | 14,08,572                        | -                                        | 2,03,14,275          | 47,68,324            |
| Office Equipment       | 1,25,39,870         | 8,97,426                  | -                        | 1,34,37,296              | 97,37,908           | 12,89,452                        | -                                        | 1,10,27,360          | 28,01,962            |
| Computers              | 1,51,47,002         | 3,48,174                  | -                        | 1,54,95,176              | 1,39,14,630         | 4,77,919                         | -                                        | 43,92,549            | 12,32,372            |
| <b>Total</b>           | <b>49,88,90,825</b> | <b>13,37,55,424</b>       | <b>1,00,23,488</b>       | <b>62,26,22,761</b>      | <b>21,16,03,297</b> | <b>4,29,25,101</b>               | <b>11,46,738</b>                         | <b>25,33,81,659</b>  | <b>28,72,87,528</b>  |
| Previous Year          | 41,61,76,680        | 8,29,09,145               | 1,95,000                 | 49,88,90,825             | 17,19,20,970        | 3,98,52,548                      | 1,70,221                                 | 21,16,03,297         | 28,72,87,528         |

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### Note 12 : Non-current investments

(Amount in Rs.)

| Particulars                                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------------------------|-------------------------|-------------------------|
| <b>Unquoted, trade investments</b>                   |                         |                         |
| <b>Investment in equity instruments</b>              |                         |                         |
| Innovators Engineering Works Private Limited         |                         |                         |
| 3,83,160 (P.Y. 3,83,160) equity shares of face value | 38,31,600               | 38,31,600               |
| Rs.10/- each, fully paid up                          |                         |                         |
|                                                      | <b>38,31,600</b>        | <b>38,31,600</b>        |

| Particulars                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-----------------------------------------|-------------------------|-------------------------|
| Aggregate value of unquoted investments | 38,31,600               | 38,31,600               |

#### Note 13 : Long-term loans and advances

(Unsecured, considered good)

| Particulars                           | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---------------------------------------|-------------------------|-------------------------|
| Security Deposits                     | 1,06,17,921             | 50,55,514               |
| Balances with statutory authorities   | 68,53,157               | 98,27,857               |
| Advance Tax & TDS (Net of Provisions) | 3,51,46,810             | 3,13,12,783             |
| Other Receivables                     | 74,50,000               | 74,50,000               |
|                                       | <b>6,00,67,888</b>      | <b>5,36,46,154</b>      |

#### Note 14 : Other non-current assets

(Unsecured, considered good)

| Particulars                                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-------------------------------------------------------------|-------------------------|-------------------------|
| Retention money receivable                                  | 8,27,71,433             | 4,92,93,762             |
| Fixed deposits (maturity period of more than 12 months)     | 1,02,98,274             | -                       |
| (Held as margin money with banks against credit facilities) |                         |                         |
|                                                             | <b>9,30,69,707</b>      | <b>4,92,93,762</b>      |

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### Note 15 : Inventories

(Amount in Rs.)

| Particulars                                              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|----------------------------------------------------------|-------------------------|-------------------------|
| <b>(Valued at lower of Cost or Net Realisable Value)</b> |                         |                         |
| Raw Materials and components                             | 18,95,35,313            | 20,79,99,054            |
| Work-in-progress *                                       | 7,08,55,923             | 18,17,06,746            |
|                                                          | <b>26,03,91,236</b>     | <b>38,97,05,800</b>     |

#### Note 16 : Trade receivables

| Particulars                                                                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Outstanding for a period more than six months from the due date for payment</b> |                         |                         |
| Unsecured, considered good                                                         | 7,96,82,552             | 6,79,52,343             |
| Unsecured, considered doubtful                                                     | 93,58,766               | 94,58,766               |
| Less - Provision for doubtful debtors                                              | (93,58,766)             | (94,58,766)             |
|                                                                                    | <b>7,96,82,552</b>      | <b>6,79,52,343</b>      |
| Others debts                                                                       | 22,34,83,795            | 29,28,69,018            |
|                                                                                    | <b>30,31,66,347</b>     | <b>36,08,21,361</b>     |

#### Note 17 : Unbilled revenue

| Particulars       | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-------------------|-------------------------|-------------------------|
| Unbilled Revenue* | 12,87,99,152            | 17,95,71,971            |
|                   | <b>12,87,99,152</b>     | <b>17,95,71,971</b>     |

\*Unbilled Revenue is net of Mobilization Advances received amounting to Rs.3,72,18,663/- (P.Y. Rs.1,51,18,967 /-)

#### Note 18 : Cash and bank balances

| Particulars                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------|-------------------------|-------------------------|
| <b>Cash &amp; cash equivalents</b> |                         |                         |
| Balances with banks                |                         |                         |
| - Current account                  | 19,43,819               | 59,05,749               |
| Cash on hand                       | 38,03,874               | 17,62,881               |

# INNOVATORS FAÇADE SYSTEMS LIMITED

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

| Particulars                                                                                                       | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Other bank balances</b>                                                                                        |                         |                         |
| Fixed deposits (maturity period of 3 to 12 months)<br>(held as margin money with banks against credit facilities) | 6,17,50,144             | 12,65,52,554            |
|                                                                                                                   | <b>6,74,97,837</b>      | <b>13,42,21,185</b>     |

### Note 19 : Short-term loans and advances

(Unsecured, Considered Good)

| Particulars                         | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-------------------------------------|-------------------------|-------------------------|
| Security deposit                    | 1,15,89,959             | 36,58,900               |
| Advance to suppliers                | 2,86,20,761             | 3,16,91,040             |
| Balances with statutory authorities | 56,32,544               | 3,05,81,916             |
| Advance to employees                | 24,32,782               | 24,85,622               |
| Prepaid expenses                    | 4,03,042                | 4,34,933                |
| Other receivables                   | 4,94,200                | 21,12,632               |
|                                     | <b>4,91,73,288</b>      | <b>7,09,65,043</b>      |

Advance to suppliers stated above include :

| Particulars                                                                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|----------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Amount paid to Company under significant influence of Director and/or their relatives</b> |                         |                         |
| Parth Facade Solutions Private Limited                                                       | -                       | 2,31,20,682             |

### Note 21 : Revenue from operations

| Particulars                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------------------|-------------------------|-------------------------|
| <b>Operating revenue</b>                       |                         |                         |
| Sales from works contract and façade materials | 64,88,33,352            | 1,40,05,91,377          |
| <b>Other operating revenue</b>                 |                         |                         |
| Sale of scrap                                  | 98,28,437               | 1,24,60,894             |
|                                                | <b>65,86,61,789</b>     | <b>1,41,30,52,271</b>   |

# INNOVATORS FAÇADE SYSTEMS LIMITED

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

### Note 22 : Other income

| Particulars                                | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|--------------------------------------------|------------------------------|------------------------------|
| <b>Interest Income</b>                     |                              |                              |
| - fixed deposits                           | 42,88,584                    | 60,27,325                    |
| - others                                   | 3,60,470                     | 7,15,460                     |
| VAT/sales tax Refund                       | -                            | 7,19,061                     |
| Profit on sale of fixed asset              | 4,93,534                     | 95,221                       |
| Profit on sale of tools                    | -                            | 12,05,000                    |
| Balance written back                       | 3,95,492                     | 35,58,362                    |
| Gain on foreign exchange fluctuation (net) | 1,836                        | 2,38,614                     |
|                                            | <b>55,39,916</b>             | <b>1,25,59,043</b>           |

### Note 23 : Cost of contracts

| Particulars                                                    | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|----------------------------------------------------------------|------------------------------|------------------------------|
| <b>Facade materials</b>                                        |                              |                              |
| Opening stock of materials                                     | 38,97,05,800                 | 44,98,22,916                 |
| Add: Purchases during the year                                 | 24,54,21,226                 | 65,60,63,498                 |
|                                                                | <b>63,51,27,025</b>          | <b>1,10,58,86,414</b>        |
| Less: Utilised for capital assets                              | 6,51,24,967                  | -                            |
| Less: Closing stock of materials (including materials at site) | 26,03,91,236                 | 38,97,05,800                 |
|                                                                | <b>30,96,10,822</b>          | <b>71,61,80,614</b>          |
| <b>Direct expenses</b>                                         |                              |                              |
| Installation charges                                           | 6,43,55,855                  | 11,24,75,698                 |
| Coating expenses                                               | 1,86,40,484                  | 3,62,43,179                  |
| Transportation expenses                                        | 91,85,037                    | 2,50,40,717                  |
| Fabrication expenses                                           | 1,10,73,531                  | 4,05,32,343                  |
| Other production and execution costs                           | 7,37,02,075                  | 16,47,28,665                 |
|                                                                | <b>17,69,56,981</b>          | <b>37,90,20,601</b>          |
|                                                                | <b>48,65,67,804</b>          | <b>1,09,52,01,215</b>        |

### Note 24 : Purchase of stock in trade

| Particulars                  | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|------------------------------|------------------------------|------------------------------|
| Purchases (façade materials) | -                            | 81,51,424                    |
|                              | <b>-</b>                     | <b>81,51,424</b>             |

# INNOVATORS FAÇADE SYSTEMS LIMITED

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

### Note 25 : Employee benefit expense

| Particulars                        | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|------------------------------------|------------------------------|------------------------------|
| Directors remuneration             | 56,25,000                    | 75,00,000                    |
| Salaries and incentives            | 4,52,99,838                  | 8,51,93,669                  |
| Gratuity expenses                  | 9,27,661                     | 22,38,916                    |
| Contribution to PF and other funds | 13,10,202                    | 22,30,395                    |
| Staff welfare expenses             | 14,36,769                    | 47,55,066                    |
|                                    | <b>5,45,99,471</b>           | <b>10,19,18,046</b>          |

### Note 26 : Finance cost

| Particulars          | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|----------------------|------------------------------|------------------------------|
| Interest expenses    |                              |                              |
| - Banks              | 2,49,11,811                  | 3,24,31,180                  |
| - Others             | 5,41,848                     | 1,77,075                     |
| Other borrowing cost | 1,16,61,819                  | 1,88,72,867                  |
|                      | <b>3,71,15,478</b>           | <b>5,14,81,122</b>           |

### Note 27 : Other expenses

| Particulars                           | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|---------------------------------------|------------------------------|------------------------------|
| Rent expenses                         | 36,60,859                    | 47,17,768                    |
| Rates and taxes                       | 43,13,984                    | 11,80,415                    |
| Electricity charges                   | 4,24,979                     | 12,38,435                    |
| Communication expenses                | 8,12,137                     | 10,92,981                    |
| Insurance charges                     | 16,82,759                    | 12,04,962                    |
| Professional & consultancy charges    | 38,56,366                    | 1,02,24,920                  |
| Auditors remuneration                 | 5,03,000                     | 8,30,750                     |
| Security charges                      | 20,49,294                    | 25,02,059                    |
| Repairs & maintenance - Machinery     | 8,12,542                     | 18,25,009                    |
| Repairs & maintenance - Building      | 3,51,222                     | 20,39,323                    |
| Conveyance and travelling             | 74,30,834                    | 1,18,70,624                  |
| Vehicle maintenance and fuel expenses | 37,14,890                    | 59,10,904                    |
| CSR expenditure & donations           | 15,00,000                    | 10,19,501                    |
| Sales promotion expenses              | 3,06,487                     | 22,52,883                    |
| Miscellaneous expenses                | 33,06,899                    | 50,36,876                    |
|                                       | <b>3,47,26,252</b>           | <b>5,29,47,410</b>           |

# INNOVATORS FAÇADE SYSTEMS LIMITED

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

### Auditor's Remuneration :

(Amount in Rs.)

| Particulars          | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|----------------------|------------------------------|------------------------------|
| Statutory audit fees | 4,50,000                     | 6,32,500                     |
| Tax audit fees       | 50,000                       | 50,000                       |
| Other Services       | 3,000                        | 1,48,250                     |
| <b>Total</b>         | <b>5,03,000</b>              | <b>8,30,750</b>              |

### Note 28 : Exceptional items

| Particulars                                          | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|------------------------------------------------------|------------------------------|------------------------------|
| Sundry Debtors & Retention Write off and Provisions* | -                            | 16,07,12,760                 |
|                                                      | -                            | <b>16,07,12,760</b>          |

\* During the previous year, the management had reviewed old outstanding balances of trade receivables and retention money of certain parties in respect of completed projects, for which the Company had regular follow up for the recovery. Considering the COVID 19 Pandemic situation, future business prospects and various other commercial and non-commercial factors, these legitimate balances have been written off / provided for doubtful debts. The same has been shown as an exceptional item in the financial statements.

### Note 29 : Earnings per equity share:

| Particulars                                       | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|---------------------------------------------------|------------------------------|------------------------------|
| <b>Basic Earnings per Share</b>                   |                              |                              |
| Profit/(Loss) attributable to equity shareholders | 78,62,964                    | (8,20,06,866)                |
| Shares outstanding at the beginning of the year   | 1,88,67,808                  | 1,88,67,808                  |
| Shares outstanding at the end of the year         | 1,88,67,808                  | 1,88,67,808                  |
| Weighted average number of equity shares          | 1,88,67,808                  | 1,88,67,808                  |
| <b>Basic &amp; Dilutive Earnings Per Share</b>    | 0.42                         | (4.35)                       |
| <b>Face value per Share</b>                       | 10.00                        | 10.00                        |

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



# INNOVATORS FAÇADE SYSTEMS LIMITED

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

### Note 31 : Contingent Liabilities

| Particulars                          | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|--------------------------------------|------------------------------|------------------------------|
| (i) Bank Guarantees                  | 29,60,25,849                 | 28,43,75,169                 |
| (ii) Disputed VAT/CST liabilities    | 7,22,01,124                  | 7,22,01,124                  |
| (ii) Disputed Income tax liabilities | 7,46,666                     | 7,46,666                     |
| <b>TOTAL</b>                         | <b>36,89,73,639</b>          | <b>35,73,22,959</b>          |

### Note 32 : Corporate Social Responsibility

- CSR amount required to be spent as per section 135 of Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs. 7,90,646 (Previous year Rs. 16,53,242/-).
- Expenses related to Corporate Social Responsibility is Rs. 15,00,000/- (Previous year Rs. 10,08,500/-).

Details of amount spent during the financial year 2020-21 is as follow :

| Particulars                                                       | Balance CSR as<br>on 1st April 2020 | Expenditure<br>required for the<br>current year | Amount spend<br>during the year | Short / (Excess)<br>amount spent |
|-------------------------------------------------------------------|-------------------------------------|-------------------------------------------------|---------------------------------|----------------------------------|
| Construction / acquisition of<br>any assets                       | -                                   | -                                               | -                               | -                                |
| For purpose other than<br>construction / acquisition of<br>assets | 6,44,742                            | 7,90,646                                        | 15,00,000                       | (64,612)                         |

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

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

| Particulars                                                                      | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|----------------------------------------------------------------------------------|------------------------------|------------------------------|
| A) Lease payments recognized in the statement of<br>profit and loss for the year | 36,60,859                    | 47,17,768                    |
| B) A general description of the lessee's significant leasing arrangements:       |                              |                              |
| - lease rent agreements are for offices and guest houses                         |                              |                              |
| - there are no restrictions imposed by lease arrangements.                       |                              |                              |
| - there are no subleases                                                         |                              |                              |

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

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

Actuarial assumption:

| Particulars               | Year Ended<br>March 31, 2021             | Year Ended<br>March 31, 2020             |
|---------------------------|------------------------------------------|------------------------------------------|
| Salary Growth*            | 6.00%                                    | 6.00%                                    |
| Discount Rate             | 6.80%                                    | 6.85%                                    |
| Rate of Employee Turnover | 10% at younger ages<br>& 2% at older age | 10% at younger ages<br>& 2% at older age |

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

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

| Particulars                                                  | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|--------------------------------------------------------------|------------------------------|------------------------------|
| Present value of obligation as at the beginning of the year: | 80,69,667                    | 77,19,598                    |
| Interest cost                                                | 5,45,831                     | 6,01,357                     |
| Current service cost                                         | 10,64,169                    | 8,83,837                     |
| Benefits paid                                                | 7,89,807                     | 18,88,847                    |
| Actuarial (gain) / loss on obligation                        | (6,82,339)                   | 7,53,722                     |
| Closing Present value of obligation                          | 82,07,521                    | 80,69,667                    |

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

| Particulars                                       | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|---------------------------------------------------|------------------------------|------------------------------|
| Actuarial (gain)/ loss on obligation for the year | (6,82,339)                   | 7,53,722                     |

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

| Particulars                                                        | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|--------------------------------------------------------------------|------------------------------|------------------------------|
| Present value of obligation as at the end of the year              | 82,07,521                    | 80,69,667                    |
| Funded value of assets (unfunded)                                  | -                            | -                            |
| Net assets / (liability) recognised in balance sheet - Non-Current | 80,08,629                    | 78,67,018                    |
| Net assets / (liability) recognised in balance sheet - Current     | 1,98,892                     | 2,02,649                     |

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

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

| Particulars                                             | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|---------------------------------------------------------|------------------------------|------------------------------|
| Current service cost                                    | 10,64,169                    | 8,83,837                     |
| Past service cost                                       | -                            | -                            |
| Interest cost                                           | 5,45,831                     | 6,01,357                     |
| Expected return on plan assets                          | -                            | -                            |
| Net actuarial (gain) / loss recognized in the year      | (6,82,339)                   | 7,53,722                     |
| Expenses recognised in the statement of profit and loss | 9,27,661                     | 22,38,916                    |

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

| Particulars                                            | Gratuity                        |                                 |                                 |                                 |                                 |
|--------------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|                                                        | Year Ended<br>March 31,<br>2021 | Year Ended<br>March 31,<br>2020 | Year Ended<br>March 31,<br>2019 | Year Ended<br>March 31,<br>2018 | Year Ended<br>March 31,<br>2017 |
| Defined benefit obligation                             | 82,07,521                       | 80,69,667                       | 77,19,598                       | 66,76,081                       | 59,78,905                       |
| Plan assets                                            | -                               | -                               | -                               | -                               | -                               |
| Surplus/(deficit)                                      | (82,07,521)                     | (80,69,667)                     | (77,19,598)                     | (66,76,081)                     | (59,78,905)                     |
| Actuarial gain/(loss) on<br>Defined benefit obligation | (6,82,339)                      | 7,53,722                        | (3,79,976)                      | (3,27,783)                      | 1,27,637                        |
| Actuarial gain/(loss) on<br>plan assets                | -                               | -                               | -                               | -                               | -                               |

#### Note 35 : Segment Reporting

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

#### Note 36 : Related Party disclosures

##### A. List of related parties

(i) Key Management Personnel:

| Name                  | Designation         |
|-----------------------|---------------------|
| Mr. Radheshyam Sharma | Managing Director   |
| Mrs. Anjana Sharma    | Whole Time Director |

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

| Name                 | Designation                                         |
|----------------------|-----------------------------------------------------|
| Mr. Shivchand Sharma | Director                                            |
| Mr. Raman Sharma     | Chief Executive Officer                             |
| Mrs. Priti Sharma    | Chief Financial Officer                             |
| Mr. Nitin Kore       | Company Secretary (Upto 19-Oct-2019)                |
| Ms. Rekha Rane       | Company Secretary (from 18-Nov-2019 to 27-Nov-2019) |
| Mr. Farhan Shaikh    | Company Secretary (Upto 17-April-2021)              |

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

| Name                |
|---------------------|
| Mrs. Dropadi Sharma |
| Mr. Narendra Sharma |
| Mr. Rohit Sharma    |
| Miss. Vedika Sharma |

- (iii) **Subsidiary Company:**

**Innovators Engineering Works Private Limited**

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

| Name of the Party                                                                              |
|------------------------------------------------------------------------------------------------|
| Innovators Cleantech Private Limited (formerly known as Innovators Façade Solutions Pvt. Ltd.) |
| Innovators Façade Solutions (Mumbai) Private Limited                                           |
| Parth Façade Solutions Private Limited                                                         |

#### **B. Transactions with Related Parties :**

| Nature of Transaction  | Name of Party         | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|------------------------|-----------------------|------------------------------|------------------------------|
| Directors Remuneration | Mr. Radheshyam Sharma | 40,50,000                    | 54,00,000                    |
|                        | Mrs. Anjana Sharma    | 15,75,000                    | 21,00,000                    |
| Salaries               | Mr. Raman Sharma      | 20,70,000                    | 27,60,000                    |
|                        | Mr. Rohit Sharma      | 19,95,000                    | 15,33,000                    |
|                        | Ms. Vedika Sharma     | 4,95,000                     | 2,40,000                     |
|                        | Mrs. Priti Sharma     | 14,85,000                    | 19,80,000                    |
|                        | Mr. Nitin Kore        | -                            | 2,55,224                     |

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

| Nature of Transaction                          | Name of Party                                        | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|------------------------------------------------|------------------------------------------------------|------------------------------|------------------------------|
| Office Rent                                    | Ms. Rekha Rane                                       | -                            | 8,634                        |
|                                                | Mr. Farhan Shaikh                                    | 5,52,200                     | -                            |
|                                                | Mr. Narendra Sharma                                  | 5,04,000                     | 5,04,000                     |
|                                                | Mr. Raman Sharma                                     | 2,52,000                     | 2,52,000                     |
|                                                | Mr. Shivchand Sharma                                 | 2,52,000                     | 2,52,000                     |
|                                                | Mrs. Dropadi Sharma                                  | 3,36,000                     | 3,36,000                     |
|                                                | Mr. Rohit Sharma                                     | 3,36,000                     | 3,36,000                     |
|                                                | Mrs. Priti Sharma                                    | 1,68,000                     | 1,68,000                     |
| Sales from works contract and façade materials | Innovators Cleantech Private Limited                 | 3,33,20,522                  | 9,91,64,694                  |
| Contracts Execution Expenses & Labour Services | Parth Façade Solutions Private Limited*              | 8,02,49,414                  | 14,41,34,978                 |
|                                                | Innovators Engineering Works Private Limited         | 1,37,86,296                  | 7,55,65,975                  |
|                                                | Innovators Cleantech Private Limited                 | 4,72,08,412                  | 6,18,36,512                  |
| Unsecured Loan Taken                           | Innovators Facade Solutions (Mumbai) Private Limited | 5,02,00,000                  | 2,76,11,188                  |
| Unsecured Loan Repaid                          | Innovators Facade Solutions (Mumbai) Private Limited | 12,12,00,000                 | 3,00,00,000                  |

\*includes capitalisation of Rs. 2,50,03,240 in fixed assets.

#### C. Balance Outstanding of Related Parties :

| Name of Party                                                                                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Unsecured Loan Payable</b>                                                                        |                         |                         |
| Innovators Facade Solutions (Mumbai) Private Limited                                                 | 7,90,00,000             | 15,00,00,000            |
| <b>Advance to Suppliers</b>                                                                          |                         |                         |
| Parth Façade Solutions Private Limited                                                               | -                       | 2,31,20,682             |
| <b>Trade Payables</b>                                                                                |                         |                         |
| Innovators Engineering Works Private Limited                                                         | 32,80,440               | 39,82,990               |
| Innovators Cleantech Private Limited ( formerly known as Innovator façade solution private limited ) | 1,61,91,471             | -                       |

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

| Name of Party                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|----------------------------------------|-------------------------|-------------------------|
| Parth Façade Solutions Private Limited | 88,65,972               | -                       |
| <b>Trade Receivables</b>               |                         |                         |
| Innovators Cleantech Private Limited   | -                       | 95,67,499               |
| <b>Other Payables / (Receivables)</b>  |                         |                         |
| Mr. Radheshyam S Sharma                | (3,40,571)              | 1,33,656                |
| Mrs. Anjana Sharma                     | 79,570                  | 1,32,063                |
| Mr. Raman Sharma                       | (54,638)                | 2,03,706                |
| Mrs. Priti Sharma                      | 49,377                  | 1,93,117                |
| Mr. Rohit Sharma                       | (1,12,949)              | 1,50,984                |
| Miss. Vedika Sharma                    | (1,09,423)              | -                       |

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

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

| Particulars                | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|----------------------------|------------------------------|------------------------------|
| Raw Materials & Components | 2,74,104                     | 1,19,731                     |
| Plant and Machinery        | -                            | 91,69,950                    |
| <b>Total</b>               | <b>2,74,104</b>              | <b>92,89,681</b>             |

(b) Expenditure in foreign currency - Rs. Nil (PY Rs. Nil)

(c) Consumption of raw materials:

| Particulars  | Year Ended March 31, 2021 |                | Year Ended March 31, 2020 |                |
|--------------|---------------------------|----------------|---------------------------|----------------|
|              | Amount                    | Percentage     | Amount                    | Percentage     |
| Imported     | 2,74,104                  | 0.09%          | 1,19,731                  | 0.02%          |
| Indigenous   | 30,93,36,718              | 99.91%         | 71,60,60,883              | 99.98%         |
| <b>Total</b> | <b>30,96,10,822</b>       | <b>100.00%</b> | <b>71,61,80,614</b>       | <b>100.00%</b> |

# INNOVATORS FAÇADE SYSTEMS LIMITED

## ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

### Note 38 : Accounting Standard - 7

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

| Particulars                                                           | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|-----------------------------------------------------------------------|------------------------------|------------------------------|
| Progress Billing                                                      | 3,81,56,16,054               | 3,29,66,92,196               |
| Aggregate amount of contract cost incurred                            | 2,74,40,25,471               | 2,36,29,21,063               |
| Recognised Profits less recognised losses                             | 1,23,76,08,398               | 1,12,84,62,071               |
| The amount of retentions due from customers for contracts in progress | 18,20,05,847                 | 10,97,16,610                 |

**Note 39 :** The company was converted into a Limited Company from Private Limited Company with effect from 15th February, 2018 and fresh incorporation certificate had been received from Registrar of Companies, Mumbai.

**Note 40:** The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance. The Company has taken into account the possible impact of Covid-19 in preparation of the financial statements, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these financial statements and current indicators of future economic conditions.

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

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

**Suresh Murarka**  
Partner  
Membership No. 044739

Place : Mumbai  
Date : 30th June 2021

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

**Radheshyam Sharma**      **Anjana Sharma**  
Managing Director      Whole - Time Director  
DIN: 00340865      DIN: 00360233

**Priti Sharma**      **Raman Sharma**      **Radhika Tibrewal**  
Chief Financial Officer      Chief Executive Officer      Company Secretary  
Mem No. A48119

Place : Thane  
Date : 30th June 2021

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Innovators Façade Systems Limited**

**Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying consolidated financial statements of Innovators Façade Systems Limited (hereinafter referred to as the 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated Balance Sheet as at March 31, 2021, the consolidated statement of Profit and Loss, the consolidated cash flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2021, its consolidated profit (consolidated financial performance) and its consolidated cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by ICAI together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report :

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

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

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



## **Auditor's Response**

### **Principal Audit Procedures**

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

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

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

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

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

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

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

to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies in India, none of the directors of the Group companies is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in “Annexure A”.
  - (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group– Refer Note 31 to the consolidated financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies incorporated in India.
2. As required by section 197(16) of the act, based on our audit, on consolidated financial statements of the subsidiary, we report that the holding company, subsidiary covered under the act paid remuneration to their respective directors during the year in accordance with the provisions of and the limited laid down under section 197 read with Schedule V to the Act.

***For S G C O & Co. LLP***

Chartered Accountants

**FRN. 112081W/W100184**

***Suresh Murarka***

Partner

Mem. No. 044739

UDIN: 21044739AAAANH1967

**Place:** Mumbai

**Date:** 30<sup>th</sup> June 2021

**Annexure - A to the Independent Auditor's Report of even date on the Consolidated financial statements of Innovators Façade Systems Limited for the year ended 31<sup>st</sup> March 2021.**

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

We have audited the internal financial controls over financial reporting of **Innovators Façade Systems Limited** (hereinafter referred to as "the Holding Company") as at March 31, 2021 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date. As per circular no G.S.R 583 (E ), dated 13<sup>th</sup> June 2017 the clause (i) of section 143(3) of the Act regarding internal financial control over financial reporting, is not applicable to the subsidiary company.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

## Meaning of Internal Financial Controls over Financial Reporting

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion, the Holding Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

***For S G C O & Co. LLP***

Chartered Accountants

**FRN. 112081W/W100184**

***Suresh Murarka***

Partner

Mem. No. 044739

UDIN: 21044739AAAANH1967

**Place:** Mumbai

**Date:** 30<sup>th</sup> June 2021

**INNOVATORS FAÇADE SYSTEMS LIMITED**  
**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021**

(Amount in Rs.)

| Particulars                                             | Note Nos. | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---------------------------------------------------------|-----------|-------------------------|-------------------------|
| <b>EQUITY AND LIABILITIES</b>                           |           |                         |                         |
| <b>Shareholder's funds</b>                              |           |                         |                         |
| Share capital                                           | 2         | 18,86,78,080            | 18,86,78,080            |
| Reserves and surplus                                    | 3         | 1,01,43,25,884          | 1,00,50,96,355          |
|                                                         |           | <b>1,20,30,03,964</b>   | <b>1,19,37,74,435</b>   |
| <b>Minority interest</b>                                |           | -                       | -                       |
| <b>Non-current liabilities</b>                          |           |                         |                         |
| Long-term borrowings                                    | 4         | 10,28,78,216            | 15,31,90,809            |
| Deferred tax liabilities (Net)                          | 5         | -                       | -                       |
| Long-term provisions                                    | 6         | 83,84,628               | 80,72,005               |
|                                                         |           | <b>11,12,62,844</b>     | <b>16,12,62,814</b>     |
| <b>Current liabilities</b>                              |           |                         |                         |
| Short-term borrowings                                   | 7         | 12,10,58,892            | 26,57,72,416            |
| Trade payables                                          | 8         |                         |                         |
| - Due to Micro, Small and Medium Enterprises            |           | 6,73,155                | 14,64,826               |
| - Due to Other than Micro, Small and Medium Enterprises |           | 14,33,57,727            | 18,97,77,389            |
| Other current liabilities                               | 9         | 6,15,44,022             | 3,06,41,025             |
| Short-term provisions                                   | 10        | 1,99,782                | 2,03,307                |
|                                                         |           | <b>32,68,33,577</b>     | <b>48,78,58,963</b>     |
|                                                         |           | <b>1,64,11,00,384</b>   | <b>1,84,28,96,212</b>   |
| <b>ASSETS</b>                                           |           |                         |                         |
| <b>Non-current assets</b>                               |           |                         |                         |
| Property Plant & Equipment                              | 11        |                         |                         |
| - Tangible assets                                       |           | 36,92,41,102            | 28,72,87,528            |
| Non-current investments                                 | 12        | 15,60,41,000            | 15,60,41,000            |
| Deferred tax assets (Net)                               | 5         | 4,08,614                | 17,76,659               |
| Long-term loans and advances                            | 13        | 8,95,99,603             | 8,31,90,636             |
| Other non-current assets                                | 14        | 9,30,69,707             | 4,92,93,762             |
|                                                         |           | <b>33,91,18,924</b>     | <b>29,03,02,057</b>     |
| <b>Current assets</b>                                   |           |                         |                         |
| Inventories                                             | 15        | 26,03,91,236            | 38,97,05,800            |
| Trade receivables                                       | 16        | 30,31,66,347            | 36,08,21,361            |
| Unbilled revenue                                        | 17        | 12,87,99,152            | 17,95,71,971            |
| Cash and bank balances                                  | 18        | 7,28,04,002             | 13,76,57,568            |
| Short-term loans and advances                           | 19        | 4,98,17,070             | 7,46,71,060             |
| Other current assets                                    | 20        | 11,77,62,552            | 12,28,78,868            |
|                                                         |           | <b>93,27,40,358</b>     | <b>1,26,53,06,627</b>   |
|                                                         |           | <b>1,64,11,00,384</b>   | <b>1,84,28,96,212</b>   |
| Significant Accounting Policies                         | 1         |                         |                         |

See accompanying notes to the financial statements

1 to 43

In terms of our report of even date

For **S G C O & Co. LLP**

Chartered Accountants

Firm Registration No. 112081W/W100184

**Suresh Murarka**

Partner

Membership No. 044739

Place : Mumbai

Date : 30th June 2021

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

**Radheshyam Sharma**

Director

DIN: 00340865

**Priti Sharma**

Chief Financial Officer

Place : Thane

Date : 30th June 2021

**Anjana Sharma**

Director

DIN: 00360233

**Raman Sharma**

Chief Executive Officer

**Radhika Tibrewal**

Company Secretary

Mem No. A48119

**INNOVATORS FAÇADE SYSTEMS LIMITED**  
**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021**  
(Amount in Rs.)

| Particulars                                                          | Note Nos. | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|----------------------------------------------------------------------|-----------|------------------------------|------------------------------|
| <b>REVENUE</b>                                                       |           |                              |                              |
| Revenue from operations                                              | 21        | 65,86,61,789                 | 1,41,30,52,271               |
| Other income                                                         | 22        | 59,64,807                    | 1,25,59,043                  |
|                                                                      |           | <b>66,46,26,596</b>          | <b>1,42,56,11,314</b>        |
| <b>EXPENSES</b>                                                      |           |                              |                              |
| Cost of contracts                                                    | 23        | 47,60,03,027                 | 1,05,62,65,159               |
| Purchase of stock in trade                                           | 24        | -                            | 81,51,424                    |
| Employee benefit expense                                             | 25        | 6,37,18,127                  | 13,80,52,497                 |
| Finance cost                                                         | 26        | 3,71,15,478                  | 5,14,81,122                  |
| Depreciation                                                         | 11        | 4,29,25,101                  | 3,98,52,548                  |
| Other expenses                                                       | 27        | 3,50,80,788                  | 5,32,30,469                  |
|                                                                      |           | <b>65,48,42,521</b>          | <b>1,34,70,33,219</b>        |
| <b>Profit before exceptional items and tax</b>                       |           | <b>97,84,075</b>             | <b>7,85,78,095</b>           |
| Less : Exceptional items                                             | 28        | -                            | 16,07,12,760                 |
| <b>Profit before tax</b>                                             |           | <b>97,84,075</b>             | <b>(8,21,34,665)</b>         |
| <b>Less: Tax expenses</b>                                            |           |                              |                              |
| Current Tax                                                          |           | 3,47,000                     | 5,77,000                     |
| Deferred Tax Liabilities / (Assets)                                  | 5         | 13,68,045                    | (26,46,345)                  |
| Tax of Earlier Years                                                 |           | (11,60,498)                  | -                            |
| <b>Profit for the year (before adjustment for minority interest)</b> |           | <b>92,29,528</b>             | <b>(8,00,65,320)</b>         |
| Less: Share of Profit/(Loss) transferred to minority interest        |           | -                            | -                            |
| <b>Profit for the year (after adjustment for minority interest)</b>  |           | <b>92,29,528</b>             | <b>(8,00,65,320)</b>         |
| <b>Earnings per equity share:</b>                                    | 29        |                              |                              |
| (Nominal value of Rs. 10/- each)                                     |           |                              |                              |
| - Basic                                                              |           | 0.49                         | (4.24)                       |
| - Diluted                                                            |           | 0.49                         | (4.24)                       |
| Significant Accounting Policies                                      | 1         |                              |                              |

See accompanying notes to the financial statements

1 to 43

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

**Suresh Murarka**  
Partner  
Membership No. 044739

Place : Mumbai  
Date : 30th June 2021

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

**Radheshyam Sharma**      **Anjana Sharma**  
Director                      Director  
DIN: 00340865              DIN: 00360233

**Priti Sharma**                      **Raman Sharma**                      **Radhika Tibrewal**  
Chief Financial Officer      Chief Executive Officer      Company Secretary  
Mem No. A48119

Place : Thane  
Date : 30th June 2021



**INNOVATORS FAÇADE SYSTEMS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MAR 31, 2021**  
(Amount in Rs.)

| Particulars                                                      | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|------------------------------------------------------------------|------------------------------|------------------------------|
| <b>A. Cash Flow from Operating Activities</b>                    |                              |                              |
| Net profit before Tax                                            | 97,84,075                    | (8,21,34,665)                |
| <b>Adjustments for:</b>                                          |                              |                              |
| Depreciation                                                     | 4,29,25,101                  | 3,98,52,548                  |
| Balances written off                                             | -                            | 14,73,06,286                 |
| Provision for doubtful debts                                     | -                            | 1,34,06,474                  |
| (Profit)/loss on sale of property plant & equipments             | (4,93,534)                   | (95,221)                     |
| Finance costs                                                    | 3,71,15,478                  | 5,14,81,122                  |
| Interest income                                                  | (42,88,584)                  | (60,27,325)                  |
| <b>Operating Profit before Working Capital changes</b>           | <b>8,50,42,536</b>           | <b>16,37,89,219</b>          |
| <b>Adjustments for :</b>                                         |                              |                              |
| (Increase) / Decrease in inventories                             | 12,93,14,564                 | 6,01,17,116                  |
| (Increase) / Decrease in trade receivables                       | 10,84,27,833                 | 7,13,41,235                  |
| (Increase) / Decrease in short term loans and advances           | 2,48,53,990                  | (48,54,127)                  |
| (Increase) / Decrease in long term loans given & advances        | (25,87,706)                  | 21,31,778                    |
| (Increase) / Decrease in other current & non-current assets      | (3,86,59,629)                | (1,11,71,814)                |
| Increase / (Decrease) in trade payable                           | (4,72,11,333)                | (12,42,37,221)               |
| Increase / (Decrease) in other current liabilities               | 1,50,42,024                  | (33,75,303)                  |
| Increase / (Decrease) in provisions                              | 3,09,098                     | 5,55,714                     |
| <b>CASH GENERATED FROM OPERATIONS</b>                            | <b>27,45,31,376</b>          | <b>15,42,96,597</b>          |
| Income tax paid                                                  | (30,07,762)                  | (2,09,42,711)                |
| <b>Net Cash inflow from/ (outflow) from Operating activities</b> | <b>27,15,23,612</b>          | <b>13,33,53,886</b>          |
| <b>B. Cash Flow from Investing Activities</b>                    |                              |                              |
| Purchase of property plant & equipments                          | (13,37,55,424)               | (3,20,24,390)                |
| Sale of property plant & equipments                              | 93,70,284                    | 1,20,000                     |
| Maturity / (investments) in fixed deposits                       | 6,48,02,410                  | (1,24,60,941)                |
| Interest received                                                | 42,88,584                    | 60,27,325                    |
| <b>Net Cash inflow from/ (outflow) from Investing activities</b> | <b>(5,52,94,146)</b>         | <b>(3,83,38,006)</b>         |
| <b>C. Cash Flow from Financing Activities</b>                    |                              |                              |
| Proceeds from borrowings                                         | 4,39,41,102                  | (8,92,137)                   |
| Repayment from borrowings                                        | (22,31,06,245)               | (5,99,78,182)                |
| Finance cost                                                     | (3,71,15,478)                | (5,14,81,122)                |
| <b>Net Cash inflow from/ (outflow) from Financing activities</b> | <b>(21,62,80,621)</b>        | <b>(11,23,51,441)</b>        |
| <b>Net increase / (decrease) in cash and cash equivalents</b>    | <b>(51,156)</b>              | <b>(1,73,35,561)</b>         |
| <b>Opening Cash and Cash Equivalents</b>                         |                              |                              |
| Cash in hand                                                     | 18,48,526                    | 17,36,458                    |

**INNOVATORS FAÇADE SYSTEMS LIMITED**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MAR 31, 2021 (Contd.)**  
 (Amount in Rs.)

| Particulars                              | Year ended<br>March 31, 2021 | Year ended<br>March 31, 2020 |
|------------------------------------------|------------------------------|------------------------------|
| Bank balances                            | 92,56,488                    | 2,67,04,117                  |
|                                          | <b>1,11,05,014</b>           | <b>2,84,40,575</b>           |
| <b>Closing Cash and Cash Equivalents</b> |                              |                              |
| Cash in hand                             | 38,88,435                    | 18,48,526                    |
| Bank balances                            | 71,65,423                    | 92,56,488                    |
|                                          | <b>1,10,53,858</b>           | <b>1,11,05,014</b>           |

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

**Suresh Murarka**  
 Partner  
**Membership No. 044739**

Place : Mumbai  
 Date : 30th June 2021

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

**Radheshyam Sharma**      **Anjana Sharma**  
 Director                      Director  
**DIN: 00340865**              **DIN: 00360233**

**Priti Sharma**                      **Raman Sharma**                      **Radhika Tibrewal**  
 Chief Financial Officer      Chief Executive Officer      Company Secretary  
**Mem No. A48119**

Place : Thane  
 Date : 30th June 2021

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### **Note 1 : Significant Accounting Policies:**

##### **A Corporate information**

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

##### **B Basis of Accounting:**

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

##### **C Principles of Consolidation:**

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

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

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

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

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

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

#### **E Revenue Recognition**

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

#### **F Property Plant & Equipment's**

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

#### **G Depreciation & Amortisation**

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

#### **H Investments:**

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

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### **I Inventories:**

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

#### **J Foreign Currency Transactions :**

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

#### **K Accounting for Taxes of Income:-**

##### **Current Taxes**

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

##### **Deferred Taxes**

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

#### **L Employee Benefits :**

- i) Company's contribution to Provident Fund and other Funds for the year is accounted on accrual basis and charged to the Profit & Loss Account for the year.

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- ii) Retirement benefits in the form of Gratuity are considered as defined benefit obligations and are provided on the basis of the actuarial valuation, using the projected unit credit method as at the date of the Balance Sheet.

#### **M Provisions and Contingent Liabilities:**

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

#### **N Impairment of Assets:**

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

## INNOVATORS FAÇADE SYSTEMS LIMITED

**ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in Rs.)

### Note 2 : Share capital

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

| Particulars                                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-----------------------------------------------|-------------------------|-------------------------|
| <b>Authorised Capital</b>                     |                         |                         |
| 2,10,00,000 Equity shares of Rs. 10/- each    | 21,00,00,000            | 21,00,00,000            |
|                                               | <b>21,00,00,000</b>     | <b>21,00,00,000</b>     |
| <b>Issued, Subscribed and Paid up Capital</b> |                         |                         |
| 1,88,67,808 Equity shares of Rs. 10/- each    | 18,86,78,080            | 18,86,78,080            |
|                                               | <b>18,86,78,080</b>     | <b>18,86,78,080</b>     |

#### b. Terms & Conditions

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

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

#### c. Shareholders having more than 5 % Shareholding

| Name of Shareholder              | As at March 31, 2021     |            | As at March 31, 2020     |            |
|----------------------------------|--------------------------|------------|--------------------------|------------|
|                                  | No of Equity shares held | Percentage | No of Equity shares held | Percentage |
| Jolly Multitrade Private Limited | 45,41,022                | 24.07%     | 45,41,022                | 24.07%     |
| Mr.Radheshyam Sharma             | 23,80,209                | 12.62%     | 23,80,209                | 12.62%     |
| Mr.Vijay Kedia                   | 20,10,632                | 10.66%     | 20,10,632                | 10.66%     |
| Mr.Raman Sharma                  | 18,86,400                | 10.00%     | 18,57,600                | 9.85%      |

#### e. Reconciliation of number of equity shares

| Particulars                                     | As at March 31, 2021 |                    | As at March 31, 2020 |                    |
|-------------------------------------------------|----------------------|--------------------|----------------------|--------------------|
|                                                 | Number               | Rs.                | Number               | Rs.                |
| Shares outstanding at the beginning of the year | 1,88,67,808          | 1,32,07,080        | 1,88,67,808          | 1,32,07,080        |
| Add: Shares issued during the year              | -                    | -                  | -                    | -                  |
| Shares outstanding at the end of the year       | <b>1,88,67,808</b>   | <b>1,32,07,080</b> | <b>1,88,67,808</b>   | <b>1,32,07,080</b> |

## INNOVATORS FAÇADE SYSTEMS LIMITED

**ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in Rs.)

### Note 3 : Reserves and surplus

| Particulars                                           | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-------------------------------------------------------|-------------------------|-------------------------|
| <b>a. Securities premium account</b>                  |                         |                         |
| Opening balance                                       | 60,83,51,401            | 60,83,51,401            |
| Add : Additions / (utilised) during the year          | -                       | -                       |
| <b>Closing balance</b>                                | <b>60,83,51,401</b>     | <b>60,83,51,401</b>     |
| <b>b. Surplus in the statement of profit and loss</b> |                         |                         |
| Opening balance                                       | 21,38,71,540            | 29,39,36,860            |
| Add/(Less) : Profit/(Loss) for the year               | 92,29,528               | (8,00,65,320)           |
| <b>Closing balance</b>                                | <b>22,31,01,068</b>     | <b>21,38,71,540</b>     |
| <b>c. Capital reserve on consolidation</b>            | <b>18,28,73,414</b>     | <b>18,28,73,414</b>     |
| <b>Total</b>                                          | <b>1,01,43,25,884</b>   | <b>1,00,50,96,355</b>   |

### Note 4 : Long-term borrowings

| Particulars                                 | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---------------------------------------------|-------------------------|-------------------------|
| <b>Secured</b>                              |                         |                         |
| <b>Term loan from banks</b>                 | -                       | 49,26,460               |
| Less : Current maturities of long term debt | -                       | 49,26,460               |
|                                             | -                       | -                       |
| <b>Vehicle Loans</b>                        | 24,07,946               | 48,74,208               |
| Less : Current maturities of long term debt | 14,21,316               | 24,66,262               |
|                                             | <b>9,86,630</b>         | <b>24,07,946</b>        |
| <b>Finance lease obligation</b>             | 1,58,39,525             | -                       |
| Less: Current maturities of long term debt  | 48,99,046               | -                       |
|                                             | <b>1,09,40,479</b>      | -                       |
| <b>Working capital demand loans</b>         | 2,81,01,577             | -                       |
| Less: Current maturities of long term debt  | 1,69,33,333             | -                       |
|                                             | <b>1,11,68,244</b>      | -                       |
| <b>Unsecured</b>                            |                         |                         |
| <b>From related parties:</b>                |                         |                         |
| - Inter Corporate Deposits                  | 7,90,00,000             | 15,00,00,000            |
| - Directors & Other Relatives               | 7,82,863                | 7,82,863                |
|                                             | <b>7,97,82,863</b>      | <b>15,07,82,863</b>     |
|                                             | <b>10,28,78,216</b>     | <b>15,31,90,809</b>     |



## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

#### Additional information pertaining to long term borrowings

- a. Term loan from Punjab National Bank (earstwhile Oriental Bank of Commerce) amounting to Rs.Nil (P.Y. Rs.49,26,460/-) is secured against first charge over factory land & building and hypothecation of machinery to be purchased out of repective term loan and collateral security of equitable mortgage of various immovable properties of directors, hypothecation of immovable assets and personal guarantee of directors. It carries interest rate of 4% over base rate . The loan is repayable in 84 monthly instalments of Rs. 5,95,000/- each after the 9 months from first disbursements. The loan has been repaid fully during the previous year.
- b. Vehicle loans from ICICI bank amounting to Rs.24,07,946 (P.Y. Rs.48,74,208/-) are secured against respective vehicles. They carry interest rate ranging between 8.70% to 9.40% per annum. The Instalments period of the loans ranges between 46 months to 60 months.
- c. Finance lease obligation from Siemens Financial Services Private Limited amounting to Rs 1,58,39,525 (P.Y. Rs.Nil) are secured against respective machinery. Lease rentals are payable on monthly basis for total tenure of 48 months
- d. Working capital demand loan from Punjab National Bank amounting to Rs 1,83,80,782 (P.Y. Rs.Nil) is secured against pari pasu first charge by hypothecation of stock of raw material, work in process and finished goods, stores & spares and receivables, both present & future, along with collateral security of various immovable properties of directors their personal guarantees. It carries interest rate of MCLR (1 Year) + 0.50 spread per annum. The laon is repayable in18 equated monthly installments amounting to Rs. 11,45,994 after the moratorium period of 6 months from disbursement.
- e. Working capital demand loan from Indian Bank amounting to Rs. 97,19,795 (P.Y. Rs.Nil) is secured by extension of charges on the primary and collateral security (present & future) and existing personal guarantes for Cash credit facilities) .They carry interest rate ranging between per annum.The laon is repayable in 30 equated monthly installments amounting to Rs. 3,44,828 after the holiday period of 6 months from disbursement.
- f. Intercompany Deposits amounting to Rs.7,90,00,000/- (P.Y. Rs.15,00,00,000/-) are unsecured and interest free. The same are repayable after 31st March, 2024.
- g. Loans from Directors and Relatives amounting to Rs.7,82,683 /- (P.Y. Rs. 7,82,683-) is unsecured and interest free. The same is repayable after 31st March, 2021.

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

#### Note 5 : Deferred tax assets / (liabilities)

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

| Particulars                                                                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Net Deferred Tax Asset/(Liabilities)</b>                                                                                    |                         |                         |
| (i) Excess of written down value of property plant & equipment's as per books of accounts the value considered for tax purpose | (17,51,746)             | (1,98,925)              |
| (ii) Provision for Employee benefits                                                                                           | 21,60,360               | 19,75,584               |
| <b>Net</b>                                                                                                                     | <b>4,08,614</b>         | <b>17,76,659</b>        |

#### Note 6 : Long-term provisions

| Particulars                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-----------------------------------------|-------------------------|-------------------------|
| <b>Provision for Employee Benefits:</b> |                         |                         |
| Gratuity Payable                        | 83,84,628               | 80,72,005               |
|                                         | <b>83,84,628</b>        | <b>80,72,005</b>        |

#### Note 7 : Short-term borrowings

| Particulars            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------|-------------------------|-------------------------|
| <b>Secured loans</b>   |                         |                         |
| <b>From banks</b>      |                         |                         |
| - Cash credit facility | 12,10,58,892            | 26,57,72,416            |
|                        | <b>12,10,58,892</b>     | <b>26,57,72,416</b>     |

#### Additional information pertaining to short term borrowings :

- a. Cash Credit facility from Punjab National Bank (earstwhile Oriental Bank of Commerce) amounting to Rs. 9,87,21,896 /- (P.Y. Rs.14,73,89,182/-) is secured against paripassu charges over Hypothecation of stock of raw material, work in progress, finished goods, stores & spares and receivables and collateral security of equitable mortgage of various immovable properties of directors, hypothecation of immovable assets and personal guarantee of directors. It carries interest rate of 2.50% over one year MCLR.
- b. Cash Credit facility from Indian Bank amounting to Rs. 2,23,36,996 /- (P.Y. Rs.11,83,83,234/-) is secured against paripassu charges over Hypothecation of stocks of raw materials, work in progress, finished goods, stores & spares and receivables and collateral security of equitable mortgage of various immovable properties of directors, hypothecation of immovable assets and personal guarantee of directors. It carries interest rate of 2.50% over one year MCLR.

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

#### Note 8 : Trade payables

| Particulars                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------------------|-------------------------|-------------------------|
| Trade payables                                 |                         |                         |
| Due to Micro, Small and Medium Enterprises *   | 6,73,155                | 14,64,826               |
| Other than Micro, Small and Medium Enterprises | 14,33,57,727            | 18,97,77,389            |
|                                                | <b>14,40,30,882</b>     | <b>19,12,42,215</b>     |

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

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

| Particulars                                                                                                                                                                                                                                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year;                                                                                                        | 6,73,155                | 14,22,551               |
| The amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the due date during each accounting year;                                                                           | -                       | -                       |
| The amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act, 2006 not paid);                                                                                                           | -                       | -                       |
| The amount of interest accrued and remaining unpaid at the end of accounting year; and                                                                                                                                                               | 40,400                  | 99,430                  |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23. | -                       | -                       |

#### Note 9 : Other current liabilities

| Particulars                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|--------------------------------------|-------------------------|-------------------------|
| Current maturities of long-term debt | 2,32,53,695             | 73,92,721               |
| Advance from customers               | 1,83,49,908             | 1,02,13,060             |
| Retention money payable              | 16,65,624               | 16,38,674               |
| Statutory dues payable               | 1,10,88,623             | 16,00,910               |
| Salary Payable                       | 8,49,979                | 17,08,149               |

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

#### Note 9 : Other current liabilities (Contd.)

| Particulars      | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------|-------------------------|-------------------------|
| Expenses payable | 62,95,793               | 78,37,482               |
| Other payables   | 40,400                  | 2,50,029                |
|                  | <b>6,15,44,022</b>      | <b>3,06,41,025</b>      |

#### Note 10 : Short-term provisions

| Particulars                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-----------------------------------------|-------------------------|-------------------------|
| <b>Provision for employee benefits:</b> |                         |                         |
| Gratuity payable                        | 1,99,782                | 2,03,307                |
|                                         | <b>1,99,782</b>         | <b>2,03,307</b>         |

# **INNOVATORS FAÇADE SYSTEMS LIMITED**

## **ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

### **Note 11 : Property Plant & Equipment**

(Amount in Rs.)

| Particulars          | Gross Block         |                           |                          | Accumulated Depreciation |                     |                                  |                                          | Net Block            |                      |
|----------------------|---------------------|---------------------------|--------------------------|--------------------------|---------------------|----------------------------------|------------------------------------------|----------------------|----------------------|
|                      | As at April 1, 2020 | Additions during the Year | Deletion during the Year | As at March 31, 2021     | As at April 1, 2020 | Depreciation charge for the year | Adjustments on Sale / Disposal of Assets | As at March 31, 2021 | As at March 31, 2020 |
| Tangible Assets      |                     |                           |                          |                          |                     |                                  |                                          |                      |                      |
| Freehold Land        | 1,03,66,660         | -                         | -                        | 1,03,66,660              | -                   | -                                | -                                        | 1,03,66,660          | 1,03,66,660          |
| Factory Building     | 24,60,28,572        | 75,94,788                 | -                        | 25,36,23,360             | 10,18,53,215        | 1,43,84,576                      | -                                        | 11,62,37,791         | 13,73,85,569         |
| Plant & Machinery    | 18,80,72,812        | 12,47,43,283              | 1,00,23,488              | 30,27,92,607             | 6,49,25,687         | 2,51,52,606                      | 11,46,738                                | 8,89,31,555          | 21,38,61,053         |
| Furniture & Fixtures | 30,61,883           | 1,71,753                  | -                        | 32,33,636                | 22,66,155           | 2,11,975                         | -                                        | 24,78,130            | 7,55,506             |
| Vehicles             | 2,36,74,027         | -                         | -                        | 2,36,74,027              | 1,89,05,703         | 14,08,572                        | -                                        | 2,03,14,275          | 33,59,752            |
| Office Equipment     | 1,25,39,870         | 8,97,426                  | -                        | 1,34,37,296              | 97,37,908           | 12,89,452                        | -                                        | 1,10,27,360          | 24,09,936            |
| Computers            | 1,51,47,002         | 3,48,174                  | -                        | 1,54,95,176              | 1,39,14,630         | 4,77,919                         | -                                        | 1,43,92,549          | 11,02,626            |
| Total                | 49,88,90,825        | 13,37,55,424              | 1,00,23,488              | 62,26,22,761             | 21,16,03,297        | 4,29,25,101                      | 11,46,738                                | 25,33,81,659         | 36,92,41,102         |
| Previous Year        | 41,61,76,680        | 8,29,09,145               | 1,95,000                 | 49,88,90,825             | 17,19,20,970        | 3,98,52,548                      | 1,70,221                                 | 21,16,03,297         | 28,72,87,528         |

## INNOVATORS FAÇADE SYSTEMS LIMITED

**ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in Rs.)

### Note 12 : Non-current investments

| Particulars                                                                                                                                    | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>(Unquoted, Trade Investments valued at Cost)</b>                                                                                            |                         |                         |
| <b>Investments in Debentures</b>                                                                                                               |                         |                         |
| Innovators Facade Solutions Private Limited<br>1,56,041 (P.Y. 1,56,041) 0% Compulsory Convertible<br>Debentures of face value Rs.1,000/- each. | 15,60,41,000            | 15,60,41,000            |
|                                                                                                                                                | <b>15,60,41,000</b>     | <b>15,60,41,000</b>     |

| Particulars                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-----------------------------------------|-------------------------|-------------------------|
| Aggregate value of unquoted investments | 15,60,41,000            | 15,60,41,000            |

### Note 13 : Long-term loans and advances

Unsecured, considered good

| Particulars                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|----------------------------------------------|-------------------------|-------------------------|
| <b>Loans and advances to related parties</b> |                         |                         |
| - Inter corporate deposits                   | 2,84,00,000             | 2,84,00,000             |
| Security deposits                            | 1,06,17,921             | 50,55,514               |
| Balances with statutory authorities          | 68,53,157               | 98,27,857               |
| Advance tax & TDS (net of provisions)        | 3,62,78,525             | 3,24,57,265             |
| Other Receivables                            | 74,50,000               | 74,50,000               |
|                                              | <b>8,95,99,603</b>      | <b>8,31,90,636</b>      |

Loans and advances to related parties represents:

| Particulars                                                   | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---------------------------------------------------------------|-------------------------|-------------------------|
| <b>Enterprises Having Same Key Management &amp; Personnel</b> |                         |                         |
| Innovators Facade Solutions (Mumbai) Private Limited          | 2,84,00,000             | 2,84,00,000             |
|                                                               | <b>2,84,00,000</b>      | <b>2,84,00,000</b>      |

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

#### Note 14 : Other non-current assets

Unsecured, considered good

| Particulars                                                                                                            | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Retention money receivable                                                                                             | 8,27,71,433             | 4,92,93,762             |
| Fixed deposits (maturity period of more than 12 months)<br>(Held as margin money with banks against credit facilities) | 1,02,98,274             | -                       |
|                                                                                                                        | <b>9,30,69,707</b>      | <b>4,92,93,762</b>      |

#### Note 15 : Inventories

| Particulars                                              | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|----------------------------------------------------------|-------------------------|-------------------------|
| <b>(Valued at lower of Cost or Net Realisable Value)</b> |                         |                         |
| Raw Materials and components                             | 18,95,35,313            | 20,79,99,054            |
| Work-in-progress *                                       | 7,08,55,923             | 18,17,06,746            |
|                                                          | <b>26,03,91,236</b>     | <b>38,97,05,800</b>     |

\* Work in Progress represents Material at site

#### Note 16 : Trade receivables

| Particulars                                                                        | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Outstanding for a period more than six months from the due date for payment</b> |                         |                         |
| Unsecured, considered good                                                         | 7,96,82,552             | 6,79,52,343             |
| Unsecured, considered doubtful                                                     | 93,58,766               | 94,58,766               |
| Less - Provision for doubtful debtors                                              | (93,58,766)             | (94,58,766)             |
|                                                                                    | <b>7,96,82,552</b>      | <b>6,79,52,343</b>      |
| Others debts                                                                       | 22,34,83,795            | 29,28,69,018            |
|                                                                                    | <b>30,31,66,347</b>     | <b>36,08,21,361</b>     |

#### Note 17 : Unbilled revenue

| Particulars       | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-------------------|-------------------------|-------------------------|
| Unbilled Revenue* | 12,87,99,152            | 17,95,71,971            |
|                   | <b>12,87,99,152</b>     | <b>17,95,71,971</b>     |

\*Unbilled Revenue is net of Mobilization Advances received amounting to Rs.3,72,18,663/- (P.Y. Rs.1,51,18,967 /-)

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

#### Note 18 : Cash and bank balances

| Particulars                                                                                                | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Cash &amp; cash equivalents</b>                                                                         |                         |                         |
| Balances with banks                                                                                        |                         |                         |
| - Current account                                                                                          | 71,65,423               | 92,56,488               |
| Cash on hand                                                                                               | 38,88,435               | 18,48,526               |
| <b>Other bank balances</b>                                                                                 |                         |                         |
| Fixed deposits (maturity of 3 to 12 months)<br>(held as margin money with banks against credit facilities) | 6,17,50,144             | 12,65,52,554            |
|                                                                                                            | <b>7,28,04,002</b>      | <b>13,76,57,568</b>     |

#### Note 19 : Short-term loans and advances

(Unsecured, Considered Good)

| Particulars                         | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-------------------------------------|-------------------------|-------------------------|
| Security deposit                    | 1,15,89,959             | 36,58,900               |
| Advance to suppliers                | 2,86,58,261             | 3,17,28,540             |
| Balances with statutory authorities | 56,36,180               | 3,15,72,786             |
| Advance to employees                | 30,35,429               | 51,63,269               |
| Prepaid expenses                    | 4,03,042                | 4,34,933                |
| Other receivables                   | 4,94,200                | 21,12,632               |
|                                     | <b>4,98,17,070</b>      | <b>7,46,71,060</b>      |

Advance to suppliers stated above include :

| Particulars                                                                                  | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|----------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>Amount paid to Company under significant influence of Director and/or their relatives</b> |                         |                         |
| Parth Facade Solutions Private Limited                                                       | -                       | 2,31,20,682             |

#### Note 20 : Other current assets

| Particulars                           | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---------------------------------------|-------------------------|-------------------------|
| <b>Retention money receivables</b>    |                         |                         |
| Unsecured, considered doubtful        | 39,47,708               | 39,47,708               |
| Less - Provision for doubtful debtors | (39,47,708)             | (39,47,708)             |



## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

#### Note 20 : Other current assets (Contd.)

| Particulars                | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|----------------------------|-------------------------|-------------------------|
| Unsecured, considered good | -                       | -                       |
|                            | 11,77,62,552            | 12,28,78,868            |
|                            | <b>11,77,62,552</b>     | <b>12,28,78,868</b>     |

#### Note 21 : Revenue from operations

| Particulars                                    | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|------------------------------------------------|------------------------------|------------------------------|
| <b>Operating revenue</b>                       |                              |                              |
| Sales from works contract and façade materials | 64,88,33,352                 | 1,40,05,91,377               |
| <b>Other operating revenue</b>                 |                              |                              |
| Sale of scrap                                  | 98,28,437                    | 1,24,60,894                  |
|                                                | <b>65,86,61,789</b>          | <b>1,41,30,52,271</b>        |

#### Note 22 : Other income

| Particulars                                | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|--------------------------------------------|------------------------------|------------------------------|
| <b>Interest Income</b>                     |                              |                              |
| - fixed deposits                           | 42,88,584                    | 60,27,325                    |
| - others                                   | 3,60,470                     | 7,15,460                     |
| VAT/sales tax refund                       | -                            | 7,19,061                     |
| Profit on sale of fixed asset              | 4,93,534                     | 95,221                       |
| Profit on sale of tools                    | -                            | 12,05,000                    |
| Balance written back                       | 8,20,383                     | 35,58,362                    |
| Gain on foreign exchange fluctuation (net) | 1,836                        | 2,38,614                     |
|                                            | <b>59,64,807</b>             | <b>1,25,59,043</b>           |

#### Note 23 : Cost of contracts

| Particulars                                                    | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|----------------------------------------------------------------|------------------------------|------------------------------|
| <b>Facade materials</b>                                        |                              |                              |
| Opening stock of materials                                     | 38,97,05,800                 | 44,98,22,916                 |
| Add: Purchases during the year                                 | 24,54,21,226                 | 65,60,63,498                 |
|                                                                | <b>63,51,27,025</b>          | <b>1,10,58,86,414</b>        |
| Less: Utilised for capital assets                              | 6,51,24,967                  | -                            |
| Less: Closing stock of materials (including materials at site) | 26,03,91,236                 | 38,97,05,800                 |

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

#### Note 23 : Cost of contracts (Contd.)

| Particulars                          | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|--------------------------------------|------------------------------|------------------------------|
|                                      | <b>30,96,10,822</b>          | <b>71,61,80,614</b>          |
| <b>Direct Expenses</b>               |                              |                              |
| Installation charges                 | 6,43,55,855                  | 10,30,58,302                 |
| Coating expenses                     | 1,86,40,484                  | 3,62,43,179                  |
| Transportation expenses              | 91,85,037                    | 2,50,40,717                  |
| Fabrication expenses                 | 1,27,96,728                  | 3,33,20,294                  |
| Other production and execution costs | 6,14,14,100                  | 14,24,22,054                 |
|                                      | <b>16,63,92,204</b>          | <b>34,00,84,545</b>          |
|                                      | <b>47,60,03,027</b>          | <b>1,05,62,65,159</b>        |

#### Note 24 : Purchase of stock in trade

| Particulars                  | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|------------------------------|------------------------------|------------------------------|
| Purchases (façade materials) | -                            | 81,51,424                    |
|                              | <b>-</b>                     | <b>81,51,424</b>             |

#### Note 25 : Employee benefit expense

| Particulars                        | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|------------------------------------|------------------------------|------------------------------|
| Directors remuneration             | 56,25,000                    | 75,00,000                    |
| Salaries and incentives            | 5,40,94,411                  | 11,91,25,225                 |
| Gratuity expenses                  | 10,98,905                    | 24,44,561                    |
| Contribution to PF and other funds | 13,43,041                    | 41,97,425                    |
| Staff welfare expenses             | 15,56,769                    | 47,85,286                    |
|                                    | <b>6,37,18,127</b>           | <b>13,80,52,497</b>          |

#### Note 26 : Finance cost

| Particulars          | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|----------------------|------------------------------|------------------------------|
| Interest expenses    |                              |                              |
| - Banks              | 2,49,11,811                  | 3,24,31,180                  |
| - Others             | 5,41,848                     | 1,77,075                     |
| Other borrowing cost | 1,16,61,819                  | 1,88,72,867                  |
|                      | <b>3,71,15,478</b>           | <b>5,14,81,122</b>           |

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

#### Note 27 : Other expenses

| Particulars                           | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|---------------------------------------|------------------------------|------------------------------|
| Rent expenses                         | 36,60,859                    | 47,17,768                    |
| Rates and taxes                       | 43,13,984                    | 11,80,415                    |
| Electricity charges                   | 4,24,979                     | 12,38,435                    |
| Communication expenses                | 8,12,137                     | 10,92,981                    |
| Insurance charges                     | 16,82,759                    | 12,04,962                    |
| Professional & consultancy charges    | 38,83,366                    | 1,02,25,920                  |
| Auditors remuneration                 | 5,25,250                     | 8,60,500                     |
| Security charges                      | 20,49,294                    | 25,02,059                    |
| Repairs & maintenance - Machinery     | 8,12,542                     | 18,25,009                    |
| Repairs & maintenance - Building      | 3,51,222                     | 20,39,323                    |
| Conveyance and travelling             | 75,66,554                    | 1,18,75,624                  |
| Vehicle maintenance and fuel expenses | 37,14,890                    | 59,10,904                    |
| CSR expenditure & donations           | 15,00,000                    | 10,19,501                    |
| Sales promotion expenses              | 3,06,487                     | 22,52,883                    |
| Miscellaneous expenses                | 34,76,465                    | 52,84,185                    |
|                                       | <b>3,50,80,788</b>           | <b>5,32,30,469</b>           |

#### Auditors Remuneration :

| Particulars          | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|----------------------|------------------------------|------------------------------|
| Statutory audit fees | 4,72,250                     | 6,54,750                     |
| Tax audit fees       | 50,000                       | 50,000                       |
| Other Services       | 3,000                        | 1,55,750                     |
|                      | <b>5,25,250</b>              | <b>8,60,500</b>              |

#### Note 28 : Exceptional items

| Particulars                                          | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|------------------------------------------------------|------------------------------|------------------------------|
| Sundry Debtors & Retention Write off and Provisions* | -                            | 16,07,12,760                 |
|                                                      | <b>-</b>                     | <b>16,07,12,760</b>          |

\* During the previous year, the management had reviewed old outstanding balances of trade receivables and retention money of certain parties in respect of completed projects, for which the Company had regular follow up for the recovery. Considering the COVID 19 Pandemic situation, future business prospects and various other commercial and non-commercial factors, these legitimate balances have been written off / provided for doubtful debts. The same has been shown as an exceptional item in the financial statements.

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

#### Note 29 : Earnings per equity share:

| Particulars                                       | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|---------------------------------------------------|------------------------------|------------------------------|
| <b>Basic Earnings per Share</b>                   |                              |                              |
| Profit/(Loss) attributable to Equity shareholders | 92,29,528                    | (8,00,65,320)                |
| Shares outstanding at the beginning of the year   | 1,88,67,808                  | 1,88,67,808                  |
| Shares outstanding at the end of the year         | 1,88,67,808                  | 1,88,67,808                  |
| Weighted average number of equity shares          | 1,88,67,808                  | 1,88,67,808                  |
| <b>Basic &amp; Dilutive Earnings Per Share</b>    | 0.49                         | (4.24)                       |
| <b>Face value per Share</b>                       | 10.00                        | 10.00                        |

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

#### Note 31 : Contingent Liabilities

| Particulars                           | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---------------------------------------|-------------------------|-------------------------|
| (i) Bank Guarantees                   | 29,60,25,849            | 28,43,75,169            |
| (ii) Disputed VAT Liabilities         | 7,22,01,124             | 7,22,01,124             |
| (iii) Disputed Income Tax Liabilities | 1,56,53,386             | 1,56,53,386             |
| <b>TOTAL</b>                          | <b>38,38,80,359</b>     | <b>37,22,29,679</b>     |

#### Note 32 : Corporate Social Responsibility

- a) CSR amount required to be spent as per section 135 of Companies Act, 2013 read with Schedule VII thereof by the Company during the year is Rs. 7,90,646 (Previous year Rs. 16,53,242/-).
- b) Expenses related to Corporate Social Responsibility is Rs. 15,00,000/- (Previous year Rs. 10,08,500/-)

**Details of amount spent during the financial year 2019-20 is as follow :**

| Particulars                                 | Balance CSR<br>as on 1st April<br>2020 | Expenditure<br>required for the<br>current year | Amount spend<br>during the year | Short / (Excess)<br>amount spent |
|---------------------------------------------|----------------------------------------|-------------------------------------------------|---------------------------------|----------------------------------|
| Construction /<br>acquisition of any assets | -                                      | -                                               | -                               | -                                |
| Other revenue expenses                      | 6,44,742                               | 7,90,646                                        | 15,00,000                       | (64,612)                         |
| <b>Total</b>                                | <b>6,44,742</b>                        | <b>7,90,646</b>                                 | <b>15,00,000</b>                | <b>(64,612)</b>                  |

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

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

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

| Particulars                           | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|---------------------------------------|-------------------------|-------------------------|
| (i) Bank Guarantees                   | 29,60,25,849            | 28,43,75,169            |
| (ii) Disputed VAT Liabilities         | 7,22,01,124             | 7,22,01,124             |
| (iii) Disputed Income Tax Liabilities | 1,56,53,386             | 1,56,53,386             |
| <b>TOTAL</b>                          | <b>38,38,80,359</b>     | <b>37,22,29,679</b>     |

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

Actuarial assumption:

| Services Rendered         | Year Ended<br>March 31, 2021             | Year Ended<br>March 31, 2020             |
|---------------------------|------------------------------------------|------------------------------------------|
| Salary Growth *           | 6%                                       | 6%                                       |
| Discount Rate             | 6.80%                                    | 6.85%                                    |
| Rate of Employee Turnover | 10% at younger ages<br>& 2% at older age | 10% at younger ages<br>& 2% at older age |

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

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

| Particulars                                                  | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|--------------------------------------------------------------|------------------------------|------------------------------|
| Present value of obligation as at the beginning of the year: | 82,75,312                    | 77,19,598                    |
| Interest cost                                                | 5,59,895                     | 6,01,357                     |
| Current service cost                                         | 12,61,925                    | 10,89,482                    |
| Benefits paid                                                | 7,89,807                     | 18,88,847                    |
| Actuarial (gain) / loss on obligation                        | (7,22,915)                   | 7,53,722                     |
| Closing Present value of obligation                          | 85,84,410                    | 82,75,312                    |

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

| Particulars                                    | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|------------------------------------------------|------------------------------|------------------------------|
| Actuarial (gain)/ loss for the year obligation | (7,22,915)                   | 7,53,722                     |

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

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

| Particulars                                                        | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|--------------------------------------------------------------------|------------------------------|------------------------------|
| Present value of obligation as at the end of the year              | 85,84,410                    | 82,75,312                    |
| Funded value of assets (unfunded)                                  | -                            | -                            |
| Net assets / (liability) recognised in balance sheet - Non-Current | 83,84,628                    | 80,72,005                    |
| Net assets / (liability) recognised in balance sheet - Current     | 1,99,782                     | 2,03,307                     |

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

| Particulars                                             | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|---------------------------------------------------------|------------------------------|------------------------------|
| Current service cost                                    | 12,61,925                    | 10,89,482                    |
| Past service cost                                       | -                            | -                            |
| Interest cost                                           | 5,59,895                     | 6,01,357                     |
| Expected return on plan assets                          | -                            | -                            |
| Net actuarial (gain) / loss recognized in the year      | (7,22,915)                   | 7,53,722                     |
| Expenses recognised in the statement of profit and loss | 10,98,905                    | 24,44,561                    |

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

| Particulars                                         | Gratuity                        |                                 |                                 |                                 |                                 |
|-----------------------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
|                                                     | Year Ended<br>March 31,<br>2021 | Year Ended<br>March 31,<br>2020 | Year Ended<br>March 31,<br>2019 | Year Ended<br>March 31,<br>2018 | Year Ended<br>March 31,<br>2017 |
| Defined benefit obligation                          | 85,84,410                       | 82,75,312                       | 77,19,598                       | 66,76,081                       | 59,78,905                       |
| Plan assets                                         | -                               | -                               | -                               | -                               | -                               |
| Surplus/(deficit)                                   | (85,84,410)                     | (82,75,312)                     | (77,19,598)                     | (66,76,081)                     | (59,78,905)                     |
| Actuarial gain/(loss) on Defined benefit obligation | (7,22,915)                      | 7,53,722                        | (3,79,976)                      | (3,27,783)                      | 1,27,637                        |
| Actuarial gain/(loss) on plan assets                | -                               | -                               | -                               | -                               | -                               |

#### Note 35 : Segment Reporting

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

## INNOVATORS FAÇADE SYSTEMS LIMITED

**ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in Rs.)

### Note 36 : Related Party disclosures

#### A. List of related parties

##### (i) Key Management Personnel:

| Name                  | Designation                                          |
|-----------------------|------------------------------------------------------|
| Mr. Radheshyam Sharma | Managing Director                                    |
| Mrs. Anjana Sharma    | Whole Time Director                                  |
| Mr. Shivchand Sharma  | Director                                             |
| Mr. Raman Sharma      | Chief Executive Officer                              |
| Mrs. Priti Sharma     | Chief Financial Officer                              |
| Mr. Nitin Kore        | Company Secretary (Upto 19-Oct-2019)                 |
| Ms. Rekha Rane        | Company Secretary (from 18-Nov-2019 to 27-Nov- 2019) |
| Mr. Farhan Shaikh     | Company Secretary (Upto 17-April-2021)               |

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

| Name                |
|---------------------|
| Mrs. Dropadi Sharma |
| Mr. Narendra Sharma |
| Mr. Rohit Sharma    |
| Miss. Vedika Sharma |

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

| Name of the Party                                                                              |
|------------------------------------------------------------------------------------------------|
| Innovators Cleantech Private Limited (formerly known as Innovators Façade Solutions Pvt. Ltd.) |
| Innovators Facade Solutions (Mumbai) Private Limited                                           |
| Jolly Multitrade Private Limited                                                               |
| Parth Façade Solutions Private Limited                                                         |

#### B. Transactions with Related Parties :

| Nature of Transaction  | Name of Party                   | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|------------------------|---------------------------------|------------------------------|------------------------------|
| Directors Remuneration | Mr. Radheshyam Shivchand Sharma | 40,50,000                    | 54,00,000                    |
|                        | Mrs. Anjana Radheshyam Sharma   | 15,75,000                    | 21,00,000                    |
| Salaries               | Mr. Narendra Sharma             | -                            | -                            |

## INNOVATORS FAÇADE SYSTEMS LIMITED

**ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

(Amount in Rs.)

| Nature of Transaction                          | Name of Party                                        | Year Ended<br>March 31, 2021 | Year Ended<br>March 31, 2020 |
|------------------------------------------------|------------------------------------------------------|------------------------------|------------------------------|
|                                                | Mr. Raman Sharma                                     | 20,70,000                    | 27,60,000                    |
|                                                | Mr. Rohit Sharma                                     | 19,95,000                    | 15,33,000                    |
|                                                | Miss Vedika Sharma                                   | 4,95,000                     | 2,40,000                     |
|                                                | Mrs. Priti Sharma                                    | 14,85,000                    | 19,80,000                    |
|                                                | Mr. Nitin Kore                                       | -                            | 2,55,224                     |
|                                                | Ms. Rekha Rane                                       | -                            | 8,634                        |
|                                                | Mr. Farhan Shaikh                                    | 5,52,200                     | -                            |
| Office Rent                                    | Mr. Narendra Sharma                                  | 5,04,000                     | 5,04,000                     |
|                                                | Mr. Raman Sharma                                     | 2,52,000                     | 2,52,000                     |
|                                                | Mr. Shivchand Sharma                                 | 2,52,000                     | 2,52,000                     |
|                                                | Mrs. Dropadi Sharma                                  | 3,36,000                     | 3,36,000                     |
|                                                | Mr. Rohit Sharma                                     | 3,36,000                     | 3,36,000                     |
|                                                | Mrs. Priti Sharma                                    | 1,68,000                     | 1,68,000                     |
| Sales from works contract and façade materials | Innovators Cleantech Private Limited                 | 3,33,20,522                  | 9,91,64,694                  |
| Contracts Execution Expenses & Labour Charges  | Parth Façade Solutions Private Limited *             | 8,02,49,414                  | 14,41,34,978                 |
|                                                | Innovators Cleantech Private Limited                 | 4,72,08,412                  | 6,18,36,512                  |
| Unsecured Loan Taken                           | Innovators Facade Solutions (Mumbai) Private Limited | 5,02,00,000                  | 2,76,11,188                  |
| Unsecured Loan Repaid                          | Innovators Facade Solutions (Mumbai) Private Limited | 12,12,00,000                 | 3,00,00,000                  |

\*includes capitalisation of Rs. 2,50,03,240 in fixed assets.

### C. Balance Outstanding of Related Parties :

| Name of Party                                             | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|-----------------------------------------------------------|-------------------------|-------------------------|
| <b>Unsecured Loan Payable</b>                             |                         |                         |
| Narendra Sharma                                           | 5,82,863                | 5,82,863                |
| Anjana Sharma                                             | 2,00,000                | 2,00,000                |
| Innovators Facade Solutions (Mumbai) Private Limited      | 7,90,00,000             | 15,00,00,000            |
| <b>Unsecured Loan Receivable</b>                          |                         |                         |
| Innovators Façade Solutions (Mumbai) Pvt. Ltd.            | 2,84,00,000             | 2,84,00,000             |
| <b>Investment in 0% Compulsory Convertible Debentures</b> |                         |                         |
| Innovators Cleantech Private Limited                      | 15,60,41,000            | 15,60,41,000            |



## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

| Name of Party                          | As at<br>March 31, 2021 | As at<br>March 31, 2020 |
|----------------------------------------|-------------------------|-------------------------|
| <b>Trade Payable</b>                   |                         |                         |
| Innovators Cleantech Private Limited   | 1,61,91,471             | -                       |
| Parth Façade Solutions Private Limited | 88,65,972               | -                       |
| <b>Advance to Suppliers</b>            |                         |                         |
| Parth Façade Solutions Private Limited | -                       | 2,31,20,682             |
| <b>Trade Receivables</b>               |                         |                         |
| Innovators Cleantech Private Limited   | -                       | 95,67,499               |
| <b>Other Payables / (Receivables)</b>  |                         |                         |
| Mr. Radheshyam S Sharma                | (3,40,571)              | 1,33,656                |
| Mrs. Anjana Sharma                     | 79,570                  | 1,32,063                |
| Mr. Raman Sharma                       | (54,638)                | 2,03,706                |
| Mrs. Priti Sharma                      | 49,377                  | 1,93,117                |
| Mr. Rohit Sharma                       | (1,12,949)              | 1,50,984                |
| Miss. Vedika Sharma                    | (1,09,423)              | -                       |

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

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

| Particulars                | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
|----------------------------|------------------------------|------------------------------|
| Raw Materials & Components | 2,74,104                     | 1,19,731                     |
| Plant and Machinery        | -                            | 91,69,950                    |
| <b>Total</b>               | <b>2,74,104</b>              | <b>92,89,681</b>             |

(b) Expenditure in foreign currency - Rs. Nil (PY Rs. Nil)

(c) Consumption of raw materials:

| Particulars  | Year Ended March 31, 2020 |             | Year Ended March 31, 2019 |                |
|--------------|---------------------------|-------------|---------------------------|----------------|
|              | Amount                    | Percentage  | Amount                    | Percentage     |
| Imported     | 2,74,104                  | 0.09%       | 1,19,731                  | 0.02%          |
| Indigenous   | 30,93,36,718              | 99.91%      | 71,60,60,883              | 99.98%         |
| <b>Total</b> | <b>30,96,10,822</b>       | <b>100%</b> | <b>71,61,80,614</b>       | <b>100.00%</b> |

#### Note 38 : Accounting Standard - 7

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

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

| Particulars                                                           | Year Ended<br>March 31, 2020 | Year Ended<br>March 31, 2019 |
|-----------------------------------------------------------------------|------------------------------|------------------------------|
| Progress Billing                                                      | 3,81,56,16,054               | 3,29,66,92,196               |
| Aggregate amount of contract cost incurred                            | 2,74,40,25,471               | 2,36,29,21,063               |
| Recognised Profits less recognised losses                             | 1,23,76,08,398               | 1,12,84,62,071               |
| The amount of retentions due from customers for contracts in progress | 18,20,05,847                 | 10,97,16,610                 |

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

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

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

| Name of Subsidiary                                                                                                      | Date of becoming subsidiary | Country of Incorporation | % of Voting held on 31st March 2020 | % of Voting held on 31st March 2019 |
|-------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------------|-------------------------------------|-------------------------------------|
| Innovators Engineering Works Private Limited (Formerly known as "Kapindra Multitrade Private Limited") and its nominees | 22nd June, 2010             | India                    | 100%                                | 100%                                |

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

## INNOVATORS FAÇADE SYSTEMS LIMITED

### ACCOMPANYING NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

(Amount in Rs.)

| Name of the Enterprise                                                                                 | Net Assets<br>i.e. total assets minus total liabilities |                       | Share in Profit & Loss                   |                    |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------|-----------------------|------------------------------------------|--------------------|
|                                                                                                        | As % of<br>Consolidated Net<br>Assets                   | Amount (Rs.)          | As % of<br>Consolidated<br>Profit & Loss | Amount (Rs.)       |
| <b>Parent</b>                                                                                          |                                                         |                       |                                          |                    |
| Innovators Façade Systems Private Limited                                                              | 84.34%                                                  | 1,01,46,67,679        | 85.19%                                   | 78,62,964          |
| <b>Previous Year</b>                                                                                   | <b>85.47%</b>                                           | <b>1,08,88,11,581</b> | <b>101.24%</b>                           | <b>4,70,88,743</b> |
| <b>Subsidiary</b>                                                                                      |                                                         |                       |                                          |                    |
| Innovators Engineering Works Private Limited (Formerly known as "Kapindra Multitrade Private Limited") | 15.66%                                                  | 18,83,36,285          | 14.81%                                   | 13,66,565          |
| <b>Previous Year</b>                                                                                   | <b>14.53%</b>                                           | <b>18,50,28,174</b>   | <b>-1.24%</b>                            | <b>(5,77,383)</b>  |
| Minority Interest in Subsidiary                                                                        | 0.000%                                                  | -                     | 0.0000%                                  | -                  |
| Previous Year                                                                                          | 0.000%                                                  | -                     | 0.0000%                                  | -                  |
| <b>TOTAL</b>                                                                                           | <b>100%</b>                                             | <b>1,20,30,03,963</b> | <b>100%</b>                              | <b>92,29,528</b>   |

**Note 41 :** The company was converted into a Limited Company from Private Limited Company with effect from 15th February, 2018 and fresh incorporation certificate had been received from Registrar of Companies, Mumbai.

**Note 42:** The outbreak of Corona virus (COVID-19) pandemic globally and in India is causing significant disturbance. The Company has taken into account the possible impact of Covid-19 in preparation of the financial statements, including its assessment of recoverable value of its assets based on internal and external information upto the date of approval of these financial statements and current indicators of future economic conditions.

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

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

**Suresh Murarka**  
Partner  
Membership No. **044739**

Place : Mumbai  
Date : 30th June 2021

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

**Radheshyam Sharma**      **Anjana Sharma**  
Director                      Director  
**DIN: 00340865**              **DIN: 00360233**

**Priti Sharma**                      **Raman Sharma**                      **Radhika Tibrewal**  
Chief Financial Officer      Chief Executive Officer      Company Secretary  
Mem No. **A48119**

Place : Thane  
Date : 30th June 2021



# INNOVATORS

FACADE AND FENESTRATION

**CIN:** L45200MH1999PLC120229

**Registered Office :** 204, B-65, Sector No.1, Shanti Nagar,  
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